



Repurchase of 11.97% of the 2011 OCEANES

Paris, September 2, 2009 - Concurrently with the offering of bonds convertible into and/or exchangeable for new or existing shares of Alcatel-Lucent (the "Bonds") on September 2, 2009, Alcatel-Lucent (Euronext Paris and NYSE: ALU) announced its intention to repurchase 2011 OCEANES, up to a maximum amount of €204.5 millions, being 20 % of 2011 OCEANES initially issued and currently outstanding, depending on indications of interest in selling received as part of a reverse bookbuilding process exclusively for persons or entities outside the United States of America. The bookbuilding for the Bonds and the reverse bookbuilding for the repurchase of the 2011 OCEANES are independent from one another. Allotments of Bonds are not subject to the indications of interest from holders of the 2011 OCEANES in selling such OCEANES.

At the end of this process, Alcatel-Lucent will repurchase, in off-market transactions, exclusively from persons or entities outside the United States of America, 7,565,882 2011 OCEANES for a total amount of €126,350,229.40, being 11.97% of 2011 OCEANES initially issued and currently outstanding, at the price determined at the end of this process, i.e., €16.70 per 2011 OCEANE including accrued interest. This repurchase will occur after the close of Euronext Paris, on September 11, 2009 (being the trading day following the settlement and delivery date of the Bonds which will occur on September 10, 2009 according to the indicative timetable) and subject to the condition precedent of such settlement and delivery.

In the event that the Bonds are not issued, Alcatel-Lucent would not repurchase the 2011 OCEANES. The Bonds would not be issued in the event of the termination of or default relating to the underwriting agreement entered into in connection with the offering of the Bonds.

The repurchased 2011 OCEANES will be cancelled as provided in their issue contract and pursuant to law.

This press release does not constitute an offering, and the offering of the Bonds is not a public offering in any jurisdiction except in France, subject to the following:

In France:

- the Bonds were initially offered only in a private placement in accordance with article L. 411-2-II of the French Monetary and Financial Code;
- Following such placement and the fixing of the final terms of the offering, a visa will be requested from the French *Autorité des marchés financiers* (the "AMF") on the offering circular (prospectus). Upon receipt of such visa, the Bonds will be offered to the public in France during the following three trading days.

DISCLAIMER

This press release must not be published, released or distributed, directly or indirectly, in Canada, Japan or Australia.

This press release and the information contained herein do not constitute an offer to sell or subscribe, nor the solicitation of an order to purchase or subscribe, securities in the United States or in any other country. In particular, securities may not be offered or sold in France absent a prospectus approved by the AMF. The release, publication or distribution of this press release in certain jurisdictions may be restricted by laws or regulations. Therefore, persons in such jurisdictions into which this press release is released, published or distributed must inform themselves about and comply with such laws or regulations.

The offer and sale of the Bonds in France were first carried out in a private placement in accordance with article L.411-2-II of the French Monetary and Financial Code. The offer will be made to the public in France only after the granting of the “visa” by the AMF on the prospectus.

With respect to the member States of the European Economic Area, other than France, which have implemented the Directive EC/2003/71 called the “Prospectus Directive” (each, a “relevant member State”), no action has been undertaken or will be undertaken to make an offer to the public of the Bonds requiring a publication of a prospectus in any relevant member State. As a result, the Bonds may only be offered in relevant member States:

- (I) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to place securities;
- (II) to any legal entity which has two or more of the following criteria: (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than € 43 million; and (3) an annual net turnover of more than € 50 million, as per its last annual or consolidated accounts;
- (III) in any other circumstances, not requiring the issuer to publish a prospectus as provided under article 3(2) of the prospectus directive.

The securities referred to in this press release have not been and will not be registered under the U.S. Securities Act of 1933, as amended (“US Securities Act”), and may not be offered or sold in the United States absent registration or an exemption from registration under the US Securities Act. Alcatel-Lucent does not intend to register any portion of the planned offering in the United States or to conduct a public offering of securities in the United States.

This press release is not an invitation nor an inducement to engage in investment activity for the purpose of Section 21 of the Financial Services and Markets Act 2000, as amended (“FSMA”). This press release is directed only at (i) persons outside the United Kingdom; or (ii) persons in the United Kingdom that are “qualified investors” within the meaning of Section 86(7) of FSMA that are also (a) persons authorised under FSMA or otherwise having professional experience in matters relating to investments and qualifying as investment professionals under article 19 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Financial Promotion Order”); or (b) high net worth

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About Alcatel-Lucent

Alcatel-Lucent (Euronext Paris and NYSE: ALU) is the trusted partner of service providers, enterprises and governments worldwide, providing solutions to deliver voice, data and video communication services to end-users. A leader in fixed, mobile and converged broadband networking, IP technologies, applications and services, Alcatel-Lucent leverages the unrivalled technical and scientific expertise of Bell Labs, one of the largest innovation powerhouses in the communications industry. With operations in more than 130 countries and the most experienced global services organization in the industry, Alcatel-Lucent is a local partner with a global reach. Alcatel-Lucent achieved revenues of Euro 16.98 billion in 2008 and is incorporated in France, with executive offices located in Paris. For more information, visit Alcatel-Lucent on the Internet: <http://www.alcatel-lucent.com>

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