

Press release

Alcatel-Lucent Bell Labs and Korea's Gachon Energy Research Institute collaborate in next generation power grid research

Research program to accelerate evolution to more eco-sustainable power grid systems

Paris, October 13, 2009 - Alcatel-Lucent (Euronext Paris and NYSE: ALU)today announced that its research arm, Bell Labs, and the Gachon Energy Research Institute (GERI) of Korea's Kyungwon University have entered into a joint research agreement to design mission-critical communication infrastructure, comprehensive security systems, and develop innovative businesses models for the next-generation smart power grid (Smart Grid).

The intent of the joint research program, to be called Grid 2.0, is to fundamentally enhance the efficiency, reliability, security, and intelligence of electric power grids by exploiting the convergence between electric power systems and information and communications technologies.

This program will define the base communications technologies for the intelligent management and control mechanisms of Smart Grid systems; develop methods to ensure secure and reliable flow of information among Smart Grid elements; create a viable mathematical and computational modeling platform for the study and analysis of the Smart Grid economic ecosystem.

The Grid 2.0 project takes advantage of Bell Labs' research portfolios in networking technology and security, GERI's expertise in power grid systems and applications design, and methods and tools drawn from computational economics and mathematics research.

"Alcatel-Lucent Bell Labs is world-renowned for its expertise and preeminent research in communications technology, security, mathematics and operations research -all the elements necessary to make a significant impact in the development of the Smart Grid," said Dr. Randy Giles, Director, Optical Subsystems and Advanced Photonics Bell Labs. "Our agreement with GERI underscores our commitment to open innovation and our focus on smart power grids reflects our commitment to fostering environmental sustainability through communications technology."

"We entered into this collaborative project because we recognized that the complementary strengths of Bell Labs and GERI fit perfectly with the requirements of the envisioned Smart Grid and beyond," explained Professor Junhee Hong, president of GERI. "We anticipate that the results from this project will have widespread applicability and are confident that this collaboration will accelerate the innovations in Smart Grids and their adoption."

This research program extends Alcatel-Lucent's efforts in developing and delivering communications network infrastructure for the energy and utility industries. Alcatel-Lucent has already supported a number of power utilities around the world, including utility companies in Australia, New Zealand, France and the US in implementing advanced communications technologies to increase operational efficiency and performance.

Related materials and announcements:

Alcatel-Lucent Smart Grid Communications Solutions

Alcatel-Lucent Smart Metering for Energy Utilities

<u>Alcatel-Lucent and partners deliver Germany's first smart metering managed service package to</u> <u>Stadtwerke Pasewalk</u>

<u>Alcatel-Lucent and KELAG test an end-to-end smart metering solution for efficient energy measurement in</u> Austria

<u>Transpower selects Alcatel-Lucent to transform communications network for New Zealand's national</u> electricity grid

Enrich Communications: Energy Transformation Technologies

About GERI

GERI was founded in 2005 as a Research and Development Center for next generation Smart Grid technologies. The institution is organized with professors of Kyungwon University and local and global energy experts under an R&D consortium that is in result of introducing a differentiated in R&D power. GERI is a leading R&D center in Smart Grid area where is served from basic science research to its commercialization.

About Alcatel-Lucent

Alcatel-Lucent (Euronext Paris and NYSE: ALU) is the trusted partner of service providers, enterprises and governments worldwide, providing solutions that to deliver voice, data and video communication services to endusers. 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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