

Press release

Alcatel-Lucent and LG Electronics complete a live handoff of an end-to-end data call between Long Term Evolution (LTE) and CDMA networks

Consumer Electronics Show, Las Vegas, January 7, 2010 – Alcatel-Lucent (Euronext Paris and NYSE: ALU) and LG Electronics (LGE) today announced that the two companies have completed a successful handoff of an end-to-end data call between Long Term Evolution (LTE) and CDMA mobile networks, compliant with the standards established by the Third Generation Partnership Project (3GPP), which defines requirements for mobile broadband networks. The live, over-the-air handover involved an uninterrupted streaming video session conducted during test drives in the New York metropolitan area over Alcatel-Lucent's end-to-end commercial LTE and CDMA/EV-DO infrastructure using an LG Electronics CDMA/LTE dual mode device.

Alcatel-Lucent is an early leader in the commercial introduction of LTE technology and is the world's top supplier of CDMA/EV-DO mobile network infrastructure. LG Electronics (LG), a global leader and technology innovator in mobile communications, unveiled the world's first modem chipset for 4G LTE devices in December 2008. The technology behind LG's M13 CDMA/LTE terminal employed in the test with Alcatel-Lucent is key to enabling LTE networks to operate transparently with existing CDMA networks.

"This is a key milestone that demonstrates Alcatel-Lucent's readiness to deliver LTE to CDMA operators," said Ken Wirth, president, 4G/LTE Networks, Alcatel-Lucent. "Existing networks were designed primarily with voice in mind and the current explosion in data traffic is creating a challenge for service providers. With LTE, operators have opportunity to deploy a system designed specifically to support data. Alcatel-Lucent is helping operators introduce LTE capabilities into the CDMA environment in a way that is transparent to subscribers."

These successful tests are part of Alcatel-Lucent's ongoing effort to ensure that the LTE networks of service providers such as Verizon Wireless interact smoothly and seamlessly with existing 2G and 3G CDMA networks in order for the user to experience uninterrupted service. Seamless active handover is critical function of a wireless network as it allows online activities such as video downloads, web surfing and VoIP calls to be maintained as a mobile data user moves between LTE and CDMA coverage zones. Alcatel-Lucent is one of the key vendors of CDMA and LTE infrastructure for Verizon Wireless, which was the first to announce LTE deployment in the United States and plans to launch its 4G LTE network in 25 to 30 markets in 2010.

For the tests, Alcatel-Lucent employed its end-to-end LTE solution, which is comprised of base stations (eNodeBs), Evolved Packet Core (EPC), IP Multimedia Subsystem (IMS), IP backhaul solutions and associated management systems. The tests also demonstrated a feature on CDMA/EV-DO networks called Evolved High Rate Packet Data (eHRPD), which serves as an interface to manage the seamless handover of data services between the two network types. In 2009, Alcatel-Lucent's eHRPD offering received the CDMA Development Group (CDG) Network Technology Innovation award for its leadership role in the development of the eHRPD standard and its successful introduction into service provider networks.

This test initiative also leveraged professional services expertise including project management and planning, as well as installation, commissioning, integration and test plan execution services. LG's M13 CDMA/LTE device incorporated for testing was created with commercial grade components and will form the basis for a consumer device which is expected to be available in 2010. The M13 also achieved recognition from the Federal Communications Commission (FCC) and fully supports both CDMA EV-DO and LTE.

"LG is committed to advancing the commercialization of 4G and was excited to be involved in the successful interoperability test between CDMA and LTE," said In-kyung Kim, vice president of 4G development at LG Electronics Mobile Communications Company R&D Center. "LG's M13 terminal will be a key device to enable CDMA network operators to deploy a LTE network incrementally over a national CDMA network."

About Alcatel-Lucent's End-to-End LTE Solution

Alcatel-Lucent is an emerging leader in LTE and is actively engaged in the majority of LTE projects being pursued by tier 1 operators worldwide, including ongoing trials with 19 customers to date. To help operators realize their potential, Alcatel-Lucent is offering a unique end-to-end LTE pre-integrated network solution and a full set of associated professional services. The company also is the founder of <u>The ng Connect Program</u>, a global organization focused on the development of an open LTE ecosystem of device manufacturers, content providers and application partners. For more information about Alcatel-Lucent's end-to-end LTE solution, please visit: <u>http://www.alcatel-lucent.com/lte</u>.

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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