

Breakthrough optical backbone switch brings new intelligence to the network to slash IP transport costs, simplify network operations and increase profitability

Alcatel-Lucent 1870 Transport Tera Switch features unique innovations such as industry-first chip that sets new benchmark for capacity, intelligence and power efficiency

Paris, January 21, 2010 – Alcatel-Lucent today made it easier and cheaper for service providers to manage the dramatic growth of IP traffic in backbone networks with the introduction of the Alcatel-Lucent 1870 Transport Tera Switch (TTS). This innovative optical core switching platform, an implementation of the next-generation Optical Transport Network (OTN) standard, gives operators the flexibility to transport IP traffic, including video, at the most cost-effective layer of the network while increasing profitability by freeing up bandwidth for higher value services. It also features unique innovations that simplify network operations and increase scalability and power efficiency to the highest levels in the industry.

The Alcatel-Lucent 1870 TTS is in trials with customers and has already been selected by leading service providers. It is a key element of the company's recently introduced Converged Backbone Transformation (CBT) solution for next generation IP optical core networks, part of the High Leverage Network™ architecture - a fully converged, scalable, next generation, all-IP multiservice infrastructure that enables operators to deliver traffic more reliably, efficiently and at the lowest cost, while also leveraging the network to generate revenue from sophisticated managed services and applications.

“Continuously increasing core router capacity is expensive and time consuming. A cost efficient, next-generation OTN infrastructure is required to selectively identify and handle traffic flows to minimize transit through the core router network and eliminate unnecessary consumption of network resources,” said Andrew Schmitt, Directing Analyst, Optical, Infonetics. “Incorporating all these capabilities in a single platform, the Alcatel-Lucent 1870 Transport Tera Switch sets a significant new milestone in the capacity, size and universal switching ability in optical switch products. It is ideally suited to address the huge increases we're seeing in IP traffic and will address those requirements for years to come, helping service providers in their network convergence and transformation planning.”

Leveraging the latest silicon innovations, the Alcatel-Lucent 1870 TTS builds on a unique set of features including an industry-first, proprietary chip which allows universal switching - at one terabit per second (TBits/s) -- of any traffic mix on a single chip. The product scales as high as four Tbit/s in its first release and is “hardware ready” to support 8 Tbit/s.

“Network costs are growing proportionally with traffic, but revenue and profit are not. To address this disconnect, operators need to ensure that their IP core can manage ever increasing volumes of traffic at the lowest possible cost,” said Romano Valussi, President of Alcatel-Lucent's Optics activities. “At the same time, they need to extract more value from their core network. The new Transport Tera Switch is the most intelligent optical platform on the market today which can create a host of opportunities to deliver new services, while driving down transport costs.”

“The 1870 TTS is also a critical component of Alcatel-Lucent's Converged Backbone Transformation solution which leverages our optical and IP expertise to help service providers

use their network resources as efficiently as possible, freeing bandwidth for higher-value services and reducing their carbon footprint,” Valussi added.

The Alcatel-Lucent 1870 TTS supports multiple transport networking options, including Carrier Ethernet and SONET/SDH, and offers Generalized Multiprotocol Label Switching/Automatically Switched Optical Network (GMPLS/ASON) control plane intelligence for added-value applications such as advanced restoration, resource virtualization and cross-layer automation. Providing seamless integration into existing assets, this enables highly resilient transport and dynamic bandwidth provisioning across multiple transport networking layers for the highest network efficiency.

Additionally, the 1870 TTS provides multiple bandwidth management options, giving service providers the flexibility to move transit traffic across lower cost optical infrastructure as appropriate according to service mix and IP traffic destination. The product features an innovative technology, a variable rate “virtual container” called optical data unit flex (ODUFlex), which allows universal traffic grooming between optical transport equipment and IP routers in a manner that efficiently addresses incremental bandwidth growth, in steps as granular as 1Gbit/s. Together, these capabilities result in higher network monetization, greater resiliency and lower complexity, culminating in CapEx cost savings in addition to savings in power, space and network operations.

The worldwide leader in the cross-connect segment (Source: Ovum), Alcatel-Lucent has pioneered and is taking a new step in GMPLS/ASON-based backbone networks with the 1870 TTS. For more information and to download a copy of our white papers “Overcoming the cost-capacity crunch,” and “Intelligent Optical Transport,” please visit: <http://www.alcatel-lucent.com/features/1870tts>

Press Conference details

The web press conference will take place **January 21, 2010 at 7AM PST/ 10AM EST / 4PM CET** and will be hosted by Alberto Valsecchi, VP Marketing, Optics and Sergio Fasce, VP Cross-Connects, Optics.

To access the session please use the following information:

Dial- in numbers:

N. America toll free: **866.713.8566**

International toll: **617.597.5325**

Participant passcode: **60159540**

WEBCAST URL:

<http://phx.corporate-ir.net/phoenix.zhtml?p=irol-eventDetails&c=94709&eventID=2599914>

Participants will have the opportunity to ask questions at the end of the presentation.

Advanced questions or follow-up questions can be sent to sarah.miller@alcatel-lucent.com or kurt.steinert@alcatel-lucent.com - referencing the web press conference.

Additional international numbers:

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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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