Press release

Alcatel-Lucent introduces new converged radio technology that lets mobile service providers smoothly support any mix of 2G, 3G and 4G/LTE on the same network

Multi-technology radio module can be introduced in more than 700,000 Alcatel-Lucent based stations already installed worldwide, enabling a gradual shift from GSM to W-CDMA and LTE

Paris, February 4, 2010 – Alcatel-Lucent (Euronext Paris and NYSE: ALU) today announced the introduction of a new radio module, based on software defined radio (SDR) technology, that gives mobile service providers the flexibility to support any mix of 2G GSM, 3G W-CDMA/HSPA+ and long term evolution (LTE) services simultaneously. In addition to supporting new deployments today, this capability can be introduced in more than 700,000 Alcatel-Lucent base stations already deployed by service providers worldwide, offering a seamless, cost-effective way for operators to introduce the latest generation of technologies – at their own pace – while continuing to support their existing customers.

The new converged radio module, called the MC-TRX, is a key building block of Alcatel-Lucent's Converged RAN (radio access network) portfolio, which is geared toward increasing the capacity and the coverage of all networks while minimizing the overall total cost of ownership (TCO) for operators. This product is available for operators worldwide and has already been selected by tier 1 mobile service providers.

"With multiple spectrum options and technology options before them, operators need to make CapEx containment a priority as they plan their network launches," said Peter Jarich, Service Director with Current Analysis. "To that end, network infrastructure that supports spectrum and technology evolutions along with the carrier capacity to execute on these evolutions is a must."

With the explosion of mobile data traffic that is underway today, service providers face a variety of technical and operational challenges as they seek to increase their wireless network capacity and transform their networks toward end-to-end IP. This new converged radio module elegantly addresses these needs by giving mobile service providers the ability to "re-farm" their 900 or 1800 MHz spectrum -- currently used to provide 2G GSM services -- by introducing more advanced W-CDMA/HSPA+ or LTE services through simple software activation. This process can be managed dynamically -- if the majority of wireless subscribers on the network are using GSM, the module will be configured in GSM mode. As more subscribers move toward W-CDMA or LTE the module can shift the relative mix of technology to allocate more power and carriers to W-CDMA or LTE.

"Clearly, the success wireless network operators have had with data services is creating a requirement that they continually increase user throughput, and our latest innovations are helping them do exactly that," said Wim Sweldens, president of Alcatel-Lucent's Wireless Networks Product activities. "The new converged radio module lets customers evolve networks at their own pace while optimizing use of available spectrum – by introducing more efficient technologies -- minimizing the total cost of ownership. Just as importantly, it enables operators to prepare for the kind of bandwidth demands generated by the growth of multimedia services, supported on a variety of all-IP networks."

This ultra-compact, easy-to-install converged radio module has the same form factor as the previous generations of TRX modules. This means that the new module can be implemented on all multi-standard base stations deployed by Alcatel-Lucent around the world since 1999, and is

of course supported in all base stations sold today. In addition it supports any 3GPP (third generation partnership project) specification and complies with all local regulatory requirements.

The new converged radio module offers very high GSM capacity, supporting up to 2.5x the transceiver capacity per cabinet today to help operators address market densification requirements. The new converged radio module can be configured to maximize network coverage thus reducing the number of sites. It integrates advanced radio capabilities such as MIMO (multiple input/multiple output) to ensure the best performance when used in a W-CDMA/HSPA+ or LTE configuration. It also can address a range of spectrum configurations, supporting bandwidths of up to 20MHz, offering exceptional flexibility for deployments and maximum capacity to enable the introduction of LTE.

This new module is complemented by the company's extensive professional services capabilities, particularly in the areas of radio network design and deployment. Leveraging its extensive experience managing mobile network upgrade efforts, Alcatel-Lucent can collaborate with and counsel mobile operators as they plan for and work through the re-farming process and manage the evolution of their networks to support next-generation services and applications.

More information on Alcatel-Lucent's Converged RAN, please visit: http://www.alcatel-lucent.com/wps/portal/NewsFeatures/Detail?LMSG_CABINET=Docs_and_Resource_Ctr&LMSG_CONTENT_FILE=News_Features/News_Feature_Detail_000514.xml&lu_lang_code=en_WW

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

Alcatel-Lucent Press Contacts

Peter Benedict	Tel: + 33 (0)1 40 76 50 84	peter.benedict@alcatel-lucent.com
Christine de Monfreid	Tel: + 33 (0)1 30 77 59 14	chritine.de_monfreid@alcatel-lucent.fr

Alcatel-Lucent Investor Relations

Rémi Thomas	Tel: + 33 (0)1 40 76 50 61	remi.thomas@alcatel-lucent.com
Tom Bevilacqua	Tel: + 1 908-582-7998	bevilacqua@alcatel-lucent.com
Tony Lucido	Tel: + 1 908-582-5722	alucido@alcatel-lucent.com
Don Sweeney	Tel: + 1 908 582 6153	dsweeney@alcatel-lucent.com