

BT and Alcatel-Lucent sign agreement to enhance 21CN bandwidth capacity

Increased bandwidth and flexibility to support video-rich content and applications growth

Paris and London, May 4, 2010 -Alcatel-Lucent (Euronext Paris and NYSE: ALU) today announced it has signed a major five-year agreement with [BT](#) for an evolution of its [21st Century Network \(21CN\)](#), the foundation of BT's IP transformation to enhance customer experience and accelerate time-to-market for next generation services.

Leveraging Alcatel-Lucent's [High Leverage Network™ \(HLN\)](#) architecture and transformational services, this project will further evolve BT's infrastructure, enabling the company to expedite network convergence, increase capacity and deliver content cost effectively as it prepares to introduce new video-rich services to an expanded base of wholesale and retail subscribers.

While allowing its customers in more than 170 countries to benefit from the development of 21CN, this contract will specifically help BT to build up its infrastructure to continue to play a leading role in strengthening the UK's leadership in communications by increasing performance, capacity and bandwidth to a broader customer base.

"21CN is a huge transformational programme. It's about providing a network for the future which requires a game-changing approach." said George Nazi, managing director, BT 21CN Core Convergence. "Alcatel-Lucent came up with an innovative solution that will help us keep 21CN at the forefront of innovation and radical change."

With video-rich content consumption booming, it has become critical to accelerate the transition to a unified smart IP network and to an open application environment that enables new business models. With this network evolution, BT is striving to increase revenues and reduce costs while migrating to new and more profitable business models.

"BT's 21CN is one of the most complete, exciting and ambitious business transformation programmes anywhere in the global telecommunications industry," said Lakh Jemmett, Vice President, Alcatel-Lucent North Europe. "We are proud that our High Leverage Network architecture is enabling BT to transform their business, transform their networks, and deliver powerful new services in a scalable, cost-effective way."

In support of its HLN vision, and in alignment with BT's business drivers, Alcatel-Lucent will provide an innovative end-to-end transport solution which tightly integrates IP and optical transport resources along with professional services such as project management, design, installation and commissioning, repair and return and software updates which will help BT manage the rapid growth in network traffic, while substantially cutting operational and maintenance costs.

As BT's residential subscriber base and associated bandwidth demands continue to grow, and in preparation for new rich-media services, BT is also evolving its residential IP service delivery architecture. Broadband Network Gateways (BNGs), previously centralized and becoming an increasing bottleneck in the network, will be distributed closer to subscribers using next generation service routers. This will result in an increase in capacity and performance creating a better end-user experience. Additionally, as the BNG function runs on the same routing platform as BT's business services, operations are streamlined and simplified for the operator.

About Alcatel-Lucent's solution

As part of the contract, Alcatel-Lucent will enhance its existing [7750 Service Router](#), which has been previously supplied to BT for its award-winning BT Etherflow service, to provide Broadband Subscriber Management in a distributed architecture. The contract also covers the deployment of the [1830 Photonic Service Switch](#), which, with its unique Zero Touch Photonics approach, combines flexibility, automation, fast time-to-service and bandwidth efficiency needed to address new IP-based applications. Additionally, the Alcatel-Lucent [1850 Transport Service Switch](#) will be implemented for multiple traffic aggregation. The contract also leverages Alcatel-Lucent's professional services including performance management, design, network integration, installation and commissioning, repair and return and software updates.

About Alcatel-Lucent's [High Leverage Network™](#)

The Alcatel-Lucent High Leverage Network™ (HLN) architecture addresses the dual challenges of simultaneously scaling and managing network capacity to meet increasing bandwidth demand while delivering differentiated, revenue generating services. It achieves this by delivering scalable bandwidth at the lowest cost per bit and by embedding intelligence in the network to enable dynamic service creation and delivery. The foundation for the Alcatel-Lucent [Application Enablement](#) vision, the HLN architecture collapses multiple complex costly overlay networks into a simpler, fully optimized network that leverages technical innovations and embraces existing environments.

About Alcatel-Lucent

Alcatel-Lucent (Euronext Paris and NYSE: ALU) is the trusted transformation partner of service providers, enterprises, strategic industries such as defense, energy, healthcare, transportation, 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 15.2 billion in 2009 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>, read the latest posts on the Alcatel-Lucent's blog <http://www.alcatel-lucent.com/blog> and follow us on Twitter: http://twitter.com/Alcatel_Lucent.

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