

Press release

China Telecom awards Alcatel-Lucent CDMA network upgrade contract in 56 cities across nine provinces

Introducing newly-designed, green macro base station which reduces power consumption by up to 24%

Paris, August 10, 2010 - Alcatel-Lucent (Euronext Paris and NYSE: ALU) today announced it has been selected by China Telecom to upgrade the service provider's CDMA network in 56 cities across nine provinces. The contract will help China Telecom expand the capacity and coverage of its wireless network and address the increasing demand for 3G mobile services. The deployment - which was secured through Alcatel-Lucent Shanghai Bell, Alcatel-Lucent's Chinese flagship company - will be completed by the end of 2010.

Alcatel-Lucent will provide its industry-leading converged radio access network (RAN) solution, including its newly-designed, ultra-compact, indoor 9916 Macro Base Station. The base station's green design reduces energy consumption by up to 24%, which is a weighted average of the expected OPEX savings of the Alcatel-Lucent 9916 thanks to the use of an innovative new integrated radio and amplifier multi-sector transmit/receive unit (MS-TRU) that is optimized to minimize power consumption. It helps to protect wireless service providers' investments when transitioning to next-generation LTE technology - through maximum equipment re-use. Alcatel-Lucent also provides an Ethernet backhaul capable RAN solution to cost-effectively meet the ever-increasing bandwidth demands of 3G mobile services delivery.

"This contract further confirms Alcatel-Lucent's leadership in the CDMA market - both in China and in the rest of the world. Alcatel-Lucent's solution not only supports China Telecom's daily business goals - but also helps it reduce the power consumption of its network, thus contributing to a 'greener' society," said Romano Valussi, president of Alcatel-Lucent Shanghai Bell and head of Alcatel-Lucent's China regional business unit.

Alcatel-Lucent is a key provider of China Telecom's CDMA network and has actively participated in its previous two expansion projects. According to industry analyst firm Dell'Oro¹, Alcatel-Lucent leads in terms of worldwide CDMA revenues with a market share of more than 40 % (2Q'10). Alcatel-Lucent has more than 70 CDMA customers in 40 countries - and supports five of the top six global CDMA operators.

Editorial Background Material

- Alcatel-Lucent reaffirmed as leader in CDMA with latest Dell'Oro Group report (August 10, 2010)
- China Telecom leverages Alcatel-Lucent CDMA/EV-DO Rev. B technology at Expo 2010 to boost mobile broadband speeds by up to three times (June 1, 2010)
- Sky Link and Alcatel-Lucent bring the mobile broadband end-user experience in Moscow to the next level with EV-DO Rev.B network (May 11, 2010)
- Alcatel-Lucent introduces Ultimate Wireless Packet Core to help service providers address the explosion of mobile data services on 3G and emerging LTE networks (March 18, 2010)
- Alcatel-Lucent and LG Electronics complete a live handoff of an end-to-end data call between Long Term
 Evolution (LTE) and CDMA networks (January 7, 2010)
- <u>China Telecom selects Alcatel-Lucent's multicarrier EV-DO solution to enhance end-users' 3G experience</u> (October 9, 2009)
- <u>China Mobile, China Telecom and Alcatel-Lucent sign USD 1.7 billion framework agreements for 2009</u> (April 27, 2009)

¹ Mobility Infrastructure-CDMA (Worldwide) 2Q10 [August 2010 - Dell'Oro Group]

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 and optics 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 blog http://www.alcatel-lucent.com/ blow us on Twitter: http://twitter.com/Alcatel_Lucent.

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