Alcatel-Lucent moves into #1 position in worldwide mobile backhaul market and enhances portfolio for 'all IP' wireless transformation

New capabilities equip operators with an unmatched end-to-end mobile backhaul solution to deliver high-capacity mobile broadband services

Paris, October 18, 2010 – Alcatel-Lucent (Euronext Paris and NYSE: ALU) is today announcing significant enhancements to its mobile backhaul solution to enable mobile network operators to seamlessly support 'AnyG to LTE' (2G, 3G and LTE) radio access network technologies. Alcatel-Lucent has also moved into the number one market share position with 23% of worldwide Ethernet cell site gateway and router revenue for the first half of 2010, according to data published by Infonetics, who recorded 231% year-over-year growth. This combined with significant customer momentum gained over the last year, reinforces Alcatel-Lucent's solid position in mobile backhaul, LTE and overall strength in wireless IP.

In the recently published report, "Mobile Backhaul Equipment and Services," Infonetics details the booming growth in the mobile backhaul IP/Ethernet equipment market and reports that Alcatel-Lucent leads for the second year in a row with router sales in this space. Alcatel-Lucent marked its entrance into this burgeoning market three years ago with the introduction of its mobiletransport architecture , both anticipating the evolution to an all IP mobile infrastructure and the requirement to support LTE.

Today, Alcatel-Lucent is introducing the 7705 Service Aggregation Router (SAR)-18 to its extensive mobile backhaul portfolio, along with robust end-to-end, unified network and policy management from the Radio Access Network (RAN) to the packet core, for simplified network integration, trouble shooting and rapid service deployment. With these enhancements, Alcatel-Lucent is continuing its innovation and technical leadership, enabling mobile network operators to cost effectively manage exploding subscriber data traffic brought on by smartphones and the thousands of applications and video content running on them. Alcatel-Lucent understands the challenges faced by mobile network operators and has enhanced its solutions with 'Any G to LTE' capabilities to ensure service providers are not caught in an expensive transport bottleneck trap as they upgrade 2G systems to 3G/3G+ in advance of LTE roll outs.

The Alcatel-Lucent mobile backhaul solution is part of the company's High Leverage Network™ (HLN) architecture which enables service providers to leverage their network assets to deliver new revenue-generating services, while also reducing the cost per bit for basic transport. As a leader in both IP routing and wireless access, Alcatel-Lucent is ideally positioned to assist mobile service providers in building highly scalable and reliable IP networks that enable new business models and profitable mobile services delivery.

Supporting Quotes:
- "Operators, especially those offering 2G and 3G services today, are not willing to build a separate backhaul network to handle just LTE traffic, therefore, they will coexist for the foreseeable future," said Glen Hunt, Transport and Routing Infrastructure Principle Analyst, Current Analysis and author of *LTE: Game Changer for Mobile Backhaul Strategies or Just More Data?*. "Alcatel-Lucent's 'Any G to LTE' enhancements, which are in line with the company's HLN architecture, strongly reaffirm the company is extending the portfolio in the right direction and is committed to making investments in key areas such as converged IP/MPLS, microwave and management. With this announcement,

Alcatel-Lucent can make a strong case for a leadership position in mobile backhaul with a string of customers to back them up."

- "In 2010, we expect Ethernet mobile backhaul to increase 8% YoY to $5.2B, making up 88% of total backhaul equipment spending, with the biggest growth from Ethernet cell site routers, which grew 231% and microwave Ethernet, at 367% over 2008," said Michael Howard, principal analyst and co-founder of Infonetics Research.. "Since last year, we've seen a significant shift in thinking by mobile operators and transport providers around the world who have come to trust IP-Ethernet more, and are now fully engaged in deploying and planning IP/Ethernet backhaul as the single backhaul to carry voice, data, and video traffic for 2G, 3G, WiMAX, and LTE. In the important Ethernet cell site gateway and router category, Alcatel-Lucent held onto its #1 position with 23% of 1H2010 worldwide revenue."

- "Alcatel-Lucent uniquely brings together market leading IP and wireless technology to deliver the strongest solution set for mobile backhaul and wireless IP requirements now occurring in the market," said Basil Alwan, head of carrier strategy for Alcatel-Lucent. "By leveraging the breadth of the Alcatel-Lucent Ethernet, IP and MPLS, access, optical and microwave portfolios under unified management, we offer an integrated portfolio approach and a clear message to the market about our thought leadership and product offerings which unleash the power of IP and MPLS for wireless IP network transformation."

Key Facts:
- The new Alcatel-Lucent 7705 (SAR)-18 is optimized for large aggregation sites or smaller central hub sites requiring multiservice support for 2G and 3G as well as Ethernet/IP support for LTE. The Alcatel-Lucent 7705 SAR-18 is a 10-rack unit (RU) version of the Alcatel-Lucent 7705 SAR with industry-leading scalability of 140Gb/s. Click here for more info
- The Alcatel-Lucent 5620 Service Aware Manager (SAM) now provides seamless end-to-end IP/MPLS-based management for the entire wireless network domain. With the 5620 SAM, Alcatel-Lucent brings the strength of its industry-leading IP/MPLS management expertise to significantly simplify provisioning and operations and accelerate faulty detection and rectification.
- The Alcatel-Lucent SAR family of products is now integrated with the Alcatel-Lucent 9500 Microwave Packet Radio (MPR) family, for seamless microwave-based backhaul. As a result, service providers now have the flexibility to architect their networks with optimal topologies (by site), with lowest cost and best performance.
- To date, Alcatel-Lucent is involved in over 50 LTE trials and has won seven LTE contracts worldwide. Alcatel-Lucent has also performed over 200 mobile network migrations, 50+ mobile backhaul integrations and over 70 IP transformations worldwide. Alcatel-lucent brings a set of transformation services specifically designed for mobile backhaul transformation including consulting, optimization, network architecture design and integration supported by robust financial and network modeling.

Resources:
- To view the video: "Addressing the challenges of the mobile data tsunami" with Lindsay Newell, Alcatel-Lucent's vice president of marketing for the company's IP activities, click here
- For more information on Alcatel-Lucent's mobile backhaul solutions click here
- For more information on Alcatel-Lucent's High Leverage Network architecture, click here
- For more information on Alcatel-Lucent's wireless IP solutions click here
- For more information on Alcatel-Lucent's LTE solutions click here

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's blog http://www.alcatel-lucent.com/blog and follow us on Twitter: http://twitter.com/Alcatel_Lucent.

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