

Alcatel-Lucent primary research shows that European consumers and businesses are ready for LTE applications

Bell Labs analysis shows how LTE applications can drive new revenue opportunities for services providers

Paris, October 20, 2010 - European telecommunications operators could increase consumer revenues by as much as 10 percent, and enterprise revenues by nearly 30 percent as the adoption of LTE technology matures. That's the finding of an extensive pan-European study by Alcatel-Lucent (Euronext Paris and NYSE: ALU) that found strong support and demand for applications enabled by LTE (long term evolution) mobile broadband networks. The study gauged the preferences of more than 4,500 consumers and 950 enterprise respondents based in France, Germany and the United Kingdom.

Using the results of the study, Alcatel-Lucent Bell Labs' Network Planning, Performance & Economic Analysis business modeling team confirmed that this interest in new LTE optimized applications could be translated into a significant market opportunity and substantial revenue gain for services providers. The results further concluded that the greatest benefits could be gained by leveraging a market entry strategy based on carefully packaged and priced applications.

Key facts from the survey: **Businesses & Enterprises**

- Interest in signing-up for LTE service was found to be high across all enterprise segments, and was especially high in medium- and large-sized businesses. Findings from the survey indicate that more than half of small-sized businesses, and more than three-quarters of medium-sized and large-sized enterprises are interested in signing-up for next generation wireless network access for their employees.
- The findings indicate that interest in accessing LTE service also impacts customer loyalty. Again, a higher response rate was reported for the medium-sized and large-sized enterprise respondents. More than half of small-sized businesses, and over 70 percent of medium-sized companies, and over 80 percent of large-sized enterprises report they would change service providers in order to get LTE.
- Improved speed and quicker response time (improved interactivity) were the top two attributes ranked for enhancing quality of experience, across all enterprise segments. However, speed ranked highest for the small-sized enterprises, while improved interactivity was most important for medium- and large-sized enterprises.

The LTE-optimized applications covered in the study were solidly received in the three European countries, especially by medium-sized and large-sized enterprises. In addition to mobile cloud computing, the surveyed enterprises also expressed a strong interest in signing up for mobile collaboration and multi-party video conferencing.

Consumers:

- More than half of consumers surveyed are likely to sign up for LTE, and 40 percent would switch network providers to gain access to the technology.
- The main perceived benefit for consumers was faster speeds.
- Live Messaging, Next Generation Music and Enhanced Mobile Video with enhanced end-user experience in a next-generation network environment were the top three consumer applications tested.

“Anticipation, new opportunities and excitement is building among both businesses and consumers,” said Ken Wirth, head of Alcatel-Lucent’s 4G LTE activities. “Our research results are a strong endorsement that LTE-enabled applications will drive significant revenue opportunities for service providers.”

“Our analysis shows that with the right end-to-end infrastructure, bundle offer and market approach, service providers can capitalize on the pent up demand for mobile broadband services,” said Rati Thanawala, vice-president, Network Planning, Performance & Economic Analysis, Bell Labs. “They could optimize revenues with a migration strategy focused first on offering carefully chosen applications and pricing strategies towards enterprises, and then with creative offers for consumers.”

Having been selected so far by seven customers for commercial deployments, including two of the world’s largest service providers, and being involved in more than 50 customer trials, Alcatel-Lucent has established a clear leadership position in Long Term Evolution (LTE). Our trial and contract awards span all regions of the globe.

More information about Alcatel-Lucent in LTE: www.alcatel-lucent.com/lte

About Alcatel-Lucent

Alcatel-Lucent (Euronext Paris and NYSE: ALU) is the trusted transformation partner of service providers, enterprises, strategic industries such as defence, 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/blog> and follow us on Twitter: . http://twitter.com/Alcatel_Lucent.

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