

STC selects Alcatel-Lucent for major broadband access network expansion in the Kingdom of Saudi Arabia

Leveraging Alcatel-Lucent's expertise in GPON, VDSL2, voice over broadband and professional services

Paris, November 23, 2010 - Alcatel-Lucent (Euronext Paris and NYSE: ALU) today announced that it has signed multi-million Euro frame contracts with STC (Saudi Telecom Company), the main telecommunications carrier in Saudi Arabia, to expand its broadband access network.

This large-scale project - leveraging Alcatel-Lucent's leading VDSL2 and GPON technologies - will enable STC to provide state-of-the-art, bandwidth-demanding applications to its customers and expand the reach of its network while benefiting from enhanced aggregation and transport capabilities.

"As a major operator, STC is committed to provide its customers with the latest high-speed broadband services with the highest quality of service," said Dr. Zeyad Al-Otaibi, STC's vice president Networks. "We are confident that Alcatel-Lucent's unique network expertise and the high technical competence of its local team will provide us with a superior - though cost-effective - upgrade of our broadband network, enabling us to continue to achieve this goal."

Alcatel-Lucent will deploy the industry's most renowned IP access solution: the Intelligent Services Access Manager (ISAM) platform - supporting DSL and GPON technologies and a cornerstone of Alcatel-Lucent's High Leverage Network™ architecture. Alcatel-Lucent's ISAM family of IP access products enables the seamless and cost-effective delivery of high-speed broadband multimedia services to mass markets - such as high-speed data, IPTV, VoIP and content-on-demand.

Next to the deployment of its 7302 ISAM with advanced voice capabilities and its 7342 ISAM FTTU, Alcatel-Lucent will also provide a comprehensive range of professional services to STC - including network design, deployment, installation, commissioning, testing and full project management support.

"Thanks to the flexibility of Alcatel-Lucent's ISAM platform we can help our customers manage and evolve their networks cost-effectively and make sure they meet end-users' growing bandwidth needs," said Adolfo Hernandez, president of Alcatel-Lucent's activities in Europe, Middle-East and Africa. "This project further strengthens Alcatel-Lucent's long-term relationship with STC as we remain committed to deliver our best-of-breed solutions and global services expertise to the Saudi market," he added.

Alcatel-Lucent is the worldwide leader in fixed broadband access, supporting the largest mass deployments of video, voice and data services. Today, one out of three fixed broadband subscribers around the world is served through an access network provided by Alcatel-Lucent. Alcatel-Lucent is currently involved in over 100 FTTH projects worldwide, over 85 of which are with GPON, and is the driving force behind the world's most advanced VDSL2 roll-outs.

About STC

STC (Saudi Telecom) is the leading national telecommunications services provider in the Kingdom of Saudi Arabia. STC provides four key services: Home services which include PSTN, broadband DSL, Personal services which include mobile telephone services and value added services, Enterprise services which provide advanced business data solutions to enterprises and Wholesale services that provide network services to other local operators. In the recent years STC

grew beyond its local borders and went global forming a network of business and investments in various Gulf countries, Asia, and Africa. The company is present in Kuwait, Bahrain, India, Indonesia, Malaysia, Turkey, and South Africa enabling it to provide services to a bigger customer base and increasing its total number of customers externally by studying and evaluating investment opportunities. For more information, visit STC on the Internet: <http://www.stc.com.sa/>

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

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