

PRESS RELEASE

ALCATEL-LUCENT RECEIVES BINDING OFFER FROM PERMIRA FOR US\$1.5 BILLION FOR DIVESTMENT OF ITS GENESYS BUSINESS

- *Alcatel-Lucent's transformation progresses with conclusion of strategic evaluation of the Genesys and Enterprise businesses*
- *Exclusive negotiations for the sale of Genesys customer service solutions business to a company owned by the Permira funds; closing expected around the end of 2011 or the beginning of 2012*
- *Enterprise business retained within Alcatel-Lucent to further strengthen servicing of network evolution and application enablement for enterprise customers, network operators and strategic industries*

Paris, France – October 19, 2011 – Alcatel-Lucent (Euronext Paris and NYSE: ALU) announced today that it has received a binding offer of US\$1.5 billion from a company owned by the Permira funds for the acquisition of its Genesys business. The closing of the deal, expected by the end of 2011 or the beginning of 2012, is subject to review by the Committee on Foreign Investment in the United States (CFIUS), as well as to all necessary prior approvals and consultations in various countries. The purchase price of US\$1.5 billion would be paid in cash on a debt/cash-free basis.

Genesys – which reported 2010 sales of approximately US\$500 million - is a recognized world leader in customer service software and contact center solutions for enterprises. The contemplated deal would include the transfer of the approximately 1,800 employees worldwide, the management team and the existing business structure to ensure seamless continuity with customers and other stakeholders.

Ben Verwaayen, CEO of Alcatel-Lucent, said: "We have now positively concluded our evaluation of strategic options for both our Enterprise and Genesys businesses. Permira's intended acquisition of Genesys would enable this profitable business to flourish further; with Enterprise, we have reached the conclusion that retaining it and strengthening it further serves Alcatel-Lucent and our customers best. Our chosen direction is to leverage the natural connections that exist between enterprise and carrier customers, and proactively apply Enterprise's strengths and momentum in unified communications and data networking with them."

"Genesys is widely recognized as one of the world's leading providers of customer service software and contact center solutions, and we are excited by the long-term growth potential of this business," said Brian Ruder, Permira Partner. "With an exceptional brand, differentiated technologies and a blue-chip customer base, Genesys is well positioned to continue to take advantage of the positive trends in its expanding markets."

Genesys and Enterprise would continue to enjoy a strong commercial relationship, with a joint development agreement and the two businesses continuing to have access to each other's product portfolios.



ABOUT ALCATEL-LUCENT (EURONEXT PARIS AND NYSE: ALU)

The long-trusted partner of service providers, enterprises, strategic industries and governments around the world, Alcatel-Lucent is a leader in mobile, fixed, IP and Optics technologies, and a pioneer in applications and services. Alcatel-Lucent includes Bell Labs, one of the world's foremost centres of research and innovation in communications technology.

With operations in more than 130 countries and one of the most experienced global services organizations in the industry, Alcatel-Lucent is a local partner with global reach.

The Company achieved revenues of Euro 16 billion in 2010 and is incorporated in France and headquartered in Paris.

For more information, visit Alcatel-Lucent on: <http://www.alcatel-lucent.com>, read the latest posts on the Alcatel-Lucent blog <http://www.alcatel-lucent.com/blog> and follow the Company on Twitter: http://twitter.com/Alcatel_Lucent.

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About Permira

Permira is a European private equity firm with global reach. The Permira funds, raised from pension funds and other institutions, make long-term investments in companies with the ambition of transforming their performance and driving sustainable growth.

Founded in 1985, the firm advises funds with a total committed capital of approximately \$30 billion. Over the past 26 years, the Permira funds have made nearly 200 private equity investments. Since 1997, 32% of the Permira funds' investments have been in the core sector of Technology, Media & Telecom.

For more information visit: www.permira.com

SAFE HARBOR FOR FORWARD LOOKING STATEMENTS

Except for historical information, all other information in this press release consists of forward-looking statements within the meaning of the US Private Securities Litigation Reform Act of 1995, as amended. These forward looking statements include statements regarding the future chances of success for the exclusive negotiations described above and the future of our Enterprise and Genesys businesses. Words such as "enable," "flourish," "leverage," "enhancing," "synergies," "apply," "momentum," "trends," "potential," "positioned," variations of such words and similar expressions are intended to identify such forward-looking statements which are not statements of historical facts. These forward-looking statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to assess. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. These risks and uncertainties are based upon a number of important factors including, among others: our ability to finalize the negotiations, obtain the necessary regulatory approvals and consultations and close the described transaction, to continue to operate the Enterprise business successfully and other factors

related to our ongoing operations. For a more complete list and description of the risks and uncertainties Alcatel-Lucent faces, refer to Alcatel-Lucent's Annual Report on Form 20-F for the year ended December 31, 2010, as well as other filings by Alcatel-Lucent with the French *Autorité des marchés financiers* and the US Securities and Exchange Commission. Except as required under the US federal securities laws and the rules and regulations of the US Securities and Exchange Commission, Alcatel-Lucent disclaims any intention or obligation to update any forward-looking statements after the distribution of this presentation, whether as a result of new information, future events, developments, changes in assumptions or otherwise.