

PRESS RELEASE

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As part of the implementation of its transformation plan, The Shift Plan, Alcatel-Lucent announces three transactions aiming at strengthening its equity and at providing it with greater financial flexibility

Paris, November 4, 2013 – Alcatel-Lucent (the “Company”) announces the launch of a capital increase for an amount of €955 million (the “Capital Increase”), its intent to launch a high yield bonds offering in an aggregate principal amount of US\$750 million (subject to market conditions) and the execution of a commitment letter for the implementation of a new syndicated revolving credit facility of €500 million.

The Capital Increase will be conducted by way of issuance of preferential subscription rights (“Rights”) to holders of the Company’s existing ordinary shares (“Existing Ordinary Shares”). Holders of Existing Ordinary Shares will receive one Right for every Existing Ordinary Shares held on the record date of November 18, 2013. The subscription price for the new ordinary shares (the “New Ordinary Shares”) will be €2.10 per share (nominal value of €0.05 and issue premium of €2.05) on the basis of 8 New Ordinary Shares for 41 Existing Ordinary Shares, resulting in the issuance of between 454,722,512 and 460,000,000 New Ordinary Shares. The Rights will be issued and detached from the Existing Ordinary Shares, and the subscription period will start, on November 19, 2013, and will end on November 29, 2013. Rights remaining unexercised at the end of the subscription period will expire.

Based on this subscription price, the gross proceeds of the Capital Increase are expected to be approximately €955 million. The purpose of the Capital Increase is to strengthen the equity of the Company.

Subject to certain limited exceptions, the Capital Increase is not made available to holders of Existing Ordinary Shares located in the United States or any other jurisdiction where such offer for sale of the New Ordinary Shares would be unlawful. For holders of the Company’s American Depositary Shares, rights attributed in respect of deposited Existing Ordinary Shares are expected to be sold on their behalf on Euronext Paris before they lapse.

IMPORTANT NOTICES

United States

This announcement is being issued by Alcatel Lucent (the “Company”) pursuant to Rule 135c under the US Securities Act of 1933, as amended (the “Securities Act”), and is neither an offer to sell nor a solicitation of an offer to buy any securities described herein, and shall not constitute an offer to sell or a solicitation of an offer to buy, or a sale of, any such securities in any jurisdiction in which such offer, solicitation or sale is unlawful. The securities described herein have not been, and will not be, registered under the Securities Act and may not be offered or sold in the United States absent registration or an exemption from the registration requirements of the Securities Act. There will be no public offer of any securities described herein in the United States. These securities have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority. Any representation to the contrary is a criminal offense in the United States.

The release, publication or distribution of this press release in certain jurisdictions may be restricted by laws or regulations. Persons in such jurisdictions into which this press release is released, published or distributed must inform themselves about and comply with such laws or regulations.

France

A prospectus in the French language (the "**Prospectus**") has been granted visa no. 13-583 from the AMF dated November 3, 2013 (consisting of (i) an annual report (*Document de référence*) filed with the AMF on March 12, 2013 under no. D.13-0124, (ii) a first update of the annual report (*Actualisation du Document de référence*) filed with the AMF on June 25, 2013 under no. D.13-0124-A01, (iii) a second update of the annual report (*Actualisation du Document de référence*) filed with the AMF on November 3, 2013 under no. D 13-0124.A02 and (iv) a *Note d'opération*, which received visa no. 13-583 dated November 3, 2013 from the AMF (including a summary of the prospectus).

Alcatel Lucent draws the public's attention to the sections relating to the risk factors in the prospectus approved by the AMF appearing in chapter 3 of the annual report, section 4 of the first update of the annual report, section 4 of the second update of the annual report and chapter 2 of the Note d'opération.

European Economic Area (other than France)

The offer is open to the public in France only.

With respect to each Member State of the European Economic Area other than France (the "Member States") that has implemented the Directive 2003/71/EC as amended by the Directive 2010/73/EU, no action has been taken or will be taken in order to allow an offer to the public of new shares and/or preferential subscription rights requiring the publication of a prospectus in any of the Member States. As a result, new shares and/or preferential subscription rights may only be offered in Member States, other than France:

1. to qualified investors as defined by the Prospectus Directive as amended, if applicable, by the implementation of the Amending Prospectus Directive in the Member State concerned;
2. to fewer than 100, or if the Member State concerned has implemented the Amending Prospectus Directive, 150 individuals or legal entities other than qualified investors (as defined in the Amending Prospectus Directive); or
3. in any other circumstances not requiring Alcatel Lucent to publish a prospectus as provided under Article 3(2) of the Prospectus Directive.

For the purposes of this restriction, (i) the notion of "offer to the public of new shares and/or preferential subscription rights" in any Member State concerned refers to any communication sent to individuals or legal entities, in any form and by any means, and providing sufficient information about the conditions of the offer and about Alcatel Lucent's shares to enable an investor to decide to buy or subscribe for such shares, as amended, if applicable, in the Member State concerned within the framework of the implementation of the Prospectus Directive, (ii) the expression "Prospectus Directive" refers to Directive 2003/71/EC and includes any implementing measures in each Member State, and (iii) the expression "Amending Prospectus Directive" refers to Directive 2010/73/EU and includes any implementing measures in each Member State.

A depositary institution in a Member State in which the offer is not open to the public may inform its clients who are shareholders of Alcatel Lucent of the allocation of preferential subscription rights insofar as it is required to do so in respect of its contractual obligations towards its shareholders clients and provided that the communication of such information does not constitute an "offer to the public" in this Member State. A shareholder of Alcatel Lucent located in a Member State in which the offer is not open to the public may exercise their preferential subscription rights provided that they have not been the recipient within said Member State of a communication constituting an "offer to the public" as defined above.

These selling restrictions concerning Member States are in addition to any other selling restrictions applicable in the Member States of the European Economic Area having implemented the Prospectus Directive.

United Kingdom

This press release is directed only at (i) persons outside the United Kingdom, (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"), (iii) persons referred to in Article 49(2) (a) to (d) of the Order (high net worth entities, non-registered associations, etc.) and (iv) other persons to whom the Prospectus may be lawfully communicated (the persons listed in (i), (ii), (iii) and (iv) above being referred to as "**Relevant Persons**"). Any invitation, offer or agreement to subscribe, purchase or acquire the new shares of the preferential subscription rights will be engaged in only with Relevant Persons. New shares or preferential subscription rights may only be offered or issued to persons in the United Kingdom who are not Relevant Persons. Any person who is not a Relevant Person must not act or rely on this document or any of its contents. Persons in charge of distributing this press release must comply with the legal conditions of publication of this press release.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

Except for historical information, all other information herein consists of forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, as amended. These forward-looking statements are not guaranties of future performance and involve certain risks, uncertainties and assumptions that are difficult to assess. For a more complete list and description of such risks and uncertainties, refer to Alcatel Lucent's Annual Report on Form 20-F for the year ended December 31, 2012, as well as other filings by Alcatel Lucent with the U.S. Securities and Exchange Commission.

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