

PRESS RELEASE

Alcatel-Lucent closes sale of LGS Innovations LLC to Madison Dearborn Partners and CoVant

Asset divestiture forms part of Alcatel-Lucent's commitment within The Shift Plan to generate at least Eur 1 billion through selective asset sales.

Paris, France/Chicago, IL, April 1, 2014 - Alcatel-Lucent (Euronext Paris and NYSE: ALU) announced today that it has formally signed and closed a definitive agreement for the sale of its subsidiary LGS Innovations LLC to a US-based company owned by a Madison Dearborn Partners-led investor group that includes CoVant.

The consideration agreed to between Alcatel-Lucent and the Madison Dearborn/CoVant group will comprise a total amount of up to USD\$ 200 million, of which 50 per cent is being paid at closing. Up to a further 50 per cent will form a subsequent variable component to be determined on the divested company's results from operations during the 2014 fiscal year.

The divestment of LGS Innovations LLC forms part of Alcatel-Lucent's stated commitments to generate at least Euro 1 billion through selective asset sales by the end of 2015.

LGS Innovations LLC provides secure networking, satellite communications, VoIP, optical routers and other solutions for the US national security, defense, and advanced research communities, and has a heritage as a trusted partner of the US Federal Government extending back over 60 years.

Madison Dearborn is a leading private equity firm that invests across a broad spectrum of industries, including business and government services, while CoVant is a holding company focused on acquiring and growing companies in the U.S. Federal Government technology solutions marketplace.

ABOUT MADISON DEARBORN PARTNERS

Madison Dearborn Partners, based in Chicago, is a leading private equity investment firm in the United States. Since Madison Dearborn's formation in 1992, the firm has raised six funds with aggregate capital of over \$18 billion and has completed approximately 125 investments. Madison Dearborn invests in businesses across a broad spectrum of industries, including business and government services; basic industries; consumer; financial and transaction services; health care; and telecom, media and technology services. Its noteworthy investments include Aderant, Asurion, Cbeyond, CDW Corporation, Fieldglass, Great Lakes Dredge & Dock Company, Intelsat, and Stericycle. For more information, please visit www.mdcp.com.

ABOUT COVANT

Founded by former executives of Anteon International, CoVant focuses on acquiring and growing companies in the US Federal Government technology solutions marketplace. With an experienced team of business executives and a respected board of former government and military leaders, CoVant delivers a unique and highly strategic approach to maximizing company growth and value. Visit www.covant.com for more information.

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

We are at the forefront of global communications, providing products and innovations in IP and cloud networking, as well as ultra-broadband fixed and wireless access to service providers and their customers, and to enterprises and institutions throughout the world. Underpinning us in driving the industrial transformation from voice telephony to high-speed digital delivery of data, video and information is Bell Labs, an integral part of the Group and one of the world's foremost technology research institutes, responsible for countless breakthroughs that have shaped the networking and communications industry. Our innovations have resulted in our Group being recognized by Thomson Reuters as a Top 100 Global Innovator, as well as being named by MIT Technology Review as amongst 2012's Top 50 "World's Most Innovative Companies". We have also been recognized for innovation in sustainability, being named Industry Group Leader in the Technology Hardware & Equipment sector in the 2013 Dow Jones Sustainability Indices review, for making global communications more sustainable, affordable and accessible, all in pursuit of the Group's mission to realize the potential of a connected world.

With revenues of Euro 14.4 billion in 2013, Alcatel-Lucent is listed on the Paris and New York stock exchanges (Euronext and NYSE: ALU). The company 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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