

PRESS RELEASE

Alcatel-Lucent USA Inc offers to purchase up to \$300 million aggregate principal amount of its outstanding 6.750% senior notes due in 2020

Tender offer being part of the liability management strategy of the Company aimed at reducing gross debt and cash interest charges and optimizing the Company's capital structure given its level of cash resources available

Paris, France, July 31, 2015 - Alcatel-Lucent (Euronext Paris and NYSE: ALU) announced today that its wholly-owned subsidiary, Alcatel-Lucent USA Inc, (the "Company") is offering to purchase for cash (the "Tender Offer"), upon the terms and subject to the conditions set forth in the offer to purchase, dated July 31, 2015, (the "Offer to Purchase"), an aggregate principal amount of up to \$300,000,000 (the "Tender Cap", which may be increased in the sole discretion of the Company), of its outstanding \$1,000,000,000 6.750% Senior Notes due 2020 (the "Notes") from holders of any of the Notes.

The Company will only purchase Notes in an aggregate principal amount equal to the Tender Cap (as it may be amended) and consequently, if the aggregate principal amount of Notes validly tendered exceeds the Tender Cap, the amounts that are purchased in the Tender Offer from each Holder may be reduced on a pro rata basis as set forth in the Offer to Purchase. Capitalised terms used in this announcement, but not defined, are detailed in the Offer to Purchase.

The Tender Offer is part of the liability management strategy of the Company, aimed at reducing the Company's gross debt and cash interest charges and optimizing its capital structure given its level of cash resources available. Notes repurchased by the Company pursuant to the Tender Offer will be cancelled and will not be re-issued or re-sold. The Tender Offer is subject to the terms and conditions set forth in the Offer to Purchase. The Company reserves the right, in its sole discretion, to waive any and all conditions.

The Notes have the following CUSIP/ISIN designations: CUSIP No. 01377RAB9, ISIN No. US01377RAB96 (Rule 144A) / CUSIP No. U01176AB9, ISIN No. USU01176AB97 (Reg S).

The Purchase Price of the Notes is \$1,080 per \$1,000 principal amount of Notes validly tendered on or prior to the Expiration Date and accepted for purchase by the Company. All Holders of Notes accepted for purchase pursuant to the Tender Offer will also receive a cash payment representing the accrued and unpaid interest on their purchased Notes from the last applicable interest payment date for such Notes to, but excluding the Settlement Date.

As soon as practicable on or after the Expiration Date, the Company will announce the results of any tenders accepted for purchase on the Settlement Date. All payments will be made on the Settlement Date, unless the Company extends or earlier terminates the Tender Offer.

Holders of Notes should take note of the following dates in connection with the Tender Offer:

Commencement Date: 31 July 2015. This is the Commencement of the Tender Offer.

Expiration Date: 11:59 p.m. New York time, on 1 September 2015, unless extended. This is the last day and time for Holders to tender Notes pursuant to the Tender Offer in order to be eligible to receive the Consideration and except in certain limited circumstances where the Company determines that additional withdrawal rights are required by law, the deadline for Holders to validly withdraw tenders of Notes. If a broker, dealer, bank, custodian, trust company or other nominee holds your Notes, such nominee may have earlier deadlines for accepting the Tender Offer at or prior to the Expiration Date. You should promptly contact the broker, dealer, bank, custodian, trust company or other nominee that holds your Notes to determine its deadline or deadlines.

Settlement Date: Expected to be on or about 4 September 2015, unless modified. The Company will notify the Tender Agent as soon as practicable after the Expiration Date which Notes tendered are accepted for payment and will deposit with DTC the amount of cash necessary to pay each Holder of such Notes the Consideration plus Accrued Interest in respect of such Notes.

The above timetable is subject to change and dates and times may be extended, amended or terminated by the Company in accordance with the terms of the Tender Offer, as described in the Offer to Purchase. Any extension, amendment or termination will be followed promptly by public announcement thereof, the announcement in the case of an extension of the Tender Offer to be issued no later than 9:00 a.m., New York time, on the next business day after the previously scheduled Expiration Date.

None of the Company, the Guarantors, the Dealer Managers, the Tender Agent, the Notes trustee or any of their respective affiliates makes any recommendation, or has expressed an opinion, as to whether or not Holders should tender their Notes, or refrain from doing so, held by them pursuant to the Tender Offer. Each Holder should make its own decision as to whether to tender its Notes and if so, the principal amount of the Notes to tender.

Any questions or requests for assistance or additional copies of the Offer to Purchase may be directed to the Tender Agent at the telephone number or the address listed below. Holders may also contact the Dealer Managers at their addresses or telephone numbers set forth below or such Holder's broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Tender Offer.

The Dealer Managers are: **Citigroup Global Markets Limited**, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom, Attention: Liability Management Group, Telephone: +44 20 7986 8969, E-mail: liabilitymanagement.europe@citi.com; and **Credit Suisse Securities (Europe) Limited**, One Cabot Square, London E14 4QL, United Kingdom, Attention: Liability Management Group, Telephone: +44 20 7883 8763, E-mail: liability.management@credit-suisse.com.

The Tender Agent is: **Citibank N.A., London Branch**, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, Telephone: +44 20 7508 3867, Email: exchange.gats@citi.com.

Disclaimer

This announcement is not an offer to purchase, a solicitation of an offer to purchase or a solicitation of consents with respect to any securities. This announcement does not describe all the material terms of the Tender Offer and no decision should be made by any Holder on the basis of this announcement. The complete terms and conditions of the Tender Offer are described in the Offer to Purchase. This announcement must be read in conjunction with the Offer to Purchase. The Offer to Purchase contains important information which should be read carefully before any decision is made with respect to the Tender Offer. If any Holder is in any doubt as to the contents of this announcement, or the Offer to Purchase, or the action it should take, it is recommended to seek its own financial and legal advice, including in respect of any tax consequences, immediately from its stockbroker, bank manager, solicitor, accountant or other independent financial, tax or legal adviser. Any individual or company whose Notes are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee must contact such entity if it wishes to tender such Notes pursuant to the Tender Offer.

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

Alcatel-Lucent is the leading IP networking, ultra-broadband access and cloud technology specialist. We are dedicated to making global communications more innovative, sustainable and accessible for people, businesses and governments worldwide. Our mission is to invent and deliver trusted networks to help our customers unleash their value. Every success has its network.

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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Offer and Distribution Restrictions

The Company has not filed this announcement or the Offer to Purchase with, and they have not been reviewed by, any federal or state securities commission or regulatory authority of any country. No authority has passed upon the accuracy or adequacy of the Tender Offer, and it is unlawful and may be a criminal offense to make any representation to the contrary.

The Offer to Purchase does not constitute an offer to purchase Notes in any jurisdiction in which, or to or from any person to or from whom, it is unlawful to make such offer under applicable securities or blue sky laws. The distribution of the Offer to Purchase in certain jurisdictions is restricted by law. Persons into whose possession either the Offer to Purchase comes are required by each of the Company, the Guarantors, the Dealer Managers and the Tender Agent to inform themselves about, and to observe, any such restrictions.

United Kingdom. The communication of this Offer to Purchase and any other documents or materials relating to the Tender Offer is not being made, and such documents and/or materials have not been approved, by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000 (the "FSMA"). Accordingly, the Offer to Purchase is being distributed only to and is only directed at: (i) persons who are outside the United Kingdom; (ii) persons having professional experience in matters relating to investments falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order")); (iii) persons falling within Article 43 of the Financial Promotion Order; (iv) persons

falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc.") of the Financial Promotion Order; or (v) any other persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) may otherwise lawfully be communicated or cause to be communicated under the Financial Promotion Order (all such persons together being referred to as "relevant persons"). The Offer to Purchase is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which the Offer to Purchase relates is available only to relevant persons and will be engaged in only with relevant persons.

France. The Tender Offer is not being made, directly or indirectly, to the public in France. Neither the Offer to Purchase nor any other documents or offering materials relating to the Tender Offer have been or shall be released, issued, distributed or caused to be released, issued or distributed to the public in France or used in connection with any offer to tender Notes and only (i) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) and/or (ii) qualified investors (*investisseurs qualifiés*) acting for their own account, all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1, D.744-1, D.754-1 and D.764-1 of the French *Code monétaire et financier*, are eligible to participate in the Tender Offer. Neither the Offer to Purchase, nor any other offering materials relating to the Tender Offer, have been submitted to the clearance procedures (*visa*) of the *Autorité des marchés financiers*.

Belgium. In Belgium, the Tender Offer will not, directly or indirectly, be made to, or for the account of, any person other than to qualified investors referred to in Article 10, § 1 of the Belgian act on the public offering of investment instruments and the admission of investment instruments to trading on regulated markets dated 16 June 2006 (the "Belgian Prospectus Act") or registered as such in accordance with the Royal Decree of 26 September 2006 on the extension of the concept of qualified investors and on the concept of institutional investors or professional investors (the Belgian Royal Decree), each acting on their own account. The Offer to Purchase or any other documentation or material relating to the Tender Offer has not been and will not be submitted to the Financial Services and Markets Authority for approval. Accordingly, in Belgium, the Tender Offer may not be made by way of a public offer within the meaning of article 3 of the Belgian act on public takeover offers dated 1 April 2007 (the Belgian Takeover Act) (as amended or supplemented, in each case, inter alia, by royal decree). Therefore, the Tender Offer may not be promoted vis-a-vis, and are not being made to, any person in Belgium other than qualified investors within the meaning of article 10, § 1 of the Belgian Prospectus Act (as amended, inter alia, by royal decree) that are acting for their own account. The Offer to Purchase and any other documentation or material relating to the Tender Offer (including memorandums, information circulars, brochures or similar documents) have not been forwarded or made available to, and are not being forwarded or made available to, directly or indirectly, any such person. With regard to Belgium, the Offer to Purchase has been transmitted only for person use by the aforementioned qualified investors and only for the purpose of the Tender Offer. Accordingly, the information contained in the Offer to Purchase may not be used for any other purpose or be transmitted to any other person in Belgium.

Italy. None of the Tender Offer, the Offer to Purchase and any other document or materials relating to the Tender Offer have been submitted to the clearance procedures of the *Commissione Nazionale per le Società e la Borsa* ("CONSOB") pursuant to Italian laws and regulations. The Tender Offer is being carried out in Italy as an exempted offer pursuant to article 101-bis, paragraph 3-bis of the Legislative Decree No. 58 of 24 February 1998, as amended (the "Financial Services Act") and article 35-bis, paragraph 3 of CONSOB Regulation No. 11971 of 14 May 1999, as amended (the "Issuers' Regulation"). Accordingly, the Tender Offer is not available to investors located in Italy that do not qualify as qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of the Financial Services Act and Article 34-ter, paragraph 1, letter b) of the Issuers' Regulation ("Ineligible Italian Investors"). Ineligible Italian Investors may not tender Notes in the Tender Offer and neither the Offer to Purchase nor any other documents or materials relating to the Tender Offer or the Notes may be distributed or made available to Ineligible Italian Investors. Holders or beneficial owners of the Notes that are located in Italy and qualify as qualified investors (*investitori qualificati*) can tender Notes for purchase in the Tender Offer through authorised persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007, as amended from time to time, and Legislative Decree No. 385 of 1 September 1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority.

Switzerland. Neither the Offer to Purchase nor any other offering or marketing material relating to the Notes constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Federal Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange. Accordingly, the investor protection rules otherwise applicable to investors in Switzerland do not apply to the Tender Offer. When in doubt, investors based in Switzerland are recommended to contact their legal, financial or tax adviser with respect to the Tender Offer.

Singapore. Neither the Offer to Purchase nor any other documents or materials relating to the Tender Offer has been or will be registered as a prospectus with the Monetary Authority of Singapore. The Tender Offer do not constitute a public tender offer for the purchase of Notes or a public offering of securities in Singapore pursuant to Section 273(1)(e) of the Securities and Futures Act (Chapter 289) of Singapore (the "SFA"). Accordingly, the Tender Offer is not being made, and the Offer to Purchase and any other documents or materials relating to the Tender Offer are not to be circulated or distributed, whether directly or indirectly, to persons located or resident in Singapore other than to (i) an institutional investor under Section 274 of the SFA, (ii) a relevant person as defined in Section 275(1) of the SFA, or to any person as referred to in Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.