

U.S. Operating Companies to Consolidate

*Distributed to U.S. Employees**

October 6, 2008

Since the combination of Alcatel and Lucent, most U.S. employees have been aligned with one of three legal entities under the Alcatel-Lucent umbrella — Alcatel USA Marketing, Inc., Alcatel USA Sourcing, Inc. or Lucent Technologies Inc.

On November 1, 2008, all three of these entities will combine and become a single legal entity called Alcatel-Lucent USA Inc. This move will help reduce our costs, simplify our legal structure and enable us to present a unified "Alcatel-Lucent" face to our U.S. customers and suppliers.

Please note that this consolidation will have **no impact on compensation and benefits for U.S. employees**, including those on international assignments (who will remain in the Alcatel-Lucent Management Services, Inc. entity). This means that:

- Employees and former employees will still have an appropriate code in the HR system to indicate their alignment with the appropriate company prior to this action, so they are correctly identified for any compensation and benefit programs that have not been completely harmonized -- including severance plans, savings/401(k) plans, and pension plans.
- No employees who were aligned with Alcatel USA Marketing, Inc., Alcatel USA Sourcing, Inc. or Lucent Technologies Inc. will experience a restart of FICA (Social Security) withholding, and only one W-2 Wage and Tax statement will be issued for each employee for the year 2008.

** This information does not apply to employees of LGS Innovations LLC, Genesys, Alcatel Vacuum Products, Thompson Advisory Group, Alcatel-Lucent Managed Solutions, LLC, or Radio Frequency Systems, Inc.*