



Alcatel-Lucent signs contracts with Nextgen Networks to provide equipment and services for its national broadband network in Australia

Alcatel-Lucent (Euronext Paris and NYSE: ALU) has signed contracts with a value of approx 25 million Euros with Nextgen Networks, a specialist provider of high-quality data services in Australia, to supply WDM, SDH and Ethernet/MPLS equipment and provide Network Operation Center services for its optical network. Nextgen Networks will be able to offer optical access to new areas and to offer new services to Australian businesses, all with improved efficiency and cost-effectiveness. To support Nextgen Networks' plans, Alcatel-Lucent will deploy its optical networking solution, including a suite of network operations services.

Alcatel-Lucent will also provide network management for the optical domain from its Global Network Operations Center (GNOC) in Sydney, , providing round-the-clock support and service provisioning for best-in-class network operations with dramatic savings in operational expenditures.

"This new multi-year contract with Nextgen Networks is a vote of confidence in Alcatel-Lucent's strong delivery, deployment and network operations capabilities," said John Meyer, President of Alcatel-Lucent's Services activities.

Nextgen Networks owns and operates its third longest optical fiber network, which spans some 8,500 km linking major and regional cities, as well as a national data network. With Alcatel-Lucent's optical solution, Nextgen Network will offer its customers the benefits of innovative Ethernet-based applications for voice, video and data services. All these services will leverage the optical and Ethernet/MPLS-based infrastructures previously deployed by Alcatel-Lucent, thus minimizing total cost of network ownership.

"This upgrade and extension project provides a strong foundation for our growth in the Australian market as next-generation multimedia service delivery is creating a demand for greater and greater capacity on our transport network," stated Peter Harrison, General Manager of Nextgen Networks. "The Alcatel-Lucent solution will further enhance the flexibility and reliability to efficiently address this demand, while speeding return on investment."

Alcatel-Lucent's optical solution will be based on synchronous digital hierarchy (SDH) and wavelength division multiplexing (WDM)

technologies. Alcatel-Lucent will supply its Metropolis AMS, AMU and ADM MultiService Mux-Universal SDH multiplexers, and its LambdaUnite optical multi-service switch, enabling reliable traffic switching from 10 Gbit/s to 2 Mbit/s. To transport the traffic over long-distance, Alcatel-Lucent will continue to deploy its WaveStar OLS 800G and Metropolis Wavelength Services Manager (WSM) WDM systems.

These new contracts follow the launch by Nextgen Networks, in June 2006, of its first national Ethernet VPLS (Virtual Private LAN Service) network based on the Alcatel-Lucent 7750 Service Router. This VPLS network offers Australian businesses the benefits of advanced virtual private network (VPN) technology, enabling them to operate quality-controlled voice, video and data services.

About Nextgen Networks

Nextgen Networks is an Australian carrier that is a specialist provider of high quality data services for other carriers, service providers and corporate and government customers. Nextgen owns and operates its third largest long haul fiber network and a national VPLS data-switching network. Nextgen products include custom fiber network builds, high capacity national data transmission services, carrier grade co-location facilities and national Layer 2 VPN services. For more information, visit: <http://www.nextgennetworks.com.au>

About Alcatel-Lucent

Alcatel-Lucent (Euronext Paris and NYSE: ALU) provides solutions that enable service providers, enterprises and governments worldwide, to deliver voice, data and video communication services to end-users. As a leader in fixed, mobile and converged broadband networking, IP technologies, applications, and services, Alcatel-Lucent offers the end-to-end solutions that enable compelling communications services for people at home, at work and on the move. With operations in more than 130 countries, Alcatel-Lucent is a local partner with global reach. The company has the most experienced global services team in the industry, and one of the largest research, technology and innovation organizations in the telecommunications industry. Alcatel-Lucent achieved adjusted proforma revenues of Euro 18.3 billion in 2006 and is incorporated in France, with executive offices located in Paris.

. [All figures exclude impact of activities transferred to Thales]. For more information, visit Alcatel-Lucent on the Internet: <http://www.alcatel-lucent.com>

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