

Recently, you received the Annual Funding Notice (**The Notice**) from Alcatel-Lucent (ALU). This is the disclosure required under **The Pension Protection Act of 2006 (The Law)** which was passed by Congress to provide better information to defined benefit pension plan participants about the funding status of their pension plan. The law also requires other disclosures.

The information in The Notice is the same as you received last year and is similar to what you previously received in the October time frame called a **Summary Annual Report (SAR)**. The Law requires that you receive **The Notice** no more than 120 days after the end of each plan year.

The Notice devotes substantial narrative to information about ***Summary of Rules Governing Termination of Single-Employer Plans and Benefit Payments Guaranteed by the Pension Benefit Guaranty Corporation (PBGC)*** as required by **The Law**. We have been advised by Alcatel-Lucent that there are no plans to terminate our plan. Accordingly, that makes the information about the PBGC of little relevance to our retirees.

The Notice reports that on 12/31/09 the market value of Plan Assets was \$ 15.934 billion and Plan Obligations are \$ 16.592 billion - thus indicating a funding level of about 96%. The funding level indicated in The Notice appears slightly better than the 93% shown in the ALU 20F that had been filed earlier with the SEC. The reason for the difference results from different prescribed methods of calculating the discount rate used for pension obligations. Neither amount will require cash contributions to the plan this year.

ALU did not provide information about the relative percentages under the heading of **Funding and Investment Policies**, reporting only that the assets are 100% invested in a Master Trust. Information in the 20F indicates that the assets are invested 68% in fixed income instruments, 15% in equities, 6% in real estate, and 11% in private equity and other.

The Notice also states that there are 13,304 active on-roll plan participants; 56,919 retired and receiving benefits, and 26,989 who are vested and will be entitled to benefits at a later date. Since the Plan is frozen there will be no new participants.

*If you have specific questions, please contact **Frank Minter, LRO Pension Director**, at fcminster@aol.com. Also, please note that the LRO will soon be holding a series of informational meetings wherein attendees can present questions regarding Pensions, Health Care and legislative actions being supported. The meetings are scheduled as follows:*

- *Greensboro, NC - May 17*
- *Baltimore, MD - May 19*
- *Atlanta, GA - May 24*
- *Kenilworth, NJ - June 8*
- *Allentown, PA - June 9*
- *Columbus OH – June 22, and*
- *Indianapolis, IN -June 23.*

Specific locations and times can be obtained from your Regional Director or on the LRO website. If one of these meetings is convenient, we urge you to attend.