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May 16, 2006

Mr. Kenneth O. Raschke  
President, Lucent Retiree Organization  
231 Pinetuck Lane  
Winston-Salem, NC 27104

Dear Ken,

Thank you for your letter dated April 26, 2006, to me and Serge Tchuruk. I have spoken to Serge and told him that I would get back to you with our collective response. Lucent greatly values the contributions our retirees have made to our company, and I understand that some retirees may be wondering how Lucent's merger transaction with Alcatel will impact their pensions, retiree health care and life insurance benefits. Let me assure you that we are paying particular attention to these issues to ensure that we address them with the appropriate care.

All of the most recent information concerning the merger can be found in the Form F-4 document that was filed May 9 with the SEC. You can find a copy of the F-4 at the following URL: <http://www.lucent.com/corpinfo/merger/docs/PFBNY20140-11-alcotel-1318.pdf>

I will not address most of the specific questions included in your letter, either because it is premature to do so or because they involve matters in litigation against us that is supported by your organization. However, let me briefly address the topics of pensions and retiree healthcare.

**Pensions:** Lucent's pension funds remain well funded under the applicable ERISA rules. Under the terms of the merger agreement, after the merger Lucent will be a wholly owned Delaware subsidiary of a larger parent company. It is intended that Lucent will remain the plan sponsor and a named fiduciary of the Lucent pension plans. Accordingly, the transaction will not result in any change in the pension commitments of Lucent. Of course, Lucent will continue to comply with applicable law, including the requirements to hold plan assets in trust within the jurisdiction of the U.S. courts and to file Forms 5500.

**Retiree Health Care:** In the combined company, we will continue to manage the cost of U.S. retiree health care. We are always looking at how to balance the needs of our retirees with funding levels that would enable the company to remain a viable

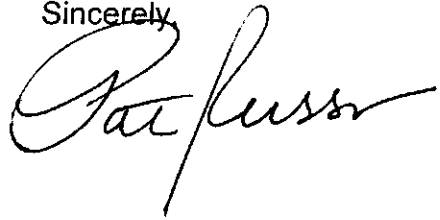
competitor. Our goal is to be able to provide access to quality health care plans at a level of subsidy that the company can afford.

As we approach the completion of this merger, we will continue to provide updates in a timely fashion. In particular, we will continue to update the Alumni Portal (<http://www.lucent.com/alumni>) with pertinent information or updates concerning Lucent's pension and retiree healthcare benefits.

You also can find answers to frequently asked questions on Lucent's merger update Web site (<http://www.lucent.com/corpinfo/merger>).

Thank you for your continued interest in our company's future.

Sincerely,

A handwritten signature in cursive script, appearing to read "Paul Russo". The signature is written in black ink and is positioned below the word "Sincerely,".