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Mr. Ken Raschke
President
Lucent Retirees Organization
231 Pinetuck Lane
Winston-Salem, NC 27104

Dear Ken:

Thank you for your June 19th letter. As you might suspect I have been traveling quite a bit which is why I have not gotten back to you sooner.

As we have said publicly, after completion of Lucent's merger transaction with Alcatel, the combined company will enjoy stronger and broader customer relationships, with greater global scale and resources. The primary motivation of the merger is to generate growth in revenues and earnings based on the market opportunities we see in the future, and we believe that after integration the combined company will be well positioned to enhance long-term value for all of our stakeholders – shareholders, customers, employees and retirees. I was pleased, when reading your letter, to note that the LRO seems to share that view.

After thoughtful consideration, and after discussions with outside securities law counsel, we have determined that a meeting with the LRO would be not be prudent and is likely to be a frustrating experience for both of us. Here's why. As you state in your letter to me you have asked some LRO leaders with extensive experience in corporate accounting and finance to "delve into the Form F-4 filed with the SEC on the merger." As a result you no doubt have several questions. Unfortunately we probably would not be able to answer many of your questions due to the fact we are about to enter into the proxy solicitation period for the proposed merger and, therefore, we are subject to strict proxy solicitation rules of the U.S. securities laws as well as the strict securities law registration requirements. This means we cannot communicate material information selectively to shareholders during this time. In other words we will not be able to say anything more than what will be in the definitive proxy statement/prospectus, the preliminary version of which is part of the Alcatel Registration Statement Form F-4 filing.

In the interest of trying to accommodate your principal concerns within the confines of our legal constraints, let me propose an alternative. If you wish to send us a limited number of questions you have about the F-4 filing, we will do our best to respond to them in a timely manner and as fully as circumstances permit. You also should know that once we respond to your questions we will likely be required to file the responses with the SEC as we have done with all of the


communications related to the proposed merger. Each of these filings can be found on our external website.

Let me also remind you of what I have already shared with Lucent Alumni in my April 25 letter:

“The company will continue to meet its pension obligations consistent with federal requirements, as it always has done. Our pension plans are well funded under the current federally mandated ERISA rules, and the \$34 billion in pension assets are held in trust funds exclusively for Lucent retirees... The rising cost of retiree health care is a national issue - not a Lucent-specific one - and I recognize the impact it is having on retirees across the country. We will continue managing the costs of healthcare for eligible retirees, while balancing the needs of shareowners, retirees and current employees.”

We will continue to keep our retirees advised about the progress of the merger through our public filings, web site postings, and letters as appropriate.

Sincerely yours,

A handwritten signature in black ink, appearing to be "Pete", written in a cursive style. The signature is positioned below the text "Sincerely yours,".