



Mediterranean Nautilus selects Alcatel-Lucent for multi-million Euro submarine network upgrade and extension in the Mediterranean

Paris, March 22, 2007 - Alcatel-Lucent (Euronext Paris and NYSE: ALU) and Mediterranean Nautilus Limited, a broadband network service provider owned by Telecom Italia Sparkle, have further strengthened their cooperation, after successfully inaugurating the first regional dense wavelength division multiplexing (DWDM) submarine network in the Mediterranean Sea. Under the terms of a turnkey, multi-million Euro contract, Alcatel-Lucent will upgrade and extend the existing submarine network which began service in 2001. As a result, MedNautilus will benefit from extra capacity and a new route to support the accelerated regional growth in broadband data services and applications.

The current submarine network broke new ground for emerging data services in the region such as high-speed Internet access, managed hosting and storage networking. Spanning approximately 6,000 km, it is an interlocking loop that links Italy, Greece, Turkey and Israel providing seamless broadband connectivity to business and residential users.

With completion scheduled in the fourth quarter 2007, the new, two-phase project will further enhance the hub located in Cyprus enabling MedNautilus to meet the island's and neighboring countries' increased capacity requirements. In the first phase, Alcatel-Lucent will upgrade to 10 Gbit/s the submarine link providing direct connection between Mazara del Vallo in Sicily, Italy, to Yeroskipos, Cyprus. In the second phase, a new branching unit will be deployed in Pentaskhinos to add a new connection from Cyprus to the existing infrastructure.

"We are focused on enhancing capacity and connectivity for maximum effectiveness to best serve our customers, while capitalizing on our existing infrastructure," said Francesco Nanotti, CEO of Mediterranean Nautilus. "Alcatel-Lucent continues to be a valued partner to help us take a new step in our regional and global capabilities in the timelines required."

"As broadband adoption rates continue growing, we are delivering to Mediterranean Nautilus the most advanced submarine technology to meet new service demands," affirmed Jean Godeluck, President of Alcatel-Lucent's submarine network activity. "Our submarine solutions offer the flexibility and reliability our customers require to support the cost-effective delivery of innovative services."

The Alcatel-Lucent solution will be based on the 1620 Light Manager next-generation DWDM submarine platform, managed by the existing Alcatel-Lucent 1350 management. Alcatel-Lucent will also offer a comprehensive suite of professional services, including project management, engineering, marine operation, and installation testing and commissioning.

About Mediterranean Nautilus

Mediterranean Nautilus Limited is an Irish based company fully owned by Telecom Italia Sparkle. Mediterranean Nautilus owns and operates the only telecommunication submarine cable ring in the Mediterranean, which has been in operation since 2001. The MedNautilus network provides end-to-end connectivity from the eastern part of the Mediterranean to major destinations in Europe and is the leading provider in the region.

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 to be transferred to Thales]. For more information, visit Alcatel-Lucent on the Internet: <http://www.alcatel-lucent.com>

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