

August 1, 2012

Long-Term Care - Important Update

Enrollment Deadline Extended for Long-Term Care Insurance (LTCI)

For eligible represented employees and retirees.

In September, 2011, we informed you of significant changes that were being made to Alcatel-Lucent's Long-Term Care Plan (the "Plan"). In that notice you were advised that the Plan for represented active employees and retirees, and eligible family members would be closed to new entrants as of August 31, 2012.

Good News! The deadline for enrollment has been extended to December 31, 2012.

If you are not already a Plan participant

Eligible represented active employees and retirees, and eligible family members who are interested in enrolling in the Plan can still apply for coverage until the Plan closes to new entrants on December 31, 2012. ***If you want to apply, you must request your enrollment kit from MetLife no later than November 30, 2012 and your completed application must be received by MetLife no later than December 31, 2012.***

If you are interested in learning more about the Plan or requesting an enrollment kit, please contact MetLife at 1-800-984-8651.

If you are already a Plan participant

MetLife has assured us that their decision to close the Plan to new entrants will not impact existing coverage for those already enrolled in the Plan. Your coverage is "guaranteed renewable". This means that, as long as premiums are paid on time, coverage cannot be cancelled, although premiums for coverage can be raised on a class basis, subject to any required regulatory approval. You will continue to pay your premiums as usual (i.e., payroll deduction, direct bill or electronic funds transfer).

Request for Rate Increases

As a reminder, MetLife also announced plans to seek an "in-force" rate increase of 45% across its' employer group Long-Term Care Insurance (LTCI) plans. ("In-force" means the rate increase would apply to currently enrolled participants as well as newly enrolled participants.) The timing of when you will be affected by this rate increase is subject to regulatory approval, among other factors.

Please keep in mind that if the appropriate insurance regulators approve MetLife's request for a rate increase, the rate increase will apply to your

coverage. MetLife will inform you of your new rates in advance of any increase. Where possible, MetLife may be able to provide the insured with option(s) to modify their existing coverage in order to lessen the impact of the increase.

You can continue to make coverage changes as described in the terms and provisions of your certificate of insurance. This includes inflation offers, coverage increases and coverage decreases.

Alcatel-Lucent Benefits

As always, we will continue to evaluate the benefits program we offer to our employees. Our goal is to remain competitive with industry standards. To that end, we will continue to assess developments in the LTCI business and provide you with updates as appropriate.

Alcatel-Lucent USA Inc. (the "Company") reserves the right to amend or terminate the Plan, in whole or in part, at any time by the resolution of the Board of Directors or its properly authorized designee, subject to the terms of applicable collective bargaining agreements. In addition, the Company does not guarantee the continuation of any long-term care benefits during employment or at or during retirement nor does it guarantee any specific level of benefits or contributions, subject to the terms of any applicable bargaining agreement. However, once you have been issued MetLife LTCI coverage, the coverage is "guaranteed renewable." This means that, as long as premiums are paid on time, coverage cannot be cancelled, although premiums for coverage can be raised on a class basis, subject to any required regulatory approval.

Questions?

Please call MetLife at 1-800-984-8651 to speak with a Customer Service Consultant.