



ALCATEL-LUCENT SAVINGS/401(k) PLAN

INVESTMENT FUND CHANGE NOTIFICATION

EFFECTIVE AUGUST 1, 2015

This document modifies, effective August 1, 2015, certain information contained in the Appendix to the Plan's Qualified Default Investment Alternatives (QDIA) Notice furnished to participants in February 2015 (with an effective date of April 1, 2015). This document also modifies, effective August 1, 2015, certain information regarding the International Equity Fund and Retirement Date Funds contained in the Plan's Annual Fee and Expense Disclosure and its Appendix, also furnished in February 2015.

SUMMARY OF CHANGES

The Alcatel-Lucent Savings/401(k) Plan (the “Plan”) offers diverse, competitive and low cost investment funds and other services to help you achieve your retirement goals. Effective August 1, 2015, we are making changes to the International Equity Fund and Retirement Date Funds:

- **The International Equity Fund** will broaden its strategy and change the benchmark used to measure the Fund’s performance. Concurrent with these changes, the Fund will become managed by a total of three investment managers.
- **The Retirement Date Funds** will add an additional international developed markets equity investment manager. See page 4 for more details.

After these changes take place, both the International Equity Fund and the Retirement Date Funds will be invested with the same three underlying international developed and emerging markets equity managers.

IMPORTANT INFORMATION PLEASE READ CAREFULLY

You should carefully consider the information contained in this document, along with other information available to you concerning the Plan and its investment funds, when making decisions regarding the investment of your Plan account.

A revised QDIA Notice, effective August 1, 2015, is available on the BenefitAnswers Plus website at www.benefitanswersplus.com. If you prefer to have a hard copy of the QDIA Notice mailed to you, call Alcatel-Lucent HR at Your Service at 1-888-582-3684, 9:00 a.m. to 6:00 p.m., ET, Monday through Friday, or submit a request in writing to: Plan Administrator, Alcatel-Lucent, 600 Mountain Avenue, Room 6D-401A, Murray Hill, NJ 07974.

DESCRIPTION OF INTERNATIONAL EQUITY FUND CHANGES

Effective August 1, 2015, the International Equity Fund will modify its investment strategy and change the benchmark used to measure the Fund’s performance. The Fund will broaden its holdings to include emerging markets equities in addition to international developed markets equity securities to provide exposure to the global equity markets outside of the United States in a single fund. The Fund will also add two additional investment managers to diversify the Fund across managers’ investment styles. As a result of these changes, the total expense ratio of the Fund will increase.

The Fund’s new benchmark will be the MSCI ACW (All Country World) ex USA Standard Index (Net). The new benchmark measures performance of stocks throughout the world, with the exception of U.S.-based companies, and includes both developed and emerging markets. The new benchmark is broader than the Fund’s current benchmark and is reflective of the International Equity Fund’s new strategy.

The Fund will continue to be managed, in part, by Templeton Investment Counsel, LLC. Starting August 1, 2015, portions of the Fund will also be managed by AQR Capital Management, LLC and T. Rowe Price Trust Company.

NO ACTION IS REQUIRED BY YOU AS A RESULT OF THESE CHANGES.

However, if you would like to change your investment elections for current balances in or for future contributions to the International Equity Fund or the Retirement Date Funds **before** these changes take effect, you must do so by 4:00 p.m., Eastern Time (ET) on July 31, 2015 by logging on to your Plan account at <http://resources.hewitt.com/alcatel-lucent> or by calling the Alcatel-Lucent Benefits Center at 1-888-232-4111 (select the “Retirement and Investments” option) between the hours of 9:00 a.m. and 5:00 p.m., ET, Monday through Friday.

INTERNATIONAL EQUITY FUND – FUND DESCRIPTION (EFFECTIVE AUGUST 1, 2015)

Fund Objective: The investment goal of the International Equity Fund is to outperform the MSCI ACW (All Country World) ex USA Standard Index (Net) (the “Benchmark”) over rolling 3-year periods, net of total fees and expenses.

Fund Information:

Fund Availability in the Plan: 1/31/2001

Fund Managers: Templeton Investment Counsel, LLC, AQR Capital Management, LLC, T. Rowe Price Trust Company*

Benchmark: MSCI ACW (All Country World) ex USA Standard Index (Net)

Redemption Fee: This Fund carries a short-term redemption fee of 2 percent for units held less than 31 days

Estimated Total Expense Ratio: Because actual fund operating expenses, certain Plan administrative costs and total Plan assets cannot be known in advance, the total expense ratio for the International Equity Fund could be different from what is shown. See endnotes for a description of what is included in a fund’s total expense ratio.

Estimated Annualized Fees and Expenses (As a % of Assets Invested)			Estimated Annualized Fees and Expenses (Per \$1,000 Invested)		
Fund Operating Expenses	+	Plan Administrative Costs = Total Expense Ratio	Fund Operating Expenses	+	Plan Administrative Costs = Total Expense Ratio
0.47%		0.05% 0.52%	\$4.70		\$0.50 \$5.20

Fund Strategy: The Fund invests in a broadly diversified portfolio of equity securities issued primarily by medium to large companies in developed and emerging markets countries outside of the United States.

The Fund’s strategy blends several investment managers into a single fund with investing styles and strategies intended to complement each other to meet the overall investment objective of the Fund. The investment managers act independently of each other and use their own methodologies for selecting investments.

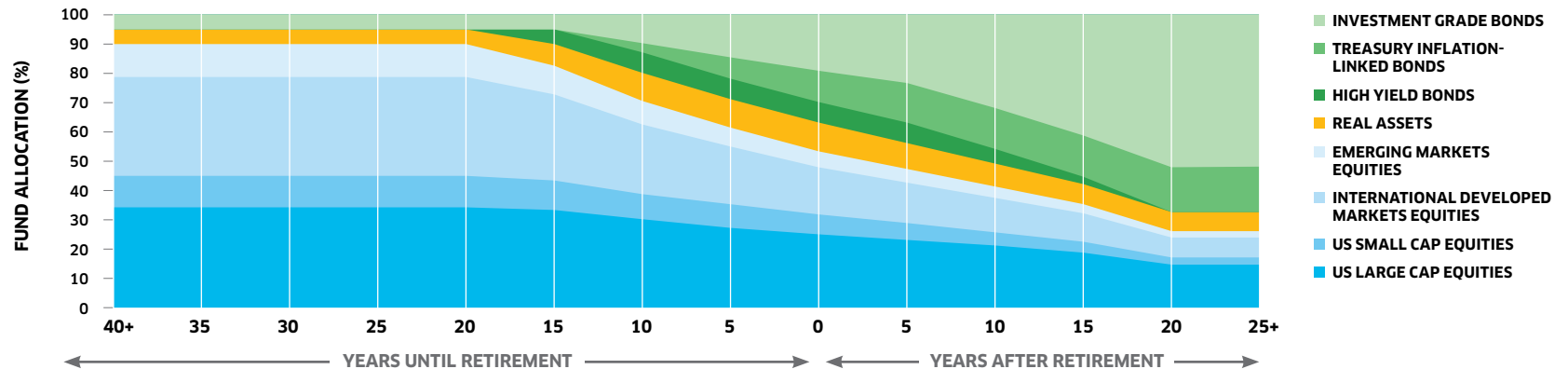
The equity securities in which the Fund may invest include, but are not limited to, common stocks, preferred stocks, depositary receipts, rights and warrants to buy common stocks, exchange traded funds, privately placed securities, and U.S.-registered securities of companies that target markets outside the United States. The Fund may use derivatives (such as futures, forwards and swaps) primarily to gain country or currency exposure as a substitute for taking a physical position in an underlying asset.

Risk: Stock markets, especially foreign markets, are volatile and can decline in response to activities of individual companies, or adverse issuer, political, regulatory, market, or economic developments. Foreign securities and currencies are subject to interest rate, currency exchange rate, economic, and political risks. Emerging markets investing may be subject to additional economic, political, liquidity, and currency risks not associated with more developed countries. Derivatives may be volatile and involve risks such as currency risk, leverage risk, counterparty risk, basis risk, and liquidity risk. Using derivatives can disproportionately increase losses and reduce opportunities for gains in certain circumstances. Investments in derivatives may have limited liquidity and may be harder to value, especially in declining markets. Unit price and return of the Fund will vary.

*Underlying managers of a multi-manager fund may change in the future consistent with achieving the overall objective of the Fund. The International Equity Fund is an institutional separate account, not a mutual fund.

DESCRIPTION OF RETIREMENT DATE FUND CHANGES

Effective August 1, 2015, the Retirement Date Funds will add an additional underlying international developed markets equity fund, managed by AQR Capital Management, LLC, to provide investment style diversification to the international developed markets equity asset class. This change will not affect the overall allocation to the international developed markets equity asset class in each Retirement Date Fund's investment mix. As a result of this change, the total expense ratios of the Retirement Date Funds will increase. The following table shows the target allocations to the underlying investment funds and how the target investment mix of a Retirement Date Fund changes over time.



FUND NAME	YEARS UNTIL RETIREMENT									YEARS AFTER RETIREMENT				
	40+	35	30	25	20	15	10	5		5	10	15	20	25+
SHORT TERM BOND FUND	—	—	—	—	—	—	—	—	3.48	5.33	11.78	18.85	28.95	28.95
CORE BOND FUND	5.00	5.00	5.00	5.00	5.00	5.00	9.80	14.10	15.58	17.73	19.93	22.08	23.15	23.15
TREASURY INFLATION-LINKED BOND FUND	—	—	—	—	—	—	3.05	7.73	10.75	13.75	14.10	14.38	15.25	15.25
HIGH YIELD BOND FUND	—	—	—	—	—	5.00	7.00	7.00	7.00	7.00	5.00	2.50	—	—
CUSTOMIZED REAL ASSET FUND	5.00	5.00	5.00	5.00	5.00	7.40	9.60	9.70	9.83	8.83	7.83	6.85	6.53	6.53
EMERGING MARKETS EQUITY FUND	11.25	11.25	11.25	11.25	11.25	9.80	8.03	6.48	5.45	4.68	3.90	3.13	2.18	2.18
INTERNATIONAL DEVELOPED MARKETS EQUITY FUNDS	33.75	33.75	33.75	33.75	33.75	29.38	23.78	19.68	16.08	13.78	11.75	9.70	6.80	6.80
US SMALL CAP EQUITY FUND	10.75	10.75	10.75	10.75	10.75	10.08	8.55	8.08	6.80	5.78	4.48	3.73	2.45	2.45
US LARGE CAP EQUITY INDEX FUND	20.55	20.55	20.55	20.55	20.55	20.01	18.12	16.35	15.03	13.89	12.75	11.28	8.82	8.82
US LARGE CAP VALUE EQUITY FUND	6.85	6.85	6.85	6.85	6.85	6.67	6.04	5.45	5.01	4.63	4.25	3.76	2.94	2.94
US LARGE CAP GROWTH EQUITY FUND	6.85	6.85	6.85	6.85	6.85	6.67	6.04	5.45	5.01	4.63	4.25	3.76	2.94	2.94
TOTAL BOND FUNDS	5	5	5	5	5	10	20	29	37	44	51	58	67	67
TOTAL REAL ASSET FUNDS	5	5	5	5	5	7	10	10	10	9	8	7	7	7
TOTAL EQUITY FUNDS	90	90	90	90	90	83	70	61	53	47	41	35	26	26

Refer to endnotes for a description of the Retirement Date Fund's benchmark methodology, which has not changed but whose calculation will be adjusted to incorporate an additional underlying investment fund.

This chart does not represent any particular Retirement Date Fund. It is meant to show how the investment mix of any Retirement Date Fund changes over a lifetime. Numbers may not sum due to rounding. Managers of underlying investment funds may change in the future consistent with achieving the overall objective of the Retirement Date Funds.

RETIREMENT DATE FUND CHANGES (EFFECTIVE AUGUST 1, 2015) (continued)

Estimated Total Expense Ratios: Because actual fund operating expenses, certain Plan administrative costs and total Plan assets cannot be known in advance, the total expense ratios for the Retirement Date Funds could be different from what is shown below. See endnotes for a description of what is included in a fund's total expense ratio.

FUND NAME	Estimated Annualized Fees and Expenses (As a % of Assets Invested)			Estimated Annualized Fees and Expenses (Per \$1,000 Invested)		
	Fund Operating Expenses	+ Plan Administrative Costs	= Total Expense Ratio	Fund Operating Expenses	+ Plan Administrative Costs	= Total Expense Ratio
Retirement Date Income Fund	0.28%	0.05%	0.33%	\$2.80	\$0.50	\$3.30
Retirement Date 2000 Fund	0.31%	0.05%	0.36%	\$3.10	\$0.50	\$3.60
Retirement Date 2005 Fund	0.34%	0.05%	0.39%	\$3.40	\$0.50	\$3.90
Retirement Date 2010 Fund	0.37%	0.05%	0.42%	\$3.70	\$0.50	\$4.20
Retirement Date 2015 Fund	0.40%	0.05%	0.45%	\$4.00	\$0.50	\$4.50
Retirement Date 2020 Fund	0.42%	0.05%	0.47%	\$4.20	\$0.50	\$4.70
Retirement Date 2025 Fund	0.44%	0.05%	0.49%	\$4.40	\$0.50	\$4.90
Retirement Date 2030 Fund	0.45%	0.05%	0.50%	\$4.50	\$0.50	\$5.00
Retirement Date 2035 Fund	0.44%	0.05%	0.49%	\$4.40	\$0.50	\$4.90
Retirement Date 2040 Fund	0.44%	0.05%	0.49%	\$4.40	\$0.50	\$4.90
Retirement Date 2045 Fund	0.44%	0.05%	0.49%	\$4.40	\$0.50	\$4.90
Retirement Date 2050 Fund	0.44%	0.05%	0.49%	\$4.40	\$0.50	\$4.90
Retirement Date 2055 Fund	0.44%	0.05%	0.49%	\$4.40	\$0.50	\$4.90



Refer to the Plan's Fund Fact Sheets on Your Benefits Resources™ for detailed information about the investment objectives and risks of investing in a Retirement Date Fund and for information about each Retirement Date Fund's current investment mixes, performance and fees.

WHERE TO GET ADDITIONAL INFORMATION

More detailed information about the Plan's investment funds available for direct participant investment is contained in the **Fund Fact Sheets**. The most recently available Fund Fact Sheets may be found by visiting the BenefitAnswers Plus website at www.benefitanswersplus.com/FundFactSheets.pdf or when you view your account at <http://resources.hewitt.com/alcatel-lucent>.

Most recent performance and fee and expense information may be found in the **Quarterly Fund Performance Review** available by visiting the BenefitAnswers Plus website at www.benefitanswersplus.com/QuarterlyFundPerformanceReview.pdf or when you view your account at <http://resources.hewitt.com/alcatel-lucent>.

A glossary of investment-related terms is available by visiting the BenefitAnswers Plus website at www.benefitanswersplus.com/GlossaryofInvestmentTerms.pdf.

To obtain current month-end performance, to view your Plan account information or to enroll in the Plan, log on to <http://resources.hewitt.com/alcatel-lucent> or contact the Alcatel-Lucent Benefits Center at 1-888-232-4111 from 9:00 a.m. to 5:00 p.m., ET, Monday through Friday, to speak with a representative.

Website addresses are case-sensitive.



YOUR BENEFITS RESOURCES

Log on to your account at <http://resources.hewitt.com/alcatel-lucent> at any time to view your Alcatel-Lucent Savings/401(k) Plan account balance, make changes to your elections or update your beneficiaries.



PHONE REPRESENTATIVES

Call the Alcatel-Lucent Benefits Center at 1-888-232-4111 (select the "Retirement and Investments" option) from 9:00 a.m. to 5:00 p.m., ET, Monday through Friday, to speak with a representative to get answers about your account or assistance with transactions.

ENDNOTES

Total Expense Ratio: Fees and expenses include both fund operating expenses and the investment fund's share of those Plan-wide administrative costs that are paid directly out of the Plan's investment funds. Collectively, these fees and expenses are sometimes referred to as the investment fund's total expense ratio. Fund operating expenses are the costs associated with operating the fund, including investment management fees and additional expenses such as custodian, legal, audit fees, and other operational expenses incurred by the investment manager. Plan administrative costs are composed of the fund's share of Plan-wide audit and legal fees, participant communication costs, fiduciary services costs, investment advice fees, Plan Administrator costs, recordkeeping fees, and trustee/custodial fees.

Retirement Date Fund Benchmarks: The benchmark for each Retirement Date Fund is a composite benchmark that has the same target asset allocation as the Fund's target asset allocation and uses index returns to represent performance of the underlying funds. The benchmark returns are calculated by weighting the monthly index returns of each underlying fund's benchmark by the Retirement Date Fund's monthly target allocation for underlying funds. Target allocations adjust quarterly in accordance with the Retirement Date Fund's asset allocation design. In the custom benchmark's calculation, the Russell 1000 Index will be used to represent the US Large Cap Equity Index Fund, the Russell 1000 Growth Index will be used to represent the allocation to the US Large Cap Growth Equity Fund, the Russell 1000 Value Index will be used to represent the US Large Cap Value Equity Fund, the Russell 2000 Index will be used to represent the US Small Cap Equity Fund, the MSCI World ex-USA Index will be used to represent the International Developed Markets Equity Funds, the MSCI Emerging Markets Index will be used to represent the Emerging Markets Equity Fund, the Barclays US TIPS Index will be used to represent the Treasury Inflation-Linked Bond Fund, a separate custom benchmark* will be used to represent the Customized Real Asset Fund, the Citigroup High Yield Market Capped Index will be used to represent the High Yield Bond Fund, the Barclays US Aggregate Index will be used to represent the Core Bond Fund, and the Barclays 1-3 Year Government/Credit Index will be used to represent the Short Term Bond Fund.

*The custom benchmark for the Customized Real Asset Fund is composed of 50% MSCI ACW Commodity Producers Index, 25% Bloomberg Commodity Index, and 25% Barclays US TIPS 1-10 Year Index.

Limitation of Plan Fiduciaries' Liability and Reservation of Rights: The Plan is intended to be a participant-directed individual account plan described in Section 404(c) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and regulations thereunder. This means that fiduciaries of the Plan are relieved of liability for any losses that are the direct and necessary result of investment instructions given by a participant with respect to his/her Plan account.

This document is not meant to interpret, extend or change the Plan document in any way. The Plan document is the controlling document and, in the case of any conflict or discrepancy between the information contained in this document and the terms of the Plan document, the Plan document will govern your rights and benefits. Alcatel-Lucent reserves the right (subject to any applicable collective bargaining agreement) to amend or terminate the Plan at any time and for any reason.

Other Disclosures: Information in this guide was provided by Alcatel-Lucent and is the sole responsibility of Alcatel-Lucent.