

Important Information about Changes to Long-Term Care Insurance

*distributed to eligible management employees, retirees, and plan participants **

Alcatel-Lucent has been offering Long-Term Care Insurance (LTCI) through MetLife since 1999. MetLife has recently informed us of significant changes that will be made to Alcatel-Lucent's Long-Term Care Plan (the "Plan").

Request for Rate Increases

MetLife has announced plans to seek an "in-force" rate increase across its' employer group LTCI plans. ("In-force" means the rate increase would apply to currently enrolled participants as well as newly enrolled participants.) According to MetLife, this decision is due in large part to the fact that the actual and projected experience for these plans significantly deviate from the original pricing assumptions made years ago when these plans were first offered. As a result, MetLife has started filing requests with the appropriate state insurance departments for an increase of 45%. The timing of when you will be affected by this rate increase is subject to regulatory approval, among other factors.

Plan Closing to New Participants

In addition to requesting an in-force rate increase, MetLife has discontinued the sale of LTCI plans and announced their intention to close their existing employer group LTCI plans to new entrants. As a result, the Alcatel-Lucent Plan will be closed to new entrants as of December 31, 2011 for management active employees and retirees, and eligible family members.

If you are not already a Plan participant

Anyone who is interested in enrolling in the Alcatel-Lucent Plan can still apply for coverage until the Plan closes to new entrants on December 31, 2011. If you want to apply, you will need to submit your application before this deadline.

If you are interested in learning more about the Plan, please contact MetLife at 1-800-984-8651 or go to www.metlife.com/mybenefits

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.

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).

Please keep in mind that if the appropriate insurance regulators approve MetLife's request for a rate increase, MetLife will inform you of your new rates in advance of any increase. Where possible, MetLife may be able to provide an 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.

** This message does not apply to employees of Genesys.*