Serving Our **Communities**



As part of Lucent's fourth annual Global Days of Caring, 90 employees and family members from Lucent Technologies and Tata Lucent Technologies, Ltd. entertained the residents of St. Mary's Home for the Aged in New Delhi, India. Nivedita Bajpai, wife of Prakash Bajpai, sales and marketing vice president at Tata Lucent, shared a smile and a warm moment with one of the home's residents. Almost 16,000 Lucent employees and family members volunteered at 450 projects around the world.

Lucent Technologies Foundation

The Lucent Technologies Foundation, with a budget of $50 million for 2000, helps young people around the world realize their highest potential. In 1999, major initiatives of the Foundation included:

- Project GRAD (Graduation Really Achieves Dreams), the cornerstone of our $6 million commitment to the city of Newark, N.J. GRAD aims to raise student achievement in reading, writing and math, and increase the number of high school graduates and college enrollees.
- The Lucent Universal Preschool Initiative, which provides young children with access to quality early childhood education, connecting teachers, parents and caregivers with the resources they need to deliver developmentally appropriate care.
- Outreach programs at 13 science museums in the United States, China, France and Canada aimed at sparking students' interest in and enhancing their learning of science.
- A global grants program in partnership with the International Youth Foundation to support youth development in 10 countries.
- Lucent Links, a global initiative to help young people better understand themselves and others who are different from them.
- Our matching gifts program, which provides a dollar-for-dollar match for gifts employees make to education and disaster relief around the world, and to arts and culture organizations in the United States.



In July 1999, Lucent hosted the first worldwide summit of the Lucent Global Scholars Program, a talent competition focused on supporting students around the world who are interested in information technology. The meeting, which included 80 of the world's brightest students from nine countries, inaugurated a 10-year-program that is the largest science scholars program in the world in terms of the number of participants and Lucent's $10 million funding commitment.

Diversity

Lucent creates and actively supports an environment where different ideas and diverse opinions are valued. This fosters innovation and taps into the creative energy of our global work force. We provide maximum opportunity to qualified minority- and women-owned businesses to participate as suppliers, contractors and subcontractors of goods and services through our Minority and Women's Business Enterprises (MWBE) initiative. To view Lucent's latest MWBE report, simply go to www.lucent.com/mwbe.

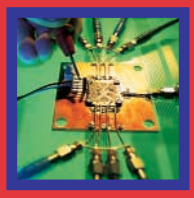
Environment, Health and Safety Goals

Lucent is dedicated to meeting the following goals by 2000:

- Have in place environment, health and safety management systems, based on recognized standards, for at least 95% of our products, services, operations and facilities.
- Reduce our lost workday accident rate by 30%.
- Develop and apply Design for Environment criteria to produce competitive, environmentally preferable products and services.
- Prevent the emission of at least 135,000 metric tons of greenhouse gases.
- Recycle at least 70% of our waste paper.
- Continue to reduce manufacturing waste disposal and reportable air emissions as we expand our business globally.

For more information, please go to www.lucent.com/environment.

Lucent **At a Glance**

	KEY PRODUCTS	MARKET POSITIONS	KEY CUSTOMERS	2000 FOCUS
Service Provider Networks 	Switching and transmission systems for voice and data; data networking routing switches and servers; wireless network infrastructure; optical networking systems; communications software; support services.	No. 1 in optical networking No. 1 in ATM switching No. 1 in frame relay technology No. 1 in remote access technology No. 1 in VoIP gateways No. 1 in U.S. in central office switching systems No. 1 in U.S. in wireless infrastructure	Global service providers; competitive local exchange companies; wireless service providers; independent telephone companies; Internet service providers; private, public and government-owned telephone companies worldwide; U.S. government agencies.	Providing customers with solutions that enable the convergence of data and voice networks; the transition from circuit to packet networks; next-generation wireless networks; and the expansion of optical networks beyond the network core.
Enterprise Networks 	Communications servers for voice and data; e-business solutions; customer relationship management applications; messaging systems and applications; wireless and conferencing systems; IP-based and LAN/WAN products; network cabling for buildings; network management software; support services.	No. 1 in call centers No. 1 in messaging No. 1 in unified messaging No. 1 in cabling systems for buildings No. 1 in U.S. in voice communications servers No. 1 in U.S. in in-building wireless systems	More than 1.5 million customer locations worldwide, including small and mid-sized businesses, multinational Fortune 500 companies, government agencies, schools.	e-business solutions; systems and software that let enterprises converge their voice and data traffic over circuit-switched, IP and ATM networks; unified messaging applications and customer relationship management solutions; and network design, integration and management services.
NetCare Professional Services 	Services for the life cycle of a network, including planning, design, implementation, operations, maintenance, education and software; VitalSuite network monitoring and management software, and eSight interactive customer care Web site.	No. 1 in network professional services No. 1 in multivendor capabilities No. 1 in U.S. in network services	More than 10,000 customers worldwide, including incumbent service providers, emerging service providers and major multinational businesses, including more than half of the Fortune 100 and more than a third of the Fortune 1000.	Be the global leader in providing multivendor voice/data/video convergence solutions. Deliver the broadest and deepest portfolio of network design and consulting services to service providers and enterprises.
Microelectronics and Communications Technologies 	Integrated circuits for wireless and wired communications, computer modems and networks; optoelectronic components for communications systems; power systems; optical fiber; cable; connectivity solutions.	No. 1 in communications integrated circuits (ICs) No. 1 in application-specific ICs No. 1 in read-channel ICs No. 1 in communications optoelectronics No. 1 in SONET/SDH ICs No. 1 in power equipment	Makers of wireless, data networking and other communications products and equipment; computer manufacturers; and service providers.	Providing systems chips that carry voice and data over LANs and WANs, over copper and fiber, and over wired and wireless networks. Our capabilities to integrate IC, optoelectronic and power solutions position us well to move networks to the next generation.
Bell Labs 	Supports other Lucent units by providing basic research and product and service development. Recent innovations include Internet switching and transmission products, wireless systems and record-setting optical networking systems.	In 1999, Bell Labs produced the first high-capacity, all-optical communications router, the first software switch for IP networks, the fastest transmission of information over optical fiber using a single wavelength, and the most sensitive geolocation technology for pinpointing wireless 911 calls.	Lucent's direct customers, such as enterprises and service providers; end users of communications networking products and services.	Create, obtain and deliver more rapidly to customers innovative technologies to establish, maintain and expand Lucent's global market leadership in communications systems, components and networking software. Continue to globalize R&D efforts.

Lucent **Leadership**



Patricia F. Russo
Executive Vice President
and Chief Executive Officer,
Service Provider Networks

William T. O'Shea
Executive Vice President
and Chief Executive Officer,
Enterprise Networks

John T. Dickson
Executive Vice President and Chief
Executive Officer, Microelectronics
and Communications Technologies

John L. Drew
Executive Vice President
and Chief Executive Officer,
NetCare Professional Services

Arun N. Netravali
President,
Bell Labs

Curtis N. Sanford
Group President,
InterNetworking Systems

Daniel C. Stanzione
Special Advisor
to the Chairman

Richard A. McGinn
Chairman and
Chief Executive Officer

Ben J. M. Verwaayen
Vice Chairman

Gerald J. Butters
Group President,
Optical Networking

Lance B. Boxer
Group President,
Communications Software

James K. Brewington
Group President,
Wireless Networks

Robert C. Holder
Executive Vice President,
Strategy, Business Development
and Corporate Operations

Donald K. Peterson
Executive Vice President
and Chief Financial Officer

Curtis R. Artis
Senior Vice President,
Human Resources

William R. Spivey
Group President,
Network Products

Richard J. Rawson
Senior Vice President,
General Counsel

Kathleen M. Fitzgerald
Senior Vice President, Public
Relations, Investor Relations
and Advertising

Thomas M. Uhlman
President,
New Ventures

Board of **Directors**



1. **Paul A. Allaire**
61, chairman of Xerox Corp. (document processing services and products) since 1991. Director, Sara Lee Corp.; SmithKline Beecham p.l.c.; J.P. Morgan & Co.; priceline.com Incorporated. Lucent director since 1996.

2. **Carla A. Hills**
65, chairman and chief executive officer of Hills & Company (international consultants) since 1993. Director, American International Group, Inc.; Chevron Corp.; Time Warner Inc. Lucent director since 1996.

3. **Drew Lewis**
68, retired chairman and chief executive officer (1987-1996) of Union Pacific Corp. (rail transportation and trucking). Director, Aegis Communications Group, Inc.; American Express Company; FPL Group, Inc.; Gannett Co., Inc.; Millennium Bank; Union Pacific Resources Group Inc. Lucent director since 1996.

4. **Richard A. McGinn**
53, chairman and chief executive officer of Lucent since February 1998; chief executive officer and president of Lucent 1997-1998; president and chief operating officer of Lucent 1996-1997; executive vice president of AT&T and chief executive officer of AT&T Network Systems Group 1994-1996. Director, Oracle Corp.; American Express Company. Lucent director since 1996.

5. **Paul H. O'Neill**
64, chairman and chief executive officer of Alcoa Inc. (aluminum production) since 1987; chairman, Rand Corporation. Director, Eastman Kodak Company; the National Association of Securities Dealers, Inc.; Gerald R. Ford Foundation; Manpower Demonstration Research Corporation. Lucent director since 1996.

6. **Donald S. Perkins**
72, retired chairman and chief executive officer (1970-1980) of Jewel Companies, Inc. (diversified retailer); nonexecutive chairman (1995) of Kmart Corp. Director, Aon Corp.; LaSalle Hotel Properties; Nanophase Technologies Corp. Lucent director since 1996.

7. **Henry B. Schacht**
65, director and senior advisor, E.M. Warburg, Pincus & Co., LLC (global venture banking firm) since March 1999; chairman of Lucent 1996-1998; chief executive officer of Lucent 1996-1997; chairman (1977-1995) and chief executive officer (1973-1994) of Cummins Engine Company, Inc. Director, Chase Manhattan Corporation and The Chase Manhattan Bank, N.A.; Alcoa Inc.; Cummins Engine Company, Inc.; Johnson & Johnson; Knoll, Inc.; The New York Times Co. Lucent director since 1996.

8. **Franklin A. Thomas**
65, consultant to the TFF Study Group (nonprofit initiative assisting development in southern Africa) since April 1996; retired president (1979-1996) of The Ford Foundation. Director, Alcoa Inc.; Citigroup N.A.; Cummins Engine Company, Inc.; PepsiCo, Inc. Lucent director since 1996.

9. **John A. Young**
67, vice chairman of Novell, Inc. (network software and directory-enabled network solutions) since 1997; vice chairman of SmithKline Beecham p.l.c. since January 1999; retired president and chief executive officer (1978-1992) of Hewlett-Packard Co. Director, Wells Fargo Bank; Wells Fargo & Co.; Chevron Corp.; SmithKline Beecham p.l.c.; Affymetrix, Inc.; Novell, Inc. Lucent director since 1996.