Accelerate™

Lucent Technologies
VoIP Strategy and Network Convergence



Prudential Equity Group
VoIP Forum
February 24, 2004

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Bell Labs Innovations

Forward Looking Statement Disclosure

This presentation includes some forward-looking statements about our expectations for our future performance***. Actual results could differ materially from those suggested by my comments today. Additional information about factors that could affect future results are addressed in our SEC filings, including our Form 10-K, 10-Q, and 8-Ks.***

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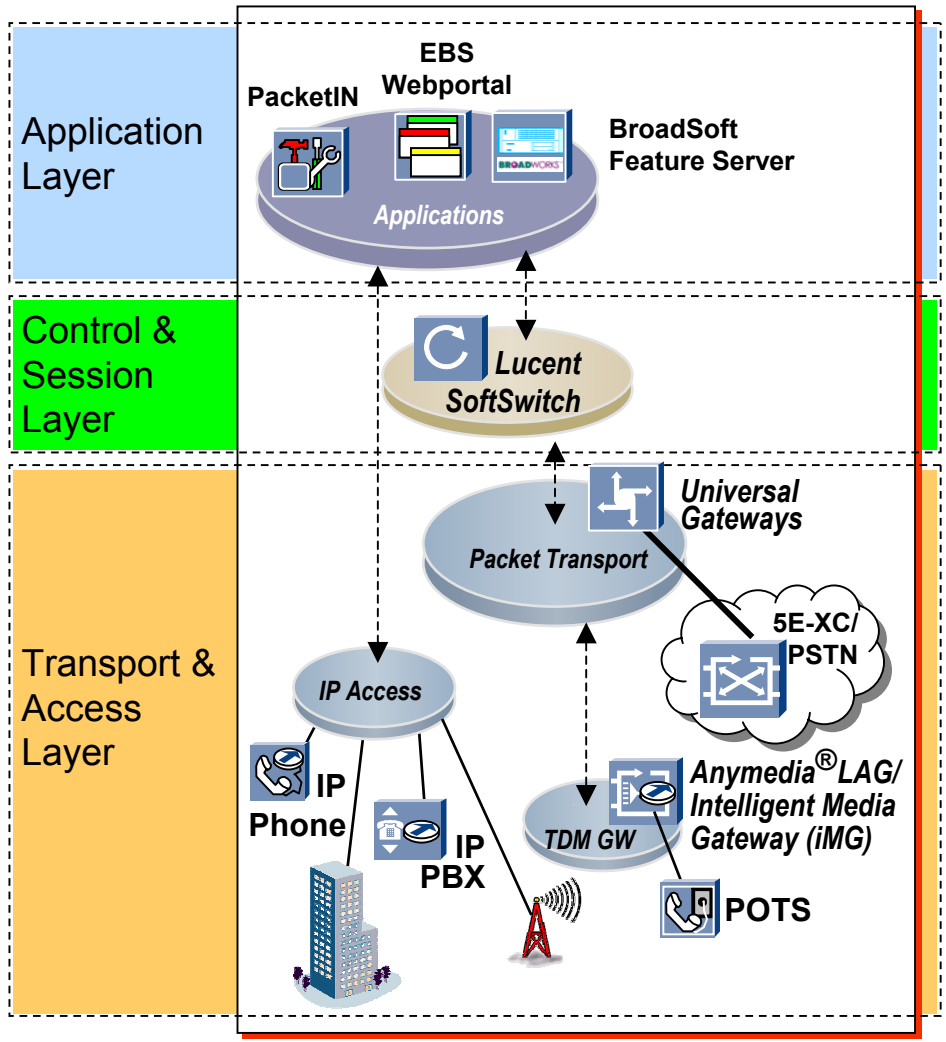
Voice and Data Convergence
Market-Focused VoIP Solutions

- **IP Telephony Is Changing the Market**
  - Moving from hardware to software driven
  - Wireless/Wireline integration
  - Applications driving VoIP in all segments
    - ✓ Personal Organizers & Unified Messaging
    - ✓ Presence & Push to Talk
    - ✓ Gaming & … …

- **Market Focused**
  - Wireless – UMTS; CDMA-2000; PHS
  - Business – Hosted and Managed
  - Consumer – VoBB
  - Wireline – Leverage Assets



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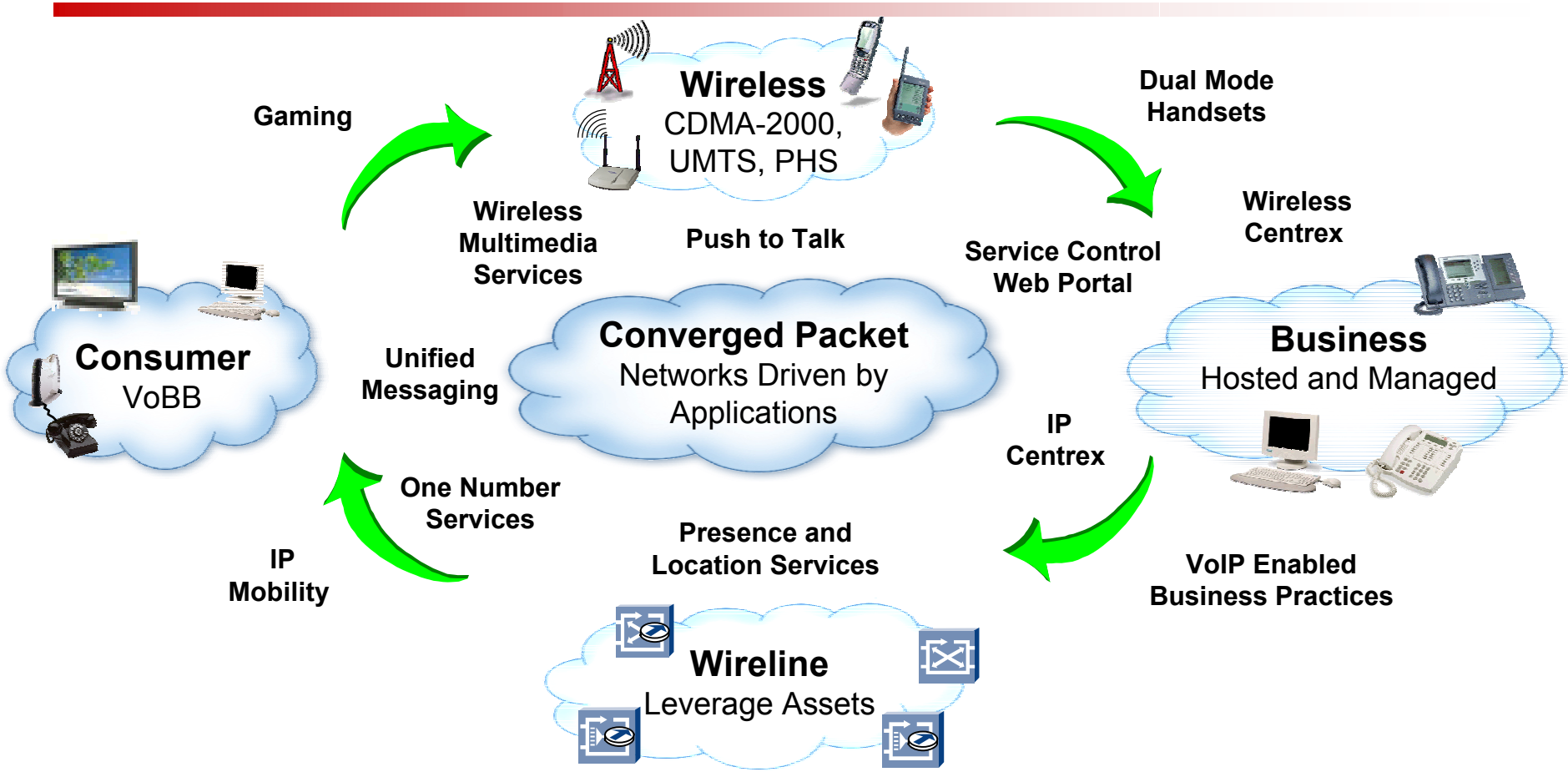
VoIP and Network Convergence

Market and Market Drivers



- **Network Convergence Enables new Hybrid Services**
- **Bundled Services to Retain and Attract Customers**

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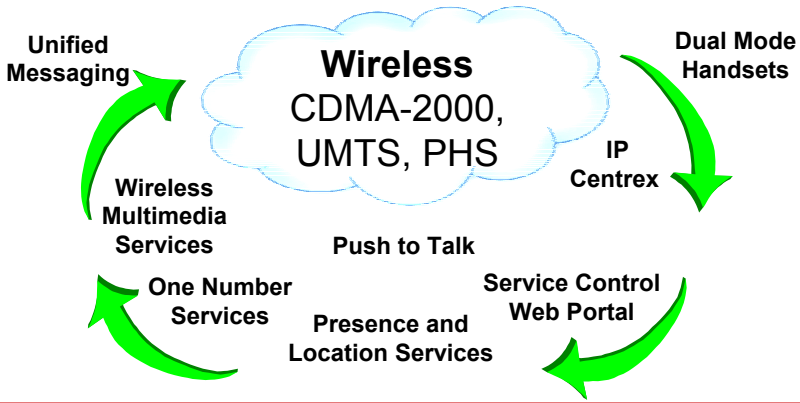
Wireless Market Segment
VoIP and Network Convergence



- **Market Drivers for Convergence**
  - ✓ Subscriber Growth
  - ✓ Personal Organizer
  - ✓ Presence and Location
  - ✓ Interactive Directions
  - ✓ Gaming & Wireless Multimedia
  - ✓ Short Message & Push to Talk

- **Lucent Advantages**
  - ✓ Market Leader in Spread Spectrum and Wireless Softswitch
  - ✓ Carrier-grade, integrated solution of systems, software and professional services

- **Market Wins**
  - ✓ Announced: Accelerate™ Softswitch UMTS Trial Underway with AT&T Wireless
  - ✓ Announced: Deployment of Accelerate™ 5E-XC™ PHS with China Telecom

Broad Range of Applications

Accelerates Revenue

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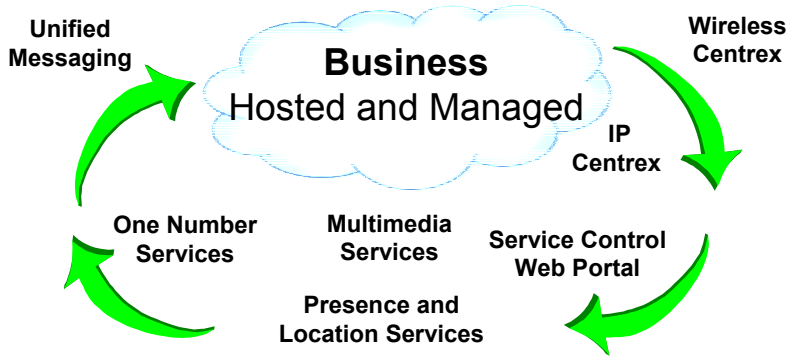
Business Market Segment
VoIP and Network Convergence



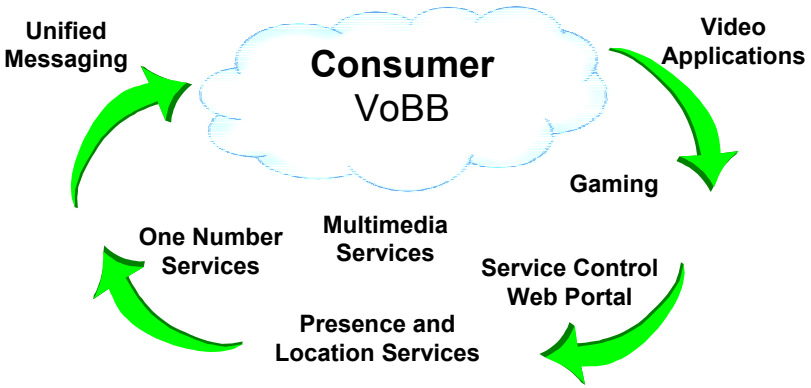
- **Market Drivers for Convergence**
  - ✓ Personal Organizer
  - ✓ Personal Portal – Unified Communications
  - ✓ Hosted Enterprise Applications
  - ✓ Competitive IP PBX Offers
  - ✓ Presence and Location
  - ✓ Collaborative Conferencing

- **Lucent Advantages**
  - ✓ Partnership with BroadSoft and Integration of EBS, BroadSoft and LSS
  - ✓ Wide Range of Professional Services for Service Provider and for Businesses
  - ✓ Nearly 13 Million Subscribers on AnyPath® Systems

- **Market Wins**
  - ✓ Announced: Choice One Accelerate™ Enterprise Solutions with LSS, BroadSoft, & EBS
  - ✓ Announced: Accelerate™ Applications, Anypath® Unified Messaging for Bell Canada

Scalable Solutions to Meet Diverse Business Environment and Grow Revenue

Consumer Market Segment
VoIP and Network Convergence



- **Market Drivers for Convergence**
  - ✓ Bundled Services for Value Add
  - ✓ Personal Organizer
  - ✓ Gaming
  - ✓ Multimedia and Video Applications
  - ✓ Presence and Location

- **Lucent Advantages**
  - ✓ APIs enable 3rd Party Applications to Use Network Knowledge
  - ✓ Web Portal provides unified voice and data communications experience

- **Market Wins**
  - ✓ Announced: Accelerate™ VoIP Solutions – Phonom to Deploy VoIP Enhanced Solutions to Broadband Cable and DSL customers

Flexible Platforms Leverage Business Solutions to Deliver Consumer Solutions at Low Cost

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Wireline Market Segment
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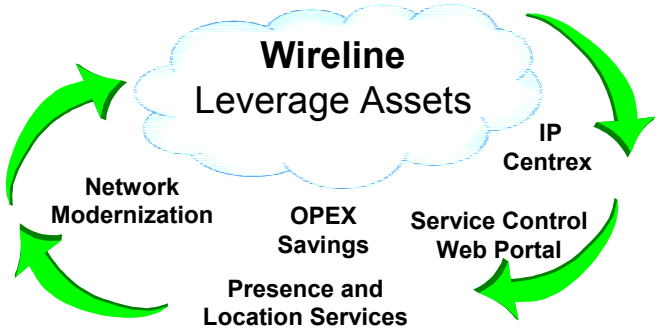

- **Market Drivers for Convergence**
  - ✓ Office Consolidation and Replacement
  - ✓ Network Optimization and Lower OPEX
  - ✓ Advanced Services to POTS Endpoints
  - ✓ Speed Transition to Next Generation
  - ✓ Increase Revenues

- **Lucent Advantages**
  - ✓ 5ESS®/5E-XC™: Over 300 Million Ports Deployed worldwide
  - ✓ Over 35 Million Universal Gateway Ports Deployed
  - ✓ AnyMedia® : Over 4.5 million voice lines and 1.2 million ADSL ports
  - ✓ Intelligent Media Gateway Simplifies and Reduces Cost of Conversion to VoIP

Cost Effective Upgrade of Embedded Base Assets to Softswitch Call Control

- **Market Wins**
  - ✓ Announced: Accelerate™ Solutions with LSS Deployed for Class-4, Transit, ICD, and VoBB VoIP Applications
  - ✓ Announced: AnyMedia® LAG for Next-Generation Access Build Out for KT
  - ✓ Announced: Qwest 5E-XC™ for Office Replacement - Deployment of iMG for Office Replacement

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Not Just Voice - Providing Value Over IP

Market Leadership – Partnerships – Evolution

- Lucent Has Market Leadership in …
  Next Generation Wireless Networks



- Lucent Has Created Partnerships with BroadSoft to …
  Accelerate Business Market Opportunities



- Lucent Is Leveraging its Large Embedded Base to …
  - Class-5 Switches (5ESS®/5E-XC™)
  - Universal Gateways (APX®, Max TNT®, PSAX®)
  - AnyMedia® Access Systems



Accelerate Evolution For Next Generation Networks

Accelerate™ VoIP Solutions

Value Driven Solutions – Systems, Software, Services

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