LUCENT TECHNOLOGIES INC. AND SUBSIDIARIES
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LUCENT TECHNOLOGIES INC. AND SUBSIDIARIES
Statements of Operations
(Unaudited; amounts in millions, except per share amounts)

	March 31, 2002		December 31, 2001		March 31, 2001		% Change Pro Forma	
	As Reported	Pro Forma (a)	As Reported	Pro Forma (a)	As Reported	Pro Forma (a)	2Q vs 1Q	2Q vs 2Q
Revenue	$ 3,516	$ 3,516	$ 3,579	$ 3,465	$ 5,907	$ 5,326	1.5%	(34.%)
Costs (b)	2,714	2,715	3,144	2,992	5,422	4,539	(9.3%)	(40.2%)
Gross margin	802	801	435	473	485	787	69.3%	1.8%
OPERATING EXPENSES								
Selling, general and administrative, before amortization of goodwill and other acquired intangibles	807	807	1,171	1,143	1,899	1,871	(29.4%)	(56.9%)
Amortization of goodwill and other acquired intangibles	69	-	74	-	249	-		
Selling, general and administrative	876	807	1,245	1,143	2,148	1,871	(29.4%)	(56.9%)
Research and development	524	524	621	608	970	955	(13.8%)	(45.1%)
Business restructuring charges, reversals and asset impairments, net	(59)	-	(79)	-	2,174	-		
Total operating expenses	1,341	1,331	1,787	1,751	5,292	2,826	(24.%)	(52.9%)
Operating loss	(539)	(530)	(1,352)	(1,278)	(4,807)	(2,039)	(58.5%)	(74.%)
Other income (expense), net	(37)	(37)	540	21	(77)	(67)	(276.2%)	(44.8%)
Interest expense	80	80	97	96	153	152	(16.7%)	(47.4%)
Loss from continuing operations before income taxes	(656)	(647)	(909)	(1,353)	(5,037)	(2,258)	(52.2%)	(71.3%)
Benefit from income taxes	(61)	(16)	(486)	(596)	(1,649)	(868)	(97.3%)	(98.2%)
Loss from continuing operations	(595)	(631)	(423)	(757)	(3,388)	(1,390)	(16.6%)	(54.6%)
Income (loss) from discontinued operations, net	100	-	-	-	(308)	-		
Net loss	(495)	(631)	(423)	(757)	(3,696)	(1,390)	(16.6%)	(54.6%)
Preferred dividends and accretion	(40)	(40)	(42)	(42)	-	-	(4.8%)	NM
Net loss applicable to common shareowners	$ (535)	$ (671)	$ (465)	$ (799)	$ (3,696)	$ (1,390)	(16.%)	(51.7%)
Basic and diluted loss per share from continuing operations applicable to common shareowners	$ (0.19)	$ (0.20)	$ (0.14)	$ (0.23)	$ (1.00)	$ (0.41)	(13.%)	(51.2%)
Basic and diluted net loss per share applicable to common shareowners	$ (0.16)	$ (0.20)	$ (0.14)	$ (0.23)	$ (1.09)	$ (0.41)		
Weighted average number of common shares outstanding	3,422.6	3,422.6	3,416.3	3,416.3	3,400.8	3,400.8		
Effective tax benefit (provision) rate (%) - continuing operations	9.3%	2.5%	53.5%	44.1%	32.7%	38.4%		

(a) For the three months ended December 31, 2001 and March 31, 2001, pro forma results exclude the results of Lucent's optical fiber business, which was sold during the three months ended December 31, 2001, and the related $523 gain on the sale (see Exhibit E). For all periods presented, pro forma results exclude business restructuring charges, reversals and asset impairments, net and the amortization of goodwill and other acquired intangibles. Pro forma income taxes are reflected on a pro forma stand-alone basis.

(b) For the three months ended March 31, 2002, business restructuring charges, reversals and asset impairments, net include a net reversal of inventory write-downs of $1, and for the three months ended December 31, 2001 and March 31, 2001, business restructuring charges, reversals and asset impairments, net include inventory write-downs of $11 and $536, respectively. All inventory reversals / charges associated with the restructuring program are recorded as a component of costs, and excluded from pro forma costs.

NM Not meaningful

LUCENT TECHNOLOGIES INC. AND SUBSIDIARIES
Statements of Operations
(Unaudited; amounts in millions, except per share amounts)

	Six Months Ended				% Change Pro Forma 2Q vs 2Q
	March 31, 2002		March 31, 2001		
	As Reported	Pro Forma (a)	As Reported	Pro Forma (a)	
Revenue	$ 7,095	$ 6,981	$ 10,253	$ 9,154	(23.7%)
Costs (b)	5,858	5,707	9,087	7,875	(27.5%)
Gross margin	1,237	1,274	1,166	1,279	(.4%)
OPERATING EXPENSES					
Selling, general and administrative, before amortization of goodwill and other acquired intangibles	1,978	1,950	3,493	3,436	(43.2%)
Amortization of goodwill and other acquired intangibles	143	-	510	-	
Selling, general and administrative	2,121	1,950	4,003	3,436	(43.2%)
Research and development	1,145	1,132	1,982	1,950	(41.9%)
Business restructuring charges, reversals and asset impairments, net	(138)	-	2,174	-	
Total operating expenses	3,128	3,082	8,159	5,386	(42.8%)
Operating loss	(1,891)	(1,808)	(6,993)	(4,107)	(56.%)
Other income (expense), net	503	(16)	(117)	(109)	(85.3%)
Interest expense	177	176	280	280	(37.1%)
Loss from continuing operations before income taxes	(1,565)	(2,000)	(7,390)	(4,496)	(55.5%)
Benefit from income taxes	(547)	(612)	(2,427)	(1,669)	(63.3%)
Loss from continuing operations	(1,018)	(1,388)	(4,963)	(2,827)	(50.9%)
Income (loss) from discontinued operations, net	100	-	(313)	-	
Loss before extraordinary item and cumulative effect of accounting changes	(918)	(1,388)	(5,276)	(2,827)	(50.9%)
Extraordinary gain, net	-	-	1,154	-	
Cumulative effect of accounting changes, net	-	-	(38)	-	
Net loss	(918)	(1,388)	(4,160)	(2,827)	(50.9%)
Preferred dividends and accretion	(82)	(82)	-	-	NM
Net loss applicable to common shareowners	$ (1,000)	$ (1,470)	$ (4,160)	$ (2,827)	(48.%)
Basic and diluted loss per share from continuing operations applicable to common shareowners	$ (0.32)	$ (0.43)	$ (1.46)	$ (0.83)	(48.2%)
Basic and diluted net loss per share applicable to common shareowners	$ (0.29)	$ (0.43)	$ (1.23)	$ (0.83)	
Weighted average number of common shares outstanding	3,419.4	3,419.4	3,394.0	3,394.0	
Effective tax benefit rate (%) - continuing operations	35.0%	30.6%	32.8%	37.1%	

(a) For all periods presented, pro forma results exclude the results of Lucent's optical fiber business, which was sold during the first fiscal quarter of 2002, and the related $523 gain on the sale, business restructuring charges, reversals and asset impairments, net and the amortization of goodwill and other acquired intangibles (see Exhibit E). Pro forma income taxes are reflected on a pro forma stand-alone basis.
(b) For the six months ended March 31, 2002 and 2001, total business restructuring charges, reversals and asset impairments, net include inventory write-downs of $10 and $536, respectively, which are recorded as a component of costs, and excluded from pro forma costs.

NM Not meaningful

LUCENT TECHNOLOGIES INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Unaudited; $ in millions except share amounts)

	March 31, 2002	December 31, 2001	September 30, 2001
Assets:			
Cash and cash equivalents	$ 4,824	$ 3,069	$ 2,390
Receivables, less allowances of $419, $774 and $634, respectively	2,837	3,204	4,594
Inventories	2,413	2,731	3,646
Contracts in process, net	435	783	1,027
Deferred income taxes, net	2,361	2,639	2,658
Other current assets	1,839	1,945	1,788
Total current assets	14,709	14,371	16,103
Property, plant and equipment, net	2,821	3,059	4,416
Prepaid pension costs	5,022	4,739	4,958
Deferred income taxes, net	2,865	3,064	2,695
Goodwill and other acquired intangibles, net	1,283	1,357	1,466
Other assets	2,564	2,339	2,724
Net long-term assets of discontinued operations	1,082	1,270	1,302
Total assets	$ 30,346	$ 30,199	$ 33,664
Liabilities:			
Accounts payable	$ 1,483	$ 1,263	$ 1,844
Payroll and benefit-related liabilities	1,033	1,262	1,500
Debt maturing within one year	82	77	1,135
Other current liabilities	4,216	4,776	5,285
Net current liabilities of discontinued operations	68	354	405
Total current liabilities	6,882	7,732	10,169
Postretirement and postemployment benefit liabilities	5,053	5,004	5,481
Company-obligated manditorily redeemable preferred securities of subsidiary trust	1,750	-	-
Long-term debt	3,238	3,262	3,274
Deferred income taxes, net	-	20	152
Other liabilities	1,517	1,716	1,731
Total liabilities	18,440	17,734	20,807
Commitments and contingencies			
8.00% redeemable convertible preferred stock (a)	1,842	1,838	1,834
Shareowners' equity:			
Common stock (b)	34	34	34
Additional paid-in capital	21,669	21,683	21,702
Accumulated deficit	(11,190)	(10,695)	(10,272)
Accumulated other comprehensive income (loss)	(449)	(395)	(441)
Total shareowners' equity	10,064	10,627	11,023
Total liabilities, redeemable preferred stock and shareowners' equity	$ 30,346	$ 30,199	$ 33,664

(a) $1.00 per share par value; 1,885,000 shares issued and outstanding as of March 31, 2002, December 31, 2001 and September 30, 2001; $1,000.00 per share redemption value.

(b) $0.01 per share par value; 10,000,000,000 authorized shares; 3,426,881,404 issued and 3,426,230,197 outstanding as of March 31, 2002, 3,421,744,682 issued and 3,421,093,475 outstanding as of December 31, 2001 and 3,414,815,908 issued and 3,414,167,155 outstanding as of September 30, 2001.

Exhibit D

LUCENT TECHNOLOGIES INC. AND SUBSIDIARIES
SUMMARY FINANCIAL DATA
(Unaudited; $ in millions)

		Three months ended		
		March 31, 2002	December 31, 2001	March 31, 2001
Pro Forma Results by Segment				
Total Revenues	Integrated Network Solutions (INS)	$ 1,792	$ 1,883	$ 3,540
	Mobility	1,579	1,468	1,520
	Other	145	114	266
	Total pro forma revenues	$ 3,516	$ 3,465	$ 5,326
U.S. Revenues				
	INS	$ 987	$ 1,018	$ 2,281
	Mobility	1,347	1,072	1,262
	Other	93	81	195
	Total pro forma revenues - U.S.	$ 2,427	$ 2,171	$ 3,738
Non-U.S. Revenues				
	INS	$ 805	$ 865	$ 1,259
	Mobility	232	396	258
	Other	52	33	71
	Total pro forma revenues - Non-U.S.	$ 1,089	$ 1,294	$ 1,588
Operating income (loss)				
	INS	$ (442)	$ (909)	$ (1,501)
	Mobility	190	(159)	(145)
	Total segment operating loss	(252)	(1,068)	(1,646)
	Other	(278)	(210)	(393)
	Pro forma operating loss	$ (530)	$ (1,278)	$ (2,039)
Percentage-of-Revenues Analysis - Pro Forma				
Costs		77.2%	86.3%	85.2%
Gross margin		22.8%	13.7%	14.8%
Selling, general and administrative		23.0%	33.0%	35.1%
Research and development		14.9%	17.5%	17.9%
Total operating expenses		37.9%	50.5%	53.1%
Operating loss		(15.1%)	(36.9%)	(38.3%)

LUCENT TECHNOLOGIES INC. AND SUBSIDIARIES
SUMMARY FINANCIAL DATA
(Unaudited; $ in millions)

	Three months ended		
	March 31, 2002	December 31, 2001	March 31, 2001
Cash Flows from Continuing Operations			
Operating	$ (64)	$ (408)	$ (1,548)
Investing	$ 184	$ 2,142	$ (408)
Financing	$ 1,625	$ (1,036)	$ (278)

	March 31, 2002	December 31, 2001	September 30, 2001
Other Information			
Debt to capital (a)	33.5%	23.9%	28.6%
Working capital (b)	7,895	6,993	6,339
Current ratio	2.1	1.9	1.6
Days sales outstanding (DSO) - 2 point average	77	98	80
Employees	56,000	62,000	77,000

(a) defined as the ratio of total debt (which includes the Company-obligated manditorily redeemable preferred securities of subsidiary trust) to total capital (debt plus equity).
(b) excludes net current liabilities from discontinued operations of $68, $354 and $405 at March 31, 2002, December 31, 2001, and September 30, 2001, respectively.

Customer Financing

	March 31, 2002		
	Total Loans and Guarantees	Loans	Guarantees
Drawn commitments	$ 1,204	$ 987	$ 217
Available but not drawn	804	787	17
Not available	216	201	15
Total	$ 2,224	$ 1,975	$ 249

	December 31, 2001		
	Total Loans and Guarantees	Loans	Guarantees
Drawn commitments	$ 1,169	$ 788	$ 381
Available but not drawn	971	938	33
Not available	347	262	85
Total	$ 2,487	$ 1,988	$ 499

	September 30, 2001		
	Total Loans and Guarantees	Loans	Guarantees
Drawn commitments	$ 2,956	$ 2,528	$ 428
Available but not drawn	1,447	1,411	36
Not available	911	655	256
Total	$ 5,314	$ 4,594	$ 720

LUCENT TECHNOLOGIES INC. AND SUBSIDIARIES
Quarterly pro forma results of operations
(Unaudited; amounts in millions, except per share amounts)

	Three months ended				Year ended	Three months ended	
	December 31, 2000	March 31, 2001	June 30, 2001	September 30, 2001	September 30, 2001	December 31, 2001	March 31, 2002
PRO FORMA RESULTS							
Revenue	$ 3,828	$ 5,326	$ 5,365	$ 4,752	$ 19,271	$ 3,465	$ 3,516
Costs	3,336	4,539	4,618	4,206	16,699	2,992	2,715
Gross margin	492	787	747	546	2,572	473	801
OPERATING EXPENSES							
Selling, general and administrative	1,565	1,871	1,786	1,136	6,358	1,143	807
Research and development	995	955	774	725	3,449	608	524
Total operating expenses	2,560	2,826	2,560	1,861	9,807	1,751	1,331
Operating loss	(2,068)	(2,039)	(1,813)	(1,315)	(7,235)	(1,278)	(530)
Other income (expense), net	(42)	(67)	(182)	(64)	(355)	21	(37)
Interest expense	128	152	115	123	518	96	80
Loss from continuing operations before income taxes	(2,238)	(2,258)	(2,110)	(1,502)	(8,108)	(1,353)	(647)
Benefit for income taxes (a)	(801)	(868)	(783)	(568)	(3,020)	(596)	(16)
Loss from continuing operations	(1,437)	(1,390)	(1,327)	(934)	(5,088)	(757)	(631)
Basic and diluted loss per share from continuing operations applicable to common shareowners	$ (0.42)	$ (0.41)	$ (0.39)	$ (0.28)	$ (1.50)	$ (0.23)	$ (0.20)
PRO FORMA ADJUSTMENTS							
Business restructuring charges, reversals and asset impairments, net (b)	-	(2,710)	(684)	(8,022)	(11,416)	68	60
Amortization of goodwill and other acquired intangibles	(261)	(249)	(233)	(178)	(921)	(74)	(69)
Pretax income (loss) of optical fiber business (c)	146	180	182	33	541	(73)	-
Gain on the sale of the optical fiber business	-	-	-	-	-	523	-
Tax impact	(23)	781	184	1,772	2,714	(110)	45
AS REPORTED RESULTS							
Loss from continuing operations	(1,575)	(3,388)	(1,878)	(7,329)	(14,170)	(423)	(595)
Basic and diluted loss per share from continuing operations applicable to common shareowners	$ (0.47)	$ (1.00)	$ (0.55)	$ (2.16)	$ (4.18)	$ (0.14)	$ (0.19)
Income (loss) from discontinued operations, net	(5)	(308)	(1,360)	(1,499)	(3,172)	-	100
Extraordinary gain, net	1,154	-	-	28	1,182	-	-
Cumulative effect of accounting changes, net	(38)	-	-	-	(38)	-	-
Net loss	(464)	(3,696)	(3,238)	(8,800)	(16,198)	(423)	(495)
Preferred dividends and accretion	-	-	-	(28)	(28)	(42)	(40)
Net loss applicable to common shareowners	$ (464)	$ (3,696)	$ (3,238)	$ (8,828)	$ (16,226)	$ (465)	$ (535)
Basic and diluted net loss per share applicable to common shareowners	$ (0.14)	$ (1.09)	$ (0.95)	$ (2.59)	$ (4.77)	$ (0.14)	$ (0.16)
Weighted average number of common shares outstanding	3,387.2	3,400.8	3,405.2	3,412.2	3,400.7	3,416.3	3,422.6

(a) Pro forma income taxes are reflected on a pro forma stand-alone basis.
(b) For the three months ended March 31, 2001, June 30, 2001, September 30, 2001, December 31, 2001 and March 31, 2002 business restructuring charges, reversals and asset impairments, net include inventory write-downs (reversals) of $536, $143, $580, $11 and ($1), respectively, which are recorded as a component of costs, and excluded from pro forma costs.
(c) For the three months ended December 31, 2000, March 31, 2001, June 30, 2001, September 30, 2001 and December 31, 2001, revenues from the optical fiber business were $518, $581, $521, $403 and $114, respectively.