LUCENT TECHNOLOGIES INC. AND SUBSIDIARIES
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LUCENT TECHNOLOGIES INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited; amounts in millions, except per share amounts)

	Three months ended		
	June 30, 2004	**March 31, 2004**	**June 30, 2003**
REVENUES			
Products	$ 1,717	$ 1,715	$ 1,516
Services	473	479	449
Total revenues	2,190	2,194	1,965
COSTS			
Products	903	882	1,033
Services	340	374	359
Total costs	1,243	1,256	1,392
Gross margin	947	938	573
Gross margin %	43.2%	42.8%	29.2%
OPERATING EXPENSES			
Selling, general and administrative, before recovery of bad debts and customer financings	381	414	444
Recovery of bad debts and customer financings	(90)	(99)	(32)
Selling, general and administrative	291	315	412
Research and development	334	325	382
Goodwill impairment	-	-	35
Business restructuring	(27)	(17)	13
Total operating expenses	598	623	842
Operating income (loss)	349	315	(269)
Other income (expense), net	128	(172)	31
Interest expense	94	97	85
Income (loss) from operations before income taxes	383	46	(323)
Benefit from income taxes	(4)	(22)	(69)
Net income (loss)	387	68	(254)
Conversion expense - 8.00% redeemable convertible preferred stock	-	-	(20)
Preferred dividends and accretion	-	-	(21)
Net income (loss) applicable to common shareowners	$ 387	$ 68	$ (295)
Basic earnings (loss) per share applicable to common shareowners	$ 0.09	$ 0.02	$ (0.07)
Diluted earnings (loss) per share applicable to common shareowners	$ 0.08	$ 0.02	$ (0.07)
Weighted average number of common shares outstanding - basic	4,288	4,255	4,121
Weighted average number of common shares outstanding - diluted	5,097	4,346	4,121

Exhibit B

LUCENT TECHNOLOGIES INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited; amounts in millions, except per share amounts)

	Nine months ended June 30, 2004	2003
REVENUES		
Products	$ 5,225	$ 5,076
Services	1,418	1,367
Total revenues	6,643	6,443
COSTS		
Products	2,766	3,504
Services	1,073	1,150
Total costs	3,839	4,654
Gross margin	2,804	1,789
Gross margin %	42.2%	27.8%
OPERATING EXPENSES		
Selling, general and administrative, before recovery of bad debts and customer financings	1,136	1,398
Recovery of bad debts and customer financings	(203)	(99)
Selling, general and administrative	933	1,299
Research and development	951	1,153
Goodwill impairment	-	35
Business restructuring	(15)	(137)
Total operating expenses	1,869	2,350
Operating income (loss)	935	(561)
Other income (expense), net	35	(436)
Interest expense	304	258
Income (loss) from operations before income taxes	666	(1,255)
Benefit from income taxes	(127)	(386)
Net income (loss)	793	(869)
Conversion expense - 8.00% redeemable convertible preferred stock	(1)	(286)
Preferred dividends and accretion	12	(82)
Net income (loss) applicable to common shareowners	$ 804	$ (1,237)
Basic earnings (loss) per share applicable to common shareowners	$ 0.19	$ (0.32)
Diluted earnings (loss) per share applicable to common shareowners	$ 0.17	$ (0.32)
Weighted average number of common shares outstanding - basic	4,241	3,882
Weighted average number of common shares outstanding - diluted	4,822	3,882

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

	June 30, 2004	March 31, 2004	September 30, 2003
Assets:			
Cash and cash equivalents (a)	$ 3,186	$ 3,329	$ 3,821
Marketable securities (a)	935	821	686
Receivables, less allowances of $113, $140 and $246, respectively	1,526	1,587	1,511
Inventories	982	789	632
Other current assets	854	933	1,183
Total current assets	7,483	7,459	7,833
Marketable securities (a)	574	439	-
Property, plant and equipment, net	1,408	1,479	1,593
Prepaid pension costs	5,186	5,013	4,659
Goodwill and other acquired intangibles, net	184	185	188
Other assets	1,135	1,206	1,492
Total assets	$ 15,970	$ 15,781	$ 15,765
Liabilities:			
Accounts payable	$ 984	$ 989	$ 1,072
Payroll and benefit-related liabilities	1,109	953	1,080
Debt maturing within one year	908	907	389
Other current liabilities	2,827	2,903	2,479
Total current liabilities	5,828	5,752	5,020
Postretirement and postemployment benefit liabilities	4,689	4,707	4,669
Pension liability	2,158	2,270	2,494
Long-term debt	4,102	4,214	4,439
Liability to subsidiary trusts issuing preferred securities	1,152	1,152	1,152
Other liabilities	1,105	1,206	1,362
Total liabilities	19,034	19,301	19,136
Commitments and contingencies			
8.00% redeemable convertible preferred stock	-	-	868
Shareowners' deficit:			
Common stock (b)	43	43	42
Additional paid-in capital	22,711	22,610	22,252
Accumulated deficit	(22,002)	(22,389)	(22,795)
Accumulated other comprehensive loss	(3,816)	(3,784)	(3,738)
Total shareowners' deficit	(3,064)	(3,520)	(4,239)
Total liabilities, redeemable convertible preferred stock and shareowners' deficit	$ 15,970	$ 15,781	$ 15,765

(a) Cash and cash equivalents and marketable securities amounted to $4,695, $4,589 and $4,507 as of June 30, 2004, March 31, 2004 and September 30, 2003, respectively.

(b) $0.01 per share par value; 10,000 authorized shares; 4,305 issued and 4,304 outstanding as of June 30, 2004, 4,278 issued and 4,277 outstanding as of March 31, 2004 and 4,170 issued and 4,169 outstanding as of September 30, 2003.

LUCENT TECHNOLOGIES INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited; $ in millions)

	Three months ended			Nine months ended June 30,	
	June 30, 2004	March 31, 2004	December 31, 2003	2004	2003
Operating Activities					
Net income (loss)	$ 387	$ 68	$ 338	$ 793	$ (869)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:					
Non-cash portion of business restructuring (reversals) charges	1	(1)	1	1	(179)
Impairment of goodwill	-	-	-	-	35
Depreciation and amortization	172	177	168	517	782
Recovery of bad debts and customer financings	(90)	(99)	(14)	(203)	(99)
Deferred income taxes	-	(12)	-	(12)	(211)
Pension credit	(277)	(280)	(274)	(831)	(759)
Other adjustments for non-cash items	(67)	224	(3)	154	356
Changes in operating assets and liabilities:					
Decrease (increase) in receivables	60	17	(62)	15	18
(Increase) decrease in inventories and contracts in process	(158)	(211)	124	(245)	513
(Decrease) increase in accounts payable	(1)	21	(105)	(85)	(104)
Changes in other operating assets and liabilities	115	506	(430)	191	(576)
Net cash provided by (used in) operating activities	142	410	(257)	295	(1,093)
Investing Activities					
Capital expenditures	(33)	(32)	(29)	(94)	(226)
(Purchases) maturities of marketable securities	(265)	(409)	(160)	(834)	941
Other investing activities	21	6	30	57	137
Net cash (used in) provided by investing activities	(277)	(435)	(159)	(871)	852
Financing Activities					
Issuance of convertible senior debt	-	-	-	-	1,631
Net proceeds from short-term borrowings	7	1	1	9	49
Repayments of long-term debt	(81)	(166)	(62)	(309)	(23)
Issuance of common stock	74	86	76	236	21
Repayment of preferred stock	-	-	(21)	(21)	-
Other financing activities	-	6	-	6	(46)
Net cash (used in) provided by financing activities	-	(73)	(6)	(79)	1,632
Effect of exchange rate changes on cash and cash equivalents	(8)	(4)	32	20	54
Net (decrease) increase in cash and cash equivalents	(143)	(102)	(390)	(635)	1,445
Cash and cash equivalents at beginning of period	3,329	3,431	3,821	3,821	2,894
Cash and cash equivalents at end of period	$ 3,186	$ 3,329	$ 3,431	$ 3,186	$ 4,339

LUCENT TECHNOLOGIES INC. AND SUBSIDIARIES
SUMMARY OF SIGNIFICANT ITEMS IMPACTING RESULTS and RECONCILIATION OF BASIC TO DILUTED EPS
(Unaudited; $ in millions, except per share amounts)

Exhibit E

	Three months ended		
	June 30, 2004	March 31, 2004	June 30, 2003
Legal items - shareowner settlement	$ 72	$ (192)	$ (33)
SEC settlement	-	(25)	-
Recovery of bad debts and customer financings	94	110	32
Business restructuring	27	17	(14)
Amortization of other intangible assets	-	-	(5)
Impairment of goodwill	-	-	(35)
Business disposition reserve	-	-	10
Impact of early extinguishment of 8% convertible securities and other debt obligations	(1)	(3)	(14)
Related income tax impacts and other discrete tax items	19	55	78
Total	$ 211	$ (38)	$ 19
Per share impact - basic	$ 0.05	$ (0.01)	$ 0.00
Per share impact - diluted	$ 0.04	$ (0.01)	$ 0.00
The above significant items impacting results were reflected in:			
Gross margin	$ -	$ -	$ (1)
Operating expenses	117	116	(21)
Other income (expense), net	79	(191)	(17)
Benefit from income taxes	15	37	78
Conversion and redemption cost - 8% redeemable convertible preferred stock	-	-	(20)
	$ 211	$ (38)	$ 19

	Three months ended		
	June 30, 2004	March 31, 2004	June 30, 2003
Net income (loss)	$ 387	$ 68	$ (254)
Conversion cost - 8% convertible securities	-	-	(20)
Preferred stock dividends and accretion	-	-	(21)
Net income (loss) applicable to common shareowners - basic	$ 387	$ 68	$ (295)
Adjustment for dilutive securities on net income (loss):			
Interest expense for 2.75% convertible securities	11	-	-
Interest expense for 8.00% convertible securities	17	-	-
Net income (loss) applicable to common shareowners - diluted	$ 415	$ 68	$ (295)
Weighted average number of shares outstanding - basic	4,288	4,255	4,121
Effect of dilutive securities:			
Stock options	76	91	-
2.75% convertible securities	498	-	-
8.00% convertible securities	235	-	-
Weighted average number of shares outstanding - diluted	5,097	4,346	4,121
EPS:			
Basic	$ 0.09	$ 0.02	$ (0.07)
Diluted	$ 0.08	$ 0.02	$ (0.07)

Certain securities have been excluded from the above calculations for the three months ended June 30 and March 31, 2004 because the effect of adjusting net income for the related interest and the number of common shares for which they would be converted or redeemed was antidilutive. Due to the net loss incurred for the three months ended June 30, 2003, the diluted loss per share was the same as basic, because any potentially dilutive securities would reduce the loss per share.

LUCENT TECHNOLOGIES INC. AND SUBSIDIARIES
SEGMENT AND PRODUCT INFORMATION
(Unaudited; $ in millions)

Exhibit F

	Three months ended		
	June 30, 2004	March 31, 2004	June 30, 2003
Results by Segment *			
Total Revenues			
Integrated Network Solutions (INS)	$ 715	$ 738	$ 812
Mobility Solutions (Mobility)	986	951	624
Services	473	479	449
Other	16	26	80
Total revenues	$ 2,190	$ 2,194	$ 1,965
U.S. Revenues			
INS	$ 380	$ 362	$ 411
Mobility	740	674	458
Services	269	258	252
Other	16	25	80
Total U.S. revenues	$ 1,405	$ 1,319	$ 1,201
Non-U.S. Revenues			
INS	$ 335	$ 376	$ 401
Mobility	246	277	166
Services	204	221	197
Other	-	1	-
Total non-U.S. revenues	$ 785	$ 875	$ 764
Operating income (loss)			
INS	$ 68	$ 65	$ 22
Mobility	332	378	(49)
Services	77	59	60
Total segment income	477	502	33
Recovery of bad debts and customer financings	90	99	32
Impairment of goodwill	-	-	(35)
Business restructuring	27	17	(14)
Other	(245)	(303)	(285)
Total operating income (loss)	$ 349	$ 315	$ (269)
Products and Services Revenues			
Wireless	$ 986	$ 951	$ 624
Voice networking	325	299	412
Data and network management	254	222	235
Optical networking	136	217	165
Services	473	479	449
Other	16	26	80
Total revenues	$ 2,190	$ 2,194	$ 1,965

* Consistent with the change in our reporting structure as of October 1, 2003, segment information for periods prior to fiscal 2004 has been reclassified to conform to the current period's presentation.

LUCENT TECHNOLOGIES INC. AND SUBSIDIARIES
SEGMENT AND PRODUCT INFORMATION
(Unaudited; $ in millions)

Exhibit G

	Nine months ended June 30, 2004	Nine months ended June 30, 2003
Results by Segment *		
Total Revenues		
INS	$ 2,243	$ 2,440
Mobility	2,897	2,446
Services	1,418	1,367
Other	85	190
Total revenues	$ 6,643	$ 6,443
U.S. Revenues		
INS	$ 1,156	$ 1,353
Mobility	2,051	1,623
Services	783	753
Other	84	213
Total U.S. revenues	$ 4,074	$ 3,942
Non-U.S. Revenues		
INS	$ 1,087	$ 1,087
Mobility	846	823
Services	635	614
Other	1	(23)
Total non-U.S. revenues	$ 2,569	$ 2,501
Operating income (loss)		
INS	$ 329	$ (29)
Mobility	882	123
Services	197	125
Total segment income	1,408	219
Recovery of bad debts and customer financings	203	99
Impairment of goodwill	-	(35)
Business restructuring	15	137
Other	(691)	(981)
Total operating income (loss)	$ 935	$ (561)
Products and Services Revenues		
Wireless	$ 2,897	$ 2,446
Voice networking	987	1,204
Data and network management	707	745
Optical networking	549	491
Services	1,418	1,367
Other	85	190
Total revenues	$ 6,643	$ 6,443

* Consistent with the change in our reporting structure as of October 1, 2003, segment information for periods prior to fiscal 2004 has been reclassified to conform to the current period's presentation.