Lucent's Mobility Portfolio

Lucent Technologies
Financial Analyst Meeting
Mobility Solutions Demo Day

Michael Iandolo
Vice President
Mobility Product Management

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Lucent Provides The Key To Operator Challenges

Operator Challenges

- **Grow Revenue**
  - •ARPU declining
  - •Increasing margin pressure on voice
- **Acquire New and Retain Existing Customers**
  - •Coverage enhancements needed
  - •Usability/security
  - •Simplified End User Provisioning
- **Differentiate against competition**
  - •Differentiated services from high speed data applications
- **Improve margins (Reduce Opex and Capex)**
  - •High churn leads to high subscriber acquisition costs
  - •Investment Protection
  - •Reduce network complexity
  - •Optimize network performance

Lucent's Mobility Offers



High Speed Data Enterprise
High Speed Data Mass Market
Low Cost Voice

Lucent's Portfolio

- **Applications & Service Delivery**
  - •MiLife™ Program
  - • High Speed Data: Easy Service Setup
  - •LWS tools and expertise
- **Base Station Portfolio**
  - •Common platforms
  - •Investment protection
  - •Expanded capacity and coverage
- **Circuit to Packet Core Migration**
  - •Lucent Softswitch & 5ESS
  - •RNC for data offload
  - •Cisco Partnership

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Strategically Focused Portfolio: Investing Money Where It Counts

COMMON PLATFORMS – CDMA AND UMTS

- Lucent has the most R&D resources dedicated to spread spectrum in the industry
- Common CDMA and UMTS hardware and software platforms help protect network investment and future technology migration

CIRCUIT TO PACKET CORE MIGRATION

- Mobility OneIMS solution ensures smooth evolution from circuit core platforms to IP Multimedia
- Lucent Softswitch in conjunction with the Cisco Media Gateway platform links best in class carrier grade telecom networking with best in class IP technology

INBUILDING COVERAGE

- Expansion of mobile coverage within enterprises and public domains to enhance delivery of High Speed Data and Low Cost Voice through 802.11 integration with 3G: wireless and wireline integration
- Extensive expertise in networking and spectrum management means Lucent is best positioned to address challenges present in a variety of buildings

APPLICATIONS & SERVICE DELIVERY

- MiLife™ Program enables creation and deployment of next generation services
- Lucent Worldwide Services expertise and tools help operators reduce time to market and risk

ACCESS AND TRANSPORT

- Lucent's PSAX portfolio substantially reduces operator backhaul costs by aggregating traffic at both the base station and MSC

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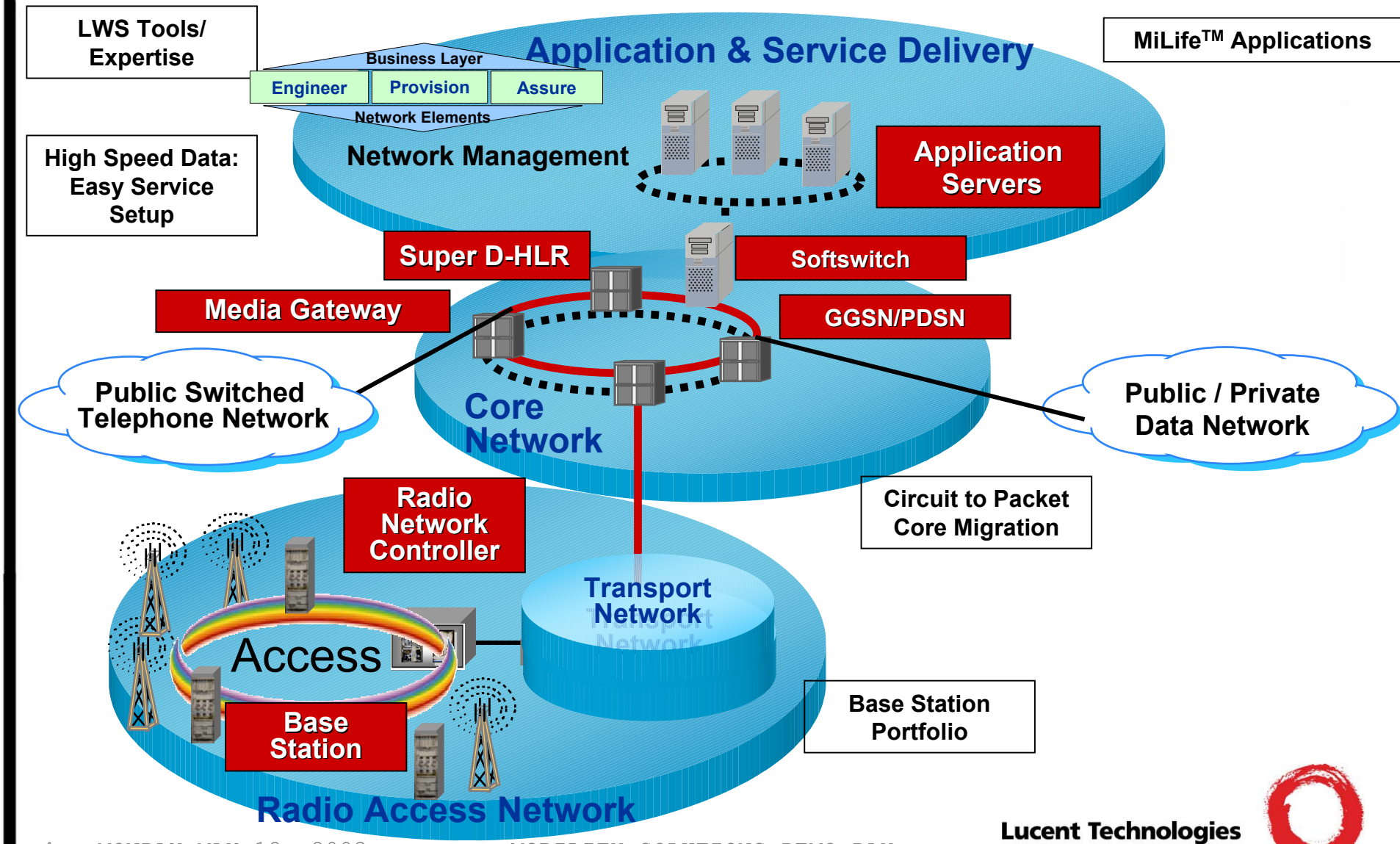
Mobility Solution: Common Network Elements



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Applications And Service Delivery

MiLife™ Program

- **Portfolio Highlights**
  - MiLife™ Intelligent Services Gateway and Developers Program
    - Enables creation and deployment of next generation services/applications
    - Hides complexity of the network from application developers
    - Deliver a range of tried and tested applications, pre-integrated with Lucent's infrastructure capabilities
    - Seamless service delivery across multiple network domains including mobile, fixed and IP networks
  - MiLife™ SurePay Solution
    - Complete payment solution for pre-paid and post-paid real time charging
    - Real-time rating engine provides for sophisticated, flexible tariff plans
    - Converged network solution; across multiple networks and protocols
    - Enables new revenue streams, increased customer satisfaction and cost reductions

MiLife™ Program offers rich feature set and flexibility; enhances operator's differentiation and subscriber stickiness

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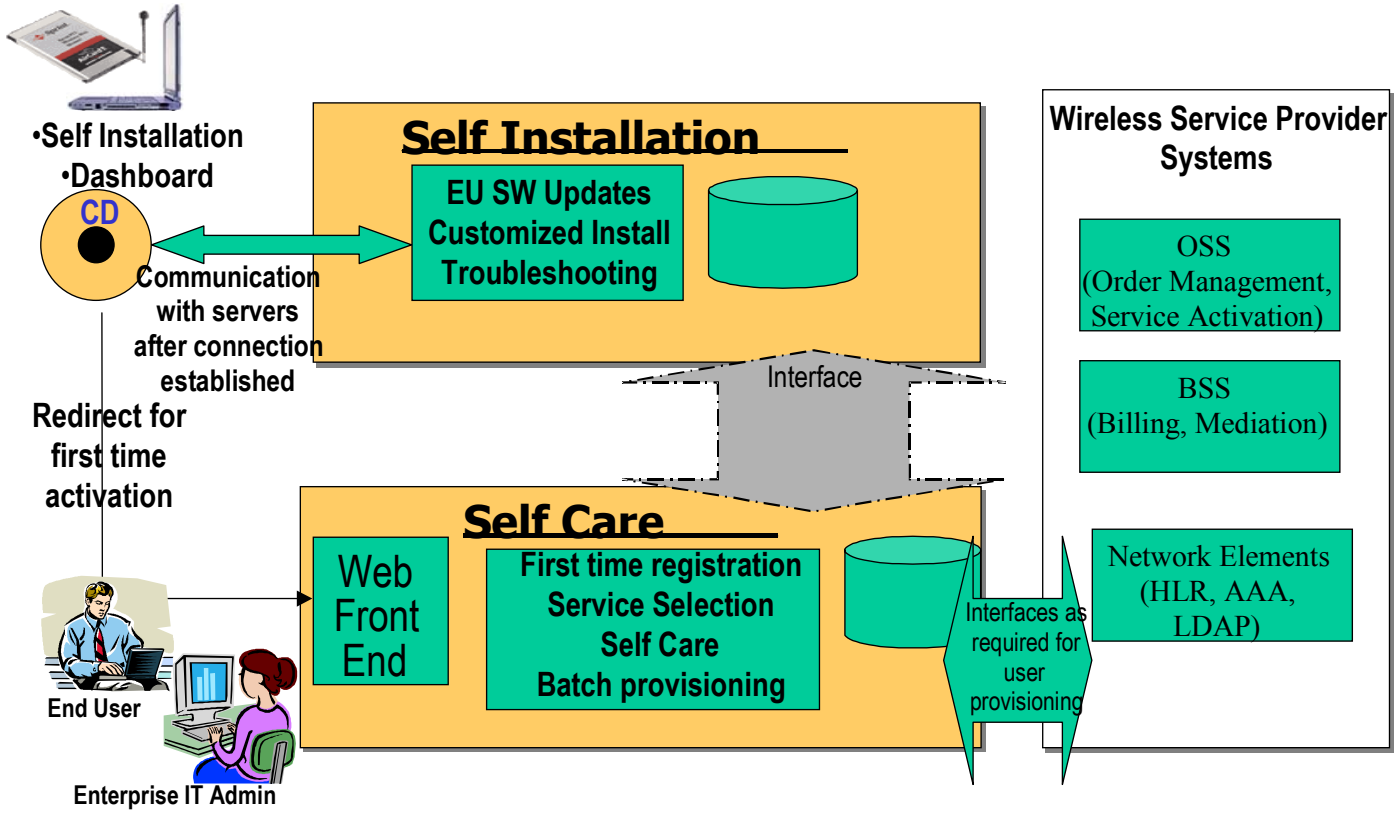
Easy Service Setup – Enabling High Speed Data



Benefits

- **Differentiated solution**
- **Rapid Service Provisioning-Users can begin using service more quickly**
- **Reduce operational / technical support costs**
- **Increased customer satisfaction**

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Lucent Worldwide Services

- **Delivers comprehensive network design, planning and deployment capabilities to help mobile operators bring services to market quickly**
- **Portfolio highlights**
  - Ocelot™ optimizes network coverage and capacity before and after deployment
  - SPAT (System Performance Analyst Tool) identifies problems in RF performance and recommends changes to correct the problem
  - AirPro Cell Planning tool for RF design
  - LDAT (Lucent Data Analysis tool) for drive test post processing

Lucent's spread spectrum experience and Bell Labs expertise provide unique foundation for proprietary design and optimization software tools that help our customers increase speed to market and reduce risk

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Base Station Portfolio

Integrated assets providing cost-effective growth



- **Portfolio Highlights**
  - Flexent Modular Cell 4.0
  - Flexent High Density 4.0
- **Common Platforms: OneBTS assets**
  - Reduces Lucent's development costs
  - Lucent can respond faster to changing market needs
  - Provides operators with Investment Protection
  - Future technologies supported: Intelligent Antenna, Transmit Diversity, Dual Band and Dual Mode
  - Offers Opex Savings

Coverage & Capacity | Decrease Footprint | Efficiencies | Maintenance Costs

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Circuit To Packet Migration

- **Portfolio Highlights**
  - **Lucent Softswitch: rich service-creation environment**
  - **Media Gateway and PDSN/GGSN arrangement with Cisco**
  - **RNC for data offloads**
  - **Joint Lucent/Cisco developments over time**
- **Lucent provides investment protection for existing equipment**
  - **5ESS supports circuit and packet access during evolution**
  - **Softswitch and Media Gateway support legacy access while allowing operators to achieve OpEx reductions through compressed voice**
- **Evolution of multimedia services based on Industry Standards**
  - **Lucent's network evolution provides benefits in advance of standards.**
  - **Lucent's IMS architecture provides an access independent service and control plane with a rich set of services**
  - **Phased migration to All-IP Networks driven by operator economics**

Lucent delivers a packet core network that supports multimedia services over best-in-class infrastructure

Global 3G Momentum Driven By Lucent Portfolio

More than 20 Lucent 3G Networks Deployed Globally

- Commercial CDMA2000 1xEV-DO network for Verizon Wireless
- Iusacell Mexico and Verizon Wireless Puerto Rico launch commercial CDMA2000 1X voice and high-speed data networks
- UMTS HSD Pilots in Germany (T-Mobile) & Spain (Telefonica)
- PacketStar® (PSAX) Deals for Backhaul Aggregation
  - Cingular Wireless, Orange UK
- Vodafone for MiLife™ SurePay® suite of pre-paid services
- CDMA450 wins in Eastern Europe
- Reliance InfoComm and Tata Teleservices make Lucent the leading 3G vendor in India
- China Unicom expansion worth more than $400 million

- **North America**
  - **Operators still adding capacity and coverage enhancements**
  - **Interest in building out CDMA2000 1xEV-DO capabilities**
- **Latin America**
  - **Remains untapped market for 3G**
  - **TDMA migration**
- **Asia Pacific**
  - **Leading introduction of 3G**
  - **CDMA gaining regional momentum**
  - **Interest in CDMA variations (CDMA450, CDMA2000 for 2.1 GHz)**
  - **Wireline Displacement**
- **Europe**
  - **Trial momentum critical**
  - **CDMA450 solutions**

Lucent's Mobility portfolio helps our customers' meet emerging market needs

Lucent's Mobility Portfolio Positions Lucent Competitively

- **Leverage our unmatched expertise in spread spectrum technologies to expand global leadership in 3G network deployment**
  - **We've deployed more than 80,000 CDMA base stations – more than any other vendor – and 40,000 of them are 3G enabled**
  - **Recent contract announcements demonstrate our momentum in key growth markets**
- **Focusing on emerging segments and non-traditional opportunities**
  - **High Speed Data and Low Cost voice**
  - **Public Safety/Homeland Security**
  - **In-Building Coverage**
  - **CDMA in expanded spectrum (CDMA450)**
- **Developing partnerships with best-in-class players to provide differentiated, end-to-end solutions**

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