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

	Nine Months Ended				% Change
	June 30, 2001		June 30, 2000		Pro Forma
	As Reported	Pro Forma	As Reported	Pro Forma (a)	3Q vs 3Q
Revenue	$ 16,088	$ 16,088	$ 21,732	$ 21,495	(25.2%)
Costs (b)	14,093	13,414	12,445	12,316	8.9%
Gross margin	1,995	2,674	9,287	9,179	(70.9%)
OPERATING EXPENSES					
Selling, general and administrative, before amortization of goodwill and other acquired intangibles	5,306	5,306	3,716	3,574	48.5%
Amortization of goodwill and other acquired intangibles	743	-	139	-	
Selling, general and administrative (c)	6,049	5,306	3,855	3,574	48.5%
Research and development	2,775	2,775	2,396	2,384	16.4%
In-process research and development	-	-	428	-	
Business restructuring charges and related asset impairments	2,715	-	-	-	
Total operating expenses	11,539	8,081	6,679	5,958	35.6%
Operating income (loss)	(9,544)	(5,407)	2,608	3,221	(267.9%)
Other income (expense), net (d)	(296)	(296)	340	138	(314.5%)
Interest expense	395	395	237	237	66.7%
Income (loss) from continuing operations before income taxes	(10,235)	(6,098)	2,711	3,122	(295.3%)
Provision (benefit) for income taxes (e)	(3,394)	(2,324)	984	881	(363.8%)
Income (loss) from continuing operations	$ (6,841)	$ (3,774)	$ 1,727	$ 2,241	(268.4%)
Income (loss) per share from continuing operations (f)	$ (2.01)	$ (1.11)	$ 0.52	$ 0.68	(263.2%)
Effective tax rate (%) - continuing operations	33.2%	38.1%	36.3%	28.2%	
Loss from discontinued operations, net	$ (1,673)		$ (24)		
Loss per share from discontinued operations (f)	(0.50)		(0.00)		
Extraordinary gain, net	1,154		-		
Earnings per share from extraordinary gain (f)	0.34		-		
Cumulative effect of accounting change, net	30		-		
Earnings per share from cumulative effect of accounting change (f)	0.01		-		
Net income (loss)	(7,330)		1,703		
Net earnings (loss) per share (f)	$ (2.16)		$ 0.52		
Weighted average number of common shares outstanding (f)	3,396.9	3,396.9	3,297.6	3,297.6	

(a) The pro forma results of operations for the nine months ended June 30, 2000, exclude Lucent's Consumer Products business, which was sold in March
(b) For the nine months ended June 30, 2001, total business restructuring and one-time charges include inventory write-downs of $679, which are recorded as a component of Costs, and excluded from pro forma costs .
(c) The pro forma SG&A expense for the nine months ended June 30, 2000 excludes one-time costs of $61 primarily associated with the mergers with International Network Services, Excel Switching Corporation and Xedia Corporation.
(d) The pro forma other income for the nine months ended June 30, 2000 excludes a gain of $189 associated with the sale of an equity investment.
(e) Pro forma income taxes are reflected on a pro forma stand-alone basis.
(f) As a result of the loss reported from continuing operations for the nine months ended June 30, 2001, potentially dilutive securities have been excluded from the calculation of loss per share because their effect would offset the loss.
Represents diluted earnings per share for June 30, 2000.