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)

	September 30, 2002		June 30, 2002		September 30, 2001		% Change Pro Forma	
	As Reported	Pro Forma (a)	As Reported	Pro Forma (a)	As Reported	Pro Forma (a)	4Q vs 3Q	4Q vs 4Q
Revenue	$ 2,277	$ 2,277	$ 2,949	$ 2,949	$ 5,155	$ 4,752	(22.8%)	(52.1%)
Costs (b)	2,613	2,602	2,298	2,255	5,092	4,206	15.4%	(38.1%)
Gross margin	(336)	(325)	651	694	63	546	(146.8%)	(159.5%)
OPERATING EXPENSES								
Selling, general and administrative, before amortization of goodwill and other acquired intangibles	945	945	796	796	1,183	1,136	18.7%	(16.8%)
Amortization of goodwill and other acquired intangibles (c)	32		75	-	178	-		
Selling, general and administrative	977	945	871	796	1,361	1,136	18.7%	(16.8%)
Research and development	685	685	480	480	745	725	42.7%	(5.5%)
Business restructuring charges, reversals and asset impairments, net (d)	788	-	1,602	-	7,442	-		
Total operating expenses	2,450	1,630	2,953	1,276	9,548	1,861	27.7%	(12.4%)
Operating loss	(2,786)	(1,955)	(2,302)	(582)	(9,485)	(1,315)	235.9%	48.7%
Other income (expense), net (e)	50	(91)	(261)	(99)	(61)	(64)	(8.1%)	42.2%
Interest expense	98	98	107	107	123	123	(8.4%)	(20.3%)
Loss from continuing operations before income taxes	(2,834)	(2,144)	(2,670)	(788)	(9,669)	(1,502)	172.1%	42.7%
Provision (benefit) for income taxes (f)	(25)	(12)	5,329	5,607	(2,340)	(568)	NM	NM
Loss from continuing operations	(2,809)	(2,132)	(7,999)	(6,395)	(7,329)	(934)	(66.7%)	128.3%
Income (loss) from discontinued operations, net	-	-	(27)	-	(1,499)	-		
Loss before extraordinary item	(2,809)	(2,132)	(8,026)	(6,395)	(8,828)	(934)	(66.7%)	128.3%
Extraordinary gain, net	-	-	-	-	28	-		
Net loss	(2,809)	(2,132)	(8,026)	(6,395)	(8,800)	(934)	(66.7%)	128.3%
Conversion expense - 8% redeemable convertible preferred stock	(29)	(29)	-	-	-	-	NM	NM
Preferred dividends and accretion	(43)	(43)	(42)	(42)	(28)	(28)	2.4%	53.6%
Net loss applicable to common shareowners	$ (2,881)	$ (2,204)	$ (8,068)	$ (6,437)	$ (8,828)	$ (962)	(65.8%)	129.1%
Basic and diluted loss per share from continuing operations applicable to common shareowners	$ (0.84)	$ (0.64)	$ (2.34)	$ (1.88)	$ (2.16)	$ (0.28)	(66.%)	128.6%
Basic and diluted net loss per share applicable to common shareowners	$ (0.84)	$ (0.64)	$ (2.35)	$ (1.88)	$ (2.59)	$ (0.28)		
Weighted average number of common shares outstanding	3,439.6	3,439.6	3,428.5	3,428.5	3,412.2	3,412.2		
Effective tax provision (benefit) rate (%) - continuing operations	NM	NM	NM	NM	(24.2%)	(37.8%)		

(a) Our pro forma measure is not a recognized measure under generally accepted accounting principles and as a result may not be comparable to similarly titled measure presented by other companies. The information is presented in order to assist readers in evaluating the ongoing operational performance of the business excludin significant one-time unusual charges. The pro forma results should be read with the "As Reported Results" and corresponding reconciliations included in the attache tables to this release. In addition, the pro forma results for the three months ended September 30, 2001, exclude the result of Lucent's optical fiber business (OFS), which was sold during the three months ended December 31, 2001.

(b) For the periods presented, costs include a net business restructuring charge related to inventory write-downs of $11, $43 and $580, respectively. All inventor charges associated with the restructuring program are excluded from pro forma costs.

(c) For all periods presented, the pro forma results exclude amortization of goodwill and other acquired intangibles

(d) For all periods presented, the pro forma results exclude charges resulting from restructuring actions. In addition, the pro forma results for the three months endec September 30, 2002 and June 30, 2002, exclude certain asset impairment charges of $138 and $837, respectively, which were primarily related to goodwill recorded i connection with Lucent's acquisition of Spring Tide in September 2000.

(e) Pro forma other income (expense) for the three months ended September 30, 2002, excludes $141 of gains associated with the Lucent's OFS businesses. Pro forma other income (expense) for the three months ended June 30, 2002, excludes a legal settlement of $162 related to our former Consumer Products business.

(f) The pro forma income taxes exclude the tax effect of amounts excluded from the pro forma results. Pro forma income taxes for the three months ended June 30, 2002, includes a non-cash tax charge of $5,889 ($1.72 per share) to establish a full valuation allowance on the company's net deferred tax assets as of June 30, 2002 No tax impact has been reflected for amounts excluded from pro forma results subsequent to June 30, 2002, since a full valuation allowance has been maintained

NM Not meaningful

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

	Year Ended				% Change Pro Forma
	September 30, 2002		September 30, 2001		
	As Reported	Pro Forma (a)	As Reported	Pro Forma (a)	
Revenue	$ 12,321	$ 12,207	$ 21,294	$ 19,271	(36.7%)
Costs (b)	10,769	10,564	19,236	16,699	(36.7%)
Gross margin	1,552	1,643	2,058	2,572	(36.1%)
OPERATING EXPENSES					
Selling, general and administrative, before amortization of goodwill and other acquired intangibles	3,719	3,691	6,489	6,358	(41.9%)
Amortization of goodwill and other acquired intangibles (c)	250	-	921	-	
Selling, general and administrative	3,969	3,691	7,410	6,358	(41.9%)
Research and development	2,310	2,297	3,520	3,449	(33.4%)
Business restructuring charges, reversals and asset impairments, net (d)	2,252	-	10,157	-	
Total operating expenses	8,531	5,988	21,087	9,807	(38.9%)
Operating loss	(6,979)	(4,345)	(19,029)	(7,235)	(39.9%)
Other income (expense), net (e)	292	(206)	(357)	(355)	(42.%)
Interest expense	382	381	518	518	(26.4%)
Loss from continuing operations before income taxes	(7,069)	(4,932)	(19,904)	(8,108)	(39.2%)
Provision (benefit) for income taxes (f)	4,757	4,983	(5,734)	(3,020)	NM
Loss from continuing operations	(11,826)	(9,915)	(14,170)	(5,088)	94.9%
Income (loss) from discontinued operations, net	73	-	(3,172)	-	
Loss before extraordinary item and cumulative effect of accounting changes	(11,753)	(9,915)	(17,342)	(5,088)	94.9%
Extraordinary gain, net	-	-	1,182	-	
Cumulative effect of accounting changes, net	-	-	(38)	-	
Net loss	(11,753)	(9,915)	(16,198)	(5,088)	94.9%
Conversion expense - 8% redeemable convertible preferred stock	(29)	(29)			
Preferred dividends and accretion	(167)	(167)	(28)	(28)	NM
Net loss applicable to common shareowners	$ (11,949)	$ (10,111)	$ (16,226)	$ (5,116)	97.6%
Basic and diluted loss per share from continuing operations applicable to common shareowners	$ (3.51)	$ (2.95)	$ (4.18)	$ (1.50)	96.7%
Basic and diluted net loss per share applicable to common shareowners	$ (3.49)	$ (2.95)	$ (4.77)	$ (1.50)	
Weighted average number of common shares outstanding	3,426.7	3,426.7	3,400.7	3,400.7	
Effective tax provision (benefit) rate (%) - continuing operations	NM	NM	(28.8%)	(37.2%)	

(a) Our pro forma measure is not a recognized measure under generally accepted accounting principles and as a result may not be comparable to similarly titled measures presented by other companies. The information is presented in order to assist readers in evaluating the ongoing operational performance of the business excluding significant one time unusual charges. The proforma results should be read with the "As Reported Results" and corresponding reconciliations included in the attached tables to this release. In addition, the pro forma results exclude the result of Lucent's optical fiber business (OFS), which was sold during the three months ended December 31, 2001.

(b) For the years ended September 30, 2002 and 2001, costs include a net business restructuring charge related to inventory write-downs of $64 and $1,259, respectively, which are excluded from pro forma costs.

(c) For all periods presented, the pro forma results exclude amortization of goodwill and other acquired intangibles.

(d) For all periods presented, the pro forma results exclude charges resulting from restructuring actions. In addition, the pro forma results for the year ended September 30, 2002, exclude certain asset impairment charges of $975, which were primarily related to goodwill recorded in connection with Lucent's acquisition of Spring Tide in September 2000.

(e) Pro forma other income (expense) for the year ended September 30, 2002, excludes $664 of gains associated with the Lucent's OFS businesses and a legal settlement of $162 related to our former Consumer Products busines.

(f) Pro forma income taxes are reflected on a pro forma stand-alone basis. The pro forma income taxes exclude the tax effect of amounts excluded from the pro forma results. Pro forma income taxes for the year ended September 30, 2002, includes a non-cash tax charge of $5,889 ($1.72 per share) to establish a full valuation allowance on the company's net deferred tax assets as of June 30, 2002. No tax impact has been reflected for amounts excluded from pro forma results subsequent to June 30, 2002, since a full valuation allowance has been maintained.

NM Not meaningful

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

	September 30, 2002	June 30, 2002	September 30, 2001
Assets:			
Cash and cash equivalents	$ 2,894	$ 4,556	$ 2,390
Short-term investments	1,526	867	-
Receivables, less allowances of $325, $517 and $634, respectively	1,647	2,245	4,594
Inventories	1,363	1,981	3,646
Contracts in process, net	10	230	1,027
Deferred income taxes, net	-	-	2,658
Other current assets	1,715	1,287	1,788
Total current assets	9,155	11,166	16,103
Property, plant and equipment, net	1,977	2,519	4,416
Prepaid pension costs	4,355	4,945	4,958
Deferred income taxes, net	-	-	2,695
Goodwill and other acquired intangibles, net	224	367	1,466
Other assets	2,080	2,364	2,724
Net long-term assets of discontinued operations	-	-	1,302
Total assets	$ 17,791	$ 21,361	$ 33,664
Liabilities:			
Accounts payable	$ 1,298	$ 1,245	$ 1,844
Payroll and benefit-related liabilities	1,094	1,058	1,500
Debt maturing within one year	120	173	1,135
Other current liabilities	3,814	4,240	5,285
Net current liabilities of discontinued operations	-	-	405
Total current liabilities	6,326	6,716	10,169
Postretirement and postemployment benefit liabilities	5,230	5,127	5,481
Pension liability	2,752	125	80
Company-obligated mandatorily redeemable preferred securities of subsidiary trust	1,750	1,750	-
Long-term debt	3,236	3,237	3,274
Deferred income taxes, net	-	11	152
Other liabilities	1,551	1,628	1,651
Total liabilities	20,845	18,594	20,807
Commitments and contingencies			
8.00% redeemable convertible preferred stock (a)	1,680	1,847	1,834
Shareowners' (deficit) equity:			
Common stock (b)	35	34	34
Additional paid-in capital	20,606	20,468	21,702
Accumulated deficit	(22,025)	(19,216)	(10,272)
Accumulated other comprehensive income (loss)	(3,350)	(366)	(441)
Total shareowners' (deficit) equity	(4,734)	920	11,023
Total liabilities, redeemable preferred stock and shareowners' (deficit) equity	$ 17,791	$ 21,361	$ 33,664

(a) $1.00 per share par value; 1,710,500 shares issued and outstanding as of September 30, 2002; 1,885,000 shares issued and outstanding as of June 30, 2002 and September 30, 2001; $1,000.00 per share redemption value.

(b) $0.01 per share par value; 10,000,000,000 authorized shares; 3,491,585,126 issued and 3,490,310,034 outstanding as of September 30, 2002, 3,433,270,277 issued and 3,432,603,658 outstanding as of June 30, 2002 and 3,414,815,908 issued and 3,414,167,155 outstanding as of September 30, 2001.

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

	Years Ended	
	September 30, 2002	September 30, 2001
Operating Activities		
Net Loss	$ (11,753)	$ (16,198)
Less: Gain (loss) from discontinued operations	73	(3,172)
Extraordinary gain	-	1,182
Cumulative effect of accounting change	-	(38)
Loss from continuing operations	(11,826)	(14,170)
Adjustments to reconcile loss from continuing operations to net cash used in operating activities, net of effects of acquisitions and dispositions of businesses and manufacturing operations:		
Non-cash portion of business restructuring charges, net	827	9,322
Asset impairment charges	975	-
Depreciation and amortization	1,470	2,536
Provision for bad debts and customer financings	1,253	2,249
Tax benefit from employee stock options	-	18
Deferred income taxes	5,268	(5,935)
Net pension and postretirement benefit credit	(998)	(1,137)
Gains on sales of businesses and manufacturing operations	(725)	
Other adjustments for non-cash items	843	495
Changes in operating assets and liabilities:		
Decrease in receivables	2,493	3,627
Decrease in inventories and contracts in process	2,552	881
Decrease in accounts payable	(539)	(759)
Changes in other operating assets and liabilities	(2,349)	(548)
Net cash used in operating activities from continuing operations	(756)	(3,421)
Investing Activities		
Capital expenditures	(449)	(1,390)
Dispositions of businesses and manufacturing operations, net of cash and cash equivalents	2,576	3,187
Sales or maturity of investments	-	57
Purchases of investments	-	(101)
Purchases of short-term investments	(1,518)	
Proceeds from the sale or disposal of property, plant and equipment	194	177
Other investing activities	(46)	21
Net cash provided by investing activities from continuing operations	757	1,951
Financing Activities		
Issuance of company-obligated 7.75% mandatorily redeemable convertible preferred securities of subsidiary trust	1,750	-
Repayments of/proceeds from credit facilities	(1,000)	3,500
Net repayments of other short-term borrowings	(104)	(2,147)
Issuance of long-term debt	-	302
Repayments of long-term debt	(47)	(754)
Issuance of redeemable convertible preferred stock	-	1,831
Issuance of common stock	64	222
Dividends paid on preferred and common stock	(149)	(204)
Other financing activities	(46)	(125)
Net cash provided by financing activities from continuing operations	468	2,625
Effect of exchange rate changes on cash and cash equivalents	35	4
Net cash provided by continuing operations	504	1,159
Net cash used in discontinued operations	-	(236)
Net increase in cash and cash equivalents	504	923
Cash and cash equivalents at beginning of year	2,390	1,467
Cash and cash equivalents at end of year	$ 2,894	$ 2,390

Exhibit E

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

		Three months ended		
		September 30, 2002	June 30, 2002	September 30, 2001
Pro Forma Results by Segment				
Total Revenues	Integrated Network Solutions (INS)	$ 1,329	$ 1,411	$ 2,619
	Mobility Solutions (Mobility)	882	1,451	1,962
	Other	66	87	171
	Total pro forma revenues	$ 2,277	$ 2,949	$ 4,752
U.S. Revenues				
	INS	$ 715	$ 770	$ 1,301
	Mobility	678	1,218	1,535
	Other	45	63	102
	Total pro forma revenues - U.S.	$ 1,438	$ 2,051	$ 2,938
Non-U.S. Revenues				
	INS	$ 614	$ 641	$ 1,318
	Mobility	204	233	427
	Other	21	24	69
	Total pro forma revenues - Non-U.S.	$ 839	$ 898	$ 1,814
Operating income (loss)				
	INS	$ (877)	$ (541)	$ (1,073)
	Mobility	(838)	152	(40)
	Total segment operating loss	(1,715)	(389)	(1,113)
	Other	(240)	(193)	(202)
	Pro forma operating loss	$ (1,955)	$ (582)	$ (1,315)

		Fiscal year ended September 30,	
		2002	2001
Products and Services Revenues			
	Switching and access	$ 3,155	$ 5,598
	Optical networking products	1,427	3,206
	Wireless products	4,492	5,409
	Services	2,689	4,162
	Other (a)	444	896
	Total pro forma revenues	$ 12,207	$ 19,271

(a) Principally includes billing and customer care software products and messaging products.

Percentage-of-Revenues Analysis - Pro Forma			
Costs	114.3%	76.5%	88.5%
Gross margin	(14.3%)	23.5%	11.5%
Selling, general and administrative	41.5%	27.%	23.9%
Research and development	30.1%	16.3%	15.3%
Total operating expenses	71.6%	43.3%	39.2%
Operating loss	(85.9%)	(19.7%)	(27.7%)

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

	Three months ended		
	September 30, 2002	June 30, 2002	September 30, 2001
Cash Flows from Continuing Operations			
Operating	$ (802)	$ 518	$ (486)
Investing	$ (717)	$ (852)	$ 602
Financing	$ (161)	$ 40	$ (13)

	September 30, 2002	June 30, 2002	September 30, 2001
Other Information			
Debt to capital (a)	NM	84.9%	28.6%
Working capital (b)	2,829	4,450	6,339
Current ratio	1.4	1.7	1.6
Days sales outstanding (DSO) - 2 point average	77	78	80
Employees	47,000	53,000	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 $405 at September 30, 2001.

Customer Financing

	September 30, 2002		
	Total Loans and Guarantees	Loans	Guarantees
Drawn commitments	$ 1,098	$ 909	$ 189
Available but not drawn	93	51	42
Not available	151	151	-
Total	$ 1,342	$ 1,111	$ 231

	June 30, 2002		
	Total Loans and Guarantees	Loans	Guarantees
Drawn commitments	$ 1,202	$ 967	$ 235
Available but not drawn	536	520	16
Not available	216	201	15
Total	$ 1,954	$ 1,688	$ 266

	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