Welcome to the Lucent Technologies Annual Meeting of Shareowners

February 16, 2005

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Pat Russo
Chairman & CEO

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Introductions

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Objectives of the Meeting

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Convening of the Meeting

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Chairman and CEO's Remarks

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Chairman & CEO

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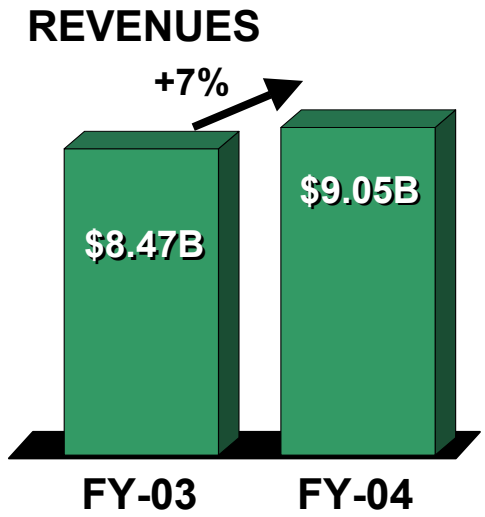
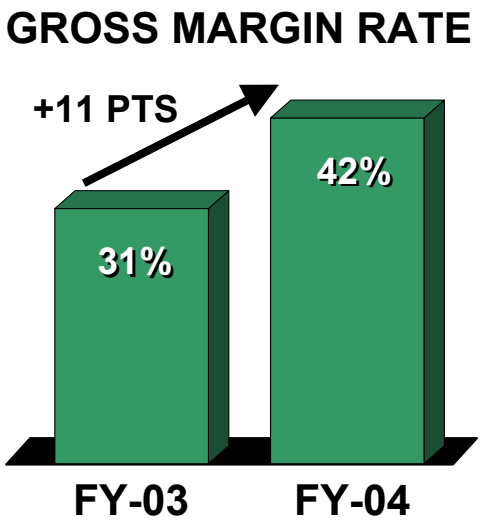
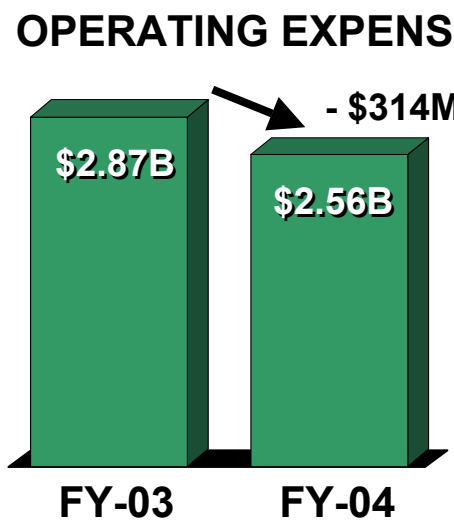
Fiscal Year 2004 Summary

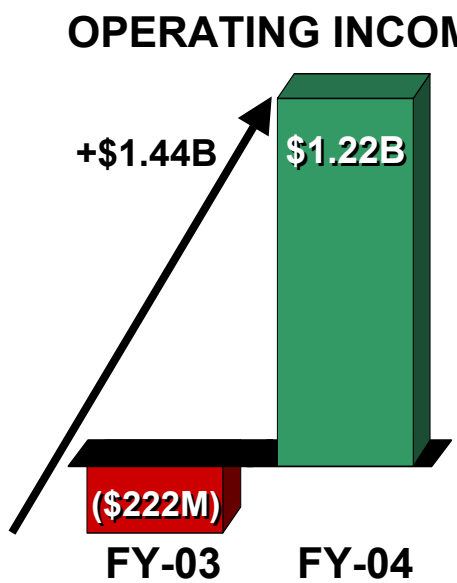
2004 was a pivotal year

- *Year-over-year results include some significant items compared with FY03*









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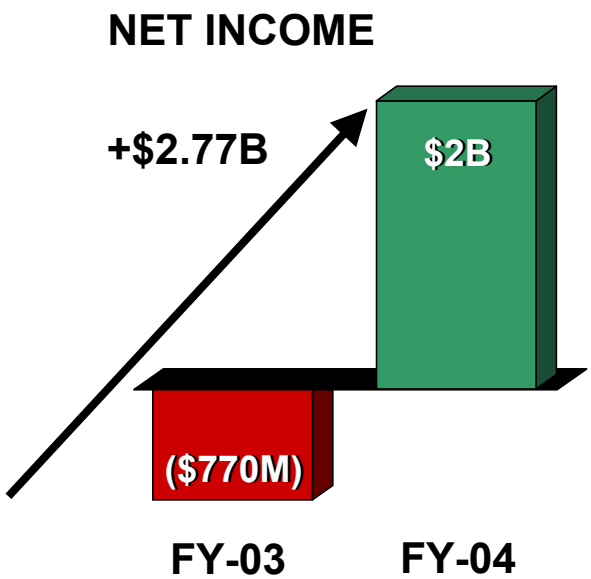

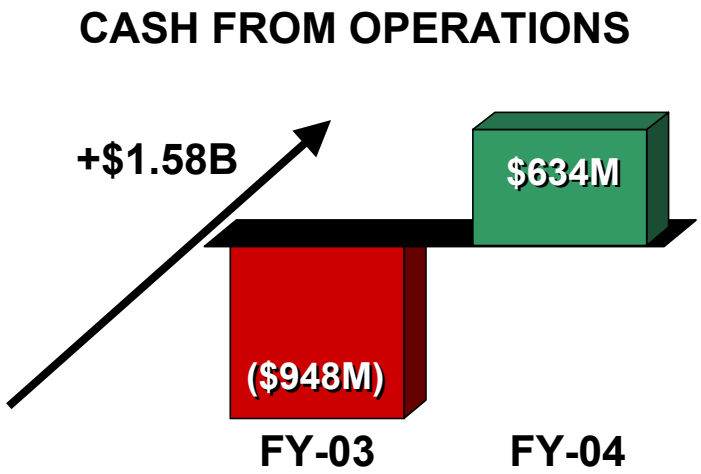

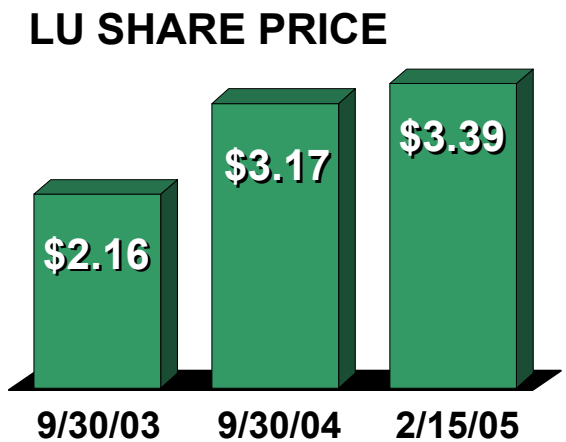

Fiscal 2005 Off to a Good Start

In millions, except per share figures

	Q105	Q104	Q105 vs. Q104
Revenues	2,335	2,259	3%
Gross Margin %	42%	41%	1pt
Operating Expenses	665	648	17
Operating Income	319	271	48
Net Income	174	349	(175)
EPS – diluted	0.04	0.07	(0.03)

Significant items favorably affected Q104 by about 4 cents. Net impact of similar items on Q105 was less than 1 cent.

Changing Market: Opportunities & Challenges

- Industry remains dynamic; has stabilized and started to grow
- Increased consolidation
- Fundamental shift in networks and how people access them





- Technical productivity of our industry continues to produce more for less
- Vendors need to do more than deliver equipment in traditional manner
- Need to create value for customers

Lucent, like the industry, is vastly different than it was a few years ago

Focused On Profitable Growth

- Expanding customer and revenue base
  - Services
  - Government
  - Enterprises
  - Emerging Markets outside the U.S.
- Investing in technologies critical to our vision of next-generation networks
  - Mobile High-Speed Data
  - Voice over IP
  - Next-Gen Optical
  - Broadband Access
- Capitalizing on near-term opportunities in Wireless and Services
- Managing transition in wireline market






One network for everyone

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Building Talent

Lucent's people are:

- Determined and diverse
- Creative and hard working
- Resilient and committed to excellence



We are stepping up our efforts to develop and re-energize our world-class talent base

Corporate Governance and Compliance

- Adhering to good governance principles has always been very important to Lucent's board
- Nine of our 11 board members meet NYSE standard for independence
- Working to complete Sarbanes-Oxley Section 404 compliance



Summary

- Fiscal 2004 was a pivotal year for our company
- Both Lucent and the industry are vastly different than they were just a few years ago
- We have a vision for networks that will deliver the multimedia services people want
- We are taking proactive steps to further develop our already talented work force and to maintain a diverse, collaborative, values-based culture

The bottom line is … it's all about customers

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Agenda and Procedural Rules

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Proposal #1:
Election of Directors

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Proposal #2:
Reverse Stock Split

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Proposal #3:
Publication of Political Action Contributions

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Proposal #4:
Performance-Based Compensation Awards

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Proposal #5:
Amend Audit Services Pre-Approval Policy

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Proposal #6:
Shareowner Approval of Golden Parachutes

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Voting Procedures / Voting

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General Q&A

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Preliminary Voting Results

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General Q&A

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