

Alcatel-Lucent and Korea's KT sign collaboration agreement to deliver 5G mobile networks of the future

Technological collaboration to advance 5G development in South Korea with initial testing focusing on virtualized RAN to support next generation mobile architecture

Paris, France, May , 2015 - Alcatel-Lucent (Euronext Paris and NYSE: ALU) has signed a memorandum of understanding with South Korean telecommunications provider, KT, under which the companies will collaborate to test technologies for the eventual introduction of 5G mobile networks and infrastructure capable of meeting the huge connectivity demands expected in the future.

The collaboration will initially focus on Alcatel-Lucent's virtualized Radio Access Network (vRAN) technology. At Mobile World Congress this year, Alcatel-Lucent demonstrated how its <u>vRAN</u> capability could help operators dynamically meet changing customer, market and environmental demands while enhancing network performance and lowering costs.

Amid the exploding demand today for data caused by smartphones and other mobile devices, and increasingly via technologies such as 'the Internet of Things' and machine-to-machine networks, 5G technology promises greater speeds, capacity and flexibility, enabling mobile operators to meet the data demand in a highly personalized way. It will also deliver a completely 'untethered' experience, enabling people and connected devices to access any information from anywhere and in any way they choose.

South Korea has a strong appetite for data: according to the Ministry of Science, ICT and Future Planning at the end of February 2015 72% of mobile subscribers were smartphone users. KT wants to leverage the flexibilities and efficiencies promised by 5G to offer subscribers a high-quality seamless mobile broadband experience, with new differentiated and personalized revenue-generating services.

Key Facts

- Agreement sees Alcatel-Lucent and KT collaborating to develop the future of 5G network architecture. This will allow KT to meet the massive connectivity demands of the Internet of Things (IoT) – delivering a personalized experience as more people, devices and machines are connected.
- The scope of the agreement includes the development and testing of mobile ultra-broadband access, network functions virtualization (NFV) and software defined networking (SDN) technologies for 5G network architectures and interfaces as well as the driving of interworking and 3GPP standardization activities.
- Alcatel-Lucent has proven experience in both wireless networks and virtualization and has
 already announced virtualization of a wide range of network functions, including the <u>evolved</u>
 packet core (vEPC), and IMS (vIMS), Content Delivery Network (vCDN) and service routing

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¹ http://www.itstat.go.kr/stat.it?no=1444 http://www.itstat.go.kr/stat.it?no=1149

(VSR). The company demonstrated its <u>vRAN</u> solution at Mobile World Congress 2015. Its NFV leadership is underpinned by the participation of the <u>CloudBand NFV platform</u> in over 30 customer projects, an NFV ecosystem of over 60 members and extensive <u>Nuage Networks</u> SDN capabilities - including the launch of <u>the Virtualized Networks Services (VNS)</u> in 2014 - which further builds on Alcatel-Lucent's strategy of delivering a complete range of cloud networking solutions for a software-driven world.

Quotes

DongMyun Lee, CTO and Senior Vice President of KT said: "KT recognizes Alcatel-Lucent as a global leader in vRAN and SDN. We are eager to use their vRAN and SDN technology to help us implement the 5G architecture that we have defined in our GiGatopia Vision."

Chi Il Yoo, Head of Alcatel-Lucent Korea said "Alcatel-Lucent has a long-history of innovating to solve the world's biggest communications challenges. We are fully aligned with KT's vision and committed to help KT in its strategic network evolution. We see NFV technologies, such as vRAN as a vital step in this evolution and by working with KT we are further underlining our leadership in this area."

ABOUT ALCATEL-LUCENT (EURONEXT PARIS AND NYSE: ALU)

Alcatel-Lucent is the leading IP networking, ultra-broadband access and cloud technology specialist. We are dedicated to making global communications more innovative, sustainable and accessible for people, businesses and governments worldwide. Our mission is to invent and deliver trusted networks to help our customers unleash their value. Every success has its network.

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