



NEWS RELEASE

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CHATTANOOGA, TENN ANNOUNCES ONLY 1 GIGABIT BROADBAND SERVICE IN U.S. FOR BOTH RESIDENTIAL AND BUSINESS CUSTOMERS

*EPB leveraging Alcatel-Lucent's GPON solution to offer the
nation's fastest broadband service*

CHATTANOOGA, Tenn and Paris (September 13, 2010) – EPB Fiber Optics, Chattanooga's municipally-owned fiber-to-the-premises network, and Alcatel-Lucent (Euronext Paris and NYSE: ALU) today announced the only 1 Gigabit broadband service in the United States is now available citywide in Chattanooga, Tennessee.

EPB operates a high-speed optical fiber network that today offers services to over 100,000 homes and businesses in the metropolitan Chattanooga and surrounding rural areas. With the new 1 Gigabit symmetrical service offering, Chattanooga offers the fastest broadband service in the country, and is tied with a handful of international communities for fastest in the world.

Powered by Alcatel-Lucent's gigabit passive optical network (GPON) technology, Chattanooga's new network will accommodate speeds of up to 1 gigabit-per-second (Gbps), which is more than 200 times faster than the current national download speed average. Every home and business within EPB's 600 square-mile, 9 county service area will be able to access the network, making it the most comprehensive product of its kind in the United States.

"Chattanooga is light years ahead when it comes to providing ultra fast broadband," said Tom Edd Wilson, President and CEO of the Chattanooga Area Chamber of Commerce. "By offering the fastest available speeds to a whole community comprising a diverse population living in both urban and rural areas, Chattanooga has become the living laboratory for today's innovations and tomorrow's companies."

With EPB and Alcatel-Lucent's announcement of 1 Gigabit service, Chattanooga is now 10 times faster and 10 years ahead of FCC's National Broadband Plan calling for 100 Mbps speeds for 260 million households nationwide by 2020.

"This groundbreaking commercial offering creates tremendous opportunities for residents and businesses in the region." said Harold DePriest, President and CEO of EPB. "With access to the fastest broadband speeds in the United States, Chattanooga represents the next frontier in communications technology, with limitless potential for new applications for education, entertainment, healthcare, industrial development and more."

"EPB has long been a pioneer in deploying fiber solutions, putting the Chattanooga community at the forefront of high-speed, high-tech communications," said Robert Vrij, President of Alcatel-Lucent's Americas region. "Alcatel-Lucent has been part of EPB's vision to bring next-generation services and applications to Chattanooga from the beginning. That collaboration speaks volumes about the confidence they have in our technology, our expertise, our global leadership and our ability to help create one of the world's most advanced high-speed broadband access networks."

Alcatel-Lucent is the worldwide leader in fixed broadband access, supporting the largest mass deployments of video, voice and data services. Today, one out of three fixed broadband subscribers around the world is served through an access network provided by Alcatel-Lucent. Alcatel-Lucent is involved in more than 100 fiber-to-the-home (FTTH) projects worldwide, more than 85 of which are based on GPON technology. Alcatel-Lucent is the driving force behind the first commercial PON-based 1Gbps-offerings in the world – i.e. EPB Chattanooga (US), Hong Kong Broadband Network Limited and ZON Multimedia (Portugal).

To learn more about Chattanooga, Tennessee's new 1 Gigabit broadband service, please visit <http://www.chattanoogaqig.com>.
Follow on Twitter at: <http://twitter.com/ChattanoogaGig>.

About EPB's 100% Fiber Optic Network:

EPB, Chattanooga's municipal electric utility, is using its fiber-to-the-home network as the backbone for its Smart Grid which will provide increased power reliability, greater operational efficiency and more power management tools for the utility's electric customers.

In addition to its Smart Grid functions, the fiber-to-the-home network can also provide communications services to business and residential customers, including very high-speed Internet access, (high-definition) IPTV and phone services.

To learn more about EPB's Smart Grid and EPB Fiber Optics' services, please visit: <http://www.epb.net> and <http://www.epbfi.com>.
Follow us on Twitter at: http://twitter.com/EPB_Chattanooga.

About the Alcatel-Lucent GPON solution

For the new EPB network, Alcatel-Lucent has deployed its 7342 Intelligent Services Access Manager Fiber-to-the-User (ISAM FTTU), 5520 Access Management System (AMS), 7750 Service Router, 7450 Ethernet Service Switch, 5620 Service Aware Manager and 5750 Subscriber Services Controller. In addition, Alcatel-Lucent also is providing a complete portfolio of professional and consulting services.

About Alcatel-Lucent

Alcatel-Lucent (Euronext Paris and NYSE: ALU) is the trusted transformation partner

of service providers, enterprises, strategic industries such as defense, energy, healthcare, transportation, and governments worldwide, providing solutions to deliver voice, data and video communication services to end-users. A leader in fixed, mobile and converged broadband networking, IP and optics technologies, applications and services, Alcatel-Lucent leverages the unrivalled technical and scientific expertise of Bell Labs, one of the largest innovation powerhouses in the communications industry. With operations in more than 130 countries and the most experienced global services organization in the industry, Alcatel-Lucent is a local partner with a global reach. Alcatel-Lucent achieved revenues of Euro 15.2 billion in 2009 and is incorporated in France, with executive offices located in Paris. For more information, visit Alcatel-Lucent on the Internet: <http://www.alcatel-lucent.com>, read the latest posts on the Alcatel-Lucent blog <http://www.alcatel-lucent.com/blog> and follow us on Twitter: http://twitter.com/Alcatel_Lucent.

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