



**NEW FUNDS
AND CHANGES TO
YOUR INVESTMENT
FUND LINEUP
EFFECTIVE
MARCH 29, 2013!**

COMING SOON:
CHANGES TO YOUR
ALCATEL-LUCENT
SAVINGS/401(k) PLAN

CHANGES TO THE INVESTMENT FUND LINEUP

At Alcatel-Lucent, we strive to offer our employees diverse, competitive, low-cost investment funds through the Alcatel-Lucent Savings/401(k) Plan.* With this in mind, we are making changes to the investment fund lineup. Here's a summary of what is changing:

- The Stable Value Fund will be replaced with the **Short Term Bond Fund**, an investment fund that has similar underlying investments.
- **The Balanced Real Asset Fund** will be added as a new investment option to help protect your retirement savings from the effects of inflation.
- **The Retirement Date Funds** will be enhanced by adding to and changing some of the underlying funds to further diversify your investments.

IF YOU TAKE NO ACTION...

These changes will happen automatically. That said, now may be a good a time for you to review your investment strategy, consider your approach to retirement savings, and take advantage of the tools and resources available to you in the Alcatel-Lucent Savings/401(k) Plan.

PLEASE READ THE FOLLOWING INFORMATION CAREFULLY.

*This refers to both the Alcatel-Lucent Savings Plan and the Lucent Technologies Inc. Long Term Savings and Security Plan.



WHY ARE THE CHANGES BEING MADE?

We continuously review the mix of investment funds you are offered under the Plan and change and enhance them so that the Plan can help you achieve your investing goals.

WHAT THIS MEANS TO YOU & KEY DATES

All of these changes will happen automatically, so there is no action you will be required to take. However, if you are currently invested in one of the funds that is changing, or you want to invest in one of the new funds, you should read this brochure carefully and consider taking action.

WHAT'S HAPPENING?	WHAT CAN YOU DO?	WHEN?
The Stable Value Fund will be closed on March 28th at 4 p.m. ET and replaced with the Short Term Bond Fund.		
<p>On March 28, 2013, at 4 p.m. ET, the Stable Value Fund will close and you will no longer be able to exchange into or out of the fund.</p> <p>Your closing balance in the Stable Value Fund on March 28, 2013 will automatically be moved into the new Short Term Bond Fund.</p> <p>Any ongoing contributions you have directed into the Stable Value Fund will be automatically redirected into the Short Term Bond Fund on and after March 28, 2013 at 4 p.m. ET.</p>	<p>If you are interested in taking action before these changes take effect, you may:</p> <ul style="list-style-type: none"> • Exchange your current balance in the Stable Value Fund into any other Plan fund (or funds) (with the exception of the Money Market Fund¹). • Change your investment elections for future contributions (if you are currently contributing to the Plan) from the Stable Value Fund to any other Plan fund (or funds). <p>To do either of the above, log on to your account at Fidelity NetBenefits® at www.401k.com or call the Alcatel-Lucent Savings Plan Service Center at 1-800-410-4015.</p>	<p>You can request these changes before 4 p.m. ET on March 28, 2013. (Note that the financial markets are closed on Friday, March 29, 2013.)²</p>
The Balanced Real Asset Fund and the Short Term Bond Fund will be added to the Plan's investment fund lineup.		
<p>Two NEW investment funds, the Balanced Real Asset Fund and the Short Term Bond Fund, will be added to the Plan's investment fund lineup.</p>	<ul style="list-style-type: none"> • Refer to the Additional Fund Information section of this brochure to review detailed information about these two new funds. • If you are interested in investing in these funds, log in to your account at NetBenefits® at www.401k.com or call the Alcatel-Lucent Savings Plan Service Center at 1-800-410-4015. 	<p>These funds will be available beginning on March 29, 2013.²</p>
The Retirement Date Funds will be enhanced by adding to and changing some of the underlying funds to further diversify your investments.		
<p>The following three changes will be automatically made to the Retirement Date Funds on March 29, 2013, to further diversify your investments, mitigate inflation risk, and potentially improve investment performance.</p> <ul style="list-style-type: none"> • The Short Term Bond Fund will be introduced into the Retirement Date Funds. • The Emerging Markets Equity Fund will be added to the Retirement Date Funds. • The Customized Real Asset Fund will be added to the Retirement Date Funds. 	<p>These changes are enhancements to the Retirement Date Funds. However, if you are not interested in these enhancements and want to take action before these changes take effect, you may:</p> <ul style="list-style-type: none"> • Exchange your current balance in the Retirement Date Funds into any other Plan fund (or funds). • Change your investment elections for future contributions (if you are currently contributing to the Plan) from the Retirement Date Funds to any other Plan fund (or funds). <p>To do either of the above, log on to your account at NetBenefits® at www.401k.com or call the Alcatel-Lucent Savings Plan Service Center at 1-800-410-4015.</p>	<p>You can request changes any time before 4 p.m. ET on March 28, 2013. (Note that the financial markets are closed on Friday, March 29, 2013.)²</p> <p>If you think the Retirement Date Funds can help you meet your investing goals, you can invest in them any time before or after the changes take place.</p>

¹The inability to move your balance directly between the Stable Value Fund and the Money Market Fund is referred to as an "Equity Wash Restriction." If you choose to have your balance in the Stable Value Fund automatically move to the Short Term Bond Fund on March 29, 2013, you may then choose to move your balance from the Short Term Bond Fund to the Money Market Fund on or after March 29, 2013.

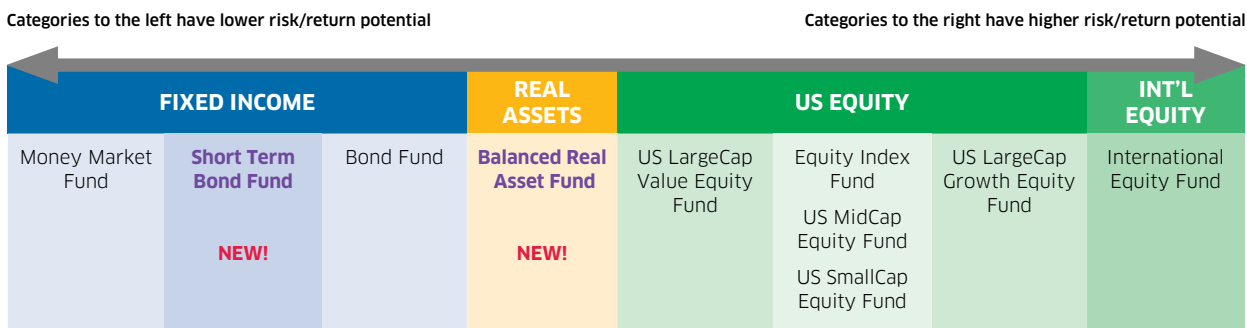
²Transactions submitted when the financial markets are closed or on weekends are priced as of the next business day's closing price. Please note that the financial markets are closed on Friday, March 29, 2013.

YOUR INVESTMENT FUNDS

INVESTMENT FUND LINEUP EFFECTIVE MARCH 29, 2013

The Alcatel-Lucent Savings/401(k) Plan's investment fund lineup offers a broad range of investment options. By choosing from among the Plan's "core" investment funds, you have the ability to create an investment portfolio with the risk and return characteristics that are right for you.

The relative risk and return characteristics for the Plan's "core" investment funds, by asset class, is shown below.



The Plan also offers 13 **Retirement Date Funds** which automatically adjust their portfolio mix as the fund moves toward its target date and beyond. Funds farthest away from their target dates start out invested almost entirely in equities to emphasize the growth potential you need to build wealth over the long term. As you move toward and into retirement, the fund automatically adjusts the mix of investments to reflect your changing investment objectives.

This spectrum is based on general asset class categories and not on the actual investment funds and their holdings, which may be different than what is depicted here. Risk associated with the investment funds can vary within each particular asset category and the relative risk of categories may change under certain economic conditions. For a more complete discussion of risk associated with the investment funds, please read the Plan's Fund Fact Sheets before making your investment decisions. The spectrum does not represent actual or implied performance.



TOOLS & RESOURCES

The tools available to you through Financial Engines can help you to decide how to invest your account among the various investment funds depending on your investing goals. See page 9 for more information on the investment advice services available to you under the Alcatel-Lucent Savings/401(k) Plan.

SHORT TERM BOND FUND

The Short Term Bond Fund aims to outperform the Barclays 1-3 Year Government/Credit Index, over a rolling 3-year annualized basis, net of fees and expenses, and seeks to achieve higher returns over time than money market funds. The Fund’s underlying investments are similar to those of the Stable Value Fund. However, one key difference is that, unlike the Stable Value Fund, the Short Term Bond Fund’s investments will not have the added protection of “wrap coverage” insurance. This insurance helps smooth market value changes, so that you experience less market volatility, but it also results in higher overall fees to you. In addition to having lower fees, the Short Term Bond Fund’s asset value will fluctuate with market prices. Please read the **Additional Fund Information** section for important information regarding the Short Term Bond Fund. That section contains important risk information and fee and expense disclosures that you should read carefully before deciding whether to invest.

The Short Term Bond Fund will have the same investment managers as the Stable Value Fund, Blackrock Financial Management Inc., and Pyramis Global Advisors, LLC³, who will manage the Fund in a separate account⁴.



IF THE STABLE VALUE FUND HAS GUARANTEES, WHY IS IT BEING ELIMINATED?

The companies that provide the “wrap coverage” insurance have grown cautious in the economic downturn and many have left the business altogether. As a result, the remaining providers have increased their fees for the insurance wrap contracts used by the Stable Value Fund, which lowers your rate of return.

³ Pyramis Global Advisors, LLC is the institutional asset management division of Fidelity. The new name reflects a realignment of the investment management relationship under Pyramis.

⁴ A separate account is an institutional investment account managed by an investment manager(s) for a single plan or trust that does not get commingled with any other plan’s or trust’s assets. A separate account in the Plan is only available to Plan participants and is not offered for sale to the general public. A separate account is not a mutual fund and is not required to file a prospectus with the Securities and Exchange Commission (SEC).

A COMPARISON OF YOUR FIXED INCOME FUNDS

Fixed income funds can help you diversify your portfolio and provide you with a source of steady income. The three fixed income funds offered under the Plan can help you meet your investing goals.

	MONEY MARKET FUND	SHORT TERM BOND FUND	BOND FUND
Consider investing some of your portfolio in this fund if...	<ul style="list-style-type: none"> you have a low tolerance for investment risk over the short term and wish to keep the value of your investment relatively stable. you have cash needs in the near term (in the next 0-12 months). 	<ul style="list-style-type: none"> you have some tolerance for investment risk over the short term and want to potentially earn a higher return over time than the Money Market Fund. you are looking to further diversify your portfolio with a fund that has a lower correlation to stocks. your expected cash needs are in the medium term. 	<ul style="list-style-type: none"> you are willing to take on more interest rate risk, credit risk, and volatility to achieve higher returns in the longer term with less principal protection over the shorter term. you are seeking to diversify an equity portfolio with a more conservative investment fund. your expected cash needs are longer-term (5+ years from now).

BENCHMARK DATA AS OF 12/31/12	Citigroup Treasury Bill 3-month Index	Barclays 1-3 Year Government/Credit Index	Citigroup Broad Investment Grade Index
TARGET DURATION A measure (in years) of the benchmark's sensitivity to interest rates.	0.24 years	2 Years	5 Years
AVERAGE MATURITY The average amount of time until the benchmark's debt securities mature. The shorter the average maturity, the less the price will fluctuate with changes in interest rates.	90 Days	2 Years	6 Years
AVERAGE CREDIT QUALITY A measure of the benchmark's credit worthiness, or risk of default, with designations ranging from high ('AAA' to 'AA') to medium ('A' to 'BBB') to low ('BB', 'B', 'CCC', 'CC' to 'C').	AAA	AA	AA
YIELD TO MATURITY The yield reflects the rate of return anticipated if the underlying securities are held until their maturity dates.	0.04%	0.45%	1.50%
As you take on more investment risk, your potential investment return increases			

BALANCED REAL ASSET FUND

The Balanced Real Asset Fund’s investment goal is to provide long-term returns consistent with the Consumer Price Index (CPI) + 3%. The Balanced Real Asset Fund seeks to offer stronger performance in rising-inflation environments relative to a stock and bond portfolio and is intended to be used as a diversifier to a stock and bond portfolio. Please read the **Additional Fund Information** section for important information regarding the Balanced Real Asset Fund. That section contains important risk information and fee and expense disclosures that you should read carefully before deciding whether to invest.

The Fund will be managed by Wellington Trust Company, NA, in a commingled fund.⁵

WHY SHOULD YOU CONSIDER INFLATION RISK WITHIN YOUR PORTFOLIO?

Even modest inflation can erode the value of your savings over time. Unless you hold assets that have the potential to keep up with rising prices, inflation eats away at your purchasing power.

HOW MUCH SHOULD YOU INVEST?

The tools available to you through Financial Engines can help you to decide how much of your portfolio you may want to invest in the Balanced Real Asset Fund depending on your investing goals. **See page 9 for more information on the investment advice services** available to you under the Alcatel-Lucent Savings/401(k) Plan.



CONSIDER THE BALANCED REAL ASSET FUND IF:

- You are seeking a fund with a higher sensitivity to inflation than stocks and bonds.
- You are seeking to potentially reduce overall portfolio risk through further diversification of your stock and bond portfolio.
- You are seeking to preserve purchasing power over longer time periods.

⁵A commingled fund is an investment fund created by a bank or trust company for employee benefit plans, such as 401(k) plans, that pools the assets of more than one employee benefit plan or trust for investment purposes. Commingled funds are governed by rules and regulations that apply to banks and trust companies instead of being registered with the SEC. These funds are also referred to as collective investment funds.

ENHANCEMENTS TO THE RETIREMENT DATE FUNDS

Retirement Date Funds provide a simple, diversified, single-fund approach to investing.

Each Retirement Date Fund offers a diversified mix of investments, combining a variety of different underlying equity, bond, and inflation-sensitive funds. Each Retirement Date Fund has a date in its name—this is the fund’s “target date.” The target date is the approximate year when you might expect to retire and begin gradually withdrawing from your account. The enhancements to the Retirement Date Funds are intended to help further protect your savings from losing purchasing power due to inflation and to increase portfolio diversification.

As a result of these enhancements, investment management fees for the Retirement Date Funds will increase.

If you are not currently invested in a Retirement Date Fund, you may want to read more about how the Retirement Date Funds work to see if they are right for you. Please read the **Additional Fund Information** section for important information regarding the Retirement Date Funds and their new investment mixes. That section also contains important risk information and fee and expense disclosures that you should read carefully before deciding whether to invest.



ENHANCEMENTS TO THE RETIREMENT DATE FUNDS EFFECTIVE MARCH 29TH:

- **The new Short Term Bond Fund will replace the Money Market Fund component.**
- **Two new underlying components, specifically created for inclusion in the Retirement Date Funds, will be added:**
 - **the Emerging Markets Equity Fund, a fund that invests primarily in stocks of companies located in less-developed regions of the world, and**
 - **the Customized Real Asset Fund, a fund designed to mitigate the effects of inflation.**

THE ALCATEL-LUCENT SAVINGS/401(K) PLAN OFFERS TWO TYPES OF ADVICE SERVICES THROUGH FINANCIAL ENGINES®.

The Alcatel-Lucent Savings/401(k) Plan offers you services through Financial Engines that can help whether you're comfortable building your own portfolio or if you would rather it be done for you.

- **Online Advice**—If you are confident making investment decisions and you actively adjust your portfolio to stay on track, then Online Advice may be right for you. The Online Advice service takes into account your specific retirement goals to offer you personalized recommendations about how much to save, which funds to choose, and how much to invest in each fund. The cost of this service is already included in the Plan's expenses, so there is no additional cost to you when you use it.
- **Professional Management**—If you want help getting on track and staying there with the option of being highly involved or just occasionally checking in, then Professional Management may be right for you. Financial Engines will provide ongoing monitoring and care of your account—from analyzing your fund choices to selecting a personalized investment mix. Plus, Financial Engines will create your personalized retirement plan, handle the transactions, and update your account to help you stay on track. As part of this service, you'll be able to speak with an advisor representative to answer your questions. There is an additional fee for this service.



FOR MORE INFORMATION

For more information about the services offered by Financial Engines, please login to your account on www.401k.com or call **1-888-443-8577** for Online Advice or **1-800-601-5957** for Professional Management.

IMPORTANT: Forecasts, projected outcomes, or other information generated regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. In addition, results may vary each time a forecast is generated for you.

Investment Choices: The investment funds available under the Plan have been designated by Alcatel-Lucent and not by Financial Engines.

Investment Analysis Methods: Portfolio forecast estimates are not guarantees of future results, but only reasonable estimates based upon information about you and your retirement accounts and forward-looking models of the economy and securities markets that utilize data such as historical returns, historical correlations, expected growth rates, and calculated risk premiums. Since past performance is not an accurate predictor of the future and reliance on historical and current data necessarily involves inherent limitations, you must understand that the estimates are only a tool to be used in evaluating your retirement portfolio. Forecast amounts are in today's dollars, which means that they have been adjusted for inflation.

Forecasts are created by generating thousands of hypothetical future economic scenarios to evaluate how an investment portfolio might perform under a variety of circumstances, including changing interest rates, inflation, and market conditions. In general, portfolio allocations are made to maximize the opportunity for potential future value relative to the applicable risk level. The estimated value of your investments assumes participation in the Plan until retirement at your current contribution rate and it also includes any additional investments you may have told Financial Engines about. Forecast amounts reflect the planned adjustments to your risk level as you get closer to retirement.

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ADDITIONAL FUND INFORMATION

SHORT TERM BOND FUND

Fund Objective: The goal of the Fund is to outperform the Barclays 1-3 Year Government/Credit Index (the "Benchmark") over a rolling 3-year annualized basis, net of total fees and expenses.

Fund Information:

- Fund Availability in the Plan: 3/29/2013
- Fund Manager (as of 3/29/2013): BlackRock Financial Management Inc. and Pyramis Global Advisors, LLC
- Fund Code: OX6K
- Benchmark: Barclays 1-3 Year Government/Credit Index
- Estimated total fees and expenses: 0.15%

Fund Strategy: The Short Term Bond Fund will invest in a diversified portfolio of high-quality, short-term debt securities known as money market instruments and fixed-income securities, including U.S. Treasury and agency securities, corporate bonds, mortgage-backed securities, and asset-backed securities. The Fund may own a limited amount of high-quality, foreign-denominated bonds, including emerging market bonds. The Fund may also own a limited amount of corporate bonds issued by high yield, or lower quality, issuers. The Fund may use derivatives such as futures, options, and swaps as a substitute for taking a position in the underlying asset, for hedging risk, and for managing interest rate exposure, yield curve exposure, and credit exposure. Use of derivatives involves risks that could decrease the value of the Fund. The Short Term Bond Fund seeks to offer higher returns over time than money market funds with slightly higher investment risk.

Risk: In general, the bond market is volatile, and fixed income securities carry interest rate risk, which means that when interest rates in the market rise there is generally a corresponding decline in the market values of bonds (and vice versa). Fixed income securities also carry inflation risk and credit and default risks for both issuers and counterparties. Credit risk is the risk that the issuer of a bond will not be able to make principal and interest payments when they are due. Unlike individual bonds, the Short Term Bond Fund offered in the Alcatel-Lucent Savings/401(k) Plan does not have a maturity date, so avoiding losses caused by price volatility by holding it until maturity is not possible. The Fund, to a limited extent, may invest in foreign markets and derivatives. Foreign markets can be more volatile than the U.S. market due to increased risks of adverse issuer, political, regulatory, market, or economic developments and can perform differently from the U.S. market. Derivatives may be volatile and involve risks such as credit risk, currency risk, leverage risk, counterparty risk, basis risk, and liquidity risk. Using derivatives can disproportionately increase losses and reduce opportunities for gains in certain circumstances. Investments in derivatives may have limited liquidity and may be harder to value, especially in declining markets. Unit price, yield, and return of the Fund will vary.

Performance: The Short Term Bond Fund is a new investment fund in the Plan and, therefore, has no performance history. The performance objective of the Fund is to outperform the Barclays 1-3 Year Government/Credit Index over a rolling 3-year annualized basis net of total fees and expenses. Performance for the Short Term Bond Fund and its benchmark, as of June 30, 2013, will be available on NetBenefits and in the Quarterly Fund Performance Review in July.

Fees and Expenses: Because certain costs cannot be known in advance, the actual fees and expenses charged to the Short Term Bond Fund could be different from what is shown below. The cumulative effect of fees and expenses can substantially reduce an investment's return. Fees and expenses are only one of several factors that you should consider when investing your Plan account.

FUND NAME	ESTIMATED ANNUALIZED FEES AND EXPENSES (AS A % OF ASSETS INVESTED)			ESTIMATED ANNUALIZED FEES AND EXPENSES (PER \$1,000 INVESTED)		
	Investment Management Fee	Other Fees & Expenses [§]	Total Fees & Expenses	Investment Management Fee	Other Fees & Expenses [§]	Total Fees & Expenses
SHORT TERM BOND FUND	0.10%	0.05%	0.15%	\$1.00	\$0.50	\$1.50

[§]Other Fees and Expenses is comprised of the investment fund's share of Plan-wide audit and legal fees, participant communications costs, fiduciary services costs, investment advice fees, plan administrator costs, recordkeeping fees, and trustee/custodial fees. For institutional commingled funds, Other Fees and Expenses also includes administration fees charged by the fund's administrator.

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BALANCED REAL ASSET FUND

Fund Objective: The Balanced Real Asset Fund's investment goal is to provide long-term returns consistent with the Consumer Price Index (CPI) + 3%. The Balanced Real Asset Fund seeks to offer stronger performance in rising-inflation environments relative to a stock and bond portfolio and is intended to be used as a diversifier to a stock and bond portfolio.

Fund Information:

- Fund Availability in the Plan: 3/29/2013
- Fund Manager (as of 3/29/2013): Wellington Trust Company, NA
- Fund Code: OX6L
- Benchmark 1: Custom Benchmark⁶
- Benchmark 2: CPI + 3%⁷
- Benchmark 3: Barclays US TIPS 1-10 Year Index⁸
- Estimated total fees and expenses: 0.74%

Fund Strategy: The Balanced Real Asset Fund is a multi-asset-class commingled fund of funds⁹ that invests in a diversified portfolio of global inflation-sensitive equities, commodities, and inflation-linked bond funds. Because inflation rates can differ widely across different sectors of the economy, sectors and asset classes providing the best inflation hedge may change over time, and as a result, the Fund invests in a variety of sectors and asset classes that tend to behave differently depending on the inflationary environment. The underlying funds focus on adding value through bottom-up selection of equities, commodities, and fixed income securities. At the Fund level, the investment manager combines fundamental insights with recommendations from quantitative models to determine the relative attractiveness of sectors of the equity markets, commodities, and inflation-linked bonds.

Fund Exposures: The Wellington Trust Company, NA Collective Investment Fund II Balanced Real Assets, the commingled fund in which the Balanced Real Asset Fund invests, targeted the following exposures as of 12/31/12.

GLOBAL INFLATION-SENSITIVE EQUITIES	29.5%	COMMODITIES	16.5%	FIXED INCOME	54%
Energy	15%	Diversified Commodities	15%	US Inflation-Linked Bonds	50%
Metals & Mining	3%	(energy, precious metals, industrial meals, agriculture, and livestock)		Emerging Market	4%
Agriculture	5%	Precious Metals Commodities	1.5%	Inflation-Linked Bonds	
Precious Metals Equities	3.5%				
Enduring Assets	3%				

Risk: The Fund is subject to the volatility of the financial markets, including equity and fixed income investments in the U.S. and abroad and may be subject to risks associated with investing in commodities and foreign securities. Additional risks include interest rate risk, currency risk, concentration risk, and risks of derivative instruments. Derivatives may be volatile and involve risks such as credit risk, leverage risk, counterparty risk, basis risk, and liquidity risk. Using derivatives can disproportionately increase losses and reduce opportunities for gains in certain circumstances. Investments in derivatives may have limited liquidity and may be harder to value, especially in declining markets. Unit price, yield, and return of the Fund will vary.

⁶ As of 12/31/12 the custom benchmark for the Wellington Trust Company, NA Collective Investment Fund II Balanced Real Assets was comprised of: 50% Barclays Capital US TIPS 1 - 10 Year Index/4% Barclays Capital Emerging Markets Tradable Government Inflation-Linked Bond Index/15% MSCI World Energy >\$3 Bil/3% MSCI World Metals & Mining >\$3 Bil/3.5% MSCI World Agricultural Products, Fertilizers & Agricultural Chemicals, Forest Products/1.5% MSCI World Construction & Farm Machinery, Packaged Food & Meats, Paper Products/1.8% MSCI AC World Utilities/0.6% MSCI AC World Oil & Gas Storage & Transportation/0.3% MSCI AC World Telecommunications/0.3% MSCI AC World Transportation ex Air Freight & Logistics and Airlines/3.5% MSCI AC World IMI Gold & Precious Metals Index/1.5% S&P GSCI Precious Metals Total Return Index/15% equal sector-weighted S&P Goldman Sachs Commodity Index. The Balanced Real Asset Fund available under the Plan effective March 29, 2013 intends to have the same custom benchmark as the commingled fund in which it invests.

⁷ Due to the Fund's equity exposure, short-term performance may deviate significantly from CPI + 3%. This benchmark can be used to evaluate long-term performance of the Fund.

⁸ In addition to the custom benchmark for the Fund, which blends the returns of several different indices, the Department of Labor requires that the Fund have a benchmark that is a single, broad-based securities market index. This index normally appears only in the Annual Fee and Expense Disclosure document for the Plan. It is included here, however, because the Balanced Real Asset Fund was not an available investment fund under the Plan during 2012.

⁹ A fund of funds is a single investment fund that invests in several underlying funds to achieve diversification of investments.

BALANCED REAL ASSET FUND (CONT'D)

Fees and Expenses: Because certain costs cannot be known in advance, the actual fees and expenses charged to the Balanced Real Asset Fund could be different from what is shown below. The cumulative effect of fees and expenses can substantially reduce an investment's return. Fees and expenses are only one of several factors that you should consider when investing your Plan account.

FUND NAME	ESTIMATED ANNUALIZED FEES AND EXPENSES (AS A % OF ASSETS INVESTED)			ESTIMATED ANNUALIZED FEES AND EXPENSES (PER \$1,000 INVESTED)		
	Investment Management Fee	Other Fees & Expenses ^{\$}	Total Fees & Expenses	Investment Management Fee	Other Fees & Expenses ^{\$}	Total Fees & Expenses
BALANCED REAL ASSET FUND	0.62%	0.12%	0.74%	\$6.20	\$1.20	\$7.40

^{\$}Other Fees and Expenses is comprised of the investment fund's share of Plan-wide audit and legal fees, participant communications costs, fiduciary services costs, investment advice fees, plan administrator costs, recordkeeping fees, and trustee/custodial fees. For institutional commingled funds, Other Fees and Expenses also includes administration fees charged by the fund's administrator.

Performance as of 12/31/12 (net of investment management fees and commingled fund administrative expenses): The performance figures shown below are the results for the Wellington Trust Company, NA Collective Investment Fund II Balanced Real Assets, the commingled fund in which the Balanced Real Asset Fund invests. This performance and benchmark information was provided by Wellington Trust Company, NA and is not an indication of how the Balanced Real Asset Fund will perform in the future. Performance for the Balanced Real Asset Fund and its benchmark, as of June 30, 2013, will be available on NetBenefits and in the Quarterly Fund Performance Review in July.

	ANNUALIZED TOTAL RETURNS %		
	1-YEAR	2-YEARS	LIFE OF FUND*
WELLINGTON TRUST COMPANY, NA COLLECTIVE INVESTMENT FUND II BALANCED REAL ASSETS	4.89	0.97	7.78
CUSTOM BENCHMARK	5.42	3.05	8.85
CPI+3%	4.74	5.37	N/A
BARCLAYS US TIPS 1-10 YEAR INDEX	5.04	6.97	6.61

*Life of Fund performance is measured from 7/8/2010 (the date that Wellington Trust Company, NA began managing the Collective Investment Fund II Balanced Real Assets) through 12/31/12.

Past performance does not guarantee future results. The results for the Wellington Trust Company, NA Collective Investment Fund II Balanced Real Assets and custom benchmark include the reinvestment of dividends and other earnings.

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RETIREMENT DATE FUNDS

Fund Objective: Retirement Date Funds provide a simple, diversified, single-fund approach to investing. Each Retirement Date Fund offers a diversified mix of investments, combining a variety of different underlying equity, bond, and inflation-sensitive funds. Each Retirement Date Fund seeks to maximize total return over time (total return includes capital appreciation and income) consistent with the Fund's investment mix.

Fund Information:

- Fund Availability in the Plan: 4/1/2011
- Fund Manager (since 4/1/2011): AllianceBernstein L.P.
- Benchmark: Custom Benchmark¹⁰
- Estimated total fees and expenses: See page 15

Fund Description: Each Retirement Date Fund (except the Retirement Date Income Fund) has a date in its name—the Fund's "target date". The target date is the approximate year when you might expect to retire and begin gradually withdrawing from your Plan account. The Retirement Date Fund's portfolio mix automatically adjusts as the target date approaches. Funds that are farthest away from their target dates start out invested almost entirely in equities—to emphasize the growth potential you need to build wealth over the long term. As you move toward, and into, retirement, the Fund automatically adjusts the mix of investments to reflect changing investment objectives. As structured effective 3/29/13, when the Fund reaches its target date, the investment mix is 49% equities, 9% real assets, and 42% bonds. The Fund's final investment mix, 20 years after the target date, is 24% equities, 6% real assets, and 70% bonds. Retirement Date Funds include equities beyond their target date to help protect your savings from losing purchasing power due to inflation and to help reduce the risk of your depleting your money during retirement. (Funds that previously reached their target dates or final investment mix had the structure that was in effect at that time.)

Risk: Retirement Date Funds are subject to the volatility of the financial markets, including equity and fixed income investments in the U.S. and abroad and may be subject to risks associated with investing in high yield, small/mid cap, and foreign securities. Investments in Retirement Date Funds are not guaranteed against loss of principal. At any time, your balance in the fund can be more or less than the original amount you contributed—including at the Fund's target date. Also, investing in a Retirement Date Fund does not guarantee sufficient income in retirement. Unit price, yield, and return of the funds will vary.

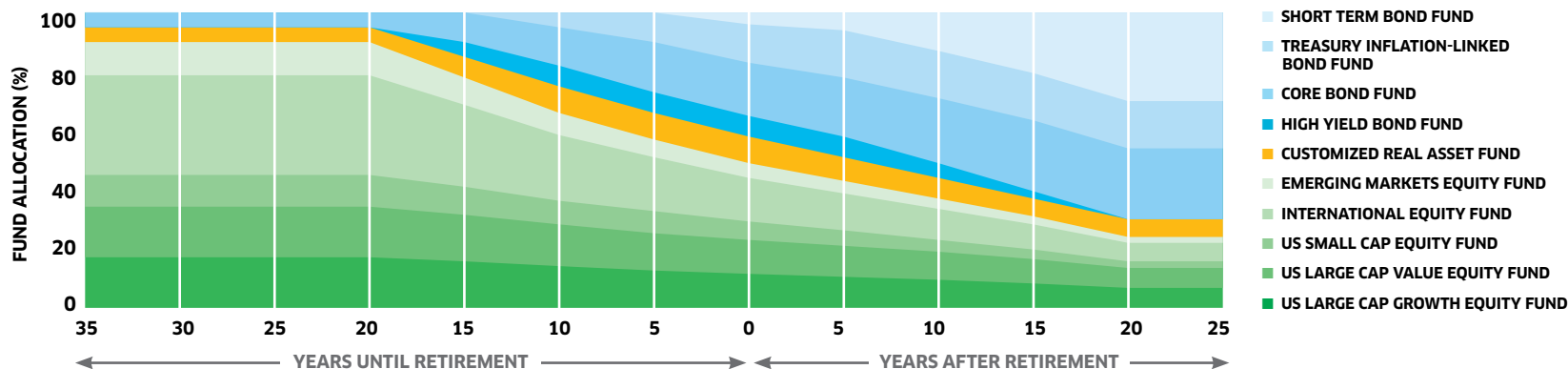
Performance: Performance for the Retirement Date Funds and their benchmarks, as of June 30, 2013, will be available on NetBenefits and in the Quarterly Fund Performance Review in July.

¹⁰The benchmark for each Retirement Date Fund is a composite benchmark that has the same target asset allocation as the Fund's target asset allocation and uses index returns to represent performance of the underlying funds. The benchmark returns are calculated by weighting the monthly index returns of each underlying fund's benchmark by the Fund's monthly target allocation for underlying funds. Target allocations adjust quarterly in accordance with the Retirement Date Fund's asset allocation design. Effective March 29, 2013, in the custom benchmark's calculation, the Russell 1000 Growth Index will be used to represent the allocation to the U.S. Large Cap Growth Equity Fund, the Russell 1000 Value Index will be used to represent the U.S. Large Cap Value Equity Fund, the Russell 2000 Index will be used to represent the U.S. Small Cap Equity Fund, the MSCI World ex-USA Index will be used to represent the International Equity Fund, the Barclays U.S. TIPS Index will be used to represent the Treasury Inflation-Linked Bond Fund; a separate custom benchmark* will be used to represent the Customized Real Asset Fund, the Citigroup High Yield Market Capped Index will be used to represent the High Yield Bond Fund, the Barclays Aggregate Index will be used to represent the Core Bond Fund, and the Barclays 1-3 Year Government/Credit Index will be used to represent the Short Term Bond Fund.

*As of 3/29/13, the custom benchmark for the Customized Real Asset Fund was comprised of: 25% MSCI World Energy >\$3 Billion Index; 5% MSCI World Metals & Mining >\$3 Billion Index; 7% MSCI Agriculture Products, Fertilizers & Agriculture Chemicals, Forest Products Index; 3% MSCI World Construction & Farm Machinery, Packaged Foods & Meats, Paper Products Index; 3% MSCI AC World Utilities; 1% MSCI AC World Oil & Gas Storage & Transportation; 0.5% MSCI AC World Telecommunications; 0.5% MSCI AC World Transportation ex Air Freight & Logistics and Airlines; 3.5% MSCI IMI Gold & Precious Metal Index; 1.5% GSCI Precious Metal Total Return Index; 25% S&P GSCI Commodity Equal Sector Weight Index; 20% Barclays TIPS 1-10 Year Index; and 5% Barclays Emerging Markets Tradable Government Inflation-Linked Bond Index.

RETIREMENT DATE FUNDS (CONT'D)

The following charts show the allocation to each underlying investment fund, effective March 29, 2013, and how the asset mix changes over time.



	YEARS UNTIL RETIREMENT								YEARS AFTER RETIREMENT				
	35	30	25	20	15	10	5	0	5	10	15	20	25
SHORT TERM BOND FUND	-	-	-	-	-	-	-	4.00	6.00	13.00	20.50	30.00	30.00
TREASURY INFLATION-LINKED BOND FUND	-	-	-	-	-	5.00	10.00	13.00	16.00	16.00	16.00	16.00	16.00
CORE BOND FUND	5.00	5.00	5.00	5.00	10.00	13.00	17.00	18.00	20.00	22.00	24.00	24.00	24.00
HIGH YIELD BOND FUND	-	-	-	-	5.00	7.00	7.00	7.00	7.00	5.00	2.50	-	-
CUSTOMIZED REAL ASSET FUND	5.00	5.00	5.00	5.00	7.00	9.00	9.00	9.00	8.00	7.00	6.00	6.00	6.00
EMERGING MARKETS EQUITY FUND	11.25	11.25	11.25	11.25	9.25	7.50	6.00	5.00	4.25	3.50	2.75	2.00	2.00
INTERNATIONAL EQUITY FUND	33.75	33.75	33.75	33.75	27.75	22.25	18.25	14.75	12.50	10.50	8.50	6.25	6.25
US SMALL CAP EQUITY FUND	10.75	10.75	10.75	10.75	9.50	8.00	7.50	6.25	5.25	4.00	3.25	2.25	2.25
US LARGE CAP VALUE EQUITY FUND	17.13	17.13	17.13	17.13	15.75	14.13	12.63	11.50	10.50	9.50	8.25	6.75	6.75
US LARGE CAP GROWTH EQUITY FUND	17.13	17.13	17.13	17.13	15.75	14.13	12.63	11.50	10.50	9.50	8.25	6.75	6.75
TOTAL BONDS	5	5	5	5	15	25	34	42	49	56	63	70	70
TOTAL REAL ASSETS	5	5	5	5	7	9	9	9	8	7	6	6	6
TOTAL EQUITIES	90	90	90	90	78	66	57	49	43	37	31	24	24

This chart does not represent any particular Retirement Date Fund. It is meant to show how the investment mix of any Retirement Date Fund changes over a lifetime. Numbers may not sum due to rounding. The Customized Real Asset Fund and Emerging Markets Equity Fund are managed by Wellington Trust Company, NA, and T. Rowe Price Trust Company, respectively.

RETIREMENT DATE FUNDS (CONT'D)

Fees and Expenses: As a result of the enhancements effective March 29, 2013, investment management fees for the Retirement Date Funds will increase. Because certain costs cannot be known in advance, the actual fees and expenses charged to the Retirement Date Funds could be different from what is shown. Fees and expenses are only one of several factors that you should consider when investing your Plan account.

FUND NAME	ESTIMATED ANNUALIZED FEES AND EXPENSES (AS A % OF ASSETS INVESTED)			ESTIMATED ANNUALIZED FEES AND EXPENSES (PER \$1,000 INVESTED)		
	Investment Management Fee	+ Other Fees & Expenses [§]	= Total Fees & Expenses	Investment Management Fee	+ Other Fees & Expenses [§]	= Total Fees & Expenses
RETIREMENT DATE INCOME FUND	0.28%	0.05%	0.33%	\$2.80	\$0.50	\$3.30
RETIREMENT DATE 1995 FUND	0.29%	0.05%	0.34%	\$2.90	\$0.50	\$3.40
RETIREMENT DATE 2000 FUND	0.33%	0.05%	0.38%	\$3.30	\$0.50	\$3.80
RETIREMENT DATE 2005 FUND	0.36%	0.06%	0.42%	\$3.60	\$0.60	\$4.20
RETIREMENT DATE 2010 FUND	0.40%	0.06%	0.46%	\$4.00	\$0.60	\$4.60
RETIREMENT DATE 2015 FUND	0.43%	0.06%	0.49%	\$4.30	\$0.60	\$4.90
RETIREMENT DATE 2020 FUND	0.46%	0.06%	0.52%	\$4.60	\$0.60	\$5.20
RETIREMENT DATE 2025 FUND	0.49%	0.06%	0.55%	\$4.90	\$0.60	\$5.50
RETIREMENT DATE 2030 FUND	0.51%	0.05%	0.56%	\$5.10	\$0.50	\$5.60
RETIREMENT DATE 2035 FUND	0.51%	0.05%	0.56%	\$5.10	\$0.50	\$5.60
RETIREMENT DATE 2040 FUND	0.51%	0.05%	0.56%	\$5.10	\$0.50	\$5.60
RETIREMENT DATE 2045 FUND	0.51%	0.05%	0.56%	\$5.10	\$0.50	\$5.60
RETIREMENT DATE 2050 FUND	0.51%	0.05%	0.56%	\$5.10	\$0.50	\$5.60

[§]Other Fees and Expenses is comprised of the investment fund's share of Plan-wide audit and legal fees, participant communications costs, fiduciary services costs, investment advice fees, plan administrator costs, recordkeeping fees, and trustee/custodial fees. For institutional commingled funds, Other Fees and Expenses also includes administration fees charged by the fund's administrator.



WHERE TO GET ADDITIONAL INFORMATION

More detailed information about the Plan's investment funds is contained in the **Fund Fact Sheets**. The most recently available Fund Fact Sheets may be found by visiting the BenefitAnswersPlus website at <http://www.benefitanswersplus.com/FundFactSheets.pdf> or when you view your account at www.401k.com.

Most recent performance and fee-and-expense information may be found in the **Quarterly Fund Performance** Review available by visiting the BenefitAnswersPlus website at <http://www.benefitanswersplus.com/QuarterlyFundPerformanceReview.pdf> or when you view your account at www.401k.com.

A glossary of investment-related terms is available by visiting the BenefitAnswersPlus website at <http://www.benefitanswersplus.com/GlossaryofInvestmentTerms.pdf>

To obtain current month-end performance information, to view your Plan account information, or to enroll in the Plan, log on to NetBenefits® virtually anytime at www.401k.com or contact the Alcatel-Lucent Savings Plan Service Center at **1-800-410-4015** on any business day (excluding New York Stock Exchange holidays) between 8:30 a.m. and midnight Eastern time to speak with a representative.



NETBENEFITS®:

Login to your account at www.401k.com any time to view your Alcatel-Lucent Savings/401(k) Plan account balance, make changes to your plan elections, and update your beneficiaries.



PHONE REPRESENTATIVES:

Call the Alcatel-Lucent Savings Plan Service Center at **1-800-410-4015** on any business day (excluding New York Stock Exchange holidays) between 8:30 a.m. and midnight Eastern time to get answers about your account and assistance with transactions.



In considering how to invest your Plan account, please carefully read the Plan’s most recent Annual Fee and Expense Disclosure, Fund Fact Sheets, and Quarterly Fund Performance Review. These documents contain important information regarding the Plan and each investment fund’s objectives, risks, fees, and expenses.

Investment Risk

Investment funds available through the Plan, including the Money Market Fund, are not insured or guaranteed by the FDIC or any other government agency. In addition, although money market funds seek to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Money Market Fund.

Stock markets, especially foreign markets, are volatile and can decline in response to adverse issuer, political, regulatory, market, or economic developments. The stocks of less well-known, small- and mid-sized companies can be more volatile than those of larger companies. Foreign securities and currencies are subject to interest rate, currency exchange rate, economic, and political risks.

In general, the bond market is volatile, and fixed income securities carry interest-rate risk, which means that when interest rates in the market rise there is generally a corresponding decline in the market values of bonds (and vice versa). This effect is generally more pronounced for longer-term bonds. Fixed income securities also carry inflation risk and credit and default risks for both issuers and counterparties. Credit risk is the risk that the issuer of a bond will not be able to make principal and interest payments when they are due.

Investment return and principal value of your investment in any of the Plan’s investment funds will fluctuate so that units, when redeemed, may be worth more or less than their original cost.

Limitation of Plan Fiduciaries’ Liability and Reservation of Rights

The Plan is intended to be a participant-directed individual account plan described in Section 404(c) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) and regulations thereunder. This means that fiduciaries of the Plan are relieved of liability for any losses that are the direct and necessary result of investment instructions given by a participant with respect to his/her Plan account.

This document is not meant to interpret, extend, or change the Plan document in any way. The Plan document is the controlling document and, in the case of any conflict or discrepancy between the information contained in this document and the terms of the Plan document, the Plan document will govern your rights and benefits.

Alcatel-Lucent reserves the right (subject to any applicable collective bargaining agreement) to amend or terminate the Plan at any time and for any reason.

Other Disclosures

Information in this brochure was provided by the funds’ investment managers and Alcatel-Lucent and is the sole responsibility of Alcatel-Lucent.

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