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COMP/M. 4214 – Alcatel / Lucent Technologies

SECTION 1.2

Description of the concentration

On 2 April 2006, Alcatel (“Alcatel”) and Lucent Technologies Inc. (“Lucent”) signed an Agreement and Plan of Merger. The proposed merger is subject to the approval of Alcatel and Lucent shareholders, as well as various regulatory approvals, including under the EC Merger Regulation.

Alcatel and Lucent are active in the design and supply of communications networking technology solutions – and the hardware, software and services comprising those solutions – to operators of communications networks, including service providers, governments and enterprises worldwide. There are horizontal overlaps between the parties’ activities in the following product areas that give rise to affected markets: (i) optical network products; (ii) broadband access solutions; (iii) data transport routers/switches, and (iv) narrowband/TDM switches.

The proposed transaction will enable the combined firm to reduce costs and facilitate its ability to continue to make substantial R&D investments against the backdrop of intense competition based on rapidly evolving technology and product innovation, sophisticated customers that exercise increasingly strong countervailing bargaining power, and entry and expansion by Asian and other suppliers.