

NETWORK!

FOR PEOPLE IN THE NETWORK SYSTEMS BUSINESS OF LUCENT TECHNOLOGIES

Small switch products pass the 100 mark

On April 18, the 5ESS-2000® switch Very Compact Digital Exchange (VCDX) at the Mutual Telephone Company in Morning Sun, Iowa, was cut into service.

This event marked the 100th small-switch product (CDX/VCDX) to be deployed globally. Mutual Telephone joins CDX/VCDX products in 15 countries including Belize, China, and Indonesia, as well as rural and urban communities across the United States.

Aiming for 200

VCDX, the smallest of the 5ESS-2000 switch family, provides switching capabilities for up to 14,000 lines and 16,000 trunks. Unlike other switch vendor products, both small switch products can be fully upgraded without hardware and software loss.

Originally introduced in the international market in 1993, small switch products have made the transition to the U.S. market to provide customers with a variety of switching applications which parallel those available on the 5ESS-2000 switch platform.

"With the recent contract with GTE to provide at least 60 VCDXs for an ISDN overlay, we project that these products will pass the 200th mark within a year," says Cathy Burns, Small Switch product manager. □

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NS in the spotlight at first Lucent Industry Analyst Conference

It's been a year of firsts for Lucent Technologies. Among them, the initial public stock offering, the first Lucent television commercial, the first whole-order shipment of a 5ESS®-2000 switch, and now, the first Lucent Technologies Industry Analyst Conference. More than 100 analysts traveled from far and wide to attend the two-day event, held May 29-30 in Florham Park, N.J.

Building on the excitement of the IPO, and riding the wave of soaring demand for Lucent stock, the conference provided the stage for Lucent to "tell its story" to the analysts and give them easy access to the company's top executives. The analysts were briefed on Lucent's strategy and the particulars of each business, attended product demos and "breakout" sessions, and were given proof of Lucent's track record at providing networking solutions for customers.

If one key message came through again and again, it was this: as a stand-alone company, Lucent Technologies is poised for explosive growth.

Courting the influentials

Why are industry analysts so important to our business? Well, for starters, they play an important role in publicizing Lucent's new corporate brand image. Not only are the analysts considered experts in the telecommunications industry, but also their opinions are frequently sought by the likes of *The Wall Street Journal*, *The New York Times*, and trade journals when reporting news of our industry.

"When you talk about the influentials in our business, you have to include the industry analysts," said Ray Zardetto, NS Industry Analyst director. "They have the knowledge and the influence to shape and re-shape the public's -- including our customers' -- perceptions of our business."

NS in the spotlight

Network Systems was the focal point of several successes highlighted during the conference, including the win of a multibillion dollar contract to build a nationwide Personal Communications

Continued on next page

NS scores first wireless sale to Siberia

Network Systems has made its first wireless sale in Siberia. Norilsk Metal producing plant awarded Network Systems a U.S. \$3.7 million contract to build a wireless communications network covering the Norilsk Region.

Under the contract, NS will install an AMPS Time Division

Multiple Access (TDMA) system for a mobile communications wireless network.

The network includes a mobile switching center based on a Compact Mobile Control Switch (MCS). This will be the first TDMA application in Russia and the first application of the Compact MCS in the world. □

NS in the spotlight Continued from previous page

Services (PCS) network for Sprint in the United States, based on Code Division Multiple Access (CDMA) technology. Also highlighted was the construction of a nationwide wireless network in Argentina, completed in one-third the time that competitors promised.

The analysts also heard plenty about NS's opportunities, both in North America and the rest of the world. The North America region has earned the title, the "world's largest market," representing about \$50 billion in revenue in 1996.

Currently, NS's share of that market is 44 percent on average, compared to our nearest competitor's 37 percent. North America Region President Gerry Butters told the analysts the

North America business is expected to grow 7 to 10 percent on average, with greater growth in wireless.

Butters also highlighted the explosive growth in Global Commercial Markets, which is expected to account for more than 50 percent of NS's North America market share in the next few years.

Global growth

NS anticipates similar growth in international markets. International Operations President Bill O'Shea told the analysts the international market will grow about 10 percent

each year. In response to that growth, NS is working diligently to anticipate its customers' needs by increasing its focus on geographic areas with competitive service providers, and investing more money in key countries such as Germany, France, and Japan.

Global marketing, O'Shea said, will be one of the key tools NS will utilize to anticipate and fill customers' needs. "We've added a global marketing function that will especially focus on growth in

emerging markets," O'Shea said. "This will put us in an even better position to provide packaged solutions to our customers' needs."

A breakthrough event

For Lucent's executives and industry analysts alike, the conference was the perfect occa-

sion to discuss Lucent's strategy and to expand the lines of communication.

"This is really a breakthrough event for Lucent Technologies," said Kathy Fitzgerald, senior vice president, Public Relations and Investor Relations. "We've built upon the success of previous Network Systems Industry Analyst Conferences, and expanded the idea. It gives us a great opportunity to explain to this key audience who we are and where we're headed as a company." □

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— Kathy Fitzgerald, senior vice president, Public Relations and Investor Relations

The Lucent Web site is ready for surfing!

Lucent Technologies debuts today on the Internet's World Wide Web. Check it out on <http://www.lucent.com/>

For more information, also see today's issue of *Lucent Technologies Today*.

FYI

One month left for Nature Conservancy matching grants

Still want to adopt a bison or rescue the reef? You'll have to do it soon. The AT&T Foundation's dollar-for-dollar matching program on employee donations of \$25 or more to the Nature Conservancy runs out on June 24.

The AT&T Foundation will match employee donations up to a maximum of \$10,000 per individual donor or up to a total of \$100,000 for the entire program. The AT&T Foundation/Nature Conservancy Employee Challenge Grants Program includes donations to the Nature Conservancy, its local chapters, or special projects (Adopt an Acre, Rescue the Reef, Adopt a Bison, Conservation Science Program, and the Ecosystem Research Program). It is open to all active Lucent Technologies employees in the United States, Puerto Rico, and the U.S. Virgin Islands.

To have a donation matched, register it with the AT&T Foundation (see below) and write out a check of \$25 or more to The Nature Conservancy, its chapters, or any of its five special projects. Write "Lucent" on the memo line of the check. Mail your contribution to: The Nature Conservancy Headquarters Office, 1815 North Lynn St., Arlington, Va., 22209, attention: Maria Fisher, Donor Support - A.

To obtain a list of local chapters and information about the five special projects, call Sheila Cosgrove at the AT&T Foundation on 212-841-4736. Cosgrove also may be reached by fax on 212-841-4683/4 or via e-mail at cosgrove@attmail.com. Employee donations eligible for matching grants should be registered with the AT&T Foundation by fax, e-mail, or telephone, but no later than June 28. □

Letters to the editor

Too PC?

A comment on Jane Reinhart's letter to the editor,

I do not think that the fact that "domestic" means U.S. and "international" means non-U.S. would hurt many sensibilities around the international locations. All Network Systems products have "domestic" and "international" applications that must be labeled like that because of the very different non-U.S. requirements. The use of either the terms "domestic" or "international," even talking at an "international" location such as Hilversum, calls for some understanding of the Network Systems culture to know that the terms refer to either the U.S. or any of the many international locations. The United States is becoming too "politically correct" conscious. There is nothing wrong with using domestic when referring to the U.S.!

-- E.V. Szymanski, Network Systems - Mexico

NETWORK! will publish signed letters as space permits -- reserving the right to edit for clarity. Please include your name, work location, and a contact number where we can reach you. Opinions expressed in the Letters section do not necessarily reflect the views of Network Systems management.

Remember the four Network Systems priorities:

- Focusing on customers and flawless execution;
- Investing in people (training);
- Demonstrating innovation and product vision;
- Overhauling our internal processes

GSM MoU Association meeting in Atlanta features worldwide GSM service

GSM (Global System for Mobile Communications) service in Atlanta? Why, sure!

That's what BellSouth Mobility DCS, Lucent Technologies, and the Swiss PTT said when they decided to work together to provide GSM coverage at the 34th GSM MoU Association meeting taking place this week in Atlanta.

The GSM MoU Association is an international organization comprising 168 wireless operators and government telecommunications regulators from 92 countries who promote and develop the GSM platform. This is the first time that the GSM MoU Association has met in the United States.

Got your GSM handset?

Approximately 275 delegates from around the world are expected to attend, and all were encouraged to bring their GSM handsets, which normally would not operate within the North American infrastructure. During the meeting, however, they will be able to make and receive calls worldwide in the Ritz-Carlton

Hotel and conference center, as long as their operator has a roaming agreement with the Swiss PTT.

Worldwide service

Network Systems arranged for temporary GSM base stations, which are located at the Ritz-Carlton for BellSouth's use at this event. Calls will be routed to Swiss Telecom's GSM network, which is providing dial tone from Lausanne, Switzerland.

"We're delighted to help bring GSM services to the conference attendees," says Neil Whittington, who was recently appointed Lucent Technologies' GSM Product Realization vice president.

Network Systems has provided GSM systems to service providers in Malaysia, Brunei, the Kingdom of Saudi Arabia, the United Arab Emirates, France, Portugal, Germany, and Belgium. Earlier this month, NS won a \$107 million contract to build and maintain a GSM network in India, a market growing at the rate of 35 to 40 percent a year. □

Are you keeping up with the Network Systems business?

For the past few weeks, *NETWORK!* has been running a series of articles explaining the Network Systems organization. The first article, "An Overview" appeared on April 4. The second, "Our Globalization Strategy," ran on April 25. The third, "1996 Policy Deployment," ran on May 9. If you missed any of those and want a copy, please send e-mail to attnmail!nsnews or a fax to 201-606-3309.

Want to learn more about the business? Be on the lookout in the coming months for more in-depth articles on Network Systems. □

NETWORK!

NETWORK! is published weekly for people in the Network Systems business of Lucent Technologies. It is available as hard copy or through AT&T Mail shared folder !nsnews:network, at <http://linus.att.com/pubs/network>, and in NetNews under the lucent.pub.network group.

NETWORK! is not intended for distribution outside of Lucent Technologies.

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