

## Alcatel-Lucent join forces with Telefónica to accelerate industry shift to Network Functions Virtualization

*Co-innovation agreement to focus on advancement of Network Functions Virtualization using the CloudBand NFV platform to speed adoption of network virtualization infrastructure*

**Mobile World Congress, Barcelona, February 24, 2014** – Alcatel-Lucent (Euronext Paris and NYSE: ALU) have signed a co-innovation agreement with Telefónica to drive innovation and adoption of Network Functions Virtualization (NFV) by the telecommunications industry, building on the strength of a shared vision.

The strategic relationship will use Alcatel-Lucent's CloudBand NFV platform to identify and develop process models to help service providers decide which elements within the network should be virtualized and when. Virtualization of network functions allow decoupling of the software-based functions from the physical infrastructure enabling service providers such as Telefónica to greatly reduce operating costs through a more efficient management of the physical infrastructure, which can be reused for playing different functionalities, as well as enabling the faster roll-out of next-generation services and applications thanks to the moldable network architecture that the software based functions make possible, moving and adding the functionality to the points of presence where they are required in almost real time.

Alcatel-Lucent and Telefónica both play leading roles in the European Telecommunications Standards Institute (ETSI) industry body for NFV and are committed to advancing the development of NFV. With this expanded collaboration, Telefónica and Alcatel-Lucent will move closer to making NFV a reality and create a reference model for future network architectures.

In addition to the agreement with Telefónica, Alcatel-Lucent has also recently announced [a new commitment to the virtualization strategy](#) of its own product portfolio.

### **Key Facts:**

- Using Alcatel-Lucent's [CloudBand](#) platform, the co-development program with Telefónica will define NFV-evolved architectures, identify and test different NFV scenarios and environments.
- Alcatel-Lucent and Telefónica will create a joint NFV research facility, sharing resources, experts and technology to develop, test and validate a network functions virtualization execution platform as part of their shared NFV vision.
- The agreement involves joint investment, certification programs, engagement with other service providers and eventually participation in field trials. The agreement includes also the common research and definition of virtual RAN architectures.
- As The Shift Plan industrially repositions Alcatel-Lucent as a specialist vendor of IP, cloud and ultra-broadband access, the agreement with Telefónica underlines the operator's endorsement of this strategic direction, and the value it will bring to operators and service providers.

## **Quotes:**

**Enrique Blanco, Global CTO of Telefónica said:** “The intimacy required for a successful collaboration between large enterprises does not come easily. Fortunately, we have an excellent track record of successfully working with Alcatel-Lucent around the world. We know each other very well. I am confident that what we achieve over the course of the next year in the realm of virtualization will have major benefits for our two companies and the industry as a whole.”

**Michel Combes, CEO of Alcatel-Lucent said:** “Alcatel-Lucent and Telefónica share a vision of the strategic importance of virtualization and the Cloud and we look forward to the development of meaningful applications of NFV in particular via this extended collaboration. Our two companies have enjoyed a highly fruitful relationship in recent years, including our first co-innovation agreement with Telefónica in 2011 helping to turn a vision of the future for wireless into reality, and the award last year of the LTE overlay contract with Telefónica Spain sealing the value of that vision.”

## **Additional Resources:**

**[Carriers on the Path to Cloud by Alcatel-Lucent and Heavy Reading](#)**

**[www.alcatel-lucent.com/solutions/cloudband](http://www.alcatel-lucent.com/solutions/cloudband)**

**[facebook.com/AlcatelLucentCloud](https://facebook.com/AlcatelLucentCloud)**

**[twitter.com/ALU\\_Cloud](https://twitter.com/ALU_Cloud)**

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

We are at the forefront of global communications, providing products and innovations in IP and cloud networking, as well as ultra-broadband fixed and wireless access to service providers and their customers, and to enterprises and institutions throughout the world. Underpinning us in driving the industrial transformation from voice telephony to high-speed digital delivery of data, video and information is Bell Labs, an integral part of the Group and one of the world’s foremost technology research institutes, responsible for countless breakthroughs that have shaped the networking and communications industry. Our innovations have resulted in our Group being recognized by Thomson Reuters as a Top 100 Global Innovator, as well as being named by MIT Technology Review as amongst 2012’s Top 50 “World’s Most Innovative Companies”. We have also been recognized for innovation in sustainability, being named Industry Group Leader in the Technology Hardware & Equipment sector in the 2013 Dow Jones Sustainability Indices review, for making global communications more sustainable, affordable and accessible, all in pursuit of the Group’s mission to realize the potential of a connected world.

With revenues of Euro 14.4 billion in 2013, Alcatel-Lucent is listed on the Paris and New York stock exchanges (Euronext and NYSE: ALU). The company is incorporated in France and headquartered in Paris.

For more information, visit Alcatel-Lucent on: <http://www.alcatel-lucent.be>, read the latest posts on the Alcatel-Lucent blog <http://www.alcatel-lucent.com/blog> and follow the Company on Twitter: [http://twitter.com/Alcatel\\_Lucent](http://twitter.com/Alcatel_Lucent).

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