

Press release

Bezeq International and Alcatel-Lucent to roll-out high-speed submarine cable system between Israel and Europe using coherent technology

First system fully-owned by an Israeli operator to land in Israel

Tel Aviv, Israel, November 17, 2010 - Alcatel-Lucent (Euronext Paris and NYSE: ALU) and Bezeq International, Israel's leading Internet and international telecoms provider, have teamed up to roll-out a new high-speed submarine cable system linking Tel Aviv, Israel, to Italy and then to Europe via land route. The system which will span 2,297km, is the first fully-owned by an Israeli operator to land in Israel and will further strengthen the hub role of the area.

The fixed and mobile broadband penetration in Israel is growing at a fast pace with the number of Internet users expected to reach more than 5 million by the end of this year. With over one and a half million high-speed ADSL and cable lines, the Israeli telecom operator is taking a new significant step in the development of its communication infrastructure. The new system will enable Bezeq International to better serve its customers, while reducing the capital expenditures deriving from leasing capacity.

“The Israeli telecom market is highly dynamic with one the highest household broadband and mobile penetration rates that are leading to network convergence as more technologically diverse services are becoming available,” Isaac Benbenisti, Chief Executive Officer of Bezeq International. “Alcatel-Lucent’s advanced technology will enable us to offer access to huge bandwidth at more affordable rates, while empowering our ability to deliver new applications for our customer and benefit from growth in wholesale market.”

“The availability of more capacity will boost connectivity to support the move to high-speed broadband, while ensuring low-latency and increasing flexibility to serve the diversified requirement of businesses and consumers,” said Philippe Dumont, president of Alcatel-Lucent Submarine Networks SAS. “This project further confirms Alcatel-Lucent’s commitment to equip its customers with the most innovative technology options which have proven to be successful for both new deployments and smooth network upgrades.”

About Bezeq International

Bezeq International Ltd., Israel's leading Internet and International Telecommunications provider, was founded in 1996 as a wholly-owned subsidiary of Bezeq, the Israeli Telecom Corp. and is part of the country's largest and leading telecom group. Bezeq International provides comprehensive communication solutions in Internet, International Domestic and Organizational Telephony, IT, Hosting, Data Communication and Information Security Solutions.

Visit Bezeq International on the Internet: <http://www.bezeqint.net/>

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About Alcatel-Lucent

Alcatel-Lucent (Euronext Paris and NYSE: ALU) is the trusted transformation partner of service providers, enterprises, strategic industries such as defence, 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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