

Alcatel-Lucent - from losses to profits

PARIS, FRANCE: Alcatel-Lucent, a leading global supplier of telecommunications equipment for the internet, said it had slashed its net losses by a third last year and would sell its subsidiary Enterprise to a Chinese firm



Alcatel-Lucent is returning to profitability after years of losses. Image: Fotomak [Fotolia](#)

The group, refocusing its business under a new chief executive after years of post-merger trauma, cut its net loss last year by about a third to €1.3bn.

The company, concentrating on advanced internet equipment, said that it had steadied sales figures at €14.4bn at constant exchange rates. The loss reflected mainly asset write-downs of €548m and restructuring charges as well as debt interest.

The group also reported an adjusted operating profit of €290m.

Alcatel-Lucent said that it would sell its subsidiary Enterprise for €268m to technology investment firm China Huaxin. This company is a long-standing partner since it is a minority shareholder in another subsidiary in China called Alcatel Shanghai Bell.

Alcatel-Lucent said that it was repositioning its business as a specialist of IP (internet protocol) and Cloud networking, ultra broadband fixed and mobile access and had raised margins and gained market share in the past year.

Managing director Michel Combes said the company had been successful with its Shift programme.

It had made savings in fixed costs of €363m last year, of which €104m had been achieved in the last quarter, far above the target for the year of between €250 and €300m.

The group had net cash of €149m at the end of 2013, following a capital raising drive that saw it gain €1bn.

Source: AFP via I-Net Bridge

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