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Lucent Picks Superior Firm for Financing Key Equipment will help resellers in Europe

By Matt Branaugh
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Businesses tapped by Lucent Technologies to resell its telecommunications and networking equipment in Europe will use Key Equipment Finance for providing buyers with leasing options, the two said on Tuesday.

The beleaguered network builder hopes matching Superior-based Key Equipment with its European Advantage Business Partners Group will provide customers with attractive financing choices, ultimately sealing more sales.

Through the deal, Key Equipment expects to help finance at least \$50 million in new sales each year.

"They'll look to us for the expertise on (financing)," said Paul Frechette, senior vice president of global business development at Key Equipment.

About 130 Key Equipment employees in Europe will work with Lucent's business partners, often participating in negotiations, where an attractive financing plan can make the difference in closing the sale, Frechette said.

Key Equipment employs about 600 people worldwide, including 210 in Superior. A wholly owned subsidiary of Ohio-based KeyCorp (NYSE: KEY, \$25.88), Key Equipment manages an \$8 billion equipment

portfolio with annual originations of nearly \$3 billion.

Not all is well with Lucent (NYSE: LU, \$1), though, both here and abroad. The Murray Hill, NJ-based company lost \$7.9 billion, or 16 cents a share, in its most recent quarter – its ninth straight quarterly loss. The company shed 7,000 jobs after announcing the dismal performance.

Much of the worse-than-expected loss, the company said, stemmed from a \$5.8 billion noncash charge. But revenue fell 50 percent to \$2.95 billion, with equipment sales falling 42 percent in the United States and 52 percent elsewhere.

Twenty-seven financial analysts polled by Thomson Financial/First Call expect the company will lose 38 cents a share during its fourth quarter ending this month and 97 cents a share for the year.

Despite Lucent's recent woes, Key Equipment's success in the deal depends more on the performance of those buying the equipment, Frechette said.

"The strength of the lessee is who we rely upon for payment, not Lucent," he said.

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