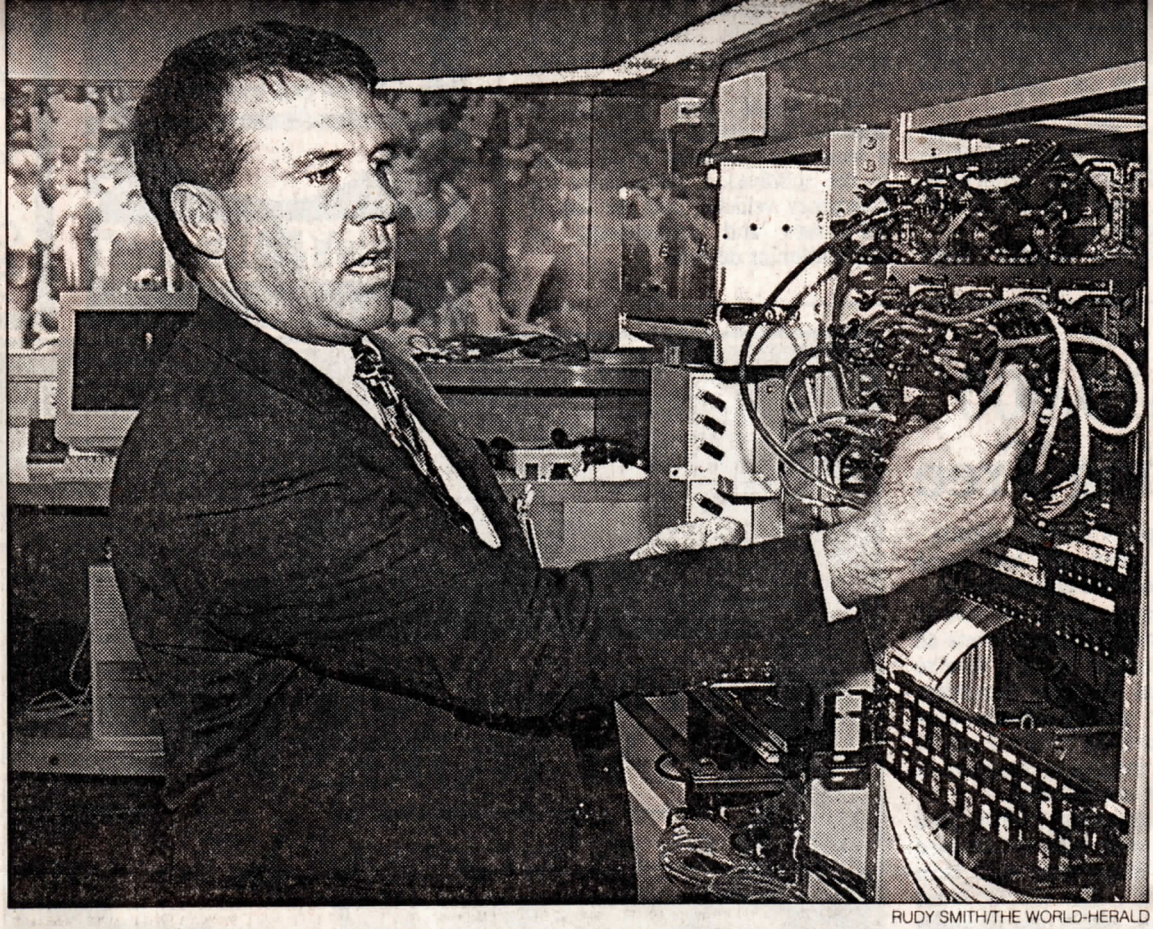


RUDY SMITH/THE WORLD-HERALD

**SPELLING IT OUT: Steve Clark, vice president and general manager of Connectivity Solutions for Avaya Inc., shows off some of the firm's products. In the company's Omaha showroom, Clark describes how a high-speed copper cable hooked to modular panels can connect work stations to networks.**

# Lucent Spinoff, Avaya, Charts Plans for Fast, Steady Growth

**BY ED TRANDAHL**
WORLD-HERALD CORRESPONDENT

At a time when many businesses are reporting lower earnings, scaling back production and laying off workers, Avaya Inc.'s Connectivity Solutions unit headquartered in Omaha reports world-wide growth.

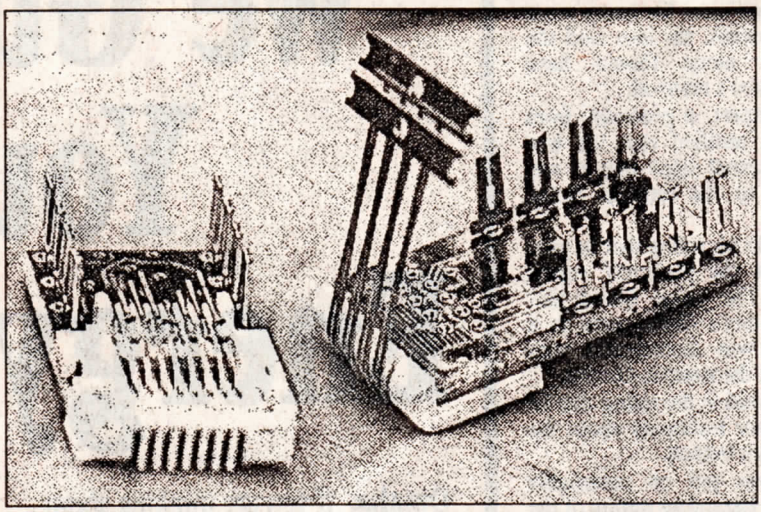
The unit's largest production plant and warehouse, located at 12000 I St. in southwest Omaha, is keeping 3,500 employees busy manufacturing such products as high-speed cables that link telephones and computers on five continents.

This division of Avaya has narrowed its focus to improve market share over year-earlier results, said Steve Clark, vice president and general manager for Connectivity Solutions. "The turnaround has begun and is getting better every day."

Based in Basking Ridge, N.J., Avaya was spun off Sept. 30 by Lucent Technologies Inc., which said it wanted to sharpen its focus by concentrating on the high-growth areas of communications networking. The Omaha plant had been owned by Lucent since September 1996.

Connectivity Solutions has plants in Ireland, Australia, Venezuela and China, as well as four research labs in the United States.

For its first fiscal quarter as an independent company, Avaya reported in January that it earned $51 million from continuing operations, or 24 percent less than year-earlier earnings.



RUDY SMITH/THE WORLD-HERALD

**LITTLE BITS: These high-speed data information modules held in the palm of a hand are manufactured in Avaya's Omaha plant and help transmit data required by modern office work stations.**

Connectivity Solutions reported 31 percent revenue growth for the same period. The unit's operating income was $88 million, more than doubling year-earlier results.

"We are a very complex business, and it's very easy to get distracted," Clark said, looking back on the slower year-ago growth. He said his unit of the company has improved productivity, expanded its presence in global enterprise markets, enhanced distribution and increased its customer base to improve revenues.

Being spun off by Lucent and becoming part of a smaller company has made Clark's operations more nimble, he said. "This definitely allows us to do what we do best."

The Omaha plant's products include high quality fiber optic and copper cables, high-strength cabinets and advanced connectors for electronic office equipment. Since

See **AVAYA** Page 21

# AVAYA

# Lucent Spinoff Charts Plans For Growth

Continued from Page 18

mid-2000, more than 400 employees have been hired in Omaha to replace those who quit or retired when the company was separating from Lucent. Clark said he expects to maintain current employment for the foreseeable future.

When Clark moved to Omaha from Dallas last year, he said he was struck by the "pride of ownership" he saw in the local plant's employees, many of whom represented several generations of families who have worked in the plant since it opened under the Omaha Works of Western Electric name in the 1950s.

The Connectivity Solutions plants, which represent 20 percent of Avaya's business, develop products for wiring phones, workstations, personal computers, local area networks and other communications devices for government and business. Their product lines also serve central offices such as telephone companies and Internet service providers.

The 40-story First National Bank building now under construction in downtown Omaha is one of the local plant's customers, along with the University of Nebraska at Omaha's Peter Kiewit Institute.

Avaya is providing an estimated 518 miles of fiber optic and copper cable for the 633-foot-tall tower at the First National Center, highest in a six-state area.

The fiber optic cable is installed up the sides of the building, while the more flexible copper cable is used in the offices to connect phones, computers and other communications devices.

Another business using Avaya's cable is Northwestern Memorial Hospital in Chicago, where a 2.1-million-square-foot medical center was built in the downtown area. The high-speed cable was needed to handle the hospital's expected increase in demand, such as for instant access to X-rays using digital technology and computers.

Omaha's plant also manufactures heavy duty electronic boxes, such as the ones commonly installed by telephone companies alongside roads. "We were on the verge of losing this business in Florida (to competitors), but our cabinets were the only ones that stayed intact when the hurricane (Andrew in 1992) hit," Clark said.

The Avaya executive sees more growth ahead because people are not going to tolerate some of the delays they now experience with computers, such as slow downloading from the Internet, garbled transfer of information and rejection of transmissions.

While static on phones is viewed as unacceptable, people are also getting better at identifying other faulty or slow electronic transmissions, Clark said. He believes this will expand demand for products produced in Omaha.

"To us the bottom line is that there will always be a need for more band width," Clark said, and that's what the Omaha plant provides.

Noting the size of the Avaya facilities in Omaha, which at 4.2 million square feet could hold 80 football fields, Clark said the Omaha workers produce half of the Connectivity Solutions' world-wide production. "If the volume stays, this will be a wonderful elephant."