

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code). ► Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2009 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information		
For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009			
A This return/report is for:	☐ a multiemployer plan;	☐ a multiple-employer plan; or	
	☒ a single-employer plan;	☐ a DFE (specify) ____	
B This return/report is:	☐ the first return/report;	☐ the final return/report;	
	☐ an amended return/report;	☐ a short plan year return/report (less than 12 months).	
C If the plan is a collectively-bargained plan, check here.	☐		
D Check box if filing under:	☒ Form 5558;	☐ automatic extension;	☐ the DFVC program;
	☐ special extension (enter description)		

Part II	Basic Plan Information —enter all requested information		
1a Name of plan AVAYA INC. PENSION PLAN FOR SALARIED EMPLOYEES 2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) AVAYA INC. MICHELE JARDINE GRUBER 211 MOUNT AIRY ROAD, 3E029 BASKING RIDGE, NJ 07920	1b Three-digit plan number (PN) ►	001	
	1c Effective date of plan	10/01/2000	
	2b Employer Identification Number (EIN)	22-3713430	
	2c Sponsor's telephone number	908-953-6000	
	2d Business code (see instructions)	517000	

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/15/2010	MICHELE GRUBER
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same")

AVAYA INC.
MICHELE JARDINE GRUBER
211 MOUNT AIRY ROAD, 3E029
BASKING RIDGE, NJ 07920

3b Administrator's EIN
22-3713430

3c Administrator's telephone number
908-953-6000

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:**a** Sponsor's name**4b** EIN**4c** PN**5** Total number of participants at the beginning of the plan year**5**

9309

6 Number of participants as of the end of the plan year (welfare plans complete only lines **6a**, **6b**, **6c**, and **6d**).**a** Active participants.....**6a**

3002

b Retired or separated participants receiving benefits.....**6b**

4143

c Other retired or separated participants entitled to future benefits.....**6c**

1706

d Subtotal. Add lines **6a**, **6b**, and **6c**.....**6d**

8851

e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....**6e**

69

f Total. Add lines **6d** and **6e**.....**6f**

8920

g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....**6g****h** Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....**6h**

0

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)**7****8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:

1A 1C 1G

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:**9a** Plan funding arrangement (check all that apply)

- (1) ☐ Insurance
(2) ☐ Code section 412(e)(3) insurance contracts
(3) ☒ Trust
(4) ☐ General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

- (1) ☐ Insurance
(2) ☐ Code section 412(e)(3) insurance contracts
(3) ☒ Trust
(4) ☐ General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)**a Pension Schedules**

- (1) ☒ **R** (Retirement Plan Information)
(2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
(3) ☒ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1) ☒ **H** (Financial Information)
(2) ☐ **I** (Financial Information – Small Plan)
(3) ☐ **A** (Insurance Information)
(4) ☒ **C** (Service Provider Information)
(5) ☒ **D** (DFE/Participating Plan Information)
(6) ☐ **G** (Financial Transaction Schedules)

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation		Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). File as an attachment to Form 5500 or 5500-SF.		OMB No. 1210-0110 2009 This Form is Open to Public Inspection	
For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009					
Round off amounts to nearest dollar. Caution: A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.					
A Name of plan AVAYA INC. PENSION PLAN FOR SALARIED EMPLOYEES				B Three-digit plan number (PN)	001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF AVAYA INC.				D Employer Identification Number (EIN) 22-3713430	
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B			F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500		
Part I Basic Information					
1 Enter the valuation date: Month 01 Day 01 Year 2009					
2 Assets:					
a Market value				2a	1325594679
b Actuarial value				2b	1458154147
3 Funding target/participant count breakdown					
				(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment				3a	4206
b For terminated vested participants				3b	1421
c For active participants:					
(1) Non-vested benefits				3c(1)	20357552
(2) Vested benefits				3c(2)	173605022
(3) Total active				3c(3)	3740
d Total				3d	9367
4 If the plan is at-risk, check the box and complete items (a) and (b)					
a Funding target disregarding prescribed at-risk assumptions				4a	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor				4b	
5 Effective interest rate				5	8.19 %
6 Target normal cost				6	3140206
Statement by Enrolled Actuary					
To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.					
SIGN HERE		10/01/2010			
LAWARENCE A. GOLDEN		Date			
Type or print name of actuary		08-04197			
AON CONSULTING INC.		Most recent enrollment number			
Firm name		732-302-2142			
400 ATRIUM DRIVE		Telephone number (including area code)			
5TH FLOOR SOUTH					
SOMERSET, NJ 08873-4162					
Address of the firm					
If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions					
For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.					
Schedule SB (Form 5500) 2009					

Part II		Beginning of year carryover and prefunding balances	
		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	10148720	0
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)	6985891	0
9	Amount remaining (Item 7 minus item 8).....	3162829	0
10	Interest on item 9 using prior year's actual return of <u>-12.68</u> %	-401047	
11	Prior year's excess contributions to be added to prefunding balance:		
a	Excess contributions (Item 38 from prior year)		3387572
b	Interest on (a) using prior year's effective rate of <u>6.23</u> %		-429544
c	Total available at beginning of current plan year to add to prefunding balance		2958028
d	Portion of (c) to be added to prefunding balance.....		2958028
12	Reduction in balances due to elections or deemed elections.....	0	0
13	Balance at beginning of current year (item 9 + item 10 + item 11d – item 12).....	2761782	2958028

Part III		Funding percentages	
14	Funding target attainment percentage.....	14	97.78 %
15	Adjusted funding target attainment percentage.....	15	97.78 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	89.88 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV		Contributions and liquidity shortfalls	
18 Contributions made to the plan for the plan year by employer(s) and employees:			
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	
04/15/2009	8009979		
07/15/2009	8009979		
10/15/2009	2690197		
01/15/2010	2690197		
		Totals ►	18(b) 21400352
			18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:	
a Contributions allocated toward unpaid minimum required contribution from prior years.....	19a 0
b Contributions made to avoid restrictions adjusted to valuation date	19b 0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c 20520206
20 Quarterly contributions and liquidity shortfalls:	
a Did the plan have a "funding shortfall" for the prior year?	☒ Yes ☐ No
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☒ Yes ☐ No
c If 20a is "Yes," see instructions and complete the following table as applicable:	

Liquidity shortfall as of end of Quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: %	2nd segment: %	3rd segment: %	☒ N/A, full yield curve used
b Applicable month (enter code)				21b 2
22 Weighted average retirement age				22 60
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions).....	31	3140206
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	32956662	9338714
b Waiver amortization installment	0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33).....	34	12478920
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	0	0
36 Additional cash requirement (item 34 minus item 35).....	36	12478920
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	37	20520206
38 Interest-adjusted excess contributions for current year (see instructions).....	38	8041286
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37).....	39	0
40 Unpaid minimum required contribution for all years	40	0

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection.

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan AVAYA INC. PENSION PLAN FOR SALARIED EMPLOYEES	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 AVAYA INC.	D Employer Identification Number (EIN) 22-3713430

Part I

Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

BLACK ROCK INSTITUTIONAL MANAGEMENT100 BELLEVUE PARKWAY
WILMINGTON, DE 19809

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation

T.ROWE PRICE ASSOCIATES INC.100 EAST PRATT STREET
BALTIMORE, MD 21202-1009

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

J.P. MORGAN

13-4994650

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27 28 50	NONE	2820421	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

ING

04-3516284

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13 15 50	NONE	862809	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

WALTER SCOTT & PARTNERS LIMITED

ONE CHARLOTTE SQUARE
EDINBURGH, UK EH2 4DR UK

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28 51	NONE	352840	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

BNY MELLON

13-5160382

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 19 21 25 50	NONE	319601	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

WELLINGTON

04-2683227

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28 51	NONE	257150	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

BLACK ROCK

13-3459661

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28 51	NONE	237848	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

INVESCO

13-3725888

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28 51	NONE	232516	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

PRUDENTIAL LONG DURATION

22-2540245

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28 51	NONE	198833	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

MDT ADVISERS

94-3267050

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28 51	NONE	160641	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

MACKAY SHIELDS

13-4080466

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28 51	NONE	137000	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

WESTERN ASSET MANAGEMENT CORP.

95-2705767

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28 51	NONE	136467	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

AVAYA INC.

22-3713430

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
35 50	EMPLOYER	127001	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

LSV SMALL CAP VALUE

23-2772200

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28 51	NONE	116213	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

DREY FUS CORP.

13-5673135

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28 51	AFFILIATE OF TRUSTEE	113258	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

AON

22-2608561

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11 50	NONE	109741	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

THE TOWNSEND GROUP

34-1537656

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27 28 51	NONE	78892	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

PRICE WATERHOUSE COOPERS

13-4008324

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10 50	NONE	76578	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

NORTHERN TRUST

36-3417984

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
18 50	AFFILIATE OF TRUSTEE	70253	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

STAN DISH MELLON ASSET MANAGEMENT

25-1890416

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28 51	AFFILIATE OF TRUSTEE	59986	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

PIMCO

33-0629048

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28 51	NONE	46087	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

T. ROWE PRICE

52-0556948

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28 51	NONE	25132	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

WILSHIRE

95-2755361

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
17 50	NONE	23314	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

AMPER, POLITZINER & MATTIA

26-2842766

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10 50	NONE	12973	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

BLOOMBERG

13-3417984

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
34 50	NONE	12472	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

BARCLAYS GLOBAL INVESTORS

94-3112180

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28 51	NONE	9188	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration		DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.		OMB No. 1210-0110 2009 This Form is Open to Public Inspection.	
For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009					
A Name of plan AVAYA INC. PENSION PLAN FOR SALARIED EMPLOYEES				B Three-digit plan number (PN) ▶ 001	
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 AVAYA INC.				D Employer Identification Number (EIN) 22-3713430	
Part I Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)					
a Name of MTIA, CCT, PSA, or 103-12 IE: AVAYA INC. MASTER PENSION TRUST					
b Name of sponsor of entity listed in (a): AVAYA INC.					
c EIN-PN 36-7324179-101		d Entity code M		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 1205094000	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-1	

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009		
A Name of plan AVAYA INC. PENSION PLAN FOR SALARIED EMPLOYEES	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 AVAYA INC.	D Employer Identification Number (EIN) 22-3713430	

Part I	Asset and Liability Statement
---------------	--------------------------------------

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	8900000	2690000
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)		928000
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	1290285000	1205094000
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	1299185000	1208712000

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		1658000
i Acquisition indebtedness	1i		
j Other liabilities	1j	837000	257600
k Total liabilities (add all amounts in lines 1g through 1j)	1k	837000	1915600

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	1298348000	1206796400
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	21400200	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)	928200	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		22328400

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0

(3) Rents	2b(3)		
-----------------	--------------	--	--

(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		35527600
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		57856000

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	141005900	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		141005900
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)	199300	
(2) Contract administrator fees	2i(2)	862800	
(3) Investment advisory and management fees	2i(3)	4993200	
(4) Other	2i(4)	2088900	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		8144200
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		149150100

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-91294100
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		257500

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: EISNERAMPER LLP

(2) EIN: 13-1639826

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		20000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....		X	
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.		X	

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If yes, enter the amount of any plan assets that reverted to the employer this year ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)
AVAYA INC. PENSION PLAN	22-3713430	002

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2009 This Form is Open to Public Inspection.
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For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan <u>AVAYA INC. PENSION PLAN FOR SALARIED EMPLOYEES</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>AVAYA INC.</u>	D Employer Identification Number (EIN) <u>22-3713430</u>

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>04-3581074</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	<u>418</u>

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☒ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☒ Yes	☐ No	☐ N/A

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☒ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule R (Form 5500) 2009
v.092308.1

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☒

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

- a** Enter the percentage of plan assets held as:

Stock: 10% Investment-Grade Debt: 23% High-Yield Debt: 10% Real Estate: 2% Other: 55%

- b** Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☒ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

- c** What duration measure was used to calculate item 19(b)?

☒ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

Independent Auditors' Report

To the Plan Administrator of
The Avaya Inc. Pension Plan for Salaried Employees

We were engaged to audit the accompanying statement of net assets available for benefits of The Avaya Inc. Pension Plan for Salaried Employees (the "Plan") as of December 31, 2009, the related statement of changes in net assets available for benefits for the year then ended, the statement of accumulated plan benefits as of December 31, 2009 and the related statement of changes in accumulated plan benefits for the year then ended. These financial statements are the responsibility of the Plan's management. The financial statements of the Plan as of December 31, 2008 were audited by other auditors. As permitted by 29 CFR 2520.103-8 of the U.S. Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed the other auditors not to perform, and they did not perform, any auditing procedures with respect to the information certified by The Northern Trust Company, the trustee of the Plan. Their report, dated October 14, 2009, indicated that (a) because of the significance of the information that they did not audit, they were unable to, and did not, express an opinion on the 2008 financial statements taken as a whole, and (b) the form and content of the 2008 information included in the financial statements, other than that derived from the information certified by the trustee, were presented in compliance with the U.S. Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

As permitted by 29 CFR 2520.103-8 of the U.S. Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA"), the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information discussed in Note 4, which was certified by The Bank of New York Mellon, the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the Plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the trustee as of December 31, 2009 and for the year then ended, that the information provided to the Plan administrator by the trustee is complete and accurate.

Because of the significance of the information in the Plan's 2009 financial statements that we did not audit, we are unable to, and do not, express an opinion on the accompanying 2009 financial statements taken as a whole. The form and content of the information included in the 2009 financial statements, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the U.S. Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

EisnerAmper LLP

October 13, 2010
Bridgewater, New Jersey

**THE AVAYA INC. PENSION PLAN
FOR SALARIED EMPLOYEES**

**Financial Statements
December 31, 2009 and 2008**

The Avaya Inc. Pension Plan for Salaried Employees

Index

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Note: Schedules required by 29 CFR 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, as amended, have been omitted because they are not applicable.	

Independent Auditors' Report

To the Plan Administrator of
The Avaya Inc. Pension Plan for Salaried Employees

We were engaged to audit the accompanying statement of net assets available for benefits of The Avaya Inc. Pension Plan for Salaried Employees (the "Plan") as of December 31, 2009, the related statement of changes in net assets available for benefits for the year then ended, the statement of accumulated plan benefits as of December 31, 2009 and the related statement of changes in accumulated plan benefits for the year then ended. These financial statements are the responsibility of the Plan's management. The financial statements of the Plan as of December 31, 2008 were audited by other auditors. As permitted by 29 CFR 2520.103-8 of the U.S. Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed the other auditors not to perform, and they did not perform, any auditing procedures with respect to the information certified by The Northern Trust Company, the trustee of the Plan. Their report, dated October 14, 2009, indicated that (a) because of the significance of the information that they did not audit, they were unable to, and did not, express an opinion on the 2008 financial statements taken as a whole, and (b) the form and content of the 2008 information included in the financial statements, other than that derived from the information certified by the trustee, were presented in compliance with the U.S. Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

As permitted by 29 CFR 2520.103-8 of the U.S. Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA"), the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information discussed in Note 4, which was certified by The Bank of New York Mellon, the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the Plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the trustee as of December 31, 2009 and for the year then ended, that the information provided to the Plan administrator by the trustee is complete and accurate.

Because of the significance of the information in the Plan's 2009 financial statements that we did not audit, we are unable to, and do not, express an opinion on the accompanying 2009 financial statements taken as a whole. The form and content of the information included in the 2009 financial statements, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the U.S. Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

EisnerAmper LLP

October 13, 2010
Bridgewater, New Jersey

The Avaya Inc. Pension Plan for Salaried Employees
Statements of Net Assets Available for Benefits
December 31, 2009 and 2008

(dollars in thousands)

	2009	2008
Assets		
Investments, at fair value		
Plan interest in Avaya Inc. Master Pension Trust (Note 4)	\$ 1,205,094	\$ 1,290,285
Company contribution receivable	2,690	8,900
Mandatory Portability Agreement receivable (Note 1)	928	-
Total assets	<u>1,208,712</u>	<u>1,299,185</u>
Liabilities		
Accrued expenses	1,658	837
Payable to the Avaya Inc. Pension Plan (Note 1)	258	-
Total liabilities	<u>1,916</u>	<u>837</u>
Net assets available for benefits	<u>\$ 1,206,796</u>	<u>\$ 1,298,348</u>

The accompanying notes are an integral part of these financial statements.

The Avaya Inc. Pension Plan for Salaried Employees
Statement of Changes in Net Assets Available for Benefits
Year Ended December 31, 2009

(dollars in thousands)

Additions to net assets attributable to

Company contributions	21,400
Plan interest in Avaya Inc. Master Pension Trust investment income (Note 4)	35,528
Net transfer from companies subject to Portability Agreement of 1984 (Note 1)	928
Total additions	<u>57,856</u>

Deductions from net assets attributable to

Benefits paid to participants	141,006
Investment and administrative expenses	8,144
Transfer to the Avaya Inc. Pension Plan (Note 1)	258
Total deductions	<u>149,408</u>
Net decrease	(91,552)

Net assets available for benefits

Beginning of year	<u>1,298,348</u>
End of year	<u><u>\$ 1,206,796</u></u>

The accompanying notes are an integral part of these financial statements.

The Avaya Inc. Pension Plan for Salaried Employees
Statements of Accumulated Plan Benefits
December 31, 2009 and 2008

<i>(dollars in thousands)</i>	2009	2008
Actuarial present value of accumulated plan benefits		
Vested benefits		
Participants currently receiving payments	\$ 1,233,165	\$ 1,181,535
Other participants	<u>186,345</u>	<u>210,505</u>
Sub-total	<u>1,419,510</u>	<u>1,392,040</u>
Nonvested benefits	<u>16,158</u>	<u>17,323</u>
Total actuarial present value of accumulated plan benefits	<u><u>\$ 1,435,668</u></u>	<u><u>\$ 1,409,363</u></u>

The accompanying notes are an integral part of these financial statements.

The Avaya Inc. Pension Plan for Salaried Employees
Statement of Changes in Accumulated Plan Benefits
Year Ended December 31, 2009

(dollars in thousands)

Actuarial present value of accumulated plan benefits at December 31, 2008	\$ 1,409,363
Increase (decrease) during the year attributable to	
Change in actuarial assumptions (Note 2)	30,210
Benefits Accumulated	-
Increase for interest due to decrease in the discount period	117,150
Benefits paid	(141,006)
Other (Note 2)	19,951
Net increase	<u>26,305</u>
Actuarial present value of accumulated plan benefits at December 31, 2009	<u><u>\$ 1,435,668</u></u>

The accompanying notes are an integral part of these financial statements.

The Avaya Inc. Pension Plan for Salaried Employees

Notes to Financial Statements

December 31, 2009 and 2008

1. Background and Plan Description

The Avaya Inc. Pension Plan for Salaried Employees ("APPSE" or the "Plan") is a defined benefit plan subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended. The provisions below are more fully described in the Summary Plan Description distributed to all participants. The APPSE has two different programs: the Service Based Program and the Account Balance Program. Specific details are contained in the official plan document, which may be obtained by participants or beneficiaries by writing to the Pension Plan Administrator.

Freezing of Benefits

Avaya Inc. froze benefit accruals under the Plan as of December 31, 2003. For employees in the Service Based Program ("SBP"), no credit will be given for compensation paid after December 31, 2003. An employee's age and service continue to count toward pension eligibility and when determining the amount of any early commencement discount. For employees in the Account Balance Program ("ABP"), no pay credits will be given for compensation paid after December 31, 2003. ABP accounts will continue to receive annual interest credits, as long as they have a balance. Under the SBP and ABP, an employee's service continues to count toward vesting.

Service Based Program ("SBP")

Salaried and certain nonhourly employees hired before 1999, excluding employees of companies acquired by Lucent Technologies Inc. ("Lucent"), the former parent company of Avaya Inc. ("Avaya"), are eligible to participate in the SBP.

In general, an SBP participant's normal annual retirement benefit is the sum of:

Total pension includable compensation during the averaging period* (1/1/94 through 12/31/98)	÷	Years in averaging period (five years)	X	Net credited service as of the end of the averaging period	X	Benefit multiplier 1.4% (.014)
<i>PLUS</i>						
		Total pension includable compensation for 1/1/99 through 12/31/03	X	Benefit multiplier 1.4% (.014)		

* Any lump sum merit payments and team management incentive compensation plan awards paid in December 1997 count as compensation paid after December 31, 1998.

If an SBP participant's benefit under an earlier formula is greater, that participant will receive the benefit under that earlier formula.

SBP Early Retirement

The requirements for retirement eligibility under the SBP are age 55 or older with at least 15 years of net credited service. The reduction factor for early retirement is 3% for each year (1/4% for each

The Avaya Inc. Pension Plan for Salaried Employees

Notes to Financial Statements

December 31, 2009 and 2008

full and partial month) by which the sum of age and net credited service is less than 80 when pension payments begin.

For SBP participants who retire with a disability pension or a service pension for disability, there is no early retirement reduction. For all other SBP participants the pension benefit commencing prior to age 65 is reduced on an actuarially equivalent basis.

Account Balance Program ("ABP")

Salaried and certain nonunion hourly employees hired after 1998 and employees of companies acquired by Lucent are eligible to participate in the ABP.

Under the ABP, a participant's benefit is the amount credited to his or her account.

Pay Credits

Each January 1 on or before January 1, 2004, an ABP participant received age-based pay credits to his or her account determined under the following chart:

Age	% of Previous Year's Pay
<30	3.00%
30-34	3.75%
35-39	4.50%
40-44	5.50%
45-49	6.75%
50-54	8.25%
55+	10.00%

Partial pay credit was given for those who left during the year.

Interest Credits

Each year, an ABP participant's account is credited with interest based on the rate set for that year. The interest rate credited to participant accounts during 2009 was 4%. Interest credits continue until date of distribution.

Vesting Requirements for SBP and ABP

The normal retirement age is 65 with five years of participation. Participants with at least five years of vesting service are fully vested in their pension benefit.

Transfers and the Mandatory Portability Agreement ("MPA")

The MPA of 1984 is an agreement effective January 1, 1985 between AT&T Corp. ("AT&T"), and the interchange companies, which includes Avaya. The agreement provides for mutual recognition of service credit and transfer of benefit obligations and plan assets for certain employees who leave one interchange company and are later employed by another interchange company. In accordance with the MPA, assets may be transferred to and from the Plan on behalf of these participants. As of December 31, 2009, \$928,000 was due to the Plan from certain interchange companies in accordance with the MPA. This amount represents the net transfers due to the Plan for the year ended December 31, 2009.

In addition to the above, when employees who are participants of the Plan change job status, they may qualify as participants of the Avaya Inc. Pension Plan ("APP"). When this occurs, assets may be transferred from the Plan to the APP on behalf of these participants. As of December 31, 2009, \$258,000 was due to the APP in accordance with these job status changes.

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2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Plan have been prepared on the accrual basis of accounting.

Funding Policy

Avaya's general funding policy is to contribute amounts in accordance with the Internal Revenue Code ("IRC") and minimum funding requirements under ERISA. Contributions to the Plan are determined by an actuarial cost method known as the Accrued Benefit (Unit Credit) Cost Method. The projected benefit for each future event is allocated to each of the participant's years of service. The normal cost is equal to the actuarial present value of the benefits allocated to the current year and the actuarial accrued liability is equal to the actuarial present value of the total benefits allocated to years prior to the current year. The actuarial accrued liability for inactive participants was determined as the actuarial present value for the benefits expected to be paid in the future. No normal costs are now payable with respect to these participants. The minimum required contribution and the maximum tax deductible contribution are then determined as the sum of the normal cost of all employees, plus amortization, if any, of the initial unfunded liability, change in liability due to plan amendments, assumption changes and experience gain or loss. Under the provisions of the Pension Protection Act, the minimum funding requirements have been increased, therefore Plan sponsors may be required to make larger contributions in the future if Plan obligations are less than 100% funded.

In compliance with the minimum funding requirements under ERISA, Avaya made contributions totaling \$21,400,000 for plan year ended December 31, 2009, of which \$2,690,000 was reflected as a receivable as of December 31, 2009.

Actuarial Present Values of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments, including lump-sum distributions, that are attributable under the Plan's provisions to the service which employees have rendered through the valuation date.

Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits payable upon retirement, death, disability or withdrawal are included to the extent they are deemed attributable to employee service rendered to the valuation date.

The actuarial present value of accumulated plan benefits is determined by an actuary and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

The significant assumptions used to determine the actuarial present value of accumulated plan benefits as of December 31, 2009 and 2008 include rates of separation, retirement, and disability which are based on actual employee experience. The "RP2000 Combined Healthy Mortality Table" was used to determine the actuarial present value of accumulated plan benefits as of December 31, 2009 and 2008. An interest rate of 8.50% for ERISA full funding was used to determine the actuarial present values of accumulated plan benefits at December 31, 2009 and 8.75% as of December 31, 2008. Rates of retirement are assumed to begin at age 55, with 100% of participants retired by age 70.

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During 2009, the increase in the actuarial present value of accumulated plan benefits in the amount of \$30,210,000 resulted from the change in the weighted average discount rate from 8.75% to 8.50%.

Other changes in the actuarial present value of accumulated plan benefits in the amount of \$19,951,000 are primarily due to a net loss resulting from actual experience differing from assumptions made.

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other facts might be applicable in determining the actuarial present value of accumulated plan benefits.

Use of Estimates

The preparation of the Plan's financial statements in conformity with generally accepted accounting principles requires the plan administrator to make significant estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein, disclosures of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results could differ from those estimates.

Valuation of Investments and Investment Income

The Plan has an undivided interest in the Avaya Inc. Master Pension Trust (the "Master Trust") and its interest is stated at fair value (Note 5). The fair value of the Plan's interest in the Master Trust is calculated by the Trustee. Investment income and expenses relating to the Master Trust are allocated to the Plan based upon average monthly balances invested by each participating plan. The Plan's interest in the Master Trust represents more than 5% of the Plan's net assets at December 31, 2009 and 2008.

The Plan presents in the statement of changes in net assets available for benefits the Plan interest in the Master Trust investment income, which includes its allocation of realized gains and losses and the unrealized appreciation/(depreciation) on those investments, dividends and interest income.

Administration Costs

Administration costs incurred by Avaya, to the extent directly related to the Plan, are generally charged back to the Plan. These costs include recordkeeping, investment management, investment consulting, trustee fees, audit fees and salaries and benefits of Avaya investment management employees associated with work related to the Plan. All other expenses are paid by Avaya.

Benefit Payments

Benefit payments are recorded when paid.

Recent Accounting Pronouncements

In June 2009, the FASB issued Statement of Financial Accounting Standards No. 168, *The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles—a replacement of FASB Statement No. 162* ("SFAS 168"). SFAS 168 established the FASB Accounting Standards Codification ("ASC") as the source of authoritative accounting principles recognized by the FASB. Updates to the ASC are issued by the FASB in the form of Accounting Standards Updates ("ASUs"). SFAS 168 (codified in ASC Topic 105, "Generally Accepted Accounting Principles"), became effective for the Plan's financial statements for the year ended December 31, 2009, and specific references to accounting standards in the notes to the Plan's financial statements have been updated to reflect this change.

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In March 2008, the FASB issued FAS No. 161, *Disclosures about Derivative Instruments and Hedging Activities -- An Amendment of FASB Statement No. 133* (codified in ASC Topic 815, "Derivatives and Hedging"). This guidance requires enhanced disclosures about an entity's derivative and hedging activities, including: 1. How and why an entity uses derivative instruments; 2. How derivatives and related hedged items are accounted for; and 3. How derivative instruments and related hedged items affect an entity's financial statements. FAS 161 became effective for the Plan's financial statements for the year ended December 31, 2009, and the Plan's required disclosures are included in Note 5.

In April 2009, the FASB issued FSP No. FAS 157-4, *Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly* (codified in ASC Topic 820, "Fair Value Measurements and Disclosures"). This FSP provided additional guidance for estimating fair value when the market activity for an asset or liability has significantly declined. This FSP became effective for the Plan's financial statements for the year ended December 31, 2009, and adoption of its guidance did not have a material impact.

The *Income Taxes* topic of the FASB ASC 740, *Uncertainty for Certain Tax Positions* clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements and is effective for fiscal years beginning after December 15, 2008. The Plan adopted the provisions of the topic and the adoption did not impact the amounts reported in the Plan's financial statements.

In May 2009, the FASB issued Statement of Financial Accounting Standards No. 165, *Subsequent Events* (codified in ASC Topic 855, "Subsequent Events"), which requires the Plan to evaluate subsequent events through the date the financial statements are available to be issued and to disclose this date. ASC Topic 855 became effective for the Plan's financial statements for the year ended December 31, 2009 and the Plan's required disclosures are included in Note 10.

In September 2009, the FASB issued ASU No. 2009-12, *Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*, which amends ASC Subtopic 820-10, *Fair Value Measurements and Disclosures – Overall*. As a practical expedient, the amendment permits a reporting entity to measure the fair value of certain investments on the basis of the net asset value per share of the investment. The amendment also requires new disclosures about the attributes of the investments that fall within its scope. This ASU became effective for the Plan's financial statements for the year ended December 31, 2009, and the Plan's required disclosures are included in Note 6.

In January 2010, the FASB issued ASU No. 2010-06, *Improving Disclosures about Fair Value Measurements*, which amends ASC Subtopic 820-10, *Fair Value Measurements and Disclosures – Overall*. The amendment requires a gross presentation of the activities within the Level 3 fair value measurement roll forward, new disclosures concerning significant transfers in and out of Level 1 and Level 2 fair value measurements, and provides clarifying guidance concerning the level of disaggregation of fair value measurements and disclosures regarding inputs and valuation techniques used for fair value measurements that fall in either Level 2 or Level 3. The ASU is effective for interim and annual reporting periods beginning after December 15, 2009, except for the disclosures in the roll forward activities within the Level 3 fair value measurement, which are effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years. The Plan elected to early adopt the clarifying guidance concerning the level of disaggregation of fair value measurements effective December 31, 2009, which affected the tabular presentation of the fair value of assets, by level, within the fair value hierarchy included in Note 6. The Plan did not early adopt the other provisions of the ASU.

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3. Risks and Uncertainties

The Master Trust invests in corporate debt and equity and fixed income securities, joint ventures and partnerships, commingled trusts and other pooled accounts, and derivatives. These investments are exposed to various risks, such as interest rate, market and credit risks. Additionally, plan contributions and the actuarial present value of accumulated plan benefits are calculated based on certain assumptions pertaining to interest and mortality rates, inflation rates and employee demographics, all of which are subject to change. Due to the level of risk associated with certain investment securities and uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in the value of certain investments and these estimates and assumptions, in the near term, could materially affect the amounts reported in these financial statements.

Market values of investments may decline for a number of reasons, including changes in prevailing market and interest rates, increases in defaults and credit rating downgrades.

4. Information Certified by the Trustee

As permitted by 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the investment balances, as well as any information related to investments and investment activity in the accompanying financial statements, were derived from information certified as complete and accurate by BNY Mellon (the "Trustee") as summarized below.

(dollars in thousands)	December 31,	
	2009	2008
Investments		
Plan interest in Avaya Inc. Master Pension Trust as certified by the Trustee	\$ 1,205,094	\$ 1,316,718
Adjustment to Fair Value*	-	(26,433)
Plan interest in Avaya Inc. Master Pension Trust	<u>\$ 1,205,094</u>	<u>\$ 1,290,285</u>

(dollars in thousands)	Year Ended December 31, 2009	
Investment income		
Plan interest in Avaya Inc. Master Pension Trust as certified by the Trustee	\$	9,095
Adjustment to fair value*		26,433
Plan interest in Avaya Inc. Master Pension Trust investment income	<u>\$</u>	<u>35,528</u>

*The reversal of the Plan's proportionate share, 64.6% of a \$41M adjustment to the fair value of the Master Trust's net assets at December 31, 2008, to reflect the difference between the preliminary value certified by the Trustee and the final value as reported by the investment managers of certain commingled funds and partnerships. This adjustment was audited for the year ended December 31, 2008.

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5. Interest in Master Pension Trust

The Plan's assets are held in the Master Trust, which was established for the investment of assets of the Plan and The Avaya Inc. Pension Plan (collectively, the "participating plans"). The Master Trust records purchases and sales of investments on the trade date. Interest income and expenses are recorded on an accrual basis. Dividend income is recorded on the ex-dividend date. Net appreciation includes gains and losses on investments bought and sold as well as held during the year. The participating plans in the Master Trust have an undivided interest in Master Trust assets. The Plan's interest in the Master Trust was 64.8% and 64.6% as of December 31, 2009 and 2008, respectively.

A detail by general type of the assets in the Master Trust as of December 31, 2009 and 2008 at fair value which was determined from information certified as accurate and complete by the Trustee was as follows:

<i>(dollars in thousands)</i>	2009	2008
Investments at fair value		
Securities lending collateral in short-term investments	\$ -	\$ 48
Cash equivalents	6,556	-
U.S. Government securities	250,255	139,968
Corporate debt (including \$0 and \$48 of securities on loan at December 31, 2009 and 2008, respectively)	445,858	422,487
Corporate stock	223,903	197,926
Partnerships/joint ventures	233,466	253,768
Common/collective trusts	323,401	863,481
103-12 investment entities	213,177	80,833
Registered investment companies	59,465	1,153
Other	104,898	79,036
Total Master Trust investments	1,860,979	2,038,700
Adjustment to fair value	-	(40,925)
Receivables (dividends, interest, securities sold)	107,053	-
Total Master Trust assets	1,968,032	1,997,775
Liabilities (dividends, interest, securities purchased)	108,939	-
Liability for return of cash collateral for securities lending	-	48
Net assets in Master Trust	<u>\$ 1,859,093</u>	<u>\$ 1,997,727</u>

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Investment income for the Master Trust for the year ended December 31, 2009, determined from information certified as accurate and complete by the Trustee is as follows:

(dollars in thousands)

Investment income

Net appreciation (depreciation) in fair value of investments	
Cash equivalents	\$ (5,428)
U.S. Government securities	(39,198)
Corporate debt	30,942
Corporate stock	45,886
Partnerships/joint ventures	(43,438)
Common and collective trusts	53,837
103-12 investment entities	80,037
Registered investment entities	32,824
Other investments	
Derivative instruments	(209,579)
Other	30,103
Total Other investments	(179,476)
Total net depreciation in fair value of investments	(24,014)
Adjustment to fair value	40,925
Interest	32,942
Dividends	8,952
Other	230
	<u>\$ 59,035</u>

Derivative Financial Instruments

The Master Trust enters into derivative financial instruments in support of its investment strategy, principally to:

- limit or minimize exposure to certain risks,
- gain exposures to a market more rapidly or less expensively than could be accomplished through the use of the cash markets, and
- increase investment returns by reducing the cost of structuring the portfolio or by capturing value disparities between financial instruments.

The Master Trust primarily enters into swap, future and option type derivative instruments. The following is a summary of the significant accounting policies associated with the Master Trust's use of derivatives.

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Futures

When entering into a futures contract, the Master Trust is required to pledge to the broker an amount of cash and/or liquid securities equal to the minimum "initial margin" requirements of the exchange. Pursuant to the futures contract, the Master Trust receives from or pays to the broker an amount of cash equal to the daily fluctuation in the value of the futures contract. Such receipts or payments are known as "variation margin" which is settled daily and is included in realized gains (losses).

Options

The Master Trust may buy or write put and call options through listed exchanges and in the over-the-counter market. Buying or writing an option, requires an amount equal to the premium paid or received by the Master Trust to be recorded as an asset or liability and is subsequently adjusted to the current market value of the option purchased or written. The premiums paid or received from buying or writing options are recorded as realized gains or losses upon the expiration of the options. The difference between the premium and the amount paid or received when closing a purchase or sale transaction is also treated as a realized gain or loss. If an option is exercised, the premium paid or received is recorded as a realized gain or loss if sold or an adjustment to cost if acquired.

Swap Agreements

The Master Trust may enter into swap agreements, as part of its overall investment strategy, such as interest rate, credit default and total return swap agreements. A swap is an agreement to exchange the return generated by one instrument for the return generated by another instrument. Swaps are marked to market daily based upon quotations from counterparties and the change, if any, is recorded as unrealized appreciation or depreciation in the Statement of Changes in Net Assets Available for Benefits. Payments received or made during the swap contract and at the termination of the swap are recorded as realized gain or loss in the Statement of Changes in Net Assets Available for Benefits.

Interest rate swaps are agreements to exchange cash flows periodically based on a notional principal amount, for example, the exchange of fixed rate interest payments for floating rate interest payments. The primary risk associated with interest rate swaps is that unfavorable changes in fluctuation of interest rates could adversely impact a fund.

Credit default swaps involve the exchange of a fixed rate premium for protection against the loss in value of an underlying debt instrument in the event of a defined credit event (such as payment default or bankruptcy). Under the terms of the swap, one party acts as a "guarantor" receiving a periodic premium payment that is a fixed percentage applied to a notional amount of the underlying instrument. If a credit event occurs, the premium payment stops and the guarantor pays the counterparty the par value of the underlying instrument. The Fund may enter into credit default swaps in which either it or its counterparty act as guarantors. By acting as the guarantor of a swap, a fund assumes the market and credit risk of the underlying instrument including liquidity and loss of value.

These derivative financial instruments involve, to varying degrees, elements of credit and market risk in excess of amounts recognized on the Statement of Net Assets Available for Benefits. The contract or notional amounts of these instruments, which are not included in the financial statements, are indicators of the Master Trust's activities in such financial instruments, but are not indicative of the associated risk which is generally a smaller percentage of the notional amount. Swaps agreements may involve, to varying degrees, elements of market, counterparty and credit risk and exposure to loss in excess of the related amounts reflected on the Statement of Net Assets available for Benefits. If there is a default by the counterparty to a swap contract, the

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Master Trust will be limited to contractual remedies pursuant to the agreements related to the transactions.

The measurement of market risk is meaningful only when all related and offsetting transactions are taken into consideration. The Master Trust investment managers are responsible for monitoring the financial condition of the firms used for derivative financial instruments trading in order to minimize the risk of loss. Exposure limits are placed on firms relative to their credit worthiness. Credit risk is the possibility that a loss may occur from a counterparty's failure to perform according to the terms of the contract. Market risk arises due to market price, interest rate and foreign exchange rate fluctuations that may result in a decrease in the market value of the financial instrument and/or an increase in its funding costs. Exposure to market risk is managed through position limits and other controls and by entering into counterbalancing positions. Credit risk is controlled through credit approval, limits, and monitoring procedures.

The notional amount and fair value, of derivative instruments at December 31, 2009 and 2008 are presented in the tables below:

(dollars in thousands)

As of December 31

	Asset Derivatives				Liability Derivatives			
	2009		2008		2009		2008	
	Notional Amount	Fair Value Amount	Notional Amount	Fair Value Amount	Notional Amount	Fair Value Amount	Notional Amount	Fair Value Amount
Derivatives not designated as hedging instruments under ASC 815								
Interest rate contracts	\$ 121,150	\$ 10,287	\$ 990,290	\$ 295,132	\$ (975,800)	\$ (65,893)	\$ 11,790	\$ (20,805)
Credit contracts	-	-	8,600	2,204	-	-	32,297	(2,477)
Futures contracts	(9,564)	1,032	-	-	30,921	(1,258)	-	-
Total derivatives not designated as hedging instruments under ASC 815	\$ 111,586	\$ 11,319	\$ 998,890	\$ 297,336	\$ (944,880)	\$ (67,151)	\$ 44,087	\$ (23,282)

The Plan's allocable fair value of the Trust's derivative instruments is included in the Plan interest in Avaya Inc. Master Pension Trust line on the Statement of Net Assets Available for Benefits.

The effect of derivative instruments on investment income for the year ended December 31, 2009 is as follows:

	(dollars in thousands)
Derivatives not designated as hedging instruments under ASC 815	Amount of Gain (Loss) Recognized in Income
Interest rate contracts	\$ (206,640)
Credit contracts	(15)
Total return contracts	(1,563)
Futures contracts	(1,361)
Total	\$ (209,579)

The Plan's allocable interest in the Trust's gain/(loss) recognized from derivatives instruments is included in the Plan interest in Avaya Inc. Master Pension Trust investment income line on the Statement of Changes in Net Assets Available for Benefits.

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Securities Lending

Prior to 2009, pursuant to the investment objectives of the Master Trust, securities lending transactions were permitted with the objective of adding investment income to the Master Trust. The Master Trust could lend securities it held to unaffiliated broker/dealers registered under the Securities Exchange Act of 1934, or banks organized in the United States of America through the Master Trust's participation in The Northern Trust Company securities lending program.

In October 2008, the Master Trust executed a staged withdrawal from The Northern Trust Company securities lending program. As a result, the value of securities on loan was zero at December 31, 2009, and \$48,000 at December 31, 2008.

Commitments

At December 31, 2009 and 2008, the Master Trust was committed to provide approximately \$37 million and \$50 million, respectively, of additional capital to certain investments, primarily through limited partnerships.

6. Fair Value Measurements

ASC 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to level 1 measurements, which include unadjusted quoted prices in active markets for identical assets, and the lowest priority to level 3 measurements, which are unobservable inputs. The three levels of the fair value hierarchy under ASC 820 are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that are accessible at the measurement date.

Level 2 – Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; and inputs other than quoted prices for the asset or liability that are observable either directly or indirectly.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

An asset's, or liability's, fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The following is a description of the valuation methodologies used by the Trustee to determine fair value of the assets in the Master Trust:

Cash equivalents: Includes commercial paper, certificates of deposit, securities issued or guaranteed by the U.S. government or its agencies, and repurchase agreements which are valued at cost plus accrued interest.

U.S. Government Debt Securities: U.S. government bonds, including T-Bills and inflation linked bonds are generally valued using institutional bid evaluations from various contracted pricing vendors such as Interactive Data Corporation (primary vendor), Standard & Poor's, and Barclays Capital. Institutional bid evaluations are estimated prices that represent the price a dealer would pay for a security. Pricing inputs to the institutional bid evaluation vary by security, and include benchmark yields, reported trades, unadjusted broker/dealer quotes, issuer spreads, bids, offers or

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other observable market data. If pricing is not available through one of the contracted vendors, then pricing is obtained from another source such as Reuters.

Corporate Debt Instruments: Corporate bonds, including high yield corporate bonds, are generally valued using institutional bid evaluations from various contracted pricing vendors such as Interactive Data Corporation (primary vendor), Standard & Poor's, and Barclays Capital. Institutional bid evaluations are estimated prices that represent the price a dealer would pay for a security. Pricing inputs to the institutional bid evaluation vary by security, and include benchmark yields, reported trades, unadjusted broker/dealer quotes, issuer spreads, bids, offers or other observable market data. If pricing is not available through one of the contracted vendors, then pricing is obtained from another source such as Reuters.

Corporate Stock - common and preferred: Securities listed on exchanges (e.g. New York Stock Exchange) are valued using the composite close price. The composite close price is the last trade of the day and can come from any exchange on which the security trades. Generally, the last trade of the day comes from the primary exchange; therefore, the composite close and the primary close price are generally the same.

Partnerships/joint venture interests: Consist of limited partner interests in various limited partnerships (LPs) that own equity interests in both private equity funds and direct co-investments, including venture capital, leveraged buyouts, distressed opportunities and real estate. The fair value of the net assets of the LPs and of the capital accounts of each limited partner is determined by the General Partner (GP) of each partnership. The fair value of investments is the capital account value as determined by the GP. Marketable securities held by the LPs are valued based on the closing price on the valuation date on the exchange where they are principally traded and may be adjusted for legal restrictions, if any. Investments without a public market are valued based on assumptions made and valuation techniques used by the GP or the Investment Manager consisting of unobservable inputs. Such valuation techniques may include discounted cash flow analysis, analysis of recent comparable sales transactions, actual sale negotiations and bona fide purchase offers received from third parties. Investments in the LPs represent illiquid investments that typically have commitment periods during which investors are required to make capital contributions. Also, typically an investor cannot transfer their interest in a partnership or withdraw from the partnership without the consent of the GP.

Common/collective trusts, 103-12 investment entities, registered investment companies and hedge funds): Consist of open-end funds and unit investment trusts that invest in various asset classes, including U.S. equity, international equity, fixed income securities and hedge funds. The funds account for their portfolio of assets at fair value and calculate the net asset value per share (NAV) of the fund on either a daily or monthly basis. Some funds, primarily hedge funds, limit redemptions to monthly, quarterly or semi-annually to manage liquidity and protect the interests of the fund and its shareholders. However, since trades (purchases and redemptions) are executed using the NAV as calculated on the trade date, the undiscounted NAV as reported by the fund is used as the fair value measurement.

Derivative instruments: Include futures, options and swap agreements. Futures and options are generally valued using the last trade price at which a specific contract/security was last traded on the primary exchange, which is provided by a contracted vendor. If pricing is not available from the contracted vendor, then pricing is obtained from other sources such as Bloomberg, broker bid, ask/offer quotes or the investment manager. Swaps and Swaptions are generally valued by one of several contracted pricing vendors who use inputs such as interdealer broker rates and benchmark yields to create a swap yield curve and determine price based on the terms of the swap. If pricing is not available through one of the contracted vendors, then pricing is obtained from another source such as the investment manager, who obtains the mark-to-market value from the counterparty (i.e.

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UBS, Deutsche Bank, Goldman Sachs and Citigroup) and applies this value to the current face of the trade to determine price.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Master Trust believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Effective December 31, 2009, on a prospective basis, the Plan elected to early adopt the provisions of ASU No. 2010-06 concerning the level of disaggregation of fair value measurements. The following table sets forth by level, within the fair value hierarchy, the Master Trust's investments at fair value as of December 31, 2009.

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(dollars in thousands)

Investments at Fair Value as of December 31, 2009

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 210	\$ 6,346	\$ -	\$ 6,556
U.S. Government securities	-	250,255	-	250,255
Corporate debt instruments				
Investment grade	-	400,673	1,485	402,158
High-yield	-	40,717	2,983	43,700
Total corporate debt instruments	-	441,390	4,468	445,858
Corporate stock - preferred	1,569	745	100	2,414
Corporate stock - common				
U.S. large/mid-cap	108,166	-	-	108,166
U.S. small cap	46,599	2	-	46,601
Non-U.S. EAFE	66,722	-	-	66,722
Total corporate stock - common	221,487	2	-	221,489
Partnership/joint venture interests				
Real estate	-	-	20,136	20,136
Private equity	-	55,229	158,101	\$ 213,330
Total partnership/joint venture interests	-	55,229	178,237	233,466
Common/collective trusts				
U.S. equity	-	210,978	-	210,978
Non-U.S. equity	-	43,030	-	43,030
Emerging market debt	-	69,346	-	69,346
Cash and cash equivalents	-	46	-	46
Total common/collective trusts	-	323,401	-	323,401
103-12 investment entities				
U.S. equity	-	23,687	-	23,687
Non-U.S. equity	-	95,005	-	95,005
Emerging market equity	-	94,485	-	94,485
Total 103-12 investment entities	-	213,177	-	213,177
Registered investment companies				
High-yield	53,197	-	-	53,197
Cash and cash equivalents	6,268	-	-	6,268
Total registered investment companies	59,465	-	-	59,465
Other investments				
Multi-strategy hedge funds	-	54,787	66,302	121,089
Derivative instruments	(637)	(55,606)	410	(55,833)
Other	-	39,641	-	39,641
Total other investments	(637)	38,823	66,712	104,898
Total investments at fair value	\$ 282,094	\$ 1,329,368	\$ 249,517	\$ 1,860,979

The Avaya Inc. Pension Plan for Salaried Employees

Notes to Financial Statements

December 31, 2009 and 2008

The following table sets forth by level, within the fair value hierarchy, the Master Trust's assets at fair value as of December 31, 2008.

(dollars in thousands)

Net Assets at Fair Value as of December 31, 2008

	Level 1	Level 2	Level 3	Total
U.S. Government securities	\$ -	\$ 138,605	\$ 1,363	\$ 139,968
Corporate bonds	-	366,488	55,999	422,487
Corporate stock	197,069	321	536	197,926
Commingled funds/common and collective trusts	303,488	515,448	39,932	858,868
103-12 investment entities	-	80,833	-	80,833
Registered investment companies	1,153	-	-	1,153
Partnerships in joint venture interests	46	-	217,410	217,456
Other	23,045	49,112	6,879	79,036
Total net assets at fair value	<u>\$ 524,801</u>	<u>\$ 1,150,807</u>	<u>\$ 322,119</u>	<u>\$ 1,997,727</u>

The following sets forth a summary of changes in the fair value of the Master Trust's level 3 investments for the year ended December 31, 2009.

(dollars in thousands)

Level 3 Assets

	U.S. Gov't Securities	Corporate Debt Instruments	Corporate Stock - Preferred	Common/Collective Trusts	Partnership/Joint Venture	Other	Total
Beginning balance 1/1/09	\$ 1,363	\$ 55,999	\$ 536	\$ 39,932	\$ 217,410	\$ 6,879	\$ 322,119
Realized gains/(losses)	19	4,425	(4)	-	(10,919)	(5,294)	(11,773)
Unrealized gains/(losses) relating to investments still held at the end of the period	-	(1,914)	(400)	-	23,123	(5,096)	15,713
Purchases, sales and settlements (net)	(47)	(24,504)	(32)	-	(2,988)	(18,098)	(45,669)
Transfers in/(out)	(1,335)	(29,538)	-	(39,932)	(48,389)	88,321	(30,873)
Ending balance 12/31/09	<u>\$ -</u>	<u>\$ 4,468</u>	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ 178,237</u>	<u>\$ 66,712</u>	<u>\$ 249,517</u>

For investment funds and partnership interests whose fair value is based on the net asset value of the investment (or its equivalent), the attributes of the investments, such as the investment strategies of the investee, and any unfunded commitments and any restrictions on the Plan's ability to redeem its investments at December 31, 2009, are presented below

(dollars in thousands)

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Cash equivalent investment funds ^[a]	\$ 46	\$ -	daily	1 day
U.S. equity investment funds ^[b]	234,665	-	daily, monthly	3 - 15 days
Non-U.S. equity investment funds ^[c]	232,520	-	daily, monthly	3 - 120 days
Debt investment funds ^[d]	69,346	-	monthly	7 days
Real estate partnerships ^[e]	20,136	3,113		
Private equity partnerships ^[f]	213,330	33,924		
Multi-strategy hedge funds ^[g]	121,089	-	monthly, quarterly, semi-annually and annually	5 - 120 days
Total	<u>\$ 891,132</u>	<u>\$ 37,037</u>		

The Avaya Inc. Pension Plan for Salaried Employees

Notes to Financial Statements

December 31, 2009 and 2008

- a. This category consists of a commingled fund which invests in short-term securities including: U.S. commercial paper and securities issued or guaranteed by the U.S. government or its agencies.
- b. This category includes investments in commingled funds that invest in the stocks of U.S. large and small companies.
- c. This category includes investments in commingled funds that invest in the stocks of large and small companies in both developed and emerging markets outside the U.S.
- d. This category includes an investment in a commingled fund that invests in a diversified portfolio of emerging markets debt securities.
- e. This category includes several real estate limited partnerships that invest primarily in U.S. office, lodging, retail and residential real estate. The fair values of the investments in this category have been estimated using the Trust's capital account value as determined by the GP. Distributions from each partnership will be received as the underlying investments of the partnerships are liquidated. It is estimated that the underlying assets of the partnerships will be liquidated over the next 2 to 4 years.
- f. This category includes several private equity limited partnerships that invest primarily in U.S. and non-U.S. investments either directly or through other partnerships or funds with a focus on venture capital, buyouts, expansion capital, or companies undergoing financial distress or significant restructuring. The fair values of the investments in this category have been estimated using the Trust's capital account value as determined by the GP. Distributions from each partnership will be received as the underlying investments of the partnerships are liquidated. The estimated timeframe for liquidating the underlying assets varies by partnership, with full liquidation of all existing partnerships expected to be completed by the year 2019.
- g. This category includes hedge fund of funds that pursue multiple strategies to diversify risks and reduce volatility. The fair values of the investments in this category have been estimated using the net asset value per share of the investments. For one investment, valued at \$21.8 million, the fund manager imposes a lockup period, which expires on June 30, 2010 for the Trust. Therefore, the Trust is not permitted to make redemptions until after this date. For another investment, valued at \$19.5 million, the fund manager imposes a gate that can limit the amount of an investor's redemption request. The fund is comprised of two series, an ordinary (liquid) series and a side pocket (illiquid) series. For the ordinary series, the sum of all investors' redemptions requests in any quarter is limited to 6.25% of the total assets in the fund. Therefore, if total redemption requests exceed this limit, each investor's redemption is reduced pro rata so that the sum of the redemptions does not exceed the limit. For the side pocket series, redemptions are not permitted until the occurrence of a 'realized value' event that converts an investment from the side pocket series to the ordinary series. For another investment, valued at \$10.2 million, the hedge fund manager initiated a compulsory redemption effective March 28, 2008. The Trust has been receiving distributions from the fund, but the fund manager cannot provide an estimate as to when the fund will be fully liquidated. For another investment, valued at \$12.3 million, the Trust requested a full redemption effective April 1, 2009. This investment is comprised of both a liquid portfolio and an illiquid side pocket. Redemption of the liquid portfolio is limited to 12.5% per quarter; therefore, full redemption is expected to be completed by April 1, 2011. Redemption of the liquid portfolio is on a best effort basis. Since the side pocket includes 5-year maturity notes, then the worst case scenario is that full redemption will take 5 years.

The Avaya Inc. Pension Plan for Salaried Employees

Notes to Financial Statements

December 31, 2009 and 2008

7. Termination Priorities

Although it has not expressed any intention to do so, the company has the right under the Plan to terminate the Plan subject to the provisions set forth under ERISA. In the event the Plan terminates:

- a. the Plan provides that the net assets available for benefits shall be allocated among the participants and beneficiaries of the Plan in the order provided for in ERISA,
- b. to the extent unfunded vested benefits then exist, ERISA provides that such benefits are payable by the Pension Benefit Guaranty Corporation ("PBGC") to participants, up to specified limitations, as described in ERISA, and
- c. to the extent that the net assets available for benefits exceed the amounts to be allocated pursuant to the priorities provided for in ERISA, such amounts will be allocated among participants pursuant to the priorities set forth in the Plan.

Whether all participants receive their full benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated benefit obligations and may also depend on the financial condition of the Plan sponsor and the level of benefits guaranteed by the PBGC.

8. Related Party Transactions

Transactions with the Trustees, BNY Mellon in 2009 and Northern Trust in 2008, qualify as party-in-interest transactions. For the year ended December 31, 2009 \$319,601 of trustee expenses were incurred by the Master Trust and allocated to the Plan.

Transactions with the investment advisor, JPMorgan Pension Advisory Group (JPM-PAG), qualify as party-in-interest transactions. JPM-PAG also manages the interest rate risk hedging strategy for the Master Trust. For the year ended December 31, 2009 services incurred by the Master Trust amounted to \$2,820,421 for JPM-PAG.

9. On August 17, 2006, the Pension Protection Act (the "Act") was signed into law. Included in its many provisions are numerous revisions to rules surrounding defined benefit plans including rules that govern Plan funding. The Act establishes new minimum funding standards (effective for plan years after December 31, 2007) for defined benefit plans and limits benefit increases and accruals for underfunded plans. Pursuant to the Act, each year actuaries are required to certify to a plan's funded percentage. The Plan received such certification for the 2009 plan year for the Adjusted Funding Target Attainment Percentage ("AFTAP"), which is one way of measuring the funded status of a Plan using actuarial assumptions mandated by the IRS. The actuary determined that the 2009 AFTAP for the Plan is 97.98%.

10. Tax Status

The Plan, as established, is designed in accordance with the Internal Revenue Code (IRC). On January 23, 2008, the Plan received a favorable determination letter from the Internal Revenue Service. The Plan has been amended since receiving the determination letter, however, both the Plan's administrator and legal counsel believe that the Plan is designed and is currently operating in compliance with applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

The Avaya Inc. Pension Plan for Salaried Employees
Notes to Financial Statements
December 31, 2009 and 2008

11. Subsequent Events

Subsequent events have been evaluated as of October 14, 2010, the date the financial statements were available to be issued.

Avaya Inc.

EIN: 22-3713430 PN 001

Avaya Inc. Pension Plan for Salaried Employees

Attachment to Schedule R, Part VI, Line 18

This plan is covered under the AT&T/Bell System Mandatory Portability Agreement related to the 1984 AT&T Divestiture of its Operating Telephone Companies and, as such, there will be transfers from time to time among the participating companies under this agreement.

Plan Sponsor: Avaya Inc.

Plan Name: Avaya Inc. Pension Plan For Salaried Employees

EIN: 22-3713430 PN: 001

Schedule SB, Line 22 – Description of Weighted Average Retirement Age

Retirement Rates for Males				
Age	Rate	Population	Exit Count	Weighted
55	0.0750	1.0000	0.0750	4.13
56	0.0900	0.9250	0.0833	4.66
57	0.0975	0.8418	0.0821	4.68
58	0.1125	0.7597	0.0855	4.96
59	0.1275	0.6742	0.0860	5.07
60	0.1425	0.5883	0.0838	5.03
61	0.1800	0.5044	0.0908	5.54
62	0.2325	0.4136	0.0962	5.96
63	0.1950	0.3175	0.0619	3.90
64	0.2175	0.2556	0.0556	3.56
65	0.2850	0.2000	0.0570	3.70
66	0.3600	0.1430	0.0515	3.40
67	0.3500	0.0915	0.0320	2.15
68	0.3500	0.0595	0.0208	1.42
69	0.4900	0.0387	0.0189	1.31
70	1.0000	0.0197	0.0197	1.38
Total			1.0000	60.83

Retirement Rates for Females				
Age	Rate	Population	Exit Count	Weighted
55	0.1050	1.0000	0.1050	5.78
56	0.1200	0.8950	0.1074	6.01
57	0.1350	0.7876	0.1063	6.06
58	0.1575	0.6813	0.1073	6.22
59	0.1725	0.5740	0.0990	5.84
60	0.1950	0.4750	0.0926	5.56
61	0.2250	0.3823	0.0860	5.25
62	0.2475	0.2963	0.0733	4.55
63	0.2475	0.2230	0.0552	3.48
64	0.2625	0.1678	0.0440	2.82
65	0.3225	0.1237	0.0399	2.59
66	0.3900	0.0838	0.0327	2.16
67	0.3800	0.0511	0.0194	1.30
68	0.3800	0.0317	0.0120	0.82
69	0.5100	0.0197	0.0100	0.69
70	1.0000	0.0096	0.0096	0.67
Total			1.0000	59.80

Total Weighted Average Retirement Age: 60
(Average of Male and Female)

Plan Sponsor: Avaya Inc.

Plan Name: Avaya Inc. Pension Plan For Salaried Employees

EIN: 22-3713430 PN: 001

Schedule SB, line 24– Change in Actuarial Assumptions

Estimated plan administrative expenses are included in the 2009 Target Normal Cost.
These estimated expenses were not included in the 2008 Target Normal Cost.

Plan Sponsor: Avaya Inc.

Plan Name: Avaya Inc. Pension Plan For Salaried Employees

EIN: 22-3713430 PN: 001

Schedule SB, line 25– Change in Method

A. Funding Target

The interest rate basis used to determine the Funding Target for plan year 2009 was changed to the October 2008 corporate bond yield curve provided in IRS Notice 2008-105. (The Funding Target for plan year 2008 was determined using the December 2007 corporate bond yield curve provided in IRS Notice 2008-17).

B. Actuarial Value of Assets

The actuarial value of assets for plan year 2009 was changed to a 12-month averaging methodology as permitted under proposed regulation §1.430(g)-1(c)(2) and IRS Notice 2009-22. (For plan year 2008, the Actuarial Value of Assets was set equal to the Fair Market Value).

Plan Sponsor: Avaya Inc
Plan Name : Avaya Inc. Pension Plan For Salaried Employees
EIN 22-3713430 PN 001

Schedule SB, Line 26, Schedule of Active Participants

	COMPLETED YEARS OF SERVICE																														
Attained Age	Under 1			1 to 4			5 to 9			10 to 14			15 to 19			20 to 24			25 to 29			30 to 34			35 to 39			40 & UP			Total
	Average			Average			Average			Average			Average			Average			Average			Average			Average						
	No.	Accd Ben	Cash Bal.	No.	Accd Ben	Cash Bal.	No.	Accd Ben	Cash Bal.	No.	Accd Ben	Cash Bal.	No.	Accd Ben	Cash Bal.	No.	Accd Ben	Cash Bal.	No.	Accd Ben	Cash Bal.	No.	Accd Ben	Cash Bal.	No.	Accd Ben	Cash Bal.	No.			
15-24	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
25-29	-	-	-	1	-	-	26	1,674	4,098	9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	36		
30-34	2	-	-	1	-	-	119	2,326	6,793	99	4,568	1,862	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	222		
35-39	1	-	-	4	-	-	210	2,822	10,074	264	5,350	3,492	41	9,084	1,517	5	-	-	-	-	-	-	-	-	-	-	-	-	525		
40-44	-	-	-	-	-	-	174	3,094	13,375	232	6,161	5,165	96	11,818	3,287	102	15,049	2,514	7	-	-	-	-	-	-	-	-	-	611		
45-49	-	-	-	2	-	-	179	3,250	16,813	219	6,398	7,512	78	10,658	8,881	228	18,997	1,132	187	23,132	655	28	21,761	-	-	-	-	-	921		
50-54	6	-	-	1	-	-	123	3,366	21,092	134	6,952	7,493	45	11,156	12,900	98	17,203	3,341	259	27,134	480	106	25,205	698	11	-	-	-	783		
55-59	8	-	-	-	-	-	73	3,184	24,651	92	6,815	8,787	33	10,765	15,974	30	15,986	2,752	55	22,307	1,900	35	24,666	236	66	28,924	-	5	-	397	
60-64	5	-	-	-	-	-	38	3,372	31,063	49	6,889	5,940	7	-	-	13	-	-	23	27,839	-	10	-	-	33	32,556	-	32	35,025	210	
65-69	-	-	-	-	-	-	10	-	-	9	-	-	3	-	-	3	-	-	1	-	-	-	-	-	-	-	7	-	33		
70+	-	-	-	-	-	-	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2		
Total:	22			9			954			1,107			304			479			532			179			110			44	3,740		

Note:
1. The plan is "hard frozen" and the average accrued benefits shown are in lieu of average compensation.
2. Accrued Benefit and Cash Balance information is not provided for any grouping that contains fewer than 20 participants.

Plan Sponsor: Avaya Inc.

Plan Name: Avaya Inc. Pension Plan For Salaried Employees

EIN: 22-3713430 PN: 001

Schedule SB, Line 32 – Schedule of Amortization Bases

Type of Base	Date Established	Period Remaining	Current Year Present Value Factor	Balance		Annual Payment
				Original	Remaining	
Shortfall	1/1/2009	7	5.6614	(\$128,527,202)	(\$128,527,202)	(\$22,702,371)
Shortfall	1/1/2008	6	5.0399	\$194,319,569	\$161,483,864	\$32,041,085
Total						\$9,338,714

Plan Sponsor: Avaya Inc.

Plan Name: Avaya Inc. Pension Plan For Salaried Employees

EIN: 22-3713430 PN: 001

Notes Regarding 2009 Schedule SB (Form 5500)

1. The interest rate basis used to determine the Funding Target for plan year 2009 was changed to the October 2008 corporate bond yield curve provided in IRS Notice 2008-105. (The Funding Target for plan year 2008 was determined using the December 2007 corporate bond yield curve provided in IRS Notice 2008-17).
2. The actuarial value of assets for plan year 2009 was changed to a 12-month averaging methodology as permitted under proposed regulation §1.430(g)-1(c)(2) and IRS Notice 2009-22. (For plan year 2008, the Actuarial Value of Assets was set equal to the Fair Market Value).

In making this certification, I have relied, as permitted under Sec. 103(a)(4)(D) of ERISA, on the correctness of the asset values and contribution information supplied by the plan administrator, on which the qualified public accountant engaged by the Plan has expressed an opinion. I have also relied on the correctness of the participant data supplied by the plan administrator. These items would customarily not be verified by the actuary. I have reviewed, and applied certain reasonableness and consistency checks to, the information furnished and I have no reason to doubt its substantial accuracy.



Signature of Actuary

10/11/2010

Date

Lawrence A. Golden

Name of Actuary

08-04197

Enrollment Number

Aon Consulting, Inc.
400 Atrium Drive, 5th Floor South
Somerset, NJ 08873-4162

Address

(732) 302-2142

Telephone Number

Plan Sponsor: Avaya Inc.
Plan Name: Avaya Inc. Pension Plan For Salaried Employees.
EIN: 22-3713430 PN: 001

Schedule SB, Part V, Statement of Actuarial Assumptions/Methods

Statement of Actuarial Cost Methods

Actuarial Value of Liabilities

The Plan costs developed in this report are estimates of the amounts necessary to provide the benefits to Plan participants assuming continued funding of the Plan in a systematic manner. These estimates are based upon the actuarial method as provided under the Pension Protection Act of 2006 (PPA) and related regulatory pronouncements and guidance.

The interest rate used to determine the Funding Target liabilities for 2009 was changed to the October 2008 corporate bond yield curve provided in IRS Notice 2008-105. The resulting Effective Interest Rate is 8.19%. The Funding Target liabilities for 2008 were determined using the December 2007 corporate bond yield curve provided in IRS Notice 2008-17, with a resulting Effective Interest Rate of 6.23%.

Actuarial Value of Assets

The actuarial value of assets for 2009 was changed to a 12-month averaging methodology as permitted under proposed regulation §1.430(g)-1(c)(2) and IRS Notice 2009-22. (In 2008, the Actuarial Value of Assets was set equal to the Fair Market Value). Under this methodology, the actuarial value of assets equals the average of:

- i. Fair Market Value of Assets as of the January 1, 2009 valuation date, and
- ii. Fair Market Value of Assets as of January 1, 2008, adjusted to January 1, 2009 by:
 - (a) increasing for contributions included in the January 1, 2009 fair market value that are not included at January 1, 2008,
 - (b) increasing for expected earnings* (at a rate of 6.43%) during the 12-month period, and
 - (c) reducing for benefits and administrative expenses paid from plan assets during the 12-month period.

* 2008 expected earnings limited to the 24-month average corporate bond yield third-segment rate for December 2007 (per IRS Notice 2009-22).

The resulting actuarial value of assets is limited to 90% to 110% of the January 1, 2009 fair market value.

Plan Sponsor: Avaya Inc.

Plan Name: Avaya Inc. Pension Plan For Salaried Employees.

EIN: 22-3713430 PN: 001

Schedule SB, Part V, Statement of Actuarial Assumptions/Methods (cont'd)

Statement of Actuarial Assumptions

- The assumptions have been developed so that each assumption is reasonable and represents the best estimate of anticipated experience under the Plan.
- All demographic actuarial assumptions are determined separately for Males and Females.
- Most of the assumptions are determined by attained age:
 - Mortality among Actives
 - Mortality among Service Pensioners
 - Rates of Retirement (Service Pension)
 - Rates of Retirement (Disability Pension)
 - Percentages of Employees (Active and Retired) Dying with Qualified Beneficiaries
- Two assumptions are determined by term-of-service:
 - Wage Scale Indices
 - Rates of Separation from Service (all causes)
- It was assumed that 55% of future male retirees and 10% of future female retirees would elect the survivor option.
- The assumed relative ages of the surviving spouse and an employee who dies after having attained 5 or more years of service are determined from a Telecommunications Industry Study.
 - For male employees at ages less than 59, the spouse is assumed to be three years younger; at ages 59 and above, the spouse is assumed four years younger. For female employees at ages less than 57, the spouse is assumed to be three years older; at ages 57 and above, the spouse is assumed two years older.
- Valuation of lump sum form of payment
 - Election rates
 - For terminations before retirement, 90% of participants are assumed to elect lump sums.
 - For retirement-eligible terminations, the lump sum election assumptions are as follows: 5% at age 60 and below, 10% at age 61, 20% at age 62, 30% at age 63, 50% at age 64, and 90% at age 65 and over.
 - Long-term §417(e) rate for determining lump sum values = October 2008 corporate bond yield curve (IRS Notice 2008-105).

Plan Sponsor: Avaya Inc.

Plan Name: Avaya Inc. Pension Plan For Salaried Employees.

EIN: 22-3713430 PN: 001

Schedule SB, Part V, Statement of Actuarial Assumptions/Methods (cont'd)

**Annual Rates of Employee Separation from Service
Before Eligibility for Service Retirement**

Service in years t	Rates of Separation during year t to t + 1	
	Male	Female
0	.1350	.1250
1	.1550	.1400
2	.1700	.1500
3	.1800	.1550
4	.1800	.1550
5	.1800	.1500
6	.1700	.1450
7	.1650	.1400
8	.1550	.1300
9	.1400	.1200
10	.1300	.1100
11	.1150	.1000
12	.1050	.0950
13	.0950	.0850
14	.0850	.0750
15	.0750	.0700
16	.0700	.0650
17	.0650	.0600
18	.0600	.0550
19	.0550	.0550
20	.0550	.0550
21	.0550	.0550
22	.0500	.0550
23	.0500	.0550
24	.0500	.0550
25	.0450	.0500
26	.0450	.0500
27	.0350	.0450
28	.0250	.0400
29	.0250	.0400

Source: Avaya experience 1996 - 2000

Plan Sponsor: Avaya Inc.

Plan Name: Avaya Inc. Pension Plan For Salaried Employees.

EIN: 22-3713430 PN: 001

Schedule SB, Part V, Statement of Actuarial Assumptions/Methods (cont'd)

**Annual Rates of Retirement on Disability Pension
Before Eligibility for Service Retirement**

Age x	Rates of Disability during year of age x to x + 1	
	Male	Female
29	0.0000	0.0001
30	0.0001	0.0003
31	0.0001	0.0005
32	0.0002	0.0006
33	0.0002	0.0007
34	0.0003	0.0010
35	0.0003	0.0013
36	0.0004	0.0015
37	0.0005	0.0017
38	0.0006	0.0019
39	0.0008	0.0022
40	0.0009	0.0024
41	0.0010	0.0026
42	0.0011	0.0027
43	0.0012	0.0029
44	0.0013	0.0031
45	0.0015	0.0033
46	0.0018	0.0035
47	0.0021	0.0038
48	0.0024	0.0042
49	0.0028	0.0046
50	0.0032	0.0050
51	0.0037	0.0055
52	0.0043	0.0061
53	0.0050	0.0067
54	0.0057	0.0072
55	0.0061	0.0077
56	0.0064	0.0081
57	0.0070	0.0085
58	0.0081	0.0093
59	0.0099	0.0107
60	0.0125	0.0126
61	0.0161	0.0150
62	0.0210	0.0180
63	0.0271	0.0217
64	0.0346	0.0260

Source: Combined Avaya, Lucent and AT&T experience 1985 - 1989

Plan Sponsor: Avaya Inc.

Plan Name: Avaya Inc. Pension Plan For Salaried Employees.

EIN: 22-3713430 PN: 001

Schedule SB, Part V, Statement of Actuarial Assumptions/Methods (cont'd)

Annual Rates of Retirement on Service Pension

Age x	Rates of Retirement during year of age x to x + 1	
	Male	Female
55	0.0750	0.1050
56	0.0900	0.1200
57	0.0975	0.1350
58	0.1125	0.1575
59	0.1275	0.1725
60	0.1425	0.1950
61	0.1800	0.2250
62	0.2325	0.2475
63	0.1950	0.2475
64	0.2175	0.2625
65	0.2850	0.3225
66	0.3600	0.3900
67	0.3500	0.3800
68	0.3500	0.3800
69	0.4900	0.5100
70	1.0000	1.0000

Source: Avaya experience 1996 – 2000, adjusted for changes in eligibility for early retirement benefits

Plan Sponsor: Avaya Inc.

Plan Name: Avaya Inc. Pension Plan For Salaried Employees.

EIN: 22-3713430 PN: 001

Schedule SB, Part V, Statement of Actuarial Assumptions/Methods (cont'd)

NON-ANNUITANT MORTALITY

Age x	Rates of mortality during year of age x to x+1		Age x	Rates of mortality During year of age x to x+1	
	Male	Female		Male	Female
15	0.000170	0.000115	68	0.006466	0.006158
16	0.000179	0.000123	69	0.006780	0.006463
17	0.000190	0.000131	70	0.006903	0.006750
18	0.000199	0.000134	71	0.007774	0.007373
19	0.000209	0.000132	72	0.009516	0.008619
20	0.000218	0.000130	73	0.012129	0.010487
21	0.000231	0.000127	74	0.015613	0.012978
22	0.000243	0.000129	75	0.019968	0.016092
23	0.000260	0.000134	76	0.025194	0.019829
24	0.000275	0.000140	77	0.031291	0.024188
25	0.000295	0.000148	78	0.038259	0.029170
26	0.000327	0.000160	79	0.046098	0.034775
27	0.000339	0.000167	80	0.054807	0.041002
28	0.000348	0.000176	81	0.062339	0.045382
29	0.000365	0.000186	82	0.070779	0.050310
30	0.000394	0.000207	83	0.078898	0.055861
31	0.000442	0.000253	84	0.089172	0.062127
32	0.000498	0.000289	85	0.098983	0.070337
33	0.000559	0.000317	86	0.109743	0.079719
34	0.000622	0.000342	87	0.123554	0.090353
35	0.000685	0.000364	88	0.138984	0.100638
36	0.000746	0.000385	89	0.153594	0.113562
37	0.000802	0.000405	90	0.172016	0.125502
38	0.000834	0.000426	91	0.187360	0.137817
39	0.000863	0.000451	92	0.206439	0.150220
40	0.000890	0.000491	93	0.222695	0.165060
41	0.000919	0.000539	94	0.238927	0.177036
42	0.000955	0.000593	95	0.259058	0.188377
43	0.000996	0.000652	96	0.274955	0.198905
44	0.001046	0.000716	97	0.290399	0.211822
45	0.001102	0.000763	98	0.310289	0.220391
46	0.001152	0.000810	99	0.324963	0.227712
47	0.001206	0.000857	100	0.339084	0.233696
48	0.001263	0.000927	101	0.358628	0.244834
49	0.001322	0.001002	102	0.371685	0.254498
50	0.001383	0.001111	103	0.383040	0.266044
51	0.001444	0.001232	104	0.392003	0.279055
52	0.001507	0.001402	105	0.397886	0.293116
53	0.001614	0.001598	106	0.400000	0.307811
54	0.001732	0.001824	107	0.400000	0.322725
55	0.001911	0.002083	108	0.400000	0.337441
56	0.002138	0.002385	109	0.400000	0.351544
57	0.002404	0.002669	110	0.400000	0.364617
58	0.002714	0.002918	111	0.400000	0.376246
59	0.002997	0.003191	112	0.400000	0.386015
60	0.003312	0.003485	113	0.400000	0.393507
61	0.003745	0.003799	114	0.400000	0.398308
62	0.004118	0.004128	115	0.400000	0.400000
63	0.004614	0.004468	116	0.400000	0.400000
64	0.005010	0.004814	117	0.400000	0.400000
65	0.005399	0.005161	118	0.400000	0.400000
66	0.005916	0.005503	119	0.400000	0.400000
67	0.006281	0.005837	120	1.000000	1.000000

Source: RP-2000 Table with projections (static basis), as required by IRS regulations for Plan Year 2009

Plan Sponsor: Avaya Inc.

Plan Name: Avaya Inc. Pension Plan For Salaried Employees.

EIN: 22-3713430 PN: 001

Schedule SB, Part V, Statement of Actuarial Assumptions/Methods (cont'd)

ANNUITANT MORTALITY

Age x	Rates of mortality during year of age x to x+1		Age x	Rates of mortality During year of age x to x+1	
	Male	Female		Male	Female
15	0.000170	0.000115	68	0.014525	0.012710
16	0.000179	0.000123	69	0.016045	0.013985
17	0.000190	0.000131	70	0.017436	0.015452
18	0.000199	0.000134	71	0.019292	0.016873
19	0.000209	0.000132	72	0.021421	0.018768
20	0.000218	0.000130	73	0.023860	0.020528
21	0.000231	0.000127	74	0.026618	0.022752
22	0.000243	0.000129	75	0.030193	0.024716
23	0.000260	0.000134	76	0.033653	0.027232
24	0.000275	0.000140	77	0.038045	0.030479
25	0.000295	0.000148	78	0.042968	0.033598
26	0.000327	0.000160	79	0.048531	0.037094
27	0.000339	0.000167	80	0.054807	0.041002
28	0.000348	0.000176	81	0.062339	0.045382
29	0.000365	0.000186	82	0.070779	0.050310
30	0.000394	0.000207	83	0.078898	0.055861
31	0.000442	0.000253	84	0.089172	0.062127
32	0.000498	0.000289	85	0.098983	0.070337
33	0.000559	0.000317	86	0.109743	0.079719
34	0.000622	0.000342	87	0.123554	0.090353
35	0.000685	0.000364	88	0.138984	0.100638
36	0.000746	0.000385	89	0.153594	0.113562
37	0.000802	0.000405	90	0.172016	0.125502
38	0.000834	0.000426	91	0.187360	0.137817
39	0.000863	0.000451	92	0.206439	0.150220
40	0.000890	0.000491	93	0.222695	0.165060
41	0.000947	0.000539	94	0.238927	0.177036
42	0.001060	0.000593	95	0.259058	0.188377
43	0.001230	0.000652	96	0.274955	0.198905
44	0.001456	0.000716	97	0.290399	0.211822
45	0.001739	0.000767	98	0.310289	0.220391
46	0.002078	0.000869	99	0.324963	0.227712
47	0.002474	0.001021	100	0.339084	0.233696
48	0.002926	0.001224	101	0.358628	0.244834
49	0.003435	0.001478	102	0.371685	0.254498
50	0.003998	0.001782	103	0.383040	0.266044
51	0.004067	0.001900	104	0.392003	0.279055
52	0.004085	0.002112	105	0.397886	0.293116
53	0.004142	0.002386	106	0.400000	0.307811
54	0.004196	0.002716	107	0.400000	0.322725
55	0.004344	0.003105	108	0.400000	0.337441
56	0.004580	0.003565	109	0.400000	0.351544
57	0.004898	0.004047	110	0.400000	0.364617
58	0.005327	0.004542	111	0.400000	0.376246
59	0.005782	0.005105	112	0.400000	0.386015
60	0.006332	0.005722	113	0.400000	0.393507
61	0.007068	0.006386	114	0.400000	0.398308
62	0.007785	0.007096	115	0.400000	0.400000
63	0.008739	0.007853	116	0.400000	0.400000
64	0.009670	0.008671	117	0.400000	0.400000
65	0.010709	0.009565	118	0.400000	0.400000
66	0.012059	0.010533	119	0.400000	0.400000
67	0.013351	0.011574	120	1.000000	1.000000

Source: RP-2000 Table with projections (static basis), as required by IRS regulations for Plan Year 2009

Plan Sponsor: Avaya Inc.

Plan Name: Avaya Inc. Pension Plan For Salaried Employees.

EIN: 22-3713430 PN: 001

Schedule SB, Part V, Statement of Actuarial Assumptions/Methods (cont'd)

Percentage of Active and Retired Employees Dying Who Have Qualified Beneficiaries

Att. age at start of yr. of death	% Qualified Beneficiary		Att. age at start of yr. of death	% Qualified Beneficiary		Att. age at start of yr. of death	% Qualified Beneficiary	
	Male	Female		Male	Female		Male	Female
15	40%	2%	49	89%	63%	83	66%	16%
16	40%	2%	50	90%	63%	84	64%	15%
17	40%	2%	51	89%	63%	85	62%	14%
18	40%	11%	52	88%	63%	86	60%	13%
19	40%	19%	53	87%	63%	87	58%	12%
20	40%	26%	54	86%	63%	88	56%	11%
21	40%	32%	55	85%	60%	89	54%	10%
22	40%	37%	56	85%	57%	90	52%	9%
23	40%	41%	57	85%	54%	91	50%	8%
24	40%	44%	58	85%	51%	92	48%	7%
25	40%	46%	59	85%	48%	93	46%	6%
26	40%	48%	60	85%	45%	94	44%	5%
27	40%	50%	61	84%	42%	95	42%	4%
28	40%	52%	62	83%	40%	96	40%	3%
29	40%	54%	63	82%	38%	97	38%	2%
30	40%	56%	64	81%	36%	98	36%	1%
31	40%	58%	65	80%	36%	99	34%	0%
32	43%	60%	66	79%	36%	100	32%	0%
33	47%	61%	67	79%	36%	101	30%	0%
34	51%	62%	68	79%	36%	102	28%	0%
35	56%	63%	69	78%	36%	103	26%	0%
36	61%	64%	70	78%	36%	104	24%	0%
37	66%	65%	71	78%	36%	105	22%	0%
38	71%	66%	72	77%	31%	106	20%	0%
39	75%	67%	73	77%	27%	107	18%	0%
40	78%	67%	74	77%	24%	108	16%	0%
41	79%	67%	75	76%	22%	109	14%	0%
42	81%	67%	76	75%	20%	110	12%	0%
43	83%	66%	77	74%	19%			
44	84%	65%	78	73%	18%			
45	85%	64%	79	72%	18%			
46	86%	63%	80	71%	17%			
47	87%	63%	81	70%	17%			
48	88%	63%	82	68%	16%			

Sources: Combined Avaya, Lucent and AT&T experience 1985 - 1987

Plan Sponsor: Avaya Inc.

Plan Name: Avaya Inc. Pension Plan For Salaried Employees

EIN: 22-3713430 PN: 001

Schedule SB, Part V – Summary of Plan Provisions

History:

Effective October 1, 2000, Avaya Inc. spun-off from Lucent Technologies Inc. As required under the Employee Benefits Agreement, Avaya has adopted the Avaya Inc. Pension Plan for Salaried Employees (APPSE), which mirrors the Lucent Retirement Income Plan (LRIP). Assets and liabilities were transferred from the LRIP for Avaya employees as of September 30, 2000. All inactive participants as of September 30, 2000 were assigned to Lucent. Effective December 31, 2003, participants' benefits were frozen under this Plan. The provisions below are applicable to the APPSE as of January 1, 2009.

Summary of Plan

The Avaya Inc. Pension Plan for Salaried Employees (the "Plan") is a noncontributory defined benefit plan. All domestic salaried employees participate in the Plan.

The Normal Retirement Age ("NRA") is the later of (a) age 65 or (b) the earliest to occur of (i) the fourth or fifth anniversary of Plan participation while an active participant or (ii) completion of 5 years of vesting service. Employees with at least 5 years of vesting service are fully vested in their pension benefit. Employees who terminate with less than 5 years of vesting service are not vested and are not entitled to any benefits under the plan.

Unless otherwise selected by a married employee, the normal form of the pension will be an actuarially reduced amount with 50% of such reduced amount payable to the surviving spouse.

If the spouse predeceases the employee receiving a service pension, the pension will be increased by the amount of the original reduction made to provide the survivor annuity.

An employee who separates from service and who is not eligible to receive a service or disability pension will receive a 100% vested pension if, at the date of separation (a) he has 5 or more years of vesting service after age 18 or (b) he has achieved his NRA or (c) he was a participant or former participant in the Avaya Inc. Pension Plan and his benefit under that plan was fully vested by reason of a transfer of excess pension assets and he subsequently became a participant in the Plan. The vested pension is payable at NRA (or immediately if separation is after NRA).

Plan Sponsor: Avaya Inc.

Plan Name: Avaya Inc. Pension Plan For Salaried Employees

EIN: 22-3713430 PN: 001

Schedule SB, Part V – Summary of Plan Provisions (cont'd)

The surviving spouse of a vested active employee who dies before NRA with a term of employment of less than 15 years is awarded an automatic annuitant's pension, beginning at NRA, equal to 50% of the amount the employee would have received at NRA had the employee terminated employment on the date of death, survived to NRA, and elected a joint and 50% survivor annuity.

In the case of an active employee (a) with at least 15 years term of employment at the time of death, or (b) who has reached NRA, the automatic annuitant's pension commences immediately and is equal to 50% of the amount the employee would have received had such employee retired on the date of death and elected a joint and 50% survivor annuity. This pension is calculated without any discount for early commencement.

Salaried Employees Hired Before 1999 (Excluding Employees of Acquisition Companies)

For retirement or vested termination on or after January 1, 1999, the benefit is equal to the greatest of items (1), (2), (3) or (4) below.

- (1) The prior early retirement reduction applied to a frozen benefit of 1.6% of the sum of six-year average compensation for 1987 through 1992 times Net Credited Service as of December 31, 1992, plus total compensation for 1993 through 1997.
- (2) The prior early retirement reduction applied to a transition benefit of 1.6% of six-year average compensation for 1991 through 1996 times all Net Credited Service prior to January 1, 2002.
- (3) The current early retirement reduction applied to a 1998 benefit of 1.4% of the sum of five-year average compensation for 1993 through 1997 times Net Credited Service as of December 31, 1997, plus total compensation for 1998.
- (4) The current early retirement reduction applied to an ongoing benefit of 1.4% of the sum of five-year average compensation for 1994 through 1998 times Net Credited Service as of December 31, 1998, plus total compensation from January 1, 1999 through December 31, 2003.

Plan Sponsor: Avaya Inc.
Plan Name: Avaya Inc. Pension Plan For Salaried Employees
EIN: 22-3713430 PN: 001

Schedule SB, Part V – Summary of Plan Provisions (cont'd)

Prior Service Pension Eligibility and Early Commencement Reduction Rules

For employees who retire with a disability pension, the pension is unreduced.

For employees who retire on or after age 55 with at least 20 years of service, or who retire on or after age 65 with at least 10 years of service, the pension is unreduced. For employees who retire before age 55, the pension is reduced based on the employee's Net Credited Service as follows:

- For employees who retire before age 55 with at least 30 years of Net Credited Service, the pension is reduced by 0.25% for each full or partial month by which the employee's age at commencement is less than 55 years.
- For employees who retire before age 55 with at least 20, but less than 30 years of Net Credited Service, the pension is reduced by 0.5% for each full or partial month by which the employee's age at commencement is less than 55 years.

The prior service pension eligibility requirements are as follows:

<u>Age</u>		<u>Minimum Years of Service</u>
65	and	10
55	and	20
50	and	25
Any Age	and	30

Current Service Pension Eligibility and Early Commencement Reduction Rules

For employees who retire with a disability pension, the pension is unreduced.

For other employees who retire at age 55 or older with at least 15 years of Net Credited Service, the pension is reduced by 3% times the excess, if any, of 80 over the sum of age and Net Credited Service at commencement. For example, if an employee's age plus service is 65, the pension is reduced by 45% (3% times the quantity 80 minus 65). In addition, employees who retire at age 50 or older with at least 15 years of Net Credited Service are eligible for their accrued benefit as of 7/31/01 with a reduction equal to the product of 3% times the excess, if any, of 75 over the sum and net credited service at retirement.

For all other employees who have not met the age and service requirements stated above, the pension benefits commencing prior to age 65 are reduced on an actuarially equivalent basis.

Plan Sponsor: Avaya Inc.
Plan Name: Avaya Inc. Pension Plan For Salaried Employees
EIN: 22-3713430 PN: 001

Schedule SB, Part V – Summary of Plan Provisions (cont'd)

Employees Hired after 1998 and Employees of Acquired Companies

Employees of acquisition companies, management employees, and Avaya Business Associates hired after 1998 participate under an account balance program effective January 1, 2000:

<u>Pay Credit Age</u>	<u>% of Previous Year's Pay</u>
<30	3.00%
30-34	3.75%
35-39	4.50%
40-44	5.50%
45-49	6.75%
50-54	8.25%
55+	10.00%

First annual pay credit was made on January 1, 2000, based on 1999 pay. Partial pay credit will be given for those who leave during the year prior to the January 1st credit of each year. Interest credits are: 6.5% in 2000, 7.0% in 2001, 6.5% in 2002 and 4% after 2002.

The single life annuity form of payment at normal retirement age is the actuarial equivalent of the participant's account balance projected at the applicable interest crediting rate then converted to an actuarially equivalent annuity. For this purpose, actuarial equivalence is based on a 6.00% interest rate and GAM-83 unisex mortality.

Freezing the APPSE

The APPSE was amended on September 15, 2003 to freeze benefits as of December 31, 2003. For employees in the Service Based Plan, no credit will be given for compensation earned after December 31, 2003. For employees in the Account Balance Plan, no pay credits will be given after December 31, 2003. Account Balances will continue to receive 4.00% annual interest credits.

Payment of Annuities

The full monthly benefit is paid at the end of each month of retirement up to and including the end of the month in which the annuitant dies.

Plan Sponsor: Avaya Inc.

Plan Name: Avaya Inc. Pension Plan For Salaried Employees

EIN: 22-3713430 PN: 001

Schedule SB, Part V – Summary of Plan Provisions (cont'd)

Form of Payment Options

Employees retiring on a service pension may elect a straight life, joint and 50% survivor, joint and 100% survivor, or a 10-year certain and life annuity. Alternatively, they may elect to receive the entire benefit as a single lump sum form.

Employees retiring prior to service pension eligibility, and all participants in the account balance plan, can elect a lump sum, an immediate annuity, or a deferred annuity.

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2009 This Form is Open to Public Inspection
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For calendar plan year 2009 or fiscal plan year beginning _____ and ending _____

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan AVAYA INC. PENSION PLAN FOR SALARIED EMPLOYEES	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF AVAYA INC.	D Employer Identification Number (EIN) 22-3713430
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	
F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500	

Part I Basic Information			
1 Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2009</u>			
2 Assets:			
a Market value.....	2a	1,325,594,679	
b Actuarial value.....	2b	1,458,154,147	
3 Funding target/participant count breakdown		(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment	3a	4,206	1,244,941,782
b For terminated vested participants	3b	1,421	46,486,643
c For active participants:			
(1) Non-vested benefits.....	3c(1)		20,357,552
(2) Vested benefits.....	3c(2)		173,605,022
(3) Total active	3c(3)	3,740	193,962,574
d Total.....	3d	9,367	1,485,390,999
4 If the plan is at-risk, check the box and complete items (a) and (b) ☐			
a Funding target disregarding prescribed at-risk assumptions	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor	4b		
5 Effective interest rate.....	5	8.19 %	
6 Target normal cost.....	6	3,140,206	

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	 Signature of actuary	<u>10/1/10</u> Date 08-04197
LAWRENCE A. GOLDEN Type or print name of actuary		Most recent enrollment number (732) 302-2142
AON CONSULTING INC. Firm name		Telephone number (including area code)
400 Atrium Drive 5th Floor South SOMERSET NJ 08873-4162 Address of the firm		

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2009
v.092308.1

Part II Beginning of year carryover and prefunding balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	10,148,720	0
8 Portion used to offset prior year's funding requirement (Item 35 from prior year)	6,985,891	0
9 Amount remaining (Item 7 minus item 8)	3,162,829	0
10 Interest on item 9 using prior year's actual return of <u>12.68</u> %	(401,047)	
11 Prior year's excess contributions to be added to prefunding balance:		
a Excess contributions (Item 38 from prior year)		3,387,572
b Interest on (a) using prior year's effective rate of <u>6.23</u> %		(429,544)
c Total available at beginning of current plan year to add to prefunding balance		2,958,028
d Portion of (c) to be added to prefunding balance		2,958,028
12 Reduction in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (item 9 + item 10 + item 11d - item 12)	2,761,782	2,958,028

Part III Funding percentages

14 Funding target attainment percentage	14	97.78 %
15 Adjusted funding target attainment percentage	15	97.78 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	89.88 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls**18** Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
04/15/2009	8,009,979				
07/15/2009	8,009,979				
10/15/2009	2,690,197				
01/15/2010	2,690,197				
Totals ►			18(b)	21,400,352	18(c) 0

19 Discounted employer contributions - see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contribution from prior years	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	20,520,206

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year?	☒ Yes ☐ No
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☒ Yes ☐ No
c If 20a is "Yes," see instructions and complete the following table as applicable:	

Liquidity shortfall as of end of Quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: %	2nd segment: %	3rd segment: %	☒ N/A, full yield curve used
b Applicable month (enter code)	21b			2
22 Weighted average retirement age	22			60
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a)	29	0
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions)	31	3,140,206
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	32,956,662	9,338,714
b Waiver amortization installment	0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b - item 33)	34	12,478,920
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	0	0
36 Additional cash requirement (item 34 minus item 35)	36	12,478,920
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c)	37	20,520,206
38 Interest-adjusted excess contributions for current year (see instructions)	38	8,041,286
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37)	39	0
40 Unpaid minimum required contribution for all years	40	0