

Paris, May 5, 2009

## FIRST QUARTER 2009 RESULTS

### REPORTED RESULTS

Reported Profit & Loss Statement	First quarter	First quarter	% change, y-o-y (% or pt)	Fourth quarter	% change q-o-q (% or pt)
In Euro million except for EPS	2009	2008		2008	
<b>Revenues</b>	<b>3,598</b>	<b>3,864</b>	<b>-6.9%</b>	<b>4,954</b>	<b>-27.4%</b>
<b>Gross profit</b>	<b>1,133</b>	<b>1,397</b>	<b>-18.9%</b>	<b>1,646</b>	<b>-31.2%</b>
<i>in % of revenues</i>	<i>31.5%</i>	<i>36.2%</i>	<i>-4.7 pt</i>	<i>33.2%</i>	<i>-1.7 pt</i>
<b>Operating income (1)</b>	<b>-326</b>	<b>-106</b>	<b>Nm</b>	<b>156</b>	<b>Nm</b>
<i>in % of revenues</i>	<i>-9.1%</i>	<i>-2.7%</i>	<i>-6.3 pt</i>	<i>3.1%</i>	<i>-12.2 pt</i>
<b>Net income (loss) (Group share)</b>	<b>-402</b>	<b>-181</b>	<b>Nm</b>	<b>-3,892</b>	<b>Nm</b>
EPS diluted (in Euro)	-0.18	-0.08	Nm	-1.72	Nm
E/ADS* diluted (in USD)	-0.24	-0.13	Nm	-2.40	Nm
Number of diluted shares (million)	2259.7	2259.1	0.0%	2259.4	0.0%

\*E/ADS calculated using the US Federal Reserve Bank of New York noon Euro/dollar buying rate of USD 1.3261 as of March 31 2009, 1.5805 as of March 31 2008 and 1.3919 as of December 31 2008.

### ADJUSTED RESULTS

Adjusted Profit & Loss Statement	First quarter	First quarter	% change, y-o-y (% or pt)	Fourth quarter	% change q-o-q (% or pt)
In Euro million except for EPS	2009	2008		2008	
<b>Revenues</b>	<b>3,598</b>	<b>3,864</b>	<b>-6.9%</b>	<b>4,954</b>	<b>-27.4%</b>
<b>Gross profit</b>	<b>1,133</b>	<b>1,399</b>	<b>-19.0%</b>	<b>1,648</b>	<b>-31.3%</b>
<i>in % of revenues</i>	<i>31.5%</i>	<i>36.2%</i>	<i>-4.7 pt</i>	<i>33.3%</i>	<i>-1.8 pt</i>
<b>Operating income (1)</b>	<b>-254</b>	<b>36</b>	<b>Nm</b>	<b>297</b>	<b>Nm</b>
<i>in % of revenues</i>	<i>-7.1%</i>	<i>0.9%</i>	<i>-8.0 pt</i>	<i>6.0%</i>	<i>-13.1 pt</i>
<b>Net income (loss) (Group share)</b>	<b>-358</b>	<b>-95</b>	<b>Nm</b>	<b>-1,321</b>	<b>Nm</b>
EPS diluted (in Euro)	-0.16	-0.04	Nm	-0.58	Nm
E/ADS* diluted (in USD)	-0.21	-0.07	Nm	-0.81	Nm
Number of diluted shares (million)	2259.7	2259.1	0.0%	2259.4	0.0%

\*E/ADS calculated using the US Federal Reserve Bank of New York noon Euro/dollar buying rate of USD 1.3261 as of March 31 2009, 1.5805 as of March 31 2008 and 1.3919 as of December 31 2008.

## KEY FIGURES

Geographic breakdown of revenues (In Euro million)	First quarter 2009	First quarter 2008	% change, y-o-y (% or pt)	Fourth quarter 2008	% change q-o-q (% or pt)
North America	1,113	1,339	-16.9%	1,397	-20.3%
Asia Pacific	649	668	-2.8%	1,007	-35.6%
Europe	1,248	1,280	-2.5%	1,717	-27.3%
RoW	588	578	1.8%	833	-29.4%
<b>Total group revenues</b>	<b>3,598</b>	<b>3,864</b>	<b>-6.9%</b>	<b>4,954</b>	<b>-27.4%</b>

Segment breakdown of revenues (In Euro million)	First quarter 2009	First quarter 2008(*)	% change, y-o-y (% or pt)	Fourth quarter 2008(*)	% change q-o-q (% or pt)
Carrier	2,219	2,581	-14.0%	3,129	-29.1%
- o/w IP	287	274	4.7%	347	-17.3%
- o/w Optics	657	671	-2.1%	970	-32.3%
- o/w Wireless	911	1,111	-18.0%	1,288	-29.3%
- o/w Wireline	394	550	-28.4%	562	-29.9%
- o/w eliminations	-30	-25	20.0%	-38	-21.1%
Applications Software	255	225	13.3%	329	-22.5%
Enterprise	245	297	-17.5%	318	-23.0%
Services	797	661	20.6%	1,035	-23.0%
Other & eliminations	82	100	Nm	143	Nm
<b>Total group revenues</b>	<b>3,598</b>	<b>3,864</b>	<b>-6.9%</b>	<b>4,954</b>	<b>-27.4%</b>

\* Restated to reflect new segment reporting structure of the Group, effective January 1<sup>st</sup>, 2009.

Breakdown of segment operating income (1) (loss) (in Euro million)	First quarter 2009	First quarter 2008(*)	% change, y-o-y (% or pt)	Fourth quarter 2008(*)	% change q-o-q (% or pt)
<b>Carrier</b>	<b>-154</b>	<b>-2</b>	<b>Nm</b>	<b>148</b>	<b>Nm</b>
<i>In % of revenues</i>	-6.9%	-0.1%	-6.9 pt	4.7%	-11.7 pt
<b>Applications software</b>	<b>-26</b>	<b>-24</b>	<b>Nm</b>	<b>15</b>	<b>Nm</b>
<i>In % of revenues</i>	-10.2%	-10.7%	0.5 pt	4.6%	-14.8 pt
<b>Enterprise</b>	<b>-36</b>	<b>11</b>	<b>Nm</b>	<b>28</b>	<b>Nm</b>
<i>In % of revenues</i>	-14.7%	3.7%	-18.4 pt	8.8%	-23.5 pt
<b>Services</b>	<b>-63</b>	<b>2</b>	<b>Nm</b>	<b>80</b>	<b>Nm</b>
<i>In % of revenues</i>	-7.9%	0.3%	-8.2 pt	7.7%	-15.6 pt
Other & eliminations	25	49	Nm	26	Nm
<b>Segment op. income (loss)</b>	<b>-254</b>	<b>36</b>	<b>NM</b>	<b>297</b>	<b>Nm</b>

\* Restated to reflect new segment reporting structure of the Group, effective January 1<sup>st</sup>, 2009

Cash Flow highlights	First quarter	Fourth quarter	First quarter
In Euro million	2009	2008	2008
<b>Net (debt)/cash at beginning of period</b>	<b>-389</b>	<b>-600</b>	<b>271</b>
Adjusted operating income	-254	297	36
Depreciation & Amort; OP non cash; other	136	361	209
<b>Op. Cash Flow before change in WCR*</b>	<b>-118</b>	<b>658</b>	<b>245</b>
Change in operating & other WCR	75	5	-114
<b>Operating Cash Flow **</b>	<b>-43</b>	<b>663</b>	<b>131</b>
Interest	-75	-32	-108
Taxes	-24	-23	-38
Cash contribution to pension & OPEB	-50	99	-118
Restructuring cash outlays	-178	-172	-119
<b>Cash flow from operating activities</b>	<b>-370</b>	<b>535</b>	<b>-252</b>
Capital expenditures (incl. R&D cap.)	-165	-285	-196
<b>Free Cash Flow</b>	<b>-535</b>	<b>250</b>	<b>-448</b>
Disposals, Discontinued, Cash from financing & Forex	83	-39	147
<b>Change in net(debt)/cash position</b>	<b>-452</b>	<b>211</b>	<b>-301</b>
<b>Net (debt)/cash at end of period</b>	<b>-841</b>	<b>-389</b>	<b>-30</b>

\* Before changes in working capital, interest/tax paid, restructuring cash outlay and pension & OPEB cash outlay

\*\*Operating cash flow now defined as cash generated from operations after changes in working capital but before interest/tax paid, restructuring cash outlay and pension & OPEB outlay

Balance sheet - Assets	March 31,	Dec. 31,	March 31,
In Euro million	2009	2008	2008
<b>Total non-current assets</b>	<b>12,547</b>	<b>12,742</b>	<b>19,299</b>
of which Goodwill & intangible assets, net	6,920	6,782	10,835
of which Prepaid pension costs	2,315	2,298	3,244
of which Other non-current assets	3,312	3,662	5,220
<b>Total current assets</b>	<b>13,102</b>	<b>14,569</b>	<b>12,889</b>
of which OWC assets	6,890	7,120	6,769
of which other current assets	2,877	2,856	1,364
of which marketable securities, cash & cash equivalents	3,335	4,593	4,756
<b>Total assets</b>	<b>25,649</b>	<b>27,311</b>	<b>32,188</b>

Balance sheet - Liabilities and shareholders' equity	March 31,	Dec. 31,	March 31,
In Euro million	2009	2008	2008
<b>Total shareholders equity</b>	<b>4,893</b>	<b>5,224</b>	<b>10,964</b>
of which attributable to the equity holders of the parent	4,290	4,633	10,452
of which minority interests	603	591	512
<b>Total non-current liabilities</b>	<b>10,550</b>	<b>10,400</b>	<b>10,009</b>
of which pensions, and other post-retirement benefits	4,878	4,807	4,184
of which long term debt	4,077	3,998	3,621
of which other non-current liabilities	1,595	1,595	2,204
<b>Total current liabilities</b>	<b>10,206</b>	<b>11,687</b>	<b>11,215</b>
of which provisions	2,087	2,424	2,375
of which short term debt	186	1,097	1,211
of which OWC liabilities	5,638	5,688	5,350
of which other current liabilities	2,295	2,478	2,279
<b>Total liabilities and shareholder's equity</b>	<b>25,649</b>	<b>27,311</b>	<b>32,188</b>

## ADJUSTED PROFORMA RESULTS

(unaudited)	Q1-2009		
	As reported	PPA	Adjusted
<i>Revenues</i>	3,598		3,598
<i>Cost of sales (a)</i>	(2,465)		(2,465)
<b>Gross Profit</b>	<b>1,133</b>	<b>0</b>	<b>1,133</b>
<i>Administrative and selling expenses (b)</i>	(768)	31	(737)
<i>Research and Development costs (c)</i>	(691)	41	(650)
<b>Operating income (loss) (1)</b>	<b>(326)</b>	<b>72</b>	<b>(254)</b>
Restructuring costs	(78)		(78)
Impairment of assets	0		0
Post-retirement benefit plan amendment	(2)		(2)
Gain/(los) on disposal of consolidated entities	0		0
<b>Income (loss) from operating activities</b>	<b>(406)</b>	<b>72</b>	<b>(334)</b>
<b>Financial result (net)</b>	<b>(13)</b>	<b>0</b>	<b>(13)</b>
<i>Share in net income(losses) of equity affiliates</i>	(9)		(9)
<i>Income tax (expense) benefit (d)</i>	6	(28)	(22)
<b>Income (loss) from continuing operations</b>	<b>(422)</b>	<b>44</b>	<b>(378)</b>
<i>Income (loss) from discontinued activities</i>	0		0
<b>Net Income (loss)</b>	<b>(422)</b>	<b>44</b>	<b>(378)</b>
<b>of which : Group share</b>	<b>(402)</b>	<b>44</b>	<b>(358)</b>
Minority interests	(20)		(20)

Earnings per share : basic	(0.18)	(0.16)
Earnings per share : diluted	(0.18)	(0.16)

(1) Income (loss) from operating activities before restructuring costs, impairment of assets, gain / (loss) on disposal of consolidated entities and post-retirement benefit plan amendment

Corresponds to the measure of operating income (loss) of the segments (refer to note 4 of the consolidated financial statements at March 31, 2009).

PPA : Purchase Price Allocation entries related to Lucent business combination

Nature of PPA - non cash amortization charges included in Reported Accounts but excluded from Adjusted Accounts (cf. Note 3 to our Consolidated Financial Statements as of December 31, 2008)

These impacts are non recurring due to the different amortization periods depending on the nature of the adjustments, as indicated hereafter.

- (a) Depreciation of the reevaluation to fair value of productive tangible assets
- (b) Amortization of intangibles assets - long term customer relationship (5-8 years)
- (c) Amortization of intangibles assets : Acquired technologies (5-10 years) and In Process R&D (5-8 years)
- (d) Normative tax impact at 39% on above PPA adjustments excluding goodwill impairment