

ADJUSTED PRO FORMA RESULTS - 2008

(unaudited)	Q1-2008			Q2-2008			Q3-2008			YTD 09-2008		
	As reported	PPA	Adjusted	As reported	PPA	Adjusted	As reported	PPA	Adjusted	As reported	PPA	Adjusted
Revenues	3 864	0	3 864	4 101	0	4 101	4 065	0	4 065	12 030	0	12 030
Cost of sales (a)	(2 467)	2	(2 465)	(2 669)	1	(2 668)	(2 746)	1	(2 745)	(7 882)	4	(7 878)
Gross Profit	1 397	2	1 399	1 432	1	1 433	1 319	1	1 320	4 148	4	4 152
Administrative and selling expenses (b)	(795)	30	(765)	(751)	28	(723)	(740)	30	(710)	(2 286)	88	(2 198)
Research and Development costs (c)	(708)	110	(598)	(702)	85	(617)	(664)	94	(570)	(2 074)	289	(1 785)
Operating income (loss) (1)	(106)	142	36	(21)	114	93	(85)	125	40	(212)	381	169
Restructuring costs	(122)		(122)	(265)	0	(265)	(94)	0	(94)	(481)		(481)
Impairment of assets	0		0	(810)	810	0	(5)	5	0	(815)	815	0
Post-retirement benefit plan amendment	0		0	(18)		(18)	63	0	63	45		45
Gain/ (loss) on disposal of consolidated entities	(1)		(1)	0		0	0	0	0	(1)		(1)
Income (loss) from operating activities	(229)	142	(87)	(1 114)	924	(190)	(121)	130	9	(1 464)	1 196	(268)
Financial result (net)	45	0	45	50	0	50	67	0	67	162		162
Share in net income(losses) of equity affiliates	28		28	28	0	28	28	0	28	84		84
Income tax (expense) benefit (d)	(19)	(56)	(75)	(50)	(44)	(94)	(10)	(49)	(59)	(79)	(149)	(228)
Income (loss) from continuing operations	(175)	86	(89)	(1 086)	880	(206)	(36)	81	45	(1 297)	1 047	(250)
Income (loss) from discontinued activities	0	0	0	0	0	0	(2)	0	(2)	(2)		(2)
Net Income (loss)	(175)	86	(89)	(1 086)	880	(206)	(38)	81	43	(1 299)	1 047	(252)
of which : Group share	(181)	86	(95)	(1 102)	880	(222)	(40)	81	41	(1 323)	1 047	(276)
Minority interests	6		6	16	0	16	2	0	2	24		24

(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 condensed consolidated financial statements at September 30, 2008).

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, 2007)

These impacts are non recurring due to the different amortization periods depending of 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) - Correction of the net book value of intangible disposed of (patents).

(d) Normative tax impact at 39% on above PPA adjustments excluding goodwill impairment