



France Télécom-Orange and Alcatel-Lucent pool resources and R&D to boost open innovation in Brittany and the Loire region

The joint offering, called Arc Bretagne Atlantique, aims to develop new innovative communication services and content

Rennes, February 9, 2010 - France Télécom-Orange (EuroNext Paris and NYSE: FTE) and Alcatel-Lucent (EuroNext Paris and NYSE: ALU) have decided to join forces and make available their R&D know-how and facilities to develop open innovation in the Brittany and Loire regions. This ambitious program, called Arc Bretagne Atlantique (ABA), aims at helping local enterprises develop new innovative communication services and next-generation content.

Arc Bretagne Atlantique, which is supported by the two regions, complements the *Images et Réseaux* (Images and Networks) cluster and supports one of its strategic objectives which is to develop the competitiveness of local SMEs and help them grow.

Arc Bretagne Atlantique will thus help speed up innovation. The initiative provides innovative local enterprises and research laboratories with special access to the resources and infrastructures of the two Groups' regional sites. SMEs will have access to human, technological (hardware and software), business and financial resources, for the development and marketing of their solutions. Main target areas will be applications, services and usages for the Internet and for high-speed and very high-speed fixed and mobile.

Alcatel-Lucent will make available the expertise of its sites in Lannion, Rennes and Orvault, near Nantes, and eventually in Brest. France Télécom-Orange will make available the expertise of its sites in Lannion and Rennes.

"I am particularly delighted by the launch of an initiative enabling local SMEs to move ahead and finance the development of innovative mobile and convergent services based on the communication technologies and content of tomorrow", explained Thierry Bonhomme, executive director R&D at France Télécom-Orange.

"The Arc Bretagne Atlantique project is an opportunity to incubate new ideas, stimulate the ecosystem and add to the operators' portfolio of services and applications, in line with our Application Enablement strategy and the global development of LTE", underlined Pierre Barnabé, chairman and CEO of Alcatel-Lucent France.

Arc Bretagne Atlantique services will span four main categories:

- *ABA Shareskills*: access to expertise to help on product development, marketing and support of SMEs (including through dedicated training not commercially available).
- *ABA Openlab*: access to some test platforms of the two Groups and which complement the *ImaginLab* platform of the *Images et Réseaux* cluster. This will allow validation work to be performed that cannot be done on *ImaginLab*. Easier access to hardware and software technology bricks of the two Groups for use by SMEs.
- *ABA Application Store*: easier introduction of SME products into the commercial solutions of the two Groups (up to and including OEM agreements).
- *ABA Incubator*: innovative start-ups invited to the premises of Alcatel-Lucent (in cooperation with existing structures within the region) and the creation of spin-off structures.

Arc Bretagne Atlantique also aims to carry out targeted actions focused on the LTE (Long Term Evolution) fourth generation mobile technology, including an *LTE Boost* offering for developing, prototyping and testing LTE services. A competition will soon be organized for innovative convergent mobile services based on LTE and IMS, to be tested on ImaginLab.

To ensure the project's success, Alcatel-Lucent and France Télécom-Orange have appointed two co-directors, both having considerable experience and strong local roots, in particular through their presence on the board of the Images & Networks Cluster: Vincent Marcatté for France Télécom-Orange and Gérard Le Bihan for Alcatel-Lucent.

About Orange

Orange is the key brand of France Telecom, one of the world's leading telecommunications operators. With 126 million customers, the Orange brand now covers Internet, television and mobile services in the majority of countries where the Group operates. At the end of 2008, France Telecom had consolidated sales of 53.5 billion euros (38.1 billion euros for the first nine months of 2009) and at 30 September 2009, the Group had a customer base of almost 190 million customers in 32 countries. These include 128.8 million mobile customers and 13.4 million broadband Internet (ADSL) customers worldwide. Orange is the number three mobile operator and the number two provider of broadband Internet services in Europe and, under the brand Orange Business Services, is one of the world leaders in providing telecommunication services to multinational companies.

The Group's strategy, which is characterized by a strong focus on innovation, convergence and effective cost management, aims to establish Orange as an integrated operator and benchmark for new telecommunications services in Europe. Today the Group remains focused on its core activities as a network operator, while working to develop its position in new growth activities. To meet customer expectations, the Group strives to provide products and services that are simple and user-friendly, while maintaining a sustainable and responsible business model that can be adapted to the requirements of a fast-paced and changing eco-system.

France Telecom (NYSE:FTE) is listed on Euronext Paris (compartment A) and on the New York Stock Exchange.

For more information: www.orange.com, www.francetelecom.com, www.orange-business.com

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About Alcatel-Lucent

Alcatel-Lucent (Euronext Paris and NYSE: ALU) is the trusted partner of service providers, enterprises and governments worldwide, providing solutions to deliver voice, data and video communication services to end-users. A leader in fixed, mobile and converged broadband networking, IP technologies, applications and services, Alcatel-Lucent leverages the unrivalled technical and scientific expertise of Bell Labs, one of the largest innovation powerhouses in the communications industry. With operations in more than 130 countries and the most experienced global services organization in the industry, Alcatel-Lucent is a local partner with a global reach. Alcatel-Lucent achieved revenues of Euro 16.98 billion in 2008 and is incorporated in France, with executive offices located in Paris. For more information, visit Alcatel-Lucent on the Internet: <http://www.alcatel-lucent.com>

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