

PRESS RELEASE

Cyber-security: Strategic partnership between Alcatel-Lucent and Thales

Opening of exclusive negotiations between Thales and Alcatel-Lucent for the signing of a strategic partnership in cyber-security and communications security.

- **Contemplated agreement would see Thales acquire Alcatel-Lucent's cyber-security services and communications security activities**
- **Thales would commit to providing services to Alcatel-Lucent for its customers' needs.**
- **Alcatel-Lucent will continue to develop advanced security features in its portfolio of IP and ultra-broadband access products**
- **Finally, with this strategic partnership, Alcatel-Lucent strengthens its commercial offering in the field of secured networks.**

Paris, May 22, 2014 – Thales and Alcatel-Lucent (Euronext Paris and NYSE: ALU) have entered exclusive negotiations for the consideration by Thales of acquiring the cyber-security services and communications security activities of Alcatel-Lucent as part of a strategic partnership to provide end-to-end solutions for securing networks.

The contemplated partnership, including the transfer of Alcatel-Lucent's network security assets to Thales, will enable Alcatel-Lucent to expand its commercial proposition in cyber-security, a stated intention of The Shift Plan announced last year. Alcatel-Lucent will be able to offer existing and new customers highly secured end-to-end network security solutions, combining its integrated security expertise in telecommunication products with complementary services provided by Thales. In return, Thales will grow its business in cyber-security, further consolidating the knowledge and expertise of its teams, which is already world-class in this field.

The partnership is subject to a final, definitive agreement, and will become effective after the consultation of representative bodies, the execution of definitive agreements and obtaining necessary permissions.

Alcatel-Lucent's cyber-security services and communications security activities are mainly located at three sites in France - Villarceaux, near Paris, Toulouse and Orvault near Nantes - and in three other European countries (Germany, Belgium, UK).

Commenting on the contemplated agreement between the two companies, Jean-Bernard Lévy, Chairman and CEO of Thales, said: "With this strategic partnership, Thales strengthens its position in cyber-security and consolidates its position as European leader in this strategic sector. This investment responds to the growing ambition of Thales in promising sectors of security, in order to offer solutions that ensure the integrity and resilience of its customers' information systems. This agreement realises a strategic partnership between two global companies, with similar backgrounds, and will allow for a shared and coherent approach to cope with cyber-security issues."

Michel Combes, CEO of Alcatel-Lucent, added: "Following the partnerships signed with Qualcomm and Intel, this strategic partnership with Thales illustrates Alcatel Lucent's strategy to reposition itself as a specialist in IP networks, cloud technologies and secured ultra broadband access. Cyber-security is of strategic concern to our customers, and to networks in general. By partnering with Thales for related services, we will be able to offer a comprehensive world-class expertise in network security."

ABOUT THALES

Thales is a global technology leader in the Aerospace & Transportation and the Defence & Security markets. In 2013, the company generated revenues of €14.2 billion with 65,000 employees in 56 countries. With its 25,000 engineers and researchers, Thales has a unique capability to design, develop and deploy equipment, systems and services that meet the most complex security requirements. Thales has an exceptional international footprint, with operations around the world working with customers and local partners.

Drawing on its strong cryptographic capabilities, Thales is one of the world leaders in cybersecurity products and solutions for critical state and military infrastructures, satellite networks and industrial and financial companies. With a presence throughout the entire security chain, Thales offers a comprehensive range of services and solutions ranging from security consulting, intrusion tests and architecture design to system certification, development and through-life management of products and services, and security supervision (Security Operation Centres in France and the United Kingdom).

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ABOUT ALCATEL-LUCENT (EURONEXT PARIS AND NYSE: ALU)

We are at the forefront of global communications, providing products and innovations in IP and cloud networking, as well as ultra-broadband fixed and wireless access to service providers and their customers, and to enterprises and institutions throughout the world. Underpinning us in driving the industrial transformation from voice telephony to high-speed digital delivery of data, video and information is Bell Labs, an integral part of the Group and one of the world's foremost technology research institutes, responsible for countless breakthroughs that have shaped the networking and communications industry. Our innovations have resulted in our Group being recognized by Thomson Reuters as a Top 100 Global Innovator, as well as being named by MIT Technology Review as amongst 2012's Top 50 "World's Most Innovative Companies". We have also been recognized for innovation in sustainability, being named Industry Group Leader in the Technology Hardware & Equipment sector in the 2013 Dow Jones Sustainability Indices review, for making global communications more sustainable, affordable and accessible, all in pursuit of the Group's mission to realize the potential of a connected world.

With revenues of Euro 14.4 billion in 2013, Alcatel-Lucent is listed on the Paris and New York stock exchanges (Euronext and NYSE: ALU). The company is incorporated in France and headquartered in Paris.

For more information, visit Alcatel-Lucent on: <http://www.alcatel-lucent.com>, read the latest posts on the Alcatel-Lucent blog <http://www.alcatel-lucent.com/blog> and follow the Company on Twitter: http://twitter.com/Alcatel_Lucent.

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