



Société anonyme with a share capital of €12,120,814.10
Registered office: 8, rue de la Ville l'Evêque – 75008 Paris, France
Paris Trade and Companies Register 342 376 332

**DESCRIPTION OF THE SHARE BUYBACK PROGRAMME AUTHORISED BY
THE COMBINED ORDINARY AND EXTRAORDINARY ANNUAL GENERAL
MEETING OF MAY 24, 2011**

Pursuant to Article L. 451-3 of the French Monetary and Financial Code (“*Code Monétaire et Financier*”) and Articles 241-1 to 241-6 of the General Regulation (“*Règlement Général*”) of the AMF (“*Autorité des marchés financiers*”), the purpose of this description of the Iliad share buyback programme is to describe the objectives, terms and conditions of the share buyback programme authorised by the Annual General Meeting of May 24, 2011.

1. DATE OF THE ANNUAL GENERAL MEETING THAT AUTHORISED THE BUYBACK PROGRAMME

The Combined Ordinary and Extraordinary Annual General Meeting of Iliad (*the Company*) of May 24, 2011, resolved in Resolution 8 to authorise the implementation of a share buyback programme, as per the provisions of Articles L. 225-209 et seq. of the French Commercial Code (“*Code de commerce*”), of EC Regulation 2273/2003 of 22 December 2003 and AMF-accepted market practices.

2. BREAKDOWN BY OBJECTIVE OF SECURITIES HELD BY ILIAD

As of November 30, 2011, the total number of Iliad shares held directly by the Company stood at 60,720, representing 0.11% of Iliad’s share capital.

The 60,720 shares held directly by Iliad are allocated as follows:

- 25,020 shares to a market-making agreement;
- 35,700 shares for allocation to employees under a stock option plan.

3. OBJECTIVES OF THE SHARE BUYBACK PROGRAMME

The objectives of the share buyback programme are:

1. To ensure an active market for the Company's stock via a financial services provider acting wholly independently on behalf of the Company under a market-making agreement that complies with the code of conduct recognised by the AMF as an accepted market practice;
2. To grant shares to employees and officers of the Company and Group subsidiaries on the terms and in the manner established by law, in particular by granting bonus shares under the provisions of Articles L. 225-197-1 et seq. of the French Commercial Code, by granting stock purchase options under the provisions of Articles L. 225-177 et seq. of the French Commercial Code, as part of company profit-sharing arrangements or the implementation of any company savings plan on the terms established by law, in particular Article L. 3332-14 of the French Labour Code ("*Code du travail*");
3. To buy back shares in order to retain them and subsequently use them in acquisitions (as part of a swap, as consideration or otherwise), up to a maximum of 5% of the Company's share capital;
4. To cover stock purchase options granted to employees and officers of the Company pursuant to legal provisions, whenever so decided by the Board of Directors or any person acting on its authority;
5. To cancel all or some of the shares bought back as part of a share capital reduction, pursuant to Resolution 20 of the Combined Ordinary and Extraordinary Annual General Meeting of May 24, 2011, the purpose of which was to authorise such cancellations;
6. To deliver shares upon exercise of the rights attached to securities giving entitlement by means of redemption, conversion, swap, presentation of a warrant, or any other means, to the granting of Company shares under applicable regulations as well as doing everything necessary to cover such transactions, whenever so decided by the Board of Directors or any person acting on its authority.

4. MAXIMUM PORTION OF THE SHARE CAPITAL, MAXIMUM NUMBER AND CHARACTERISTICS OF SECURITIES THAT ILIAD PLANS TO ACQUIRE AND MAXIMUM PURCHASE PRICE

The only securities that the Company plans to buy are Iliad shares.

The maximum number of shares that the Company may acquire under the buyback programme may not represent over 10% of the share capital, calculated on the basis of the share capital as of the buyback date, which incidentally was 5,478,030 shares as of November 30, 2011.

The maximum purchase price for each share is set at €200.

The theoretical maximum amount of capital that may be allocated to buy back shares under this programme is €1,095,606,000 (on the basis of the share capital as of November 30, 2011).

The shares may be bought back on one or more occasions, and at any time, in compliance with applicable regulations, by any means including the use of derivatives and share block purchases.

The Company shall refrain from buying more than 25% of the daily share volume traded on Euronext Paris Eurolist, it being noted that the average daily volume is calculated on the basis of

the average daily trading volume over the month preceding the one in which this programme is made public.

5. TERM OF THE BUYBACK PROGRAMME

In accordance with the provisions of Article L. 225-209 of the French Commercial Code and Resolution 8 passed by the Annual General Meeting of May 24, 2011, the buyback programme may run for a period of eighteen months from the date of said meeting, namely up to November 23, 2012.

Investor contact

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The Iliad Group is a major player in the French telecommunications and Internet access markets through Free and Alice (4,790,000 broadband subscribers as of September 30, 2011), Onetel and Iliad Télécom (fixed line operators) and Free Mobile. The Iliad Group is listed on the Euronext Paris Eurolist under the ticker ILD.

Listed on: ***Euronext Paris***

Compartment: ***Eurolist A - Euronext Paris (SRD)***

Ticker: ***ILD***

ISIN code: ***FR0004035913***

FTSE classification: ***974 Internet***

Member of: ***Euro Stoxx, SBF 120, Next 150, CAC Mid 100***