

Translation for Information Purposes Only



INITIAL PUBLIC OFFERING

MAIN TERMS AND CONDITIONS

Certain terms and expressions in capital letters used in this summary of the principal terms and conditions of the offering are defined in chapter 2 of the *note d'opération* approved by the *Autorité des marchés financiers* which granted visa n°04-033 thereon on January 20, 2004.

Issuer

Corporate Name	Iliad S.A.
Footsie business line	974
Nationality of the company	French

Selling shareholders

- GS Capital Partners III, L.P.
- GS Capital Partners III Offshore, L.P.
- Stone Street Fund 2000, L.P.
- Bridge Street Special Opportunities Fund 2000, L.P.
- Goldman, Sachs & Co. Verwaltungs GmbH

Shares for which admission for trading on the Premier Marché of Euronext Paris is being requested

All shares comprising the capital of Iliad as of the date of the *note d'opération*, namely 47 624 230 shares fully subscribed and paid up and all of the same class, as well as all new shares to be issued or likely to be issued in the context of the Combined Offering.

Placement structure

Prior to the first listing, it is expected that the placing of certain existing and new shares with the public (the "**Combined Offering**") shall be carried out in the context of:

- an offering to the public in France carried out in the form of an *offre à prix ouvert*, principally intended for individual persons (the "**French Public Offering**");
- an international offering principally intended for institutional investors (the "**International Offering**") consisting of:

- a public placement in France; and
- an international private placement in certain countries, with the exception, notably, of the United States of America.

If the demand for shares in the French Public Offering allows it, the final number of shares allotted in response to orders issued in the French Public Offering shall be at least equal to 10% of the total number of shares offered in the Combined Offering, prior to the exercise of the Over-Allotment Option, if any. The final number of shares allocated to the French Public Offering on the one hand and the International Offering on the other hand shall be determined in compliance with the principles set out in article 7 of decision n°2000-01 of the *Conseil des marchés financiers*.

Shares subject to placement

The maximum total number of shares offered to the public and the origin of such shares are as follows:

Initial number of shares made available to the market in the context of the Combined Offering:

- 1 000 000 existing shares of the Company, all of the same class, representing approximately 1.90% of the total number of shares and voting rights of the Company, after completion of the capital increase mentioned hereafter and before exercise of the Over-Allotment Option, and
- 5 000 000 new shares, all of the same class, representing approximately 9.50% of the total number of shares and voting rights of the Company after completion of the capital increase mentioned hereafter and before exercise of the Over-Allotment Option.

Final number of shares made available to the market in the context of the Combined Offering:

- the initial number of existing shares of the Company sold in the Combined Offering and made available to the market may be increased by a maximum number of 900 000 shares in the event of full exercise of the Extension Option, and shall, in such case, be increased to 1 900 000 existing shares and
- the initial number of new shares of the Company issued in the Combined Offering and made available to the market may be increased by a maximum number of 828 000 new shares in the event of full exercise of the Over-Allotment Option granted by

the Company to the underwriters and shall, in such case, be increased to 5 828 000 new shares.

Extension Option

Depending on the importance of the demand for shares, the Selling Shareholders, in agreement with the Company and Société Générale in its capacity as Lead Manager and Book-runner, may decide to increase the number of shares initially offered in the Combined Offering up to a maximum number of 900 000 existing shares (the "**Extension Option**"), amounting to 15% of the number of shares initially made available to the public. This decision shall be made at the latest on the pricing date for the shares in the French Public Offering and the International Offering, namely on January 29, 2004.

The total number of Iliad shares offered in the French Public Offering on the one hand and the International Offering on the other hand, after exercise, if any, of the Extension Option but prior to exercise, if any, of the Over-Allotment Option referred to below, shall be set forth in the press release and the notice issued by Euronext Paris S.A. referred to in the *note d'opération*.

Over-Allotment Option

Pursuant to the first resolution of the extraordinary meeting of the shareholders of the Company dated January 9, 2004, the board of directors of the Company resolved on January 20, 2004 to issue, on the date of signature of the underwriting agreement, 828 000 share subscription warrants reserved to Société Générale acting on behalf and for the account of the underwriters (the "*bons de souscriptions d'actions*" or "**BSAs**"). These BSAs, the reserved issue of which constitutes an option granted to the underwriters (the "**Over-Allotment Option**"), shall be issued at the price of 0.001 euro each and each shall entitle the holder thereof to subscribe for one share at the International Offering Price. The exercise of such BSAs, which may be

carried out any time until March 4, 2004, shall enable the underwriters to subscribe, if any, for a maximum number of 828 000 additional shares, namely 13.80% of the number of shares initially made available to the public before exercise, if any, of the Extension Option.

Price per share

For indicative purposes, it may be pointed out that the price per share should be in a range between 14.00 euros and 16.30 euros. This information is purely indicative and does not prejudice the fact that the final price may be set outside this range and shall be determined at the end of the book-building process, namely on January 29, 2004. The price shall be set forth in a press release which should be published on January 30, 2004.

Sale of existing shares

Dividend entitlement

The shares sold confer, effective January 1, 2003, entitlement to any dividends paid out in respect of the fiscal year ended December 31, 2003.

Maximum number of shares to be sold

1 000 000 shares which may be increased to 1 900 000 shares in case of full exercise of the Extension Option.

The final number of shares to be sold will be set out in a press release which should be published on January 30, 2004.

Gross Proceeds from the sale

A maximum of 28 785 000 euros in the event the maximum number of shares is sold (including the 900 000 shares sold in the event of full exercise of the Extension Option) at a price equal to the midpoint of the indicative price range mentioned above (i.e. 15.15 euros).

Capital increase

Dividend entitlement

The new shares shall, effective January 1, 2003, confer entitlement to any dividends paid out in respect of the fiscal year ended December 31, 2003.

Maximum number of shares to be issued

5 000 000 shares which may be increased up to 5 828 000 shares in the event of full exercise of the Over-Allotment Option.

The final number of shares to be issued shall be set forth in a press release which should be published on March 5, 2004 at the latest.

Gross proceeds from the issue A maximum of 88 294 200 euros in the event the maximum number of shares (including the 828 000 shares issued in the event of full exercise of the Over-Allotment Option) at a price equal to the midpoint of the indicative price range mentioned above (i.e. 15.15 euros).

Underwriting

The issue of the new shares shall be underwritten in the form of an irrevocable underwriting “*garantie de bonne fin*” in accordance with the provisions of article L.225-145 of the French Commercial Code by a syndicate of financial institutions led by Société Générale.

Listing

Start of trading Trading of Iliad shares on the *Premier Marché* of Euronext Paris should start on January 30, 2004.

ISIN Code FR 000 403 5913

Indicative calendar of the Combined Offering

January 21, 2004	Opening of the French Public Offering Opening of the International Offering
January 28, 2004	Closing of the French Public Offering
January 29, 2004	Closing of the International Offering (except for early closing) Determination of the French Public Offering Price and the International Offering Price Publication by Euronext Paris S.A. of the notice of results of the French Public Offering First listing of the Company’s shares
January 30, 2004	Publication in the media of a press release confirming the final volumes of the French Public Offering and the International Offering and indicating the French Public Offering Price and the International Offering Price Start of trading of the Company’s shares on the <i>Premier Marché</i> of Euronext Paris
February 3, 2004	Payment - delivery of shares offered in the French Public Offering and the International Offering
March 4, 2005	Deadline for exercise of the Over-Allotment Option

Contact for investors

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Financial intermediaries

Société Générale
Cazenove & Co. Ltd.
Oddo & Cie Entreprise d'Investissement

Where to obtain the prospectus

Copies of the prospectus are made available free of charge at the offices of Iliad, 8, rue de la Ville l'Evêque - 75008 Paris, at the offices of the financial intermediaries mentioned above, as well as on the web-sites of the company (<http://www.iliad.fr>) and the *Autorité des marchés financiers* (<http://www.amf-france.org>).

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