



83% INCREASE IN CONSOLIDATED REVENUES IN 2003

Iliad Group consolidated revenues have increased significantly to € 293.0 million in 2003, up 83%, as anticipated at the time of the IPO. This increase in revenues results from both the success of Free ADSL offer and the improvement in Telephony segment activities.

Key Operating Data

Internet Segment

- 111.5% revenue growth
- 130 000 new ADSL subscribers in Q4 2003
- An improving ratio of Option 1 (unbundled) customers : from 16.6% as of June 30, 2003 to 33.6% as of December 31, 2003

Telephony Segment

- One.Tel subscriber base has increased from 153 000 as of December 31, 2002 to over 215 000 as of December 31, 2003
- Clear improvement in Kertel positioning with over 4.5 million prepaid cards sold in 2003

2003 Consolidated Revenues

(in euros '000)	2003	2002	% Change
Internet Segment	215 042	101 656	111.5%
- of which ISP Revenues	177 118	89 904	97.0%
Telephony Segment	96 366	44 546	116.3%
Other activities	25 026	26 018	(3.8%)
Intersegment	(43 383)	(11 957)	NS
Consolidated Revenues	293 051	160 263	82.9%

Internet Segment : 111.5% Increase in Revenues

Internet segment revenues reached € 215.0 million, up 111.5% compared to 2002 revenues

ISP Revenues

Access revenues were € 169.7 million in 2003. The sharp increase in access revenues resulted directly from the success of Free's ADSL offer : 385,000 new customers subscribed to Free's offer in 2003. The total number of Free's ADSL subscribers reached 485,000 as of December 31, 2003.

Competition in the French ADSL market was extremely intense in 2003, with new entrants and a large number of offers available to internet users. Nevertheless, Free managed to establish itself as the leading alternative ISP with over 15% market share in the residential ADSL market as of December 31, 2003. Free continues to propose the most attractive broadband access offer in France at € 29.99 per month with no set-up fee nor modem charge. At that price, Free ADSL subscribers are guaranteed a minimum 2 Mbs bandwidth in unbundled zones (Option 1) and 1 Mbs in non-unbundled areas (Option 5)¹.

In addition, Free continues to emphasize its strategy of Local Loop Unbundling and aims at reaching the highest percentage of Option 1 customers. As of December 31, 2003, 33.6% of all ADSL users were provisioned with Option 1 versus 16.6% at June 30, 2003.

Telephony Segment : 116.3% Increase in Revenues

Telephony segment revenues were € 96.4 million in 2003, a 116.3% increase versus 2002. Excluding Kertel, Telephony segment revenues would have been € 67.6 million, a 52% increase versus 2002.

Fixed Telephony and Prepaid Phonecards Revenues

One.Tel and Kertel generated revenues of € 73.7 million. One.Tel billed 215,000 subscribers at December 31, 2003 versus 153,000 one year earlier, a result of a more sustained marketing strategy. As far as Kertel is concerned, 4.5 million prepaid cards were sold in 2003, ensuring Kertel's position as the leading alternative player in this industry in France.

2003 4th Quarter Revenues (for information purposes only)

(in euros '000)	4Q2003	4Q2002	% Change
Internet Segment	68 978	31 254	120.7%
- of which ISP revenues	55 288	27 246	102.9%
Telephony Segment	31 806	12 862	147.3%
Other activities	6 828	6 887	(0.9%)
Intersegment	(17 225)	(4 551)	NS
Consolidated Revenues	90 387	46 452	94.6%

¹ If technical specifications allow



Iliad is a leading player in the French telecommunications and Internet access industry via its subsidiaries Free (the second largest ISP and a licensed network operator), One.Tel (a fixed telephony provider) and Kertel (the leading alternative prepaid cards provider). Founded in 1991, the Group employs 520 people and is one of the last independent company in the French telecommunications industry. Iliad is listed on Euronext Paris under the ticker ILD.

Exchange : **Euronext Paris**

Market place : **1er Marché**

Ticker : **ILD**

ISIN Code : **FR0004035913**

FTSE Ranking: **974 Internet**

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