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Initial Public Offering on the *Premier Marché* of Euronext Paris

SUCCESS WITH INDIVIDUAL SHAREHOLDERS AND EUROPEAN INSTITUTIONAL INVESTORS

**Share price set at 16.30 euros
Offer oversubscribed more than 25 times**

Paris, January 29, 2004

The success of the initial public offering of Iliad, parent company of Free, will enable Iliad to continue developing its network, growing its ADSL subscriber base and accelerating its unbundling of the local loop.

After a six day offering period, as a result of strong investor interest, the share price was set at € 16.30 per share, the top of the price range. This initial public offering, with total proceeds of € 104.32 million permits Iliad to carry out a capital increase of € 81.5 million, before exercise of the over-allotment option..

The shares accepted for trading on the *Premier Marché* of Euronext Paris represent 13.31 % of Iliad's share capital before the exercise of the over-allotment option. Trading of the shares will start on January 30, 2004 on the *Premier Marché* of Euronext Paris under the ticker ILD (ISIN Code: FR0004035913).

In the event of a complete exercise of the over-allotment option, the amount of the capital increase will be € 95 million, and 14.65 % of the company's total share capital will be accepted for trading.

The transaction received a very favorable reception from European investors. The offering was oversubscribed more than 25 times.



Upon completion of the offering and before the exercise of the over-allotment option, Xavier Niel, Chairman of the Board of Directors, and certain managers of the group will hold 82.4 % of the Iliad's share capital, and certain Goldman Sachs and AXA funds will hold 4.2 %. The company, Xavier Niel, certain members of the management, and the Goldman Sachs funds have agreed to not issue or sell any of their shares for a period of 6 months, subject to certain usual exceptions.

Iliad would like to thank SG Corporate & Investment Banking, Global Coordinator & Sole Bookrunner, Cazenove, Joint Lead Manager, Oddo & Cie, Co-Manager, its lawyers Skadden, Arps, Slate, Meagher & Flom, Freshfields Bruckhaus Deringer, lawyers for the underwriters, its statutory auditors, Boissière Expertise Audit and PricewaterhouseCoopers Audit, and its public relations agency, Euro RSCG C&O for their active contribution to the success of the transaction.

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A prospectus made up of a *document de base*, registered on December 15, 2003 under number I.03-253, and a *note d'opération*, registered on January 20, 2004 under number 04-033, are 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>). The definitive terms of the offer have been published in a press release dated January 29, 2004.

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