



Paris September 8, 2005

1H05 EBITDA at €94.9 million, up 104.5%
1H05 Net Income at €24.1 million, up 56.5%
Sharp Increase in ADSL ARPU; Internet EBITDA Margin above 30% for 1st time

During the 1st half 2005, Iliad delivered strong operational and financial growth. The Group's unbundling strategy coupled with an increase in usage of value-added services by Freebox subscribers fuelled strong profitability improvements:

- Group EBITDA increased to € 94.9 million, up 104.5% yoy. Group EBITDA margin exceeded 28% vs. close to 21% a year earlier;
- Operating income increased to € 39.2 million, up 62.2% yoy;
- Net income grew from € 15.4 million in 1H2004 to € 24.1 million in 1H2005, up 56.5% yoy.

In addition, during the period, Iliad confirmed its positions as :

- The leading alternative ADSL operator in France;
- The leading VoIP operator in France and in Europe;
- The leading TV over ADSL operator in France and in Europe.

The Consolidated income statement is presented below.

(in €'000) IFRS	June 30, 2005	June 30, 2004	% Change
Revenues	337,832	221,949	52.2
EBITDA	94,916	46,412	104.5
Depreciation	(55,706)	(22,231)	150.6
Operating Profit	39,210	24,181	62.2
Financial Income & Expenses, net	(2,278)	(266)	NS
Corporate income tax	(12,805)	(8,500)	50.6
Profit for the Period	24,127	15,415	56.5

Internet Sector Highlights

Internet sector revenue growth (revenues¹ at € 259.9 million) accelerated during the 1st half 2005, pushed by an expanding use of value-added services by Freebox subscribers. As of June 30, 2005, about 1,180,000 users were equipped with a Freebox, close to 90% of Free's subscriber base. During the 1st half 2005, value-added services generated revenues of approximately € 27.5 million, compared with € 13.5 million in 2004 for the entire year, corresponding to an ARPU of over € 4.7 per Freebox user per month.

Internet sector EBITDA was € 82.9 million in 1H2005 vs. € 35.9 million in 1H2004 and € 49.1 million in 2H2004. Internet sector EBITDA margin was 31.9% in 1H2005, exceeding 30% for the first time in the

¹ Excl. Intersegment revenues

Group's history. Internet sector EBIT was €27.8 million in 1H2005 vs. €14.8 million in 1H2004, an 87.8% increase.

Telephony Sector Highlights

As expected due to the growing take-up of broadband voice offerings, Telephony sector revenues were stable in 1H2005 at €72.4 million. In light of decreasing marketing expenses, Telephony sector EBITDA increased to €11.8 million vs. €8.5 million in 1H2004.

Balance Sheet

As of June 30, 2005, Iliad had a net financial debt of €30.4 million, or less than 19% of LTM Group EBITDA.

Shareholder Structure

As of June 30, 2005, Iliad's capital consisted of 54,151,550 ordinary shares, of which 23.4% was free float and the balance held by management. There were 444,132 options, issued at IPO, exercisable as of February 2008.

Outlook

In a changing market environment, Iliad believes that its position as the leading alternative operator continues to grow stronger :

- Free is the only French ISP with an increasing ADSL ARPU;
- Freebox is still the only fully integrated triple-play platform, driving increased usage of value-added services;
- Free is the first French ISP to have successfully transitioned to ADSL2+ technology and to offer ADSL2+ nationally.

Iliad reiterates its goal to remain the leading alternative ADSL operator in France and to reach the following key objectives :

- Increase ADSL ARPU
- 1.5 million ADSL subscribers by end 2005
- Over 70% by unbundled users by end 2005

The Group will pursue its profitable growth strategy and reach Free Cash Flow break-even during the 2nd half 2005.

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 and Iliad Telecom (fixed telephony providers) and Kertel (the leading alternative prepaid cards provider). Founded in 1991, the Group employs over 900 people. Iliad is listed on Euronext Paris under the ticker ILD.

Exchange : **Euronext Paris**

Ticker : **ILD**

ISIN Code : **FR0004035913**

FTSE Ranking: **974 Internet**

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