

Paris, June 9, 2008

Iliad enters into exclusive negotiation with Telecom Italia over the acquisition of Alice France

Iliad SA and Telecom Italia Spa have entered into exclusive negotiations in relation to the sale of Liberty Surf Group SAS. Liberty Surf Group SAS is mainly consisting of French Internet access unit, which trades under Alice brand. With this acquisition, Iliad would consolidate its position as the leading ADSL alternative operator in France.

The acquisition price will be based on a maximum enterprise value of €800 millions and is subject to adjustment clauses. This price will reflect on one hand the value of the active subscriber base and on the other hand the value of the cumulated net operating losses of the acquired businesses.

Subject to the outcome of the consultation process with the employee representatives and other necessary approvals, both parties aim to complete the transaction by the end of the third quarter of 2008.

Iliad is advised by Morgan Stanley, Lovells and KPMG.

The Iliad Group is a major player in the French telecommunications and Internet access market via its subsidiaries Free (3,041,000 ADSL subscribers as of March 31, 2008), Onetel and Iliad Télécom (fixed telephony providers) and IFW (Wimax). The Iliad Group is listed on Euronext Paris under the ticker ILD.

Exchange: [Euronext Paris](#)

Marketplace: [Euronext Paris Eurolist A \(SRD\)](#)

Ticker: [ILD](#)

ISIN Code: [FR0004035913](#)

FTSE Ranking: [974 Internet](#)

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