

Paris, 5 November 2009

- **33% consolidated revenues growth to €1,457 million**
- **100,000 subscribers recruited under the Free brand, which is a 28.4% market share¹**
- **Unbundling rate of close to 84% for the Group**

CHANGE IN THE NUMBER OF BROADBAND SUBSCRIBERS BETWEEN 2008 AND 2009

	30 Sept. 09	30 June 09	31 Dec. 08
Total number of ADSL subscribers	4,420,000	4,371,000	4,225,000
- Free	3,689,000	3,589,000	3,389,000
- Alice	731,000	782,000	836,000
Unbundled subscribers	3,692,000	3,551,000	3,323,868
- Free	3,224,000	3,130,000	2,900,000
- Alice	468,000	421,000	423,868
Unbundled subscribers as % of total	83.5%	81.2%	78.7%
- Free	87.4%	87.2%	85.6%
- Alice	64.0%	53.8%	50.7%

Over the 3rd quarter 2009, the Iliad Group enhanced its strategic positioning in the French broadband market, due to the marketing dynamics of the Free brand and the continuing integration of Alice. Iliad's subscriber base thus totalled 4,420,000 at 30 September 2009.

- Over the 3rd quarter 2009, the Free brand recruited 100,000 new subscribers, net of cancellations, resulting in a market share of about 28.4% of new subscribers.
- The Iliad Group continued to integrate Alice throughout the 3rd quarter, by implementing synergies such as the start of Alice subscribers' unbundled in covered areas. The implementation of these operational synergies enabled Alice's subscriber base to achieve an unbundling rate of 64% at 30 September 2009.

¹ Source: data published by the original operator on 29 October 2009

The continuing efforts to extend local loop unbundling, as well as the migration of Alice subscribers to the Free network enabled the Group to record an unbundled rate of close to 84%, ahead of the 82% year-end target.

3RD QUARTER 2009 CONSOLIDATED REVENUES

(€ millions)	9 months 09	9 months 08	% change	Q3 09	Q3 08	% change
Consolidated Sales	1,456.6	1,091.8	33.4%	486.7	399.6	21.8%
General Public	1,434.9	1,072.5	33.8%	480.5	388.4	23.7%
- Free	1,186.6	1,039.3	14.2%	404.5	355.2	13.9%
- Alice	248.3	33.2	647.9%	76.0	33.2	128.9%
Corporate	13.0	2.0	551.1%	3.6	2.0	81.1%
- Inter-sector	(3.9)	(6.0)	(35.4%)	(1.2)	(1.5)	(21.6%)
Consolidated Broadband Revenues	1,444.1	1,068.5	35.1%	483.0	388.9	24.2%
Traditional Telephony	30.2	40.1	(24.7%)	10.2	18.6	(45.2%)
- Inter-sector	(17.7)	(16.8)	5.3%	(6.5)	(7.9)	(17.8%)
Consolidated Traditional Telephony Revenues	12.5	23.3	(46.3%)	3.7	10.7	(65.3%)

Group revenues grew by more than 33% between 30 September 2008 and 30 September 2009. This increase was due to:

- organic growth by the Free brand,
- the consolidation of Alice,
- the growing usage of added value services available to Free and Alice subscribers. Revenues generated by these services thus totalled more than € 348 million to 30 September 2009, an increase of close to 36% over the period.

The Group consolidated its broadband ARPU to € 36.1 per month (excl. VAT) over the 3rd quarter 2009, in spite of a less favourable seasonal effect for the consumption of added value services over the summer.

MAIN GROUP OBJECTIVES FOR 2009

In light of this good operational performance, the Group will continue its profitable growth over the second half-year 2009 and confirms the following short and medium-term objectives:

- 5 million broadband subscribers in 2011.
- ADSL Free Cash Flow in excess of €300 million in 2009 (excluding Alice) and over €1 billion in 2009-2011 (including Alice).
- Generate incremental EBITDA of €90 million from Alice (on a full-year basis) from the second half of 2010.
- A very significant increase in net profit in 2009.
- As part of the rollout of its FTTH network, the Group confirms its objective of:
 - providing horizontal coverage of 70% of Paris by the second half year 2009,
 - providing horizontal coverage to 4 million households by end 2012.

GLOSSARY

Unbundled subscribers: subscribers who have signed up for a Free ADSL offering in a telephone exchange unbundled by Free.

Broadband ARPU (Average Revenue Per User - Broadband): includes revenues generated by package and value-added services, but excludes non-recurring revenues (for example, fees for migration from one offering to another or service start up or termination fees), divided by the total number of ADSL subscribers invoiced over the period..

Total number of ADSL subscribers: represents, at the end of the period mentioned, the total number of subscribers identified by their telephone lines who have subscribed to the Free ADSL offering after elimination of those for whom a termination was registered.

Recruitment: corresponds to the difference between the total number of ADSL subscribers at the end of two different periods.

Free is an Iliad subsidiary. The Iliad Group is a major player in the French telecommunications and Internet access market via Free and Alice (4,420,000 ADSL subscribers as of 30 September 2009), 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: *Eurolist A of Euronext Paris (SRD)*

Ticker: *ILD*

ISIN code: *FR0004035913*

FTSE ranking: *974 Internet*

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