

Paris, 6 May 2009

- **42% increase in consolidated revenues to € 482.0 million**
- **142,000 subscribers recruited under the Free brand**
- **Group ARPU of € 35.9 (excluding VAT)**

Q1 2009 KEY EVENTS

With **4,337,000 subscribers and a market share above 25%¹ at 31 March 2009**, the Iliad Group strengthened its position as the leading ADSL alternative operator in France.

- Over the first quarter 2009, the **Free brand confirmed its outstanding dynamics by recruiting 142,000 new subscribers** under the Free brand, net of cancellations, compared to 137,000 in the 1st quarter 2008. Free's market share of new ADSL subscribers was 27.3%¹ in the 1st quarter 2009, compared to 21.8% in 2008. At 31 March, Free had a subscriber base of 3,531,000 subscribers.
- In accordance with its integration plan for the Alice operations, the Group continued over the 1st quarter to implement its policy of streamlining Alice's offers and migrating subscribers to Free's network, which resulted in a modest decrease in the subscriber base. Alice thus had a subscriber base of 806,000 at 31 March 2009.

The Group consolidated its Broadband ARPU to € 35.9 per month (excl. VAT) over the 1st quarter 2009, in spite of a less favourable seasonal effect for phone usage over the period. This performance confirms the marketing dynamics of Free's ADSL offer and the success of the synergies with Alice.

The Group's value added services exceeded € 100 million over the 1st quarter 2009 to € 115.6 million. These services are experiencing strong growth (44% over the period).

True to its strategy, Iliad enhanced the attractiveness of its offers throughout the first quarter, with in particular:

- The inclusion of 17 new destinations in the Freebox package (*January 2009*)
- The launch of a new AliceBox (*February 2009*)
- Additional services to the AliceBox offer: increased speeds, 27 new destinations and 70 new TV channels (*February 2009*)
- An enhanced Freebox TV package, with 28 new channels (*March 2009*).

On 2 April last, Free was awarded the NF Service certification by AFNOR Certification for its call centres. The Iliad Group is now the only player in the ISP industry whose call centres are all NF-certified.

¹ Source : Data published by the Incumbant on 29 April 2009

1ST QUARTER 2009 CONSOLIDATED REVENUES

(€ millions)	Q1 2009	Q1 2008	% change
Consolidated Revenues	482.0	340.0	41.8%
General Public	473.7	335.6	41.2%
Corporate	5.1	-	-
- Inter-sector	(1.4)	(2.0)	(30.0%)
Consolidated Broadband Revenues	477.4	333.6	43.1%
Traditional Telephony	8.8	8.7	1.1%
- Inter-sector	(4.2)	(2.3)	82.6%
Traditional Telephony Revenues	4.6	6.4	(28.1%)

MAIN GROUP OBJECTIVES FOR 2009

In light of its first quarter performance, the Group confirms the following objectives:

- 5 million broadband subscribers in 2011.
- An 82% group-wide (Free and Alice) unbundling rate by end 2009.
- ADSL Free Cash Flow in excess of €300 million in 2009 (excluding Alice) and over €1 billion in 2009-2011 (including Alice).
- EBITDA breakeven on Alice during the second quarter 2009.
- 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.

Iliad's Combined General Meeting will be held on 23 June 2009.

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.

The Iliad Group is a major player in the French telecommunications and Internet access market via Free and Alice (4,337,000 ADSL subscribers as of 31 March 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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