

Paris, 12 February 2009

2008: 29% GROWTH IN CONSOLIDATED REVENUES

- **30.1% increase in the Broadband operations 2008 revenues**
- **1.3 million annual increase in the number of ADSL subscribers**
- **Record-breaking ARPU for Free at €36.9 in 4th quarter 2008**
- **Iliad, leading ADSL alternative operator in France with 4,225,000 subscribers at the end of 2008**

2008 enabled Iliad to strengthen its position as the leading ADSL alternative operator in France with a 1.3 million year-on-year increase in the number of ADSL subscribers, bringing the total to 4.2 million subscribers at the end of 2008.

- (i) Free gained 485,000 new subscribers, net of churn, to a total of 3,389,000 subscribers at the end of 2008.
- (ii) Due to the acquisition of Alice, Iliad strengthened its strategic positioning with 836,000 subscribers under the Alice brand at the end of 2008.

This significant growth in the number of subscribers was associated with higher usage of valued added services, which now represent 25% of Free's General Public revenues.

- i) The Average Revenue per Free User reached a record level of € 36.9 (excl. VAT) over the 4th quarter 2008, due in particular to the launch of new services such as the Multi-TV Freebox.
- ii) The implementation of the first synergies drove Alice's Average Revenue Per User for December 2008 up to €32 (excl. VAT).

The Group's 2008 consolidated revenues were € 1,565 million, a 29% increase compared to 2007. The contribution of Alice France operations to 2008 consolidated revenues included 4 months and 5 days of operations. 2008 revenue growth, excluding the acquisition of Alice France, was 18.9%.

In 2008, Iliad significantly exceeded the objectives announced at the start of the year, crossing the 3.25 million Free subscribers and 84% unbundling rate thresholds by reporting 3.39 million subscribers and an unbundling rate of 85.6%.

2008 CONSOLIDATED REVENUES AND 2008 4TH QUARTER

(€ millions)	2008 ¹	2007	% change	Q4 2008	Q4 2007	% change
Consolidated revenues	1,565.1	1,212.4	29.1%	473.3	331.4	42.8%
Free General Public	1,414.1	1,189.0	18.9%	374.8	326.4	14.8%
Alice General Public	118.9	-		85.7	-	
Corporate (Alice)	7.8	-		5.8	-	
- Inter-sector	(7.5)	(10.6)	(29.2%)	(1.5)	(2.3)	(34.8%)
Consolidated Broadband Revenues	1,533.3	1,178.4	30.1%	464.8	324.1	43.4%
Traditional Telephony	43.3	53.0	(18.3%)	10.9	13.2	(17.4%)
Wholesale (Alice)	13.4	-		5.7	-	
- Inter-sector	(24.9)	(19.0)	31.1%	(8.1)	(5.9)	37.3%
Traditional Telephony Revenues	31.8	34.0	(6.5%)	8.5	7.3	16.4%

ADSL SUBSCRIBER BASE SINCE 2006

	31 Dec. 2006	31 Dec. 2007	31 Dec. 2008
Total number of ADSL subscribers	2,278,000	2,904,000	4,225,000
- Free	2,278,000	2,904,000	3,389,000
- Alice	-	-	836,000
Unbundled subscribers	1,730,000	2,366,000	3,323,868
- Free	1,730,000	2,366,000	2,900,000
- Alice	-	-	423,868
Unbundled subscribers as a % of total	75.9%	81.5%	78.7%
- Free	75.9%	81.5%	85.6%
- Alice	-	-	50.7%

¹ Including the 4 months and 5 days of Alice operations.

SIGNIFICANT 2008 EVENTS

In 2008, Iliad confirmed its leadership in terms of innovation and service quality on the French ADSL market. True to its strategy, Iliad introduced significant innovations to its subscribers throughout 2008, notably:

- Enhanced its audiovisual offering with the:
 - Launch of Free Home Video Premium (*January*),
 - Launch of Canal + on Demand on Freebox (*May*),
 - Introduction of new High Definition channels (France 2, M6) and new HD contents in the *Free Home Video* package,
 - Broadcast of 17 new channels in MPEG-4 (*October*),
- Launch of new Freebox TV services:
 - Telesite service (*March*),
 - Multi-TV Sets offer (*September*).
- Integration into Freebox HD of the latest technological generations:
 - 200 Mbps CPL in Freeplugs (*January*),
 - Wifi - 802.11n (*April*).
- Launch of Local Technical Support in 70 major French towns and cities (*August*).

POST BALANCE SHEET EVENTS

- Inclusion in January of new destinations in the Freebox flat rate package, thus enabling unlimited calls to 97 destinations.
- On 3 February 2009, the Group presented the new Alice Box.
- Iliad has set up a strategic partnership with Chiligaming (Gaminvest Holding Ltd Group) with the prospect of the opening of the gaming market in France. The objective of this partnership is to eventually develop an online game offering in France as soon as the French regulatory environment permits it.

OUTLOOK

The Group seeks to continue to implement its growth policy, which is based on:

- The increase in its subscribers base, with a target of 5 million subscribers in 2011,
- The continued extension of local loop unbundling,
- The development of value added services, with the launch of new innovative services.

The Group also intends to step up its plan for the rollout of fibre optics to subscribers (FTTH), and confirms its target of 4 million households covered in 2012.

Bolstered by its experience of the first months of integration, the Group confirms its restructuring objectives for Alice, with a view in particular of generating a € 90 million incremental EBITDA (on a full-year basis) from the second half-year 2010 onwards.

GLOSSARY

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

Broadband ARPU (Average Revenue per User) includes revenues from the flat-rate package and the value-added services but excludes one-time revenues (e.g. migration from one package to the other or unsubscription fee) divided by the total number of ADSL subscribers invoiced for the period.

Total number of ADSL Subscribers at the end of a period consists of the total number of customers identified by their individual “phone lines” who have signed up for Free ADSL service excluding those for whom a termination notice has been 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 (4,225,000 ADSL subscribers as of 31 December 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: **Eurolist A of Euronext Paris (SRD)**

Ticker: **ILD**

ISIN Code: **FR0004035913**

FTSE ranking : **974 Internet**

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