

Paris, 5 May 2010

- **Consolidated Group revenues of €505 million**
- **Free: Over 11% revenue growth to €431 million**
- **More than 4.5 million ADSL subscribers**
- **Record unbundling rate of 87.11%**

#### **CHANGE IN THE NUMBER OF ADSL SUBSCRIBERS SINCE 30 SEPTEMBER 2009**

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	<b>31 Mar. 2010</b>	<b>31 Dec. 2009</b>	<b>30 Sept. 2009</b>
<b>Total number of ADSL subscribers</b>	<b>4,504,000</b>	<b>4 456 000</b>	<b>4,420,000</b>
- Free	3,866,000	3,778,000	3,689,000
- Alice	638,000	678,000	731,000
<b>Unbundled subscribers as % of total</b>	<b>87.11%</b>	<b>85.40%</b>	<b>83.50%</b>

At 31 March 2010, the Group totalled more than 4.5 million ADSL subscribers, including 3,866,000 subscribers registered under the Free brand and 638,000 subscribers under the Alice brand. The main changes over the quarter were as follows:

- Over the 1<sup>st</sup> quarter 2010, the Free brand recruited 88,000 new subscribers, net of cancellations, resulting in a market share of about 23.3%<sup>1</sup> of new subscribers. This growth underlined the commercial vitality of the Free brand. Over the 1<sup>st</sup> quarter, recruitment costs per subscriber remained stable at a low level.
- The Group continued to implement network synergies in the 1<sup>st</sup> quarter, by switching Alice subscribers to the Free network and expanding the unbundling of eligible subscribers.

The migration of Alice subscribers to the Free network, as well as the continuing extension of local loop unbundling enabled the Group to further improve the unbundled rate to over 87% at 31 March 2010.

<sup>1</sup> Source: Based on estimated net recruitments for the market of 378,000 subscribers over the 1<sup>st</sup> quarter 2010

## 1<sup>ST</sup> QUARTER 2010 CONSOLIDATED REVENUES

(€ millions)	Q1 2010	Q1 2009	% change
<b>Consolidated Revenues</b>	<b>504.5</b>	<b>482.0</b>	<b>4.7%</b>
General public	499.3	473.7	5.4%
- Free	430.9	386.5	11.5%
- Alice	68.4	87.2	(21.6%)
Corporate	2.6	5.1	(49.0%)
- Intersector	(1.0)	(1.4)	(28.6%)
<b>Consolidated Broadband Revenues</b>	<b>500.9</b>	<b>477.4</b>	<b>4.9%</b>
Traditional Telephony	10.9	8.8	23.9%
- Intersector	(7.3)	(4.2)	73.8%
<b>Consolidated Traditional Telephony Revenues</b>	<b>3.6</b>	<b>4.6</b>	<b>(21.7%)</b>

Group revenues grew by nearly 4.7% between 31 March 2009 and 31 March 2010, due to:

- (i) **Sustained organic growth by the Free brand.** Between 31 March 2009 and 31 March 2010, revenues generated by the Group's original operations **increased by 11.5%** to € 431 million.
- (ii) **The negative basis effect of the Alice brand**, due to the termination of wholesale operations and an eroding subscriber base.
- (iii) **Continuing growth in value-added services** under the Free and Alice brands. At 31 March 2010, revenues from these services totalled € 124.1 million, compared to € 115.6 million at 31 March 2009, an increase of close to 7.4% over the period. This performance enabled the Group's Broadband ARPU to consolidate at a level of € 36.3 per month (ex. VAT), in spite of a less favourable seasonal effect over this period.

## GLOSSARY

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**Unbundled subscribers:** subscribers who have signed up for a Group 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 (4,504,000 ADSL subscribers as of 31 March 2010), 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**

Member of: **Euro Stoxx, SBF 120, Next 150, CAC Mid 100**