

Paris, 11 February 2010

- Consolidated revenues of €1,955 million, up 25%
- 389,000 additional ADSL subscribers attracted by the Free brand over 2009
- Growth in Group ARPU to €36.5 in the 4th quarter 2009
- More than 85% unbundled subscribers, exceeding the set target

CHANGE IN THE NUMBER OF BROADBAND SUBSCRIBERS SINCE 2007

	31 Dec. 09	31 Dec. 08	31 Dec. 07
Total number of ADSL subscribers	4,456,000	4,225,000	2,904,000
- Free	3,778,000	3,389,000	2,904,000
- Alice	678,000	836,000	-
Unbundled subscribers as % of total	85.4%	78.7%	81.5%

2009 was marked by the confirmed attractiveness of the Free offering and the integration of Alice. At 31 December 2009, Iliad's broadband subscriber base amounted to 4,456,000, compared to 4,225,000 at 31 December 2008.

- Free continued its organic growth in 2009 with the recruitment of an additional 389,000 subscribers, net of terminations, representing a market share of nearly 24%¹ of new subscribers. Free's subscriber base totalled 3,778,000 at 31 December 2009.
- Over the second half-year 2009, the Group maintained the rapid pace of integration of Alice, by switching Alice's subscribers over to the Free network and unbundling a large number of eligible subscribers. The implementation of these synergies coincided with the loss of 53,000 Alice subscribers over the 4th quarter. Alice's subscriber base totalled 678,000 at 31 December 2009.

Continuing efforts to extend local loop unbundling, with the opening of new Cos (Central Offices), as well as the migration of Alice subscribers to the Free network enabled the Group to achieve **an unbundled rate of more than 85% at 31 December 2009, exceeding the 82% target.**

¹ Based on estimated net recruitments for the whole market of 1,632,000 subscribers over 2009

4TH QUARTER 2009 CONSOLIDATED REVENUES

(€millions)	31 Dec. 09	31 Dec. 08*	% change	Q4 09	Q4 08	% change
Consolidated revenues	1,954.5	1,565.1	24.9%	498.0	473.3	5.2%
General Public	1,928.1	1,533.0	25.8%	492.9	460.5	7.0%
- Free	1,609.1	1,414.1	13.8%	422.5	374.8	12.7%
- Alice	318.7	118.9	-	70.4	85.7	(17.9%)
Corporate	15.6	7.8	-	2.6	5.8	(55.2%)
Inter-sector	(5.2)	(7.5)	(30.7%)	(1.2)	(1.5)	(20.0%)
Consolidated broadband revenues	1,938.3	1,533.3	26.4%	494.3	464.8	6.3%
Traditional Telephony	40.2	56.7	(29.1%)	10.0	16.6	(39.8%)
Inter-sector	(24.0)	(24.9)	(3.6%)	(6.3)	(8.1)	(22.2%)
Consolidated traditional telephony revenues	16.2	31.8	(49.1%)	3.7	8.5	(56.5%)

* Alice consolidated from 26 August 2008

Group revenues grew by nearly 25% between 31 December 2008 and 31 December 2009. This strong increase was due to:

- dynamic organic growth by the Free brand, which reported growth of nearly 14% over the year,
- the full-year consolidation of Alice,
- the continuing strong growth in added value services. At 31 December 2009, revenues from these services totalled € 474.7 million, compared to € 376.7 million at 31 December 2008, representing growth of more than 26% over the period.

The commercial success of the Free offering and the synergies made possible by the integration of Alice enabled Iliad Group to report an **Average Revenue Per User (ARPU) of € 36.5 over the 4th quarter 2009**, a level virtually equal to that achieved by Free prior to the acquisition of Alice.

2009 FINANCIAL YEAR HIGHLIGHTS

True to its strategy of continuous innovation, Iliad offered major innovations to its subscribers throughout 2009, notably:

- **The integration of ever more phone destinations in its triple-play offering:**
 - Addition of 17 new destinations (January 2009)
 - Free including unlimited calls to Morocco (December 2009)
- **The enhanced power of its audiovisual offering:**
 - France 24's 3 channels in French, English and Arabic first featured on Freebox TV (January 2009)

- Free continued to extend its TV offering with 28 new channels (March 2009)
 - Free launched the greatest African TV channel offer in Europe (April 2009)
 - Free, 1st operator in France to broadcast the Sundance Channel HD (September 2009)
 - TCM (Turner Classic Movies) on demand now available on Free (October 2009)
- **The launch of additional services for the Freebox:**
 - Free simplified the broadcasting of digital content on TV with the launch of the Universal Plug & Play (UPnP AV) protocol (May 2009)
 - Opening of Free wifi hotspots (May 2009)
 - Free: 1st upgradeable video game offering on a Box (November 2009)
 - Free continued to innovate with the launch of remote TV programme recording (December 2009)

GLOSSARY

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 package 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 (4,456,000 ADSL subscribers as of 31 December 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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