

Paris, 27 December 2011

Successful conversion of OCEANE bonds €200 million increase in Group equity

The Iliad Group is pleased to announce the conversion of 61% of the 3,754,968 OCEANE bonds (bonds convertible into new shares and/or exchangeable for existing shares, ISIN code: FR 0010350280), issued in June 2006. This significant level of conversion requests indicates strong support from investors for the Group's development plans.

Based on conversion requests received by the exercise date, i.e. 22 December 2011, and taking account of the delivery of 35,700 shares previously held, the Iliad Group will issue 2,260,524 new shares corresponding to a capital increase of 4.13% of shares outstanding at 30 November 2011. The new shares will be delivered and listed on 2 January.

The conversion of these OCEANE bonds represents an increase of almost €200 million in Group equity and corresponding reduction in Group net debt. The Group's current sound financial position will be further strengthened only a few days before it enters into the mobile market. Iliad is one of the telecom operators with the lowest debt levels in the world.

The Iliad Group is a major player in the French telecommunications and Internet access market via Free and Alice (4,790,000 Broadband subscribers as of 30 September 2011), Onetel and Iliad Télécom (fixed telephony providers), as well as Free Mobile. The Iliad Group is listed on Euronext Paris under the ticker ILD.

Exchange: **Euronext Paris**

Market place: **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**