



Paris September 5, 2005

Iliad Reaches Agreement to Acquire Altitude Telecom Investment in WiMAX, a New and Promising Technology

Iliad Group has reached an agreement with Altitude Telecom's shareholders to acquire 100% of the shares of the company. The transaction, which has been approved by Iliad's Board of Directors, is anticipated to close on or about November 15th, 2005. This acquisition is not expected to have a significant impact on the consolidated results in the medium term.

Altitude Telecom owns the only national WiMAX licence (3.5 Ghz frequency) granted by ARCEP, the French Telecommunications Regulatory Authority.

The transaction has been structured such that Iliad will acquire Altitude Telecom's residential and WiMAX activities. Altitude Développement, a company majority owned by Mr. Jean-Paul Rivière, will continue to develop the enterprise and public contracts activities previously operated within Altitude Telecom.

Altitude Développement intends to pursue a strong growth strategy on both the enterprise and public contracts markets. Mr. Jean-Paul Rivière has declared that *"this transaction, between two entrepreneurial companies, will allow each company to optimize its business model : Iliad in the residential arena and Altitude Développement in the enterprise market"*.

With this acquisition, Iliad will become the only residential telecommunications operator with a national WiMAX licence in France. Xavier Niel, VP Strategy, commented to Iliad's board members that *"WiMAX could be an interesting technology over the next 3 to 5 years for the Group's development in conjunction with Free's current activities"*.

Iliad is a leading player in the French telecommunications and Internet access industry via its subsidiaries Free (the #1 alternative ADSL operator in France with 1.3 million subscribers as of June 30, 2005), One.Tel and Iliad Telecom (fixed telephony providers) and Kertel (the leading alternative prepaid cards provider). Founded in 1991, the Group employs over 900 people. Iliad is listed on Euronext Paris under the ticker ILD.

Exchange : [Euronext Paris](#)

Market place : [1er Marché \(SRD\)](#)

Ticker : [ILD](#)

ISIN Code : [FR0004035913](#)

FTSE Ranking: [974 Internet](#)

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