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**New HD Freebox:  
High definition TV (HDTV), DTT Tuner (including channels TF1 and M6),  
WiFi MIMO, Mobile telephony over WiFi**

True to its promise of ensuring that its subscribers always benefit from the latest technological innovations at the best possible price (€29.99 per month), Free is pleased to announce the introduction of its new Freebox on 20 April 2006. Ever since it was first launched in 2002, the Freebox has been constantly upgraded, with many new features being added to each new version.

This new Freebox, called the HD Freebox, is the fruit of two years' research and development work. It integrates all the most advanced technologies - ADSL 2+, high definition television, WiFi MIMO, a DTT tuner – giving access to all 18 DTT channels, including TF1 and M6\* - mobile telephony over WiFi and a number of other functionalities which will be revealed over the next few months.

Free, which invented the concept of the “Box” and whose innovations are much copied but never equalled, was:

- the first operator to bring triple play services on to the French market,
- the first operator in France to provide broadband telephone services,
- the first operator to include calls to landline phones in mainland France and 14 international destinations in its package \*\*
- the first operator in France to provide broadband television services,
- the first operator to offer ADSL 2+ technology to its subscribers with unbundled lines.

Following on the heels of the Freebox, which is still the most advanced “Box” on the market, particularly because it is the only “Box” which is able to offer both television and ADSL 2+, Free is today launching the new generation Freebox, which includes a number of new innovative features.

The new Freebox consists of two set-top boxes:



- a network box, the ADSL Freebox, which contains:
  - the ADSL 2+ equipment
  - a number of network outputs:
    - 1 USB port
    - 5 Ethernet ports
    - WiFi MIMO (Multiple In Multiple Out) signal booster with 3 antennas to increase bandwidth capacity and extend the range of the signal
    - 1 miniswitch for connecting several PCs together in order to create a network.
  - a telephone socket so that a telephone can be connected to the box and access the Freebox telephone services
  - an alphanumeric display which is used to access certain information such as the Ethernet ports connection.



- a multimedia box, the HD Freebox, which contains:
  - an SD and HD decoder
  - a DTT tuner which can be used to access the 18 DTT channels, including TF1 and M6\*
  - SCART, S-Video and composite S-Video connectors
  - an HDMI connector to connect an HD-Ready television
  - an S/P-DIF and digital audio output to connect a hi-fi
  - 3 antennas for wireless connection to the ADSL box
  - a multifunction remote control



The two boxes can be connected by an Ethernet cable or by MIMO, in which case no wiring is needed.

The new Freebox uses WiFi technology to offer customers a new way to make telephone calls and to make real savings on their mobile telephone bills. Using any single-band WiFi or

dual-band WiFi/GSM, WiFi/GPRS, WiFi/3G phone within the WiFi range of an HD Freebox (this means any HD Freebox in service, not just the subscriber's box), Freebox subscribers can make calls from their mobile phone at the Freebox call rates (including unlimited calls to landline phones in mainland France and to 14 international destinations\*\*). This service is compatible with all mobile operator subscriptions.

On-off connection charge to this service costs €9.99, including VAT, per subscriber. Subscribers can buy their own WiFi phone, but, by the beginning of September 2006, Free is planning to market its own dual-band phone offer. This phone will offer a bandwidth of 64 kbit/s, i.e. a much higher quality than is available from mobile networks, and will also meet users' security requirements, for a price of around €200.<sup>1</sup>

This option will also allow all Freebox telephone service users to make and receive calls from any computer connected to the Internet, anywhere in the world, using their Freebox telephone account (with any SIP-enabled equipment/software, such as instant messaging).

All the calls made by a subscriber from his or her Freebox account, i.e.:

- calls made from a telephone physically connected to the Freebox
- calls made from a telephone connected to an HD Freebox using WiFi
- calls made through the subscriber's telephone account using any computer connected to the Internet, anywhere in the world

will appear on a single bill.

In France, it is generally accepted that 40% of all mobile calls are made from home. Therefore, by introducing this innovative new service, Free will help its subscribers to make savings of up to 40% on their mobile telephone bills.

The charge for the Free broadband package remains unchanged, i.e. €29.99 per month, with the Freebox provided free of charge throughout the duration of the subscription. This means that customers can make even more savings on their household bills, because, as part of the inclusive package (Internet, telephone service, television, telephone line rental, unlimited calls to landline phones in mainland France\*\* and to 14 international destinations, mobile telephony), they will also be provided with all their equipment (ADSL2+ modem, HDTV decoder, DTT tuner, Mediacenter, WiFi MIMO, multidevice tuner).

All unbundled subscribers will be able to benefit from the new Freebox, which will automatically be provided to all new unbundled subscribers. Existing subscribers in unbundled areas can obtain the new Freebox right now, subject to availability, and subject to the terms for renewal, which can be found on the online account management pages.

Today, more than 1.1 million broadband subscribers, i.e. just over 70% of Free's subscribers, benefit from unbundled services and triple play. Free is continuing to pursue its strategy of extending local loop unbundling in France, with the aim of increasing the proportion of unbundled subscribers to 75% by the end of the year.

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<sup>1</sup> Guide price.

*Free is a subsidiary of Iliad.*

*The Iliad Group is a major player in the Internet and telecommunications markets in France through its subsidiaries Free (the leading alternative broadband operator), One.Tel and Iliad Telecom (fixed telephony operators) and Kertel (prepaid phone cards), as well as IFW (wireless local loop). The Iliad Group was established in 1991 and currently has more than 1,000 employees. The Iliad Group is listed on the Euronext Paris Eurolist under the mnemonic code ILD.*

Offer subject to suitability of the subscriber's telephone line and compatibility of the equipment

*\* provided they are located in a DTT coverage area and have appropriate means of receiving the signal.*

*\*\* Calls are free from the Freebox to a France Télécom landline or another Freebox number in mainland France, excluding short numbers, special numbers and third party LLOs.*