

Paris, 31 January 2007

Taxes on "Triple-Play" services: Almost half-a-million e-mails sent by Internet users to legislators in less than two days

Free proposes steps to establish a real dialogue with all parties concerned

The website <http://www.impot-internet.net> launched by operator Free allowing French citizens to petition their National Assembly representatives generated a tremendous response as almost 500,000 e-mails were sent to legislators in less than two days. Committed to bringing the problem of funding for audiovisual productions into the public arena, Free is striving hard to establish a real dialogue that is truly representative of the market, one that allows different points of view to be heard.

The first to offer such a service, Free has been providing free access to regional programs from France's second largest public TV network, France 3, since 2004. It points out that:

- The distribution of television services benefits from a reduced rate of VAT, which wholly conforms to a legal requirement going back twenty years. What's more, the interpretation of that requirement was explicitly approved by the Budget Minister.
- Far from being a "fiscal gift", the application of VAT at the legally prescribed rate has generated investment as well as created cutting edge R&D - with the development of the Freebox in France - and jobs. Not forgetting that operators such as Free have made a significant contribution to the French people's purchasing power by helping them save several hundreds of millions of Euros.

Free hopes that the dialogue will open up for discussion all the salient issues linked to this contribution:

- Media chronology: An effective fight against piracy must go hand-in-hand with concrete measures to meet consumer needs in terms of program availability;
- All contributors should be granted access to audiovisual productions financed by the Film and Television Support Fund (COSIP), particularly for High Definition programs: thus, where TV Program Editors are benefiting from COSIP funding, the broadcasting of their productions should not be restricted through exclusivity clauses;
- Recognition by all parties of the need to provide economically viable Video-on-Demand (VOD) and Subscription Video-on-Demand (SVOD) services;
- Ensuring the observance of the principle of technological neutrality, essentially shaping the way in which the authorities approach VOD services offered by Google, YouTube, DailyMotion, Apple (iTunes Store), Microsoft (Xbox), etc.

From these perspectives, current debates cannot fail to include the issue of access to audiovisual works funded by the COSIP, and with it, legitimate questions so inextricably linked to those concerning the financing of COSIP itself.

Free is a subsidiary of Iliad.

The Iliad Group is a dominant player on the French Internet and telecommunications market with Free (No 1 alternative ADSL operator with 2,076,000 ADSL subscribers on 30/09/2006), Onetel and Iliad Telecom (landline telephone operators), IFW (Wimax) and Citefibre (FTTH). Created in 1991, today the Iliad Group has more than 1,500 employees. The Iliad Group is listed on the Eurolist of Euronext Paris under the abbreviation ILLD.