



PRESS RELEASE

Paris, November 16, 2017

THIRD-QUARTER 2017 REVENUES

- Revenues up 6.6% year on year for the first nine months of 2017, coming in at €3,710 million
- 250,000 new mobile subscribers during the quarter – the net growth being fully attributable to the €19.99/month Free Mobile Plan – making Free Mobile France’s leading recruiter of mobile subscribers since its launch, i.e., for almost six years¹
- 4G now a reality for more than one out of two subscribers – a total of 7.4 million 4G subscribers at September 30, 2017, with average monthly data usage of almost 7 GB
- Free obtains the best score for 4G connections in France in the nPerf mobile connections performance survey for the tenth quarter in a row, with an average download speed of 37 Mbps
- A record-breaking quarter for FTTH connections with 64,000 new subscribers, making Free France’s leading alternative FTTH operator with a total of nearly 500,000 subscribers
- 27,000 new Broadband and Ultra-Fast Broadband subscribers during the quarter, making Free the leading alternative landline operator with nearly 6.5 million subscribers

¹ Metropolitan France excluding M2M; Company estimate.

KEY OPERATING PERFORMANCE INDICATORS AT SEPTEMBER 30, 2017

<i>Subscriber numbers</i>	Sept. 30, 2017	Sept. 30, 2016
Total mobile subscribers	13,390k	12,385k
- Of which 4G	7,400k	5,300k
Total Broadband and Ultra-Fast Broadband subscribers	6,495k	6,327k
- Of which FTTH	483k	265k
Total number of subscribers	19,885k	18,712k
<i>Other indicators</i>	Sept. 30, 2017	Sept. 30, 2016
Broadband and Ultra-Fast Broadband ARPU (in €)	33.90	33.50
<i>Freebox Revolution ARPU* (in €)</i>	>38.00	>38.00
Number of connectible FTTH sockets	5.6m	4.0m
Average 4G data usage (in GB per month per subscriber)	6.9 GB	4.4 GB

* Excluding promotions

CONSOLIDATED THIRD-QUARTER 2017 REVENUES

In a fiercely competitive operating environment, consolidated revenues rose 6.6% year on year in the first nine months of 2017, to €3,710 million. During that period, revenues for Broadband and Ultra-Fast Broadband climbed 4.7% to €2,087 million and Mobile revenues advanced 9.0% to €1,630 million.

The table below shows the breakdown of consolidated revenues by category for the nine-month and three-month periods ended September 30, 2017 and 2016 as well as year-on-year percentage changes.

<i>In € millions</i>	Nine months to Sept. 30, 2017	Nine months to Sept. 30, 2016	% change	Q3 2017	Q3 2016	% change
Mobile	1,630	1,495	+9.0%	554	521	+6.3%
Landline	2,087	1,994	+4.7%	694	665	+4.4%
Intra-group sales	(7)	(9)	-22.2%	(2)	(3)	-33.3%
Total consolidated revenues	3,710	3,480	+6.6%	1,246	1,183	+5.3%

Landline revenues

Despite persistently fierce competition and numerous promotions launched by competitors, the Group's revenues from Broadband and Ultra-Fast Broadband activities rose 4.4% to €694 million in third-quarter 2017. The significant events of the quarter for the Landline business were as follows:

- **Consolidation of the Group's position as France's leading alternative operator**, with 27,000 net adds during the quarter bringing the total Broadband and Ultra-Fast Broadband subscriber base to nearly 6.5 million.
- **Ongoing excellent momentum for expanding the Group's FTTH coverage**. With some 300,000 new connectible FTTH sockets added during the quarter, the Group had a total of 5.6 million at September 30, 2017.
- **A record-breaking quarter in terms of FTTH subscriber connections, with 64,000 new subscribers added**. In accordance with its commitments, the Group continued to accelerate its FTTH connections, despite the summer vacation period. Since the beginning of 2017 it has connected 173,000 new subscribers – more than for the whole of 2016 – affirming its position as France's leading alternative FTTH operator, with a total of nearly half a million subscribers.
- **Broadband and Ultra-Fast Broadband ARPU at €33.90**, representing an increase of 40 euro cents compared with the third quarter of 2016. ARPU for the Freebox Revolution offer once again exceeded €38².

Mobile revenues

Revenues for the Mobile business rose 6.3% year on year to €554 million in third-quarter 2017, reflecting a robust commercial performance. The significant events of the quarter for the Mobile business were as follows:

- **A higher number of net adds than in the last two quarters, with 250,000 new subscribers for the Group's mobile offers**. Free is the only operator in France to offer

² Excluding promotions.

unlimited calls, texts/MMS and 4G (for Freebox subscribers) for less than €20 per month and now has close to 13.4 million mobile subscribers. In the third quarter of 2017, Free had the highest number of net adds in France for the 23rd consecutive quarter. At September 30, 2017, the Group had an 18.7%³ share of the French mobile market, one point higher than a year earlier.

- **Another improvement in the subscriber mix, with a decrease in subscribers on the €2/month plan (€0 for Freebox subscribers) for the second quarter in a row** due to the net growth in third-quarter 2017 being fully attributable to the €19.99/month Free Mobile Plan (€15.99/month for Freebox subscribers).
- **Further confirmation that the Group's 4G network is an industry benchmark with total 4G subscribers amounting to 7.4 million at end-September 2017.** This 600,000 increase during the third quarter of 2017 also reflects the excellent level of net adds for the €19.99/month Free Mobile Plan (€15.99 for Freebox subscribers). In addition, users of the Group's 4G network have one of the highest monthly data usage rates in Europe, at nearly 7 GB per subscriber, which represents an increase of almost 60% in the space of one year. These achievements illustrate the quality of Free Mobile's 4G network, as demonstrated by the fact that Free obtained the best score for 4G connections in France in the nPerf mobile connections performance survey for the 10th consecutive quarter.
- **Ongoing deployment of 4G frequencies**, with 1,100 sites newly equipped to use 1,800 MHz, 100 new sites equipped for 700 MHz and 560 sites for 2,600 MHz. The Group's deployment drive has enabled it to raise its 4G coverage rate by six percentage points since the beginning of the year and at September 30, 2017 its 4G network covered more than 84% of the French population. In parallel, the Group is continuing to roll out its 3G network and now has a total of 11,300 sites, representing an increase of over 1,000 during the quarter. This drove a 2-point rise in the 3G coverage rate compared with June 30, 2017, with the Group's 3G network now covering nearly 93% of the French population.
- **A 7.5% increase in Mobile services revenues** in third-quarter 2017. **This growth figure would have been over 10% for the period** without the negative impacts of (i) a decrease in incoming revenues due to lower volumes of text messages as mobile data usage rises, and (ii) the loss of revenues resulting from the move to once again enhance the Free Mobile Plan by increasing the mobile Internet roaming allowance to 25 GB per month.

³ Metropolitan France excluding M2M; Company estimate.

GLOSSARY

Alternative operator: An operator that entered the market subsequent to the incumbent State operator losing its monopoly.

Broadband and Ultra-Fast Broadband ARPU (Average Revenue Per Broadband and Ultra-Fast Broadband User): Includes revenues from the flat-rate package and value-added services but excludes one-time revenues (e.g., fees for migration from one offer to another or subscription and cancellation fees), divided by the total number of Broadband and Ultra-Fast Broadband subscribers invoiced for the period.

Broadband and Ultra-Fast Broadband subscribers: Subscribers who have signed up for the Group's ADSL, VDSL or FTTH offerings.

Connectible FTTH socket: A socket for which the link between the shared access point and the optical splitter has been put in place by the building operator, which the Group can access in accordance with its co-financing commitments, and for which the connection to the Group's network has been completed or is in progress.

Freebox Revolution ARPU (Average Revenue Per Freebox Revolution Subscriber, excluding promotions): Includes revenues from the flat-rate package and value-added services but excludes one-time revenues (e.g., fees for migration from one offer to another or subscription and cancellation fees), divided by the total number of Freebox Revolution subscribers invoiced for the period.

FTTH (fiber-to-the-home): Data delivery technology that directly connects subscribers' homes to an optical node (ON).

M2M: Machine to machine communications.

Mobile services revenues: Mobile revenues excluding handset sales.

Net adds: Represents the difference between total subscribers at the end of two different periods.

Total Broadband and Ultra-Fast Broadband subscribers: Represents, at the end of a period, the total number of subscribers, identified by their telephone lines or optical fiber, who have signed up for Free's or Alice's Broadband or Ultra-Fast Broadband service, excluding those recorded as having requested the termination of their subscription.

Total mobile subscribers: Represents, at the end of a period, the total number of subscribers, identified by their telephone lines, who have subscribed to a Free mobile offering, excluding those recorded as having requested the termination of their subscription.

About Iliad

Iliad is the parent company of Free, the inventor of the Freebox, the first multiservice box on ADSL. Free is behind numerous innovations in the Broadband and Ultra-Fast Broadband access segment (VoIP, IPTV, flat-rate calling plans to multiple destinations, etc.) and provides straightforward and innovative offerings at the best prices. For example, the Freebox Revolution, the 6th generation of Freebox units, includes an NAS and a Blu-Ray™ drive, and the Freebox mini 4K was the first Android TV™ and 4K box on the French market. Free was the first operator to include calls from landlines to mobile phones in its offerings and also calls to French overseas departments (DOM). Since January 2012, Free has brought mobile phone usage within everyone's reach with straightforward, no-commitment offerings at very attractive prices. The Free Mobile Plan includes roaming communications all year round from more than 35 countries (unlimited calls, texts and MMS as well as 25GB/month of 3G mobile Internet from these destinations). Free also includes unlimited 4G in its €15.99 plan for Freebox subscribers. As at September 30, 2017, Free had nearly 20 million subscribers (6.5 million Broadband and Ultra-Fast Broadband subscribers and 13.4 million mobile subscribers).

Exchange: **Euronext Paris**

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