



## PRESS RELEASE

Paris, 20 October 2006, 8.30 a.m.

### ILIAD ANNOUNCES THE ACQUISITION OF CITEFIBRE

*Nicominvest and the founding shareholders of the optical fibre operator have signed an agreement assigning their shares (representing 99.51% of Citefibre's share capital) to the Iliad Group.*

After considering a number of different takeover bids, Citefibre, the leading fibre-to-the-home (FTTH) operator, has decided to go with the Iliad Group in order to carry out a joint project to roll out an optical fibre network in Paris.

This move will confirm Iliad's front-ranking position in the development of optical fibre services in France of the type described in its announcement dated 11 September 2006.

Citefibre was established in November 2004 and has more than 500 clients, 3,000 kilometres of optical fibres and 130 buildings with optical fibre cabling (representing some 4,000 households which can be connected to the network) in the 15th arrondissement of Paris. Citefibre also currently holds authorisations allowing it to connect another 4,000 households.

Citefibre has 25 employees, whose skills and experience will underpin those of the Iliad Group's own teams, particularly with respect to vertical cabling in buildings.

Between them, Iliad and Citefibre have all the necessary expertise required for carrying out an optical fibre project of the sort announced by Iliad last September.

This acquisition, which is taking place for an undisclosed sum (not related to Citefibre's market capitalisation), will have no significant impact on Iliad's income statement, balance sheet or cash flow statement.

*Iliad is a leading player in the French telecommunications and Internet access industry via its subsidiaries Free (the leading alternative operator), Onetel and Iliad Telecom (a fixed telephony provider), Kertel (the leading alternative prepaid cards provider), IFW (Wimax). Founded in 1991, the Group employs over 1,400 people. Iliad is listed on Euronext Paris under the ticker ILD.*

Exchange : **Euronext Paris**

Market place : **Eurolist A (SRD)**

Ticker : **ILD**

ISIN Code : **FR0004035913**

FTSE Ranking: **974 Internet**

Member of SBF 120 Index and Next 150

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