



PRESS RELEASE

Paris, November 16, 2016

THIRD-QUARTER 2016 REVENUES

- **Some 400,000 new landline and mobile subscribers during the quarter**
- **Free was once again France's leading recruiter of mobile subscribers, with a growing weighting of the €19.99 per month offering within net adds**
- **Double-digit revenue growth for Mobile services (over 12%)**
- **Ongoing sustained investment in ultra-fast landline and mobile networks**
- **Free ranked the best operator in France in a customer satisfaction survey carried out by the consumer magazine *60 millions de consommateurs*¹, and *MobiNEX* names it as the third-leading operator worldwide in terms of the quality of experience delivered by its mobile data network², thanks to the quality of its 4G network**

¹ Customer satisfaction survey on mobile telephony and landline Internet (i.e., via a box) carried out online with 5,985 readers of "60 millions de consommateurs" between August 30 and September 16, 2016 and published in the magazine's November 2016 issue (no. 520)

² MobiNEX ranking: http://www.telco2research.com/articles/EB_MobiNEX-H1-2016

KEY OPERATING PERFORMANCE INDICATORS AT SEPTEMBER 30, 2016

<i>Subscriber numbers</i>	Sept. 30, 2016	June 30, 2016	March 31, 2016
Total mobile subscribers	12,385,000	12,080,000	11,900,000
- Of which 4G	5,300,000	4,700,000	4,250,000
Total Broadband and Ultra-Fast Broadband subscribers	6,327,000	6,261,000	6,216,000
Total number of subscribers	18,712,000	18,341,000	18,116,000

<i>Other indicators</i>	Sept. 30, 2016	June 30, 2016	March 31, 2016
Broadband and Ultra-Fast Broadband ARPU (in €)	33.50	33.90	34.40
<i>Freebox Revolution ARPU* (in €)</i>	>38.00	>38.00	>38.00
Number of connectible FTTH sockets	4.0m	3.1m	2.8m
Average 4G data usage (in GB per month per subscriber)	4.4 GB	3.9 GB	3.8 GB

* Excluding promotions

CONSOLIDATED THIRD-QUARTER 2016 REVENUES

Consolidated revenues for the first nine months of 2016 rose by more than 6% to **€3,480 million** from €3,271 million for the same period of 2015. This growth was primarily driven by the Mobile business, whose revenues climbed by over 11% to just under €1.5 billion. Revenues for the Landline business were up 3% year on year at almost €2 billion.

<i>In € millions</i>	Nine months to Sept. 30, 2016	Nine months to Sept. 30, 2015	% change	Q3 2016	Q3 2015	% change
Mobile	1,495	1,343	+11.3%	521	463	+12.5%
Landline	1,994	1,936	+3.0%	665	651	+2.2%
Intra-group sales	(9)	(8)	+12.5%	(3)	(3)	0.0%
Total consolidated revenues	3,480	3,271	+6.4%	1,183	1,111	+6.5%

Mobile business

The Group's Mobile business saw another period of strong growth in third-quarter 2016, with 305,000 net adds. Revenues for the quarter rose by more than 12% year on year to €521 million, bringing the year-to-date revenue figure to €1,495 million. The significant events of the quarter for the Mobile business were as follows:

- **A solid commercial performance.** By standing out from the competition for the depth and breadth of its offerings and unchanged prices, **Free was France's leading recruiter of mobile subscribers for the 19th quarter in a row³, with net adds amounting to more than 300,000 during the period.** Free is the only operator in France to offer a plan costing less than €20 per month that includes (i) roaming from all European Union countries, the United States, Australia, Canada, Iceland, Norway and Israel, and (ii) 50 GB of 4G internet. At September 30, 2016, Free had 12.4 million mobile subscribers, representing a market share of almost 18%³.
- **Ongoing excellent take-up for Free's €19.99 per month plan** (€15.99 per month for Freebox subscribers), **led by an increase in 4G usage and subscriber migrations from the €2 per month plan** (€0 per month for Freebox subscribers). The vast majority of the Group's new subscribers are now opting for the €19.99 per month plan (€15.99 per month for Freebox subscribers), directly reflecting consumers' growing appetite for mobile data usage. As a result, 43% of the Group's subscribers (i.e., 5.3 million) are 4G subscribers. Their average monthly 4G data usage is now 4.4 GB per subscriber.
- **Free was ranked the best operator in France** in the latest customer satisfaction survey carried out by the consumer magazine *60 millions de consommateurs*, with an overall 95% satisfaction rate for mobile telephony services and 92% for landline Internet access services.
- **Mobile services revenues up 12% year on year.** This solid growth was achieved as a direct consequence of the increasing proportion of subscribers on the €19.99 per month plan (€15.99 per month for Freebox subscribers), as the total mobile subscriber base rose by 9.5% during the period.
- **A rise in revenues from handsets**, notably due to (i) the success of the iPhone 7 and (ii) the back-to-school period, which is generally a time of strong handset sales.

Landline business

Despite an extremely competitive operating environment during the third quarter of 2016, with numerous promotional offers launched by competitors, the Group kept up the excellent momentum in its Landline business and accelerated the pace of growth, with revenues rising 2.2% to €665 million. The significant events of the quarter for the Landline business were as follows:

- **An increase in the Broadband and Ultra-Fast Broadband subscriber base, with 66,000 new subscribers**, representing a net add market share of 30%. In spite of the numerous promotional offers launched by other operators during the period, the Group managed to sign up such a large number of new subscribers thanks to (i) the strong reputation of the Free brand and the quality of the Freebox Revolution, (ii) the measures taken to enrich its offerings, notably by including new landline destinations in the Freebox plan, and (iii) the online flash sale carried out during the back-to-school period. At September 30, 2016, the Group had a total of 6.3 million Broadband and Ultra-Fast Broadband subscribers.
- **Broadband and Ultra-Fast Broadband ARPU came in at €33.50, reflecting the impact of promotional offers and unfavorable seasonal effects (lower use of audiovisual**

³ Mobile market in Metropolitan France excluding M2M

services). ARPU for the Freebox Revolution offering remained above €38 (excluding promotions).

- **2.2% year-on-year revenue growth for the period.**

SUSTAINED PACE OF FTTH AND 4G NETWORK ROLLOUTS

During the third quarter of 2016, the Group continued to invest in its landline and mobile networks, with:

- **Some 900,000 new connectible FTTH sockets added**, bringing the total to 4 million at September 30, 2016 compared with 2.5 million at end-2015. This increase clearly demonstrates the Group's positioning as a major player in France's ultra-fast broadband market.
- **More than 700 new 3G sites opened**, raising the Group's total number of 3G sites in service to over 7,500, enabling the Group's network to provide 3G coverage to over 85% of the French population at September 30, 2016.
- **More than 300 new 4G sites opened**, enabling the Group's network to provide 4G coverage to over 73% of the French population at September 30, 2016.
- **Free ranked by MobiNEX (Mobile Network Experience Index) as the third-leading operator worldwide in terms of the quality of experience delivered by its mobile data network.** This reflects the fact that the Group has created a denser 4G network thanks to the new frequencies it has recently obtained (with 900 new sites migrated to 1,800 MHz equipment and 200 sites to 700 MHz equipment during the third quarter of 2016). At September 30, 2016 the Group had some 2,200 sites equipped for 1,800 MHz and over 200 sites equipped for 700 MHz.

GLOSSARY

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.

Freebox Revolution ARPU (Average Revenue Per Freebox Revolution Subscriber): 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-related revenues.

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, 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.). Free provides straightforward and innovative offerings at the best prices. The Freebox Revolution, the 6th generation of Freebox units, notably includes an NAS and a Blu-RayTM drive. Free also offers the Freebox mini 4K, the first Android TVTM 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. Since 2015, subscribers can use their Free Mobile Plan for 35 days per year and per destination (excl. 4G) when they are traveling in all European Union countries, the United States, Canada, Israel, Australia, Norway and Iceland. As at September 30, 2016, Free had nearly 19 million subscribers (over 6 million Broadband and Ultra-Fast Broadband subscribers and more than 12 million mobile subscribers).

Exchange: **Euronext Paris**

Market place: **Eurolist A of Euronext Paris (SRD)**

Ticker symbol: **ILD**

ISIN Code: **FR0004035913**

FTSE classification: **974 Internet**

Member of **Euro Stoxx, SBF 120, CAC Next 20, CAC Mid 100**