Prospectus dated 15 June 2020

Iliad

(a *société anonyme* incorporated in France)

€650,000,000 2.375 per cent. Bonds due 17 June 2026
Issue Price: 98.547 per cent.

This prospectus constitutes a prospectus (the "**Prospectus**") for the purposes of Article 6(3) of Regulation (EU) 2017/1129, as amended (the "**Prospectus Regulation**").

The €650,000,000 2.375 per cent. Bonds due 17 June 2026 (the "**Bonds**") of Iliad (the "**Issuer**") will mature on 17 June 2026.

Interest on the Bonds will accrue at the rate of 2.375 per cent. per annum from 17 June 2020 (the "**Issue Date**") and will be payable in Euro annually in arrear on 17 June in each year, commencing on 17 June 2021.

Payments of principal and interest on the Bonds will be made without deduction for or on account of taxes of the Republic of France (See Terms and Conditions of the Bonds "Taxation").

Unless previously redeemed or purchased and cancelled, the Bonds may not be redeemed prior to 17 June 2026. The Bonds may, and in certain circumstances shall, be redeemed, in whole but not in part, at their principal amount together with accrued interest in the event that certain French taxes are imposed (See the Terms and Conditions of the Bonds "Redemption and Purchase").

The Issuer will have the option (i) at any time to redeem all (but not some only) of the Bonds at the amount determined in accordance with Condition 4(c), all as defined and more fully described in the Terms and Conditions of the Bonds "Redemption and Purchase – Redemption at the option of the Issuer", (ii) at any time as from 17 March 2026 to redeem all (but not some only) of the Bonds at par together with interest accrued to, but excluding, the date fixed for redemption, in accordance with Condition 4(e), all as defined and more fully described in the Terms and Conditions of the Bonds "Residual Maturity Call Option" and (iii) if 80 per cent. or more in principal amount of the Bonds have been redeemed or purchased and cancelled, to redeem all (but not some only) of the remaining Bonds at their principal amount together with accrued interest in accordance with Condition 4(f), all as defined and more fully described in the Terms and Conditions of the Bonds "Redemption and Purchase – Clean up Call Option".

If a Change of Control occurs, each holder of Bonds (each, a "**Bondholder**") will have the option to require the Issuer to redeem or repurchase all or part of the Bonds held by such Bondholder on the Optional Redemption Date at their principal amount together with interest accrued up to but excluding such date of redemption or repurchase, all as defined and more fully described in the Terms and Conditions of the Bonds "Redemption and Purchase – Redemption at the option of Bondholders following a Change of Control".

This Prospectus has been approved by the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") as competent authority under the Prospectus Regulation. The CSSF only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of either the Issuer or the quality of the Bonds that are the subject of this Prospectus and investors should make their own assessment as to the suitability of investing in the Bonds. In accordance with Article 6(4) of the Luxembourg Law of 16 July 2019 on prospectuses for securities, by approving a prospectus, in accordance with Article 20 of the Prospectus Regulation, the CSSF does not engage in respect of the economic or financial opportunity of the operation or the quality and solvency of the Issuer.

Application has also been made to the Luxembourg Stock Exchange for the Bonds to be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange's regulated market. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments, as amended.

The Bonds will, upon issue on 17 June 2020, be inscribed (*inscription en compte*) in the books of Euroclear France which shall credit the accounts of the Account Holders (as defined in the Terms and Conditions of the Bonds "Form, Denomination and Title") including Euroclear Bank SA/NV ("**Euroclear**") and the depositary bank for Clearstream Banking, S.A. ("**Clearstream**").

The Bonds will be in dematerialised bearer form in the denomination of €100,000. The Bonds will at all times be represented in book-entry form (*dématérialisé*) in the books of the Account Holders in compliance with Articles L.211-3 and R.211-1 of the French *Code monétaire et financier*. No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Bonds.

Prospective investors should have regard to the factors described in the section headed "Risk Factors" in this Prospectus.

This Prospectus will be valid for a year from 15 June 2020. The obligation to supplement the Prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply when the Prospectus is no longer valid. For this purpose, "valid" means valid for making offers to the public or admissions to trading on a regulated market by or with the consent of the Issuer and the

obligation to supplement the Prospectus is only required within its period of validity between the time when the Prospectus is approved and the closing of the offer period for the Bonds or the time when trading on a regulated market begins, whichever occurs later.

Joint Lead Managers

BofA Securities	**BNP Paribas**
CIC Market Solutions	**Crédit Agricole CIB**
HELABA	**HSBC**
ING	**Natixis**
SMBC Nikko	**Société Générale Corporate & Investment Banking**

UniCredit Bank

*This Prospectus has been prepared for the purpose of giving the necessary information with regard to the Issuer, the Issuer and its consolidated subsidiaries (the "**Group**") and the Bonds which is material to an investor for making an informed assessment of the assets and liabilities, profit and losses, financial position and prospects of the Issuer, the rights attaching to the Bonds, the reasons for the issuance and its impact on the Issuer.*

This Prospectus is to be read in conjunction with all the documents which are incorporated herein by reference.

*This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Joint Lead Managers (as defined in "Subscription and Sale" below) to subscribe or purchase, any of the Bonds. The distribution of this Prospectus and the offering of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Joint Lead Managers to inform themselves about and to observe any such restrictions. The Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"). Subject to certain exceptions, the Bonds may not be offered or sold within the United States or to, or for the account of, U.S. persons (all as defined in Regulation S under the Securities Act ("**Regulation S**")).*

***MiFID II product governance / Professional investors and eligible counterparties only target market** – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.*

***PRIIPs Regulation / Prohibition of sales to EEA and UK retail investors** – The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**") or in the United Kingdom (the "**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2016/97/EU, as amended, the "**IDD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) to qualified investors as defined in the Regulation (EU) 1129/2017 (as amended, the "**Prospectus Regulation**"). Consequently, no key information document required by Regulation (EU) 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Bonds or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPS Regulation.*

For a description of certain restrictions on offers and sales of Bonds and on distribution of this Prospectus, see "Subscription and Sale".

No person is authorised to give any information or to make any representation not contained in this Prospectus and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer or the Joint Lead Managers. Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Group since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer or the Group since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that the information contained in it or any *other information supplied in connection with the Bonds is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.*

To the extent permitted by law, none of the Joint Lead Managers accepts any responsibility whatsoever for the content of this Prospectus or for any other statement in connection with the Issuer or the Group.

The Joint Lead Managers have not separately verified the information contained or incorporated by reference in this Prospectus in connection with the Issuer or the Group. None of the Joint Lead Managers makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in or incorporated by reference in this Prospectus in connection with the Issuer or the Group. Neither this Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer and the Joint Lead Managers that any recipient of this Prospectus or any other financial statements should purchase the Bonds. Each potential purchaser of Bonds should determine for itself the relevance of the information contained in this Prospectus and its purchase of Bonds should be based upon such investigation as it deems necessary. None of the Joint Lead Managers undertakes to review the financial condition or affairs of the Issuer or the Group during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Bonds of any information coming to the attention of any of the Joint Lead Managers.

Suitability of investment in the Bonds

The Bonds may not be a suitable investment for all investors. Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(a) *have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Prospectus or any applicable supplement;*

(b) *have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;*

(c) *have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the potential investor's currency;*

(d) *understand thoroughly the terms of the Bonds and be familiar with the behaviour of financial markets;*

(e) *be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks; and*

(f) *consult their legal advisers in relation to possible legal, tax, accounting, regulatory and related aspects of any investment in the Bonds.*

Consideration on taxation and the Financial Transactions Tax ("FTT")

Potential purchasers and sellers of the Bonds should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Bonds are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for financial instruments such as the Bonds. In particular, potential investors are warned that the tax laws of the investor's jurisdiction or of France (the Issuer's country of incorporation) might have an impact on the income received from the Bonds. Potential investors *are advised not to rely upon the tax summary contained in this Prospectus but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, holding, sale and redemption of the Bonds. Only these advisors are in a position to duly consider the specific situation of each potential investor.*

A number of Member States of the European Union are currently negotiating to introduce a FTT in the scope of which transactions in the Bonds may fall. The scope of any such tax is still uncertain as well as any potential timing of implementation. If the currently discussed text or any similar tax is adopted, transactions in the Bonds could be subject to higher costs, and the liquidity of the market for the Bonds may be diminished. The Issuer or any Paying Agent will in any case not be required to pay or indemnify the Bondholders for any cost incurred as the case may be in respect of the FTT.

See "Risk Factors" below for certain information relevant to an investment in the Bonds.

In this Prospectus, unless otherwise specified, references to a "Member State" are references to a Member State of the European Economic Area, references to "EUR", "Euro", "euro" or "€" are to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended.

*In connection with the issue of the Bonds, BNP Paribas (the "**Stabilising Manager**") may over-allot Bonds or effect transactions with a view to supporting the market price of the Bonds at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Bonds is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the Issue Date and 60 days after the date of the allotment of the Bonds. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager in accordance with all applicable laws and regulations.*

Forward-Looking Statements

This Prospectus contains certain statements that are forward-looking including statements with respect to the Issuer's and the Group's business strategies, expansion and growth of operations, trends in the business, competitive advantage, and technological and regulatory changes, information on exchange rate risk and generally includes all statements preceded by, followed by or that include the words "believe", "expect", "project", "anticipate", "seek", "estimate" or similar expressions. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those in the forward-looking statements as a result of various factors. Potential investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof.

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RISK FACTORS

The following are risk factors of the offering of the Bonds of which prospective investors should be aware.

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Bonds. All of these factors are contingencies which may or may not occur. Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with Bonds are also described below. The Issuer believes that the factors described below represent the principal risks inherent in investing in Bonds, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Bonds may occur for other reasons. Prospective investors should make their own independent evaluations of all risk factors and should also read the detailed information set out elsewhere in this Prospectus (including any information incorporated by reference therein) and reach their own views prior to making any investment decision. In each category below the Issuer sets out first the most material risk, in its assessment, taking into account the expected magnitude of their negative impact and the probability of their occurrence.

The terms defined in "Terms and Conditions of the Bonds" shall have the same meaning where used below.

1. Risks related to the Issuer

Risk factors relating to the Issuer and the Group are set out in pages 42 to 52 of the 2019 Universal Registration Document (as defined in "Documents incorporated by reference").

2. Risks related to the Bonds

2.1 Risks relating to particular features of the Bonds

2.1.1 The Bonds may be redeemed prior to maturity

The Issuer reserves the right to purchase Bonds in the open market or otherwise at any price in accordance with applicable regulations. Such transactions shall have no impact on the normal repayment schedule of outstanding Bonds, but they decrease the yield of the Bonds so purchased and then redeemed by the Issuer prior to their stated maturity and potentially reduce the liquidity of the Bonds. As a consequence, Bondholders may not be able to sell their Bonds and therefore loss part of their investment in the Bonds

In the event that the Issuer would be obliged to pay additional amounts payable in respect of any Bonds due to any withholding as provided in Condition 4(b), the Issuer may redeem all outstanding Bonds in accordance with such Condition.

In addition, the Issuer has the option to redeem all (but not some only) of the Bonds (i) at any time prior to 17 March 2026, at the relevant make-whole redemption amount, as provided in Condition 4(c) and (ii) from and including 17 March 2026 to but excluding the Maturity Date, at par plus accrued interest, as provided in Condition 4(e).

If 80 per cent. or more in principal amount of the Bonds have been redeemed or purchased and cancelled by the Issuer the Issuer will have the option to redeem all of the remaining Bonds at their principal amount together with accrued interest as provided in Condition 4(f). In particular, there is no obligation for the Issuer to inform investors if and when this percentage has been reached or is about to be reached, and the Issuer's right to redeem will exist notwithstanding that immediately prior to the serving of a notice in respect of the exercise of this option, the Bonds may have been trading significantly above par, thus potentially resulting in a loss of capital invested.

If the market interest rates decrease, the risk to Bondholders that the Issuer will exercise its right of early redemption increases. As a consequence, the yields received upon such early redemption may be lower than expected, and the redeemed face amount of the Bonds may be lower than the purchase price paid for such Bonds by the Bondholder where the purchase price was above par. Therefore, part of the capital invested by the Bondholder may be lost, so that the Bondholder in such case would not receive the total amount of the capital invested. However, the redeemed face amount of the Bonds may not be below par.

In the event the Issuer redeems the Bonds as provided in Condition 4, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Bonds being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

2.1.2 Change of control put option

In accordance with Condition 4(d), upon the occurrence of a Change of Control of the Issuer, each Bondholder will have the right to request the Issuer to redeem or procure the purchase of all or part of its Bonds at their principal amount together with any accrued interest.

Depending on the number of Bonds in respect of which such put option is exercised, any trading market in respect of those Bonds in respect of which such put option is not exercised may become illiquid. In addition, investors may not be able to reinvest the moneys they receive upon such early redemption in securities with the same yield as the redeemed Bonds. Should the above risks ever materialise, Bondholders could lose a significant part of their investment in the Bonds.

2.1.3 Interest rate risks

As provided for in Condition 3 of the Terms and Conditions of the Bonds, each Bond bears interest interest from, and including, 17 June 2020 at the rate of 2.375 per cent. *per annum*, which involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds. Generally, prices of fixed interest rate notes tend to fall when market interest rates rise and accordingly are subject to volatility. Therefore, the price of the Bonds at any particular time may be lower than the purchase price for the Bonds paid by the Bondholders and may cause Bondholders to lose a portion of the capital invested if they decide to sell their Bonds.

2.2 Risks for the Bondholders as creditors of the Issuer

2.2.1 French insolvency law

As a *société anonyme* incorporated in France, French insolvency laws apply to the Issuer.

Under French insolvency law, holders of debt securities are automatically grouped into a single assembly of holders (the "**Assembly**") in order to defend their common interests if a safeguard procedure (*procédure de sauvegarde*), an accelerated safeguard procedure (*procédure de sauvegarde accélérée*), an accelerated financial safeguard procedure (*procédure de sauvegarde financière accélérée*) or a judicial reorganisation procedure (*procédure de redressement judiciaire*) is opened in France with respect to the Issuer. The Assembly will comprise all holders of debt securities issued by the Issuer (including the Bonds) regardless of their governing law.

The Assembly will deliberate on the proposed safeguard plan (*projet de plan de sauvegarde*), proposed accelerated safeguard plan (*projet de plan de sauvegarde accélérée*), proposed accelerated financial safeguard plan (*projet de plan de sauvegarde financière accélérée*) or proposed judicial reorganisation plan (*projet de plan de redressement*) prepared in relation to the Issuer and may further agree to:

(g) increase the liabilities (*charges*) of such holders of debt securities (including the Bondholders) by rescheduling due payments and/or partially or totally writing off debts of the Issuer;

(h) establish an unequal treatment between holders of debt securities (including the Bondholders) as appropriate under the circumstances; and/or

decide to convert debt securities (including the Bonds) into securities that give or may give right to share capital.

Decisions of the Assembly will be taken by a two-third majority (calculated as a proportion of the amount of debt securities held by the holders casting a vote at such Assembly). No quorum is required to convoke the Assembly. The holders whose rights are not modified by the proposed plan do not participate in the vote.

For the avoidance of doubt, the provisions relating to the Masse described in Condition 8 will not be applicable to the extent they are not in compliance with compulsory insolvency law provisions that apply in these circumstances.

The procedures, as described above or as they will or may be amended, could have a material and adverse impact on the Bondholders seeking repayment in the event that the Issuer or its subsidiaries were to be subject to French insolvency proceedings. It should be noted that Directive (EU) 2019/1023 on preventive restructuring frameworks, on discharge of debt and disqualifications, and on measures to increase the efficiency of procedures concerning restructuring, insolvency and discharge of debt, and amending Directive (EU) 2017/1132 has been adopted on 20 June 2019. Once transposed into French law (which should happen by 17 July 2021 at the latest), such directive should have a material impact on French insolvency law, especially with regard to the process of adoption of restructuring plans under insolvency proceedings.

In case of insolvency proceedings opened in respect of the Issuer and governed by French law, as amended further to the transposition of the said directive by the French authorities, it cannot be excluded that the Bondholders will no longer deliberate on the proposed restructuring plan in a separate assembly, meaning that they will no longer benefit from a specific veto power on this plan. Instead, as any other affected parties, the Bondholders may be grouped into one or several classes (with potentially other types of creditors) and their dissenting vote may possibly be overridden by a cross-class cram down, where applicable.

The commencement of insolvency proceedings against the Issuer could have a material adverse effect on the market value of Bonds issued by the Issuer. Any decisions taken by the Assembly or a class of affected parties, as the case may be, could negatively and significantly impact the Bondholders and cause them to lose all or part of their investment, should they not be able to recover all or part of the amounts due to them from the Issuer.

2.2.2 Modification of the Terms and Conditions of the Bonds and waivers

As provided by Condition 8, there are provisions for calling meetings of Bondholders or consulting Bondholders in writing to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not express a vote and Bondholders who voted in a manner contrary to the majority. If a decision is adopted by a majority of Bondholders and such modifications were to impair or limit the rights of the Bondholders, this may have an impact on the market value of the Bonds and hence Bondholders may lose part of their investment.

2.3 Risks relating to the market

2.3.1 No active secondary or market trading for the Bonds

Application has been made for the Bonds to be admitted to trading on the official list of the Luxembourg Stock Exchange as from the Issue Date.

An investment in the Bonds should be considered primarily with a view to holding them until their maturity. The Bonds may have no established trading market when issued, and one may never develop. If an active trading market for the Bonds does not develop or is not maintained, the market or trading price and liquidity of the Bonds may be significantly adversely affected. If a market does develop, it may not be very liquid.

Therefore, investors may not be able to sell their Bonds in the secondary market in which case the market or trading price and liquidity may be adversely affected or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market and Bondholders could lose a significant part of their investments in the Bonds.

2.3.2 Market value of the Bonds

The market value of the Bonds will be affected by the creditworthiness of the Issuer and by a number of additional factors related to economic and market conditions, including, but not limited to, volatility of the market, interest rates, currency exchange rates and inflation rates and the time remaining to the maturity date.

The value of the Bonds depends on a number of interrelated factors, including economic, financial and political events in France or elsewhere, including factors affecting capital markets generally and the stock exchanges on which the Bonds are traded. The price at which a holder of Bonds will be able to sell the Bonds prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser. There can be no assurance that events in France, in Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of the Bonds or that economic and market conditions will not have any other adverse effect. Accordingly, all or part of the investment by the Bondholder in the Bonds may be lost upon any transfer of the Bonds, so that the Bondholder in such case would receive significantly less than the total amount of its investment.

2.3.3 Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Bonds in Euro in accordance with Conditions 3 and 5. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than Euro. These include the risk that exchange rates may change significantly (including changes due to devaluation of Euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Euro would decrease (i) the Investor's Currency-equivalent yield on the Bonds, (ii) the Investor's Currency-equivalent value of the principal payable on the Bonds and (iii) the Investor's Currency-equivalent market value of the Bonds, all of which could have a significant adverse effect on the return on the investment of the investors.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal. This may result in a significant loss on any capital invested from the perspective of a Bondholder whose domestic currency is not Euro.

2.3.4 Potential conflict of interest

Certain of the Joint Lead Managers (as defined in "Subscription and Sale" below) and, as the case may be, the Calculation Agent and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and its affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Joint Lead Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Joint Lead Managers or their affiliates that have a lending relationship with the Issuer or other entities of the Group routinely hedge their credit exposure to the Issuer or, as the case may be, such other entities of the Group consistent with their customary risk management policies. Typically, such Joint Lead Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Bonds. Any such short positions could adversely affect future trading prices of the Bonds. The Joint Lead Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Potential conflicts of interest may arise between the Calculation Agent, if any, and the Bondholders (including where a Joint Lead Manager acts as Calculation Agent), including with respect to certain discretionary determinations and judgements that such Calculation Agent may make pursuant to the Terms and Conditions of the Bonds that may influence the amount receivable upon redemption of the Bonds. In particular, whilst a Calculation Agent will, as the case may be, have information barriers and procedures in place to manage conflicts of interest, it may in its other banking activities from time to time be engaged in transactions involving an index or related derivatives which may affect amounts receivable by Bondholders during the term and on the maturity of the Bonds or the market price, liquidity or value of the Bonds and which could be deemed to be adverse to the interests of the Bondholders.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the following documents which have been previously published or are published simultaneously with this Prospectus and that have been filed with the *Commission de Surveillance du Secteur Financier* in Luxembourg:

(a) the 2018 registration document (*document de référence*) of the Issuer in the French language (the "**2018 Registration Document**") which was filed with the *Autorité des marchés financiers* (the "**AMF**") under number D.19-0348 dated 16 April 2019, except for the third paragraph of the section 10.1.2 "Person responsible for the Registration Document" on page 278; and

(b) the 2019 universal registration document (*document d'enregistrement universel*) of the Issuer in the French language (the "**2019 Universal Registration Document**") which was filed with the AMF under number D.20-0285 dated 10 April 2020.

Such documents shall be incorporated by reference in and form part of this Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Copies of the documents incorporated by reference in this Prospectus may be obtained without charge from the registered office of the Issuer, the Issuer's website (www.iliad.fr) and the website of the Luxembourg Stock Exchange (www.bourse.lu). In addition, the English language translations for information purposes only of the 2018 Registration Document and the 2019 Universal Registration Document may be consulted on the Issuer's website (www.iliad.fr).

The information on the Issuer's website do not form part of this Prospectus, except where that information has been incorporated by reference into this Prospectus.

For the purpose of the Prospectus Regulation, information can be found in the documents incorporated by reference in this Prospectus in accordance with the relevant Annex 7 of Commission Delegated Regulation (EU) 2019/980 supplementing the Prospectus Regulation (the "**Delegated Prospectus Regulation**"). The parts of the documents incorporated by reference in this Prospectus which are not specifically incorporated by reference in this Prospectus are either not relevant for prospective investors in the Bonds or the relevant information is included elsewhere in this Prospectus. Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus.

The information incorporated by reference that is not included in the cross-reference list is considered as additional information and is not required by Annex 7 of the Delegated Prospectus Regulation.

	Delegated Prospectus Regulation – Annex 7	**2019 Universal Registration Document**	**2018 Registration Document**
3	**RISK FACTORS**		
3.1	A description of the material risks that are specific to the issuer and that may affect the issuer's ability to fulfil its obligations under the securities, in a limited number of categories, in a section headed 'Risk Factors'. In each category the most material risks, in the assessment of the	Pages 42 to 52	Not Applicable

	Delegated Prospectus Regulation – Annex 7	**2019 Universal Registration Document**	**2018 Registration Document**
	issuer, offeror or person asking for admission to trading on a regulated market, taking into account the negative impact on the issuer and the probability of their occurrence, shall be set out first. The risk factors shall be corroborated by the content of the registration document.		
4	**INFORMATION ABOUT THE ISSUER**		
4.1	**History and development of the Issuer**		
4.1.1	The legal and commercial name of the issuer	Page 262	Not Applicable
4.1.2	The place of registration of the issuer, its registration number and legal entity identifier ("**LEI**").	Page 262	Not Applicable
4.1.3	The date of incorporation and the length of life of the issuer, except where the period is indefinite.	Page 262	Not Applicable
4.1.4	The domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, the address, telephone number of its registered office (or principal place of business if different from its registered office) and website of the issuer, if any, with a disclaimer that the information on the website does not form part of the prospectus unless that information is incorporated by reference into the prospectus.	Page 262	Not Applicable
5	**BUSINESS OVERVIEW**		
5.1	**Principal activities**		
5.1.1	A brief description of the issuer's principal activities stating the main categories of products sold and/or services performed.	Pages 19 to 32	Not Applicable
5.1.2	The basis for any statements made by the issuer regarding its competitive position.	Pages 16 to 19	Not Applicable
6	**ORGANISATIONAL STRUCTURE**		
6.1	If the issuer is part of a group, a brief description of the group and the issuer's position within the group. This may be in the form of, or accompanied by, a diagram of the organisational structure if this helps to clarify the structure.	Page 39	Not Applicable
6.2	If the issuer is dependent upon other entities within the group, this must be clearly stated together with an explanation of this dependence.	Pages 39, 238 and 239	Not Applicable
7	**TREND INFORMATION**		
7.1	A description of: (a) any material adverse change in the prospects of the issuer since the date of its last published audited financial	Page 159	Not Applicable

	Delegated Prospectus Regulation – Annex 7	2019 Universal Registration Document	2018 Registration Document
	statements; (b) any significant change in the financial performance of the group since the end of the last financial period for which financial information has been published to the date of the registration document. If neither of the above are applicable then the issuer should include (an) appropriate negative statement(s).		
9	**ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES**		
9.1	Names, business addresses and functions within the issuer of the following persons and an indication of the principal activities performed by them outside of that issuer where these are significant with respect to that issuer: (a) members of the administrative, management or supervisory bodies; (b) partners with unlimited liability, in the case of a limited partnership with a share capital.	Pages 56 to 63	Not Applicable
9.2	Administrative, management, and supervisory bodies conflicts of interests. Potential conflicts of interests between any duties to the issuer, of the persons referred to in item 9.1, and their private interests and or other duties must be clearly stated. In the event that there are no such conflicts, a statement to that effect must be made.	Pages 67 to 68	Not Applicable
10	**MAJOR SHAREHOLDERS**		
10.1	To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control and describe the measures in place to ensure that such control is not abused.	Pages 269 and 270	Not Applicable
11	**FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES**		
11.1	**Historical financial information**		
11.1.1	Historical financial information covering the latest two financial years (at least 24 months) or such shorter period as the issuer has been in operation and the audit report in respect of each year.	Pages 161 to 227	Pages 149 to 210
11.1.3	Accounting Standards The financial information must be prepared according to International Financial Reporting Standards as endorsed in the	Pages 169 to 172	Pages 156 to 159

	Delegated Prospectus Regulation – Annex 7	2019 Universal Registration Document	2018 Registration Document
	Union based on Regulation (EC) No 1606/2002. If Regulation (EC) No 1606/2002 is not applicable the financial statements must be prepared according to: (a) a Member State's national accounting standards for issuers from the EEA as required by Directive 2013/34/EU; (b) a third country's national accounting standards equivalent to Regulation (EC) No 1606/2002 for third country issuers. Otherwise the following information must be included in the registration document: (a) a prominent statement that the financial information included in the registration document has not been prepared in accordance with International Financial Reporting Standards as endorsed in the Union based on Regulation (EC) No 1606/2002 and that there may be material differences in the financial information had Regulation (EC) No 1606/2002 been applied to the historical financial information; (b) immediately following the historical financial information a narrative description of the differences between Regulation (EC) No 1606/2002 as adopted by the Union and the accounting principles adopted by the issuer in preparing its annual financial statements.		
11.1.4	Where the audited financial information is prepared according to national accounting standards, the financial information must include at least the following: (a) the balance sheet; (b) the income statement; (c) the accounting policies and explanatory notes.	Pages 229 to 255	Pages 211 to 233
11.1.5	Consolidated financial statements If the issuer prepares both stand-alone and consolidated financial statements, include at least the consolidated financial statements in the registration document.	Pages 161 to 227	Pages 149 to 210
11.1.6	Age of financial information The balance sheet date of the last year of audited financial information may not be older than 18 months from the date of the registration document	Pages 165 and 166	Page 153 and 154
11.2	**Auditing of Historical financial information**		

	Delegated Prospectus Regulation – Annex 7	2019 Universal Registration Document	2018 Registration Document
11.2.1	The historical financial information must be independently audited. The audit report shall be prepared in accordance with the Directive 2014/56/EU and Regulation (EU) No 537/2014. Where Directive 2014/56/EU and Regulation (EU) No 537/2014 do not apply: (a) the historical financial information must be audited or reported on as to whether or not, for the purposes of the registration document, it gives a true and fair view in accordance with auditing standards applicable in a Member State or an equivalent standard. Otherwise, the following information must be included in the registration document: (i) a prominent statement disclosing which auditing standards have been applied; (ii) an explanation of any significant departures from International Standards on Auditing; (b) if audit reports on the historical financial information contain qualifications, modifications of opinion, disclaimers or an emphasis of matter, such qualifications, modifications, disclaimers or emphasis of matter must be reproduced in full and the reasons given.	Pages 222 to 227 and 256 to 259	Pages 205 to 210 and 234 to 238
11.3	**Legal and arbitration proceedings**		
11.3.1	Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past significant effects on the issuer and/or group's financial position or profitability, or provide an appropriate negative statement.	Pages 216 and 217	Not Applicable
12	**MATERIAL CONTRACTS**		
12.1	A brief summary of all material contracts that are not entered into in the ordinary course of the issuer's business, which could result in any group member being under an obligation or entitlement that is material to the issuer's ability to meet its obligations to security holders in respect of the securities being issued.	Page 295	Not Applicable

PERSONS RESPONSIBLE FOR THE INFORMATION GIVEN IN THE PROSPECTUS

To the best knowledge of the Issuer, the information contained in or incorporated by reference in this Prospectus is in accordance with the facts and contains no omission likely to affect the import of such information. The Issuer accepts responsibility accordingly.

Iliad
16 rue de la Ville l'Evêque
75008 Paris
France

Tel: +33 (0) 1 73 50 20 00

Duly represented by:
Nicolas Jaeger
Directeur Financier of Iliad

TERMS AND CONDITIONS OF THE BONDS

The terms and conditions of the Bonds will be as follows:

The issue of €650,000,000 2.375 per cent. Bonds due 17 June 2026 (the "**Bonds**") of Iliad (the "**Issuer**") has been authorised by a resolution of the Board of Directors (*Conseil d'administration*) of the Issuer dated 11 May 2020. The Issuer will enter into a fiscal agency agreement (the "**Fiscal Agency Agreement**") dated 15 June 2020 with Société Générale as fiscal agent, principal paying agent and calculation agent. The fiscal agent, principal paying agent, the calculation agent and paying agents for the time being are referred to in these Conditions as the "**Fiscal Agent**", the "**Principal Paying Agent**", the "**Calculation Agent**" and the "**Paying Agents**" (which expression shall include the Principal Paying Agent), each of which expression shall include the successors from time to time of the relevant persons, in such capacities, under the Fiscal Agency Agreement, and are collectively referred to as the "**Agents**". References to "**Conditions**" are, unless the context otherwise requires, to the numbered paragraphs below.

1 Form, Denomination and Title

The Bonds are issued on 17 June 2020 (the "**Issue Date**") in dematerialised bearer form in the denomination of €100,000. Title to the Bonds will be evidenced in accordance with Articles L.211-3 and R.211-1 of the French *Code monétaire et financier* by book-entries (*inscription en compte)*. No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Bonds.

The Bonds will, upon issue, be inscribed in the books of Euroclear France, which shall credit the accounts of the Account Holders. For the purpose of these Conditions, "**Account Holders**" shall mean any intermediary institution entitled to hold accounts, directly or indirectly, with Euroclear France, and includes Euroclear Bank SA/NV ("**Euroclear**") and the depositary bank for Clearstream Banking, S.A. ("**Clearstream**").

Title to the Bonds shall be evidenced by entries in the books of Account Holders and will pass upon, and transfer of Bonds may only be effected through, registration of the transfer in such books.

2 Status and Negative Pledge

(a) *Status of the Bonds*

The obligations of the Issuer in respect of the Bonds constitute direct, unconditional, unsecured (subject to Condition 2(b)) and unsubordinated obligations and rank and will rank *pari passu* and without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law) equally and rateably with all other present or future unsecured and unsubordinated obligations of the Issuer.

(b) *Negative Pledge*

So long as any of the Bonds remain outstanding (as defined below), the Issuer will not, and will ensure that none of Free (as defined below), or Free Mobile (as defined below), will not, create or permit to subsist any mortgage, lien (other than a lien arising by operation of law), charge, pledge or other form of security interest (*sûreté réelle*) upon any of their respective business, revenues, property or assets, present or future, to secure any Relevant Debt (as defined below) unless at the same time or prior thereto, the Issuer's obligations under the Bonds are equally and rateably secured therewith.

For the purposes of these Conditions:

"**Free Mobile**" means Free Mobile, a company incorporated as a French *société par actions simplifiée* registered with the *Registre du commerce et des sociétés* of Paris under number 499 247 138.

"**Free**" means Free, a company incorporated as a French *société par actions simplifiée* registered with the *Registre du commerce et des sociétés* of Paris under number 421 938 861.

"**Group**" means the Issuer and its consolidated subsidiaries.

"**outstanding**" means, in relation to the Bonds, all the Bonds issued other than: (a) those which have been redeemed in accordance with the Conditions, (b) those in respect of which the date for redemption in accordance with the Conditions has occurred and the redemption monies (including all interest accrued on such Bonds to the date for such redemption and any interest payable under Condition 3 after such date) have been duly paid to the Fiscal Agent and (c) those which have been purchased and cancelled as provided in Condition 4.

"**Relevant Debt**" means any present or future indebtedness for borrowed money in the form of, or represented by, bonds or notes (*obligations*) or other similar debt securities (*titres de créance* excluding, for the avoidance of doubt, *titres de créance négociables*) which are for the time being, or are capable of being, quoted, admitted to trading or ordinarily dealt in on any stock exchange, over-the-counter market or other securities market.

3 Interest

The Bonds bear interest at the rate of 2.375 per cent. *per annum*, from and including 17 June 2020 (the "**Interest Commencement Date**") payable annually in arrear on 17 June in each year (each an "**Interest Payment Date**"), commencing on 17 June 2021. The period commencing on, and including, the Interest Commencement Date and ending on, but excluding, the first Interest Payment Date and each successive period commencing on, and including, an Interest Payment Date and ending on, but excluding, the next succeeding Interest Payment Date is called an "**Interest Period**".

Bonds will cease to bear interest from the date provided for their redemption, unless payment of the full amount due in respect of the Bonds is improperly withheld or refused on said date. In such event, the Bonds will continue to bear interest in accordance with this Condition (as well after as before judgment) on the principal amount of such Bonds until whichever is the earlier of (i) the day on which all sums due in respect of such Bonds up to that day are received by or on behalf of the relevant holder and (ii) the day after the Fiscal Agent has notified the holders of the Bonds (the "**Bondholders**") in accordance with Condition 9 of receipt of all sums due in respect of all the Bonds up to that day.

Interest will be calculated on an Actual/Actual (ICMA) basis. If interest is required to be calculated for a period of less than one year, it will be calculated on the basis of a day count fraction which will be calculated by taking the number of days in the relevant period, from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by the number of days in the Interest Period in which the relevant period falls (including the first such day but excluding the last).

4 Redemption and Purchase

The Bonds may not be redeemed otherwise than in accordance with this Condition 4.

(a) *Final Redemption*

Unless previously redeemed or purchased and cancelled as provided below, the Bonds will be redeemed by the Issuer at their principal amount on 17 June 2026 (the "**Maturity Date**").

(b) *Redemption for Taxation Reasons*

(i) If, by reason of a change in French law or regulation, or any change in the official application or interpretation of such law or regulation, becoming effective after the Issue Date, the Issuer would on the occasion of the next payment due in respect of the Bonds, not be able to make such payment without having to pay additional amounts as specified in Condition 6 below, the Issuer may on any Interest Payment Date, subject to having given not more than 45 nor less than 30 days' prior notice to the Bondholders (which notice shall be irrevocable), in accordance with Condition 9, redeem all, but not some only, of the outstanding Bonds at their principal amount together, if applicable, with interest accrued to the date of such redemption, provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable Interest Payment Date on which the Issuer could make payment of principal and interest without withholding for French taxes.

(ii) If the Issuer would on the occasion of the next payment in respect of the Bonds be prevented by French law or regulation from making payment to the Bondholders of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 6 below, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall upon giving not less than seven days' prior notice to the Bondholders in accordance with Condition 9 redeem all, but not some only, of the Bonds then outstanding at their principal amount plus any accrued interest on the latest practicable date on which the Issuer could make payment of the full amount payable in respect of the Bonds without withholding for French taxes, or, if such date is past, as soon as practicable thereafter.

(c) *Redemption at the option of the Issuer*

The Issuer may, subject to compliance with all relevant laws, regulations and directives and to having given not more than 30 nor less than 15 days' notice to the Bondholders (which notice shall be irrevocable and shall specify the date fixed for redemption) in accordance with Condition 9, redeem all (but not some only) of the Bonds at any time prior to 17 March 2026 (the "**Make-Whole Redemption Date**") at an amount per Bond equal to the greater of:

(a) 100 per cent. of the principal amount of the Bonds; or

(b) as determined by the Calculation Agent (as defined below), the sum of the then current values of (i) the of principal amount of the Bonds and (ii) the remaining scheduled payments of interest from the Make-Whole Redemption Date to, and including, 17 March 2026 (determined on the basis of the interest applicable to such Bond, excluding any interest accrued on the Bonds from and including the Issue Date or, as the case may be, the scheduled Interest Payment Date immediately preceding such Make-Whole Redemption Date to, but excluding, the Make-Whole Redemption Date) discounted to the Make-Whole Redemption Date on an annual basis (based on the actual number of days elapsed divided by 365 or (in the case of a leap year) by 366) at the Reference Dealer Rate (as defined below) plus 0.500 per cent.,

plus, in each case, any interest accrued on the Bonds from and including the Issue Date or, as the case may be, the scheduled Interest Payment Date immediately preceding such Make-Whole Redemption Date to, but excluding, the Make-Whole Redemption Date.

For the purposes of this Condition 4(c):

"**Calculation Agent**" means Société Générale;

"**Reference Bund**" means the €26,000,000,000 0.500 per cent. German Federal Government Bonds of Bundesrepublik Deutschland due 15 February 2026 with ISIN DE0001102390;

"**Reference Dealers**" means BNP Paribas, Crédit Agricole Corporate and Investment Bank, Natixis and UniCredit Bank AG;

"**Reference Dealer Rate**" means, with respect to the Make-Whole Redemption Date, the average of the four quotations of the mid-market annual yield to maturity of the Reference Bund at 11.00 a.m. (Central European time) on the fourth business day in Paris preceding the Make-Whole Redemption Date quoted in writing to the Calculation Agent by the Reference Dealers or, if the Reference Bund is no longer outstanding, a Similar Security, at 11.00 a.m. (Central European time) on the third business day in Paris preceding the Make-Whole Redemption Date quoted in writing to the Calculation Agent by the Reference Dealers; and

"**Similar Security**" means a reference bond or reference bonds issued by the German Federal Government having an actual or interpolated maturity comparable with the remaining term of the Bonds that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Bonds.

All notifications, opinions, determinations, certifications, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 4(c) by the Calculation Agent shall (in the absence of willful default, bad faith or manifest error) be binding on the Issuer and the Bondholders and (in the absence as aforesaid) no liability to the Issuer or the Bondholders shall attach to the Calculation Agent in connection with the exercise or non-exercise of its powers, duties and discretions.

(d) *Redemption at the option of Bondholders following a Change of Control*

If at any time while any Bond remains outstanding, there occurs a Change of Control (as defined below), the holder of such Bond will have the option (the "**Put Option**") within the Put Option Period (as defined below) (unless, prior to the giving of the Put Event Notice, the Issuer gives notice of its intention to redeem the Bonds under Conditions 4(b) (Redemption for taxation reasons), 4(c) (Redemption at the option of the Issuer) or 4(e) (Residual Maturity Call Option)) to require the Issuer to redeem or, at the Issuer's option, to procure the purchase of that Bond, on the Optional Redemption Date at its principal amount together with (or where purchased, together with an amount equal to) interest accrued to, but excluding, the Optional Redemption Date.

A "**Change of Control**" shall be deemed to have occurred each time that any person (or group of persons acting in concert (having the meaning given in Article L.233-10 of the French *Code de commerce*)), other than Xavier Niel, together with his spouse or domestic partner, his descendants and/or any holding company controlled by any one or more or them, controls or acquires the control (having the meaning given in Article L.233-3 II of the French *Code de commerce*) of the Issuer.

Promptly upon the Issuer becoming aware that a Change of Control has occurred, the Issuer shall give notice (a "**Put Event Notice**") to the Bondholders in accordance with Condition 9 specifying the nature of the Change of Control, the circumstances giving rise to it, the Put

Option Period and, more generally, the procedure for exercising the Put Option contained in this Condition 4(d).

"**Put Option Period**" means the period commencing on the day following the date of the publication of the Put Event Notice in accordance with Condition 9 and ending on the 45th day thereafter.

To exercise the Put Option to require redemption or, as the case may be, purchase of the Bonds following a Change of Control, a Bondholder must transfer or cause to be transferred its Bonds to be so redeemed or purchased to the account of the Fiscal Agent specified in the Put Option Notice (as defined below) for the account of the Issuer within the Put Option Period together with a duly signed and completed notice of exercise obtainable from the specified office of the Paying Agent (a "**Put Option Notice**") and in which the Bondholder may specify a bank account to which payment is to be made under this Condition 4(d).

A Put Option Notice once given shall be irrevocable. The Issuer shall redeem or, at the option of the Issuer procure the purchase of, the Bonds in respect of which the Put Option has been validly exercised as provided above and subject to the transfer of such Bonds to the account of the Fiscal Agent for the account of the Issuer, on the date which is the fifth business day following the end of the Put Option Period (the "**Optional Redemption Date**"). Payment in respect of such Bonds will be made in Euro on the Optional Redemption Date by transfer to the bank account specified in the Put Option Notice and otherwise subject to the provisions of Condition 5.

For the avoidance of doubt, the Issuer shall have no responsibility for any cost or loss of whatever kind which the Bondholder may incur as a result of or in connection with such Bondholder's exercise or purported exercise of, or otherwise in connection with, any Put Option (whether as a result of any purchase or redemption arising there from or otherwise).

(e) *Residual Maturity Call Option*

The Issuer may, subject to compliance with all relevant laws, regulations and directives and to having given not more than 30 nor less than 15 days' irrevocable notice to the Bondholders (which notice shall be irrevocable and shall specify the date fixed for redemption) in accordance with Condition 9, redeem all (but not some only) of the Bonds at par together with interest accrued to, but excluding, the date fixed for redemption at any time as from 17 March 2026.

(f) *Clean-Up Call Option*

If 80 per cent. or more in principal amount of the Bonds have been redeemed or purchased and cancelled by the Issuer, the Issuer may, on not less than 30 nor more than 60 days' notice to the Bondholders, redeem on a date to be specified in such notice (the "**Clean-Up Redemption Date**"), at its option, all (but not some only) of the remaining Bonds at their principal amount, together with interest accrued to but excluding the Clean-Up Redemption Date.

(g) *Purchases*

The Issuer may at any time purchase Bonds together with rights to interest relating thereto in the open market or otherwise at any price. Bonds purchased by the Issuer may be held and resold in accordance with applicable laws and regulations for the purpose of enhancing the liquidity of the Bonds or cancelled.

(h) *Cancellation*

All Bonds which are redeemed or purchased by the Issuer for cancellation pursuant to this Condition will forthwith be cancelled and accordingly may not be reissued or sold.

5 Payments

(a) *Method of Payment*

Payments of principal and interest in respect of the Bonds will be made in Euro by credit or transfer to a Euro-denominated account (or any other account to which Euro may be credited or transferred) specified by the payee in a city in which banks have access to the TARGET System. "**TARGET System**" means the Trans European Automated Real Time Gross Settlement Express Transfer (known as TARGET2) System or any successor thereto.

Such payments shall be made for the benefit of the Bondholders to the Account Holders and all payments validly made to such Account Holders in favour of the Bondholders will be an effective discharge of the Issuer and the Paying Agents, as the case may be, in respect of such payments.

Payments of principal and interest on the Bonds will, in all cases, be subject to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 6.

(b) *Payments on Business Days*

If any due date for payment of principal or interest in respect of any Bond is not a Business Day (as defined below), then the Bondholder thereof shall not be entitled to payment of the amount due until the next following day which is a Business Day and the Bondholder shall not be entitled to any interest or other sums in respect of such postponed payment.

In this Condition "**Business Day**" means any day, not being a Saturday or a Sunday on which the TARGET System is operating and on which Euroclear France is open for general business.

No commission or expenses shall be charged to the Bondholders in respect of such payments.

(c) *Fiscal Agent, Paying Agents and Calculation Agent*

The names of the initial Agents and their specified offices are set out below.

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, Paying Agent, Calculation Agent and/or appoint additional or other Paying Agents or approve any change in the office through which any such Agent acts, provided that there will at all times be a Fiscal Agent and a Principal Paying Agent having a specified office in a European city. Notice of any such change or any change of specified office shall promptly be given to the Bondholders in accordance with Condition 9.

6 Taxation

(a) *Withholding Tax Exemption*

All payments of principal and interest by or on behalf of the Issuer in respect of the Bonds shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or other governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

(b) *Additional Amounts*

If, pursuant to French laws or regulations, payments of principal or interest in respect of any Bond are subject to deduction or withholding in respect of any present or future taxes, duties, assessments or other governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority therein or thereof having power to tax, the Issuer shall, to the fullest extent then permitted by law, pay such additional amounts as may be necessary in order that the holder of each Bond, after such deduction or withholding, will receive the full amount then due and payable thereon in the absence of such deduction or withholding; provided, however, that the Issuer shall not be liable to pay any such additional amounts in respect of any Bond to, or to a third party on behalf of, a Bondholder who is liable to such taxes, duties, assessments or other governmental charges in respect of such Bond by reason of his having some connection with France other than the mere holding of such Bond.

Any references to these Conditions to principal and interest shall be deemed also to refer to any additional amounts which may be payable under the provisions of this Condition 6.

7 Events of Default

If any of the following events (each an "**Event of Default**") shall have occurred and be continuing:

a) in the event of default by the Issuer in the payment of principal and interest on any of the Bonds, if such default shall not have been cured within 15 days thereafter; or

b) in the event of default by the Issuer in the due performance of any provision of the Bonds other than as referred in Condition 7(i) above, if such default shall not have been cured within 30 days after receipt by the Issuer of written notice of such default given by the Representative (as defined in Condition 8); or

c) any other present or future indebtedness of the Issuer or Free (as defined in Condition 2(b)) or Free Mobile (as defined in Condition 2(b)) for borrowed monies in excess of €100,000,000 (or its equivalent in any other currency), whether individually or in the aggregate, becomes, or any creditor in respect of such indebtedness becomes entitled under the terms thereof to declare such indebtedness, following, where applicable, the expiry of any originally applicable grace period, due and payable prior to its stated maturity as a result of a default thereunder, or any such indebtedness shall not be paid when due or, as the case may be, within any originally applicable grace period therefor or any steps shall be taken to enforce any security in respect of any such indebtedness or any guarantee or indemnity given by the Issuer for, or in respect of, any such indebtedness of others shall not be honoured when due and called upon; or

d) a judgement is issued for the judicial liquidation (*liquidation judiciaire*) or for a transfer of the whole of the business (*cession totale de l'entreprise*) of the Issuer or Free or Free Mobile ; or, to the extent permitted by law, the Issuer or Free or Free Mobile is subject to any other insolvency or bankruptcy proceedings under any applicable laws or the Issuer or Free or Free Mobile makes any conveyance, assignment or other arrangement for the benefit of its creditors or enters into a composition with its creditors; or

e) (a) the Issuer or Free or Free Mobile ceases to carry on the whole or substantially all of its business, (b) the Issuer ceases to hold at least two-thirds of the share capital and voting rights normally exercisable at general meetings of shareholders of Free or Free Mobile or (c) an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of

(A) the Issuer, otherwise than for the purposes of or pursuant to an amalgamation, reorganisation, merger, consolidation, or restructuring or other similar arrangement whilst solvent (including, without limitation, any *scission,* any *fusion-absorption* or any *apport partiel d'actifs* under French law) where the entity resulting from or surviving following such amalgamation, reorganisation, merger, consolidation or restructuring or similar arrangement, expressly or as a matter of law assumes all of the obligations under the Bonds or (B) Free or Free Mobile, otherwise than for the purposes of or pursuant to an amalgamation, reorganisation, merger, consolidation, or restructuring or other similar arrangement whilst solvent (including, without limitation, any *scission,* any *fusion-absorption* or any *apport partiel d'actifs* under French law) where the entity resulting from or surviving following such amalgamation, reorganisation, merger, consolidation or restructuring or similar arrangement, is a member of the Group,

then the Representative upon request of any Bondholder shall, by written notice to the Issuer with copy for information purposes to the Fiscal Agent given before all continuing Events of Default shall have been cured, cause all the Bonds (but not some only) held by such Bondholder to become immediately due and payable as of the date on which such notice for payment is received by the Issuer without further formality at the principal amount of the Bonds together with any accrued interest thereon.

8 Representation of the Bondholders

Bondholders will be grouped automatically for the defence of their common interests in a masse (the "**Masse**"). The Masse will be governed by the provisions of the French *Code de commerce*, and with the exception of Articles L.228-48, L.228-59, L.228-65 II, R.228-61, R.228-63, R.228-67, R.228-69, R.228-79 (first paragraph) and R.236-11 of the French *Code de commerce* subject to the following provisions:

(a) **Legal Personality:** The Masse will be a separate legal entity and will act in part through a representative (the "**Representative**") and in part through a general meeting of the Bondholders (the "**General Meeting**").

The Masse alone, to the exclusion of all individual Bondholders, shall exercise the common rights, actions and benefits which now or in the future may accrue respectively with respect to the Bonds.

(b) **Representative of the Masse:** The following person is designated as Representative of the Masse:

Association de représentation de la masse de titulaires de valeurs mobilières
Centre Jacques Ferronnière
32 rue du Champ de Tir - B.P. 81236
44312 Nantes Cedex 3
France

Bondholders' attention is drawn to the fact that the members of the *Association de représentation de la masse de titulaires de valeurs mobilières* are also employees of Société Générale.

The Issuer shall pay to the Representative of the Masse an amount equal to €400 per annum paid upfront on the Issue Date.

In the event of dissolution, death, retirement or revocation of appointment of the Representative, an alternate Representative will be elected by the General Meeting.

(c) **Powers of the Representative:** The Representative shall (in the absence of any decision to the contrary of the General Meeting) have the power to take all acts of management necessary in order to defend the common interests of the Bondholders.

All legal proceedings against the Bondholders or initiated by them, must be brought by or against the Representative.

The Representative may not interfere in the management of the affairs of the Issuer.

(d) **General Meeting:** A General Meeting may be held at any time, on convocation either by the Issuer or by the Representative. One or more Bondholders, holding together at least one-thirtieth of the principal amount of the Bonds outstanding, may address to the Issuer and the Representative a demand for convocation of the General Meeting, together with the proposed agenda for such General Meeting. If such General Meeting has not been convened within two months after such demand, the Bondholders may commission one of their members to petition a competent court in Paris to appoint an agent (*mandataire*) who will call the General Meeting.

Notice of the date, time, place and agenda of any General Meeting will be published as provided under Condition 9 not less than 15 days prior to the date of such General Meeting on first convocation, and 5 days on second convocation.

Each Bondholder has the right to participate in a General Meeting in person, by proxy, correspondence, or videoconference or any other means of telecommunications allowing the identification of the participating Bondholders as provided *mutatis mutandis* by Article R.223-20-1 of the French *Code de commerce*. Each Bond carries the right to one vote.

(e) **Powers of the General Meetings:** The General Meeting is empowered to deliberate on the dismissal and replacement of the Representative and the alternate Representative and also may act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the Bonds, including authorising the Representative to act at law as plaintiff or defendant.

The General Meeting may further deliberate on any proposal relating to the modification of the Conditions including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, it being specified, however, that the General Meeting may not increase the liabilities (*charges*) to Bondholders, nor establish any unequal treatment between the Bondholders, nor to decide to convert Bonds into shares.

General Meetings may deliberate validly on first convocation only if Bondholders present or represented hold at least a fifth of the principal amount of the Bonds then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a simple majority of votes cast by Bondholders attending such General Meetings or represented thereat.

In accordance with Article R.228-71 of the French *Code de commerce*, the rights of each Bondholder to participate in General Meetings will be evidenced by the entries in the books of the relevant Account Holder of the name of such Bondholder on the second business day in Paris preceding the date set for the meeting of the relevant General Meeting at 0:00, Paris time.

Decisions of General Meetings and Written Resolutions once approved must be published in accordance with the provisions set forth in Condition 9.

(f) **Written Resolutions**: Pursuant to Article L.228-46-1 of the French *Code de commerce*, the Issuer shall be entitled in lieu of the holding of a General Meeting to seek approval of a resolution from the Bondholders by way of a Written Resolution. Subject to the following sentence a Written Resolution may be contained in one document or in several documents in like form, each signed by or on behalf of one or more of the Bondholders. Pursuant to Articles L.228-46-1 and R.225-97 of the French *Code de commerce* approval of a Written Resolution may also be given by way of electronic communication allowing the identification of Bondholders ("**Electronic Consent**").

Notice seeking the approval of a Written Resolution (including by way of Electronic Consent) will be published as provided under Condition 9 not less than 15 days prior to the date fixed for the passing of such Written Resolution (the "**Written Resolution Date**"). Notices seeking the approval of a Written Resolution will contain the conditions of form and time-limits to be complied with by the Bondholders who wish to express their approval or rejection of such proposed Written Resolution. Bondholders expressing their approval or rejection before the Written Resolution Date will undertake not to dispose of their Bonds until after the Written Resolution Date.

For the purpose hereof, a "**Written Resolution**" means a resolution in writing signed by the Bondholders of not less than 80 per cent. in nominal amount of the Bonds outstanding.

(g) **Information to Bondholders:** Each Bondholder or Representative thereof will have the right, during the 15-day period preceding the holding of the General Meeting on first convocation or the Written Resolution Date and during the 5-day period preceding the holding of the General Meeting on second convocation, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be prepared in connection with such resolutions, all of which will be available for inspection by the relevant Bondholders at the registered office of the Issuer, at the specified offices of any of the Paying Agents and at any other place specified in the notice of the General Meeting or Written Resolution.

(h) **Expenses:** The Issuer will pay all reasonable expenses relating to the operation of the Masse, including expenses relating to the calling and holding of General Meetings and seeking of a Written Resolution and, more generally, all administrative expenses resolved upon by the General Meeting or in writing by the Bondholders, it being expressly stipulated that no expenses may be imputed against interest payable under the Bonds.

(i) **Notice of Decisions:** Decisions of the meetings or any decision taken by the Issuer pursuant to Article R.236-11 of the French *Code de commerce* shall be published in accordance with the provisions set out in Condition 9 not more than 90 days from the date thereof.

(j) **One Bondholder**: If and for so long as the Bonds are held by a single Bondholder, such Bondholder shall exercise all powers, rights and obligations entrusted to the Masse by the provisions of Condition 8. The Issuer shall hold a register of the decisions taken by the sole Bondholder and shall make them available, upon request, to any subsequent holder of any of the Bonds.

For the avoidance of doubt, "**outstanding**" shall not include those Bonds subscribed or purchased by the Issuer that are held and not cancelled pursuant to Article L.213-0-1 of the French *Code monétaire et financier*.

9 Notices

Any notice to the Bondholders will be valid if (i) delivered to the Bondholders through Euroclear France, Euroclear or Clearstream, for so long as the Bonds are cleared through such clearing systems, (ii) so long as the Bonds are admitted to trading on the Regulated Market of the Luxembourg Stock Exchange, on the website of the Luxembourg Stock Exchange (www.bourse.lu) and (iii) published on the website of the Issuer (www.iliad.fr). Any such notice shall be deemed to have been given on the date of such delivery or, if delivered more than once or on different dates, on the first date on which such delivery is made.

10 Prescription

Claims against the Issuer in respect of the Bonds shall become prescribed ten years (in the case of principal) and five years (in the case of interest) from the due date for payment thereof.

11 Further Issues

The Issuer may, from time to time without the consent of the Bondholders, issue further bonds to be assimilated (*assimilables*) with the Bonds as regards their financial service, provided that such further bonds and the Bonds shall carry rights identical in all respects (or in all respects except for the first payment of interest thereon) and that the terms of such further bonds shall provide for such assimilation. In the event of such assimilation, the Bondholders and the holders of any assimilated bonds will, for the defence of their common interests, be grouped in a single Masse having legal personality.

12 Governing Law and Jurisdiction

The Bonds are governed by, and shall be construed in accordance with, the laws of France.

Any legal action or proceedings arising out of or in connection with the Bonds will be submitted to the jurisdiction of the competent courts in Paris.

USE AND ESTIMATED NET AMOUNT OF PROCEEDS

The estimated net proceeds from the issue of the Bonds will amount to €638,118,000 and will be used by the Issuer for the general corporate purposes of the Group.

RECENT DEVELOPMENTS

Press release dated 12 May 2020

THE ILIAD GROUP KEEPS UP ITS GOOD GROWTH MOMENTUM AND PREPARES TO RELAUNCH ITS OPERATIONS IMPACTED BY THE COVID-19 CRISIS

The Group's results in the first quarter of 2020 were in line with the growth momentum and very good sales and network performances seen for several quarters now. The Group was number 1 for Fiber net adds in France for the fourth consecutive quarter[1]. However, the lockdown measures imposed in early March in Italy, and then in France, naturally resulted in a slowdown in network rollouts and sales activity. Having been fully mobilized to ensure service continuity over the past few weeks, our teams are now focusing on the post-lockdown relaunch. The crisis has shown how the Group has got its strategic choices right, particularly its decision to invest massively in rolling out its networks across all regions and to launch a B2B business to help French small businesses with their digital transformation.

The **Group's growth momentum continued in the first quarter of 2020**, with pre-lockdown performance following the same upward sales trajectory as seen in the past few quarters:

- Revenues continued to rise, with year-on-year increases of **4.2% for France** and almost **7% for the Group as a whole**.
- In its Fixed business, iliad had its best performance in four years in terms of growth in the Fixed-line and Ultra-Fast Fixed-line subscriber base, with **47,000 new subscribers**. For Fiber, the Group recorded **215,000 net adds**, the majority of which were new subscribers. This makes the Group the operator with the largest number of fiber net adds in France for the fourth quarter in a row.
- In the Mobile business, the Group continued its sales recovery and recorded **100,000 net adds** for its 4G offerings. The overall Mobile subscriber base rose for the second consecutive quarter, with a net gain of **13,000 subscribers**.
- Italy made another significant contribution to the Group's growth, signing up **525,000 new subscribers** during the quarter despite the effect of the public health crisis.
- Lastly, the Group continued to **roll out its networks** during the period, with almost 500 new mobile sites opened and 1.5 million new FTTH sockets deployed in France. In Italy, some 900 mobile sites were switched on in the first four months of 2020.

The Group took action from the very outset of the Covid-19 pandemic. In record time we radically changed our organizational structure and adapted the way in which our 11,000 employees work, without furloughing anyone. New working tools were rapidly put in place to enable teams to work from home wherever possible. For our on-the-ground technicians, stringent

[1] As determined by Iliad based on public information.

health measures were implemented and their assignments were adapted so they would only be carrying out essential work, for both network maintenance and subscriber home call-outs.

Thanks to the drive and commitment of all of our teams, the Group was able to smoothly activate its Business Continuity Plan and to fulfill its corporate mission more than ever before – that is, **enabling its 26 million subscribers in France and Italy to continue to communicate, work and have access to entertainment.** Our on-the-ground teams also managed to substantially increase network capacity to absorb the higher voice and data traffic volumes resulting from the lockdown measures.

The Covid-19 crisis has affected both sales activity and infrastructure rollouts. The quarter included three weeks of lockdown in Italy and two weeks in France, with the number of new subscribers slowing during that time. However, the impact of this slowdown was offset by lower subscriber churn in France. The pace of rollouts was also less robust in first-quarter 2020, and the processing of administrative formalities (such as building permits and roadworks authorizations) has slowed considerably, which will weigh on rollouts in the second quarter of the year.

We have set ourselves three short-term objectives: keeping our employees safe as we come out of lockdown, relaunching our sales activities and returning to a brisk pace of rollouts. By demonstrating the vitally important role of regional digital coverage, the crisis has confirmed to us that we have got our strategic choices right – i.e. massively deploying Fiber nationwide, bridging the digital divide by investing in public initiative networks ("PINs") and the Mobile New Deal in France, and offering straightforward connectivity solutions to French small businesses at ultra-competitive prices.

Message from Thomas Reynaud, Chief Executive Officer of the iliad Group: *"All crises are revealing. And for our Group, this one has brought out the best in us, clearly showing the agility of our organization and the strength of our fundamentals. I have been particularly impressed by the commitment and drive of our employees who are working so hard to keep people connected. The crisis has strengthened the incredible spirit of solidarity which has always characterized Free. iliad will continue to contribute fully to the collective effort by investing in its networks and deploying constantly enhanced offerings for its subscribers and, tomorrow, businesses."*

THE SUPPORT MEASURES PUT IN PLACE BY THE ILIAD GROUP

France

- **For health workers and healthcare establishments**
  - Priority given to call-outs to ensure that healthcare establishments stay connected.
  - Priority given to home call-outs for health worker subscribers.
  - A €250,000 donation given to the health worker support fund, #ProtegeTonSoignant.
  - Resources and secure cloud solutions set up for hospitals, laboratories and other healthcare establishments.
  - Funding provided for employees' personal initiatives to produce protective face shields for health workers.
- **For our employees**
  - No employees furloughed.
  - All of our new hire contracts honored.

- **For our subscribers**
  - Data allowance increased 20-fold and voice allowance doubled for the €2 mobile plan, notably to help students with financial difficulties.
  - 4G speeds increased to 1 Mbps for data in excess of the allowance included in the Free 100 GB and Série Free 50 GB/60 GB plans.
  - 42 pay-TV channels broadcast free-to-air on Freebox TV, particularly kids' channels.

- **For our small business partners**
  - Immediate payment of invoices to ease cash flow (representing over €90 million altogether).
  - Creation of Solid-19, an investment fund to support small businesses, with a first tranche of €10 million allocated to long-term financing (5-7 years).

- **For schools and teachers**
  - A videoconference solution created for school heads and teachers based on Jitsi open-source videoconferencing.

- **For the elderly**
  - Partnership set up with the French Red Cross to create support lines for the elderly.

- **For society in general**
  - Support for charitable initiatives: participation in the "*Visière Solidaire*" project in the Bouches-du-Rhône region for producing face shields made with 3D printers; participation in the *Fask* project aimed at supporting the economic development of players in the Marseille region; co-founder of the "EpidemicProtect" application.
  - Making videoconferencing solutions available to everyone (Jitsi).

Italy

- **For our subscribers**
  - Data allowance increased from 40 MB to 10 GB for the €4.99 mobile plan.

- **For our employees**
  - All of our new hire contracts honored.

- **For our small business partners**
  - Immediate payment of invoices to ease cash flow (representing over €20 million altogether).

KEY OPERATING PERFORMANCE INDICATORS AT MARCH 31, 2020

Key operating indicators

France	**Mar. 31, 2020**	**Dec. 31, 2019**	**3-month change**	**Mar. 31, 2019**
Total mobile subscribers	**13,326k**	**13,313k**	**+13k**	**13,391k**
- *Of which on the Free Mobile Unlimited 4G Plan**	***8,278k***	***8,177k***	***+100k***	***7,858k***
- *Of which on the voice-based plan*	***5,048k***	***5,136k***	***-87k***	***5,533k***
Average 4G data usage (in GB per month per subscriber)**	**14.7**	**13.3**	**+1.4 GB**	**11.1**
Total Fixed-line and Ultra-Fast Fixed-line subscribers	**6,507k**	**6,460k**	**+47k**	**6,411k**
- *Of which Fiber*	***1,975k***	***1,760k***	***+215k***	***1,133k***
Total number of subscribers – France	**19,833k**	**19,773k**	**+60k**	**19,802k**
Number of connectible Fiber sockets	**15,400k**	**13,900k**	**+1,500k**	**13,900k**

	Q1 2020	**Q4 2019**	**Q1 2019**	**Year-on-year change**
Fixed-line and Ultra-Fast Fixed-line ARPU (in €)***	**32.0**	**32.6**	**32.5**	**-1.5%**
Excluding digital books	***32.0***	***31.6***	***31.6***	***+1.3%***
Mobile ARPU invoiced to subscribers (in €)***	**10.6**	**10.6**	**9.5**	**+10.7%**
Excluding digital books	***10.6***	***10.3***	***9.4***	***+12.8%***

Italy	**Mar. 31, 2020**	**Dec. 31, 2019**	**3-month change**	**Mar. 31, 2019**
Total mobile subscribers	**5,806k**	**5,281k**	**+525k**	**3,309k**

** 50/100 GB for non-Freebox subscribers.*

*** The definition of average 4G data usage has changed and now corresponds to the average for the quarter as a whole rather than for the last month of the period.*

**** See glossary for definitions.*

iliad's consolidated revenues rose 6.9% year on year in the first three months of 2020, propelled by (i) ongoing strong sales momentum in Italy (€150 million in revenues for the quarter), and (ii) a 4.2% increase in services revenues in France. These two positive factors offset the decrease in sales of devices, which suffered from an unfavorable basis of comparison with first-quarter 2019, which saw the launch of the Freebox Delta.

The table below shows the breakdown of consolidated revenues by category for the first quarters of 2020 and 2019, as well as the percentage change between the two periods:

First-quarter revenues:

In € millions	**Q1 2020**	Q1 2019	% change
Consolidated revenues	**1,382**	**1,293**	**+6.9%**
Services	1,339	1,223	+9.6%
Devices	45	73	-38.6%
Intra-group sales	(3)	(3)	NM
Revenues – France	**1,233**	**1,213**	**+1.7%**
Services	1,190	1,142	+4.2%
• Fixed	663	654	+1.3%
Of which Jaguar Network	*11*	*10*	*+10.5%*
• Mobile	527	487	+8.1%
Revenues invoiced to subscribers	*422*	*384*	*+9.8%*
Other	*105*	*103*	*+1.6%*
Devices (Fixed and Mobile)	45	73	-38.6%
Intra-group sales – France	(1)	(2)	NM
Revenues – Italy	**150**	**81**	**+85.7%**
Intra-group sales	(1)	(1)	NM

France

In a still fiercely competitive market, revenues generated in France were up for the fifth consecutive quarter in the first three months of 2020, rising 1.7% to €1,233 million. Services revenues saw higher year-on-year growth, with an increase of 4.2% (5.8% excluding the impact of digital books).

Fixed services revenues

Services revenues for the Fixed business climbed 1.3% to €663 million. The main factors underlying this first-quarter 2020 performance were as follows:

- **Robust performance for Fiber, with 215,000 net adds during the period.** At end-March the Group had nearly 2 million Fiber subscribers and 15.4 million connectible sockets. Over 30% of the Group's subscriber base now has access to Free Fiber.
- **Higher net adds for the Fixed business, with 47,000 new subscribers signing up during the quarter (the best quarterly performance in four years)**. This increase in the Fixed subscriber base was due to:
  - **The excellent performance delivered by Fiber.** With a step-up in the pace of rollouts and the marketing of Free Fiber plans in medium-density population areas covered by co-financing agreements, and on PINs, Fiber continues to be a tool for winning new subscribers. Over half of those signing up to Free Fiber have been completely new subscribers (i.e. not switching from other plans), which has driven an increase in our 12-month gross sales.
  - **A better Fiber/xDSL mix, leading to a gradual reduction in the churn rate.**
- **ARPU down 50 euro cents versus first-quarter 2019, to €32.** Unlike in the first quarter of 2019, ARPU was not lifted by the inclusion of digital books offerings. Excluding the digital books impact, ARPU rose 1.3% year on year. The subscriber mix is improving, with a greater proportion of subscribers now on higher value-added plans, particularly thanks to the Group's more restricted use of flash sales, but also due to the ramp-up of Fiber.
- **B2B:** Jaguar Network's contribution to the Group's total Fixed revenues was €11 million for the first three months of 2020, up 10.5% year on year.

Mobile services revenues

Growth for this business continued in the first quarter of 2020, with Mobile services revenues advancing 8.1% year on year to €527 million. This increase was fueled by a near 10% rise in revenues invoiced to subscribers, to €422 million. The main factors underlying the Mobile business' performance in first-quarter 2020 were as follows:

- **100,000 net adds for 4G offerings, similar to the figure seen in the last quarter.** The Group continued to improve its subscriber mix, and its total mobile subscriber base rose slightly for the second quarter in a row (by a net 13,000 subscribers). The decision to stop using price-slashed deals, combined with the enhanced quality of the mobile network, led to lower churn. At March 31, 2020, the Group had 13.33 million mobile subscribers in France.
- **A sharp increase in revenues invoiced to subscribers, up almost 10% to €422 million (11.6% increase excluding the impact of digital books).** The number of subscribers on price-slashed deals now represents a very small proportion of the overall subscriber base. The drastic reduction in the numbers of subscribers on such deals automatically increased ARPU, which rose 10.7% in first-quarter 2020 to €10.6. This very good performance reflects (i) the Group's successful strategy of switching subscribers on the voice-based plan to the Free Mobile Unlimited 4G Plan (50/100 GB for non-Freebox subscribers), (ii) the fact that more Série Free plan subscribers

are being automatically switched to the Free Mobile Unlimited 4G plan after 12 months, and (iii) the better churn rate.

- **A temporary halt in the decline in Other revenues, which rose 1.6% during the quarter to €105 million.** Primarily stemming from interconnections between operators for voice and text message services, these revenues generate low margins and have been adversely affected from a structural standpoint by a decreasing use of text messages as mobile data usage rises. However, in first-quarter 2020 they were boosted by a slight increase in voice traffic as a result of France's lockdown measures.
- **A large number of 700 MHz deployments, with over 2,100 new sites equipped during the first quarter of 2020.** With almost 14,200 sites equipped to use 700 MHz frequencies at end-March, i.e., over 90% of the Group's 4G sites, Free Mobile is the operator that has deployed the largest number of 700 MHz sites in France. At end-March the Group's mobile network covered more than 97.9% of the French population for 3G and 96.8% for 4G.

Revenues from devices

Sales of devices fell 39% to €45 million, reflecting two underlying factors: (i) a decrease in mobile phone sales due to the lockdown measures which reduced churn in the mobile market, and (ii) an unfavorable basis of comparison with first-quarter 2019, when sales of devices were boosted by the launch of the Freebox Delta Player in that period.

Italy

At €150 million, revenues generated in Italy surged 86% year on year. This strong increase was achieved despite the tough conditions in the country's mobile market due to the public health and economic crisis and the lockdown measures imposed by the Italian government in March. The significant events for the Italian business in first-quarter 2020 were as follows:

- **A robust 525,000 net adds during the quarter, despite targeted and very aggressively-priced offerings launched by competitors and the market's much lower churn rate since late February, when the government began to introduce restrictions to curb the spread of Covid-19. At end-March, the Group had over 5.8 million subscribers in Italy**. This means that it has already won over 7% market share in less than two years since it first launched its business there.
- **Continued rollout of the Group's mobile network, thanks to the efforts of our teams and partners, but obviously at a slower pace than before the Covid-19 crisis.** Around 900 new sites have been added since the start of 2020, which means that at end-April the Group had more than 2,900 active sites and 5,000 equipped sites. Our network rollout enabled us to absorb part of the increase in traffic volumes resulting from the lockdown measures.
- **Closure of the Group's physical distribution network during lockdown automatically affected our sales as from the beginning of March, but our strong online presence has enabled us to cushion some of the impact of the market slowdown.** With Italy's lockdown measures beginning to be lifted in early May, we have been able to re-open all of our stores to the public but a return to normal will be very gradual.

In addition to the human impact, the coronavirus pandemic has generated an economic slowdown. The social and financial impacts for the iliad Group are currently limited. Nevertheless, the pandemic could impact the iliad Group and its objectives, as is the case for all companies in the telecommunications sector. Possible impacts include the shortage of certain electronic components and a slower rollout of Fixed and Mobile networks.

France

- Fixed:
  - Achieve a 25% share of the Broadband and Ultra-Fast Broadband market in the long term.
  - Have 2 million Fiber subscribers by 2020 and 4.5 million by 2024.
  - Have 22 million connectible Fiber sockets by end-2022 and around 30 million by end-2024.
- Mobile:
  - Have more than 80% of the subscriber base signed up to the Free Mobile Unlimited 4G Plan[2] by 2024.
  - Have over 25,000 sites by 2024.
  - Achieve a 25% share of the mobile market in the long term.
- B2B:
  - Obtain a B2B market share of around 4% to 5% by 2024.
  - Generate B2B revenues of between €400 million and €500 million by 2024.
- Financial targets:
  - EBITDAaL margin in France (excluding B2B and sales of devices) of over 40% in 2020.
  - EBITDAaL less CAPEX figure in France (excluding B2B activities) of more than €800 million in 2020 and around €1 billion in 2021.

Italy

- Have around 5,000 active sites by end-2020.
- Based on this target number of active sites, we expect EBITDAaL losses to be lower in 2020 than in 2019.
- Have rolled out between 10,000 and 12,000 sites by end-2024.
- Achieve EBITDAaL break-even with a market share of less than 10%.
- Generate €1.5 billion in revenues in Italy in the long term.

(2) 50/100 GB for non-Freebox subscribers.

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.

EBITDAaL: profit from ordinary activities before depreciation, amortization and impairment of property, plant and equipment and intangible assets, and impact of stock option-/share-based payment expense.

Fixed-line and Ultra-Fast Fixed-line ARPU: Includes revenues from the flat-rate package and value-added services but excludes one-time revenues (e.g., fees for switching from one offer to another or cancellation fees), divided by the total number of Fixed-line and Ultra-Fast Fixed-line subscribers invoiced for the last month of the quarter.

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

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

Mobile ARPU invoiced to subscribers: includes revenues invoiced to subscribers divided by the total number of Mobile subscribers during the period.

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

Revenues invoiced to subscribers: Revenues generated from services invoiced directly to subscribers (services included in subscribers' mobile plans as well as additional services).

Services revenues: Revenues excluding sales of devices.

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

Total mobile subscribers – France: 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.

Total mobile subscribers – Italy: Represents, at the end of a period, the total number of subscribers, identified by their telephone lines, who have subscribed to an iliad Italia mobile offering and who have issued or received at least one communication during the preceding three months.

Share capital:

The share capital of the Issuer amounted to €13,123,109.77 as at 31 May 2020.

SUBSCRIPTION AND SALE

Subscription Agreement

BofA Securities Europe SA, BNP Paribas, Crédit Agricole Corporate and Investment Bank, Crédit Industriel et Commercial S.A., HSBC France, ING Bank N.V., Belgian Branch, Landesbank Hessen-Thüringen Girozentrale, Natixis, SMBC Nikko Capital Markets Europe GmbH, Société Générale and UniCredit Bank AG (the "**Joint Lead Managers**") have, pursuant to a Subscription Agreement dated 15 June 2020 (the "**Subscription Agreement**"), jointly and severally agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe for the Bonds at an issue price equal to 98.547 per cent. of the principal amount of the Bonds, less any applicable commission. In addition, the Issuer will pay certain costs incurred by it and the Joint Lead Managers in connection with the issue of the Bonds.

The Joint Lead Managers are entitled to terminate the Subscription Agreement in certain limited circumstances prior to the issue of the Bonds. The Issuer has agreed to indemnify the Joint Lead Managers against certain liabilities in connection with the offer and sale of the Bonds.

General Selling Restrictions

Each Joint Lead Manager has agreed to observe all applicable laws and regulations in each jurisdiction in or from which it may acquire, offer, sell or deliver Bonds or have in its possession or distribute this Prospectus or any other offering material relating to the Bonds. No action has been, or will be, taken in any country or jurisdiction that would permit an offer of the Bonds to any retail investor, or the possession or distribution of this Prospectus or any other offering material relating to the Bonds, in any country or jurisdiction where action for that purpose is required. Accordingly, the Bonds may not be offered or sold, directly or indirectly, and neither this Prospectus nor any circular, prospectus, form of application, advertisement or other offering material relating to the Bonds may be distributed in or from, or published in, any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations and all offers and sales of Bonds by it will be made on the same terms.

Prohibition of Sales to EEA and UK Retail Investors

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Bonds to any retail investor in the EEA or in the UK.

For the purposes of this provision:

a) the expression "**retail investor**" means a person who is one (or more) of the following:

   (i) a retail client as defined in point (11) of Article 4(1) of MiFID II;

   (ii) a customer within the meaning of the IDD, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

   (iii) not a qualified investor as defined in the Prospectus Regulation.

b) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Bonds.

United Kingdom

Each Joint Lead Manager has represented and agreed that:

(i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000, as amended (the "**FSMA**")) received by it in connection with the issue or sale of the Bonds in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

(ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

United States

The Bonds have not been and will not be registered under the Securities Act or the securities law of any U.S. state, and may not be offered or sold, directly or indirectly, in the United States of America or to, or for the account or benefit of, US persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or such state securities laws. The Bonds are being offered and sold only outside of the United States to non-U.S. persons in reliance upon an exemption from registration under the Securities Act pursuant to Regulation S.

Each Joint Lead Manager has represented and agreed that:

(i) it has not offered or sold, and will not offer or sell, the Bonds (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the issue date of the Bonds, within the United States or to, or for the account or benefit of, U.S. persons and,

(ii) it will have sent to each distributor or dealer to which it sells Bonds during such 40 days' period a confirmation or other notice setting forth the restrictions on offers and sales of the Bonds within the United States or to, or for the account or benefit of, U.S. persons.

Terms used in this paragraph and not otherwise defined in this Prospectus have the meanings given to them in Regulation S.

In addition, until 40 days after the commencement of the offering of the Bonds, an offer or sale of Bonds within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

GENERAL INFORMATION

1. The Bonds have been accepted for clearance through Euroclear France, Clearstream and Euroclear.

   The International Securities Identification Number (ISIN) for the Bonds is FR0013518420. The Common Code number for the Bonds is 219025203.

2. The address of Euroclear France is 66, rue de la Victoire, 75009 Paris, France. The address of Euroclear is 1 boulevard du Roi Albert II, 1210 Bruxelles, Belgium and the address of Clearstream is 42 avenue John Fitzgerald Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg.

3. Application has been made to the Luxembourg Stock Exchange for the Bonds to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List.

4. The issue of the Bonds was authorised by resolution of the Board of Directors (*Conseil d'administration*) of the Issuer dated 11 May 2020.

5. Copies of:

   (i) the *statuts* of the Issuer;

   (ii) this Prospectus;

   (iii) the documents incorporated by reference in this Prospectus; and

   (iv) the Fiscal Agency Agreement.

   will be available for inspection during the usual business hours on any week day (except Saturdays and public holidays) at the registered office of the Issuer and, except in respect of the document mentioned in (iv) above, on the website of the Issuer (www.iliad.fr).

   This Prospectus and the documents incorporated by reference in this Prospectus will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

6. Except as disclosed on pages 13, 14 and 30 to 38 of this Prospectus, there has been no significant change in the financial position or financial performance of the Issuer or of the Group since 31 December 2019.

7. Except as disclosed on pages 13, 14 and 30 to 38 of this Prospectus, there has been no material adverse change in the prospects of the Issuer since 31 December 2019.

8. Except as disclosed on page 16 of this Prospectus, the Issuer is not involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during the 12 months preceding the date of this Prospectus which may have, or have had in the recent past, significant effects on the Issuer or the Group's financial position or profitability.

9. PricewaterhouseCoopers Audit and Deloitte & Associés are the statutory auditors of the Issuer. PricewaterhouseCoopers Audit and Deloitte & Associés have audited, and rendered unqualified audit reports on, the consolidated financial statements of the Issuer as at, and for the years ended, 31 December 2018 and 31 December 2019. PricewaterhouseCoopers Audit and Deloitte & Associés are registered as *Commissaires aux Comptes* (members of the *Compagnie Nationale des Commissaires aux Comptes* and of the *Compagnie régionale des commissaires*

aux comptes de Versailles) and are regulated by the *Haut Conseil du Commissariat aux Comptes*.

10. The estimated costs for the admission to trading of the Bonds are €4,200.

11. The yield in respect of the Bonds is 2.640 per cent. *per annum*, calculated on the basis of the issue price of the Bonds. It is not an indication of future yield.

12. Save for any fees payable to the Joint Lead Managers as referred to in "Subscription and Sale", as far as the Issuer is aware, no person involved in the offer of the Bonds has an interest material to the issue.

13. The website of the Issuer is www.iliad.fr. The information on such website does not form part of this Prospectus, except where that information has been incorporated by reference into this Prospectus.

14. The legal entity identifier (LEI) of the Issuer is 969500FZ9BTRZS3JNB97.

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