ILIAD GROUP
CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED JUNE 30, 2013

CONTENTS

INTERIM CONSOLIDATED INCOME STATEMENT

In € thousands	Note	Six months to June 30, 2013	Six months to June 30, 2012
Revenues ….……………………………………………………		**1,829,373**	**1,444,343**
Purchases used in production ……………………………………		(977,899)	(769,962)
Payroll costs…………………………………………………...		(97,078)	(82,939)
External charges…………………………………………………		(102,915)	(95,816)
Taxes other than on income……………………………………...		(23,825)	(14,535)
Additions to provisions…………………………………………..		(44,935)	(56,025)
Other income and expenses from operations, net………………..		3,110	(7,746)
EBITDA (1)……………………………………………………		***585,831***	***417,320***
Share-based payment expense……………………………………		(4,078)	(5,783)
Depreciation, amortization and provisions for impairment of non-current assets		(305,131)	(233,037)
Profit from ordinary activities………………………………........		**276,622**	**178,500**
Other operating income and expense, net………………………..		(1,319)	(3,624)
Operating profit…………………………................................		**275,303**	**174,876**
Income from cash and cash equivalents…………………………		451	1,398
Finance costs, gross………………………………………………		(29,869)	(28,213)
Finance costs, net……………………………………………….		**(29,418)**	**(26,815)**
Other financial income and expense, net…………………………		(13,121)	(15,122)
Corporate income tax……………………………………………..		(91,000)	(53,361)
Profit for the period		**141,764**	**79,578**
Profit for the period attributable to:			
▪*Owners of the Company*		***144,118***	***81,562***
▪*Minority interests*		***(2,354)***	***(1,984)***
Earnings per share (in €):			
▪*Basic earnings per share*		***2.46***	***1.39***
▪*Diluted earnings per share*		***2.38***	***1.37***

(1) See definition on page 9.

INTERIM STATEMENT OF COMPREHENSIVE INCOME

In € thousands	Note	Six months to June 30, 2013	Six months to June 30, 2012
PROFIT FOR THE PERIOD…..…………………………		**141,764**	**79,578**
▪ Fair value gains/(losses) on interest rate and currency hedging instruments recyclable to profit		10,081	(14,721)
Tax effect		(3,639)	5,314
Total income and expenses recognized directly in equity		**6,442**	**(9,407)**
Total comprehensive income for the period……………………		**148,206**	**70,171**

Note: Minority interests have not been analyzed as they represent a non-material amount.

INTERIM CONSOLIDATED BALANCE SHEET – ASSETS

In € thousands	Note	June 30, 2013	Dec. 31, 2012
Goodwill……………………………………………...	5	214,818	214,818
Intangible assets………………………………………	5	1,254,395	1,329,169
Property, plant and equipment…………………………..	5	2,434,602	2,325,773
Other long-term financial assets…………………………		7,664	7,469
Deferred income tax assets………………………………		43,590	47,229
Other non-current assets…………………………………			0
TOTAL NON-CURRENT ASSETS…………………..		**3,955,069**	**3,924,458**
Inventories………………………………………………		24,743	31,669
Current income tax assets………………………………..		0	6,099
Trade and other receivables……………………………..		467,354	348,863
Other short-term financial assets………………………...		3,421	1,825
Cash and cash equivalents………………………………		314,471	384,156
TOTAL CURRENT ASSETS…………………………		**809,989**	**772,612**
ASSETS HELD FOR SALE…………………………...		**48,504**	**49,972**
TOTAL ASSETS………………………………………		**4,813,562**	**4,747,042**

INTERIM CONSOLIDATED BALANCE SHEET – EQUITY AND LIABILITIES

In € thousands	Note	June 30, 2013	Dec. 31, 2012
Share capital…………………………………………	6	12,826	12,773
Additional paid-in capital…………………………….		359,792	343,437
Retained earnings and other reserves…………………...		1,501,394	1,370,483
TOTAL EQUITY……………………………………...		**1,874,012**	**1,726,693**
Attributable to			
. Owners of the Company………………………………………………		***1,866,094***	***1,716,367***
. Minority interests…………………………………………………		***7,918***	***10,326***
Long-term provisions…………………………………...	8	1,384	1,384
Long-term financial liabilities…………………………..	7	1,108,710	1,212,835
Deferred income tax liabilities………………………….		3,729	5,129
Other non-current liabilities…………………………….	9	389,547	460,513
TOTAL NON-CURRENT LIABILITIES		**1,503,370**	**1,679,861**
Short-term provisions…………………………………	8	113,755	101,999
Taxes payable…………………………………………		12,074	0
Trade and other payables……………………………….		1,065,780	1,002,917
Short-term financial liabilities…………………………..…	7	244,571	235,572
TOTAL CURRENT LIABILITIES……………………		**1,436,180**	**1,340,488**
TOTAL EQUITY AND LIABILITIES………………..		**4,813,562**	**4,747,042**

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In € thousands	Share capital	Additional paid-in capital	Own shares held	Reserves	Retained earnings	Total equity
Total equity at January 1, 2012	**12,641**	**304,987**	**(2,136)**	**47,939**	**1,160,490**	**1,523,921**
Movements in 2012						
▪ Profit for the period					79,578	79,578
▪ Income and expenses recognized directly in equity:						
✓ Impact of interest rate and currency hedges				(9,407)		(9,407)
Total comprehensive income for the period				***(9,407)***	***79,578***	***70,171***
▪ Capital increase	39	11,078				11,117
▪ Dividends paid by Iliad SA					(21,169)	(21,169)
▪ Dividends paid by subsidiaries					(87)	(87)
▪ Purchases/sales of own shares			157			157
▪ Impact of stock options				5,783		5,783
▪ Other movements					8	8
Total equity at June 30, 2012	**12,680**	**316,065**	**(1,979)**	**44,315**	**1,218,820**	**1,589,901**
Total equity at January 1, 2013	**12,773**	**343,437**	**(4,065)**	**48,736**	**1,325,812**	**1,726,693**
Movements in 2013						
▪ Profit for the period					141,764	141,764
▪ Income and expenses recognized directly in equity:						
✓ Impact of interest rate and currency hedges				6,442		6,442
Total comprehensive income for the period				***6,442***	***141,764***	***148,206***
▪ Capital increase	53	16,355				16,408
▪ Dividends paid by Iliad SA					(21,471)	(21,471)
▪ Dividends paid by subsidiaries					(60)	(60)
▪ Purchases/sales of own shares			219			219
▪ Impact of stock options				4,077		4,077
▪ Other movements				(60)		(60)
Total equity at June 30, 2013	**12,826**	**359,792**	**(3,846)**	**59,195**	**1,446,045**	**1,874,012**

Note: Minority interests have not been analyzed as they represent a non-material amount.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

In € thousands	Note	Six months to June 30, 2013	Six months to June 30, 2012
Profit for the period (including minority interests)		**141,764**	**79,578**
+/- Depreciation, amortization and provisions against non-current assets and net additions to provisions for contingencies and charges	4	318,127	245,585
+/- Payment related to Bouygues Telecom dispute		20,000	0
-/+ Unrealized gains and losses on changes in fair value		(4,359)	767
+/- Expenses and income related to stock options and other share-based payments		4,078	5,783
-/+ Other income and expenses, net		(78)	11,079
-/+ Gains and losses on disposals of assets		(654)	(793)
-/+ Dilution gains and losses		0	0
+/- Share of profit of associates		0	0
- Dividends (investments in non-consolidated undertakings)		0	0
Cash flows from operations after finance costs, net, and income tax		**478,878**	**341,999**
+ Finance costs, net		29,418	26,815
+/- Income tax expense (including deferred taxes)		91,000	53,361
Cash flows from operations before finance costs, net, and income tax (A)		**599,296**	**422,175**
- *Income tax paid* **(B)**		(70,656)	(115,510)
+/- Change in operating working capital requirement (including employee benefit obligations) **(C)**		8,802	78,669
+/- Payment related to Bouygues Telecom dispute **(D)**		(20,000)	0
= Net cash generated from operating activities (E) = (A) + (B) + (C) + (D)		**517,442**	**385,334**
- Acquisitions of property, plant and equipment and intangible assets	4	(449,417)	(482,027)
+ Disposals of property, plant and equipment and intangible assets		1,069	1,475
- Acquisitions of investments in non-consolidated undertakings		0	0
+ Disposals of investments in non-consolidated undertakings		0	0
+/- Effect of changes in Group structure – acquisitions and price adjustment		(60)	0
+/- Effect of changes in Group structure – disposals		0	0
+/- Change in outstanding loans and advances		(194)	(217)
+ Cash inflows from assets held for sale		437	1,886
- Cash outflows for assets held for sale		(423)	(341)
+/- Other		0	0
= Net cash used in investing activities (F)		**(448,588)**	**(479,224)**
+ Proceeds from capital increases:			
. Paid by owners of the Company			0
. Paid by minority shareholders of consolidated companies			0
+ Proceeds received on the exercise of stock options		16,358	3,101
-/+ Own-share transactions		219	157
- Dividends paid during the period:			
. Dividends paid to owners of the Company		(21,403)	(21,121)
. Dividends paid to minority shareholders of consolidated companies		(60)	(87)
+ Proceeds from new borrowings	7	111,010	644,607
- Repayment of borrowings (including finance leases)	7	(212,463)	(448,444)
- Net interest paid (including on finance leases)		(38,230)	(38,959)
= Net cash (used in) generated from financing activities (G)		**(144,569)**	**139,254**
+/- Effect of exchange-rate movements on cash and cash equivalents **(H)**		9	14
= Net change in cash and cash equivalents (E + F + G + H)		**(75,706)**	**45,378**
Cash and cash equivalents at beginning of period		**382,587**	**350,468**
Cash and cash equivalents at period-end	4	**306,881**	**395,846**

NOTE 1: SIGNIFICANT EVENTS IN FIRST-HALF 2013

1-1. SCOPE OF CONSOLIDATION AT JUNE 30, 2013

There were no significant changes in the scope of consolidation during first-half 2013.

1-2. BUSINESS REVIEW

The first half of 2013 saw sustained growth for the Group's landline and mobile businesses.

NOTE 2: ACCOUNTING PRINCIPLES (IFRS)

2-1. General information

Iliad SA is a *société anonyme* registered in France and listed on Eurolist by Euronext Paris under the symbol "ILD".

The Iliad Group operates in the French retail telecommunications market.

The condensed interim consolidated financial statements for the six months ended June 30, 2013 were approved by the Board of Directors on August 28, 2013.

2.2. Basis of preparation

These condensed interim consolidated financial statements for the six months ended June 30, 2013 have been prepared in accordance with IAS 34, Interim Financial Reporting, and IAS 1, Presentation of Financial Statements.

As permitted under IAS 34, the condensed interim consolidated financial statements do not incorporate all of the notes and disclosures required by IFRS for the annual consolidated financial statements and should therefore be read in conjunction with the consolidated financial statements for the year ended December 31, 2012.

2.3. Accounting policies

Except as described below, the interim consolidated financial information has been prepared in accordance with the same accounting policies as those applied to prepare the annual financial statements for the year ended December 31, 2012, as described therein:

- corporate income tax for the period has been calculated by applying the estimated average effective tax rate for the full year to first-half profit before tax;
- post-employment benefit obligations for the period have been estimated based on actuarial calculations performed for full-year 2012.

The Iliad Group presents an additional indicator of earnings performance in its income statement:

- EBITDA

EBITDA is a key indicator of the Group's operating performance and corresponds to profit from ordinary activities before:

- depreciation, amortization and impairment of property, plant and equipment and intangible assets; and
- share-based payment expense.

2.4. New standards, amendments to existing standards and interpretations

Application of the following new standards, amendments to existing standards and interpretations has been mandatory since January 1, 2013:

- **Revised version of IAS 19, *Employee Benefits.*** IAS 19 must be applied for all types of employee benefits, except those to which IFRS 2, *Share-based Payment*, applies.

  Group Management has applied this revised standard since the year ended December 31, 2012.

- **IFRS 13, *Fair Value Measurement*.** This standard – which has been applied by the Group since January 1, 2013 – prescribes how to measure fair value both on initial recognition and subsequent measurement.

- **Annual Improvements to IFRSs (2009-2011 cycle)**. These improvements resulted in amendments to 17 standards, which have been applied by the Group where relevant.

- **Amendments to IAS 12, *Income Taxes – Deferred Tax: Recovery of Underlying Assets*.** These amendments introduce a rebuttable presumption that the carrying amount of certain underlying assets will be recovered entirely through sale. The presumption can be rebutted if the entity can prove that the underlying asset will be recovered in another way. This presumption applies to:

✓investment property measured using the fair value model in IAS 40, *Investment Property*; and

✓property, plant and equipment and intangible assets measured using the revaluation model in IAS 16, *Property, Plant and Equipment*, and IAS 38, *Intangible Assets*.

These amendments are not relevant to the Iliad Group.

- **Amendments to IFRS 7, *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*.** The amendments to IFRS 7 contain new disclosure requirements for all recognized financial instruments that are set off in accordance with paragraph 42 of IAS 32. These disclosures also apply to recognized financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with IAS 32. These amendments are not relevant to the Iliad Group.

- **IFRIC 20,** ***Stripping Costs in the Production Phase of a Surface Mine.*** This interpretation is not relevant to the Iliad Group.

The following new standards, amendments to existing standards and interpretations are effective for annual periods beginning on or after January 1, 2014:

- **IFRS 10,** ***Consolidated Financial Statements***. IFRS 10 replaces the consolidation part of the former IAS 27, *Consolidated and Separate Financial Statements*, and the revised version of IAS 27 – which was issued in 2011 at the same time as IFRS 10 – only deals with separate financial statements. IFRS 10 provides for a single consolidation model that identifies control as the basis for consolidation for all types of entities.

  It includes a definition which states that an investor controls an investee if and only if the investor has all of the following elements of control:

✓power over the investee;
✓exposure, or rights to variable returns from its involvement with the investee;
✓the ability to use its power over the investee to affect the amount of the investor's returns.

- **IFRS 11,** ***Joint Arrangements.*** **This standard supersedes IAS 31,** ***Interests in Joint Ventures*****, and SIC-13,** ***Jointly Controlled Entities – Non-Monetary Contributions by Venturers***. IFRS 11 focuses on the nature of the rights and obligations of joint arrangements rather than their legal form.

- **IFRS 12,** ***Disclosure of Interests in Other Entities***. This standard presents in a single IFRS the disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities. Its aim is to establish disclosure objectives according to which an entity discloses information that enables users of its financial statements to understand the basis of control over other entities and the interest that non-controlling interests have in the group's activities and cash flows, and to evaluate (i) any restrictions on the entity's ability to access or use assets, and settle liabilities, of the group, and (ii) the entity's exposure to risks associated with its interests in unconsolidated structured entities.

- **Amendments to IFRS 10** ***(Consolidated Financial Statements)*****, IFRS 11** ***(Joint Arrangements)*** **and IFRS 12** ***(Disclosure of Interests in Other Entities)*** **concerning transition guidance**. These amendments clarify the transition guidance in IFRS 10 and also provide additional transition relief in IFRS 10 by limiting the requirement to provide adjusted comparative information to only the preceding comparative period.

- **IAS 27,** ***Separate Financial Statements (as amended in 2011)***. The new version of IAS 27 only applies to accounting for investments in subsidiaries, joint ventures, and associates when an entity prepares separate financial statements. This standard is not relevant to French groups that do not apply IFRS in their separate financial statements, which is the case for the Iliad Group.

- **IAS 28, *Investments in Associates and Joint Ventures (as amended in 2011)***. The main purpose of revising IAS 28 – which prescribes the accounting treatment for investments in associates and joint ventures – was to include consequential amendments following the issuance of IFRS 10, IFRS 11 and IFRS 12.

- **Amendments to IAS 32, *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*.** These amendments clarify:

✓the meaning of "currently has a legally enforceable right of set-off"; and
✓that some gross settlement systems may be considered equivalent to net settlement.

Application of the above standards and amendments as from January 1, 2014 is not expected to have a material impact on the Group.

NOTE 3: SEGMENT INFORMATION

Prior to the launch of its mobile offerings in early 2012, the Group's operations were split into two segments – Broadband and Traditional Telephony (with this segment's contribution to consolidated revenues becoming increasingly lower over time).

Since the launch of its mobile offerings, the Group has redefined its business segments, with the creation of a new segment called Retail Telecom for which it now issues specific reporting data.

As substantially all of its operations are in France, the Group only has one geographic segment.

These segments may change in the future, depending on operating criteria and the development of the Group's businesses.

NOTE 4: ANALYSIS OF THE STATEMENT OF CASH FLOWS

Depreciation, amortization and provisions recognized in the statement of cash flows break down as follows:

In € thousands	Note	Six months to June 30, 2013	Six months to June 30, 2012
Depreciation and amortization:			
▪ Amortization of intangible assets	5.2	80,148	49,814
▪ Depreciation of property, plant and equipment	5.3	224,983	183,223
Additions to provisions for contingencies and charges	8	33,260	18,324
Reversals of provisions for contingencies and charges:			
▪ Amounts utilized	8	(20,810)	(2,698)
▪ Surplus provisions	8	(697)	(4,449)
Other		1,243	1,371
Recognized in the statement of cash flows		**318,127**	**245,585**

Acquisitions of non-current assets can be analyzed as follows:

In € thousands	Note	Six months to June 30, 2013	Six months to June 30, 2012
▪ Intangible assets	5.2	5,533	183,348
▪ Property, plant and equipment (excl. new finance leases)	5.3	312,446	414,401
▪ Suppliers of non-current assets (excl. VAT):			
. at beginning of period		829,907	588,497
. impact of discounting liabilities		15,778	11,667
. impact of extinguished liabilities(1)		(12,827)	0
. at period-end		(701,420)	(714,130)
▪ Other		0	(1,756)
Recognized in the statement of cash flows		**449,417**	**482,027**

(1) The Group recognized a cash inflow of €12,827,000 in first-half 2013 related to a settlement agreement entered into during the period.

Period-end cash and cash equivalents break down as follows:

In € thousands	Note	June 30, 2013	June 30, 2012
▪ Cash		52,652	8,663
▪ Marketable securities		261,819	394,261
▪ Short-term borrowings		(7,590)	(7,078)
Recognized in the statement of cash flows		**306,881**	**395,846**

Net cash generated from operating activities in first-half 2013 includes the impact of a €20 million cash outflow following the decision handed down by the Paris Commercial Court in the dispute with Bouygues Telecom.

NOTE 5: CAPITAL EXPENDITURE

5.1. Goodwill

In € thousands	Six months to June 30, 2013
Carrying amount at January 1, 2013	**214,818**
Carrying amount at June 30, 2013	**214,818**

In € thousands	Twelve months to Dec. 31, 2012
Carrying amount at January 1, 2012	**214,728**
Increase following acquisitions:	
▪Freebox	**90**
Carrying amount at December 31, 2012	**214,818**

5.2. Other intangible assets

In € thousands	Six months to June 30, 2013
Carrying amount at January 1, 2013	**1,329,169**
Additions:	
. acquisitions	4,331
. internally-generated intangible assets	1,202
Disposals	0
Amortization and impairment	(80,148)
Reclassifications	384
Other impacts	(543)
Carrying amount at June 30, 2013	**1,254,395**

In € thousands	Twelve months to Dec. 31, 2012
Carrying amount at January 1, 2012	**1,025,611**
Additions:	
. acquisitions	420,136
. internally-generated intangible assets	1,686
Disposals	0
Amortization and impairment	(113,898)
Reclassifications	(3,254)
Other impacts	(1,112)
Carrying amount at December 31, 2012	**1,329,169**

5.3. PROPERTY, PLANT AND EQUIPMENT

In € thousands	Six months to June 30, 2013
Carrying amount at January 1, 2013	**2,325,773**
Acquisitions[(1)]	334,408
Disposals	(338)
Depreciation and impairment	(224,983)
Reclassifications	(384)
Other impacts	126
Carrying amount at June 30, 2013	**2,434,602**

(1) Including €21,962,000 in assets acquired under finance leases.

In € thousands	Twelve months to Dec. 31, 2012
Carrying amount at January 1, 2012	**1,947,300**
Acquisitions[(1)]	778,922
Disposals	(17,252)
Depreciation and impairment	(385,414)
Reclassifications	2,172
Other impacts	45
Carrying amount at December 31, 2012	**2,325,773**

(1) Including €34,168,000 in assets acquired under finance leases.

During the first half of 2013, the Group kept up its capital spending drive for growth projects.

5.4. IMPAIRMENT OF ASSETS

Non-financial assets with indefinite useful lives are not amortized, but are tested for impairment on an annual basis at the year-end (December 31) or whenever there is an indication that they may be impaired. In assessing whether there is any indication that an asset may be impaired, the Group considers events or circumstances that suggest that significant unfavorable changes have taken place which may have a prolonged, adverse effect on the Group's economic or technological environment, or on the assumptions used on acquisition of the asset concerned.

All other assets are also tested for impairment on an annual basis or whenever events or changes in circumstances indicate that their carrying amount may not be recoverable.

NOTE 6: SHARE CAPITAL AND DIVIDENDS

6.1. Share capital

Stock options granted by the Iliad Group on January 20, 2004 have been exercisable by their beneficiaries since January 20, 2008. Similarly, the first tranche of the stock options granted on December 20, 2005 has been exercisable since December 20, 2009 and the second tranche since December 20, 2010. The stock options granted on June 14, 2007 have been exercisable since June 13, 2012 and the stock options granted on August 30, 2007 have been exercisable since August 30, 2012.

In first-half 2013, 240,864 stock options were exercised for the same number of new shares. The Company's share capital therefore increased by €53,000 to €12,826,000 at June 30, 2013 from €12,773,000 at December 31, 2012.

6.2. Dividends

At the Annual General Meeting held on May 22, 2013, the Group's shareholders resolved to pay a dividend of €0.37 per share, representing a total payout of €21,471,000.

The dividend was paid on June 25, 2013.

NOTE 7: BORROWINGS

Borrowings	June 30, 2013	Dec. 31, 2012
Long-term borrowings	1,108,710	1,212,835
Short-term borrowings	244,571	235,572
Total	**1,353,281**	**1,448,407**

Movements in borrowings can be analyzed as follows:

In € thousands	Six months to June 30, 2013
Borrowings at January 1, 2013	**1,448,407**
New borrowings[(1)]	132,971
Repayments of borrowings	(212,463)
Change in other bank borrowing facilities	6,021
Impact of cash flow hedges	(12,399)
Other	(9,256)
Total borrowings at June 30, 2013	**1,353,281**

(1) Including €21,962,000 in borrowings related to finance leases.

In € thousands	Twelve months to Dec. 31, 2012
Borrowings at January 1, 2012	**1,326,869**
New borrowings[(1)]	308,509
Repayments of borrowings	(198,766)
Interest on OCEANE bonds and bond premium	(2,830)
Change in other bank borrowing facilities	(5,412)
Impact of cash flow hedges	4,279
Other	15,758
Total borrowings at December 31, 2012	**1,448,407**

(1) Including €17,973,000 in borrowings related to finance leases.

At June 30, 2013 the Group's borrowings primarily corresponded to the following:

A €1,400 million syndicated credit facility

On June 9, 2010, the Group set up a €1,400 million syndicated credit facility with a pool of 11 international banks. This facility comprises two tranches:

- A €600 million loan tranche to refinance the Group's net debt, of which €150 million had been drawn down at June 30, 2013.

- A revolving tranche of €800 million expiring in June 2015. None of this tranche had been drawn down at June 30, 2013.

Loans granted by the European Investment Bank (EIB)

The EIB granted Iliad a €150 million loan in order to help finance the rollout of the Group's ADSL and FTTH networks. The loan has a 10-year term and is repayable in installments.

In late August 2012, the EIB granted Iliad another loan (€200 million) to help finance its rollout of next-generation landline networks. This loan also has a 10-year term and is repayable in installments.

Both of these loans had been fully drawn down at June 30, 2013.

A €500 million bond issue

On May 26, 2011 the Group issued €500 million worth of bonds paying interest at 4.875% per year. The bonds will be redeemed at face value at maturity on June 1, 2016.

A €500 million short-term commercial paper program

During 2012, the Iliad Group set up a €500 million commercial paper program in order to diversify the sources and maturities of its financing. This program had been used in an amount of €202 million at June 30, 2013.

NOTE 8: PROVISIONS

Six months to June 30, 2013	Provisions for claims and litigation	Other provisions	Total
At January 1, 2013	**101,999**	**1,384**	**103,383**
Additional provisions	33,260	0	33,260
Utilized during the period	(20,810)	0	(20,810)
Reversals of surplus provisions	(697)	0	(697)
Other movements	3	0	3
At June 30, 2013	**113,755**	**1,384**	**115,139**
o/w long-term provisions			*1,384*
o/w short-term provisions			*113,755*

Twelve months to December 31, 2012	Provisions for claims and litigation	Other provisions	Total
At January 1, 2012	**29,910**	**1,388**	**31,298**
Additional provisions	82,793	0	**82,793**
Utilized during the period	(4,470)	0	**(4,470)**
Reversals of surplus provisions	(6,232)	0	**(6,232)**
Other movements	(2)	(4)	**(6)**
At December 31, 2012	**101,999**	**1,384**	**103,383**
o/w long-term provisions			*1,384*
o/w short-term provisions			*101,999*

NOTE 9: OTHER NON-CURRENT LIABILITIES

	At June 30, 2013	At Dec. 31, 2012
Other non-current liabilities	389,547	460,513
Total	**389,547**	**460,513**

The decrease in other non-current liabilities in first-half 2013 primarily concerns the Group's mobile business.

NOTE 10: COMMITMENTS

Lease commitments

Lease expenses recognized in the income statement break down as follows:

In € millions	Six months to June 30, 2013	Six months to June 30, 2012
▪ Minimum lease payments	32	10
▪ Contingent lease payments	0	0
▪ Sub-leases	6	7
Total	**38**	**17**

The table below analyzes the Group's lease commitments at June 30, 2013 by type of asset and maturity.

(In € millions) **Type of leased asset**	**Due within 1 year**	**Due in 1 to 5 years**	**Due beyond 5 years**	**Total**
Real estate	16	48	28	**92**
Vehicles	3	3	0	**6**
Other	37	145	187	**369**
Total	**56**	**196**	**215**	**467**

None of the Group's lease arrangements contain material contingent lease payments or renewal options, nor do they impose specific restrictions, for example concerning dividends, additional debt or further leasing.

Network-related commitments

Network investments

At June 30, 2013 the Iliad Group had €67.5 million worth of commitments related to future network investments.

Capacity purchases

There were no significant changes in the Group's commitments related to capacity purchases during the first half of 2013.

Other commitments

The Group's financial commitments related to its borrowings are described in Note 7.

At June 30, 2013 other commitments given and received by the Group amounted to €38.5 million and €20 million, respectively, and mainly corresponded to bank guarantees.

NOTE 11: FINANCIAL RISK MANAGEMENT

As part of its foreign exchange risk management strategy, the Group hedges its US dollar-denominated purchases.

In addition, in order to reduce the volatility of its future cash flows relating to interest payments on its borrowings, the Iliad Group has set up swaps to convert variable-rate borrowings into fixed-rate borrowings.

The following table analyzes the fair value of interest rate and currency hedges by maturity at June 30, 2013:

In € thousands	Within 1 year	Beyond 1 year
Currency hedges	3,404	0
Interest rate hedges	0	32,030

NOTE 12: RELATED-PARTY TRANSACTIONS

Related-party transactions solely correspond to transactions with key management personnel.

Transactions with key management personnel

- Persons concerned:

Group Management includes members of the Board of Directors of Iliad SA and members of the Management Committee, corresponding to nine people at June 30, 2013.

- Compensation paid to the nine key managers in first-half 2013 and 2012 breaks down as follows:

In € thousands	Six months to June 30, 2013	Six months to June 30, 2012
▪ Total compensation	1,079	1,022
▪ Share-based payments	1,189	2,200
Total	**2,268**	**3,222**

NOTE 13: EVENTS AFTER THE REPORTING PERIOD

No significant events that could have a material impact on the interim consolidated financial statements for the six months ended June 30, 2013 occurred between July 1, 2013 and the date the financial statements were approved for issue.