ILIAD GROUP
CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE SIX MONTHS ENDED JUNE 30, 2019

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INTERIM CONSOLIDATED INCOME STATEMENT

In € millions	Six months to June 30, 2019	Six months to June 30, 2018
Revenues ……………………………………………………..	**2,607**	**2,404**
Purchases used in production …………………………………	(1,012)	(1,031)
Payroll costs ………………………………………………..	(136)	(142)
External charges ……………………………………………	(259)	(261)
Taxes other than on income …………………………………..	(63)	(62)
Additions to provisions ……………………………………..	(25)	(30)
Other income and expenses from operations, net ……..…….	(17)	(11)
Depreciation of right-of-use assets…………………………....	(293)	0
***EBITDAaL*[(1)] ……………………………………………….**	**802**	**866**
Share-based payment expense………………………………	(14)	(6)
Depreciation, amortization and provisions for impairment …..	(545)	(454)
Profit from ordinary activities …………………………..	**243**	**406**
Other operating income and expense, net ……………………	(2)	1
Operating profit ………………………………………….	**241**	**407**
Income from cash and cash equivalents ……………………..	0	1
Finance costs, gross …………………………………………	(30)	(18)
Finance costs, net ………………………………………….	**(30)**	**(17)**
Interest on lease liabilities………………………………….......	(25)	0
Other financial income and expense, net ……………………	(17)	(21)
Corporate income tax …………………………………………	(82)	(140)
Share of profit/(loss) of equity-accounted investees	(25)	(23)
Profit for the period ……………………………………….	**62**	**206**
Profit for the period from recurring operations[(1)] ………..	**91**	**232**
Profit for the period attributable to:		
▪ *Owners of the Company*	***57***	***201***
▪ *Minority interests*	***5***	***5***
Earnings per share attributable to owners of the Company (in €):		
▪ *Basic earnings per share*	***0.98***	***3.41***
▪ *Diluted earnings per share*	***0.95***	***3.34***

(1) See definition on page 9.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In € millions	Six months to June 30, 2019	Six months to June 30, 2018
PROFIT FOR THE PERIOD ……………………………………………….	**62**	**206**
➢ Items that may be subsequently reclassified to profit:		
▪ Fair value remeasurement of interest rate and currency hedging instruments	(1)	10
Tax effect	0	(3)
	(1)	**7**
➢ Items that will not be reclassified to profit:		
▪ Post-employment benefit obligations (IAS 19 revised): impact of changes in actuarial assumptions	**(4)**	0
Tax effect	**1**	0
▪ Items of OCI arising from equity-accounted investees that will not be reclassified to profit	75	
Tax effect		
	72	**0**
Total comprehensive income for the period …………………………………	**133**	**213**
Total comprehensive income for the period attributable to:		
▪ Owners of the Company	**128**	**208**
▪ Minority interests	**5**	**5**

INTERIM CONSOLIDATED BALANCE SHEET – ASSETS

In € millions	Note	At June 30, 2019	At December 31, 2018
Goodwill ……………………………………..	5	306	215
Intangible assets …………………………..	5	3,821	3,938
Right-of-use assets	6	1,682	0
Property, plant and equipment …………………………….	5	5,182	5,358
Investments in equity-accounted investees……………	7	368	318
Other long-term financial assets …………………………………	8	59	50
Deferred income tax assets …………………………………		114	65
Other non-current assets ………………………………		18	16
TOTAL NON-CURRENT ASSETS ……………………………		**11,550**	**9,960**
Inventories …………………………………………………		107	90
Current income tax assets ………………………………..		18	28
Trade and other receivables ……………………………….		1,038	972
Other short-term financial assets	8	4	6
Cash and cash equivalents ………………….	4	453	181
TOTAL CURRENT ASSETS ………………………………….		**1,620**	**1,277**
ASSETS HELD FOR SALE	5	**893**	**15**
TOTAL ASSETS ………………………………		**14,063**	**11,252**

INTERIM CONSOLIDATED BALANCE SHEET – EQUITY AND LIABILITIES

In € millions	Note	At June 30, 2019	At December 31, 2018
Share capital ………………………………………………..	9	13	13
Additional paid-in capital …………………………………..		462	439
Retained earnings and other reserves …………………………		3,124	3,154
TOTAL EQUITY …………………………………………		**3,599**	**3,606**
Attributable to:			
. Owners of the Company ……………………………………………		***3,578***	***3,591***
. Minority interests …………………………………………………..		***21***	***15***
Long-term provisions ………………………………………..	11	4	2
Long-term financial liabilities ………………………………	10	4,151	3,407
Non-current lease liabilities …………………………………	6	1,183	0
Deferred income tax liabilities ………………………………		1	2
Other non-current liabilities …………………………………	12	1,565	1,563
TOTAL NON-CURRENT LIABILITIES ………………		**6,904**	**4,974**
Short-term provisions ……………………………………….	11	34	35
Taxes payable ……………………………………………….		0	0
Trade and other payables ……………………………………		1,795	1,880
Short-term financial liabilities ………………………………	10	912	757
Current lease liabilities ……………………………………..	6	426	0
TOTAL CURRENT LIABILITIES …………..……….		**3,167**	**2,672**
LIABILITIES HELD FOR SALE ………………………...	5	**393**	**0**
TOTAL EQUITY AND LIABILITIES …………………...		**14,063**	**11,252**

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In € millions	Share capital	Additional paid-in capital	Own shares held	Reserves	Retained earnings	Equity attributable to owners of the Company	Minority interests	Total equity
Balance at January 1, 2018	13	433	(21)	37	2,902	**3,364**	10	**3,374**
<u>Movements in 2018</u>								
▪ Profit for the period					201	**201**	**5**	206
▪ Other comprehensive income for the period, net of tax:								
✓ Impact of interest rate and currency hedges				7		**7**		7
✓ Impact of post-employment benefit obligations								
Total comprehensive income for the period				*7*	*201*	***208***	*5*	*213*
▪ Change in share capital of Iliad S.A.		3	(16)			**(13)**		(13)
▪ Dividends paid by Iliad S.A.					(40)	**(40)**		(40)
▪ Dividends paid by subsidiaries								0
▪ Purchases/sales of own shares			(18)	(2)		**(20)**		(20)
▪ Impact of stock options				6		**6**		6
▪ Impact of changes in minority interests in subsidiaries				(73)		**(73)**	(2)	(75)
▪ Other								
Balance at June 30, 2018	13	436	(55)	(25)	3,063	**3,432**	13	3,445

In € millions	Share capital	Additional paid-in capital	Own shares held	Reserves	Retained earnings	Equity attributable to owners of the Company	Minority interests	Total equity
Balance at January 1, 2019	13	439	(29)	(17)	3,185	**3,591**	15	**3,606**
<u>Movements in 2019</u>								
▪ Profit for the period					57	**57**	**5**	62
▪ Other comprehensive income for the period, net of tax:						**0**		
✓ Impact of interest rate and currency hedges				(1)		**(1)**		(1)
✓ Impact of post-employment benefit obligations				(3)		**(3)**		(3)
✓ Impact of items of OCI arising from equity-accounted investees					75	**75**		75
Total comprehensive income for the period				*(4)*	*132*	***128***	*5*	*133*
▪ Change in share capital of Iliad S.A.	0	24				**24**		24
▪ Dividends paid by Iliad S.A.					(53)	**(53)**		(53)
▪ Dividends paid by subsidiaries						**0**	0	0
▪ Purchases/sales of own shares			(121)	(1)		**(122)**		(122)
▪ Impact of stock options				10		**10**	0	10
▪ Impact of changes in minority interests in subsidiaries					0	**0**	1	1
▪ Other						**0**		0
Balance at June 30, 2019	13	463	(150)	(12)	3,264	**3,578**	21	3,599

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

In € millions	Note	Six months to June 30, 2019	Six months to June 30, 2018
Profit for the period (including minority interests)		**62**	**206**
+/- Depreciation, amortization and provisions against non-current assets and net additions to provisions for contingencies and charges	4	841	459
-/+ Unrealized gains and losses on changes in fair value		0	1
+/- Expenses and income related to stock options and other share-based payments		10	6
-/+ Other income and expenses, net		29	(1)
-/+ Gains and losses on disposals of assets		0	1
-/+ Dilution gains and losses		0	0
+/- Share of profit/(loss) of equity-accounted investees		25	23
- Dividends (investments in non-consolidated undertakings)		0	0
Cash flows from operations after finance costs, net, and income tax		**967**	**695**
+ Finance costs, net		29	17
+/- Income tax expense (including deferred taxes)		82	140
Cash flows from operations before finance costs, net, and income tax (A)		**1,078**	**852**
- *Income tax paid* **(B)**		(115)	(154)
+/- Change in operating working capital requirement (including employee benefit obligations) **(C)**		(28)	(81)
= Net cash generated from operating activities (E) = (A) + (B) + (C)		**935**	**617**
- Acquisitions of property, plant and equipment and intangible assets	4	(1,025)	(948)
+ Disposals of property, plant and equipment and intangible assets		15	0
- Acquisitions of investments in non-consolidated undertakings		0	0
+ Disposals of investments in non-consolidated undertakings		0	0
+/- Effect of changes in scope of consolidation – acquisitions and price adjustments		(73)	(392)
+/- Effect of changes in scope of consolidation – disposals		0	0
+/- Change in outstanding loans and advances		(9)	10
+ Cash inflows from assets held for sale		0	2
- Cash outflows for assets held for sale		0	0
= Net cash used in investing activities (F)		**(1,092)**	**(1,328)**
+ Proceeds from capital increases:			
. Paid by owners of the Company			
. Paid by minority shareholders of consolidated companies			
+ Proceeds received on exercise of stock options		24	4
-/+ Own-share transactions		(122)	(35)
- Dividends paid during the period:		0	
. Dividends paid to owners of the Company		(53)	(40)
. Dividends paid to minority shareholders of consolidated companies		0	0
+ Proceeds from new borrowings	10	896	1,486
- Repayments of borrowings	10	(33)	(47)
- Net interest paid		(14)	(1)
- Payment of lease liabilities	6	(323)	0
- Interest paid on lease liabilities		(9)	0
= Net cash generated from financing activities (G)		**366**	**1,367**
+/- Effect of exchange-rate movements on cash and cash equivalents **(H)**			0
= Net change in cash and cash equivalents (E + F + G + H)		**209**	**656**
Cash and cash equivalents at beginning of period		**173**	**215**
Cash and cash equivalents at end of period	4	**382**	**871**

NOTE 1: SIGNIFICANT EVENTS IN FIRST-HALF 2019

1-1. BUSINESS DEVELOPMENT AND CHANGE IN SCOPE OF CONSOLIDATION

On January 18, 2019, the Group announced that it had entered into a strategic alliance with Jaguar Network by acquiring a 75.9% majority stake in the Company for €94 million. Jaguar Network's long-standing shareholder and founder has retained the remaining 24.1% interest in the company and continues to serve as its Chief Executive Officer.

The measurement process for the assets acquired and liabilities assumed was still in progress at June 30, 2019 and will be completed in the second half of 2019.
In the meantime, the €91 million difference between the consideration paid and the Group's share of Jaguar Network's equity has been included in "Goodwill".

NOTE 2: ACCOUNTING PRINCIPLES AND POLICIES (IFRS)

2.1. GENERAL INFORMATION

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

The Iliad Group is a leading player in the telecommunications sector in France and Italy, with more than 20 million subscribers.

The condensed interim consolidated financial statements for the six months ended June 30, 2019 were approved by the Board of Directors on September 2, 2019.

2.2. BASIS OF PREPARATION

These condensed interim consolidated financial statements for the six months ended June 30, 2019 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, 2018.

These condensed interim consolidated financial statements include the impacts of the first-time application of IFRS 16, Leases, which was not applied for the year ended December 31, 2018. These impacts are described in Note 2.4 below.

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, 2018, as set out 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 2018.

The Group has elected to present two additional indicators of earnings performance in its income statement:

- EBITDAaL

EBITDAaL 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
- stock option-/share-based payment expense.

- Profit for the period from recurring operations

Profit for the period excluding the impact of non-recurring items, such as restructuring and acquisition costs and non-recurring income tax charges, including non-recurring items recorded in "Share of profit of equity-accounted investees".

2.4. NEW STANDARDS AND INTERPRETATIONS AND AMENDMENTS TO EXISTING STANDARDS

a) Standards, amendments and interpretations whose application is mandatory for the first time in 2019:

- **Annual improvements to IFRSs (2015-2017 cycle),** which comprise amendments to four standards, as follows:
  - ✓ IAS 12, Income Taxes: clarifying the recognition of the income tax consequences of dividends.
  - ✓ IAS 23, Borrowing Costs: clarifying how an entity determines the amount of borrowing costs eligible for capitalization when it borrows funds generally and uses them to obtain a qualifying asset.
  - ✓ IFRS 11, Joint Arrangements: clarifying that when an entity obtains joint control of a business that is a joint operation, it does not remeasure previously held interests in that business.
  - ✓ IFRS 3, Business Combinations: clarifying that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business.
- **Narrow-scope amendments to IAS 19 – Plan Amendment, Curtailment or Settlement.** IAS 19, Employee Benefits, specifies how a company accounts for a defined benefit plan. When a change to a plan – an amendment, curtailment or settlement – takes place, IAS 19 requires a company to remeasure its net defined benefit liability or asset. The narrow-scope amendments specify that the company must use the updated assumptions from such remeasurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan.

- **Amendments to IAS 28 – Long-term Interests in Associates and Joint Ventures.** These amendments clarify that IFRS 9, including its impairment requirements, applies to long-term interests in associates and joint ventures that form part of an entity's net investment in these investees but to which the equity method is not applied. Furthermore, in applying IFRS 9 to long-term interests, an entity does not take into account adjustments to their carrying amount required by IAS 28 (i.e., adjustments arising from the allocation of losses of the associate or joint venture or impairment of the net investment in accordance with IAS 28).

- **Amendments to IFRS 9 – Prepayment Features with Negative Compensation, applicable as from January 1, 2019.** These amendments address the issue of how to account for the frequent case of debt instruments that have prepayment features with negative compensation (i.e. the borrower is permitted to prepay the instrument at an amount that could be less than the unpaid principal and interest).

- **IFRIC 23, Uncertainty over Income Tax Treatments, applicable as from January 1, 2019.** IFRIC 23 clarifies how to apply the recognition and measurement provisions in IAS 12, Income Taxes, where there is uncertainty over income tax treatments. The interpretation states that entities should use judgment to decide whether each uncertain tax treatment should be considered independently or whether some tax treatments should be considered together, when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The Group has applied the above amendments and interpretation in its interim consolidated financial statements at June 30, 2019.

b) New standards, amendments and interpretations that were not applicable at June 30, 2019 (as not yet endorsed by the European Union):

- **Amendments to IAS 1 and IAS 8 – Definition of Material.** These amendments clarify the definition of the term "material" and how it should be applied by including in the definition guidance that until now has featured elsewhere in IFRS Standards. In addition, the explanations accompanying the definition have been improved. Finally, the amendments ensure that the definition of material is consistent across all IFRS Standards.

- **Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.** These amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

  The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business as defined in IFRS 3 (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. The gain or loss resulting from the sale or contribution of a subsidiary that does not constitute a business to an associate or joint venture should only be recognized to the extent of unrelated investors' interests in the associate or joint venture.

  The effective date of these amendments has been postponed indefinitely.

- **Amendments to IFRS 3 – Definition of a Business.** These amendments make it easier for companies to decide whether activities and assets they acquire are a business or merely a group of assets. The distinction is important because an acquirer recognizes goodwill only in acquiring a business, not in acquiring a group of assets.

- **IFRS 14, Regulatory Deferral Accounts.** The objective of this interim standard is to enhance the comparability of financial reporting by entities that are engaged in rate-regulated activities.

- **IFRS 17, Insurance Contracts.** IFRS 17 replaces IFRS 4, which was issued as an interim standard in 2004. The new standard solves the comparison problems created by IFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner. Insurance obligations will be accounted for based on present values instead of historical cost and the information will be updated regularly.

The Group is currently analyzing the impacts of applying the above standards and amendments.

c) First-time application of IFRS 16, Leases:

The Group has applied IFRS 16, Leases since January 1, 2019.

IFRS 16 requires lessees to recognize a lease liability in the balance sheet representing the present value of future lease payments, with a corresponding right-of-use asset recognized and depreciated over the lease term. Lease payments corresponding to the payment of lease liabilities are recognized in the statement of cash flows under cash flows from financing activities. In accordance with this new standard, wherever possible, the Group has separated out the non-lease components (including service components) of its lease contracts in order to only include the lease components for measuring its lease liabilities.

In view of its business as a network operator, the Group is significantly affected by IFRS 16.

As well as the balance-sheet impacts of IFRS 16 (increase in assets due to the recognition of right-of-use assets, and increase in liabilities due to the recognition of lease liabilities), the presentation of the Group's income statement has also been affected. Operating expenses and purchases used in production associated with leases have been replaced by depreciation of right-of-use assets and interest expense on lease liabilities.

The lease term used to measure lease liabilities generally corresponds to the initial negotiated term of the lease, without taking into account any early termination or extension options, except for specific cases.
The accounting method used for leases when the Group is a lessor is the same as under IAS 17.

The Group elected to use the modified retrospective approach for its first-time application of IFRS 16, under which lease liabilities are measured as the present value of lease payments that have not been paid at the transition date (i.e. January 1, 2019). Accordingly, data for the comparative period of 2018 have not been restated.

The Group did not elect to apply the exemptions available in IFRS 16 relating to leases with terms of 12 months or less or for which the underlying asset is of low value.

In accordance with IFRS 16, assets and liabilities relating to finance leases under IAS 17 have been reclassified as right-of-use assets and lease liabilities for the same carrying amounts.

The discount rate used for each lease is determined based on the yield on government bonds in the lessee's home country with a maturity similar to the lease term, plus the Group's credit spread.

The weighted average incremental borrowing rate at January 1, 2019 for all of the Group's lease liabilities was 2.44%, based on the residual terms of the Group's lease contracts at the transition date.

The Group has identified three main types of leases, which relate to:

- Networks, corresponding mainly to rentals of the local loop for Landline subscribers, (ii) dark fiber, and (iii) sites (land, building roofs, pylons, etc.) used for setting up the Group's active and passive mobile network infrastructure.
- Real estate (land and buildings), corresponding to leases for the Group's head office, stores and technical premises.
- Other (including vehicles).

The Group decided to apply the initial recognition exemption, provided for by IAS 12, for deferred taxes arising on recognition of right-of-use assets and lease liabilities.

A breakdown of the impacts of IFRS 16 in first-half 2019 is provided in Note 6 – Right-of-use assets and lease liabilities.

Impacts on the consolidated financial statements:

In € millions	Reported figures December 31, 2018	Impacts of applying IFRS 16	Restated figures January 1, 2019
Property, plant and equipment	5,358	(162)	5,196
O/w finance leases	*149*	*(149)*	*0*
Right-of-use assets	0	2,096	2,096
Deferred income tax assets	65	0	65
Total non-current assets	**9,960**	**1,934**	**11,894**
Trade and other receivables	972	(6)	966
Total current assets	**1,277**	**(6)**	**1,271**
Total assets	**11,252**	**1,928**	**13,180**
Total equity	**3,606**	**0**	**3,606**
Long-term financial liabilities	3,407	(37)	3,370
O/w finance lease liabilities	*37*	*(37)*	*0*
Non-current lease liabilities	0	1,471	1,471
Deferred income tax liabilities	2	0	2
Total non-current liabilities	**4,974**	**1,434**	**6,408**
Short-term financial liabilities	757	(23)	734
O/w finance lease liabilities	*23*	*(23)*	*0*
Current lease liabilities	0	542	542
Trade and other payables	1,880	(25)	1,855
Total current liabilities	**2,672**	**494**	**3,166**
Total equity and liabilities	**11,252**	**1,928**	**13,180**

Reconciliation of off-balance sheet commitments relating to operating leases at December 31, 2018 and lease liabilities at January 1, 2019:

In € millions	**Amount**
Off-balance sheet commitments relating to operating leases at December 31, 2018	1,528
Lease term measurement differences[(1)]	784
Lease payment measurement differences[(2)]	-292
Finance lease liabilities at December 31, 2018[(3)]	60
Effects of discounting	-82
Other	15
Lease liabilities at January 1, 2019	**2,013**

(1) Lease term measurement differences primarily concern leases of local loops for Landline subscribers, for which the term used under IFRS 16 corresponds to the subscriber's estimated lifetime on said local loop.

(2) Lease payment measurement differences mainly relate to non-lease components of certain contracts not included in the calculation of lease liabilities at January 1, 2019.

(3) Lease liabilities at January 1, 2019 include finance lease liabilities recognized in accordance with IAS 17 at December 31, 2018.

NOTE 3: SEGMENT INFORMATION

Following the launch of its mobile business in Italy, the Group now has two operating segments:

- France
- Italy

2019 revenues

In € millions	France	Italy	Total
Revenues			
Landline	1,364	0	**1,364**
Mobile	1,068	177	**1,245**
Intra-group sales	(2)		**(2)**
Total	2,430	177	**2,607**

2019 earnings

In € millions	France	Italy	Total
Earnings			
EBITDAaL	910	(108)	**802**
Share-based payment expense	(14)	0	**(14)**
Depreciation, amortization and provisions for impairment of non-current assets	(478)	(67)	**(545)**
Profit/(loss) from ordinary activities	418	(175)	**243**
Profit/(loss) for the period	212	(150)	**62**

Assets, excluding investments in equity-accounted investees and related options

In € millions	France	Italy	Total
Non-current assets			
Intangible assets (carrying amount)	1,503	2,318	**3,821**
Right-of-use assets (carrying amount)	1,624	58	**1,682**
Property, plant and equipment (carrying amount)	5,012	170	**5,182**
	0		
Current assets (excluding cash and cash equivalents, financial assets and tax assets)	971	174	**1,145**
	0		
Cash and cash equivalents	452	1	**453**

Liabilities, excluding financial liabilities and taxes payable

In € millions	France	Italy	Total
Non-current liabilities			
Other non-current liabilities	160	1,405	**1,565**
Current liabilities			
Trade and other payables	1,278	517	**1,795**

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 € millions	Note	Six months to June 30, 2019	Six months to June 30, 2018
Depreciation and amortization:			
▪ Amortization of intangible assets	5.2	171	103
▪ Depreciation of property, plant and equipment	5.3	361	351
Depreciation of right-of-use assets	6	307	
Additions to provisions against non-current assets			0
Additions to provisions for contingencies and charges	8	2	6
Reversals of provisions for contingencies and charges:			
▪ Amounts utilized	8	(1)	(1)
▪ Surplus provisions	8	0	0
Other		1	0
Recognized in the statement of cash flows		**841**	**459**

Acquisitions of property, plant and equipment and intangible assets can be analyzed as follows:

In € millions	Note	Six months to June 30, 2019	Six months to June 30, 2018
▪ Acquisitions of intangible assets	5.2	50	42
▪ Acquisitions of property, plant and equipment	5.3	812	784
▪ Suppliers of non-current assets (excl. VAT):			
. at January 1		2,282	1,487
. impact of changes in scope of consolidation		4	0
. impact of IFRS 16		(27)	0
. impact of remeasuring and discounting payables		20	17
. at period-end		(2,120)	(1,382)
▪ Other		4	0
Recognized in the statement of cash flows		**1,025**	**948**

Cash and cash equivalents break down as follows:

In € millions	Note	At June 30, 2019	At June 30, 2018
▪ Cash		112	33
▪ Marketable securities		341	864
▪ Short-term borrowings		(71)	(26)
Recognized in the statement of cash flows		**382**	**871**

NOTE 5: GOODWILL, OTHER INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

5.1. Goodwill

In € millions	Six months to June 30, 2019
Carrying amount at January 1, 2019	**215**
Goodwill arising on the Jaguar Network acquisition(1)	**91**
Carrying amount at June 30, 2019	**306**

(1) See Note 1.

In € millions	Twelve months to Dec. 31, 2018
Carrying amount at January 1, 2018	**215**
Carrying amount at December 31, 2018	**215**

5.2. Other intangible assets

In € millions	Six months to June 30, 2019
Carrying amount at January 1, 2019	**3,938**
Additions:	
. acquisitions	44
. internally-generated intangible assets	6
Reclassifications	0
Other	4
Amortization	(171)
Carrying amount at June 30, 2019	**3,821**

In € millions	Twelve months to Dec. 31, 2018
Carrying amount at January 1, 2018	**2,705**
Additions:	
. acquisitions	1,513
. asset remeasurement	0
. internally-generated intangible assets	8
Reclassifications	0
Other	(1)
Amortization	(287)
Carrying amount at December 31, 2018	**3,938**

5.3. PROPERTY, PLANT AND EQUIPMENT

In € millions	Six months to June 30, 2019
Carrying amount at January 1, 2019	**5,358**
Impacts of applying IFRS 16	(162)
Carrying amount at January 1, 2019 after applying IFRS 16	**5,196**
Acquisitions	812
Disposals	(4)
Reclassification of assets held for sale	(488)
Impact of changes in scope of consolidation	21
Other	6
Depreciation	(361)
Carrying amount at June 30, 2019	**5,182**

In € millions	Twelve months to Dec. 31, 2018
Carrying amount at January 1, 2018	**4,417**
Acquisitions	1,740
Disposals	(32)
Reclassifications	0
Other	(2)
Depreciation	(765)
Carrying amount at December 31, 2018	**5,358**

During the first half of 2019, the Group stepped up its capital spending drive, notably in connection with rolling out its mobile networks (in France and Italy) and its optical fiber networks.

Strategic industrial partnership with Cellnex

On May 7, 2019, Iliad entered into exclusive negotiations to sell 70% of the company that manages its passive mobile telecom infrastructure in France, encompassing 5,700 sites. At the same time, Iliad Italia signed an agreement to sell the entire capital of its Italian passive mobile telecom infrastructure, covering some 2,200 sites.

The deal will be subject to the customary terms and conditions for this type of transaction and is expected to close in the fourth quarter of 2019 or the first quarter of 2020.

In accordance with IFRS 5, the corresponding assets have been reclassified as assets held for sale, and mainly comprise assets to be sold in an amount of €502 million and right-of-use assets in an amount of €391 million. The corresponding lease liabilities have been recorded in liabilities held for sale in an amount of €393 million.

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: RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

In € millions	Six months to June 30, 2019
Carrying amount at January 1, 2019	**2,096**
Acquisitions (new assets)	291
Reclassification of assets held for sale	(402)
Impact of changes in scope of consolidation	4
Impact of changes in measurement method	0
Other	0
Depreciation	(307)
Carrying amount at June 30, 2019	**1,682**

The carrying amount of right-of-use assets breaks down as follows:

In € millions	June 30, 2019			January 1, 2019
	Gross value	Accumulated depreciation	Carrying amount	Carrying amount
Networks	1,797	(404)	1,393	1,806
Real estate	306	(24)	282	281
Other	12	(5)	7	9
Total right-of-use assets	**2,115**	**(433)**	**1,682**	**2,096**

Lease liabilities can be broken down as follows:

In € millions	June 30, 2019	January 1, 2019
Non-current	1,183	1,471
Current	426	542
Total	**1,609**	**2,013**

NOTE 7: EQUITY-ACCOUNTED INVESTEES

The Group has two main equity-accounted investees:

- Telecom Réunion-Mayotte (TRM) – 50% interest, acquired on November 6, 2015 for €24 million.
- NJJ Boru – 49% interest, acquired on April 6, 2018 for c. €316 million as part of the eir transaction. At the same date, NJJ Boru acquired a 64.5% interest in eir.

On December 20, 2017 the Group announced its acquisition, for c. €316 million, of a 31.6% indirect interest in eir – Ireland's incumbent telecom operator – alongside NJJ (Xavier Niel's private holding company), which agreed to purchase a 32.9% indirect interest in eir.

This investment by Iliad and NJJ (via its subsidiary NJJ Tara) was carried out through a joint vehicle – NJJ Boru – which is 49% owned by the Group and 51% by NJJ Tara.

The €316 million acquisition price breaks down as (i) €300 million corresponding to the value of the Group's investment in eir, recognized by the equity method and (ii) €16 million representing the value of the call option granted to Iliad by NJJ Tara.

The allocation of the purchase price of eir to the assets acquired and liabilities assumed was completed during the first half of 2019.

In € millions	**Six months to June 30, 2019**	**Six months to June 30, 2018**
Share of profit/(loss) of equity-accounted investees	(25)	(23)
Share of profit/(loss) of equity-accounted investees after tax	**(25)**	**(23)**

Movements in the Group's investments in equity-accounted investees were as follows in first-half 2019 and 2018:

In € millions	Six months to June 30, 2019	Six months to June 30, 2018
At January 1	318	16
Share of net assets of equity-accounted investees	0	0
Goodwill	0	0
Investments in equity-accounted investees at January 1	**318**	**16**
Movements		
Share of profit/(loss) of equity-accounted investees	(25)	(23)
Dividends paid	0	0
Translation adjustments	0	0
Transfers, capital increases and other movements	0	0
Capital reductions	0	0
Acquisitions and changes in scope of consolidation	0	299
Other	75	0
Investments in equity-accounted investees at period-end	**368**	**292**

NOTE 8: OTHER FINANCIAL ASSETS

In € millions	Six months to June 30, 2019
Carrying amount at January 1, 2019	**56**
Acquisitions	9
Redemptions and repayments	(3)
Impact of changes in scope of consolidation	**0**
Disposals	
Additions to provisions	0
Carrying amount at June 30, 2019	**62**

NJJ Tara has granted the Group a call option exercisable in 2024 and 2025 which covers 80% of NJJ Tara's interest in NJJ Boru (i.e., 41% of NJJ Boru and, indirectly, 26.3% of eir's capital). The option will be exercisable at a price representing a 12.5% discount to fair market value, as determined by an independent valuer, but with a floor calculated based on an annual yield of 2%.

It has been recognized as a non-current financial asset in an amount of €16 million in the Group's consolidated financial statements at June 30, 2019 (see Note 7).

In € millions	Twelve months to Dec. 31, 2018
Carrying amount at January 1, 2018	**37**
Acquisitions	13
Fair value adjustments	5
Redemptions and repayments	0
Impact of changes in scope of consolidation	**16**
Disposals	(15)
Additions to provisions	0
Carrying amount at December 31, 2018	**56**

NOTE 9: SHARE CAPITAL AND DIVIDENDS

9.1. SHARE CAPITAL

All of the stock options granted by the Group are exercisable.

In first-half 2019, 11,968 stock options were exercised for the same number of shares, increasing the Company's share capital by €65 thousand.
Following a subsequent €44 thousand capital reduction due to the cancellation of treasury shares, at June 30, 2019 the Company's share capital amounted to €13,106 thousand versus €13,085 thousand at December 31, 2018.

9.2. DIVIDENDS

At the Annual General Meeting held on May 21, 2019, the Company's shareholders resolved to pay a dividend of €0.90 per share, representing a total payout of €53,230 thousand.

The dividend was paid on June 24, 2019.

NOTE 10: BORROWINGS

Borrowings can be broken down as follows:

In € millions	At June 30, 2019	At Dec. 31, 2018
Long-term borrowings	4,151	3,407
Short-term borrowings	912	757
Total	**5,063**	**4,164**

Movements in borrowings can be analyzed as follows:

In € millions	Six months to June 30, 2019
Borrowings at January 1, 2019	**4,164**
Impacts of applying IFRS 16	(60)
Borrowings at January 1, 2019 after applying IFRS 16	**4,104**
New borrowings(1)	896
Impact of changes in scope of consolidation	24
Repayments of borrowings	(33)
Change in bank overdrafts	64
Impact of cash flow hedges	0
Other	8
Total borrowings at June 30, 2019	**5,063**

(1) New borrowings excluding finance lease liabilities: €896 million.

In € millions	Twelve months to Dec. 31, 2018
Borrowings at January 1, 2018	**2,665**
New borrowings(1)	1,567
Repayments of borrowings	(86)
Change in bank overdrafts	6
Impact of cash flow hedges	0
Other	12
Total borrowings at December 31, 2018	**4,164**

(1) New borrowings excluding finance lease liabilities: €1,528 million.

1. Borrowings originally due within one year

€1 billion short-term NEU CP program

The Group has had a NEU CP program (formerly called a commercial paper program) since the first half of 2012, which was set up to diversify the sources and maturities of its financing.

The program originally represented €500 million, but as part of its annual renewal process it was increased to €800 million in 2015 and then €1 billion in early 2017.

At June 30, 2019, €756 million of the program had been used.

2. Borrowings originally due beyond one year

Bonds

On December 1, 2015 the Group issued €650 million worth of bonds paying interest at 2.125% per year. These bonds will be redeemed at face value at maturity on December 5, 2022.

On October 10, 2017 the Group issued €650 million worth of bonds paying interest at 1.500% per year. These bonds will be redeemed at face value at maturity on October 14, 2024.

On April 23, 2018 the Group issued a further €1,150 million worth of bonds in two tranches:

- a first tranche of €500 million, paying interest at 0.625% per year and redeemable at face value at maturity on November 25, 2021;

- a second tranche of €650 million, paying interest at 1.875% per year and redeemable at face value at maturity on April 25, 2025.

A €1,650 million syndicated revolving credit facility

The Group has a €1,650 million syndicated revolving credit facility set up with a pool of French and international banks, whose maturity can now be extended until 2025 following the facility's renegotiation on July 16, 2018. The related loan agreement was further amended on February 12, 2019.

Following this amendment the applicable interest rate on the facility is based on Euribor for the period plus a margin of between 0.250% and 1.200% per year depending on the Group's leverage ratio.

None of this facility had been drawn down at June 30, 2019.

A €500 million term-loan

The Group has a €500 million term-loan set up with a pool of French and international banks, which following its renegotiation on July 16, 2018, now matures in 2023. The related loan agreement was further amended on February 12, 2019.
Following this amendment, the applicable interest rate on the loan is based on Euribor for the period plus a margin of between 0.700% and 1.500% per year depending on the Group's leverage ratio.

This loan had been drawn down in full at June 30, 2019.

Loans granted by the European Investment Bank (EIB)

In 2010, the EIB granted Iliad a €150 million loan in order to help finance the rollout of the Group's ADSL and FTTH networks. This loan is repayable in installments with a final maturity in 2020.

In late August 2012, the EIB granted Iliad another loan (€200 million) to help finance its rollout of next-generation landline networks. This loan is repayable in installments with a final maturity in 2022.

On December 8, 2016, the EIB granted Iliad another €200 million loan to help finance its rollout of optical fiber networks. The loan is repayable in installments as from 2020 with a final maturity in 2030.

On December 17, 2018, the EIB granted Iliad a further €300 million loan to help finance its rollout of optical fiber networks.

All of these loans had been fully drawn down at June 30, 2019.

All of the related loan agreements were amended on February 22, 2019.

Loans granted by KFW IPEX-Bank

On December 13, 2017, KFW IPEX-Bank granted the Group a €90 million loan to help finance the rollout of its FTTH network. This loan – which had been fully drawn down at June 30, 2019 – is repayable in installments and has an 11-year maturity. The related loan agreement was amended on February 15, 2019.

On April 26, 2019, KFW IPEX-Bank granted the Group a further €150 million loan to help finance the rollout of its landline and mobile networks in France and Italy. This loan – which had not been drawn down at June 30, 2019 – is repayable in installments with a final maturity in 2031.

In accordance with the February 15, 2019 amendment to the first loan agreement, the applicable interest rate on both of these loans is based on Euribor for the period plus a margin of between 0.90% and 1.20% per year depending on the Group's leverage ratio.

A €50 million bilateral credit facility with a bank

On November 29, 2018, the Group set up a €50 million bilateral credit facility with a bank for the purpose of its general financing needs. This facility took the form of a bullet loan with a five-year maturity. The related loan agreement was amended on March 4, 2019.

Following this amendment the applicable interest rate on the facility is based on Euribor for the period plus a margin of between 0.70% and 1.50% per year depending on the Group's leverage ratio. This facility had been fully drawn down at June 30, 2019.

Schuldscheindarlehen (German private placement with institutional investors)

On May 22, 2019, Iliad carried out a *Schuldscheindarlehen* issue (*Schuldschein* notes), raising a total €500 million, in six tranches:

- three fixed-rate tranches totaling €175 million, paying interest at 1.400%, 1.845% and 2.038%, and redeemable at maturity on May 22, 2023, May 22, 2026 and May 24, 2027, respectively;

- three variable-rate tranches totaling €325 million, with lending margins of 1.40%, 1.70% and 1.80%, and redeemable at maturity on May 22, 2023, May 22, 2026 and May 24, 2027, respectively.

Guarantees given

The Group has not given any specific guarantees in return for its existing borrowing facilities with banks.

NOTE 11: PROVISIONS

Six months to June 30, 2019 (In € millions)	Provisions for claims and litigation	Other provisions	Total
At January 1, 2019	**34**	**3**	**37**
Additional provisions	0	0	0
Utilized during the period			
Reversals of surplus provisions	(1)	0	(1)
Other	0	2	2
At June 30, 2019	**33**	**5**	**38**
o/w long-term provisions			*4*
o/w short-term provisions			*34*

At December 31, 2018 (In € millions)	Provisions for claims and litigation	Other provisions	Total
At January 1, 2018	**43**	**1**	**44**
			0
Additional provisions	11	0	**11**
Utilized during the period	(3)	0	**(3)**
Reversals	(17)	0	**(17)**
Other	0	2	**2**
At December 31, 2018	**34**	**3**	**37**
o/w long-term provisions			*0*
o/w short-term provisions			*37*

NOTE 12: OTHER NON-CURRENT LIABILITIES

In € millions	At June 30, 2019	At Dec. 31, 2018
Trade payables	1,540	1,544
Accrued taxes and employee-related payables	25	19
Other	0	0
Total	**1,565**	**1,563**

NOTE 13: COMMITMENTS

Network investments

At June 30, 2019, the Group had €133 million worth of commitments related to future network investments.

Other commitments

The Group's financial commitments related to its borrowings are described in Note 10.

At June 30, 2019:
- other commitments given by the Group amounted to €1,073.5 million;
- other commitments received by the Group totaled €3 million.

Claims and litigation

At June 30, 2019, the main legal proceedings affecting the Group were as follows:

Disputes with SFR

On May 27, 2014, SFR filed an application with the Paris Commercial Court seeking €493.2 million in damages from Free Mobile, Free and Iliad (on a joint and several basis) for pecuniary and non-pecuniary losses (including damage to brand image) that the plaintiff had allegedly suffered as a result of defamatory actions constituting unfair competition. Free Mobile, Free and Iliad contested SFR's position in this case and filed a counterclaim for defamatory actions constituting unfair competition, seeking €475 million in damages for Free Mobile and €88 million for Free. By way of a ruling dated January 29, 2018, after offsetting the claims and counter claims, the Paris Commercial Court ordered SFR to pay €5 million in compensation to Free Mobile. SFR has appealed this decision and the case is still ongoing.

On July 31, 2015, Free applied to the Paris Commercial Court for an injunction ordering Numéricâble-SFR to cease using the term "fiber" when referring to access that end-connects subscribers by cable. Free claimed that this constituted unfair competition and parasitic business practice and also sued for damages for its related loss. The Court held that SFR and NC Numéricâble had engaged in misleading commercial practices in their use of the term "fiber" for the Red Fibre, Box Fibre Starter, Box Fibre Power and Box Fibre Family offerings due to the fact that the end-connection to subscribers is by cable. Consequently the court ruled against SFR and NC Numéricâble (on a joint and several basis) in relation to a number of the claims against them. SFR has appealed the decision. Proceedings are still ongoing.

Disputes with Bouygues Telecom

On November 10, 2015, Free filed an application with the Paris Commercial Court for (i) an injunction ordering Bouygues Telecom to cease practices related to its marketing that constitute unfair competition and defamation, and (ii) damages for Free's related loss, which it is in the process of valuing. Proceedings are still ongoing.

Dispute with Fastweb

On January 14, 2017, Fastweb filed an application with the European Court of Justice requesting an annulment of the European Commission's decision of September 1, 2016 authorizing, subject to certain conditions, the mergers of Hutchison's and VimpelCom's subsidiaries in Italy. Fastweb subsequently withdrew its petition on July 2, 2019.

Dispute with UFC

On March 11, 2019, the French consumer group, UFC, used the powers granted to it under Article 623-1 of the French Consumer Code to file a petition against Free Mobile with the Paris District Court (Tribunal de Grande Instance). UFC is claiming that Free Mobile failed to respect its contractual obligations because it charged nine subscribers for not returning their rented phones, whereas the subscribers had allegedly provided proof that they had sent back the devices in accordance with Free Mobile's General Terms and Conditions of Subscription. UFC requested the court to order Free Mobile (i) to reimburse the expenses wrongly charged, and (ii) publish the requisite information to make the consumers concerned aware of their right to compensation.

NOTE 14: FINANCIAL RISK MANAGEMENT

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

As a significant portion of the Group's borrowings is at fixed rates (bonds and EIB loans), at June 30, 2019 it did not consider it necessary to set up any interest rate swaps.

In € millions	Maturities of less than 1 year	Maturities of more than 1 year
Currency hedges	3	0
Interest rate hedges	0	0

NOTE 15: RELATED-PARTY TRANSACTIONS

Related-party transactions solely correspond to transactions with key management personnel and with the companies Monaco Telecom and Salt Mobile.

Transactions with key management personnel

- Persons concerned:

Iliad's key management personnel correspond to the members of the Board of Directors of Iliad S.A. and the members of the Management Committee. They represented a total of 11 people at June 30, 2019.

- Compensation paid to the 11 members of the Group's key management personnel in first-half 2019 and 2018 breaks down as follows:

In € thousands	Six months to June 30, 2019	Six months to June 30, 2018
▪ Total compensation	1,464	1,298
▪ Share-based payments	4,871	2,889
Total	**6,335**	**4,187**

Impact of Free Mobile share grants

Following an authorization given by its sole shareholder in May 2010, Free Mobile set up a share grant plan involving shares representing up to 5% of its share capital.

During 2010 and 2011, 23 employees and executive officers were granted shares representing 5% of Free Mobile's share capital. This plan includes an option for the beneficiaries to receive their entitlements in either cash or Iliad shares, with the price determined by an independent valuer. An initial cash settlement for part of the entitlements was authorized in 2015.

On March 9, 2016, Iliad S.A.'s Board of Directors authorized a second cash settlement for part of the entitlements of the Free Mobile employees and executive officers who were beneficiaries under the share grant plans. This cash settlement represented a maximum of 10% of the beneficiaries' Free Mobile shares initially granted and the per-share price was determined by an independent valuer.

On March 6, 2017, Iliad S.A.'s Board of Directors authorized another cash settlement for part of the entitlements of the Free Mobile employees and executive officers who were beneficiaries under the share grant plans. This cash settlement represented a maximum of 12.5% of the beneficiaries' Free Mobile shares initially granted and the per-share price was determined by an independent valuer.

On March 12 and May 14, 2018, Iliad S.A.'s Board of Directors authorized further cash settlements for part of the entitlements of the Free Mobile employees and executive officers who were beneficiaries under the share grant plans. These cash settlements together represented up to

30% of the beneficiaries' Free Mobile shares initially granted and the per-share price was set by an independent valuer in both cases.

On June 14, 2019, acting on the recommendation of the Nominations and Compensation Committee, the Board of Directors authorized the implementation of the liquidity mechanism for Free Mobile shares provided for in the shareholders' agreement signed in 2010, through the exercise of Iliad's call option for the shares stipulated in the agreement.

In accordance with the above-mentioned shareholders' agreement, the purchases of the Free Mobile shares concerned were settled solely in Iliad shares and the Free Mobile shares were valued by an independent valuation firm using a multi-criteria approach (including EBITDA and EBITDA-CAPEX multiples, etc.). Based on a recommendation by its independent directors, the Board appointed a second independent valuation firm in order to provide additional reassurance to Iliad's shareholders. The value of the Free Mobile shares came to €11.7 and the exchange ratio was 8.9 Free Mobile shares for one Iliad share. Iliad exchanged the Free Mobile shares for 954,046 of its own shares for the purpose of remitting these shares to the employees and executive officers concerned. Following this transaction, Iliad held 99.62% of Free Mobile's capital.

Impact of Iliad share grants:

2017 Plan

Following an authorization given at the Shareholders' Meeting of May 19, 2016, Iliad set up a share grant plan involving shares representing up to 0.5% of its share capital.

During 2017, the Company granted shares representing 0.5% of its share capital to 61 employees and executive officers under this plan.

The vesting of these shares – which will take place in four unequal tranches between 2020 and 2023 – is subject to (i) the beneficiary still forming part of the Group at the vesting date, and (ii) performance conditions.

2018 Plan

Following an authorization given at the Shareholders' Meeting of May 16, 2018, Iliad set up a share grant plan involving shares representing up to 1% of its share capital.

During 2018, the Company granted shares representing 0.5% of its share capital to 122 employees and executive officers under this plan.

The vesting of these shares – which will take place in four equal tranches between 2021 and 2024 – is subject to (i) the beneficiary still forming part of the Group at the vesting date, and (ii) performance conditions for each tranche.

Employee share issue

At its meeting on May 21, 2019, the Board of Directors decided to carry out an employee share issue – called Up2Share – which involved offering Iliad shares to Group employees who are members of a Group Employee Savings Plan or an International Group Employee Savings Plan.

The concept of this employee share issue – which was carried out via a capital increase for Iliad S.A. – was approved by the Board on December 10, 2018.
The Up2Share issue resulted in 283,396 new Iliad shares being subscribed by Group employees under preferential conditions.

Impact of Iliad Italia share grants:

Following an authorization given by its director on July 16, 2018, Iliad Holding S.p.A set up a share grant plan involving shares representing up to 2.7% of the share capital of its subsidiary, Iliad Italia, and drew up the list of beneficiaries.

The beneficiaries were informed in September 2018 and shares representing 2.5% of Iliad Italia's share capital were granted to 53 Italian and French employees and executive officers of the Group.

The shares of each beneficiary will vest after a period of two years, provided that the beneficiary still forms part of the Group at the vesting date. The vested shares will then be subject to a five-year lock-up period, following which the beneficiaries will have the option to receive their entitlements in cash or Iliad shares, with the price of their Iliad Italia shares determined by an independent valuer.

Transaction with Monaco Telecom

Iliad has signed an agreement with Monaco Telecom (a Monaco-based company controlled by a party related to the Group) to lease sites containing the Group's equipment. The amount invoiced by Monaco Telecom for making these sites available totaled €750 thousand in first-half 2019.

Transaction with Salt Mobile

Free Mobile performs technical services on behalf of Salt, a Swiss company that is controlled by a party related to the Group. In first-half 2019, the Group recognized €1,375 thousand in revenue for these services.

NOTE 16: EVENTS AFTER THE REPORTING DATE

On September 2, 2019, Iliad decided to enter into exclusive negotiations with InfraVia – a French investment company specialized in the infrastructure sector – to form a partnership aimed at accelerating the rollout of fiber (FTTH) in low- and medium-density population areas across France (representing approximately 26 million lines). As part of the operation, Iliad has set up a special entity to actively manage fiber lines. In particular, the entity will be tasked with acquiring and operating the Group's co-financed FTTH tranches in the areas concerned. Free will transfer its existing co-financing agreements to the entity along with around one million existing co-financed sockets. The Group will sell 51% of the entity to InfraVia based on an enterprise value of around €600 million.