Q1 2019 PRESS RELEASE

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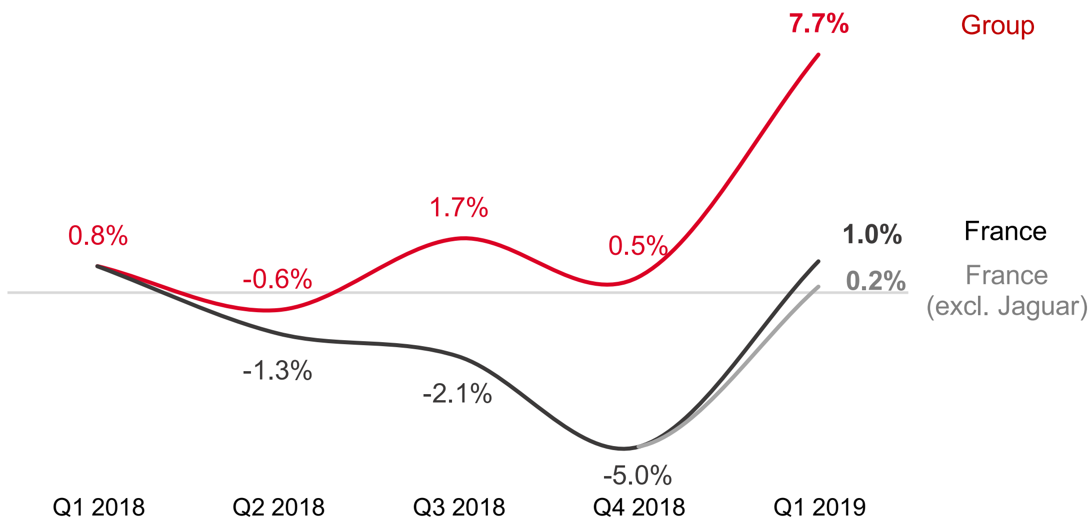
ILIAD: RETURN TO STRONG GROWTH

- **Consolidated revenues up 7.7%**
- **Return to growth in France thanks in particular to the solid performance of the Mobile business – Revenues invoiced to subscribers up by more than 5%**
- **Another record quarter for Fiber with 150,000 new subscribers and almost one million new connectible sockets**
- **Ongoing strong sales momentum in Italy with 472,000 new subscribers**
- **First-quarter 2019 demonstrates initial beneficial effects of the measures initiated in 2018**

KEY PERFORMANCE INDICATORS AT MARCH 31, 2019

Change in quarterly consolidated revenue growth:



France (in thousands)	**Mar. 31, 2019**	**Dec. 31, 2018**
Total mobile subscribers	**13,391,000**	13,441,000
- *Of which on the Free Mobile Unlimited 4G Plan**	***7,858,000***	*7,783,000*
- *Of which on the voice-based plan*	***5,533,000***	*5,658,000*
Average 4G data usage (in GB per month per subscriber)	**11.6 GB**	10.9 GB
Total Broadband and Ultra-Fast Broadband subscribers	**6,411,000**	6,427,000
- *Of which FTTH*	***1,133,000***	*983,000*
Total number of subscribers – France	**19,802,000**	19,868,000
Broadband and Ultra-Fast Broadband ARPU** (in €)	**32.5**	31.8
Number of connectible FTTH sockets	**10.5m**	9.6m

Italy	**Mar. 31, 2019**	**Dec. 31, 2018**
Total mobile subscribers	**3,309,000**	**2,837,000**

** 50/100 GB for non-Freebox subscribers*
*** €32.0 including the restatements related to IFRS 15*

CONSOLIDATED FIRST-QUARTER 2019 REVENUES

Iliad's consolidated revenues amounted to €1,293 million for first-quarter 2019, up 7.7% year on year. Total revenues generated in France rose 1.0% and Italy's revenue contribution was €81 million. Consolidated services revenues climbed 6.6%, with the figure for France coming in just 0.4% lower than in first-quarter 2018 (1.3% lower excluding the positive impact of Jaguar Networks), year-on-year stability that demonstrates the initial beneficial effects of the measures taken by the Group in 2018.

The table below shows the breakdown of consolidated revenues by category for the first quarter of 2019 and 2018 as well as the percentage change between the two periods:

In € millions	**Q1 2019**	Q1 2018	% change
Consolidated revenues	**1,293**	**1,201**	**+7.7%**
Services	1,223	1,147	+6.6%
Devices	73	56	+30.4%
Intra-group sales	(3)	(2)	-
Revenues – France	**1,213**	**1,201**	**+1.0%**
Services	1,142	1,147	-0.4%
- Landline	654	672	-2.7%
Of which Jaguar Network	*10*	-	-
- Mobile	487	476	+2.3%
Revenues invoiced to subscribers	*384*	*365*	*+5.2%*
Other	*103*	*110*	*-6.4%*
Devices (Landline and Mobile)	73	56	+30.4%
Intra-group sales – France	(2)	(2)	-
Revenues – France excluding Jaguar Network	*1,203*	*1,201*	*0.2%*
Revenues – Italy	**81**	**-**	**-**
Intra-group sales – Italy	(1)	-	-

France

Return to growth in France in first-quarter 2019: revenues up 1.0% to €1,213 million.

Landline

The contraction in Landline services revenues was less pronounced in first-quarter 2019 (down 2.7%) than in fourth-quarter 2018, in an operating environment once again marked by numerous promotions. Revenues amounted to €654 million for first-quarter 2019, down 2.7% year on year. The significant events of the quarter for the Landline business were as follows:

- **The Group cemented its position as France's leading alternative Fiber operator and enjoyed another record quarter with 150,000 net adds.** The surge in growth recorded in 2018 continued, with some 500,000 new Fiber subscribers signed up in the past 12 months. The Group now has over 1.1 million FTTH subscribers, accounting for around a fifth of its total Landline subscriber base. The Group's fiber coverage was extended by nearly a million connectible sockets in the first quarter of 2019, bringing the total to 10.5 million at end-March;
- **The Group offers the best FTTH service quality on the market with the best speeds, notably thanks to its 10G Fiber technology.** The average download speed recorded was over 450 Mbps[1]. In addition, the Group was France's first operator to provide all of its subscribers with an average upload speed of 600 Mbps at no extra cost;
- **Despite fierce market competition, Landline services revenues held firm in first-quarter 2019**, reflecting the initial benefits of the measures taken by the Group in 2018. The contraction in Landline services revenues was less pronounced than in the fourth quarter of 2018. The Group had over 6.4 million subscribers at March 31, 2019, representing a slight decrease of 16,000 during the period;
- **Broadband and Ultra-Fast Broadband ARPU rose by 70 euro cents in first-quarter 2019 to €32.50**, reflecting a reduction in the number of low-ARPU subscribers compared with fourth-quarter 2018, due to the Group's more restrictive use of flash sales. ARPU was also boosted in the first quarter of 2019 by the initial positive effects of the e-book offering that was included in certain plans.

During first-quarter 2019, the Group acquired a majority stake in Jaguar Network, whose revenues are now consolidated with those of the Group's historical Landline business. Jaguar Network is a sovereign service provider that supplies very high availability services to private businesses and the public sector and is one of France's leading developers of cutting-edge technologies for the cloud, telecommunications and smart cities markets.

Mobile

Mobile services revenues in France rose 2.3% to €487 million in first-quarter 2019, with revenues invoiced to subscribers up by more than 5% to €384 million. The significant events of the quarter for the French Mobile business were as follows:

- **Ongoing strong momentum for migrations, with the number of subscribers on the Free Mobile Unlimited 4G Plan (50/100 GB for non-Freebox subscribers) up by 75,000.** The number of subscribers on the voice-based plan decreased by 125,000, reflecting both continuing migrations and fierce competition in what is now a mature market. Overall, the subscriber base saw a net reduction of 50,000 subscribers, bringing the total number of mobile subscribers to 13.4 million;

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[1] *nPerf survey of landline Internet connections for 2018 in Metropolitan France*

- **Revenues invoiced to subscribers – which is the key profit driver for the Mobile business – increased by more than 5% to €384 million.** This performance was attributable to the positive impact of the Group's strategic decision to limit the use of flash sales and encourage subscribers to switch from the voice-based plan to the Free Mobile Unlimited 4G Plan (50/100 GB for non-Freebox subscribers). Revenues invoiced to subscribers was also boosted in the first quarter of 2019 by the initial positive effects of the e-book offering that was included in certain plans;

- **Incoming revenues were once again negatively affected by people using mobile Internet communications rather than sending text messages**, and were down 6.4% year on year;

- **Average monthly mobile data usage by the Group's 4G subscribers was up 26% year on year and stood at 11.6 GB, demonstrating the quality of the Group's latest-generation infrastructures.** The Group's 4G network continued to stand out thanks to its performance, and the Group is now recognized as the alternative operator offering the best 4G mobile data speeds, with an average download speed of 45 Mbps[2];

- **The intensive deployment of 4G/4G+ frequencies continued**, **with nearly 1,600 new sites equipped to use 700 MHz spectrum during the quarter.** While awaiting its authorization to deploy its frequencies across the whole of France, which will take place in July 2019, the Group pursued its large-scale switch-on of 700 MHz spectrum in authorized areas, considerably increasing its service quality. At the same time, it continued to densify its mobile network, deploying some 500 new sites during the quarter.

Devices

Since the launch of the Freebox Delta in late 2018, the Group has recognized the revenues generated from the sale of the Player to subscribers. Sales of devices are recorded in a separate line of the income statement as they do not generate margins in line with the services provided by the Group and they are expected to account for an increasingly high proportion of consolidated revenues. During the first quarter of 2019, revenues generated from sales of devices jumped 30%, due to initial revenues generated from sales of the Freebox Delta Player. Moreover, the decrease in revenues generated from sales of devices for the Mobile business continued, due to the Group's stricter policy put in place in 2018 concerning phone rentals.

Italy

Revenues generated by the Group's Mobile business in Italy totaled €81 million in first-quarter 2019. The significant events of the quarter for the Italian Mobile business were as follows:

- **Ongoing commercial success, with over 3.3 million subscribers at March 31, 2019**, representing 472,000 net adds during the quarter;

- **The Group has unquestionably succeeded in establishing itself in Italy and is now a major, recognized player in the Italian telecommunications landscape.** Today, the brand is recognized by practically all of the Italian population, with 90% of Italians now reporting to recognize the brand compared with barely 12% when the business was launched in May 2018;

- **The Group continued to expand its distribution network.** At March 31, 2019, the Group's physical distribution network in Italy corresponded to 12 stores and 170 kiosks equipped with 700 SIM card dispensers, as well as tens of thousands of resellers licensed to top up SIM cards.

[2] *nPerf survey of mobile connections – Q4 2018*

- **Lastly, the Group is keeping up the strong pace of its mobile network rollout, in line with its objective of having 3,500 equipped sites by the end of 2019.**

NEW GROUP OBJECTIVES

France

- Landline:
  - Achieve a 25% share of the Broadband and Ultra-Fast Broadband market in the long term;
  - Increase the FTTH subscriber base by more than 500,000 subscribers per year, with 2 million subscribers by 2020 and 4.5 million subscribers by 2024;
  - Have 22 million connectible FTTH sockets by end-2022 and around 30 million by end-2024.

- Mobile:
  - Roll out some 2,000 new sites in 2019;
  - Have more than 80% of the subscriber base signed up to the Free Mobile Unlimited 4G Plan[3] by 2024;
  - Have more than 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 and €500 million by 2024.

- Financial targets:
  - Return to revenue growth in France in 2019;
  - Speed up EBITDA growth in France in 2019, particularly in the second half;
  - Generate EBITDA margin in France (excluding B2B and sales of devices) of over 40% in 2020;
  - Have 2019 CAPEX in France (excluding purchases of frequencies) in line with the 2018 CAPEX figure;
  - Achieve an EBITDA less CAPEX figure in France (excluding B2B activities) of more than €800 million in 2020 and around €1 billion in 2021.

Italy

- Have 3,500 equipped sites at end-2019;
- Make a higher negative contribution to consolidated EBITDA in 2019 than that recorded in 2018, as business growth speeds up and the mobile network is rolled out;
- Have rolled out between 10,000 and 12,000 sites by end-2024;

[3] *50/100 GB for non-Freebox subscribers*

- Achieve EBITDA break-even, with a market share of less than 10%;
- Generate €1.5 billion in revenues in Italy in the long term.

GLOSSARY

Alternative operator: An operator that entered the market subsequent to the incumbent State operator losing its monopoly.

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

Broadband and Ultra-Fast Broadband ARPU (Average Revenue per Broadband and Ultra-Fast Broadband User): Includes revenues from the flat-rate package and value-added services but excludes one-time revenues (e.g., fees for migration from one offer to another or subscription and cancellation fees), divided by the total number of Broadband and Ultra-Fast Broadband subscribers invoiced for the period.

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.

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

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 Broadband and Ultra-Fast Broadband subscribers: Represents, at the end of a period, the total number of subscribers, identified by their telephone lines, who have signed up for a Free or Alice Broadband or Ultra-Fast Broadband 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.

About Iliad

Iliad is the parent company of Free, the inventor of the Freebox, the first multiservice box on ADSL. Free is behind numerous innovations in the Broadband and Ultra-Fast Broadband access segment (VoIP, IPTV, flat-rate calling plans to multiple destinations, etc.) and provides straightforward and innovative offerings at the best prices. Since January 2012, Free has brought mobile phone usage within everyone's reach with straightforward, no-commitment offerings at very attractive prices. As at March 31, 2019, Free had nearly 20 million subscribers in France (6.4 million Broadband and Ultra-Fast Broadband subscribers and 13.4 million mobile subscribers). On May 29, 2018, the Group launched its mobile network in Italy under the Iliad brand, becoming the country's fourth operator, and had over 3.3 million subscribers at March 31, 2019.

Exchange: ***Euronext Paris***	Market place: ***Eurolist A of Euronext Paris (SRD)***
Ticker symbol: ***ILD***	ISIN: ***FR0004035913***
FTSE classification: ***974 Internet***	Member of ***Euro Stoxx, SBF 120, CAC Mid 100***