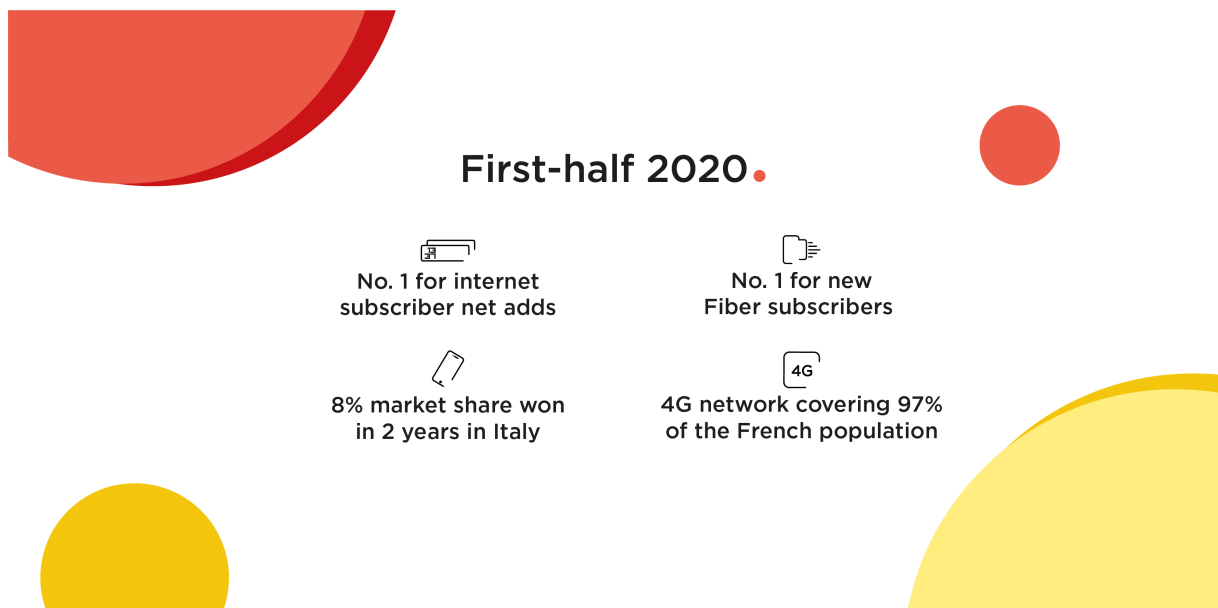


Paris, September 3, 2020, 7:30 a.m.

ILIAD CONFIRMS ITS STRONG SALES MOMENTUM AND RECORDS SOLID PERFORMANCES



- **The Iliad Group kept up its robust momentum in the first six months of 2020 and recorded very solid sales performances.**
 - In the **Fixed** business, for the first time in seven years the Group returned to being **no. 1** for quarterly Broadband and Ultra-Fast Broadband **net adds** in France.
 - For **Fiber**, the Group remained **no.1 for net adds**, for the fifth quarter in a row, with 243,000 new subscribers in the second quarter, and its **total subscriber base has now topped 2 million**.
 - In the **Mobile** business, the Group pursued its sales recovery, with **positive net adds** for the third consecutive quarter (80,000 new subscribers). It also continued to upscale its subscriber mix by signing up **105,000 subscribers to its 4G plans** in the second quarter.

- In **Italy**, the Group now has almost **6.3 million Mobile subscribers**, representing an 8% market share won in the space of two years.
- **These performances were achieved thanks to the work carried out by Iliad under its Odyssey 2024 strategic plan.**
 - The Group has significantly stepped up the pace of its **network rollouts**, with large-scale deployment of 700 MHz 4G frequencies in the Mobile network and short- and mid-term rollout targets for the Fiber network revised upwards.
 - The success of the Freebox Pop – launched in July 2020 – has allowed the Group to reconnect with its **fundamentals**: innovation and simplicity. At the same time, Free simplified its commercial offerings in the Fixed business.
- **The Group's good sales showings led to a solid financial performance in first-half 2020.**
 - **Consolidated revenues were up 6.8% year on year.**
 - Overall **profitability** improved, with a sharp increase in cash flows from operations in France and a reduction in losses in Italy.
 - The Group was able to absorb the financial losses caused by **the Covid-19 crisis**, which totaled several tens of millions of euros.
- **Iliad maintained its profile as a pro-active employer in the first six months of 2020, hiring more than 1,000 new employees – 28% aged between 18 and 24. In addition, the Group decided not to furlough any of its employees during lockdown.**
- **On the back of its solid first-half results, Iliad will continue to implement its Odyssey 2024 plan during the year. The Group's roadmap for the next few months is very busy, with its upcoming entry into the B2B market in France, preparing for its entry into the Fixed market in Italy, its ongoing nationwide network rollouts and increased sales activity thanks to the Freebox Pop.**
- **Commenting on Iliad's first-half results, Thomas Reynaud, the Group's Chief Executive Officer, said:** *"The first phase of our Odyssey 2024 transformation plan has been a success, with a strong recovery in our sales performance and a return to growth. In view of the solid demand of French households for fiber and the successful launch of the Freebox Pop, we have decided to revise upwards our targets for fiber rollouts. We are now entering the second phase of the Odyssey 2024 plan, with many projects in the pipeline for the coming quarters, notably launching B2B activities in France and Fixed operations in Italy."*

KEY OPERATING INDICATORS AT JUNE 30, 2020

<i>France</i>	June 30, 2020	March 31, 2020	3-month change
Total mobile subscribers	13,406k	13,326k	+80k
- Of which on the Free Mobile Unlimited 4G Plan*	8,383k	8,278k	+105k
- Of which on the voice-based plan	5,023k	5,048k	-25k
Average 4G data usage (in GB per month per subscriber)	16.6	14.7	+1.9
Total Broadband and Ultra-Fast Broadband subscribers	6,572k	6,507k	+65k
- Of which Fiber	2,218k	1,975k	+243k
Total number of subscribers – France	19,978k	19,833k	+145k
Number of connectible Fiber sockets	16,750k	15,400k	+1,350k
	Q2 2020	Q1 2020	Q2 2019
Broadband and Ultra-Fast Broadband ARPU** (in €)	31.9	32.0	32.4
<i>Excluding e-books</i>	31.9	32.0	31.6
Mobile ARPU invoiced to subscribers** (in €)	10.2	10.6	10.1
<i>Excluding e-books</i>	10.2	10.6	9.8
	June 30, 2020	March 31, 2020	3-month change
<i>Italy</i>			
Total mobile subscribers	6,260k	5,806k	+454k

* 50/100 GB for non-Freebox subscribers.

** See glossary for definition.

SIGNIFICANT EVENTS IN FIRST-HALF 2020

Group

- Consolidated revenues up 6.8% to €2.78 billion in the first half, with second-quarter revenues climbing 6.7% to €1.40 billion.
- 1.8% rise in France revenues to €2.48 billion, with a 1.9% year-on-year increase in the second quarter to €1.24 billion. The Covid-19 crisis shaved approximately €20 million off second-quarter revenues for the Mobile business.
- Robust sales growth in Italy in first-half 2020, with revenues surging 76% to €312 million. Second-quarter sales advanced 68% to €162 million, despite the tough operating context caused by the current health and economic crisis.
- A 9.4% increase in consolidated EBITDAaL to €876 million, with improvements both in France (up 5.6% to €960 million) and Italy (which reduced its losses by 22.5%, reporting negative EBITDAaL of €84 million).

- **€208 million in profit for the period, up sharply on first-half 2019**, driven by a good showing from France, lower losses in Italy and the capital gain generated on the deal with InfraVia in France.
- **Strong rise in operating cash flow¹ in France, which came to €339 million compared with €131 million in first-half 2019**. This year-on-year increase was achieved while maintaining the major investments undertaken by the Group to extend its mobile coverage, connect up new fiber customers and create an innovative new-generation Freebox.
- **A solid balance sheet structure, with a leverage ratio of 2.16x at end-June 2020 (€3.7 billion in net debt)**.
- **Dividend of €2.60 per share for 2019 paid in July 2020 following the AGM held on July 21**.

France

First-half 2020 operational information:

- An excellent sales performance, achieved on the back of our efforts over the last 24 months to intensify our network rollouts and reposition our offerings.
 - **The total Fixed subscriber base rose by 112,000 during the period, with a 65,000 increase in the second-quarter – the best performance in the last four years**. For the first time in seven years, the Group returned to the number one position in terms of quarterly new subscribers for the Fixed business.
 - **Fiber saw brisk momentum, despite the national lockdown measures: 458,000 new subscribers for the Group's Fiber plans in first-half 2020, with 243,000 in the second quarter, giving Free the highest number of FTTH net adds in France for the fifth quarter in a row**. At end-June 2020, the Fiber subscriber base totaled 2.22 million, representing a rise of 70% in the space of 12 months, with the penetration rate among the overall subscriber base rising 13 points year on year to 33.7%. The objective of having 2 million Fiber subscribers in 2020 was already reached by May, and the Group is ahead of schedule for the target set in its Odyssey 2024 plan of having at least 4.5 million Fiber subscribers in 2024.
 - **205,000 net adds for the Group's 4G offerings, including 105,000 in the second quarter**, pushing the total 4G subscriber base up to almost 8.4 million at end-June. **Mobile ARPU invoiced to subscribers rose 3.3% year on year to an average of €10.2 in the second quarter of 2020**, demonstrating the success of the Group's strategy to gradually upscale its subscriber base. Growth was hampered during the quarter by the impacts of the Covid-19 crisis, including the support measures put in place during lockdown and lower roaming revenues as international travel ground almost to a halt.
- **Continued rollouts of Ultra-Fast fixed and mobile networks**, in line with the Group's aim of being the alternative operator of choice for latest-generation networks:
 - **Fixed:**

Largest Fiber network out of France's three alternative operators, with 16.8 million connectible sockets.

¹ EBITDAaL less capex.

- **Intensified marketing of the Group's Fiber plans in less densely populated areas**, with an acceleration in commercial launches on France's public initiative networks (PINs): since the beginning of 2020, our plans have been launched on the Emeraude Réseau THD, THD66, Fibre 31, Mayenne Fibre et Laval THD, Losange and Somme Numérique networks. The Group's Fiber offerings are now available in all regions of Metropolitan France.
 - **Best Fiber download speed**, with an average download speed of more than 479 Mbps according to nPerf². In addition, the Group is the only operator in France to offer 10G Fiber technology and was the first to provide all of its subscribers with a theoretical average upload speed of up to 600 Mbps.
- **Mobile:**
 - **Ongoing deployment of 700 MHz and nationwide rollouts to enhance the 4G experience**. More than 3,600 sites have been newly equipped to use 700 MHz frequencies since the beginning of the year and almost 94% of our 4G sites now emit on this frequency band. At the same time, Free kept up its brisk pace of new mobile site rollouts, with 1,840 new sites added in first-half 2020 despite the difficulties encountered during lockdown. At end-June 2020, the Group had over 18,200 sites in Metropolitan France (nearly 16,700 4G sites). Our mobile network now covers 98.2% of the French population with 3G, and the 4G coverage rate is 97.3%.
 - **Best 4G speed out of France's three alternative operators**, with an average download speed of 45 Mbps, according to nPerf³. The strong performance of the Group's 4G network is reflected in the average monthly data usage per 4G subscriber, which was 16.6 GB in first-half 2020.

First-half 2020 financial information:

- **Revenues in France up 1.8% to €2.48 billion for the six months overall, with second-quarter revenues rising 1.9% year on year to €1.24 billion.**
 - **2.9% increase in services revenues to €2.38 billion for the full six months, with a 1.6% rise in the second quarter to €1.19 billion.**
 - **Better trends for Fixed services revenues, up 1.8% for the six-month period overall, with a slight acceleration in the second quarter as growth reached 2.2%.** The year-on-year improvement was due to the ramp-up of Fiber and the sales and marketing initiatives put in place over the last 18 months. Jaguar Network (B2B) contributed €12 million to the Group's total Fixed revenues for the second quarter of 2020, up 13.0%.
 - **A good performance from the Mobile business during the period, with a 5.2% rise in revenues invoiced to subscribers.** However, the impact of the Covid-19 crisis was felt in the second quarter, when revenues invoiced to subscribers only edged up 0.7%. Excluding the impact of e-books, revenues invoiced to subscribers rose 4.0% in the

² In the nPerf performance survey of fixed Internet connections in Metropolitan France published on July 27, 2020, in terms of average FTTH speeds in first-half 2020, Free was ranked number one for download speed (479.07 Mbps) and number two for upload speed (285.95 Mbps). Average based on 1,073,355 tests carried out between January 1 and June 30, 2020 on FTTH lines by users of the nPerf tool in Metropolitan France. See www.nperf.com for the full survey and the methodology used.

³ nPerf performance survey of mobile Internet connections in Metropolitan France in first-half 2020 published on July 7, 2020. Survey based on 554,142 tests carried out between January 1 and June 30, 2020 on 4G by users of the nPerf tool in Metropolitan France. See www.nperf.com for the full survey and the methodology used.

second quarter (versus 11.6% in the first quarter). The Group estimates that the Covid-19 crisis shaved around €20 million off revenues invoiced to subscribers.

- **Other Mobile revenues increased by 1.5% in the first six months of 2020 to €211 million (also up 1.5% in the second quarter).** Primarily stemming from interconnections between operators for voice and text message services, these revenues generate low margins and have been adversely affected from a structural standpoint by a decreasing use of text messages as mobile data usage rises. However, in both the first and second quarters of 2020, they were boosted by an increase in voice traffic following the lockdown imposed in France.
- **Sales of devices decreased by 18.3% to €103 million for the six-month period as a whole,** although they rose 9.6% in the second quarter.
- **EBITDAaL generated in France rose by €50 million, or 5.6%, in first-half 2020.** This increase would have been higher without the impact of the Covid-19 crisis, which is estimated at €20 million. The positive effects of the better mobile subscriber mix, the higher number of Fiber subscribers and the greater volume of traffic carried directly on the Group's mobile network were partly offset by the impact of the Covid-19 crisis and an increase in costs related to the rollouts of our Fiber and Mobile networks.
- **Capital expenditure for France (excluding payments for frequencies) totaled €622 million,** reflecting (i) the amounts required to support the expansion of the Group's Fiber and Mobile networks and Fiber subscriber connections, and (ii) higher capital spending related to the launch of the new Freebox and the large-scale switch-on of 700 MHz-compatible equipment.

Italy

Revenues in Italy jumped 76% year on year to €312 million in first-half 2020 (with a 68% increase in the second quarter to €162 million), despite the health and economic crisis brought on by Covid-19. The main factors underlying this performance are as follows:

- **iliad Italia delivered a very good sales performance during the period despite targeted and very aggressively-priced offerings launched by competitors, and the market's much lower churn rate in April and May due to the Covid-19 national lockdown. With 454,000 net adds during the second quarter, the Group had almost 6.3 million subscribers in Italy at end-June 2020.** This means that just two years after its Italian launch, the Group has already captured an 8% market share.
- **A negative €84 million in EBITDAaL – a significant improvement on second-half 2019,** and primarily reflecting (i) roaming costs due to the larger subscriber base and higher average data usage, and (ii) network costs related to the increase in the number of equipped sites.
- **€223 million in capex (excluding payments for frequencies), reflecting the expansion of the Group's mobile network in Italy.** Despite the difficult operating context, the Group continued to roll out its mobile network. During the second quarter of 2020, over 900 sites were equipped and more than 1,200 switched on. At end-June 2020, it had around 5,800 equipped sites and 3,980 activated sites in Italy.

FIRST-HALF 2020 CONSOLIDATED RESULTS

<i>In € millions</i>	Six months to June 30, 2020	Six months to June 30, 2019	% change
Revenues – France	2,475	2,432	+1.8%
<i>By type of revenues</i>			
- Fixed services	1,336	1,312	+1.8%
- Mobile services	1,041	997	+4.4%
<i>Of which revenues invoiced to subscribers</i>	830	789	+5.2%
- Devices	103	126	-18.3%
- Intra-group sales – France	(4)	(3)	NM
<i>By segment</i>			
- B2C	2,440	2,403	+1.5%
- B2B	35	29	+21.7%
Revenues – Italy	312	177	+76.2%
<i>Intra-group sales</i>	(3)	(2)	NM
Consolidated revenues	2,784	2,607	+6.8%
Services revenues – France	2,377	2,309	+2.9%
Consolidated services revenues	2,688	2,486	+8.1%
EBITDAaL – France	960	910	+5.6%
- B2C	956	904	+7.0%
- B2B	4	6	-14.8%
EBITDAaL – Italy	(84)	(108)	-22.5%
Consolidated EBITDAaL	876	802	+9.4%
Capex – France ⁽¹⁾	622	779	-20.2%
- B2C	612	771	-20.6%
- B2B	9	8	+13.4%
Capex – Italy ⁽¹⁾	223	161	+38.8%
Consolidated capex⁽¹⁾	845	940	-10.1%
Profit from ordinary activities	218	243	-7.2%
Profit from ordinary activities – France	432	418	+3.5%
Profit/(loss) from ordinary activities – Italy	(214)	(175)	+21.9%
Profit for the period	208	62	NM
Net debt	3,733	4,610	-19.0%
Leverage ratio	2.16x	2.73x	-0.57x

(1) Excluding frequencies.

SECOND-QUARTER REVENUES

<i>In € millions</i>	Q2 2020	Q2 2019	% change
Revenues – France	1,242	1,219	+1.9%
<i>By type of revenues</i>			
- Fixed services	672	658	+2.2%
- Mobile services	514	510	+0.9%
<i>Of which revenues invoiced to subscribers</i>	408	405	+0.7%
- Devices	58	53	+9.6%
- Intra-group sales – France	(3)	(2)	NM
<i>By segment</i>			
- B2C	1,224	1,204	+1.7%
- B2B	18	15	+19.4%
Revenues – Italy	162	96	+68.2%
<i>Intra-group sales</i>	(2)	(1)	NM
Consolidated revenues	1,402	1,314	+6.7%
Services revenues – France	1,186	1,168	+1.6%
Consolidated services revenues	1,348	1,264	+6.7%

Consolidated debt

At June 30, 2020, the Group had gross debt of €4,736 million and net debt of €3,733 million (excluding the impact of IFRS 16). It has ample liquidity thanks to the sale proceeds received in December 2019 and February 2020 on the close of the deals with Cellnex and InfraVia respectively, plus the proceeds from its latest bond issue received on June 17, 2020.

The Group is pursuing its strategy of investing in major industrial projects that will generate substantial future cash flows, while maintaining a solid financial structure and significant access to financing. At June 30, 2020, the Group's leverage ratio was a contained 2.16x EBITDAaL.

GROUP OBJECTIVES

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

France

■ B2C

- Fixed:
 - Achieve a 25% share of the Broadband and Ultra-Fast Broadband market in the long term.
 - Have 2.8 million Fiber subscribers by end-2020 and more than 5 million by end-2024 (**revised objectives**).
 - Have 22 million connectible Fiber sockets by end-2022 and around 30 million by end-2024.
- Mobile:
 - Have more than 80% of the subscriber base signed up to the Free Mobile Unlimited 4G Plan⁴ by 2024.
 - Have over 25,000 sites by 2024.
 - Achieve a 25% share of the mobile market in the long term.
- Financial targets:
 - EBITDAaL margin in France (excluding B2B and sales of devices) of over 40% in 2020.
 - In view of the increase in Fiber subscriptions, achieve an EBITDAaL less capex figure in France (excluding B2B activities) of more than €700 million in 2020 (**revised objective**).
 - Achieve an EBITDAaL less capex figure in France (excluding B2B activities) of approximately €900 million in 2021 (**revised objective**).

■ B2B

- Obtain a B2B market share of around 4% to 5% by 2024.
- Generate B2B revenues of between €400 million and €500 million by 2024.

Italy

- Have over 5,000 active sites by end-2020 (**revised objective**).
- Based on this target number of active sites, we expect EBITDAaL losses to be lower in 2020 than in 2019.
- Have rolled out between 10,000 and 12,000 sites by end-2024.
- Achieve EBITDAaL break-even with a market share of less than 10%.
- Launch our Fixed business in the country by summer 2021 (**new objective**).
- Generate €1.5 billion in revenues in Italy in the long term.

⁴ 50/100 GB for non-Freebox subscribers.

GLOSSARY

The definitions of the main terms used by Iliad are set out below:

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

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

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

Connectible FTTH socket: A socket for which the link between the shared access point and the optical splitter has been put in place by the building operator, which the Group can access in accordance with its co-financing commitments, and for which the connection to the Group's network has been completed or is in progress.

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

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

Leverage ratio: Represents the ratio between net debt (short- and long-term financial liabilities less cash and cash equivalents) and EBITDAaL.

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

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

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

Services revenues: Revenues excluding sales of devices.

Total 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 June 30, 2020, Free had nearly 20 million subscribers in France (6.6 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 nearly 6.3 million subscribers at June 30, 2020.

To find out more: <https://www.iliad.fr/en/>

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