



Paris, March 17, 2020, 7:30 a.m.

ILIAD GOT BACK ON THE GROWTH TRACK IN 2019 AND CONTINUES TO RAMP UP ITS 2024 ODYSSEY PLAN AS IT TAKES ALL NECESSARY STEPS IN RESPONSE TO COVID-19

Message from Thomas Reynaud, Chief Executive Officer of the Iliad Group: *“Iliad is currently taking all necessary steps in response to the coronavirus (COVID-19) epidemic. Our priority is to protect the health of our 11,000 employees by rolling out measures suited to each of our businesses. As an operator, we are also fully aware of our responsibility of enabling our country to continue to function in this time of crisis. Our 20 million subscribers in France and 5 million subscribers in Italy need to be able to stay informed of developments, keep in touch with their loved ones and continue working. Every step has been taken to ensure business continuity, and we would like to thank our employees for their tremendous commitment.”*

2019 was the year Iliad got back on the growth track. Sales rallied in France, driving a 3.0% upturn in revenues. Profitability for the Group improved, with EBITDAaL up 5.5% in France.

There was a sharp upswing in the Group’s sales performance in 2019. Iliad is now France’s leader in terms of Fiber net adds, ahead of the incumbent operator. The Group had a record year, with 777,000 new subscribers in 2019. In terms of its mobile network, Iliad had 394,000 net adds for its 4G offerings in 2019 and for the first time in two years, saw net adds of mobile subscribers in the fourth quarter (17,000 additional subscribers).

This performance shows how the efforts deployed by our teams over the past 18 months are paying off. The Group has improved all of its rollout processes and adjusted its sales organization. It continued to invest heavily in new-generation networks and in 2019 was the leading mobile site deployment operator, with over 2,500 new mobile sites added in 2019, bringing the total number of sites in Metropolitan France to over 17,000 at the year-end. In terms of the Fiber network, the Group reported almost 14 million connectible FTTH sockets in 2019, i.e., 4.3 million more than in 2018.

Italy consolidated its commercial success. Following the resounding success of its launch in 2018, Iliad Italia reported over 2.4 million net adds in 2019. Total subscribers topped the 5 million mark in the fourth quarter of the year.

In 2020 the Group will continue to ramp up its 2024 Odyssey development plan. Over the past few months, Iliad finalized two strategic partnership deals that will allow it to step up the rollout of its networks across all regions: the first with Cellnex for its passive mobile infrastructure in France and Italy, and the second with InfraVia for its Fiber network outside very densely populated areas. **2020 is set to be an eventful year for Iliad,** defined by its entry onto the B2B market, the launch of a new Freebox, the arrival of 5G and ongoing network rollout efforts.

Thanks to improved results in France, as well as the strong non-recurring capital gain generated by the mobile infrastructure deals with Cellnex, the Group’s profit rose sharply in 2019. This led to a strong increase in statutory and discretionary profit-sharing for employees in France, with the overall payout representing 2.5 times the 2018 package.

Key operating indicators

<i>France</i>	2019	2018	Year-on-year change
Total mobile subscribers	13,313k	13,441k	-1.0%
- Of which on the Free Mobile Unlimited 4G Plan*	8,177k	7,783k	+5.1%
- Of which on the voice-based plan	5,136k	5,658k	-9.2%
Average 4G data usage (in GB per month per subscriber)**	13.9	10.9	+27.5%
Total Broadband and Ultra-Fast Broadband subscribers	6,460k	6,427k	+0.5%
- Of which Fiber	1,760k	983k	+79.0%
Total number of subscribers – France	19,773k	19,868k	-0.5%
Number of connectible Fiber sockets	13,900k	9,600k	+44.8%
	Q4 2019	Q4 2018	
Broadband and Ultra-Fast Broadband ARPU (in €)**	32.6	31.8	+2.5%
Mobile ARPU invoiced to subscribers (in €)**	10.6	9.3	+14.0%
<i>Italy</i>	2019	2018	Year-on-year change
Total mobile subscribers	5,281k	2,837k	+86.1%

* 50/100 GB for non-Freebox subscribers.

** See glossary for definition.

Group

- **Consolidated revenues up 9.0% to €5.33 billion.**
- **Return to growth for revenues in France (3.0%), led by a good performance from Mobile** (revenues invoiced to subscribers up more than 9% year on year).
- **Revenues in Italy up almost 3.5-fold in the space of a year, coming in at €427 million.**
- **Higher profitability in France, with EBITDAaL up 5.5% to €1.9 billion.** EBITDAaL for the Group as a whole contracted 5.8% to €1.65 billion due to start-up losses in Italy.
- **€1.73 billion in profit for the period, up sharply on 2018** thanks to a good performance from France and the capital gain generated by the tower deals in France and Italy with Cellnex.
- **Capex up to €1.98 billion**, reflecting (i) the Group's major drive to increase its mobile coverage and bring fiber to all areas of France, and (ii) the fact that 2019 was the Group's first full year of operations in Italy, with a faster pace of mobile network rollouts.
- **A solid balance sheet structure, with a leverage ratio of 2.18x at end-2019 (€3.6 billion in net debt).**
- **A new dividend policy with a dividend per share set at €2.60 per share.**

France

2019 operational information:

- **Tangible results for the Group's transformation plan launched in 2018:**
 - **A record year for Fiber, with 777,000 new subscribers signed up to the Group's Fiber plans, giving it the highest number of Fiber net adds in France in 2019.** At end-December 2019, the Group's Fiber subscriber base totaled 1.76 million, a rise of nearly 80% in the space of 12 months.
 - **A 33,000 increase in the total Fixed subscriber base in 2019.** The recovery in broadband subscriber numbers was particularly marked in the second half of the year, with a 64,000 gain compared with a 31,000 loss in the first half.
 - **394,000 net adds for 4G offerings**, pushing the total 4G subscriber base up to almost 8.2 million at end-December – **mobile ARPU invoiced to subscribers rose 11% year on year to an average of €10.2 in 2019**, demonstrating the success of the Group's strategy to gradually upscale its subscriber base. The loss of 128,000 subscribers in 2019 mainly concerned lower added-value plans, and the fourth quarter saw a return to net adds of mobile subscribers (+17,000).
- **Pursuit of the marked acceleration begun a year ago in rollouts of Fiber and mobile networks**, in line with the Group's aim of being the alternative operator of choice for latest-generation networks:

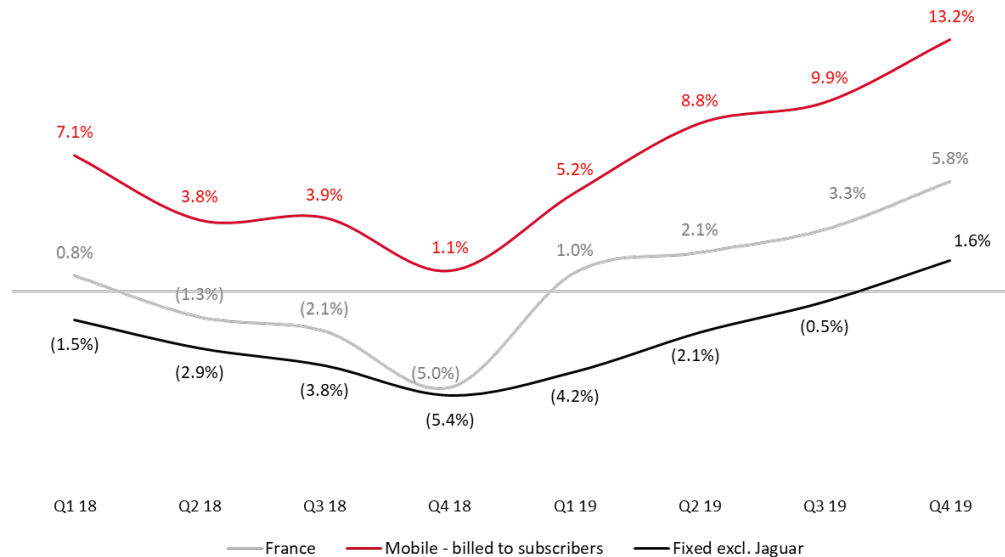
- **Fixed:**
 - **Largest Fiber network out of France's three alternative operators, with 13.9 million connectible sockets.**
 - **Intensified marketing of the Group's Fiber plans in less densely populated areas**, with an acceleration in commercial launches on France's public initiative networks (PINs). The Group's Fiber offerings are now available in all regions of Metropolitan France.
 - **Best Fiber speeds**, with average speeds of more than 460 Mbps download and 289 Mbps upload according to nPerf. 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:**
 - **Intensified, large-scale deployment of 700 MHz frequencies, enhancing the 4G experience.** Some 8,800 sites were newly equipped to use 700 MHz frequencies in 2019, compared with 2,300 in 2018. At the same time, Free kept up its brisk pace of new mobile site rollouts, which was even faster than in 2018, with 2,535 new sites added in 2019 (versus 2,354 the previous year), bringing the total number of sites in Metropolitan France to over 17,000 at the year-end. The Group's mobile network now covers more than 97.7% of the French population with 3G, and the 4G coverage rate is 95.7%.
 - **Best 4G speed out of France's three alternative operators**, with an average download speed of 44 Mbps, according to nPerf. The strong performance of the Group's 4G network is reflected in the average monthly data usage per 4G subscriber, which was 13.9 GB in 2019.

2019 financial information

- **Revenue upturn in France (3.0% growth during the year)**, confirming the positive results of the Group's transformation plan launched in 2018.

Year-on-year change in quarterly revenues in France

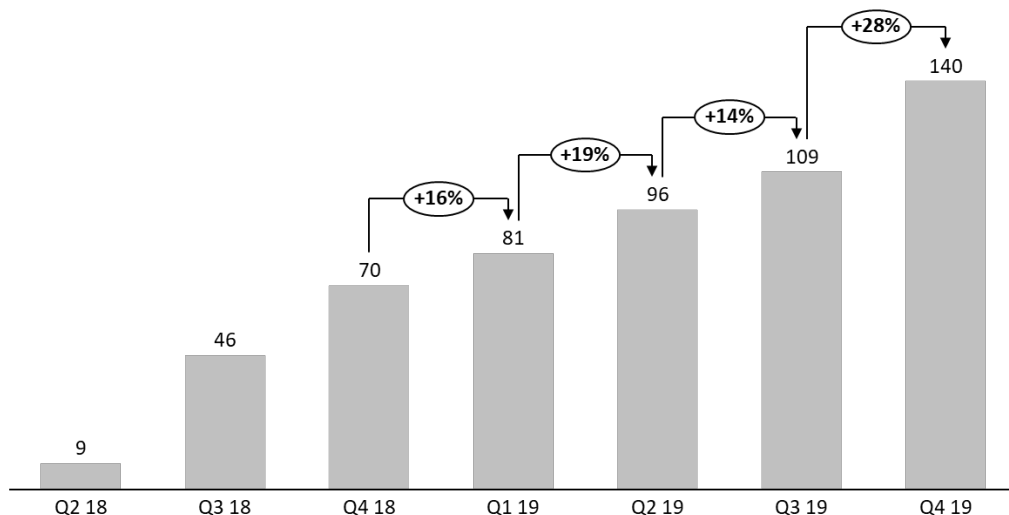


- **2.7% increase in services revenues**, driven by the steady rise in Mobile revenues and the return to growth for Fixed revenues.
- **Better trends for Fixed services revenues (up 0.4% for the year as a whole, and 3.4% in the fourth quarter)**. This reflects the Group's new sales and marketing strategy, the fact that it is no longer dependent on price-slashed deals, and, to a lesser extent, the temporary positive effect of including access to digital books in certain offerings.
- **An excellent performance from the Mobile business, with a 9% year-on-year rise in revenues invoiced to subscribers (13.2% in the fourth quarter)**, stemming from a better subscriber mix, the fact that the Group is no longer dependent on price-slashed deals, automatic switches to standard pricing after a 12-month deal period on mobile plans, and, to a lesser extent, the temporary positive effect of including access to digital books in certain offerings.
- **Sales of devices up 9.4% to €229 million**, due to the combined impact of a sharp decrease in sales of mobile phones offset by sales of the Freebox Delta Player.
- **EBITDAaL for France up €99 million, or 5.5% year on year**. The positive impacts of the better mobile subscriber mix, higher number of Fiber subscribers and increase in direct mobile network coverage were partially offset by fierce competition and higher costs related to the rollout of the Group's Fiber and Mobile networks.
- **Capex for France (excluding payments for frequencies) amounting to €1.6 billion**, to support the Group's expansion of its Fiber and Mobile networks, its Fiber subscriber connections, its outlay for launching the new Freeboxes and the large-scale switch-on of 700 MHz-compatible equipment.

Italy

- **Very strong pace of net adds, with more than 2.4 million subscribers signed up during the year.**
- **Despite fierce competition, Iliad Italia accelerated its subscriber recruitment in the fourth quarter of 2019, with over 740,000 net adds.** By creating a go-to brand, Iliad Italia achieved the most successful launch in Europe for a new entrant since that of Free Mobile in 2012.
- **Total subscribers topping the 5 million mark in the fourth quarter of 2019.**
- **€427 million in revenues** in full-year 2019.

Quarterly revenue growth for Iliad Italia since its launch in May 2018



- **A negative €253 million in EBITDAaL**, primarily reflecting (i) roaming costs due to the larger subscriber base and higher average data usage, and (ii) network costs related to Iliad Italia's 4,000 equipped sites at end-2019, with the majority of these costs borne without initially leveraging any of the benefits that coverage brings.
- **€369 million in capex (excluding payments for frequencies), reflecting the expansion of the Group's mobile network in Italy.** The Group equipped 2,500 new sites during the year, bringing the total number of equipped sites to over 4,000 at end-2019. The number of active sites was over 2,000 at December 31, 2019. By the end of the year, the Group had paid out the full amount of around €450 million due for the purchases of frequencies from Wind/Tre, of which €213 million was paid in 2019.

2019 CONSOLIDATED RESULTS

<i>In € millions</i>	2019	2018	% change
Revenues – France	4,912	4,768	+3.0%
- <i>Fixed</i>	2,640	2,631	+0.4%
- <i>Mobile</i>	2,049	1,936	+5.8%
<i>Of which revenues invoiced to subscribers</i>	1,636	1,498	+9.2%
- <i>Devices</i>	229	209	+9.4%
- <i>Intra-group sales – France</i>	(6)	(8)	-
Revenues – Italy	427	124	NM
Intra-group sales	(6)	(2)	-
Consolidated revenues	5,332	4,891	+9.0%
Services revenues – France	4,689	4,567	+2.7%
Consolidated services revenues	5,115	4,692	+9.0%
EBITDAaL – France	1,906	1,807	+5.5%
EBITDAaL – Italy	(253)	(52)	NM
Consolidated EBITDAaL	1,653	1,755	-5.8%
Capex – France ⁽¹⁾	1,607	1,555	+3.3%
Capex – Italy ⁽¹⁾	369	261	+41.4%
Consolidated capex⁽¹⁾	1,976	1,816	+8.8%
Profit from ordinary activities	444	690	-35.7%
Profit from ordinary activities – France	861	830	+3.7%
Profit/(loss) from ordinary activities – Italy	(417)	(139)	NM
Profit for the period	1,726	330	NM
Net debt	3,609	3,983	-9.6%
Leverage ratio	2.18x	2.28x	

(1) Excluding frequencies (2) Excluding the non-recurring capital gain on the sale of mobile towers in France and Italy

Consolidated debt

At December 31, 2019, it had gross debt of €5,202 million and net debt of €3,609 million (excluding the impact of IFRS 16). The Group now has an extremely high level of liquidity due to the sale proceeds recognized in December 2019 on the close of the deal with Cellnex, as well as favorable borrowing conditions.

It is therefore in a position to pursue its strategy of investing in major industrial projects that will generate substantial future cash flows, while maintaining a solid financial structure. At December 31, 2019, the Group's leverage ratio was 2.18x EBITDAaL.

Fourth-quarter revenues:

<i>In € millions</i>	2019	2018	% change
Revenues – France	4,912	4,768	+3.0%
Services	4,689	4,567	+2.7%
Devices	229	209	+9.4%
<i>Intra-group sales</i>	(6)	(8)	NM
Services	4,689	4,567	+2.7%
▪ <i>Fixed</i>	2,640	2,631	+0.4%
<i>Of which Jaguar Network</i>	43	-	NM
▪ <i>Mobile</i>	2,049	1,936	+5.8%
<i>Revenues invoiced to subscribers</i>	1,636	1,498	+9.2%
<i>Other</i>	412	438	-5.9%
Revenues – France excluding Jaguar Network	4,869	4,768	+2.1%

<i>In € millions</i>	Q4 19	Q4 18	% change
Revenues – France	1,251	1,183	+5.8%
Services	1,194	1,127	+5.9%
Devices	59	58	+1.3%
<i>Intra-group sales</i>	(1)	(2)	NM
Services	1,194	1,127	+5.8%
▪ <i>Fixed</i>	666	644	+3.4%
<i>Of which Jaguar Network</i>	11	-	NM
▪ <i>Mobile</i>	527	482	+9.3%
<i>Revenues invoiced to subscribers</i>	425	375	+13.2%
<i>Other</i>	103	107	-4.1%
Revenues – France excluding Jaguar Network	1,239	1,183	+4.8%

GROUP OBJECTIVES

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

France

- Fixed:
 - Achieve a 25% share of the Broadband and Ultra-Fast Broadband market in the long term.
 - Have 2 million Fiber subscribers by 2020 and 4.5 million by 2024.
 - Have 22 million connectible Fiber sockets by end-2022 and around 30 million by end-2024.
- Mobile:
 - Have more than 80% of the subscriber base signed up to the Free Mobile Unlimited 4G Plan¹ by 2024.
 - Have over 25,000 sites by 2024.
 - Achieve a 25% share of the mobile market in the long term.
- B2B:
 - Obtain a B2B market share of around 4% to 5% by 2024.
 - Generate B2B revenues of between €400 million and €500 million by 2024.
- Financial targets:
 - EBITDAaL margin in France (excluding B2B and sales of devices) of over 40% in 2020.
 - EBITDAaL less CAPEX figure in France (excluding B2B activities) of more than €800 million in 2020 and around €1 billion in 2021.

Italy

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

¹ 50/100 GB for non-Freebox subscribers.

Further information on the Group's financial statements and business in 2019 is provided in the management report, the results presentation and the consolidated financial statements available on iliad's website at: <http://www.iliad.fr/fr/amf/2020>

iliad SA's Board of Directors reviewed the consolidated financial statements at its meeting on March 16, 2020. The Statutory Auditors have carried out their audit work on those financial statements, and they are in the process of issuing their reports.

At the Annual General Meeting on May 20, 2020, shareholders will be asked to approve a dividend payment of €2.60 per share. The ex-dividend date will be June 24, 2020 and the dividend will be paid as from June 26, 2020 based on positions closed as of the close of business on June 25, 2020.

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 impact of stock option-/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.

Profit from recurring operations: Profit 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".

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 December 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 5.2 million subscribers at December 31, 2019.

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Market place: **Eurolist A of Euronext Paris (SRD)**

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Member of **Euro Stoxx, SBF 120, CAC Mid 100**