

Paris, May 15, 2015

## First-quarter revenues up by 7%

The Group maintained its sales momentum during the first three months of 2015:

- 16.5 million total subscribers (10.5 million mobile subscribers and more than 5.9 million landline broadband subscribers)
- 420,000 new mobile subscribers during the quarter: France's leading recruiter of mobile subscribers for the 13th consecutive quarter
- 77,000 new landline broadband subscribers during the quarter, representing a net add market share of 42%
- A 7% increase in consolidated revenues to almost €1.1 billion
- Over 700,000 ultra-fast broadband subscribers

## KEY OPERATING PERFORMANCE INDICATORS AT MARCH 31, 2015

	March 31, 2015	Dec. 31, 2014	Sept. 30, 2014
Total mobile subscribers	10,525,000	10,105,000	9,575,000
Total broadband subscribers	5,945,000	5,868,000	5,805,000
<b>Total subscribers</b>	<b>16,470,000</b>	<b>15,973,000</b>	<b>15,380,000</b>

<i>In €</i>	March 31, 2015 at period end	Dec. 31, 2014 at period end	Sept. 30, 2014 at period end
<b>Broadband ARPU</b>	<b>34.70</b>	<b>35.10</b>	<b>35.50</b>
<i>Freebox Revolution ARPU</i>	>38.00	>38.00	>38.00

## CONSOLIDATED FIRST-QUARTER 2015 REVENUES

Consolidated revenues for the first three months of 2015 rose by 7% year on year, reaching **€1,075 million** versus €1,005 million for the same period of 2014. This robust revenue growth was primarily driven by the sales momentum for the Group's mobile offerings.

<i>In € millions</i>	Q1 2015	Q1 2014	% change
<b>Mobile</b>	<b>437.9</b>	369.6	+18.5%
<b>Landline</b>	<b>639.7</b>	637.9	0.3%
<b>Intra-group sales</b>	(2.8)	(2.7)	-3.7%
<b>Total consolidated revenues</b>	<b>1,074.8</b>	1,004.8	+7.0%

## Mobile revenues

The Group's Mobile business continued to grow strongly in the first quarter of 2015. Mobile revenues climbed 18% compared to the prior-year period to almost €438 million. The main factors that drove this performance were as follows:

- **Ongoing strong sales momentum.** The Group maintained its sales momentum of previous quarters during the first three months of 2015 and was France's leading recruiter of mobile subscribers for the 13th quarter in a row, with 420,000 net adds. At March 31, 2015, the Group had **10,525,000 mobile subscribers, representing a market share of more than 15%<sup>1</sup>**.
- **Free's strategy remains focused on innovation.** The Group's excellent performance demonstrates its successful policy of constantly enriching its commercial offerings (e.g., subscribers can now have up to four Free Mobile Plans at €15.99 per month for each Freebox subscription). It also testifies to the success of our continuing efforts to develop 4G services (more than 950 new 4G sites deployed in first-quarter 2015 compared with 400 in the same year-ago period), integrate new roaming destinations (Canada, Belgium, etc.) into the Free Mobile Plan (available for €19.99 per month or €15.99 per month) and make the mobile phone offering more attractive. As a result of all these measures, the Group was able to further improve its subscriber mix within net adds during the period.
- **A sharp 23% year-on-year rise in services revenues,** reflecting the improved subscriber mix and migrations of subscribers from the entry-level €2 plan to the €19.99 per month Free Mobile Plan.

## Landline revenues

The Group's Landline business kept up its growth trajectory in the first quarter of 2015, with revenues edging up 0.3% to €640 million. The significant events of the period for the Landline business were as follows:

- **Strong appeal of the Group's offerings.** The Group recruited 77,000 broadband subscriber net adds during the first quarter of 2015. In a competitive environment, the Group delivered an outstanding performance with 42% of net adds<sup>1</sup> during the quarter, thanks to Free's strong brand name, the appeal of the Freebox Revolution offering, and an online flash sale carried out in early January.
- **Launch of the new Freebox mini 4K.** On March 10, 2015, Free launched the new, ultra-compact Freebox mini 4K – the world's first 4K box running Android TV™ – available for an all-inclusive price of €29.99 per month. Innovation is the keyword in this new offering, with features such as a remote control with voice recognition, access to ultra-high definition images and Android TV™ applications.
- **During the period, the Group stepped up its investments in ultra-fast broadband.** As a result of the migration to VDSL2 and FTTH offerings, at March 31, 2015, more than 700,000 Group subscribers had access to broadband speeds of over 30 Mbps.

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<sup>1</sup> Company estimates

- **Broadband ARPU of almost €35, at €34.70, reflecting the automatic impact of promotional offers.** Despite this negative effect, ARPU for the Freebox Revolution offering remained above €38.00 for the period.

During the first quarter of 2015, the Group continued its investment effort in the rollout of its networks and therefore confirms its objective to achieve more than 10% growth in consolidated EBITDA in 2015.

## GLOSSARY

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

**Total broadband subscribers:** Represents, at the end of a period, the total number of subscribers identified by their telephone lines who have signed up for Free's or Alice's broadband service, excluding those recorded as having requested the termination of their subscription.

**Total mobile subscribers:** 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.

**Unbundled subscribers:** Subscribers who have signed up for the Group's broadband offering through a telephone exchange unbundled by Free.

### 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 access segment (VoIP, IPTV, flat-rate calling plans to multiple destinations, etc.). Free provides straightforward and innovative offerings at the best prices. At the end of 2010, Free introduced the Freebox Revolution, the 6th generation of Freebox units that notably includes an NAS and a Blu-Ray™ drive. Free was the first operator to include calls from landlines to mobile phones in its offerings and also calls to French overseas departments (DOM). Since January 2012, Free has brought mobile phone usage within everyone's reach with straightforward, no-commitment offerings at very attractive prices. In March 2015, Free launched the Freebox mini 4K.*

*Free has over 5.9 million broadband subscribers and more than 10.5 million mobile subscribers (as at March 31, 2015).*

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Ticker symbol: **ILD**

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