

Paris, July 5, 2016

**Merger between H3G and Wind in Italy:
Iliad signs an agreement
conditional upon the approval of the European Commission**

Iliad signed an agreement with the Hutchison and VimpelCom groups, as part of the plan to merge their H3G and Wind subsidiaries, to acquire the assets constituting the remedy package proposed to the European Commission in the context of the merger review process.

The agreement is subject to the European Commission's approval as well as to the European Commission's approval of the H3G/Wind transaction under the EU merger regulation (for which a decision is currently due by September 8th).

The remedy package would enable the Iliad Group to offer competitive mobile services and to become a fourth mobile network operator with nation-wide coverage.

The agreement involves:

- The transfer of a balanced set of 2x35MHz 3G/4G frequencies (2x5MHz at 900MHz, 2x10MHz at 1800MHz, 2x10MHz at 2100MHz and 2x10MHz at 2600MHz) for €450 million, payment of which is to be phased between 2017 and 2019.
- An undertaking to acquire several thousands of macro sites in densely populated areas offered by Wind/H3G or rented from third parties.
- An undertaking either to bring into force a RAN-sharing agreement covering rural areas with Wind/H3G, or to acquire several thousands of macro sites in those areas from Wind/H3G or third parties.
- A 2G, 3G and 4G roaming agreement on the merged network, for a period of five years renewable for one further five-year period at the initiative of Iliad.

If approved by the European Commission, the agreement is a unique opportunity for the Iliad Group to enter the Italian telecoms market, which is stepping up its digital transition.

Iliad plan is to capitalise on the experience it has acquired in France with the successful launch of a fourth mobile network operator in 2012, and to carry out investments over a period of 5-7 years (i) in line with the project's ambitious commercial development, (ii) entirely financed by the Group's extensive liquidity (cash and available facilities), and (iii) without threatening the Group's position as one of the least indebted operators in Europe.

Finally, the Group has been informed by Xavier Niel, Iliad's majority shareholder, that he does not currently hold any stake in the voting rights or capital of Telecom Italia, whether directly or indirectly, and has only a marginal financial interest (of less than €25 million), which will be sold in the next few weeks. He fully supports Iliad's operation to create a new mobile network operator in Italy.

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. For example, the Freebox Revolution, the 6th generation of Freebox units, includes an NAS and a Blu-Ray™ drive, and the Freebox mini 4K was the first Android TV™ and 4K box on the French market. 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. Subscribers can use their Free Mobile Plan for 35 days per year and per destination when they are traveling in all European Union countries, the United States, Canada, Israel, Australia, Norway and Iceland (excl. 4G). As at March 31, 2016, Free had over 18 million subscribers (6.2 million Broadband and Ultra-Fast Broadband subscribers and 11.9 million mobile subscribers).

Exchange: **Euronext Paris**

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

Ticker symbol: **ILD**

ISIN code: **FR0004035913**

FTSE classification: **974 Internet**

Member of **Euro Stoxx, SBF 120, CAC Next 20, CAC Mid 100**