

Paris, 15 November 2012

Revenues up 53% in the 3rd quarter

The 3rd quarter of 2012 confirmed the Group's commercial success:

- 805,000 new mobile subscribers, taking the total to more than 4.4 million subscribers
- Mobile net add market share of over 60%* on Q3
- Broadband net add market share of 46%* for the Group
- Consolidated revenues up 53% to €819 million
- Steady growth in landline business: +8.7%

KEY OPERATING INDICATORS AT 30 SEPTEMBER 2012

	30 Sept. 2012	30 June 2012	31 March 2012
Total mobile subscribers	4,405,000	3,600,000	2,610,000
Total broadband subscribers	5,257,000	5,147,000	5,040,000
- Free	5,027,000	4,885,000	4,720,000
Of which migrations from Alice to Free in the quarter	18,000	44,000	46,000
- Alice	230,000	262,000	320,000
Unbundled subscribers as % of the total	93.8%	93.6%	93.1%

CONSOLIDATED REVENUES IN THE 3RD QUARTER OF 2012

The Group's growth is accelerating: +53% in the 3rd quarter of 2012.

Group revenues totalled €2,263 million at 30 September 2012 (compared to €1,579 million in the same period of 2011).

Presentation of consolidated revenues:

€ millions	9M 2012	9M 2011	Change (%)	Q3 2012	Q3 2011	Change (%)
Telecoms services	479.6	-	-	215.4	-	-
Handset sales	78.2	-	-	22.9	-	-
Mobile business	557.8	-	-	238.3	-	-
Broadband	1,707.2	1,570.3	8.7%	581.6	534.5	8.8%
Other	6.7	8.2	-18.3%	1.9	2.4	-20.8%
Landline business	1,713.9	1,578.5	8.6%	583.5	536.9	8.7%
Inter-segment sales	-8.4	-	-	-2.8		
Consolidated revenues	2,263.3	1,578.5	43.4%	819.0	536.9	52.6%

Mobile business:

During the 3rd quarter, the Group's mobile business generated revenues of €238 million. This figure was achieved despite the significant drop in Free Mobile's call termination charges (-31% as of 1st July 2012) and low handset sales during the summer.

The Group continued its excellent performance in recruiting subscribers to its mobile offers, with 805,000 new subscribers net of terminations, i.e. a market share of over 60%* of new subscribers during the period.

At 30 September 2012, the Group had 4,405,000 subscribers to its mobile offers, i.e. 6.4%* of the total market.

Since its launch on 10 January 2012, the Group's mobile business has generated €558 million in revenues. The solid revenues posted by the business reflect the balanced distribution of subscribers and testify to the longevity of the Group's business and economic model.

Landline business:

With revenues of €584 million and a **growth rate of almost 9% in the 3rd quarter of 2012** (compared to the same period of 2011), the Group's **landline business maintained a robust growth rate.**

The main developments in the period were as follows:

- (i) **strong growth in broadband subscribers: Free remained the leading recruiter of subscribers in the 3rd quarter, with an outstanding market share of over 50%* during the period under the Free brand.** This success demonstrates the exceptional appeal of the Free brand, the synergies between the landline and mobile businesses and the technological advances of the Freebox Revolution. The excellent sales performance enabled the Group's subscriber base to progress by **110,000 new subscribers net of terminations during the period** to reach **5,257,000 broadband subscribers.**
- (ii) **continued efforts by the Group to extend the coverage of its ADSL network and improve the unbundling rate to almost 94%.** During the 3rd quarter, the Group confirmed its determination to maintain its unbundling efforts by announcing: (i) the opening of 1,500 new *Nœuds de Raccordements Abonnés* (NRA - subscriber access nodes) covering more than 1.5 million lines in the next twelve months in more than 2,660 towns, (ii) the first orders of *NRA-MeD* (NRA with increased bandwidth), allowing Free to considerably improve the speeds offered and to bring the ADSL network to areas which do not currently have any coverage.

* Company estimates

- (iii) **robust Group ARPU** (end of period), which grew by more than 20 cents on the 3rd quarter of 2011 to **€35.80**. **In a context of pressure on telephony revenues due to the decrease in landline call termination charges, the Group has managed to increase ARPU** thanks to both the commercial success of the Freebox Revolution offer and the increase in usage and revenues generated by the audiovisual services.

GLOSSARY

Broadband ARPU (Average Revenue Per 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 subscribers invoiced for the period.

Net adds: Represents the difference between total broadband 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 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 several innovations in the high-speed access segment (VoIP, IPTV, flat-rate calling plans to several destinations, etc.). Free provides straight-forward and innovative offerings at very attractive prices. At the end of 2010, Free introduced Freebox Revolution, the 6th generation of Freebox units that notably included a NAS and a Blu-Ray™ drive. Free was the first operator to include calls from landlines to mobile phones from the box. From January 2012, Free has brought the mobile phone within everyone's reach with a generous, straightforward, no-contract offering at very attractive price. Free won first prize in the Podium 2012 customer relationship management awards for mobile telephony. Free has over 5.2 million broadband subscribers and 4.4 million mobile subscribers (as at 30 September 2012).*

** The survey by TNS Sofres/BearingPoint for the Podium 2012 customer relationship management awards was conducted from 30 March 2012 to 9 April 2012 among Free customers, based on a sample of 4,000 persons.*

Exchange: **Euronext Paris**

Ticker symbol: **ILD**

FTSE ranking: **974 Internet**

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

ISIN code: **FR0004035913**

Member of: **Euro Stoxx, SBF 120, Next 150, CAC Mid 100**