

Paris, May 15, 2014

Quarterly revenues top the €1 billion mark for the first time in the Group's history

A very strong first-quarter performance, with:

- Total subscribers reaching 14.3 million (8.6 million mobile subscribers and 5.7 million landline broadband subscribers)
- 595,000 new mobile subscribers, representing a net add market share of over 80%
- 71,000 new landline broadband subscribers, representing a net add market share of over 30%
- Consolidated revenues up 10% year on year, topping €1 billion

KEY OPERATING PERFORMANCE INDICATORS AT MARCH 31, 2014

| | March 31, 2014 | Dec. 31, 2013 | Sept. 30, 2013 |
|-------------------------------------|----------------|---------------|----------------|
| Total mobile subscribers | 8,635,000 | 8,040,000 | 7,435,000 |
| Total broadband subscribers | 5,711,000 | 5,640,000 | 5,580,000 |
| Percentage of unbundled subscribers | 95.30% | 94.80% | 94.60% |

| <i>In €</i> | March 31, 2014 End of period | Dec. 31, 2013 End of period | Sept. 30, 2013 End of period |
|--------------------------------|---------------------------------|--------------------------------|---------------------------------|
| Broadband ARPU | 35.50 | 36.00 | 36.10 |
| <i>Freebox Revolution ARPU</i> | >38.00 | >38.00 | >38.00 |

CONSOLIDATED FIRST-QUARTER 2014 REVENUES

Consolidated revenues for the first three months of 2014 rose by over 10% year on year, coming in at **€1,005 million** versus €907 million for the same period of 2013. This robust revenue growth was primarily driven by strong sales momentum for the Group's mobile offerings.

| <i>In € millions</i> | Q1 2014 | Q1 2013 | % change |
|------------------------------------|----------------|--------------|---------------|
| Mobile | 369.6 | 294.5 | +25.5% |
| Landline | 637.9 | 615.6 | +3.6% |
| Intra-group sales | (2.7) | (2.9) | -6.9% |
| Total consolidated revenues | 1,004.8 | 907.2 | +10.8% |

Mobile revenues

The Group's mobile business continued to grow strongly in the first quarter of 2014, with mobile revenues for the period totaling almost €370 million, up 26% on the first quarter of 2013. The increase was driven by the Group's strategy of enhancing its offerings and was achieved despite the Group no longer being permitted to apply asymmetrical pricing for mobile call termination charges and a VAT rise in France. This performance reflected the following:

- **Ongoing strong sales momentum.** The Group delivered another robust sales performance in the first quarter of 2014 and was the market leader for net adds for the ninth quarter in a row, with 595,000 new subscribers during the period (net of terminations). At March 31, 2014, the Group had **8,635,000 mobile subscribers, representing a market share of approximately 13%**¹.
- **Commercial success led by innovation.** The Group's excellent sales performance demonstrates the success of its strategy of enhancing its commercial offerings. For example, it has recently launched 4G services, included 50 MB of mobile data in its €2 Plan and added new roaming destinations – including Italy, Germany, the Netherlands, Poland and Austria – to the Free Mobile Plan (€19.99/month or €15.99/month). It has also made it easier for subscribers to acquire a mobile phone – notably by offering them the option of renting a phone and the possibility of paying in installments – which led to a rise in the Group's sales of phones and improved the subscriber mix within its net adds for the period.
- **A 26% rise in revenues compared with first-quarter 2013, despite a steep drop in mobile call termination charges due to the end of asymmetric pricing.** Free Mobile's mobile call termination charges amounted to 0.8 euro cents per minute in first-quarter 2014 compared with 1.1 euro cents per minute in the first three months of 2013.

Landline revenues

First-quarter 2014 also saw continued growth for the Group's landline business, with revenues up by nearly 4% to €638 million. The main drivers of this performance were as follows:

- **Sustained strong appeal of the Group's offerings.** The Group added 71,000 new broadband subscribers (net of terminations) during the first quarter of 2014. This once again represents a high proportion of the market's overall net adds during the period (over 30%¹), achieved despite a highly competitive environment thanks to the strong reputation of the Free brand, the appeal of the Freebox Revolution offering and the quality of the Group's subscriber service.
- **A high level of broadband ARPU, at €35.50, despite the impact of the VAT rise in France, notably on audiovisual offerings.** Broadband ARPU at period-end was down slightly on the same period of 2013, primarily as a result of the VAT rise which came into effect on January 1, 2014. In spite of this negative impact, ARPU for the Freebox Revolution offering remained above €38.00 during the first quarter of 2014.

¹ Company estimates

GLOSSARY

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 service 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 high-speed 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-RayTM 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-contract offerings at very attractive prices. Free has over 5.7 million broadband subscribers and over 8.6 million mobile subscribers (as at March 31, 2014).

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**