

Paris, November 12, 2015

Growth and expansion in third-quarter 2015

- **Total subscriber numbers top the 17 million mark**
- **390,000 new mobile subscribers during the quarter, raising the Group's market share to above 16%¹**
- **91,000 new broadband and ultra-fast broadband subscribers, making Free the operator with the second largest number of net adds in France during the quarter²**
- **Third-quarter consolidated revenues (excluding handsets) up by 8%**
- **Third-quarter landline revenue growth picks up pace, coming in at 1.4%**
- **Continued rapid rollout of the network with 657 new 4G sites opened during the quarter**

¹ Mobile market in Metropolitan France excluding M2M

² Group estimates

KEY OPERATING PERFORMANCE INDICATORS AT SEPTEMBER 30, 2015

	Sept. 30, 2015	June 30, 2015	March 31, 2015
Total mobile subscribers	11,315,000	10,925,000	10,525,000
Total broadband and ultra-fast broadband subscribers	6,082,000	5,991,000	5,945,000
Total number of subscribers	17,397,000	16,916,000	16,470,000

In €	Sept. 30, 2015	June 30, 2015	March 31, 2015
Broadband and ultra-fast broadband ARPU	34.50	34.50	34.70
<i>Freebox Revolution ARPU*</i>	<i>>38.00</i>	<i>>38.00</i>	<i>>38.00</i>

* Excluding promotions

CONSOLIDATED THIRD-QUARTER 2015 REVENUES

Consolidated revenues for the first nine months of 2015 rose by more than 6% to **€3,271 million** from €3,074 million for the same period of 2014. This growth was primarily driven by the Mobile business, whose revenues climbed by almost 16% to over €1.3 billion. Meanwhile, revenues for the Landline business edged up by just under 1%.

In € millions	Nine months to Sept. 30, 2015	Nine months to Sept. 30, 2014	% change	Q3 2015	Q3 2014	% change
Mobile	1,343	1,161	+15.7%	463	416	+11.4%
Landline	1,936	1,921	+0.8%	651	642	+1.4%
Intra-group sales	(8)	(8)	+4.8%	(3)	(3)	+8.0%
Total consolidated revenues	3,271	3,074	+6.4%	1,111	1,055	+5.3%

Mobile business

The Group's Mobile business saw another period of strong growth in third-quarter 2015, with 390,000 net adds. Revenues for the quarter rose by nearly 11% year on year to €463 million, bringing the year-to-date revenue figure to €1,343 million. The significant events of the quarter for the Mobile business were as follows:

- **An excellent commercial performance.** The Group was France's leading recruiter of mobile subscribers for the 15th quarter in a row¹, with net adds amounting to 390,000 during the period. This performance was achieved thanks to the Group's successful ongoing strategy of enriching its commercial offerings, notably by including (i) roaming communications from all European Union countries and the United States, and (ii) 50 GB of 4G internet in the Free Mobile Plan (€19.99 per month or €15.99 per month for Freebox subscribers). At September 30, 2015, Free had 11.3 million mobile subscribers, representing a market share of more than 16%¹. The Group's excellent 4G performance was also a revenue growth driver, as it now has 2.8 million 4G subscribers with average data usage of 2.8 GB per month.
- **An increase in services revenues of more than 20%,** which was a major contributor to propelling Mobile revenues for the quarter over the €460 million mark.
- **A further improvement in the new subscriber mix.** For the second quarter in a row, Free recorded more new subscribers for its €19.99 per month offering (€15.99 per month for Freebox subscribers) than for its €2 per month offering (€0 per month for Freebox subscribers).
- **A decline in revenues from handsets,** notably due to (i) the success of entry-level handsets and (ii) the summer holidays, which are generally a weak period for handset sales.

Landline business

Despite an extremely competitive operating environment, the Group's Landline business maintained its strong momentum in the third quarter of 2015 and stepped up the pace of growth, with revenues increasing 1.4% to €651 million. The significant events of the quarter for the Landline business were as follows:

- **A significant increase in the broadband and ultra-fast broadband subscriber base, with 91,000 new subscribers,** up 30% on the 70,000 net adds reported for the third quarter of 2014. This was achieved despite the promotional offers introduced by other operators during the period and notably reflects (i) the Free brand's strong reputation and the quality of the Freebox Revolution, (ii) the launch of the new Freebox mini 4K in 2015, and (iii) the online flash sale carried out during the back-to-school period. At September 30, 2015, the Group had 6,082,000 broadband and ultra-fast broadband subscribers and was France's second-leading operator in terms of net adds for the quarter².
- **Stability for broadband and ultra-fast broadband ARPU, at €34.50.** Despite unfavorable seasonal effects during the period (lower use of value-added audiovisual services such as VOD and subscriptions) the Group maintained its ARPU at the same level as in the second quarter of 2015, i.e., €34.50. ARPU for the Freebox Revolution offering remained above €38 (excluding promotions).
- **Faster revenue growth** in the third quarter of 2015 compared with the first six months of the year (1.4% vs 0.5%).

¹ Mobile market in Metropolitan France excluding M2M

² Group estimates

SUSTAINED PACE MAINTAINED FOR NETWORK ROLLOUT

During the third quarter of 2015, the Group maintained a sustained pace of investment in its ultra-fast mobile network, with over 650 new 4G sites. The Group was France's leading operator in terms of 4G rollout in the period, with nearly 54% of all new sites brought into service.

4G SITES BROUGHT INTO SERVICE DURING THIRD-QUARTER 2015 BY OPERATOR:

	Number of sites	% of sites
Free Mobile	657	54%
Orange	311	25%
NC-SFR	166	14%
Bouygues Telecom	91	7%
Total	1,225	-

Source: The "Observatoire 2G, 3G, 4G", the monitoring unit of France's National Frequencies Agency (Agence Nationale des Fréquences – ANFR)

During the first nine months of 2015, the Group added nearly 2,550 new sites, bringing its number of 4G sites in service at September 30, 2015 to 4,648, covering 57% of the French population.

On September 10, 2015 ARCEP granted Free Mobile a further 10 MHz in the 1,800 MHz frequency band. As a result, from May 25, 2016, the Group will have the use of 15 MHz in this band, in addition to the 20 MHz already used by the 4G network in the 2,600 MHz frequency band.

GLOSSARY

Broadband and ultra-fast 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 and ultra-fast broadband subscribers invoiced for the period.

Broadband and ultra-fast broadband subscribers: Subscribers who have signed up for the Group's ADSL, VDSL or FTTH offerings.

FTTH (fiber-to-the-home): Data delivery technology that directly connects subscribers' homes to an optical node (ON).

M2M: machine to machine communications.

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

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 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 and ultra-fast broadband offerings 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 and ultra-fast broadband access segment (VoIP, IPTV, flat-rate calling plans to multiple destinations, etc.). Free provides straightforward and innovative offerings at the best prices. The Freebox Revolution, the 6th generation of Freebox units, notably includes an NAS and a Blu-RayTM drive. Free also offers the Freebox mini 4K, 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. Since July 2015, subscribers can use their Free Mobile Plan for 35 days per year and per destination when they are travelling in all European Union countries and, since September 2015, the United States (excl. 4G). As at September 30, 2015, Free had over 17 million subscribers (6 million broadband and ultra-fast broadband subscribers and 11 million mobile subscribers).

Exchange: **Euronext Paris**

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

Ticker symbol: **ILD**

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FTSE classification: **974 Internet**

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