



PRESS RELEASE

Paris, May 18, 2017

FIRST-QUARTER 2017 REVENUES

- **First-quarter revenues up almost 7% to €1,224 million**
- **300,000 new landline and mobile subscribers during the quarter – France's leading recruiter of mobile subscribers for the 21st consecutive quarter¹**
- **Further acceleration of FTTH connections with some 60,000 new fiber subscribers during the period – Free is France's number two FTTH operator**
- **6.3 million 4G subscribers with average monthly data usage of 6 GB per subscriber – At March 31, 2017 the Group's 4G network covered over 80% of the French population**
- **Three out of four French people think that unlimited 4G will become essential² - Free is the first operator to include unlimited 4G in its €15.99 per month mobile plan for Freebox subscribers**

¹ Mobile market in Metropolitan France excluding M2M

² Source: IFOP poll, April 2017

KEY OPERATING PERFORMANCE INDICATORS AT MARCH 31, 2017

<i>Subscriber numbers</i>	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016
Total mobile subscribers	12,940k	12,700k	12,385k
- Of which 4G	6,300k	5,900k	5,300k
Total Broadband and Ultra-Fast Broadband subscribers	6,451k	6,385k	6,327k
- Of which FTTH	369k	310k	265k
Total number of subscribers	19,391k	19,085k	18,712k
<i>Other indicators</i>	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016
Broadband and Ultra-Fast Broadband ARPU (in €)	34.5	34.7	33.5
<i>Freebox Revolution ARPU* (in €)</i>	>38.0	>38.0	>38.0
Number of connectible FTTH sockets	4.8m	4.4m	4.0m
Average 4G data usage (in GB per month per subscriber)	6.0 GB	4.9 GB	4.4 GB

* Excluding promotions

CONSOLIDATED FIRST-QUARTER 2017 REVENUES

In a fiercely competitive operating environment, the Group registered over 300,000 net adds for its landline and mobile offerings in the first three months of 2017. Consolidated revenues for the period rose by almost 7% year on year to €1,224 million. The faster pace of growth for Broadband and Ultra-Fast Broadband continued, with revenues coming in 5% higher at nearly €700 million, and Mobile revenues climbed more than 9% to just under €530 million.

The table below shows the breakdown of consolidated revenues by category for the first quarter of 2017 and 2016 as well as the percentage change between the two periods.

<i>In € millions</i>	Q1 2017	Q1 2016	% change
Landline	697.8	664.6	+5.0%
Mobile	528.6	483.6	+9.3%
Intra-group sales	(2.5)	(2.8)	-10.7%
Total consolidated revenues	1,223.9	1,145.4	+6.9%

Landline

Despite persistently fierce competition, Broadband and Ultra-Fast Broadband revenues continued to grow at a faster pace year on year, reaching €698 million in first-quarter 2017 (up 5.0% compared with the 3.9% increase recorded for the same period of 2016). The significant events of the first quarter of 2017 for the Landline business were as follows:

- **66,000 new Broadband and Ultra-Fast Broadband subscribers**, representing a net add market share of 35%. Against a highly competitive backdrop characterized by numerous promotional offers, the Group's net add market share was once again higher than its overall market share. This achievement was due to (i) the Group continuing to differentiate its offerings, with its end-2016 launch of the new Freebox Revolution with TV by CANAL Panorama offer, (ii) the enrichment of its offerings thanks to new ethnic TV packages, (iii) the strong image and reputation of the Free brand and the quality of the Freebox, (iv) best-in-class subscriber relations services, and (v) a promotional offer launched during first-quarter 2017. At March 31, 2017, the Group had a total of almost 6.5 million Broadband and Ultra-Fast Broadband subscribers, confirming its position as France's leading alternative landline Broadband and Ultra-Fast Broadband operator.
- **An acceleration of FTTH connections.** In line with its objectives the Group significantly stepped up the pace of its FTTH connections, with some 60,000 new fiber subscribers added during the quarter, bringing the total number of FTTH subscribers to 369,000. In parallel, the Group continued its FTTH rollouts, with 400,000 new connectible sockets installed during the first three months of 2017.
- **Broadband and Ultra-Fast Broadband ARPU at €34.5**, representing an increase of 10 euro cents compared with the first quarter of 2016. ARPU for the Freebox Revolution offering remained above €38³.

Mobile business

Revenue for the Mobile business saw another period of growth in first-quarter 2017, advancing more than 9% to €529 million. This increase was driven by 240,000 net adds, reflecting the success of the Group's Mobile commercial offers. The significant events of the quarter for the Mobile business were as follows:

³ Excluding promotions.

- **A higher subscriber recruitment level than in first-quarter 2016**, with 240,000 net adds thanks to the Group's strategy of continually enriching its offers and a promotional offer launched during the period. In line with the commitment it made in 2012, Free continues to offer a greater number of services at no extra cost to subscribers. For example, it is the first operator in France to offer roaming communication all year round (unlimited calls, texts and MMS) from more than 35 countries, as well as 5GB/month of mobile Internet from all these destinations, all for €15.99/month for Freebox subscribers (or €19.99/month for non-Freebox subscribers). In the first three months of 2017, Free had the highest number of net adds in France for the 21st quarter in a row. At March 31, 2017, the Group had 12.9 million mobile subscribers, representing a market share of over 18%⁴.
- **Commercial success of the Group's 4G offering, with 6.3 million 4G subscribers**, representing an increase of around 400,000 over the quarter. Following the same trend, 4G data usage increased by more than 20% in the first three months of 2017, with average monthly data usage per 4G subscriber reaching 6 GB. These achievements reflect the quality of the 4G experience offered by the Free Mobile network, as illustrated by the fact that Free obtained the best score for 4G connections in France in the nPerf mobile connections performance survey for the 8th consecutive quarter.
- According to an IFOP poll⁵ conducted in April 2017, **three out of four French people think that unlimited 4G will become essential**. True to its pioneering and innovative image, Free was the first operator in France to include unlimited 4G in its €15.99 per month mobile plan for Freebox subscribers on March 21, 2017.
- **As in 2016, over 80% of net adds signed up to the Free Mobile Plan which includes unlimited voice/SMS/MMS and unlimited 4G Internet** (100 GB of 4G Internet for non-Freebox subscribers), leading to an improved subscriber mix.
- **Ongoing rapid deployment of 4G frequencies**, with some 1,500 sites newly equipped to use 1,800 MHz and around 100 new sites equipped for 700 MHz. This intense deployment has enabled the Group to increase its 4G coverage rate of the French population by four percentage points to over 80%.
- **A 9% rise in Mobile services revenues** in first-quarter 2017, representing a slower growth figure than in first-quarter 2016 due to a decrease in the use of text messages as mobile data usage rises.

⁴ Metropolitan France excluding M2M.

⁵ IFOP poll methodology

- Quantitative poll conducted as part of an online IFOP omnibus survey
- From April 26 to 28, 2017
- Among 1,058 persons aged 15 or over representative of the French population, including 841 persons (79%) equipped with their own Smartphone

GLOSSARY

Alternative operator: An operator that entered the market subsequent to the incumbent State operator losing its monopoly.

Broadband and Ultra-Fast Broadband ARPU (Average Revenue Per Broadband and Ultra-Fast Broadband 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.

Freebox Revolution ARPU (Average Revenue Per Freebox Revolution Subscriber, excluding promotions): 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 Freebox Revolution subscribers invoiced for the period.

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

M2M: Machine to machine communications.

Mobile services revenues: Mobile revenues excluding handset sales.

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 or Ultra-Fast 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.

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. For example the Freebox Revolution, the 6th generation of Freebox units, includes an NAS and a Blu-RayTM drive, and the Freebox mini 4K was the first Android TVTM 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. The Free Mobile Plan includes roaming communications all year round from more than 35 countries (unlimited calls, texts and MMS as well as 5GB/month of 3G mobile Internet from all these destinations). Free also includes unlimited 4G in its €15.99 plan for Freebox subscribers. As at March 31, 2017, Free had over 19 million subscribers (6.5 million Broadband and Ultra-Fast Broadband subscribers and 12.9 million mobile subscribers).

Exchange: **Euronext Paris**

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

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