



Paris, November 12, 2019

THIRD-QUARTER 2019 REVENUES

Growth accelerates in France Positive impacts of the transformation plan initiated during summer 2018

- **Continuation of the strong growth trajectory seen in recent quarters: revenues in France up 3.3% in the third quarter and consolidated revenues up more than 8%**
- **Broadband: a return to positive net adds with 32,000 new subscribers**
- **Fiber: a record high for the market with 210,000 net adds, the best-ever performance achieved in the market, all operators combined. Leading recruiter since the beginning of the year**
- **Mobile: accelerated growth with 150,000 new subscribers for the Free Mobile Unlimited 4G Plan and an almost 10% increase in revenues invoiced to subscribers**
- **Italy: ongoing strong sales momentum with 700,000 net adds and continued network rollout with 700 new sites deployed**
- **New dividend policy adopted: €2.60 per share**

These results reflect the efforts undertaken by the Group over the last year and the success of the transformation plan launched in summer 2018.

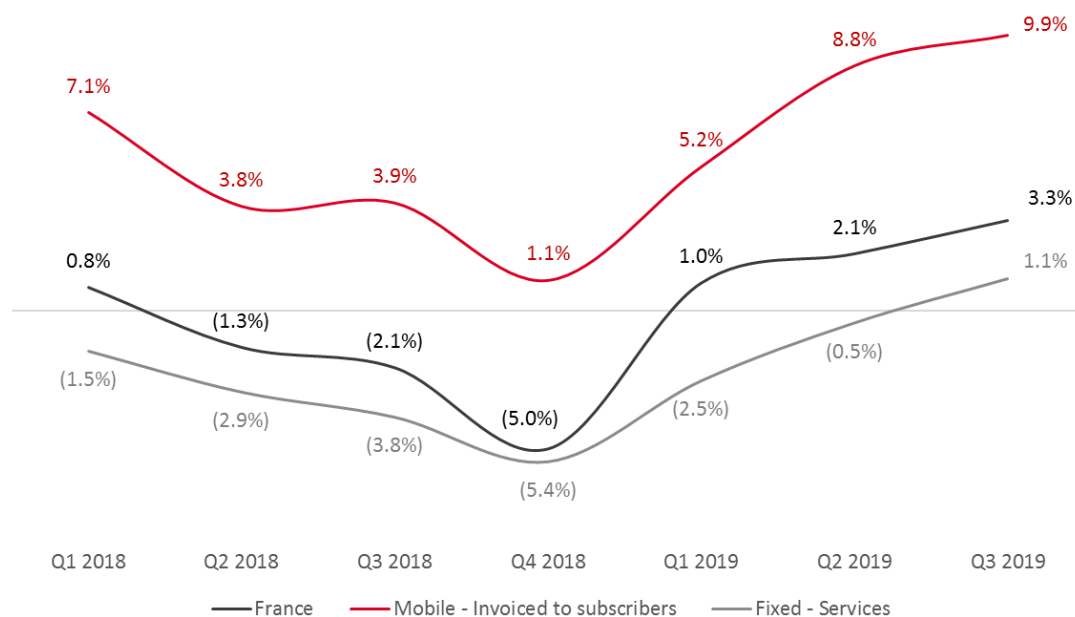
They confirm that the Group has started a new growth cycle based on (i) unprecedented acceleration in Fiber, (ii) ongoing 4G ramp-up and (iii) significant growth in the business in Italy.

Since the beginning of the year, the Group has been redefining its scope and optimizing its model for deploying passive infrastructure, through (i) the acquisition of a majority stake in Jaguar Network, (ii) a

partnership with Cellnex with respect to passive mobile infrastructure in France and Italy, and (iii) a partnership with Infravia for Fiber infrastructure outside densely populated areas.

KEY OPERATING INDICATORS AT SEPTEMBER 30, 2019

Quarterly revenue growth



Operating indicators

France	Sept. 30, 2019	June 30, 2019
Total mobile subscribers	13,296k	13,314k
- Of which on the Free Mobile Unlimited 4G Plan*	8,075k	7,928k
- Of which on the voice-based plan	5,221k	5,386k
Average 4G data usage (in GB per month per subscriber)	12.8 GB	11.9 GB
Total Broadband and Ultra-Fast Broadband subscribers	6,428k	6,396k
- Of which FTTH	1,515k	1,305k
Total number of subscribers – France	19,724k	19,710k
Broadband and Ultra-Fast Broadband ARPU (in €)	32.5	32.5
Mobile ARPU invoiced to subscribers (in €)	10.6	10.1
Number of connectible FTTH sockets	12.0m	11.5m
Italy	Sept. 30, 2019	June 30, 2019
Total mobile subscribers	4,541k	3,841k

* 50/100 GB for non-Freebox subscribers.

CONSOLIDATED THIRD-QUARTER 2019 REVENUES

Iliad's consolidated revenues rose 8.4% year on year in the first nine months of 2019, propelled by (i) ongoing strong sales momentum in Italy (€286 million in revenues for the nine-month period), (ii) a 1.6% increase in services revenues in France, and (iii) higher sales of devices thanks to the success of the Freebox Delta. Revenue trends have improved steadily throughout the year, with a more than 3% increase in services revenues in France over the third quarter.

The tables below show the breakdown of consolidated revenues by category for the nine-month and three-month periods ended September 30, 2019 and September 30, 2018, as well as year-on-year percentage changes.

Revenues for the first nine months

<i>In € millions</i>	Nine months to Sept. 30, 2019	Nine months to Sept. 30, 2018	% change
Consolidated revenues	3,944	3,640	+8.4%
Services	3,780	3,495	+8.2%
Devices	171	152	+12.5%
Intra-group sales	(7)	(7)	-
Revenues – France	3,660	3,585	+2.1%
Services	3,494	3,440	+1.6%
• Fixed	1,973	1,986	-0.7%
<i>Of which Jaguar Network</i>	32	-	-
• Mobile	1,521	1,454	+4.6%
<i>Revenues invoiced to subscribers</i>	1,212	1,123	+7.9%
<i>Other</i>	309	331	-6.6%
Devices (Fixed and Mobile)	171	152	+12.5%
Intra-group sales – France	(5)	(7)	-28.6%
<i>Revenues – France excluding Jaguar Network</i>	<i>3,628</i>	<i>3,585</i>	<i>+1.2%</i>
Revenues – Italy	286	55	+420%
Intra-group sales – Italy	(2)	-	-

Revenues for the third quarter

<i>In € millions</i>	Q3 2019	Q3 2018	% change
Consolidated revenues	1,336	1,236	+8.1%
Services	1,294	1,193	+8.5%
Devices	45	46	-2.2%
Intra-group sales	(3)	(3)	-
Revenues – France	1,229	1,190	+3.3%
Services	1,185	1,147	+3.3%
• Fixed	661	654	+1.1%
<i>Of which Jaguar Network</i>	11	-	-
• Mobile	524	493	+6.3%
<i>Revenues invoiced to subscribers</i>	423	385	+9.9%
<i>Other</i>	101	107	-5.6%
Devices (Fixed and Mobile)	45	46	-2.2%
Intra-group sales – France	(1)	(3)	-66.7%
<i>Revenues – France excluding Jaguar Network</i>	<i>1,218</i>	<i>1,190</i>	<i>+2.4%</i>
Revenues – Italy	109	46	+137%
Intra-group sales – Italy	(2)	-	-

France

In a French market that was still fiercely competitive – albeit less aggressive than a year ago – revenues continued to grow in the third quarter of 2019, coming in 3.3% higher than in third-quarter 2018 at €1,229 million. For the first nine months of the year, they totaled €3,660 million, up 2.1% on the same period of 2018.

Fixed services revenues

Fixed services revenues rose 1.1% in the third quarter of 2019 to €661 million (a 0.6% decrease excluding the impact of Jaguar Network). The good trends seen since the fourth quarter of 2018 continued, reflecting the Group's successful repositioning of its commercial offerings and the faster pace of Fiber rollouts. The main factors underlying this business's performance during the third quarter were as follows:

- **Free has been the leading FTTH recruiter since the beginning of the year with 210,000 net adds for Fiber during the quarter – the best-ever performance achieved in the market, all operators combined.** The Group had over 1.5 million subscribers and 12 million connectible sockets at end-September. Almost a quarter of the Group's Fixed subscriber base now has access to Free Fiber, offering the best service quality and the best speeds¹ (average download speeds of over 450 Mbps), notably thanks to 10G-EPON Fiber technology, more targeted marketing policies and the scaling up of rollout and connection processes.

¹ nPerf survey of landline Internet connections for 2018 in Metropolitan France.

- **A return to positive net adds for the Fixed business, with 32,000 new subscribers during the quarter**, reflecting:
 - **The end of the Group's dependence on price-slashed deals**, with the number of subscribers on these deals reduced by half in the space of a year, which has led to a sharp decrease in churn.
 - **The excellent performance delivered by Fiber**. With a step-up in the pace of rollouts and the marketing of Free Fiber plans in medium-density population areas covered by co-financing agreements and on public initiative networks ("PINs"), Fiber continues to be a tool for winning new subscribers, with two out of every three Free Fiber subscribers being new subscribers (not migrations from other plans).
 - **The success of the Freebox Delta**.
- **ARPU up 40 euro cents year on year, to €32.5**. The subscriber mix is improving, with a higher weighting of subscribers now on value-added plans, particularly thanks to the Group's more restricted use of flash sales but also the ramp-up of Fiber. The ARPU figure was also pushed up during the period by the inclusion of e-book offerings in some plans.

Jaguar Network's contribution to the Group's total Fixed revenues was €32 million for the first nine months of 2019.

Mobile services revenues

Growth for this business picked up pace once again in the third quarter of 2019, with Mobile services revenues up 6.3% year on year to €524 million. This increase was driven by a near 10% rise in revenues invoiced to subscribers, to €423 million. The main factors underlying this business's performance during the third quarter were as follows:

- **147,000 net adds for the Free Mobile Unlimited 4G Plan (50/100 GB for non-Freebox subscribers), i.e., double the numbers recorded for the last two quarters**. The Group continued to improve its subscriber mix during the period, and its total mobile subscriber base decreased slightly by a net 18,000 subscribers. The decision to stop using price-slashed deals had the beneficial effect of reducing churn, and at the same time the quality of the mobile network was enhanced. At September 30, 2019, the Group had 13.4 million mobile subscribers in France.
- **A sharp increase in revenues invoiced to subscribers, up almost 10% to €423 million**. The number of subscribers on price-slashed deals has been reduced eight-fold in the space of a year, automatically pushing up ARPU, which rose 12% during the quarter to €10.6. This strong performance was due to the Group's decision to restrict its use of flash sales and to its successful strategy of encouraging subscribers to switch from the voice-based plan to the Free Mobile Unlimited 4G Plan (50/100 GB for non-Freebox subscribers). The increase in revenues invoiced to subscribers was partly driven by the positive effects of including e-book offerings in certain plans.
- **A further contraction in Other revenues, down 5.6% during the quarter to €101 million**. Primarily stemming from interconnections between operators for voice and text message services, these revenues generate low margins and have been adversely affected from a structural standpoint by a decreasing use of text messages as mobile data usage rises.
- **A record quarter for 700 MHz deployments, with nearly 3,000 new sites equipped during the third quarter of 2019**. With almost 9,300 sites equipped to use 700 MHz frequencies at end-September, i.e., over two thirds of the Group's 4G sites, Free Mobile is the operator that has deployed the largest number of 700 MHz sites in France. These sites mean that the Group can now provide 4G coverage to 95% of the French

population with average download speeds of 45 Mbps², much higher than the speeds offered by France's two other alternative operators.

- **Average monthly data usage for 4G subscribers up 30% in the space of a year to 13 GB at end-September, once again reflecting the high quality of the Group's mobile network.**

Devices revenues

Sales of devices were relatively stable in the third quarter of 2019, at €46 million, reflecting two contrasting trends. Mobile phone sales continued to retreat significantly, due to the Group's stricter policy for phone rentals since 2018, but this was offset by the revenues generated from sales of the Freebox Delta Player.

Italy

Revenues generated by the Group's Mobile business in Italy totaled €109 million in third-quarter 2019, confirming the brand's success since its launch. The main factors underlying this business's performance during the third quarter were as follows:

- **A sharp increase in net adds during the quarter, despite targeted and more aggressively-priced offerings launched by competitors. With 700,000 net adds during the period, the Group now has over 4.5 million subscribers in Italy.** This means that just one and a half years after its Italian launch, the Group has already captured market share of over 4%.
- **In addition to these net adds, the Group continued to roll out its network, with some 700 new sites added during the quarter**, bringing the total number of equipped sites to almost 3,100 at end-September. Some 850 of these sites are active, enabling the Group to migrate a portion of traffic to its own network.
- **Further expansion of the distribution network.** At end-September, the Group's physical distribution network in Italy corresponded to 14 stores and over 200 kiosks equipped with more than 700 SIM-card dispensers.

Group

Since the beginning of the year, the Group has been redefining its scope and optimizing its model for deploying passive infrastructure, through:

- **The acquisition of a 75% majority stake in Jaguar Network**, in order to strengthen the Group's development strategy in view of its entry into the B2B market.
- **A strategic partnership with Cellnex** for the deployment of its passive mobile infrastructure in France and Italy.
- **A strategic partnership with Infravia** aimed at accelerating Fiber rollouts in low- and medium-density population areas covered by co-financing agreements, in response to public authorities' ambitions and subscribers' growing demands.

The transactions with Cellnex and Infravia are subject to the customary terms and conditions for this type of transaction in France and are expected to close in the fourth quarter of 2019 following regulatory clearance.

² nPerf survey of mobile Internet connections in Metropolitan France in first-half 2019 published on July 11, 2019 and available [here](#) (French only).

GROUP OBJECTIVES

In view of the Group's strong operating performance, Iliad confirms all of its full-year objectives and is announcing the adoption of a new dividend policy of €2.60 per share, representing a total payout in the region of €150 million.

France

- Fixed business:
 - achieve a 25% share of the Broadband and Ultra-Fast Broadband market in the long term;
 - increase the Fiber subscriber base by more than 500,000 subscribers per year, with 2 million subscribers by 2020 and 4.5 million by 2024;
 - have 22 million connectible Fiber sockets by end-2022 and around 30 million by end-2024.
- Mobile business:
 - roll out some 2,000 new sites in 2019;
 - have more than 80% of the subscriber base signed up to the Free Mobile Unlimited 4G Plan by 2024;
 - have over 25,000 sites by 2024;
 - achieve a 25% share of the mobile market in the long term.
- B2B:
 - obtain a B2B market share of around 4% to 5% by 2024;
 - generate B2B revenues of between €400 million and €500 million by 2024.
- Financial targets:
 - return to revenue growth in France in 2019;
 - speed up EBITDAaL growth in France in 2019, particularly in the second half of the year;
 - generate EBITDAaL margin in France (excluding B2B and sales of devices) of over 40% in 2020;
 - have 2019 CAPEX in France (excluding payments for frequencies) in line with the 2018 CAPEX figure;
 - achieve an EBITDAaL less CAPEX figure in France (excluding B2B activities) of more than €800 million in 2020 and around €1 billion in 2021.

Italy

- have 3,500 equipped sites at end-2019;
- make a higher negative contribution to consolidated EBITDAaL in 2019 than that recorded in 2018, as business growth speeds up and the mobile network is rolled out;
- have rolled out between 10,000 and 12,000 sites by end-2024;
- achieve EBITDAaL break-even, with a market share of less than 10%;
- generate €1.5 billion in revenues in Italy in the long term.

GLOSSARY

The definitions of the main terms used by Iliad are set out below:

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 last month of the period.

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

Connectible FTTH socket: A socket for which the link between the shared access point and the optical splitter has been put in place by the building operator, which the Group can access in accordance with its co-financing commitments, and for which the connection to the Group's network has been completed or is in progress.

EBITDAaL: profit from ordinary activities before depreciation, amortization and impairment of property, plant and equipment and intangible assets, and impact of stock option-/share-based payment expense.

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

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

Revenues invoiced to subscribers: Revenues generated from services invoiced directly to subscribers (services included in subscribers' mobile plans as well as additional services).

Services revenues: Revenues excluding sales of devices.

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 a Free or Alice Broadband or Ultra-Fast Broadband offering, excluding those recorded as having requested the termination of their subscription.

Total mobile subscribers – France: 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.

Total mobile subscribers – Italy: Represents, at the end of a period, the total number of subscribers, identified by their telephone lines, who have subscribed to an Iliad Italia mobile offering and who have issued or received at least one communication during the preceding three months.

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. Since January 2012, Free has brought mobile phone usage within everyone's reach with straightforward, no-commitment offerings at very attractive prices. As at September 30, 2019, Free had nearly 20 million subscribers in France (6.4 million Broadband and Ultra-Fast Broadband subscribers and 13.3 million mobile subscribers). On May 29, 2018, the Group launched its mobile network in Italy under the Iliad brand, becoming the country's fourth operator, and had nearly 4.5 million subscribers at September 30, 2019.

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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 Mid 100**