Q1 2018 Revenues

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Leveraging Unique Assets

Free: A Unique Operator with an Excellent Image in the French Market

- **Free:** An excellent operator with strong brand awareness and recognition(1)

Satisfaction Survey

DIFFERENCES BETWEEN OPERATORS

	Internet Connection Quality	Hotline Quality Customer Service	Price-Quality Ratio
free	above average	above average	above average
orange	above average	average	below average
SFR	below average	below average	below average
bouygues	average	average	average

above average — average — below average

- **Free:** A brand with top-level recommendation rates(2)

9 out of 10 broadband subscribers recommend Free

95% of mobile subscribers recommend Free

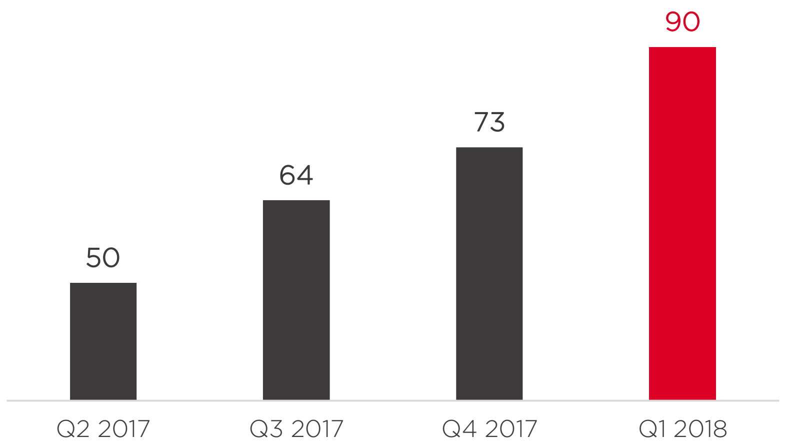
(1) Source: UFC Que Choisir
(2) Source: IFOP's survey April 2018

Free: The Leading Alternative Operator for Broadband

- **Leading alternative operator with 6.5m broadband subscribers**

- **FTTH rollouts reaching industrial scale**
  - Almost **7m** connectible sockets
  - A total base of nearly **650,000** FTTH subscribers as of end-March 2018
  - A constant improvement in FTTH net adds

Number of Free FTTH net adds ('000 subscribers)

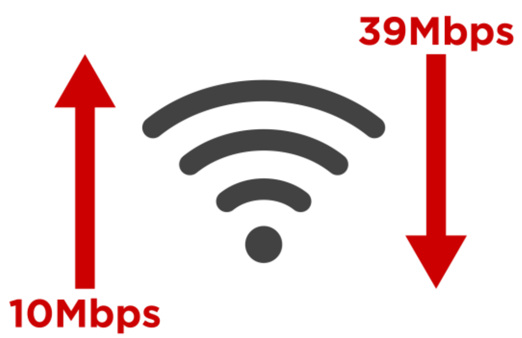


Free: The Leading 4G Alternative Operator

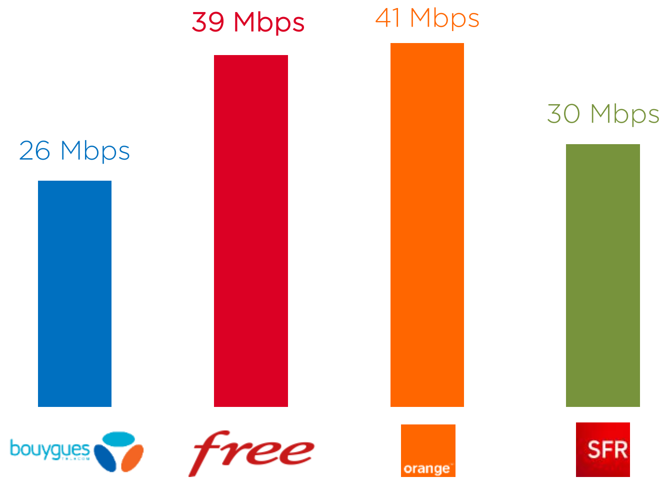
- **A state-of-the-art 4G network**
  - **Backhauling**: Almost systematic use of fiber to backhaul sites – Over **90%** of the sites in urban areas are fiber-connected
  - **88%** 4G population coverage

- **Delivering a best-in-class subscriber experience**

4G download & upload average speeds[1]



Average 4G download speed[1]



[1] nPerf survey of mobile internet connections in Metropolitan France – Q1 2018

Freebox Révolution: Still a Top-class Box 7 Years after Launch

- **Best box** according to Capital's[1] 2017 **Best Brands ranking**
  - **TV by Canal Panorama** adding 50 channels, 100 live channels and 8,000 items of on-demand content
  - **Convergence**, with discounts on Free Mobile plans
  - Quality of **customer care** (technical assistance within 10 hours)
  - **Design** by Philippe Starck

[1] Source: Capital November 2017

But Q1 2018 KPIs were Lower than Expected

- **Broadband's operational KPIs lower than expected**
  - A **highly competitive market**, with numerous promotions
  - A slight **19k** decline in the broadband subscriber base in Q1 2018
  - ARPU contracted to below **€33**
- **Good wireless recruitments** with **130,000** additional subscribers, and a further improvement in the mix – **but less net adds than a year ago**

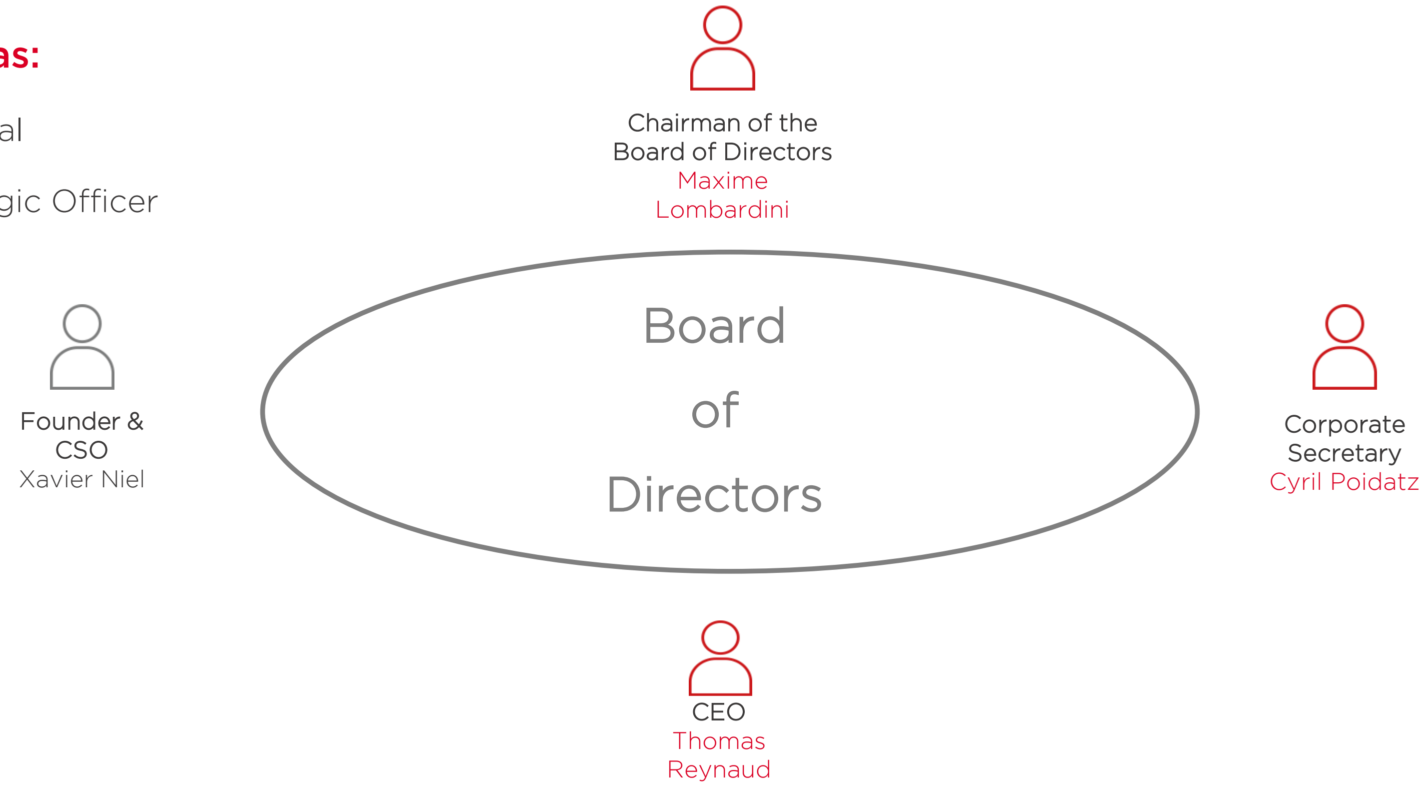
- **Group revenues up by only 0.8% to €1.2bn**
  - Broadband revenues down **1.6%**, due to:
    - Negative impact of the higher VAT rate on TV bundles
    - Dilutive effect of promotions on ARPU
    - Decline in the subscriber base

It’s Time to Think out of the Box!

A New Governance Structure to Meet the Group's New Challenges

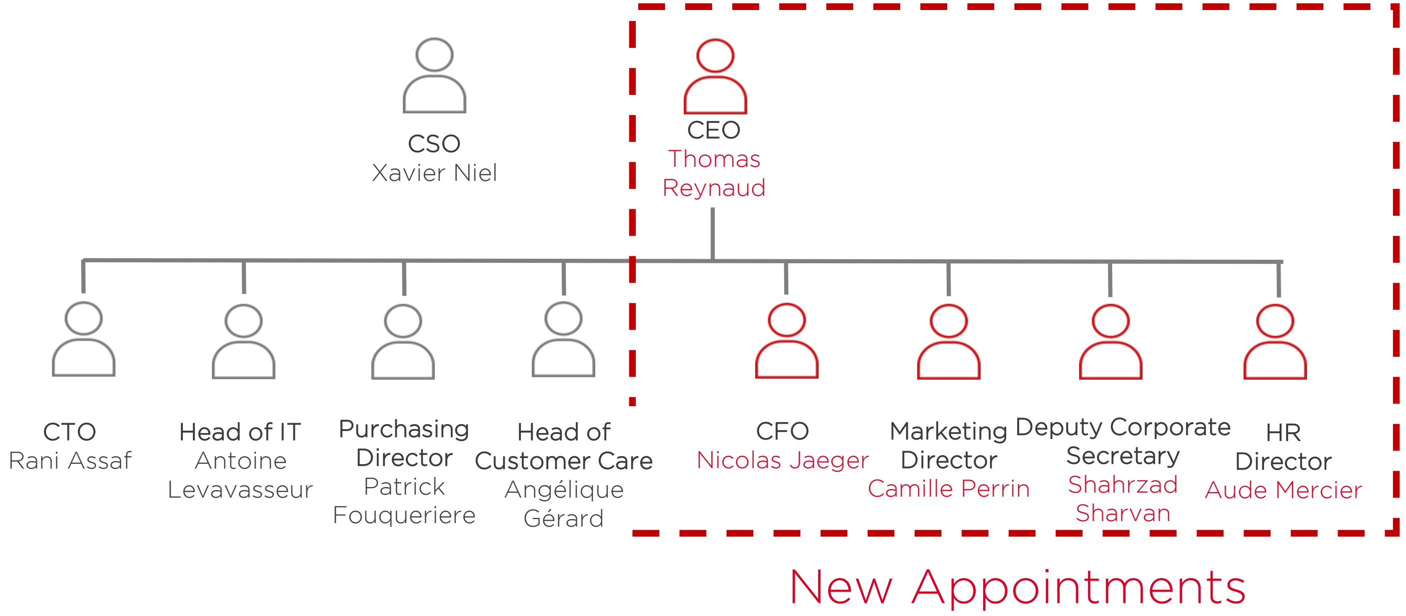
A new Governance structure:

- **Maintaining Xavier Niel's full commitment as:**
  - Main shareholder with 52% of the share capital
  - Vice-Chairman of the board and Chief Strategic Officer



These appointments will be effective as of 21st May 2018

A New Governance Structure to Meet the Group's New Challenges



A well-balanced new management team:

- **Full commitment** of Xavier Niel
- Appointment of a **new CEO**
- Offering a solid mix between **the Group's founders**: Rani Assaf and Antoine Levavasseur and **new blood** with **5 new appointments**
- Bringing **new talents and competencies**

These appointments will be effective as of 21st May 2018

Implementation of a New Sales & Marketing Approach

A New Sales & Marketing Approach

- Implementation of a **loyalty and retention policy**
  - **Loyalty:** Proactive management of promotion period endings
  - **Retention:** Setting up outbound campaigns to address the needs of potential churners
- A whole **new approach to promotions:** moving from aggressive flash sales offers (*Ventes privées*) to a broader step-by-step tiering approach
- A further increase in migrations to NGN offers
  - **Mobile:** Boost migration from €2 to unlimited 4G plan
  - **FTTH:** Keep accelerating FTTH recruitments
- Launches of new **commercial plans to fuel recruitments** and **increase ARPU**
- **Differentiation through innovation**, with the launch of new boxes

Initiatives Already Taken Delivering Results

Before

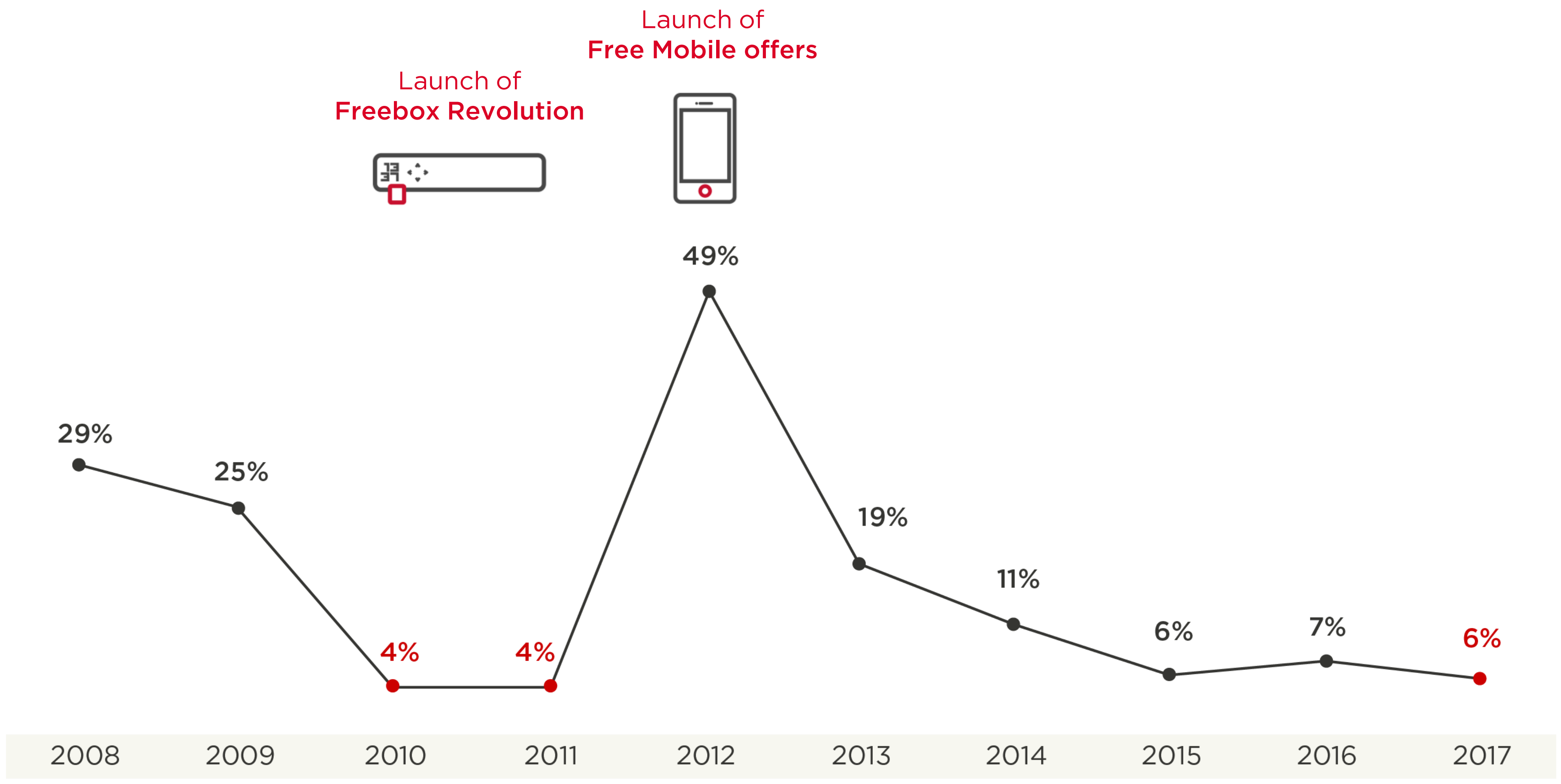
After

New Boxes are Coming!

- **Innovation** has always been a key pillar of our growth:
  - Invention of the 1st triple-play box (Freebox)
  - Launch of IPTV
  - Launch of the Freebox Révolution
- **The Freebox** is still a key differentiator from our competitors
- But it's now time to **enter in the next Freebox generation**:
  - To bring subscribers the box of the future
  - To further enhance the subscriber experience
- A high-end positioning **leading to higher price levels**

Growth Profile Expected to Bounce Back in the Next 12 Months

Iliad has Already Shown in the Past its Unique Ability to Re-Accelerate Growth



Iliad revenue growth rates between 2008 and 2017

Doubling Iliad's Addressable Market in the Coming Years

<€20bn

Fixed B2C

Mobile B2C
(excl. subsidies)

>€46bn

€23.2bn:
Fixed B2C
Mobile B2C
(incl. subsidies)

€7bn: B2B

€16bn: Mobile

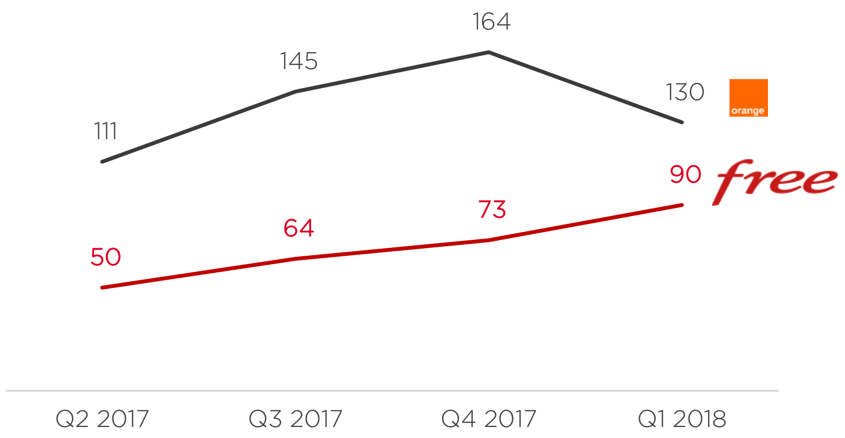
Positioning Iliad as the Leading Alternative FTTH Operator

- **A consistent increase in FTTH penetration**[1] – focus on the first areas deployed

- **Almost 7m** connectible sockets:
  - Average current penetration rate[1] of **less than 10%**
  - **16%** penetration rate[1] in **early-deployed areas** (ex: Paris area)
  - Potential to migrate **almost 1m** additional subscribers on that footprint

- **“FTTH Only”** in fully-deployed areas: new subscribers can only sign up for FTTH – ADSL isn’t an option anymore

Number of FTTH net adds (subscribers)

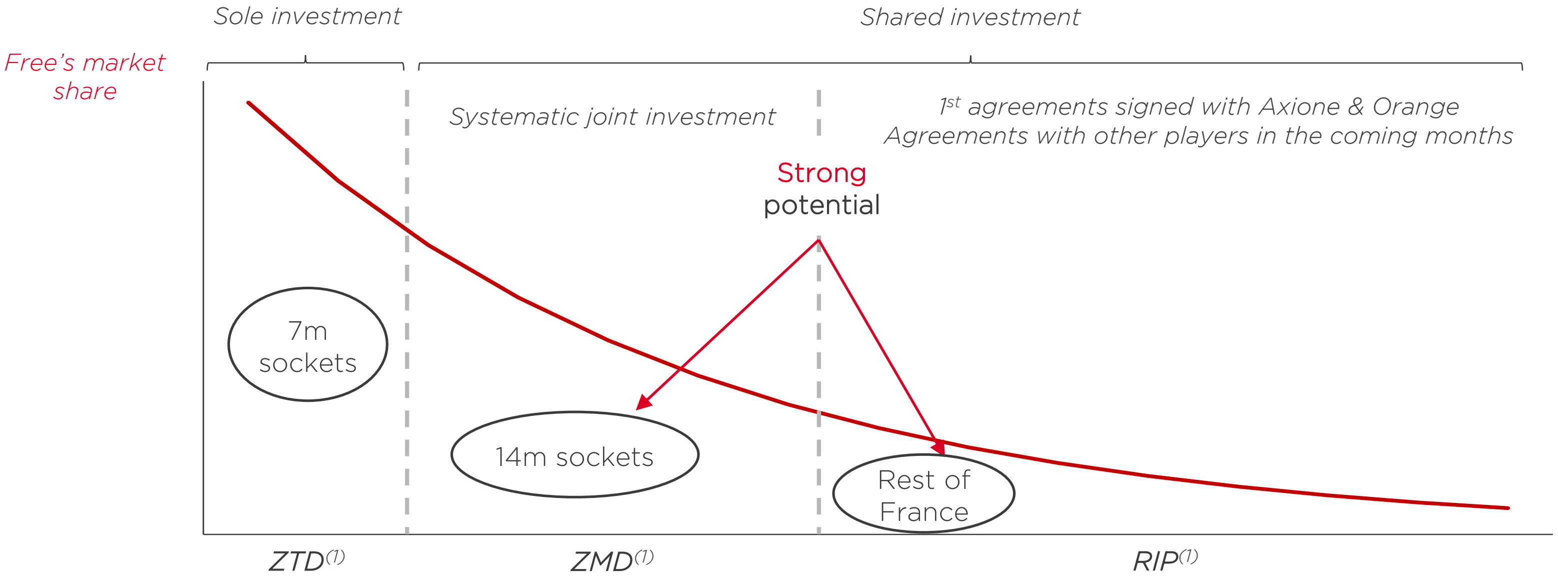


[1] Penetration rate = Total FTTH subscribers / connectible sockets

FTTH Driving Market Share Gains

- Pursuing the FTTH trajectory with **ambitious goals:**
  - To reach **1m** FTTH subscribers by early 2019
  - To add **c.500k** new FTTH subscribers per year as from 2019
  - To achieve the targets of **9m** connectible sockets by end-2018 and **20m** by end-2022

- **FTTH moving to more rural areas:** Rollout in co-financing areas (incl. PINs) is moving fast – Opening of new areas currently only partially addressed by Free – Should drive market share gains

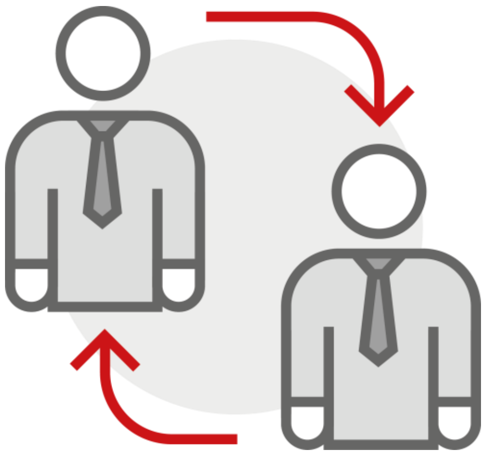


(1) ZTD: Densely-populated areas / ZMD: co-financing areas / RIP: co-financing areas + public subsidies

Tapping New Business Opportunities in France

B2B and untapped market of €7bn that will be addressed in 2020

- Early initiatives in the hosting business delivering encouraging results
  - **Double-digit revenue growth** in 2017
- **2018-2020:** Building new capacities and a learning curve for the new hosting business
  - A new datacenter will open in the coming months with a total **capacity of up to 20 MW**
  - Pushing cloud computing services: on-demand network access to a shared pool of configurable computing services (Scaleway offering)
- **2020:** Adopting a more **mass-market approach**, leveraging FTTH deployments and 4G mobile coverage

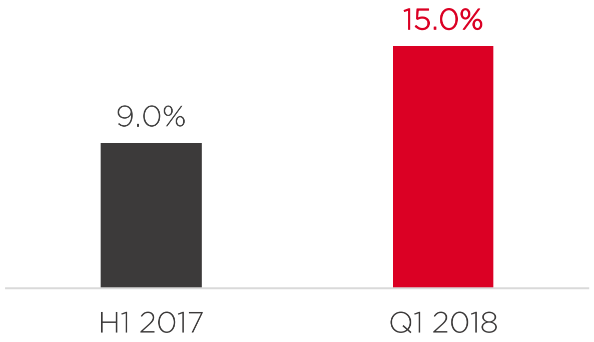


Source: ARCEP

Italy: The New Frontier for Growth

- Iliad has demonstrated a clear ability to be a **successful disruptor**
  - **Free Mobile's** launch was the most successful launch of any late entrant, with more than **5% market share** gained in less than **6 months**
  - Successful launch in French overseas territory (Reunion Island) in July 2017

Market share growth post launch of Free in Reunion Island



+6pts in 9 months

- **The Italy launch is now a matter of weeks away**
  - Network is up-and-running and delivering solid KPIs
  - Distribution network is both leveraging Iliad's unique skills in online sales and fully adapted to local constraints and specificities
  - Offers and marketing plan are ready

Source: ARCEP

Commercial Roadmap & Key Focuses

A Clear Commercial Roadmap for the Coming Months

LAUNCH OF NEW MOBILE PLAN	LAUNCH OF NEW BROADBAND PLANS	ITALIAN LAUNCH	LAUNCH OF NEW OFFERS / BOXES
WITHIN 4 WEEKS	IN THE COMING DAYS	BEFORE JUNE 21, 2018	WITHIN 4 MONTHS

Focusing on Cash Generation in the Coming Years

- Generate consolidated EBITDA margin in France of **over 40%** by 2020
- Have capital expenditure in France (excluding purchases of frequencies but **including the inventories for the new Freebox**) of **approximately €1.55bn** in 2018
- Achieve **EBITDA break-even in Italy** with **less than 10%** market share
- Generate **more than €1 billion** in EBITDA less Capex in France as from 2020

All objectives are confirmed

Focusing on Quality of Execution

- **Reinvigorating growth is our top priority!**
  - A **new management team** to deploy a new marketing & sales approach
  - A **clear product and offer roadmap** for the coming quarters
  - On the verge of entering a **€16bn** new market

- **Enhancing operational management with ambitious goals**
  - Increase the path of FTTH plugging to
    - Reach **1m** FTTH subscribers by early 2019
    - Add **c.500k** new FTTH subscribers per year as from 2019
  - Wireless
    - Increasing migration from the **€2 to the unlimited 4G plan**
    - Adding more than 2,000 new sites per year to reach a **nationwide network** of approximately **20,000 sites**, on a par with competitors

Q&A