



Paris, November 12, 2019 at 7:30 a.m.

**Iliad announces a plan to launch a €1.4 billion share buyback offer on the open market at a price of €120 per share, representing a premium of 38%<sup>1</sup>**

**This transaction will be fully financed by a share issue, at the same price and representing the same amount as the buyback offer, open to all Iliad shareholders and guaranteed by Xavier Niel**

- A share buyback offer representing up to €1.4 billion and involving 11,666,666 shares (19.7% of the Company's share capital), at a price of €120 per share, giving shareholders the opportunity of having cash returned to them, with a significant 38% premium on the volume-weighted average price of the Iliad share over the last three months.
- Xavier Niel will not tender his shares to the share buyback offer.
- The share buyback offer will be fully financed by a share issue representing the same amount as the offer, open to all Iliad shareholders and guaranteed in full by Xavier Niel<sup>2</sup>.
- These transactions will have no impact on Iliad's debt and will enable it to pursue its growth objectives.
- The transactions will not affect the Group's earnings per share as the repurchased shares will be cancelled.

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<sup>1</sup> On the volume-weighted average price over the last three months prior to November 11, 2019

<sup>2</sup> A company wholly controlled by Xavier Niel.

- At Iliad's Board of Directors' Meeting, Thomas Reynaud, Chief Executive Officer, said: "This plan is beneficial to all of our shareholders, who will be given the choice of (i) having cash returned to them with a significant premium through the buyback offer, (ii) remaining a shareholder, without any dilutive impact, or (iii) increasing their investment in the Company by taking part in the share issue under the same terms and conditions as the Company's main shareholder. For Iliad, the transactions will have no impact on its debt and will allow it to retain its investment capacity. In addition, the transactions clearly demonstrate Xavier Niel's confidence in the strategy and management of the Iliad Group."
- An Extraordinary General Meeting of Iliad's shareholders will be held on December 20, 2019.

### **The Share Buyback Offer**

At its meeting on November 11, 2019, Iliad's Board of Directors approved the Company's launch of a share buyback offer on the open market (the "Buyback Offer"), corresponding to an aggregate €1.4 billion and involving up to 19.7% of the Company's share capital, at a price of €120 per share. The repurchased shares will subsequently be canceled through a capital reduction.

Xavier Niel, who currently directly and indirectly owns 30,795,680 Iliad shares, representing 52.1% of the Company's share capital, will not tender his shares to the Buyback Offer.

The Buyback Offer will give the Company's shareholders the opportunity of having cash returned to them, at a price of €120 per share, representing a significant premium of 26% compared with the closing share price at November 11, 2019 and 38% versus the volume-weighted average share price for the three-month period preceding November 11, 2019.

The price for the Buyback Offer was set using the multicriteria approach described in the Company's Draft Offer Circular (*projet de note d'information*), which will be made available to the public in accordance with Article 231-16 of the General Regulations of the Autorité des Marchés Financiers (AMF, the French securities regulator).

BM&A – an independent audit and consulting firm engaged by Iliad's Board of Directors based on the recommendation of a special-purpose committee mainly comprising independent directors (the "Special-Purpose Committee") to assess the fairness of the Buyback Offer's financial conditions – has confirmed that the proposed price of €120 per share is fair for the Company's shareholders from a financial standpoint.

Based on BM&A's work and the recommendations of the Special-Purpose Committee, Iliad's Board of Directors issued its reasoned opinion, in which it stated that the Buyback Offer is in the interests of the Company, its shareholders and its employees, and recommended that the shareholders tender their shares to the offer in view of the cash opportunity it presents at an attractive price.

The Buyback Offer remains subject to the AMF's review procedure.

## **The Share Issue**

The Buyback Offer will be fully financed by a share issue representing the same amount, with a priority subscription period for Iliad's existing shareholders. The subscription price for the shares will be the same as the per-share price under the Buyback Offer<sup>3</sup>.

Xavier Niel has undertaken to subscribe, through Holdco II (a company he controls), all of the share issue, by placing an order covering the full amount of the open-market issue, and he will be allocated a number of shares at least equal to his direct and indirect shareholdings in the Company. In this way he will guarantee the success of the share issue.

During the priority subscription period, Iliad's shareholders may subscribe for new shares proportionately to their existing shareholdings in the Company. No additional take-up of shares is provided for during the priority subscription period. Shareholders who wish to subscribe for any shares in addition to the number allocated to them during the priority subscription period will have to do so as part of the open-market offer. Any orders for such additional shares (and Holdco II's order in excess of the above-mentioned allocation) will be filled to the extent of the number of shares requested, in proportion to the shareholders' existing ownership interests in the Company (and for Holdco II in proportion to Xavier Niel's direct and indirect ownership interest). Only shareholders who have placed orders during the priority subscription period and Holdco II may subscribe for shares in the open-market offer.

The share issue will be carried out immediately after the results of the Buyback Offer are published and details of the issue will be provided in a prospectus approved by the AMF.

The settlement-delivery date for the share issue will be before the settlement-delivery date for the Buyback Offer and both transactions should take place by the end of January 2020.

The capital reduction following the Buyback Offer and the above-described share issue will both be put to a vote of the Company's shareholders at an Extraordinary General Meeting to be held on December 20, 2019.

## **Provisional timetable**

November 12, 2019: Draft Offer Circular for the Buyback Offer filed with the AMF

December 20, 2019: Extraordinary General Meeting of Iliad shareholders

December 23, 2019: Launch of the Buyback Offer

January 13, 2020: Close of the Buyback Offer

January 16, 2020: Publication of the results of the Buyback Offer

January 17, 2020: Launch of the share issue

January 21, 2020: Close of priority subscription period for share issue and launch of the open-market offer

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<sup>3</sup> Subject to Article R. 225-119 of the French Commercial Code, which provides that the price must be at least equal to the weighted average of the share price over the last three trading sessions preceding the start of the open-market offer less a discount of up to 10%.

January 24, 2020: Publication of the results of the share issue

January 28, 2020: Settlement-delivery date for the share issue

January 31, 2020: Settlement-delivery date for the Buyback Offer

## **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 almost 4.5 million subscribers at September 30, 2019.*

Exchange: **Euronext Paris**

Market place: **Euronext Paris (compartment A)**

Ticker symbol: **ILD**

ISIN: **FR0004035913**

FTSE classification: **974 Internet**

Member of **SBF 120, CAC Mid 100, Stoxx 600**

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*In application of the EU Commission Implementing Regulation (EU) 2016/1055 of June 29, 2016 laying down implementing technical standards with regard to the technical means for appropriate public disclosure of inside information and for delaying the public disclosure of inside information in accordance with Regulation (EU) No 596/2014 of the European Parliament and of the Council, this press release may contain inside information and was communicated to Iliad's authorized distributor on November 12, 2019 at 7:30 a.m. (Paris time).*