

Iliad eyes growing French mobile share after strong 2013

PARIS, FRANCE: Iliad looks set to consolidate its position in the French mobile market after its Free network posted a strong rise in 2013 sales and tipped a transformative deal with competitor Bouygues Telecom.



Free's Maxime Lombardini says he is committed to buying Bouygues Telecom. Image: [Freenews](#)

Shares in the company rose as much as 15% after the company said itself on track to meet its target of €4bn in sales by 2015 and an operating margin of more than 40% by the end of the decade.

Free mobile said it added more than 3m clients to its network during 2013, giving it a 12% share of the French mobile market two years after its launch in January 2012.

Investors hope that it could be set to grow sharply after Iliad confirmed it had entered exclusive negotiations to buy Bouygues Telecom's mobile network as the French conglomerate hopes to smooth its bid to take over Vivendi's SFR unit.

The deal, which includes 4G frequencies and 15,000 antennas, would be conditional on Bouygues Telecom buying SFR.

Iliad's chief executive Maxime Lombardini told AFP the deal would make it far more likely that the company would achieve its target of a 40% operating margin by 2020.

A Paris-based analyst said: "Iliad should benefit from the sale of SFR, whoever the purchaser."

The group posted a net profit of €265.4m for 2013. Sales for the year reached €3.7bn, including an almost 50% growth in its mobile business to €1.2bn and a 7.6% rise in its landline operations to €2.5bn.

Upstart Free sparked a price war with its aggressive entry into the market in 2012, but has a limited network and currently rents infrastructure access from Orange.

Iliad said it would continue to invest 24% of its sales - more-than €900m - in order to extend its mobile and fixed-line coverage across France.

"We will keep our commitments to coverage by next January. We will not slow out roll-out, we won't relent," said Lombardini.

Source: AFP via I-Net Bridge

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