



FULL YEAR RESULTS 2004



 **mobistar**

Agenda



> Market context



> Business Indicators

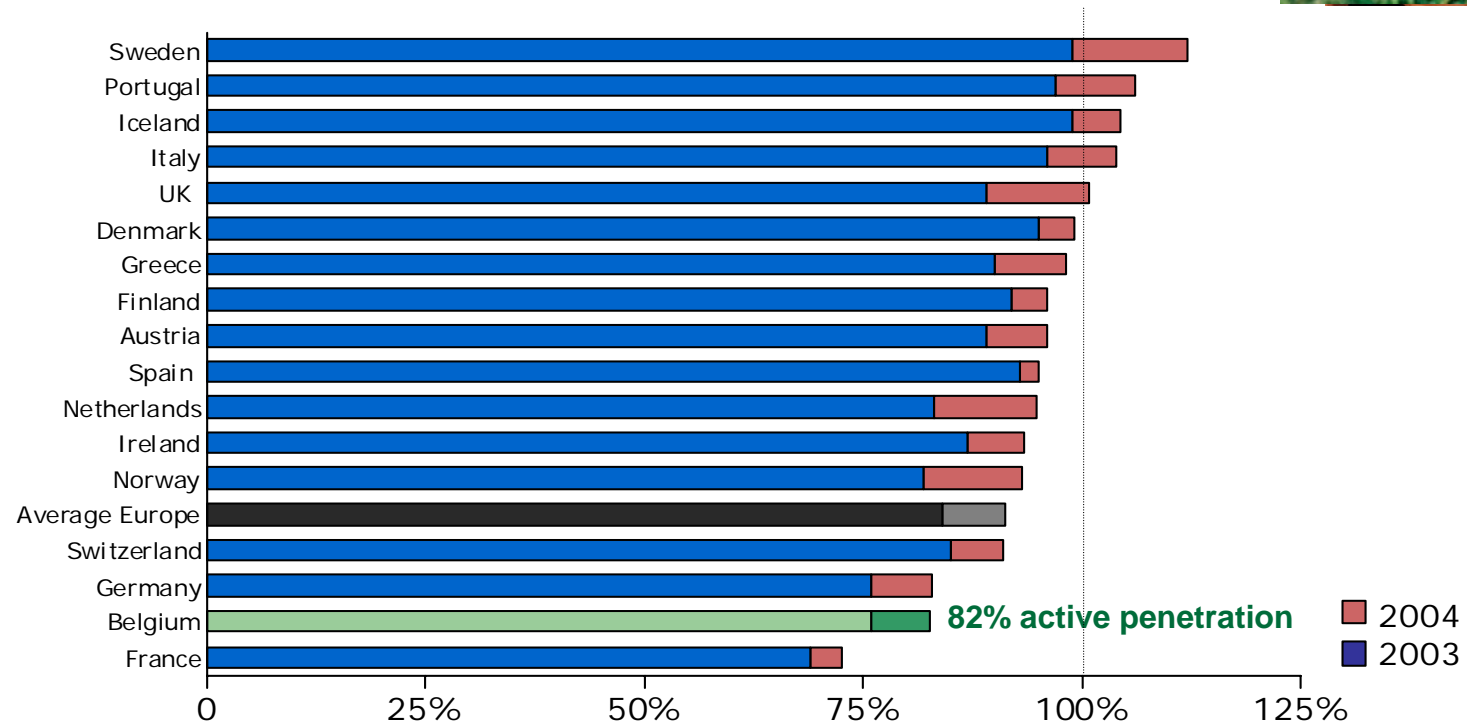
> Financial Key figures 2004

> Strategic intent

> Guidance and Conclusions

Market context

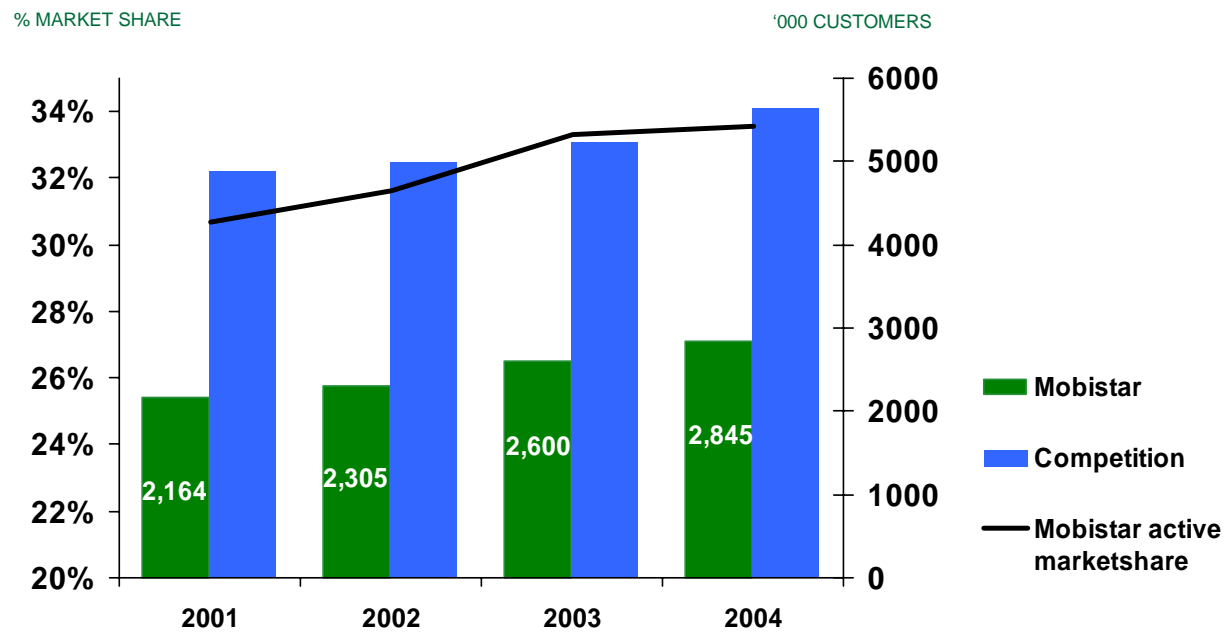
Still potential for further market growth (*)



(*) Mobistar estimations for 2004

Market context

Mobistar sustains its market share above 33% (*)



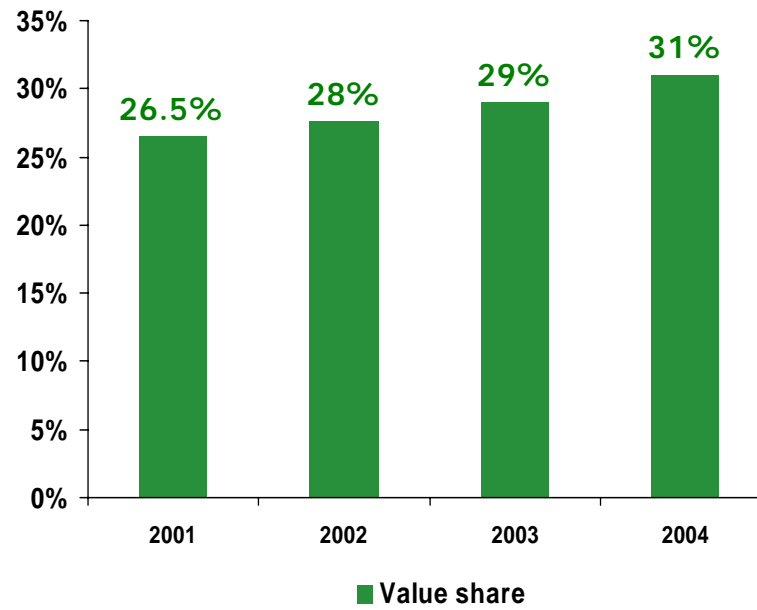
(*) Mobistar estimations for 2004

Market context

Mobistar considerably expands its value share



Value share (*)
(in % of mobile market revenues)



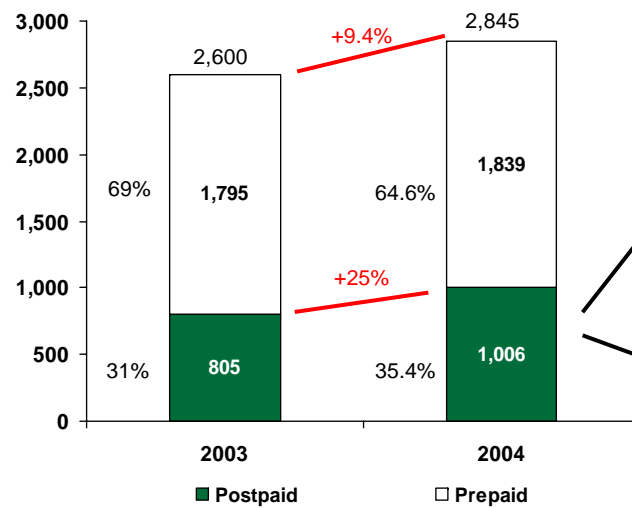
(*) Mobistar estimations for 2004

Market context

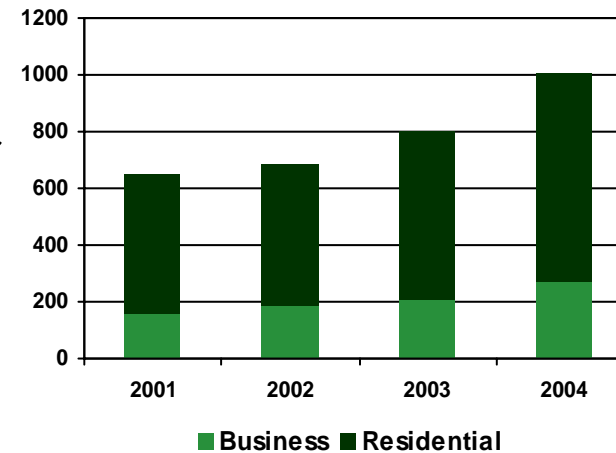
Proportion of postpaid and business customers in customer base is growing steadily



'000 customers



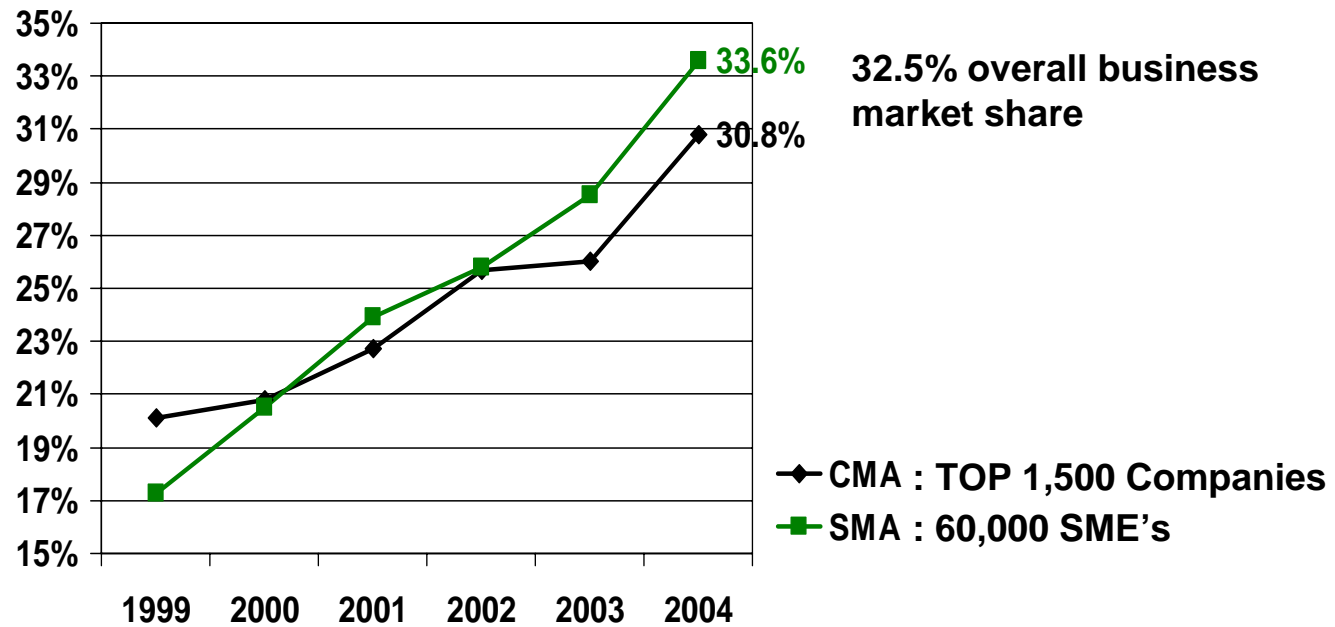
Evolution of postpaid base



- more than 80% of net adds in 2004 are postpaid
- 29% increase in Business customer base

Market context

Strong boost in Business segment market shares (*)



(*) Mobistar estimations for 2004

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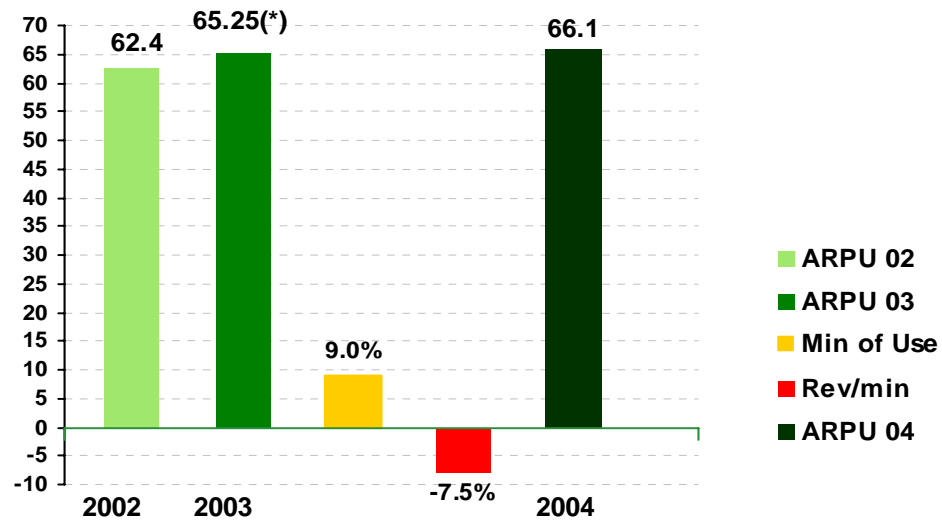
> Guidance and Conclusions

Business indicators

Postpaid ARPU growth sustained in spite of strong customer base increase



Euro / MONTH



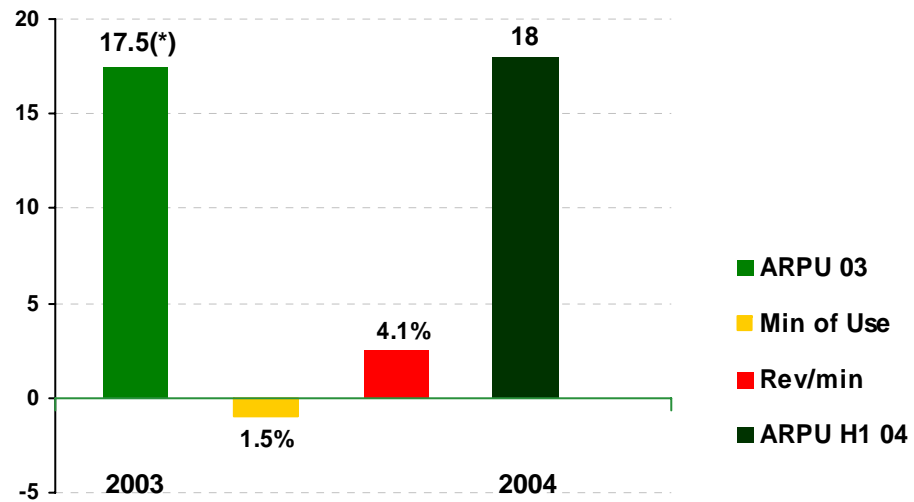
- Stronger promotional efforts in extending market share
- Increasing share of Business cards in total postpaid portfolio
- Another 7% (-RPI) reduction in MTR in November 2004

Business indicators

Prepaid ARPU : further increase



Euro / MONTH



- Less aggressive promotions

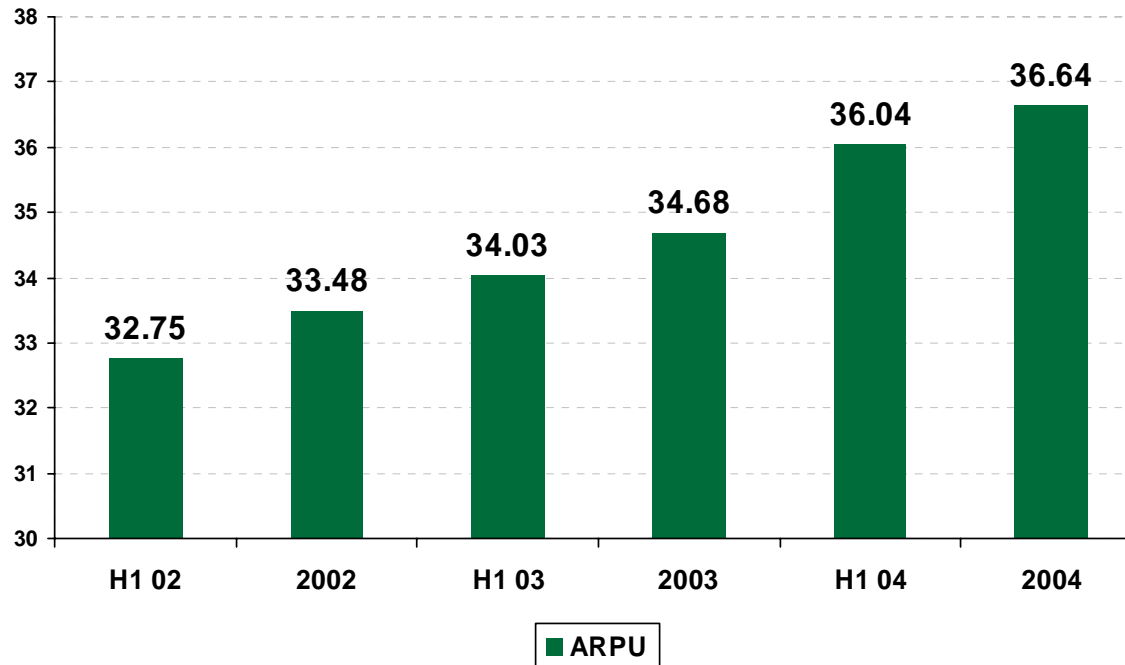
(*) Restated from 17€ for 2003 in line with new accounting rules

Business indicators

Accelerating upward trend in average blended ARPU

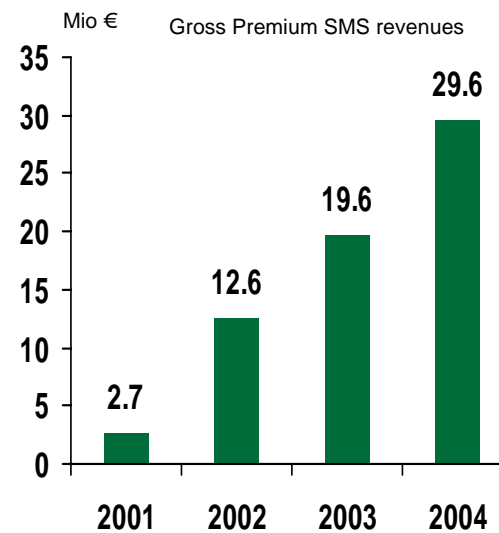
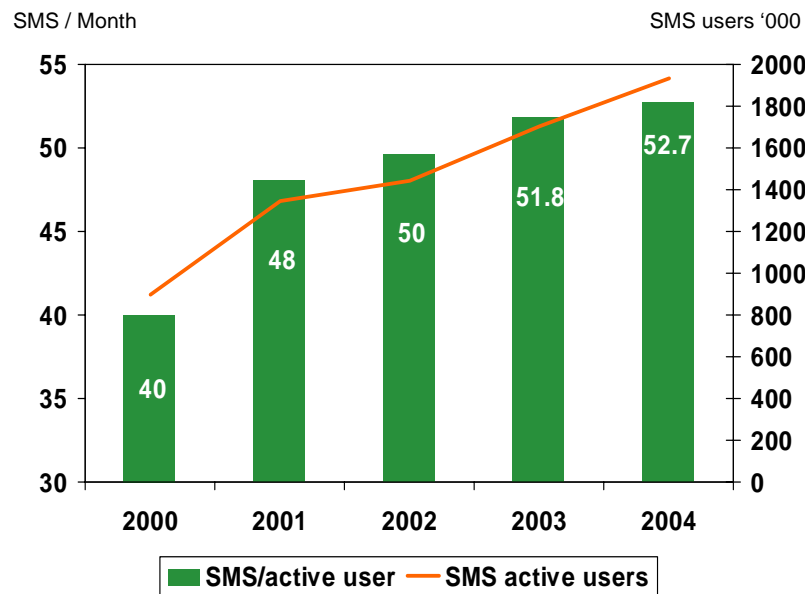


€/ MONTH



Business indicators

Further increase in SMS usage and Premium SMS



- 230,000 additional SMS users : 68% SMS penetration
- Additional SMS revenues +31 mio €

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FY 2004 Financials

Mobistar group – Growing net result



(mio €)	2004	2003	growth%
TOTAL Revenues (*)	1,391.0	1,200.9	+ 15.8%
Cash Operating expenses	(832.6)	(766.2)	+7.2%
EBITDA	558.4	434.7	+ 28.5%
EBITDA margin in % of service rev.	43.6%	39.6%	
Depreciations	(175.4)	(174.3)	
EBIT	383.0	260.4	+47,1%
Net fin charges	(24.7)	(33.0)	
Taxes	(105.5)	0.0	
Net income	252.8	227.4	+ 11.2%
EPS	4.01	3.64	
CAPEX	173.3	136.0	+27.4%

PROPOSED DIVIDEND OF 2€/SHARE



FY 2004 Financials

Mobistar group per line of business

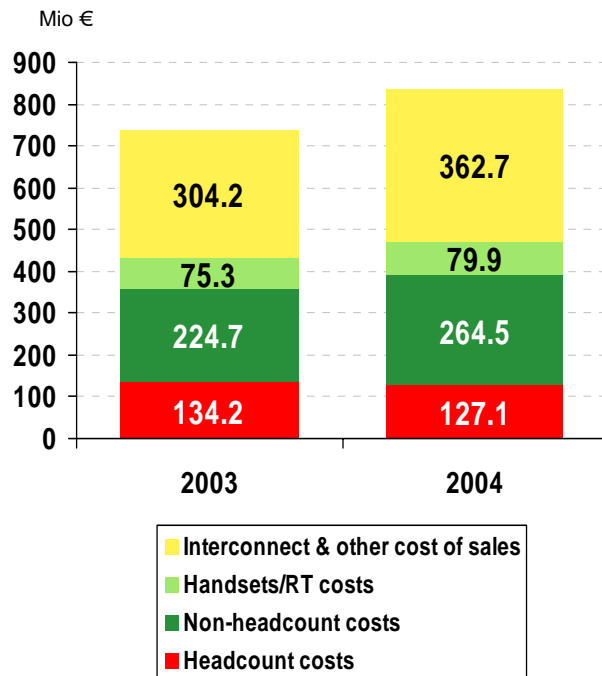


(mio €)	MOBILE		FIX VOICE/DATA	
	2004	2003	2004	2003
Total Revenues (*)	1,248.4	1,072.0	103.8	94.2
<i>Equipment sales</i>	<i>66.4</i>	<i>61.9</i>	<i>0</i>	<i>1.3</i>
Service revenues	1,182	1,010	103.8	92.9
EBITDA	521.0	422.8	37.4	11.9
EBITDA in % of service rev.	44.1%	41.9%	36.0%	12.8%
EBIT	353.0	256.8	30	3.6

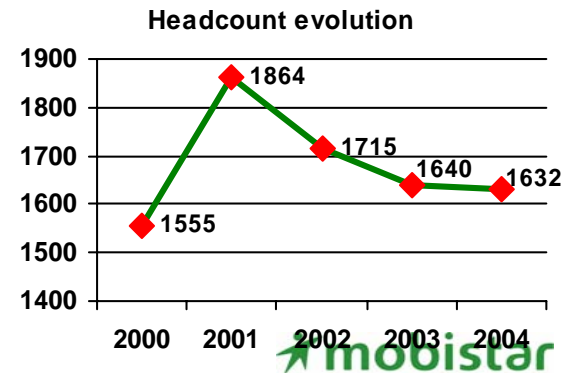
(*) includes equipment sales

FY 2004 Financials

Details on evolution GROUP CASH OPEX

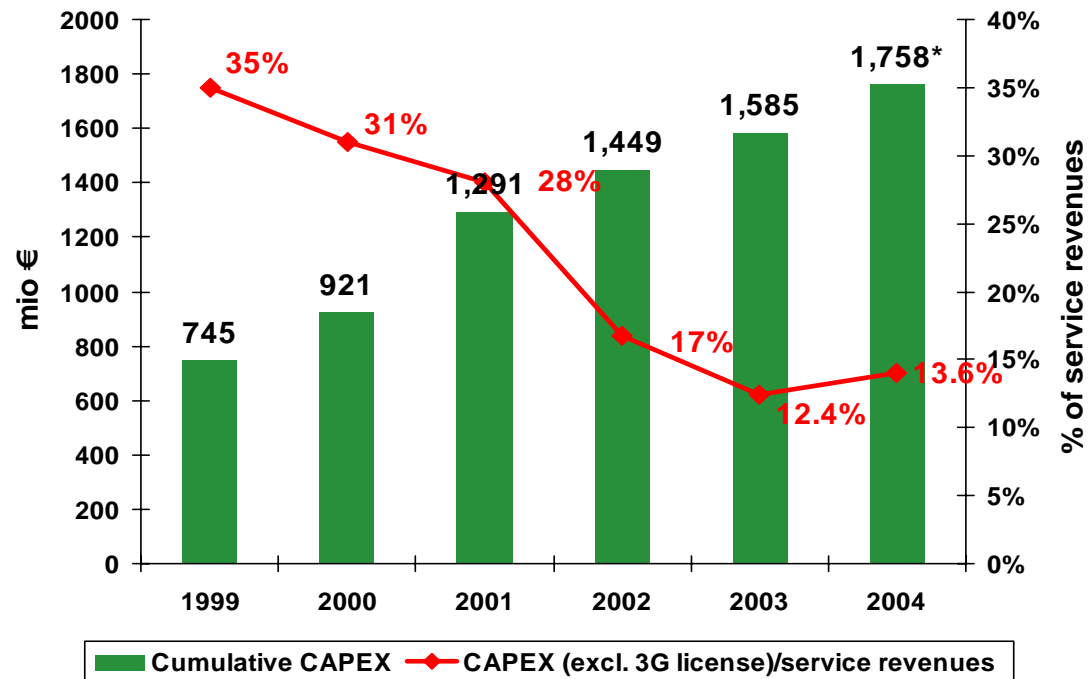


- > Costs remain almost flat as a percentage of service revenues
- > Volume impact of handset sales
- > Increased commercial activity and large proportion of postpaid acquisitions



FY 2004 Financials

CAPEX evolution



FY 2004 Financials

CASH FLOW STATEMENT



(in mio €)	2004	2003	
• EBITDA	558.4	434.7	> Strong operating performance
• CAPEX	(173.3)	(136)	> Increase due to network swap
• CHANGE IN WORKING CAPITAL	(10)	42.1	> Working capital under control
• NET FINANCIAL CHARGES	(24.7)	(33)	> 10.9 mio € exceptional items in 2004
• TAXES	(105.5)	0	> Effective tax rate of 29.4%
• CAPITAL INCREASE	17.7	0	> Execution of employee warrants
.....			
• AVAILABLE CASH FLOW	262.6	307.8	

FY 2004 Financials

Further strengthening of Balance sheet*



(in mio €)	2004	2003
• Fixed assets	805.3	807.4
• Current assets	208.9	147.5
• Cash & Equivalent *	106.7	17.8
TOTAL	1,120.9	972.7
• Net Equity*	566.7	296.2
• Provisions	6.0	4.4
• Subordinated LT debt	0	234.4
• Senior LT debt	250.0	130.1
• ST debt	0.8	60.0
• Current liabilities	297.4	247.6
TOTAL	1,120.9	972.7

Net debt
144 mio €

Net debt
407 mio €

* Before Dividend



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Strategic intent



> Differentiation

> Market based management

- Market positioning
- Segmented value propositions

> On the road towards convergence

> Network strategy

> 2G Swap

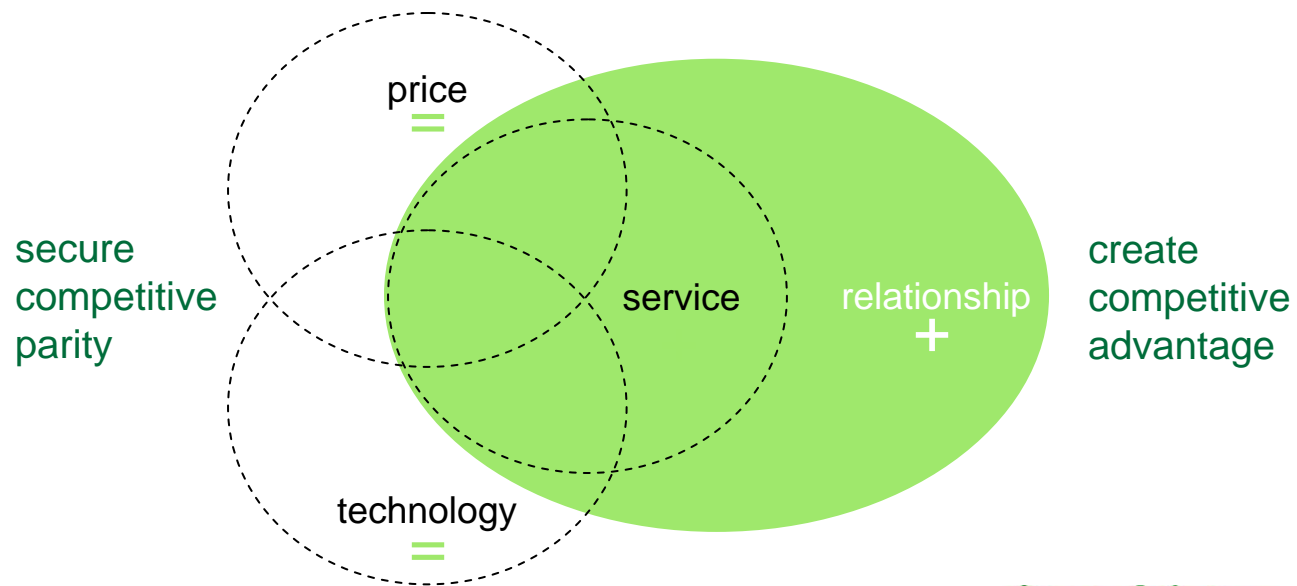
> Mobile Broadband

Differentiation

MARKET POSITIONING



Mobistar aims to strengthen its position as 'relationship brand'

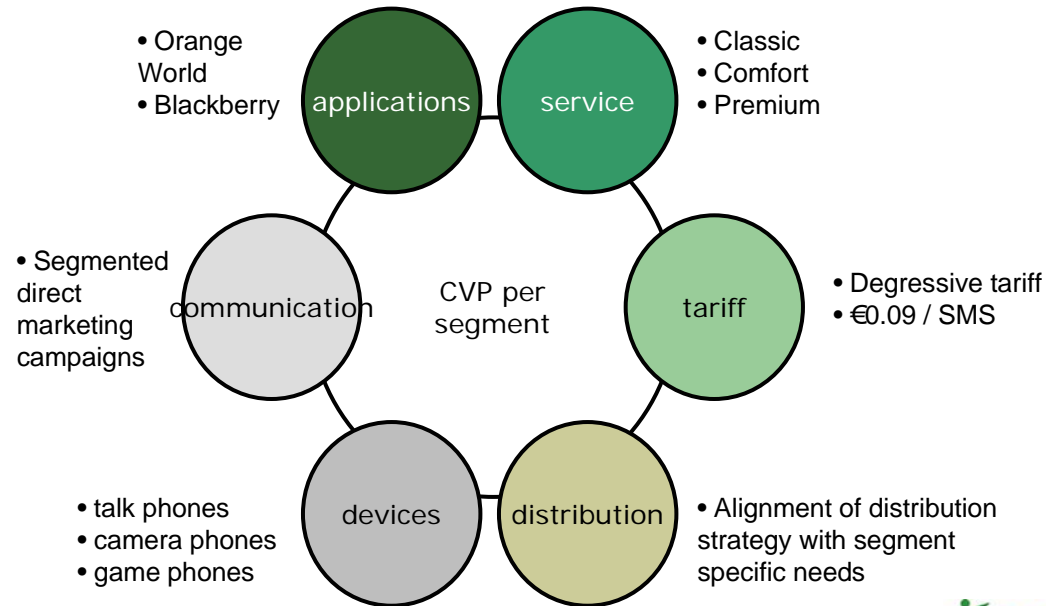


Differentiation

SEGMENTED MARKETING APPROACH



Segmented Customer Value Propositions are tailored around all elements of the marketing mix



Differentiation

Mobistar vip : segmented value proposition



VIP handset range



Premium customer service



- Degressive tariff
- Embedded professional Value added services



Embedded loyalty: Topstar VIP program

Differentiation

What's Tempo Tribe



tempo tribe 01 03/04

Dolce Vita

WIN EEN SCOOTER
EN BRENG JE VRIENDEN
PIZZA AAN HUIS!
ONDEK

SMS SUPERGOEDKOOP
VOOR 0,09 €!¹

Tropicana voor Tassen

100 x PIZZA 44
> proef

GENANT. OH ZO GENANT...
> ontdek

mobistar

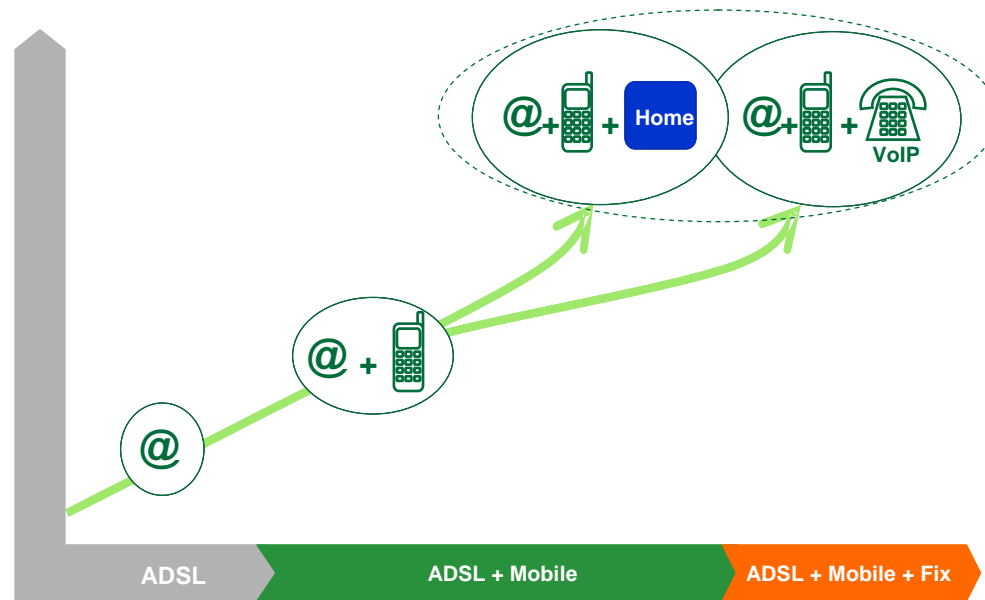
logout

11 items

¹Met Tempo Tribe sms je aan 0,09 €/bericht naar een Mobistar-nummer (excl. naar het buitenland) en 0,18 €/bericht naar een nummer van een andere operator.

Differentiation

INTEGRATED OFFERS

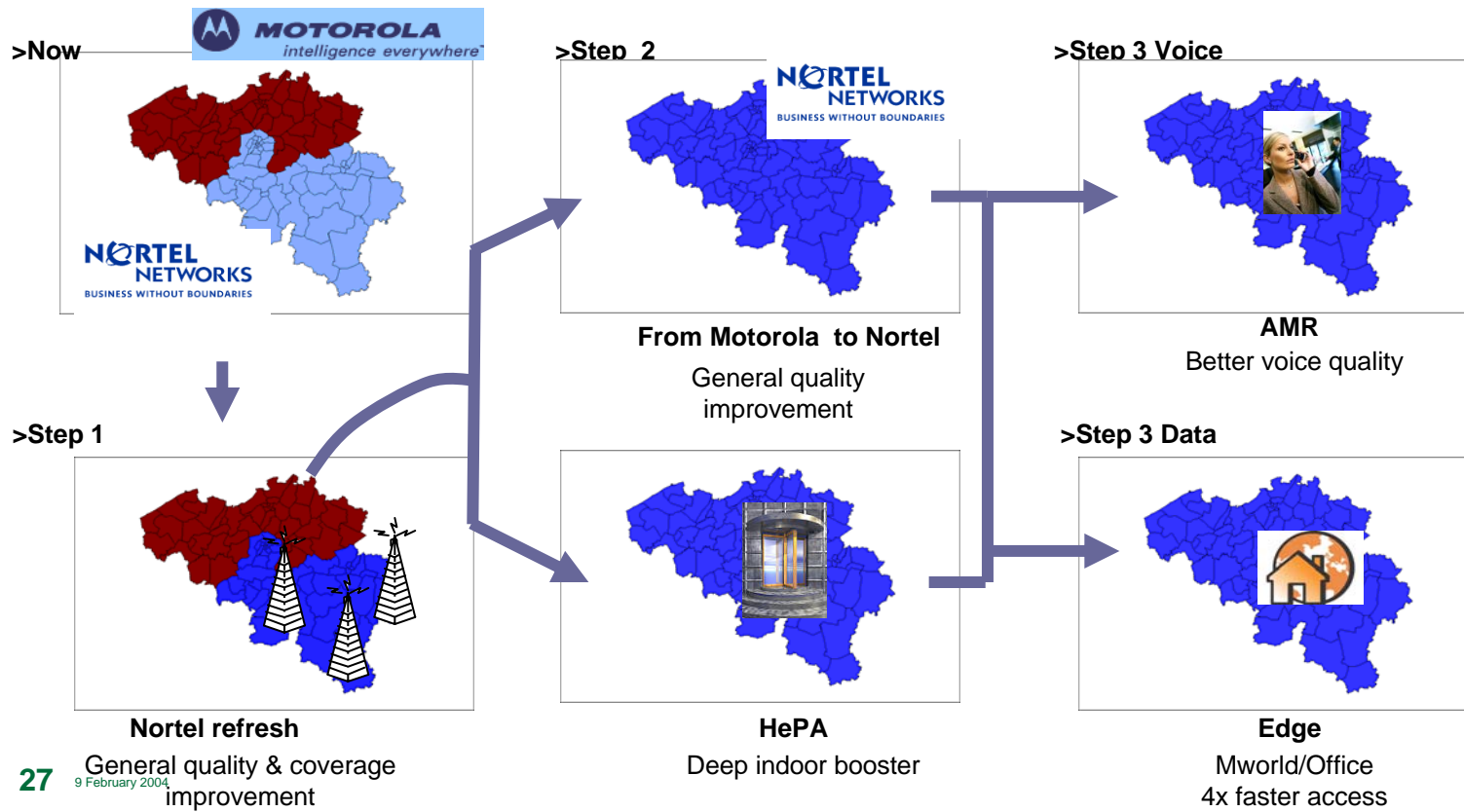


- The launch of Mobistar ADSL in the second half of 2005 is the first step towards convergence for the residential segment
- Mobistar believes there is still growth potential for ADSL, based on a low PC penetration in Belgium compared to European average internet penetration



Network Strategy

2G SWAP



Network Strategy

MOBILE BROADBAND - EDGE: differentiation on user experience



- Edge will enable Mobistar to market a greater user experience without marketing the new technology
- Edge will enable the customer to benefit from :
 - Richer portal experience
 - Faster video downloads
- Mobistar will offer an attractive range of Edge enabled handsets as of Q3 2005.
- Edge national coverage by end of 2005
- UMTS roll-out and coverage compliant with license conditions : 30% of population by end 2005
- UMTS business offer in Q2 2005 and launch on residential market in Q1 2006

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Outlook

GUIDANCE 2005



- > Revenue Continue double digit growth
- > CAPEX Between 200 and 220 € mio
- > EPS High single digit growth

Conclusions

Key take aways



Strong qualitative growth

- Increased value share thanks to dominance in postpaid
- Strong expansion in the business market
- 15.8% revenue growth
- 28.5% increase in EBITDA
- Strong profitability increase : EPS of 4.01€
- First time dividend proposal of 2€/share



Re-confirm double digit growth in 2005



The logo for Mobistar, featuring a green stylized human figure with arms raised, followed by the word "mobistar" in a bold, green, lowercase sans-serif font.

mobistar