



Mobistar



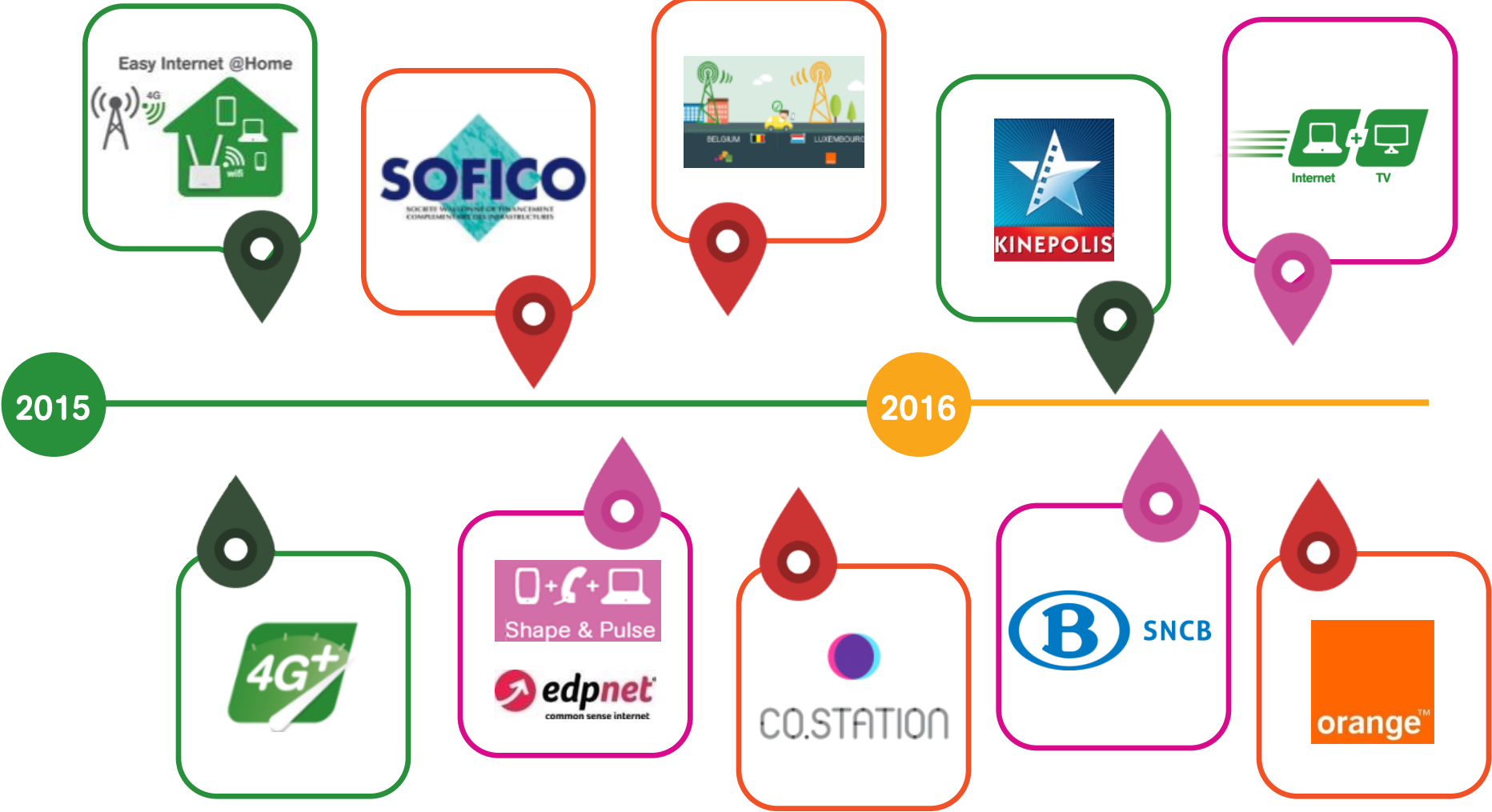
First Quarter 2016 Financial Results
Analysts & Investors Presentation



JEAN MARC HARION
CEO, Mobistar

*“Mobistar getting set
for its 2016-2020
development plan”*

key events





Convergent
opportunity



Mobile data
growth



Customer
experience



Convergent
opportunity

Mobistar unveiled its internet & digital TV offering

providing an excellent quality at an attractive price



39€/month

**Mobistar Panther
45 & 60**

**Internet 100Mbps
Unlimited volume
70 TV channels**

49€/month

**Mobistar
postpaid customer**

**Internet 100Mbps
Unlimited volume
70 TV channels**



100Mb Internet boost @10€/months



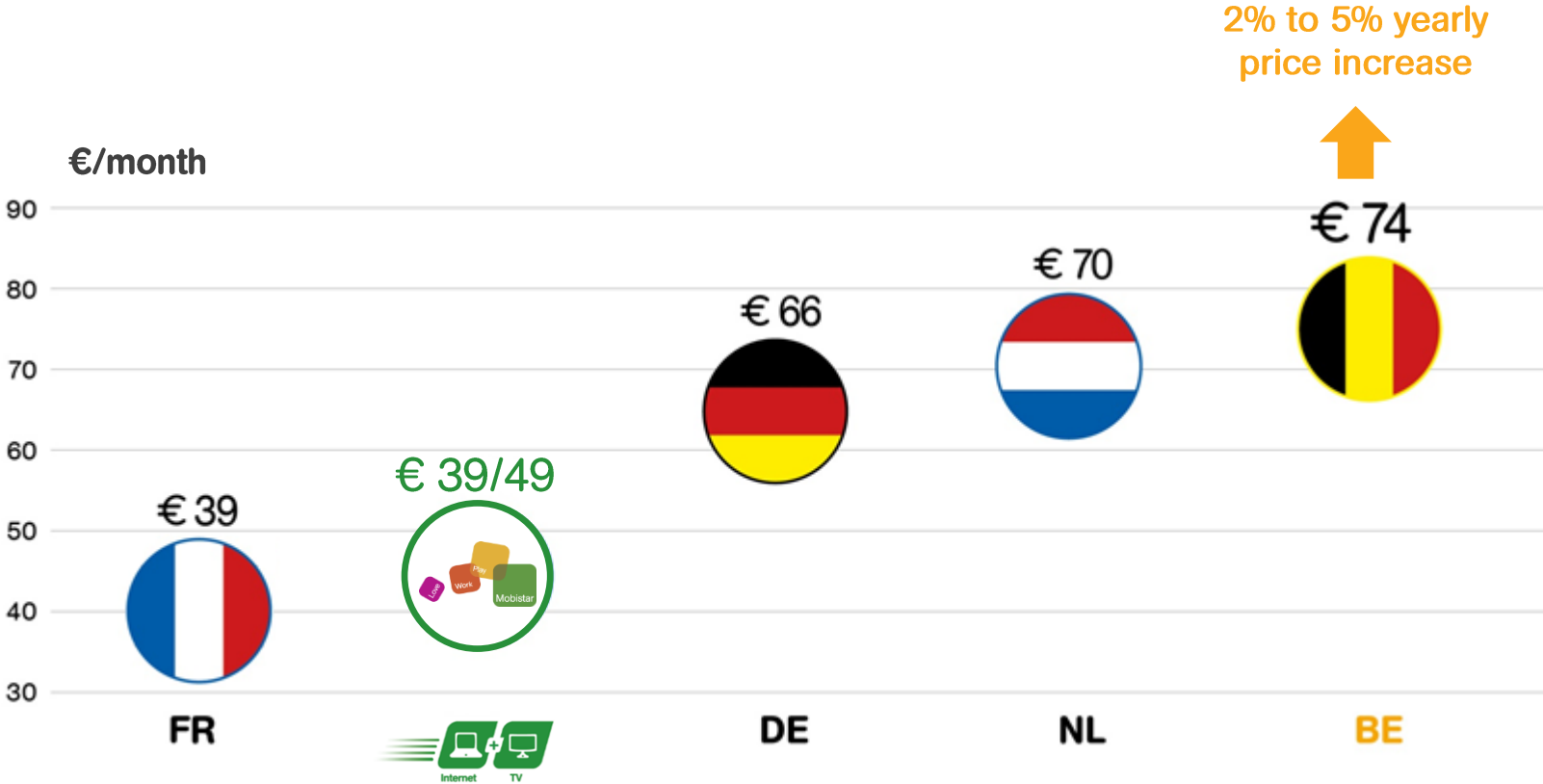
evening&Weekend @3€



extra tv-decoder @ 9€/month

expensive 3-play prices in Belgium provide opportunity

current prices rank amongst the highest in Europe



* IBPT price prices benchmark Report December 2015

+7.5 % price increase for multi-play is an anomaly

the balance between mobile and fixed services will be restored

Telecom services drive spike in Belgian inflation

Wednesday 30 March 2016 | 12:06 CET | News













Telecom service prices in Belgium were 3.6 percent higher in March compared to the previous month and up 4.7 percent year-on-year, according to the latest figures from Statbel. That compares to an overall inflation rate of 2.2 percent in March in the country, the highest since December 2012. Telecom was among the main elements driving the higher inflation, along with higher prices for electricity and fruit.

The main increase in telecoms came from multi-play packs, which rose in price by 5.8 percent on a monthly basis and 7.5 percent on an annual basis in March. Fixed telephony was also more expensive on an annual basis, up 8.7 percent, while mobile service prices fell by 2.7 percent year-on-year.

Internet speed comparison of different technologies

Mobistar's mobile and fixed internet offering is pushing the boundaries

Operators

Technology	Medium	Icon	theoretical download speed	Mobistar portfolio
3G	radio		25 Mbps	 ✓
VDSL	copper		50 Mbps	
VDSL2	fiber → copper		100 Mbps	
4G	fiber → radio		100 Mbps	 ✓
Docsis 3.0	fiber → coaxial cable		250 Mbps	 ✓
4G+	fiber → carrier aggregation		250 Mbps	 ✓
Docsis 3.1	fiber → coaxial cable + upgrade		1,000 Mbps	Future
FTTH	fiber		1,000 Mbps	Future

Mobistar TV delivered by a stylish & performing box

the latest technologies compressed in a state-of-the-art box



hard disk capacity of 1 TB HDD

up to 4 simultaneous recording and up to 400 hours recording in HD

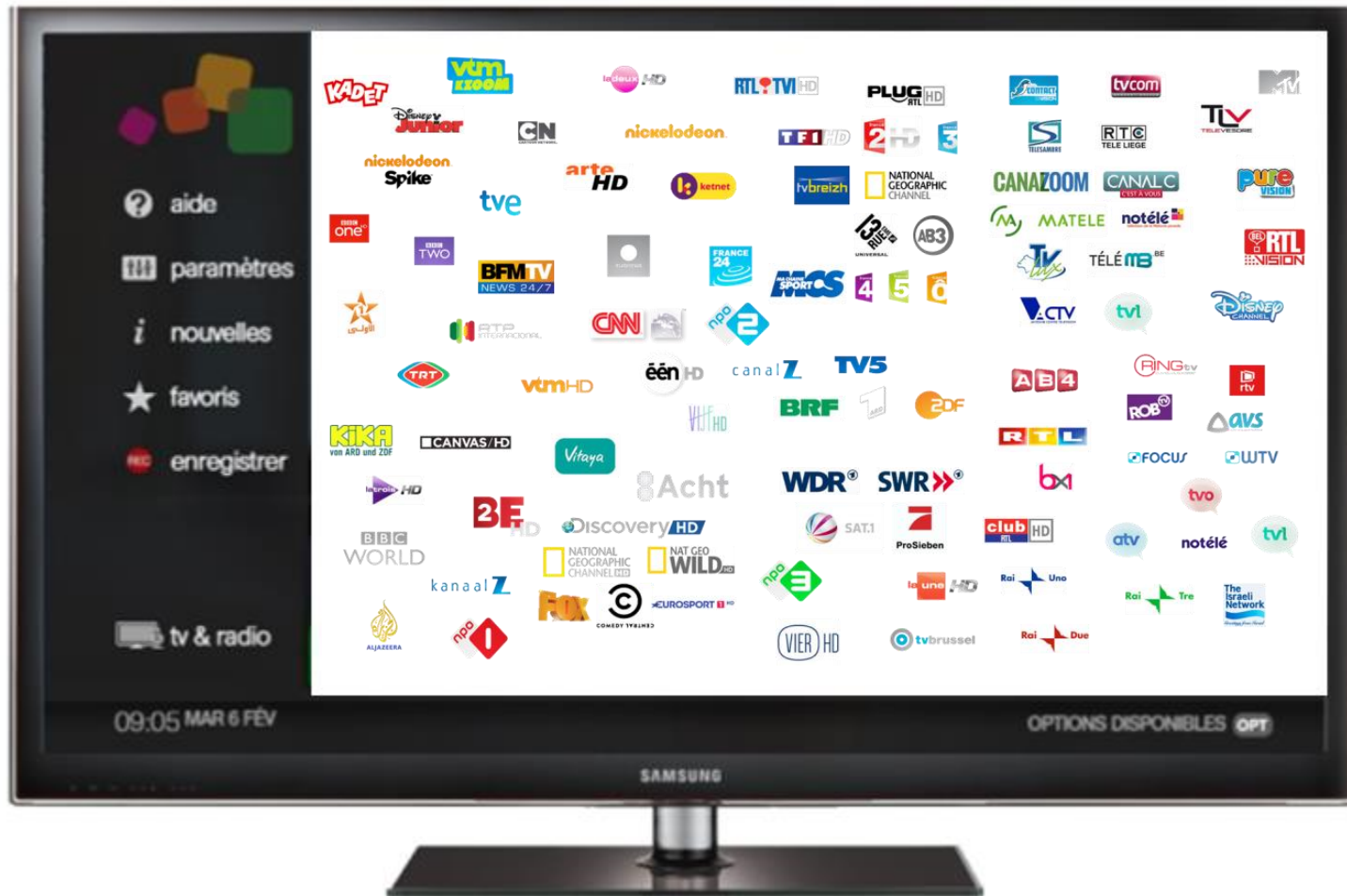
TV Decoder can be connected to WiFi

low power consumption (less than 10W)

decoder is ready for future technological evolution

content portfolio provides a rich customer experience

Mobistar already enriched its TV content offering and will continue to do so



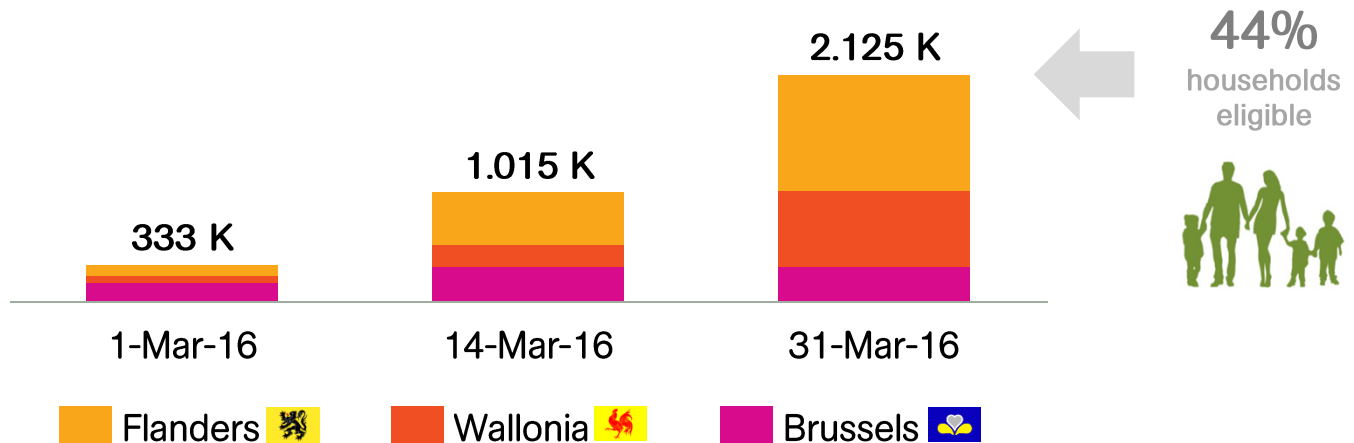
over 2.1m households are already eligible

progressive rollout allows for an excellent customer experience

Mobistar footprint eligible households internet & TV Services



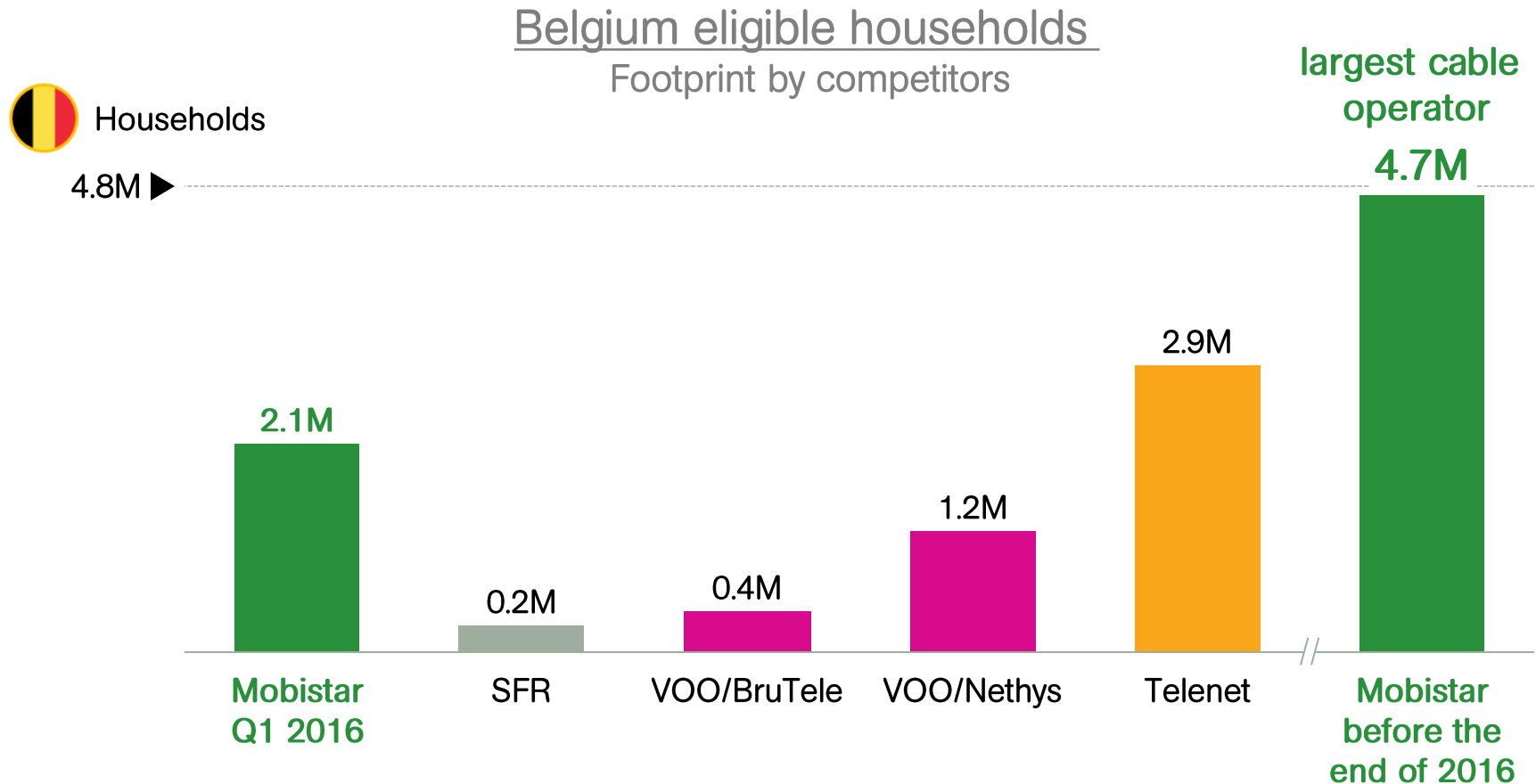
4.8M ►
households



Mobistar scheduled a progressive national rollout of its offer throughout Belgium in order to secure an excellent customer experience with a smooth installation and activation process.

Mobistar aims for a full national coverage by year end

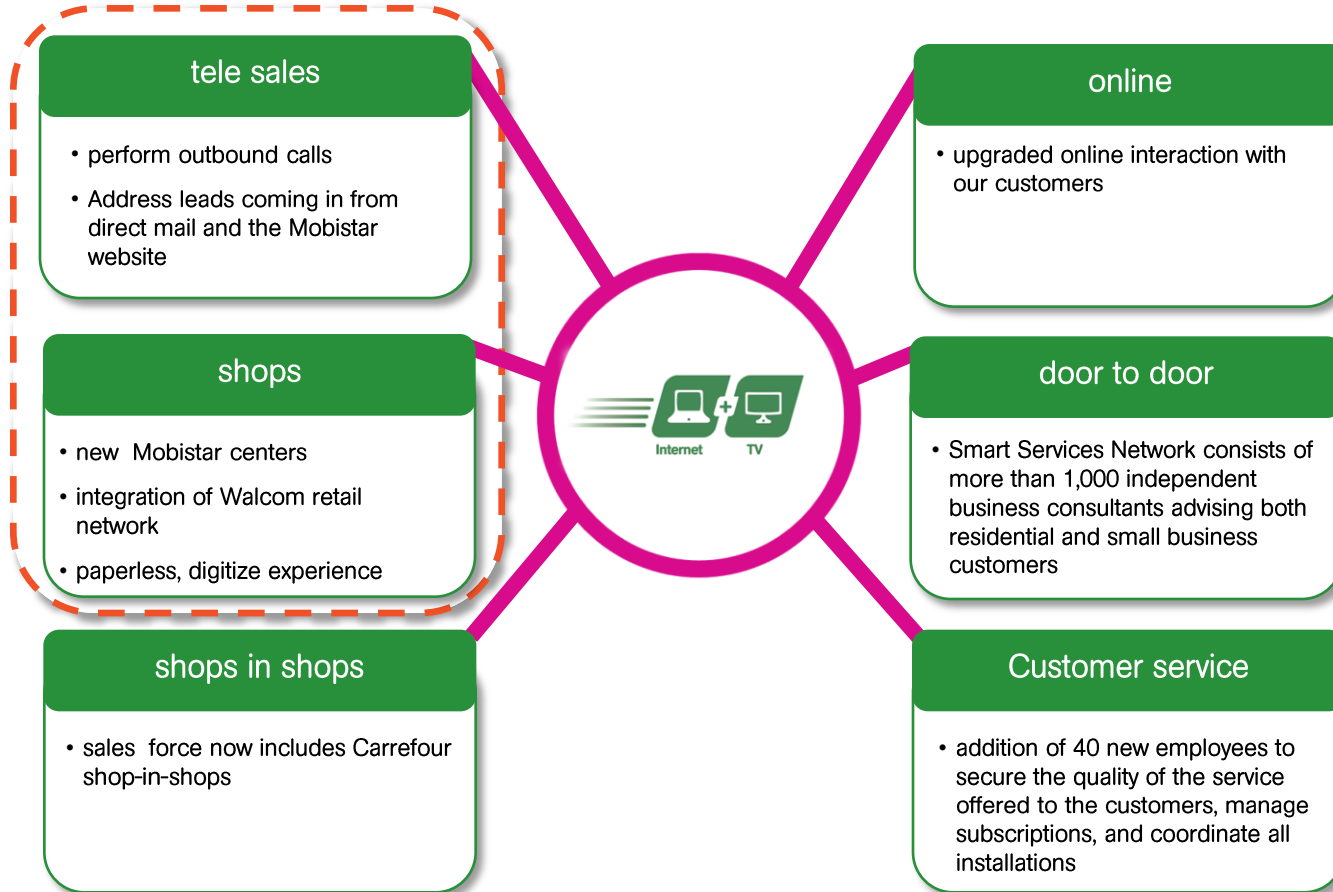
to become the only national mobile/fixed convergent cable operator



progressive rollout steered throughout distribution

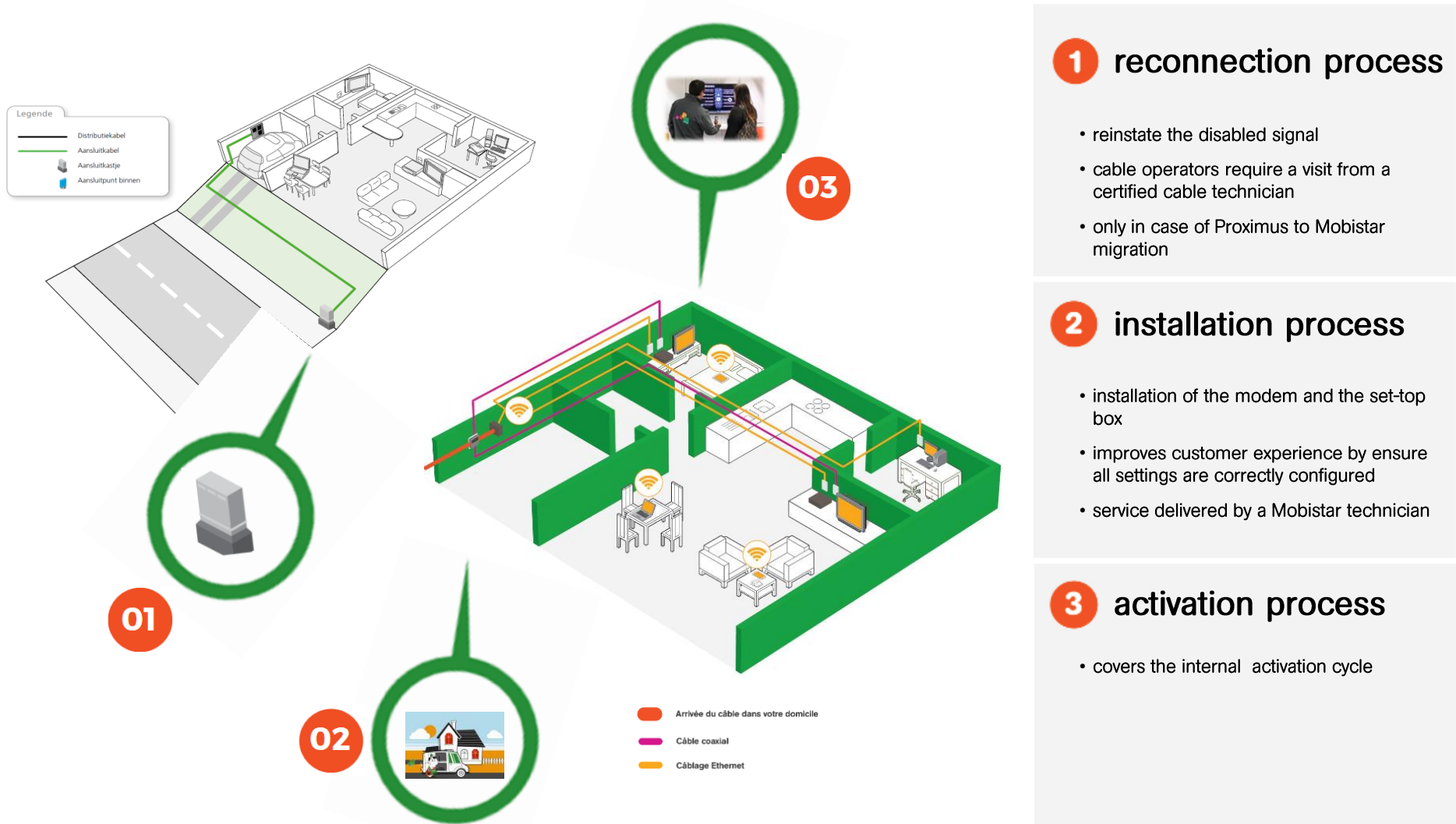
allows for a high standard of processes and quality of the product

phase 1















how to connect to Mobistar's convergent offering

illustration of a customer journey



regulated activation conditions should improve

current regulation protects the incumbent from true competition

				
connection fees (certified cable technician)	149€	0€	0€	0€
installation fees (Mobistar technician)	99€ 	99€ 	99€ 	99€ 
activation fees	50€ 	50€ 	50€ 	50€ 
TOTAL*	149€	0€	0€	0€

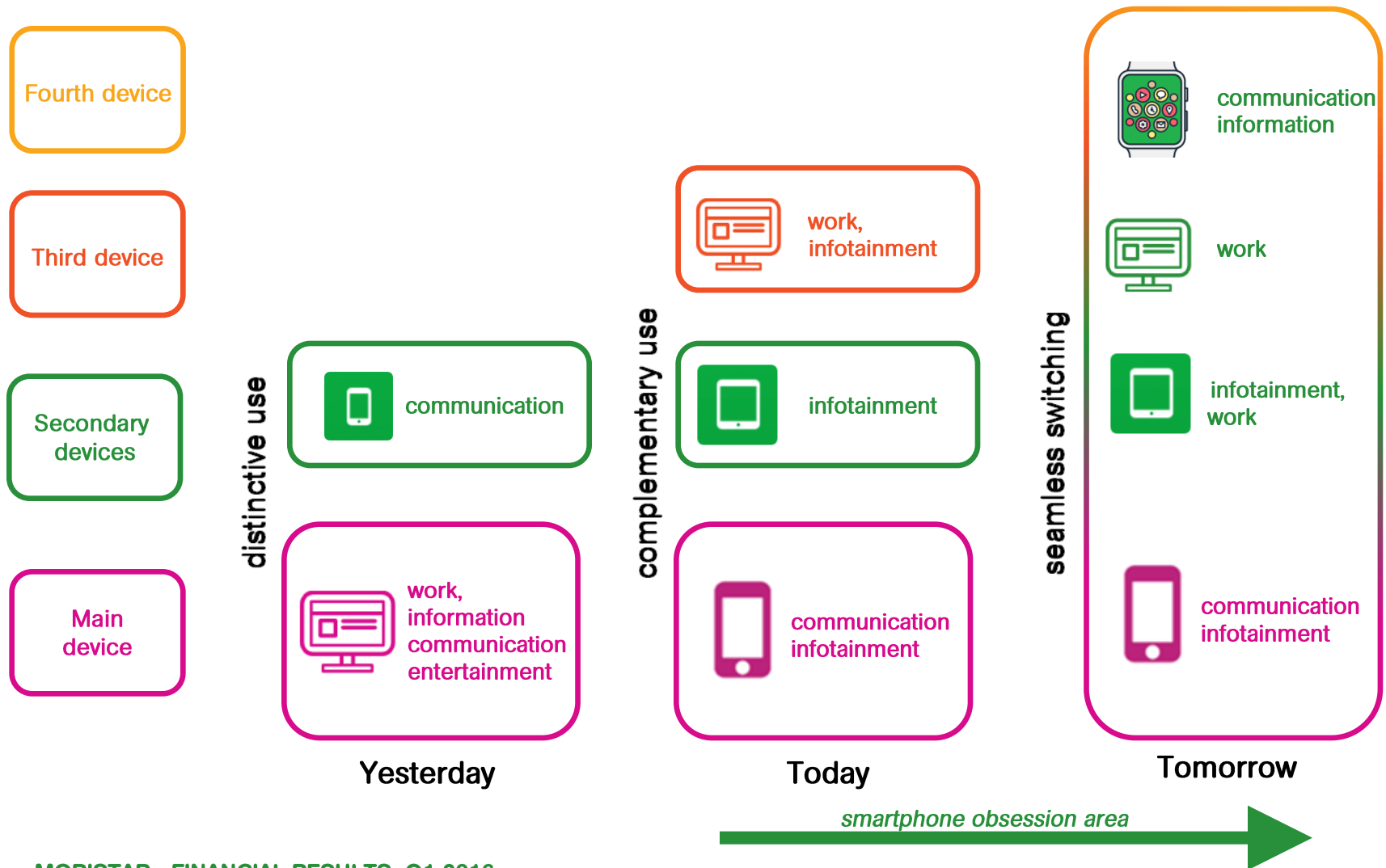
(*) Mobistar launch offer provides free connection & activation fees until April 30, 2016



Mobile data
growth

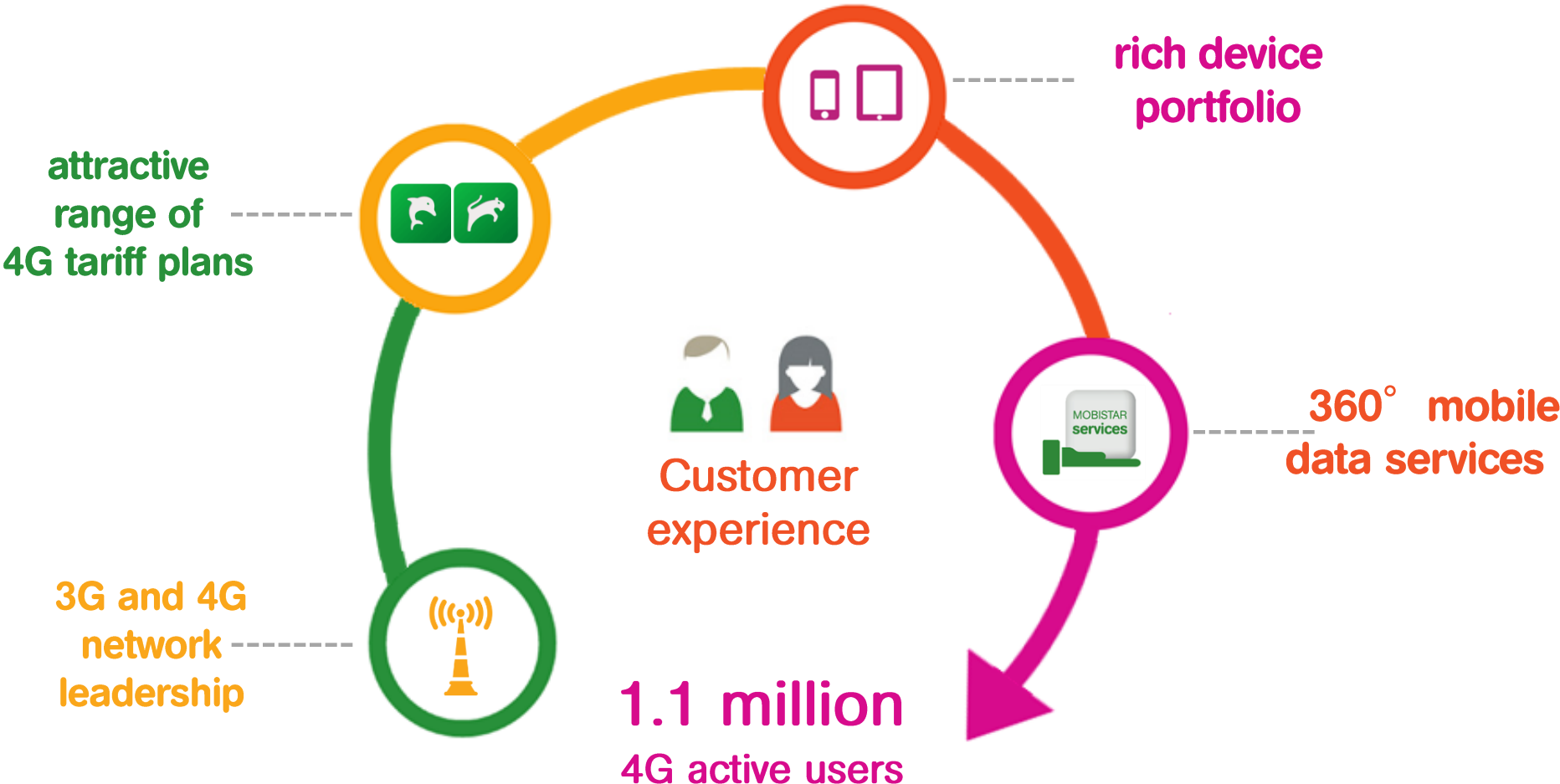
mobile data is connecting us to what is essential

increasing number of internet connected devices per person



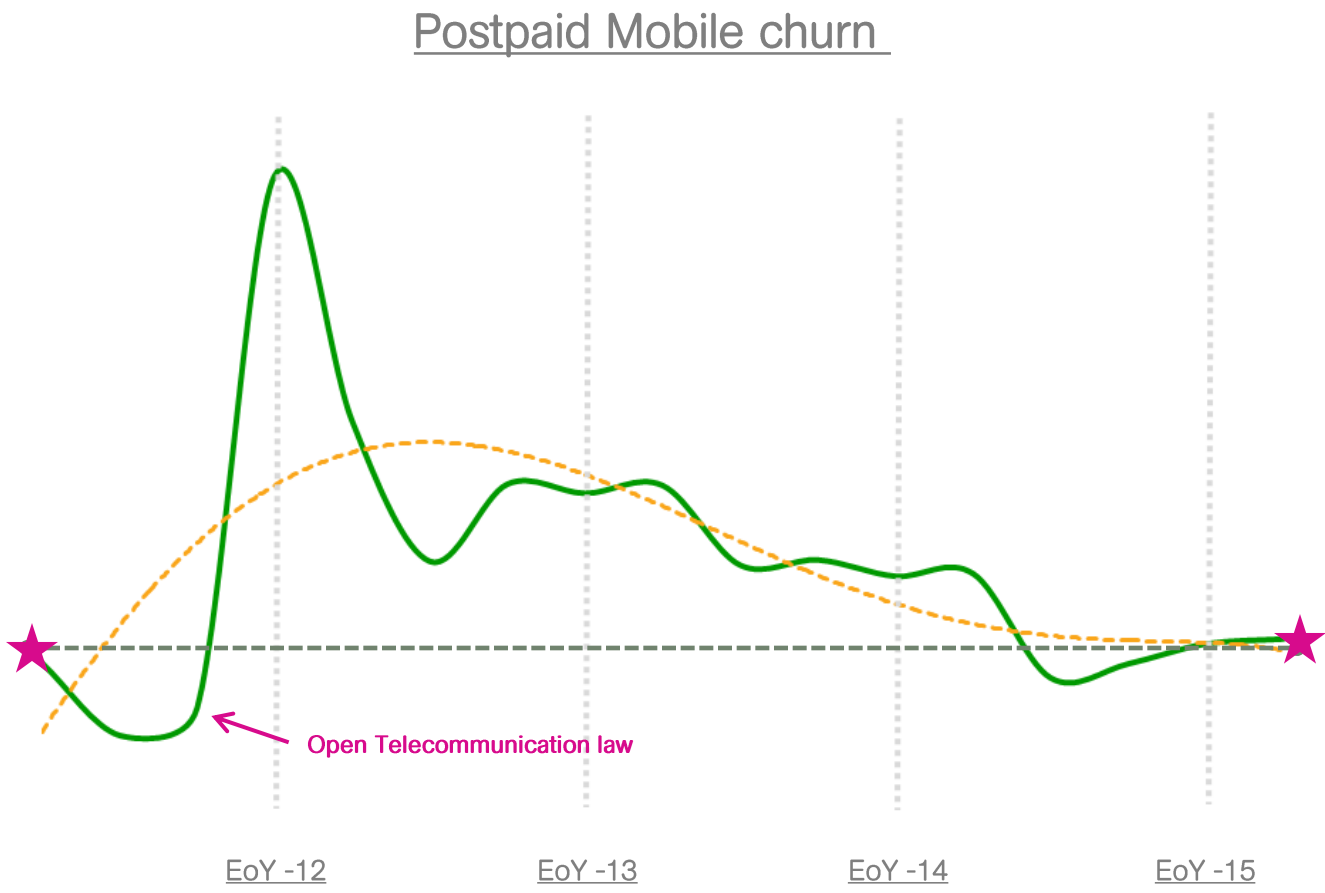
stimulating 4G through an end-to-end approach

from network and tariff plans to devices and services



enriched customer experience leads to churn reduction

back to early 2012 levels

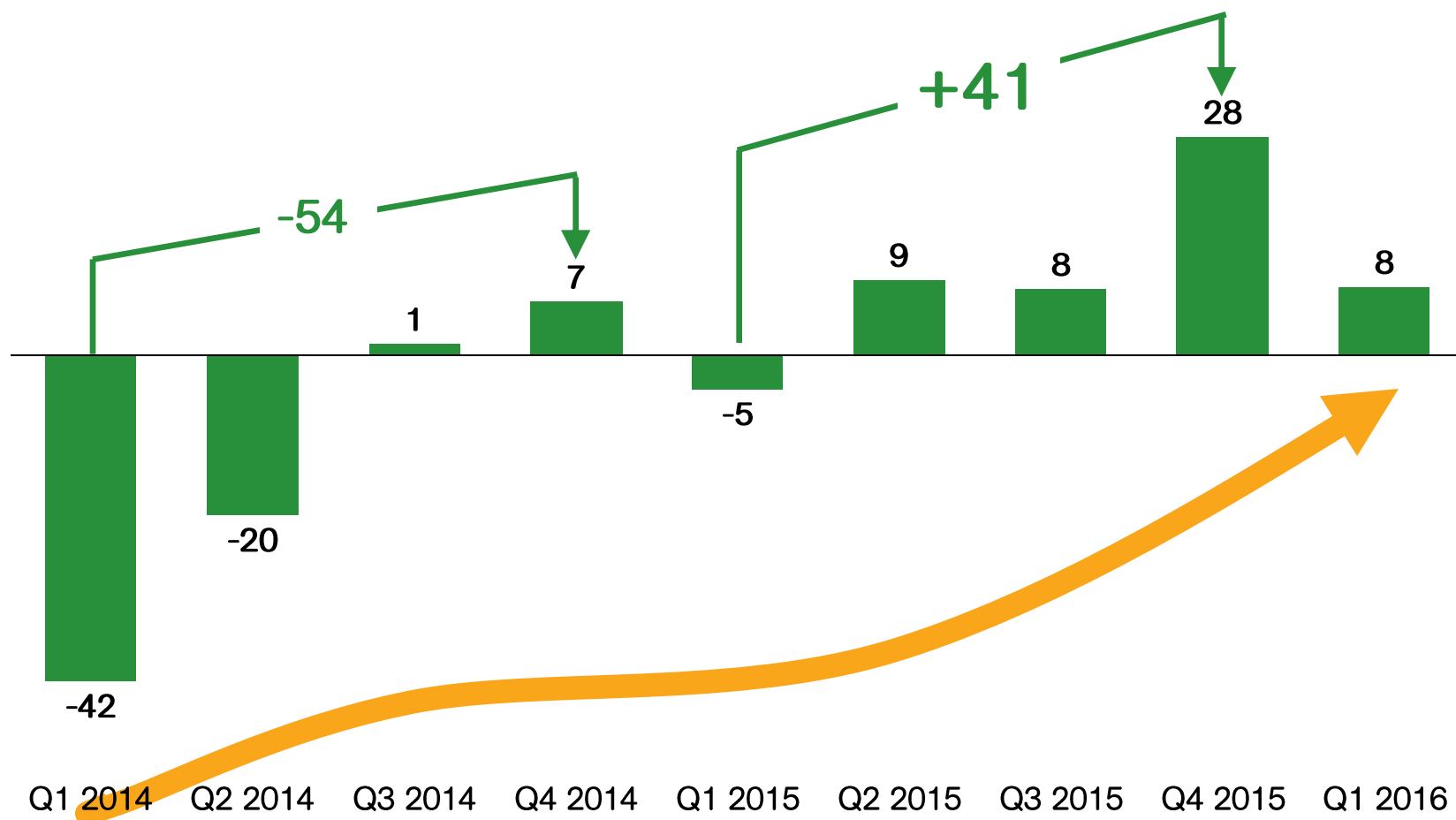


Mobistar postpaid customers excl. M2M & MVNO

solid postpaid net additions awaiting convergence

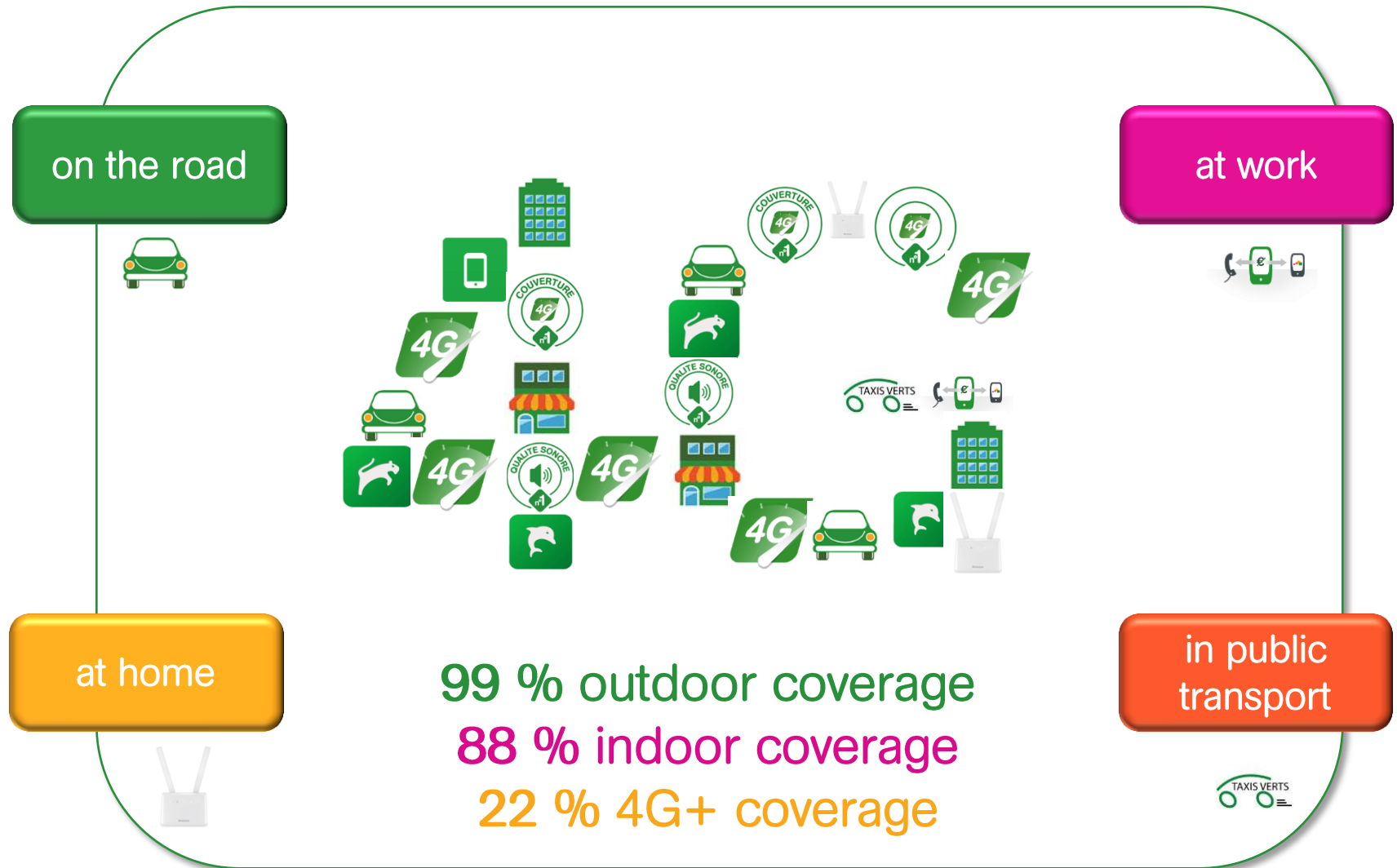
driven by healthy gross adds and churn improvement

Postpaid quarterly net adds in Belgium ('k)



leveraging high outdoor & indoor 4G coverage

developing new use cases, anytime, everywhere during the customer journey



extensive line up of 4G+ devices are hitting the market

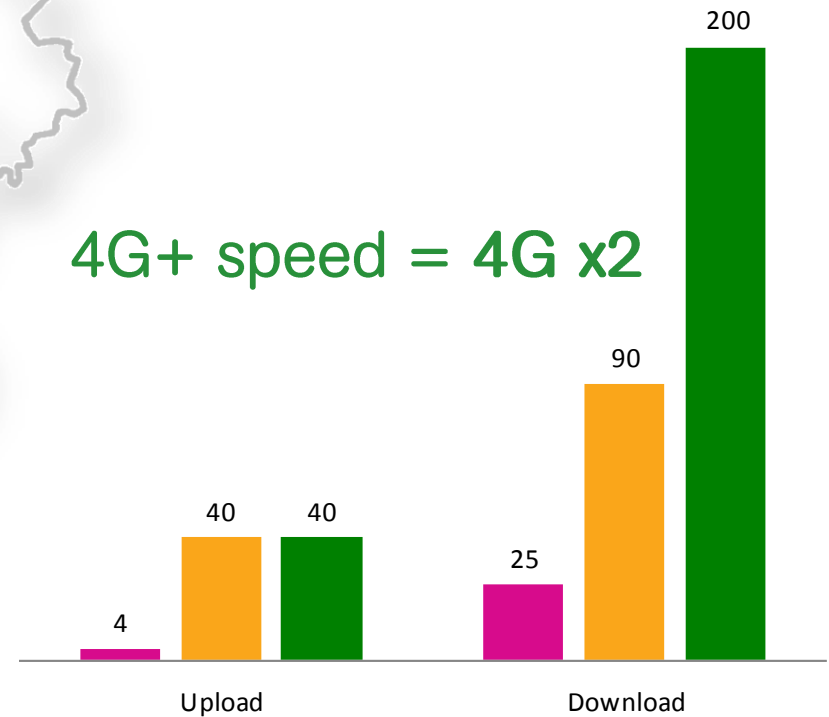
22 % 4G+ pop. coverage at the end of March. 50 % targeted by mid-2016



Maximum 4G+ speeds

■ 3G ■ 4G ■ 4G+

4G+ speed = 4G x2





Increasing line-up of 4G+ devices





attractive and transparent tariff plans

designed to answer customers data and roaming expectations




12€ 500 MB
2H voice 
Unlimited


15€ 1 GB
2H30 voice 
Unlimited


20€ 1 GB
2H30 voice
Unlimited on-net
iCoyote 
Unlimited

+ Unlimited SMS



25€ 2 GB
3H30 voice ATAN
Unlimited on-net
iCoyote

45€ 4 GB
Unlimited voice ATAN 
iCoyote

60€ 10 GB
Unlimited voice ATAN 
iCoyote

+ Unlimited SMS



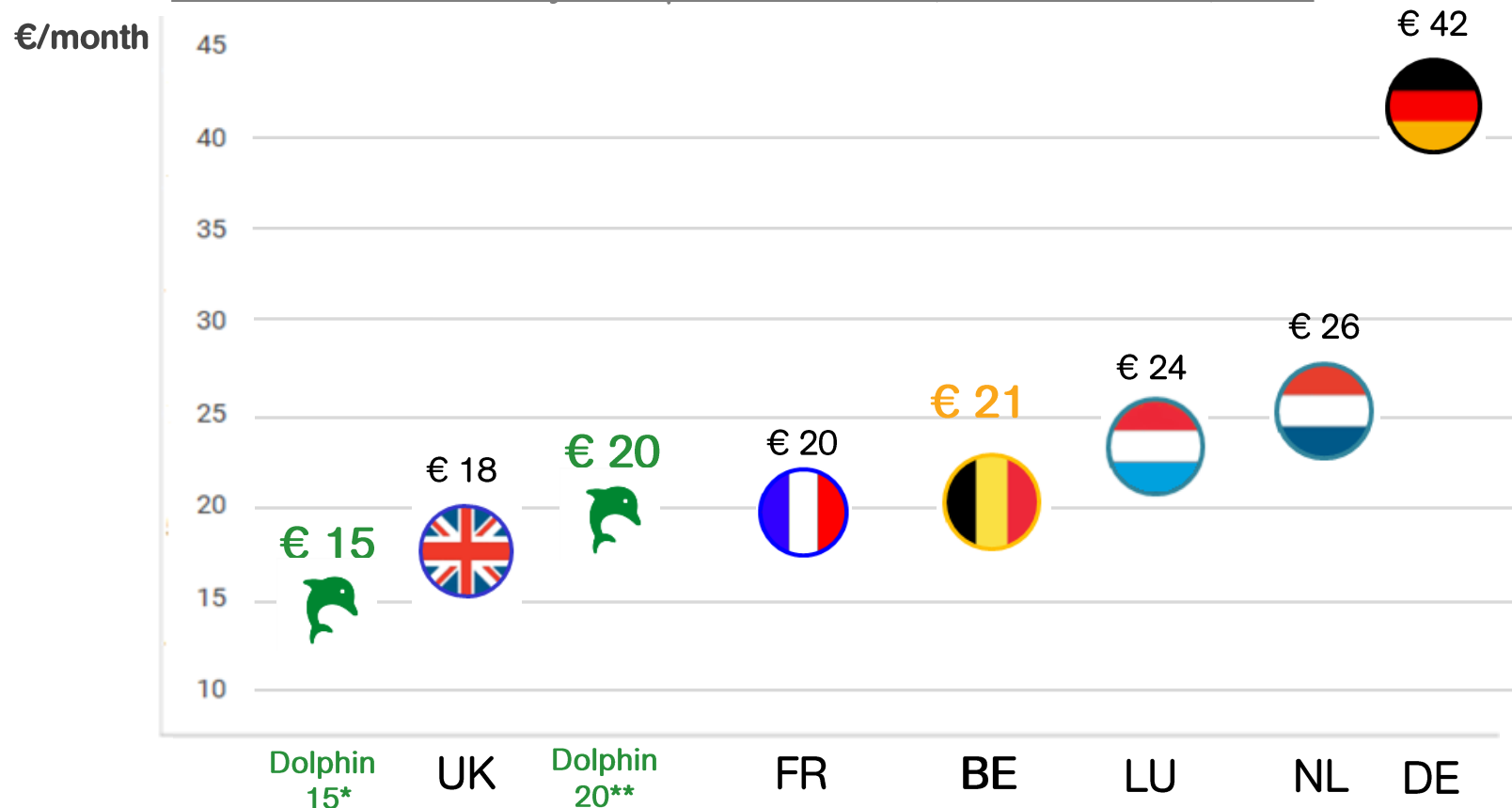
100 MIN
100 SMS
100 MB

500 MIN
500 SMS
500 MB

competitive mobile prices compared to EU peers

With Mobistar having the most attractive prices in Belgium

IBPT Benchmark heavy user profile 6H voice, Unlimited SMS, 1 GB



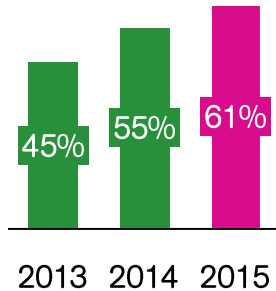
* Mobistar Dolphin 15: 2H30 voice, unlimited SMS, 1 GB, Facebook & Twitter unlimited

** Mobistar Dolphin 20: 2H30 voice, unlimited on-net voice, unlimited SMS, 1 GB, Facebook & Twitter unlimited

active promotion of 4G devices supports 4G base

growing customer appetite for 4G smartphones & services

smartphone penetration
is progressing

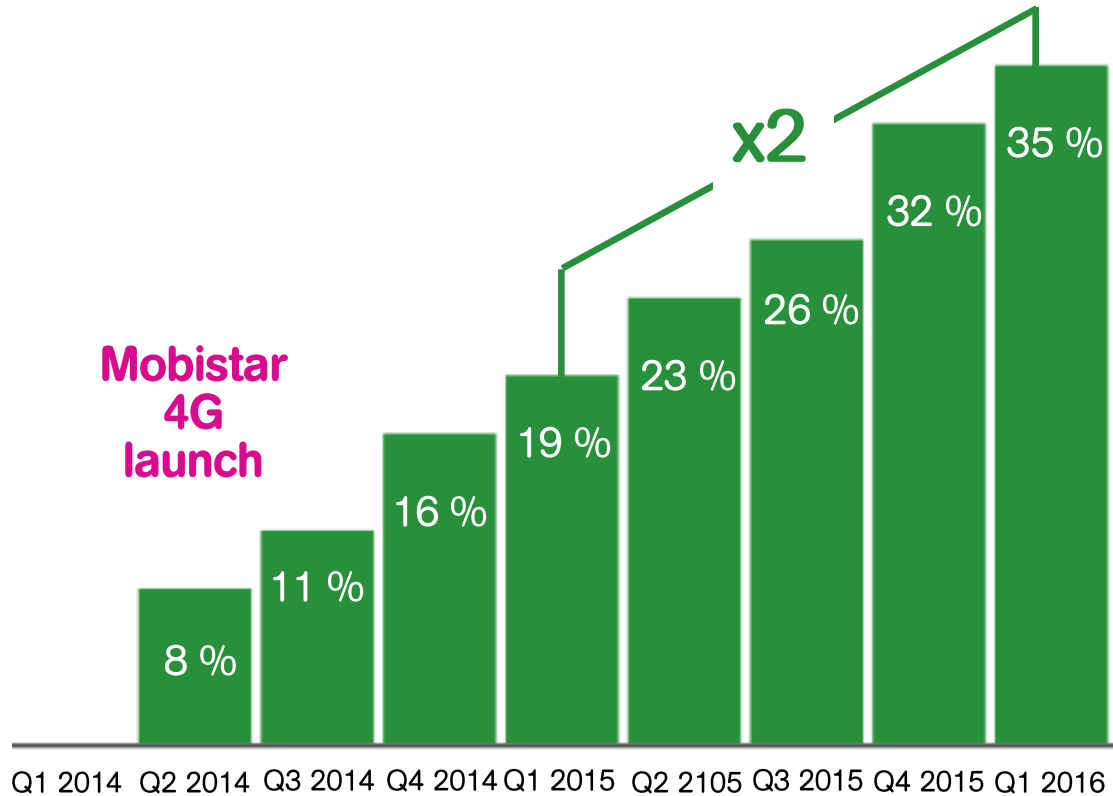


% of 4G users / total base

the majority of the non-smartphone users are either prepaid customers or business customers



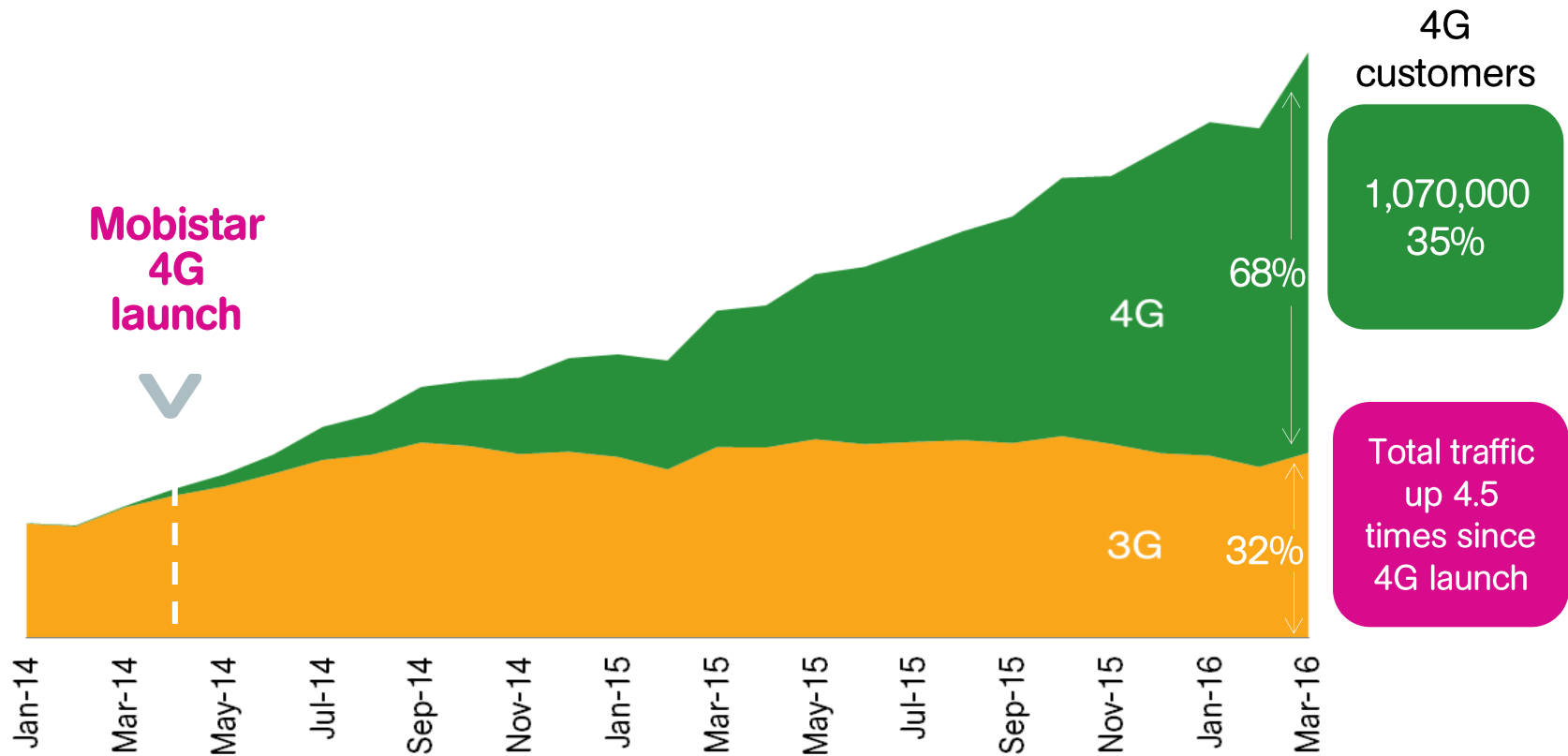
1.1 million
4G active users



% of 4G users / total base

more than 68 % of total data consumption is 4G traffic

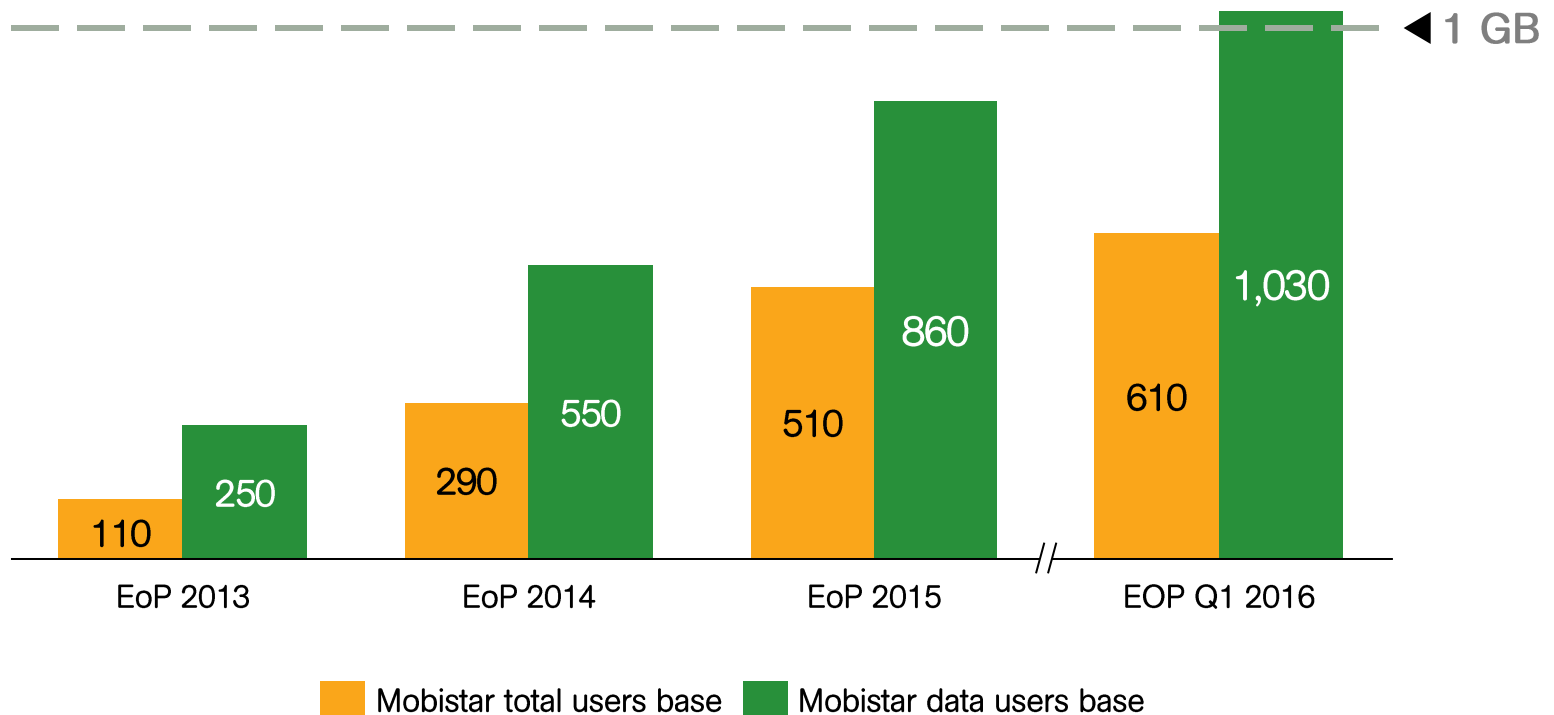
1 out of every 3 Mobistar customers is actively using 4G



mobile data usage is growing exponentially

as customers fully embrace the benefits in their daily lives and work

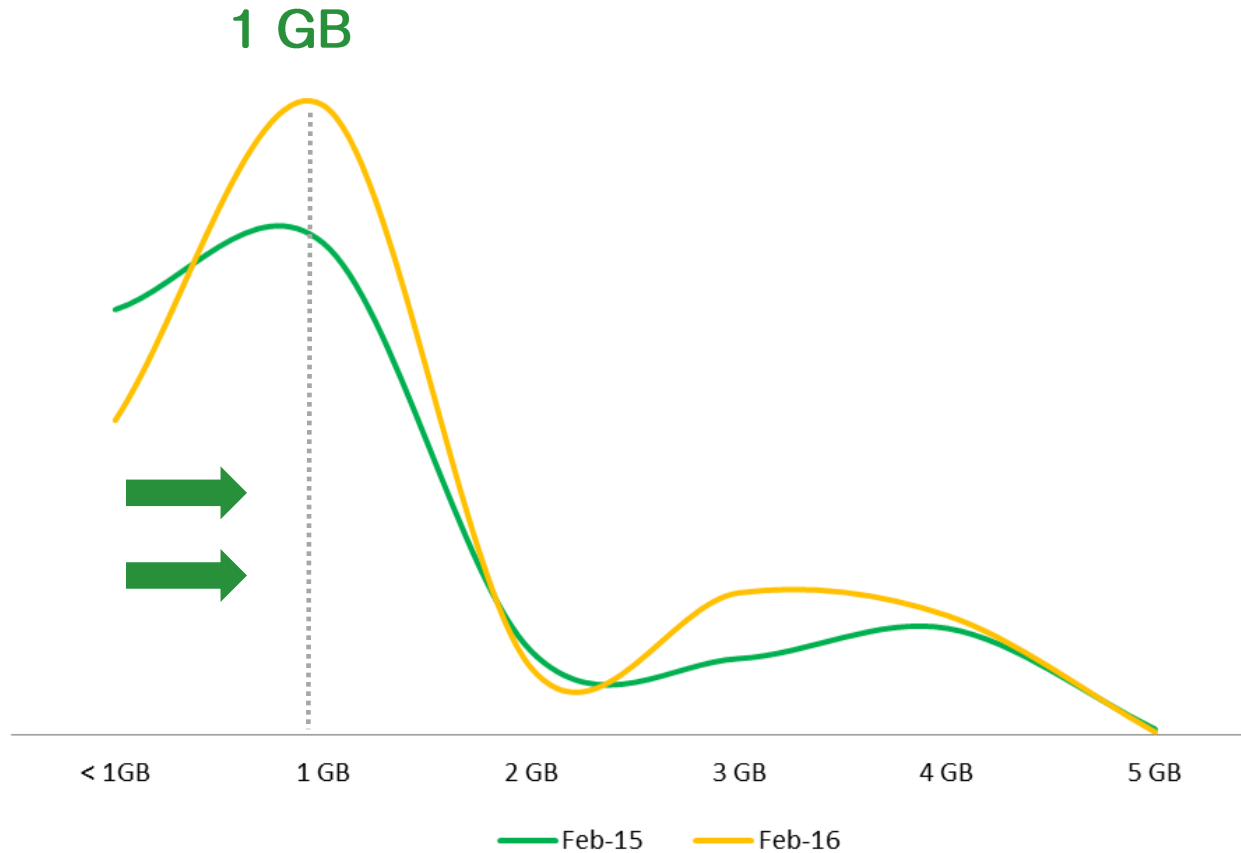
Average data consumption per month in MB



Mobistar's prepaid & postpaid 4G data users base excl. M2M & MVNO / End of period

the mobile data wave ready to break the 1GB wall

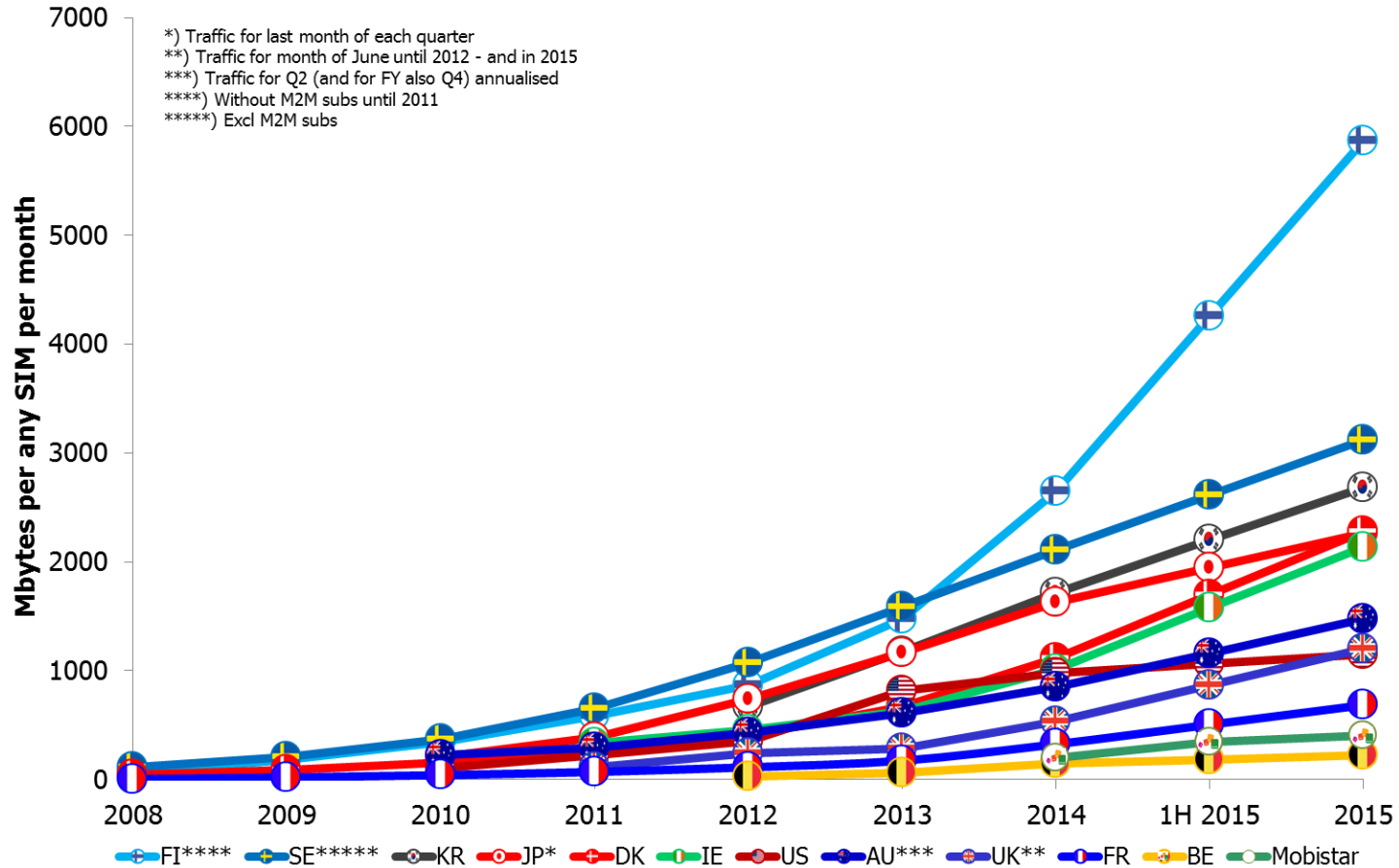
portfolio evolution by data bundle segments



Mobistar's postpaid data users base excl. M2M & MVNO / End of period

mobile data traffic is picking up ...

... but is this extremely low compared to international benchmark

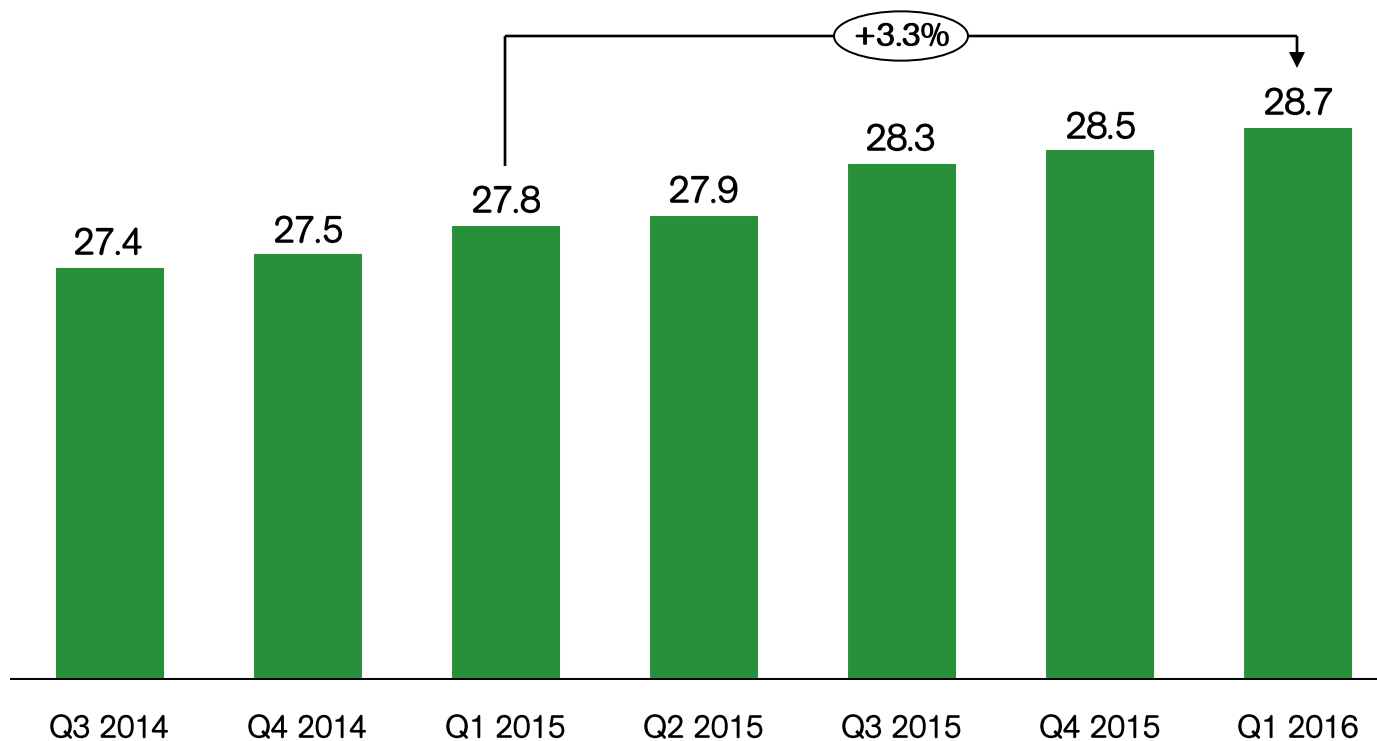


Source: tefficient, "Mobile data usage per any SIM and month for 25 markets"
 2015 figures: Mobistar's internal estimation

4G and data usage are driving postpaid ARPU growth

ability to monetize mobile data confirmed

Postpaid ARPU increased YoY in Q1 2016:



Postpaid ARPU, annual rolling (incl. visitor roaming)

4G substitution for broadband connection at home

leveraging Mobistar's excellent 4G network with Easy Internet @Home



The diagram shows a house with four rooms, each containing an icon representing internet usage: a person at a laptop, a person with a smartphone, a person at a desk with a monitor, and a person with a smartphone. A central router icon with signal waves is positioned in the middle of the house. To the right of the house, there are three pricing options in colored boxes:

- 12 months commitment (red box)
- 29€ per month (orange box)
- or (purple text)
- 119 € modem (red box)
- 15€ per month (orange box)

mobile first approach completed with fixed offering

enriched product portfolio reinforces Mobistar's B2B position



Mobile phone



Mobile phone + fixed line



Mobile phone + fixed line + internet



Internet on mobile



Machine to machine



International



Options & services



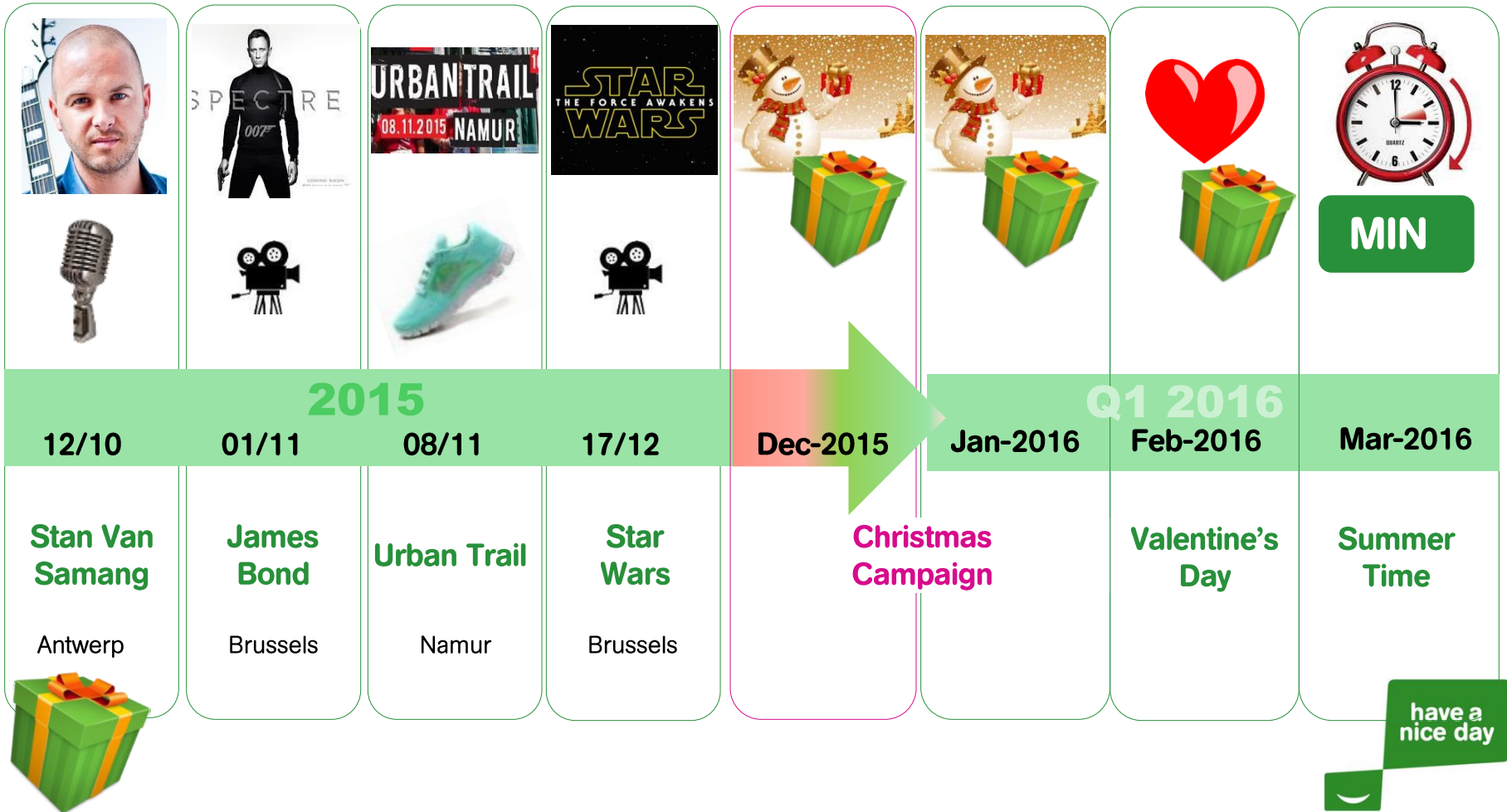
GSM & Tablets



Customer
experience

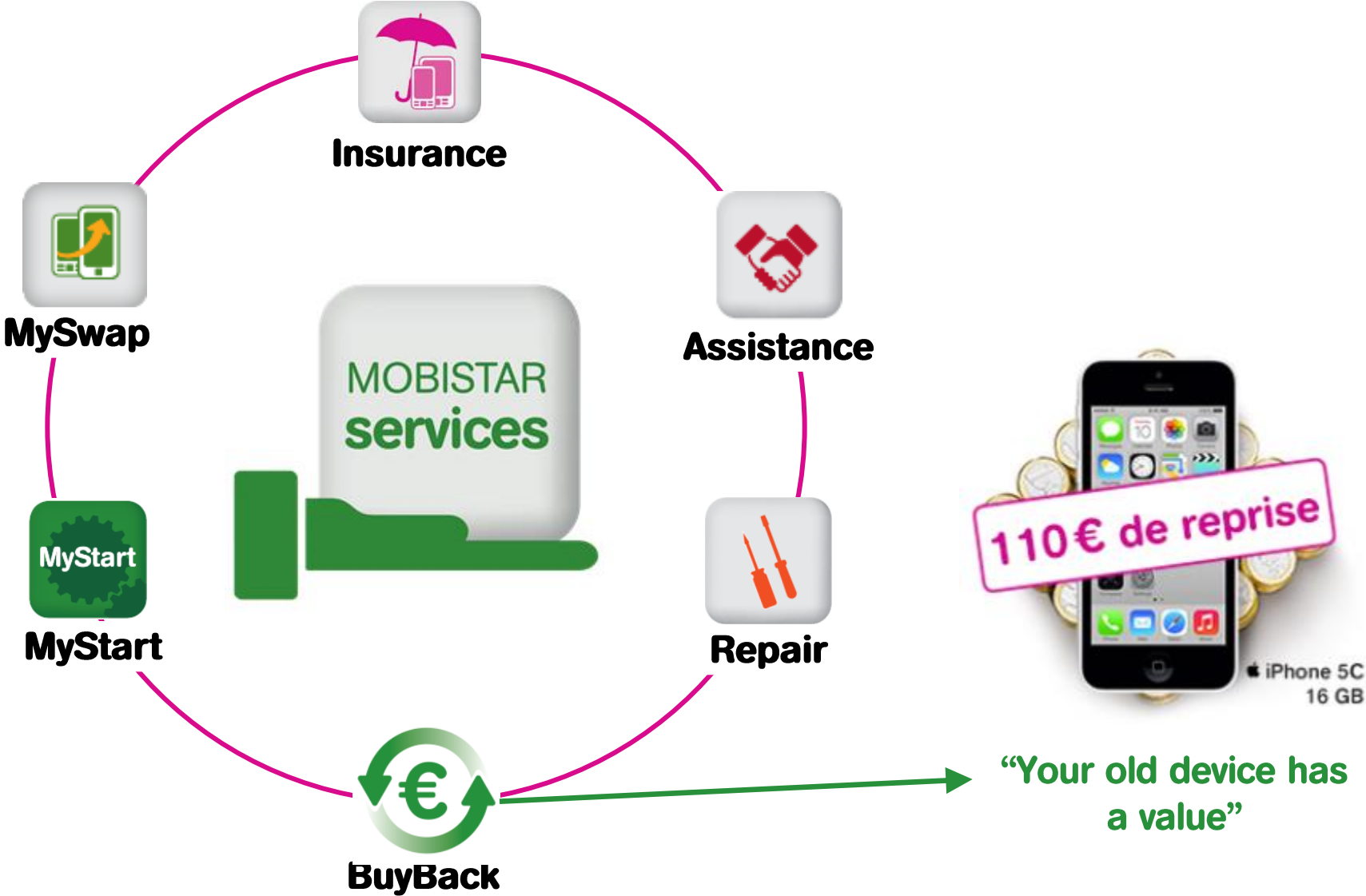
loyalty program drives customer engagement

1,400,000 rewards offered, incl. exclusive events



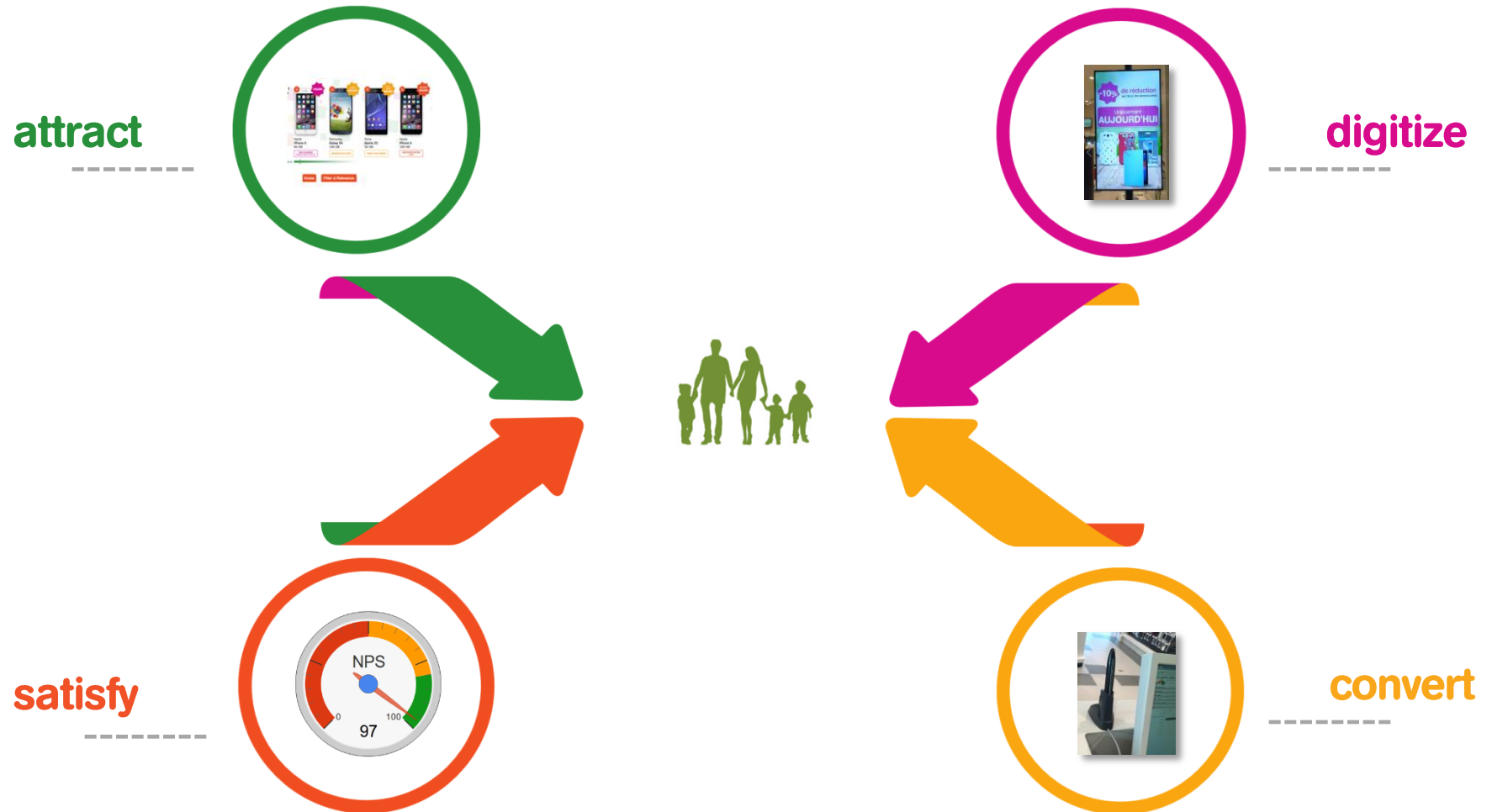
360° device service offer available for our customers

to boost 4G smartphone adoption



shop digitalization improves upselling and satisfaction

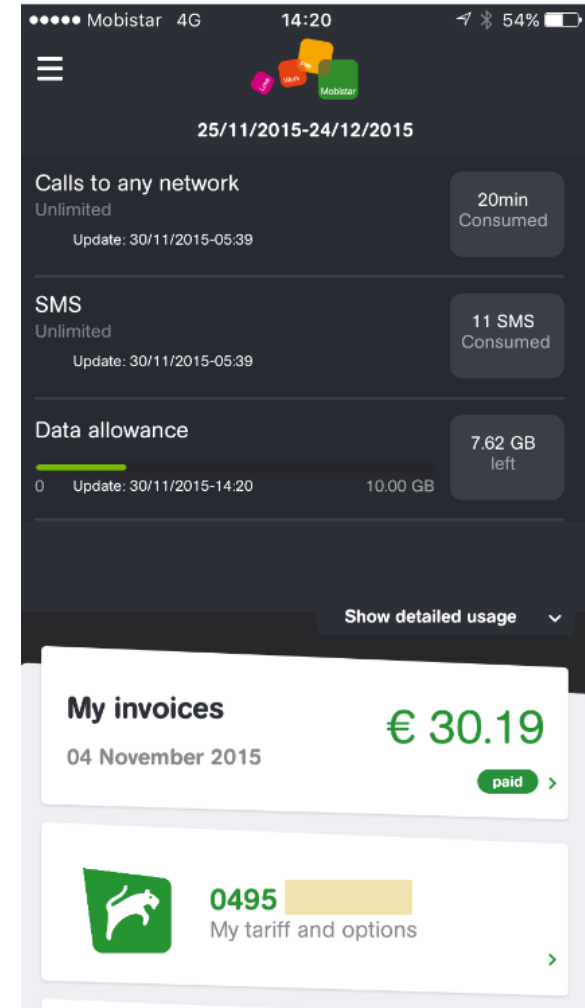
500 screens, web experience in shops, new promotions in 3 hours



new MyMobistar app pushes customer digitalization

provides full mobile experience and secure peace of mind usage

- ✓ **follow up on your consumption and invoices**
-> anywhere, anyhow, free of charge
- ✓ **manage your options**
-> abroad or at home
- ✓ **receive rewards for your loyalty**
-> gifts on my smartphone to use instantly (HAND program)
- ✓ **pay your invoice or reload your card**
-> via the simple integration with the banking apps

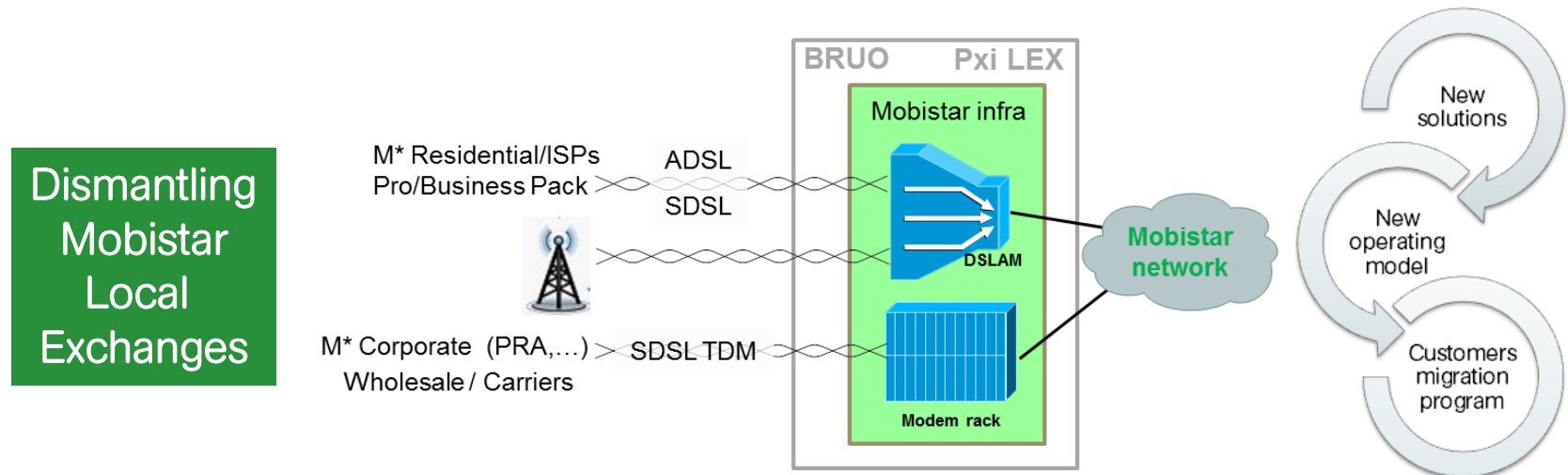
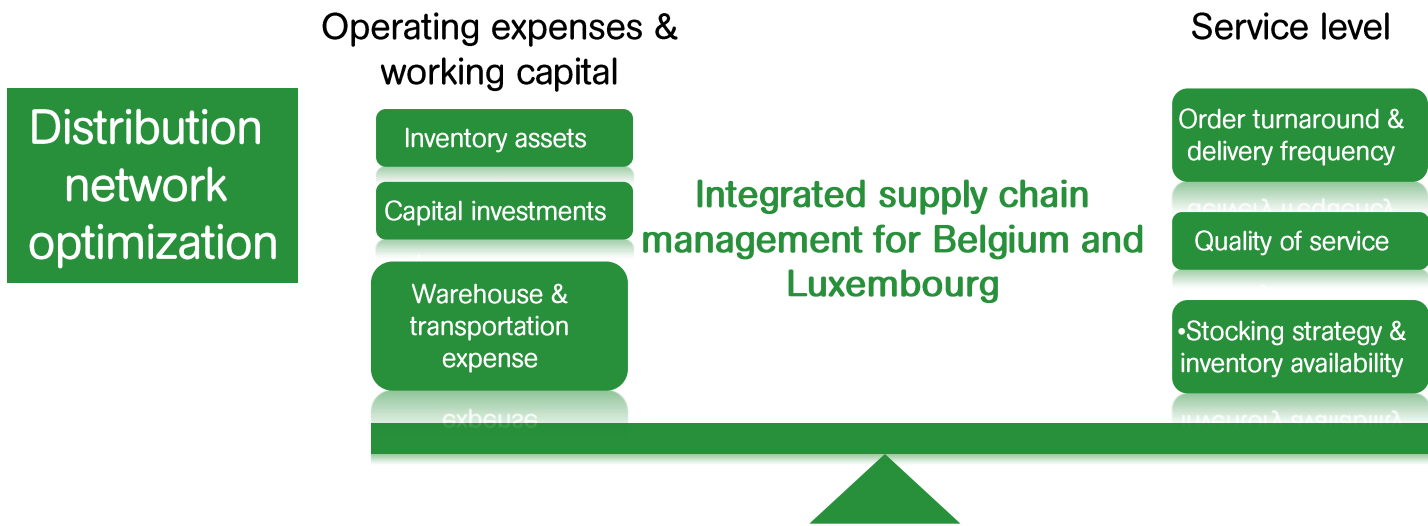




Efficiency

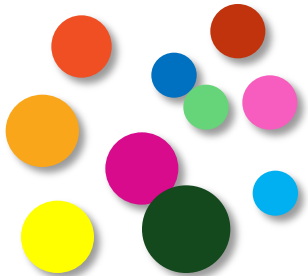
company wide cost transformation powers forward

cost structure still allows for a further simplification and cost reduction



innovation will enrich Mobistar's core business

from ideas to in-life products



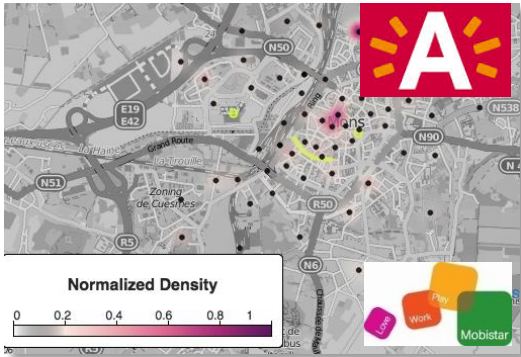
Collect new ideas and assess

Partnership signature, project launch

Delivery

In-life

studiodott.



CO.STATION



first quarter 2016 financial results



LUDOVIC PECH
CFO, Mobistar

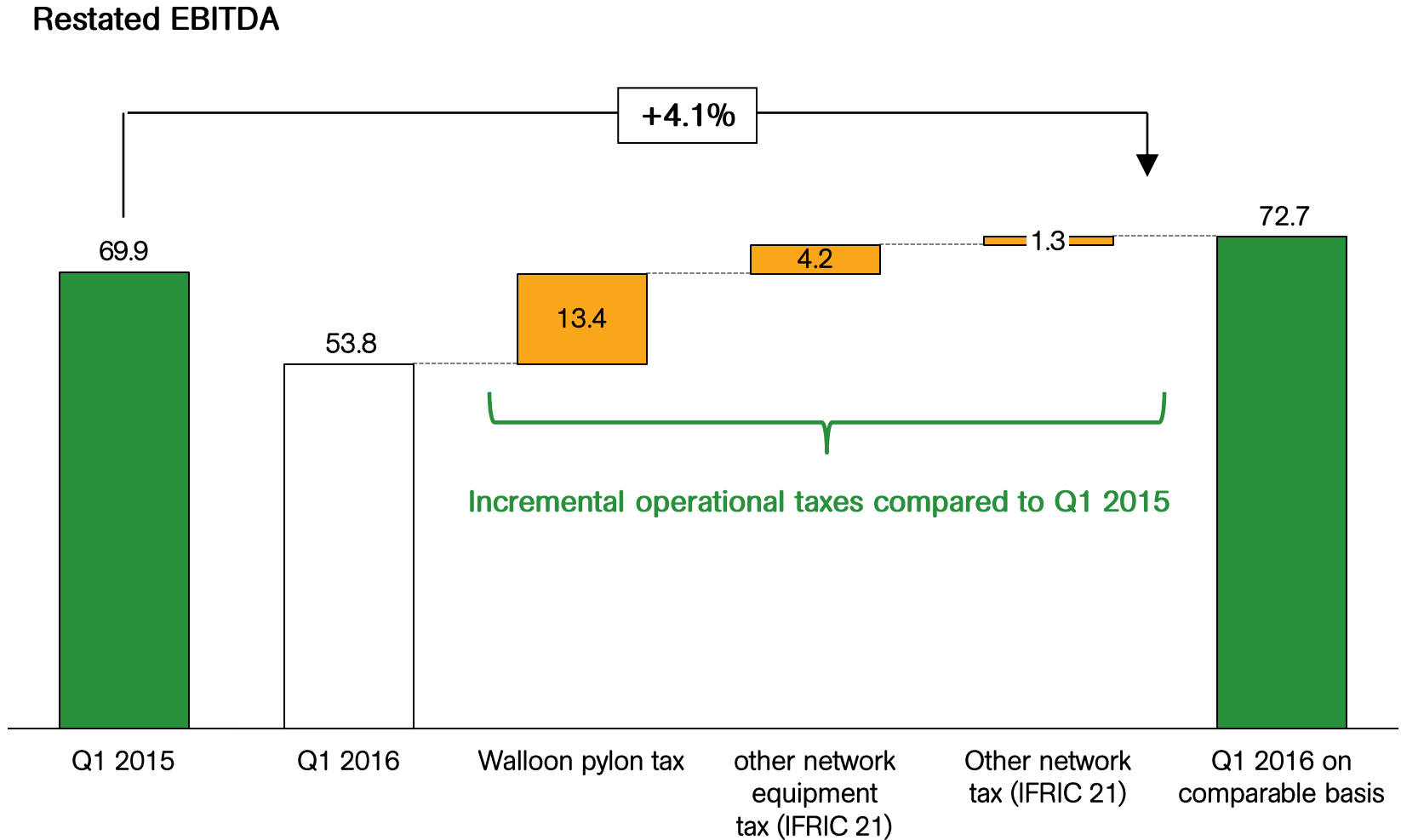
Mobistar key financials

improving financials with a growing customer base

in €m	1Q 2016	1Q 2015	Var. (%)	Insight
Total turnover	309.3	302.4	2.3 %	<ul style="list-style-type: none"> • Reflecting 1.6 % services revenues increase fueled by postpaid ARPU and customer base positive evolution • Free of any regulatory impact
Direct costs	-134.1	-132.5	1.2 %	<ul style="list-style-type: none"> • Commercial investments and cable related costs.
Labor costs	-34.1	-32.9	3.8 %	<ul style="list-style-type: none"> • Internalization of customer facing staff
Indirect costs	-87.3	-67.2	29.9 %	<ul style="list-style-type: none"> • Negative impact of Walloon tax on pylons and IFRIC 21
Restated EBITDA	53.8	69.9	-23.0 %	<ul style="list-style-type: none"> • Restated EBITDA of 72.7m€ before the 19m€ impact of Walloon tax on pylons and IFRIC 21 (+4.1 % YoY)
<i>(in % of service revenues)</i>	<i>19.8 %</i>	<i>26.0 %</i>		
EBITDA	53.7	68.8	-22.0 %	<ul style="list-style-type: none"> • Limited restatements reflecting normalization of restructuring costs
<i>(in % of service revenues)</i>	<i>19.7 %</i>	<i>25.7 %</i>		
CAPEX	24.3	26.8	-9.2 %	<ul style="list-style-type: none"> • Investment normalization after 4G network roll-out
<i>(in % of service revenues)</i>	<i>8.9 %</i>	<i>10.0 %</i>		
Operational Cash Flow (EBITDA - CAPEX)	29.4	42.1	-30.1 %	<ul style="list-style-type: none"> • Reflecting EBITDA evolution

Underlying restated EBITDA growth of 4.1 % YoY

shift in the timing of the recognition of operational taxes has no full year impact



Quarterly timing difference has no impact on full year results

Mobistar preserves its healthy balance sheet

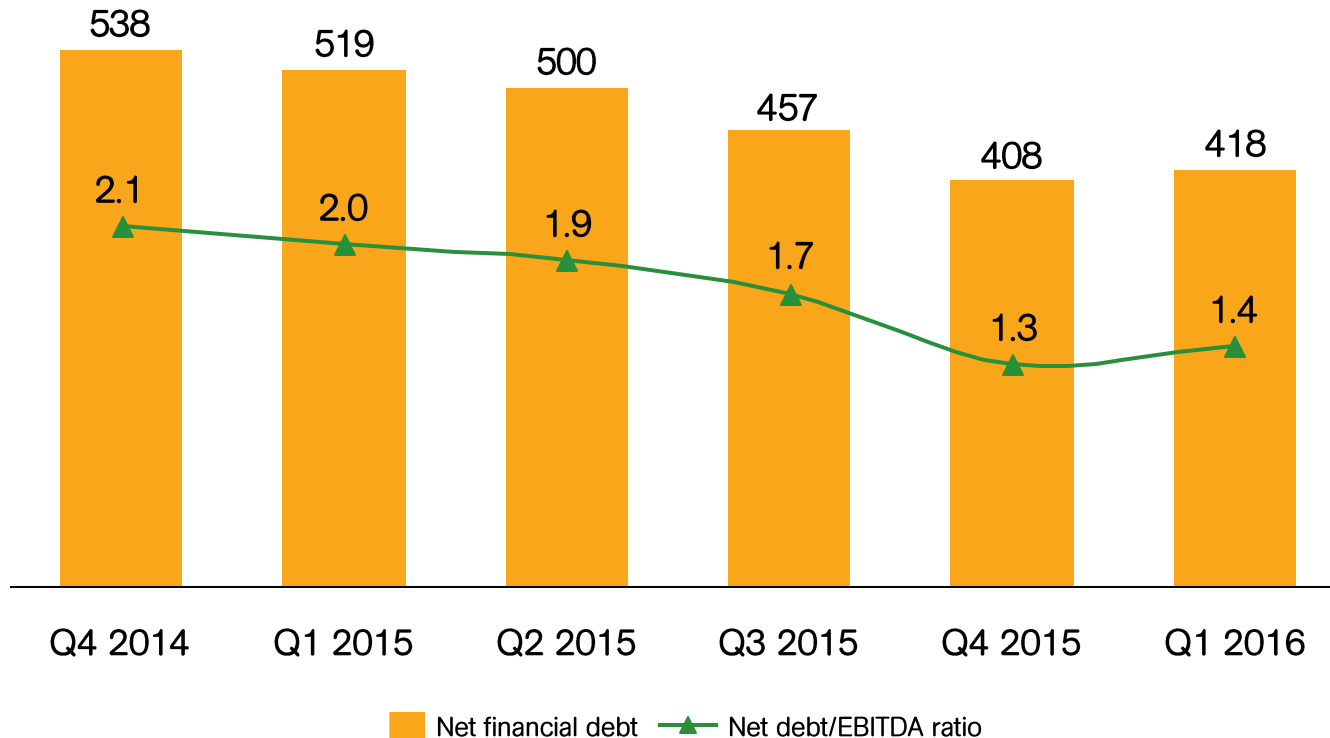
net financial debt and leverage remains very solid

Leverage: 2.1x

(in million euros)

Net Financial Debt
and Leverage

Leverage 1.4x



Mobistar reiterates its 2016 guidance

investing in future growth while protecting EBITDA margin

- ❑ mobile price stabilization / market repair
- ❑ further development of data usage / monetization of 4G investment
- ❑ maximum gross roaming impact of 28.5M€ on revenues and EBITDA
- ❑ restated EBITDA guidance including rebranding before the end of 2016
- ❑ improved operating cash flow generation with mobile capex normalization

in €m	2015 Actual	2016 guidance provided in Feb 2016	Q1 2016
Mobile Service revenues	1,006.2		254.3
year-on-year	0.0 %		+2.9 %
Restated EBITDA excl. cable	282.8	270-290	56.2
margin / year-on-year	26.0 % / +4.8 %		20.6 % / -20.5 %
Capex excl. licenses	193.1	-25 % YoY	24.3
margin / year-on-year	17.8 % / -10.3 %		-9.2 % / -8.9 %

Q&A



Investor Relations



SIDDY JOBE
DIRECTOR
INVESTOR RELATIONS



contact

siddy.jobe@mail.mobistar.be
+32 2 745 80 92

IR Webpage

<https://corporate.mobistar.be>



@pressmobistar
@harion



<https://www.linkedin.com/company/mobistar>