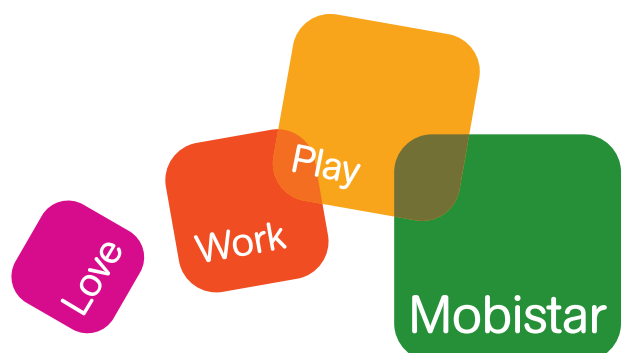


**Full year  
results 2009  
Mobistar**





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## Press release

Embargo until 11 February 2010 at 7 a.m.  
Regulated information

### Mobistar announces turnover up 2.25 %

**Brussels, 11 February 2010 – Mobistar publishes its results for the 2009 financial year today. The operator has reported turnover and a net result higher than the guidance. The EBITDA margin of service revenues and the investment level are in line with expectations. The organic cash-flow and the net result will enable the operator to pay out a dividend for a total amount of 273 million euros, or a total dividend amount of 4.55 euros per share. Mobistar also announced a specific development plan for 2010 to pursue its continued growth.**

#### Key facts:

- Mobistar's consolidated turnover grew by 2.25 % in 2009, exceeding the company's target of generating stable turnover.
- At the end of December 2009, the Mobistar group had a total of 3,827,268 active customers for mobile telephony compared with 3,818,291 active customers in December 2008.
- In 2009, the operator counted record sales of mobile phones: 915,000 handsets compared with 725,000 in 2008; the handsets sales grew by 39.5%.
- The number of mobile Internet customers rose by 77.4 % in 2009, to reach 85,281 at the end of the financial year.
- The share of mobile data in service revenues was 28.7 % at the end of December 2009, compared with 21.8 % at the end of 2008.
- At the end of the 2009 financial year, Mobistar had 38,038 ADSL customers, an increase of 60.1 % compared with the end of 2008. The number of active lines in fixed telephony reached 149,700 at the end of 2009, an increase of 22.7 % compared with the end of 2008.
- The EBITDA margin of total service revenues reached 39.2 % at the end of the 2009 financial year, close to forecasts.
- The net result of the Mobistar group was 260.3 million euros at the end of December 2009, which was above the target range of between 240 and 260 million euros.
- Mobistar invested 146.1 million euros in 2009, which represents 10.1 % of service revenues, as planned initially.
- In October 2009, the Board of Directors of VOXmobile decided to adopt the Orange brand and change the name of the company to Orange S.A.
- Thanks to the agreement signed in November 2009 for the acquisition of the business and carrier activities of KPN Belgium for 65 million euros, Mobistar will strengthen its B2B division.
- The Board of Directors of Mobistar will propose the payment of an ordinary dividend of 2.90 euros per share and an extraordinary dividend of 1.65 euro per share, and will submit it for approval to the General Meeting on 5 May 2010.

## 1. Consolidated figures of the Mobistar group

Mobistar group's consolidated key figures	2008	2009	Variation
Total active customer <sup>(1)</sup> Mobistar S.A., Orange S.A. (L) and MVNO (mobile telephony)	3,818,291	3,827,268	+0.24 %
Consolidated turnover (million €)	1,532.7	1,567.2	+2.25 %
Total Service revenues (million €)	1,443.7	1,444.8	+0.08 %
EBITDA <sup>(2)</sup> (million €)	591.6	567.0	-4.16 %
Consolidated net profit (million €)	280.1	260.3	-7.07 %
Net profit per ordinary share (€)	4.67	4.34	-7.07 %
Net investments (million €)	159.9	146.1	-8.63 %
Organic cash-flow <sup>(3)</sup>	297.1	298.4	+0.44 %

### Results

Despite a particularly unfavourable economic climate, the Mobistar group's results for the 2009 financial year are healthy, and in some cases better than forecast.

At the end of December 2009, the Mobistar group has 3,827,268 active customers for mobile telephony, or 8,977 more customers in comparison with the end of December 2008. This moderate increase is explained mainly by the fall in the number of MVNO customers.

The Mobistar group's 2009 financial year closed with consolidated service revenues of 1,444.8 million euros, compared with 1,443.7 million euros a year earlier. Total consolidated turnover rose by 2.25 % in 2009, up from 1,532.7 million euros to 1,567.2 million euros, due among other things to excellent sales figures for mobile phones.

Continuous investment in the fixed activities, the effect of the recession on the business segment, the reduction in roaming tariffs in July 2009, the fall in mobile termination rates since 2008 and the growing use of free text messaging in prepaid offerings had a negative impact on the operator's profitability. Odyssey 2011 is a transformation program, aimed at promoting 'cost efficiency' while guaranteeing increasing revenues. The implementation of the Odyssey 2011 project enabled gross savings of 30 million euros in 2009 on operating costs and investments. As a result, EBITDA fell by 4.16 %, from 591.6 million euros at the end of December 2008 to 567 million euros a year later. In line with forecasts, Mobistar ended the 2009 financial year with an EBITDA margin on service revenues of 39.2 % compared with 41 % a year earlier.

At the end of the 2009 financial year, Mobistar recorded a net profit of 260.3 million euros, which represents a reduction of 7.07 % compared with 280.1 million euros a year earlier, but which is above the target range forecast. The net profit per share went down from 4.67 euros at the end of December 2008 to 4.34 euros a year later.

(1) The number of active customers excludes 'machine-to-machine' cards.

(2) Earnings Before Interest, Taxation, Depreciation and Amortization.

(3) Organic cash-flow = Net cash flow from operations less acquisitions of tangible and intangible assets, plus proceeds from disposals of tangible and intangible assets.

## Investments

During the 2009 financial year, Mobistar invested 146.1 million euros, which represents 10.1 % of service revenues, in line with its forecasts. Mobistar invested mainly in the development of its 3G/HSDPA network, in its new building and in the fixtures and fittings of that new building. During the 2009 financial year, 346 new sites were put into service, which brings the total coverage of the Belgian population to 87.2 %. At the end of March 2010, all Mobistar departments will be centralized in the new Sirius building in Evere.

## 2. Mobistar S.A. (activities in Belgium)

Key figures Mobistar S.A.	2008	2009	Variation
Total number of active customers <sup>(4)</sup> Mobistar S.A. (mobile telephony)	3,393,450	3,424,972	+0.93 %
MVNO customers	345,154	321,543	-6.84 %
Total active customers Mobistar S.A. + MVNO (mobile telephony)	3,738,604	3,746,515	+0.21 %
ARPU <sup>(5)</sup> (euros/month/active customer)	32.47	31.54	-2.86 %
Total turnover (million €)	1,497.2	1,529.3	+2.14 %
Total Service revenues (million €)	1,411.7	1,410.0	-0.12 %

### Mobile customer base

As in the first and second quarters of the year, Mobistar once again recorded growth during the fourth quarter of 2009, thanks to sales initiatives that paid off. At the end of December 2009, Mobistar's mobile customer base had a total of 3,424,972 active customers for mobile telephony, an increase of 0.93 % compared with the end of December 2008. In one year, 31,522 new customers swelled the ranks of Mobistar's mobile customers. These new customers are mainly postpaid customers, who account for 60.6 % of the total customer base at the end of the 2009 financial year. The number of MVNO customers fell by 6.84 % as a result of de-activation of unused SIM cards at MVNO partners. Finally, the total mobile customer base (Mobistar + MVNO) increased by 12,782 units during the fourth quarter of 2009 and there were 3,746,515 active customers for mobile telephony at the end of December 2009, an increase of 0.21 % compared with a year earlier.

The number of Internet mobile customers with a USB modem ('Internet Everywhere', 'Business Everywhere' and 'Internet Everywhere Ticket') increased, as did usage of mobile data. The number of Internet mobile customers grew by 82.1 % in 2009 to reach 85,281 by the end of the financial year, compared with 46,827 a year earlier. More and more customers are opting for a smartphone and use of mobile Internet. This is shown by the sales figures for mobile phones, which were up from 725,000 units in 2008 to 915,000 units in 2009, an increase of 26.2 %. This was due to sustained investment in distribution and the most extensive range of handsets in Belgium.

The number of SIM cards for 'machine-to-machine' (M2M) applications rose by 19.3 % in 2009, rising from 108,659 cards recorded at the end of 2008 to 129,631 a year later. The potential of the M2M activities on the international scene was confirmed in 2009, in a market characterized by fiercer competition from international players.

(4) The number of active customers excludes 'machine-to-machine' cards and MVNO cards.

(5) Average Revenue Per User (ongoing average of the 12 previous months), excluding MVNOs.

## **Fixed activities**

In the fix segment, Mobistar continued to make progress. At the end of the 2009 financial year, Mobistar had 38,038 ADSL customers, an increase of 60.1 % in one year. The new ADSL offering for 25 euros per month persuaded customers to choose Mobistar.

On the business market, more customers are opting for the bundled solutions 'One Office Voice Pack' or 'One Office Full Pack'. At the end of 2009, the number of customers who have signed up for bundled solutions for fixed and mobile services was 30,783, or an increase of 35 % compared with the 22,798 customers recorded a year earlier.

The number of active fixed lines increased in 2009 by 22.7 %, rising from 121,995 active fixed lines recorded at the end of December 2008 to 149,700 active fixed lines a year later.

## **Evolution of the Average Revenue per User (ARPU)**

On an annual basis, ARPU was down from 32.47 euros to 31.54 euros due to the negative impact of regulation. During the fourth quarter of 2009, the continuous improvement in the prepaid/postpaid proportion in the customer base, and the increased usage of mobile data services had a positive impact on the evolution of the ARPU, which rose from 31.31 euros/month/user at the end of September 2009 to 31.54 euros/month/customer at the end of December 2009.

## **Turnover**

In line with its forecasts, Mobistar recorded total service revenues on 31 December 2009 of 1,410 million euros, compared with 1,411.7 million euros a year earlier. The operator's revenues were negatively influenced by the decrease in mobile termination rates (MTRs) and roaming tariffs. The total impact of the decrease in the MTR and roaming tariffs for the 2009 financial year was 36.6 million euros. On the other hand, the reduction in revenues was compensated by the increase in the number of ADSL and postpaid customers, and by the usage of mobile data services. The share of mobile data in service revenues reached 28.7 % at the end of December 2009, compared with 21.8 % one year earlier.

Total turnover increased by 2.14 %, rising from 1,497.2 million euros at the end of December 2008 to 1,529.3 million euros a year later. This growth is also due to the excellent sales figures for mobile phones. Mobistar offers the widest range of smartphones for sale via its distribution channels, thus confirming its position as the leader on the smartphones market. The commercial emphasis placed on smartphones in its distribution channels, combined with a successful advertising campaign, enabled the operator to record an increase of 39.5 % in its turnover from sales of mobile phones.

### 3. Orange S.A. (activities in Luxembourg)

Key figures Orange S.A. (formerly VOXmobile)	2008	2009	Variation
Total active customers (mobile telephony)	79,687	80,753	+1.34 %
ARPU <sup>(5)</sup> (euros/month/active customer)	32.28	36.26	+12.33 %
Total turnover (million €)	39.6	45.5	+14.90 %
Total Service revenues (million €)	33.3	37.7	+13.21 %

In October 2009, the Luxembourg subsidiary VOXmobile was successfully renamed Orange S.A. The introduction of the new brand was accompanied by a complete update of the product portfolio, adapted to the needs of current and future customers, an overhaul of the distribution network and a major media campaign. This rebranding further reinforced the positive trends in 2009. At the end of 2009, Orange S.A. had 80,753 active customers for mobile telephony, compared with 79,687 active customers a year earlier, an increase of 1.34 %. ARPU from the Luxembourg customers increased by 12.33 % in 2009, rising from 32.28 euros/month/user at the end of December 2008 to 36.26 euros/months/user a year later.

At the end of December 2009, total service revenues were 37.7 million euros, which represents growth of 13.21 % compared with the 33.3 million euros a year earlier. Total turnover was up 14.90 % in 2009, due to healthy sales figures for mobile phones. At the end of December 2009, total turnover of Orange S.A in Luxembourg was 45.5 million euros compared with 39.6 million at the end of 2008.

Orange S.A. confirmed its growth potential as predicted by Mobistar when it acquired the company in 2007. Mobistar is convinced that the rebranding will support the growth, thanks to the international awareness of the Orange brand.

### 4. Trends 2010-2012

Mobistar has drawn up a major development plan for 2010 to pursue its growth. Mobistar will invest on the one hand in new product lines in order to boost its convergent offerings, and on the other hand, in the integration of KPN Belgium Business and in the implementation of the Odyssey 2011 transformation programs.

#### Investments in business and residential convergent offerings

The extension of convergent offerings, combined with new products for the residential market constitutes an important growth area for Mobistar. Today, Mobistar already has a presence on the 'triple play' market and now wants to extend its activities into the area of 'quadruple play'. In order to put these ambitions into practice, Mobistar will invest 15 million euros in 2010 in the launch of this activity.

(5) Average Revenue Per User (smoothed average of the previous 12 months), excluding MVNO.



Thanks to the take-over bid for KPN Belgium Business, which was tied up at the end of November 2009, Mobistar will reinforce its B2B division. The agreement relates to the purchase of 1,800 km of fiber optic network, two data centers, the take-over of 9,000 business customers and the carrier activities of the former Versatel S.A. Mobistar also signed an agreement for the supply of wholesale ADSL services to KPN Belgium. The transfer should be effective during the first half of 2010, after approval by the Competition Council. Mobistar expects this take-over to generate synergies in terms of network infrastructure and customer base. According to Mobistar's calculations, the integration of the business activities and the wholesale agreement should have a proforma impact on an annual basis of 100 million euros on the turnover and an EBITDA margin of 10 to 15 %. The forecasts for 2010 will relate to nine months of activity of KPN Belgium Business.

The implementation of the Odyssey 2011 transformation programs to renew the IT and network infrastructure as well as customer service will continue in 2010. Mobistar expects to make gross savings of over 100 million euros over the next three years on operating costs and investments.

### **Regulatory measures**

In 2010, regulatory measures will have a negative impact on the operator's results. The recent IBPT announcement of cuts in mobile termination rates will have an impact on turnover of 40 million euros. Mobistar has noted the proposal, and will play an active role in the consultation within the sector, which is planned up to 12 March 2010.

The announced cut in voice and data roaming tariffs on 1 July 2010 (from 43 cents to 39 cents excluding VAT for voice traffic and 1 euro/Mb to 0.8 euro/Mb for mobile data) will impact the turnover by 27 millions euros.

### **Short-term and medium-term outlook**

Mobistar's future outlook takes account of the impact of the regulatory measures and its investment program. The hypotheses are based on the current data regarding the evolution of the Belgian economic situation and may be adapted if there are changes concerning handsets subsidies in Belgium, and if the economic situation should further worsen.

The decrease of the roaming and MTR tariffs, as announced today, and the investments for the launch of the 'quadruple play' and the value creation of the customer base will negatively impact turnover and EBITDA. These will be partially compensated by the organic growth of Mobistar and Orange S.A. and by the KPN Belgium Business integration for 9 months.

In this context, Mobistar expects an equal turnover as in 2009, a net result situated between 210 and 230 million euros and an investment level representing 10 % of service revenues. EBITDA will be in a range between 500 and 520 million euros and the organic cash-flow between 260 and 280 million euros. Mobistar expects that these investments will pay off after 2010 thanks to the positive growth in turnover and organic cash-flow.

**Strategic partnership**

Mobistar has signed a strategic partnership contract with France Télécom which facilitates access to the know-how of France Télécom, and defines some of the services provided by France Télécom to Mobistar. These services are estimated to amount to 5 million euros on an annual basis, with effect from January 2010.

The Board of Directors took its decision in February 2010 at the end of an analysis procedure carried out by the independent directors in accordance with the Companies Code.

**5. Shareholders' remuneration**

The Board of Directors of Mobistar confirms that the sound financial situation of the company enables it to carry out the investment program announced, and to pay out a dividend to shareholders for a total amount for 273 million euros. The Board of Directors will propose payment of an ordinary dividend of 2.90 euros per share on 21 May 2010 and an extraordinary dividend of 1.65 euro per share on 20 August 2010, and will submit it for approval to the General Meeting of Shareholders on 5 May 2010.

Mobistar (EURONEXT BRUSSELS: MOBB) is one of the main actors in the world of telecommunications in Belgium and Luxembourg, active in mobile telephony, fixed telephony, ADSL and on other markets with a strong growth potential. The company develops innovative products and services for the residential and the business market. Mobistar is listed on the Brussels Stock Exchange and is part of the France Télécom group.

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# Management report for the fourth quarter 2009

## 1. Highlights of the fourth quarter 2009

### Mobility strategy

In an unfavorable economic market, Mobistar is moving forward with its 'mobility centric' strategy. The year-end promotional campaigns in the residential market were in general less aggressive as the ones during the summer months. As a result, Mobistar was able to better position its own campaigns without endangering its value strategy.

One of Mobistar's MVNO-partners introduced handset subsidies in its mobile offer portfolio. Mobistar did not launch handset subsidy as there is still no legal framework. As mobile data remains one of the important growth drivers of the value strategy, Mobistar focused its marketing campaigns in the fourth quarter on touch screen hand-sets, where the Mobistar Centers have a clear leadership in the Belgian market.

The number of mobile internet customers continues to grow. At the end of December 2009, the total number of 'Internet Everywhere' and 'Business Everywhere' customers was 85,281. The total number of ADSL customers continued to grow during the last quarter of 2009, reaching 38,000 customers at the end of the year. In addition, Mobistar counted 178,409 'AtHome' customers per December 31, 2009.

In the professional segment, the convergent products 'One Office Voice Pack' and 'One Office Full Pack' continue to enjoy great success in a market suffering from the negative effects of the economic crisis. On November 25, 2009, Mobistar announced an agreement with KPN Mobile International B.V. covering the purchase of KPN Belgium Business S.A./N.V. (B2B and carrier activities in Belgium) for an amount of 65 million euros. The agreement includes the purchase of the fiber network, the takeover of business customers and the wholesale activities from the former 'Versatel S.A.'. This agreement will help Mobistar to provide better service to its existing professional clients and will support its other segments. The transfer will be effective during the first quarter of 2010 after approval of the Competition Council.

In the market for machine-to-machine applications, Mobistar further grew its business to a total of 129,631 SIM cards on 31 December 2009.

### Evolution of the customer base

As in the first and second quarters of the year, Mobistar once again recorded growth during the fourth quarter of 2009, thanks to sales initiatives that paid off. At the end of December 2009, Mobistar's mobile customer base had a total of 3,424,972 active customers for mobile telephony, an increase of 0.93 % compared with the end of December 2008. In one year, 31,522 new customers swelled the ranks of Mobistar's mobile customers. These new customers are mainly postpaid customers, who account for 60.6 % of the total customer base at the end of the 2009 financial year. The number of MVNO customers fell by 6.84 % as a result of de-activation of unused SIM cards at MVNO partners. Finally, the total mobile customer base (Mobistar + MVNO) increased by 12,782 units during the fourth quarter of 2009 and there were 3,746,515 active customers for mobile telephony at the end of December 2009, an increase of 0.21 % compared with a year earlier.

The number of Internet mobile customers with a USB modem ('Internet Everywhere', 'Business Everywhere' and 'Internet Everywhere Ticket') increased, as did usage of mobile data. The number of Internet mobile customers grew by 82.1 % in 2009 to reach 85,281 by the end of the financial year, compared with 46,827 a year earlier. More and more customers are opting for a smartphone and use of mobile Internet. This is shown by the sales figures for

mobile phones, which were up from 725,000 units in 2008 to 915,000 units in 2009, an increase of 26.2 %. This was due to sustained investment in distribution and the most extensive range of handsets in Belgium.

The number of SIM cards for 'machine-to-machine' (M2M) applications rose by 19.3 % in 2009, rising from 108,659 cards recorded at the end of 2008 to 129,631 a year later. The potential of the M2M activities on the international scene was confirmed in 2009, in a market characterized by fiercer competition from international players.

### Evolution of the average monthly revenue per user (ARPU)

On an annual basis, ARPU was down from 32.47 euros to 31.54 euros due to the negative impact of regulation. During the fourth quarter of 2009, the continuous improvement in the prepaid/postpaid proportion in the customer base, and the increased usage of mobile data services had a positive impact on the evolution of the ARPU, which rose from 31.31 euros/month/user at the end of September 2009 to 31.54 euros/month/customer at the end of December 2009.

### Orange S.A. (Luxembourg), former VOXmobile S.A.

In October 2009, the Luxembourg subsidiary VOXmobile was successfully renamed Orange S.A. The introduction of the new brand was accompanied by a complete update of the product portfolio, adapted to the needs of current and future customers, an overhaul of the distribution network and a major media campaign. This rebranding further reinforced the positive trends in 2009. At the end of 2009, Orange S.A. had 80,753 active customers mobile telephony, compared with 79,687 active customers a year earlier, an increase of 1.34 %. ARPU from the Luxembourg customers increased by 12.33 % in 2009, rising from 32.28 euros/month/user at the end of December 2008 to 36.26 euros/months/user a year later.

At the end of December 2009, total service revenues were 37.7 million euros, which represents growth of 13.21 % compared with the 33.3 million euros a year earlier. Total turnover was up 14.90 % in 2009, due to healthy sales figures for mobile phones. At the end of December 2009, total turnover of Orange S.A in Luxembourg was 45.5 million euros compared with 39.6 million at the end of 2008.

Orange S.A. confirmed its growth potential as predicted by Mobistar when it acquired the company in 2007. Mobistar is convinced that the rebranding will support the growth, thanks to the international awareness of the Orange brand.

### Network deployment

Mobistar invested 146,1 million euros in 2009, representing 10 % of service revenues. The operator decided to defer a number of network investments due to (1) the negotiation period regarding the decrees for the implementation of the new 3V/m-norm in the Brussels Capital Region, (2) the planned IT renewal and (3) the entry into force of a cooperation agreement for site management with KPN Belgium.

On 8 October 2009, Mobistar and KPN Belgium signed indeed an agreement to seek maximum synergies in the field of acquisition, construction and operation of new sites for the future deployment of their respective mobile networks. This collaboration is expected to generate considerable cost savings for Mobistar in the next few years.

The Mobistar network had 4.861 sites at the end of December 2009, 608 of which were shared. This corresponds to a total of 14.583 cells.

## 2. Comments on the financial situation

The consolidation scope did not change during the fourth quarter of 2009. It encompasses Mobistar S.A., the Luxembourg company Orange S.A. (former VOXmobile S.A.) and 50 % of the temporary joint venture 'Irisnet'.

### Income statement

In line with its forecasts, Mobistar recorded total service revenues on 31 December 2009 of 1,410 million euros, compared with 1,411.7 million euros a year earlier. The operator's revenues were negatively influenced by the decrease in mobile termination rates (MTRs) and roaming tariffs. The total impact of the decrease in the MTR and roaming tariffs for the 2009 financial year was 36.6 million euros. On the other hand, the reduction in revenues was compensated by the increase in the number of ADSL and postpaid customers, and by the usage of mobile data services. The share of mobile data in service revenues reached 28.7 % at the end of December 2009, compared with 21.8 % one year earlier.

Total turnover increased by 2.14 %, rising from 1,497.2 million euros at the end of December 2008 to 1,529.3 million euros a year later. This growth is also due to the excellent sales figures for mobile phones. Mobistar offers the widest range of smartphones for sale via its distribution channels, thus confirming its position as the leader on the smartphones market. The commercial emphasis placed on smartphones in its distribution channels, combined with a successful advertising campaign, enabled the operator to record an increase of 39.5 % in its turnover from sales of mobile phones.

### Balance sheet

The consolidated balance sheet total reached 1,153.1 million euros on 31 December 2009, compared to 1,200.3 million euros recorded at the end of the previous financial year.

Non-current assets were 882.5 million euros at the end of 2009, compared with 898.0 million at the end of 2008. This slight fall results mainly from the fact that the investments made in 2009 were lower than the depreciation charges, at 146.1 million euros and 164.3 million euros respectively.

Current assets decreased from 302.3 million euros at the end of 2008 to 270.6 million euros at the end of 2009, following a decrease in trade receivables and other current assets.

Equity slightly decreased from 452.5 million euros at the end of 2008 to 440.8 million euros on 31 December 2009. This decrease results from the dividend paid on the 2008 results, which was approved by the General Assembly of 6 May 2009, of a total amount of 273.1 million euros, almost fully compensated by the net consolidated result for the year 2009 amounting to 260.3 million euros.

Non-current liabilities decreased from 91.8 million euros at the end of 2008 to 14.6 million euros at the end of 2009, due to a reclassification of long-term to short-term debt for an amount of 50 million euros, representing the outstanding balance of a loan with France Télécom with maturity date 31 December 2010.

Current liabilities increased from 656.0 million euros on 31 December 2008 to 697.7 million euros at the end of 2009. This increase is mainly due to the reclassification of financial debt from long-term to short-term for 50 million euros (as explained above), and to the trade payables for -18.0 million euros.

The company's net debt per end December 2009 amounted to 279.4 million euros.

### Financial instruments, financial risks management objectives and policy

No change has occurred in comparison with the information contained in the 2008 annual report (p.14).

### Disputes

The disputes related information listed in the annual report 2008 and in the quarterly reports 2009 have been updated as follows:

**Masts:** The total receivable amount of taxes charged, plus default interest calculated at the legal rate, amounts to 35.0 million euros and is subject to a bad debt provision for the whole amount, of which 6.9 million euros corresponds to the 2009 financial year.

**Mobile Terminating rates:** The Court of Appeal has annulled in its decision dated 30 June 2009 the BIPT decisions adopted in August 2006 and in December 2007 mainly regarding the MTR glidepath. The BIPT has announced it will adopt a retroactive decision regarding the annulment of the 11 August 2006 decision. The appeal on the 29 April 2008 decision is still pending.

**Belgacom Mobile's abuse of dominant position:** Mobistar intervened in a court case brought by KPN Group Belgium against Belgacom Mobile in which KPN Group Belgium claims punitive damages as compensation for abuse of dominant position practices. Mobistar also accuses Belgacom Mobile of abuse of dominant position practices and asks for compensation for damage incurred as the result of these practices. In May 2007, the Commercial Court of Brussels rendered a decision confirming Belgacom Mobile's dominant position between 1999 and 2004 and naming experts to decide on certain abuses and to calculate the damage suffered by Mobistar and KPN Group Belgium. The experts' preliminary report has been communicated to the parties on 2 October 2009. It confirms the charges against Belgacom Mobile and evaluates the damages suffered by KPN Group Belgium and Mobistar to be € 1.18 billion. Once finalized and after having taken into account the remarks of the parties, the report will be communicated to the Commercial Court to settle the case.

**Belgacom Mobile's abuse of dominant position:** In its decision dated 26 May 2009, the Competition Council has fined € 66 million Belgacom Mobile for abuse of its dominant position by adopting squeezing prices on mobile market during the years 2004 and 2005. Mobistar intervened in the procedure and has appealed that decision mainly because the Council rejected the grounds of abuse against Belgacom Mobile for loyalty discounts during the years 2002-2005, discrimination on net / off net for the period 2002-2005 and squeeze for the years 2002-2003. Belgacom Mobile and KPN Group Belgium have also appealed that decision. Finally, following the Council decision, Mobistar has lodged a complaint against Belgacom Mobile for damages as a compensation of its abuse of dominant position.

**Belgacom's abuse of dominant position on the broadband market:** Mobistar together with KPN Belgium has lodged a complaint before the European Commission against Belgacom for abuse of its dominant position on the broadband market.

**Access to local loop and bitstream:** complaints lodged before the Competition Council to be granted reasonable access, i.e. non discriminatory and cost oriented vis-à-vis the retail offer Discovery Line and access to ADSL2+ at bitstream level remain pending. Mobistar, together with KPN Belgium, has also appealed against the decisions of the BIPT dated June 11 and June 25, 2008 fixing the rates for wholesale ADSL2+ bitstream access. Hearing occurred end 2009, the Court decision should be adopted within Q1 2010.

**2G licenses renewal:** On 25 November 2008, the BIPT and the Minister of Enterprise and Simplification adopted each a decision stating that Mobistar's 2G license ending on 27 November 2010 would not be tacitly renewed. A similar decision was issued vis-à-vis Belgacom Mobile and Base.

Mobistar appealed against the decision of the BIPT before the Court of Appeal, asking the suspension and the annulment of the decision, through an action lodged on 24 December 2008. Mobistar appealed against the decision of the Minister before the Council of State asking the suspension and the annulment of the decision, through an action lodged on 24 December 2008.

After having annulled the BIPT decision regarding the 2G license of Proximus by its decision dated 20 July 2009, the Court of Appeal has also annulled the BIPT decision not to renew tacitly the 2G license of Mobistar in its decision dated 22 September 2009. The Court of Appeal indicates that the power to adopt such decision rests within the BIPT and not the Minister but that in the present case, the BIPT decision is void for lack of motivation and disrespect of procedural rules. As a consequence, the 2G license of Mobistar is renewed for 5 years, until November 2015, in the same conditions. The BIPT, under request of the Minister, has however launched a public consultation in November 2009 on a draft bill aiming to create a new renewal fee for the period 2010-2015.

### 3. Trends

Mobistar's future outlook takes account of the impact of the regulatory measures and its investment program. The hypotheses are based on the current data regarding the evolution of the Belgian economic situation and may be adapted if there are changes concerning handsets subsidies in Belgium, and if the economic situation should further worsen.

The decrease of the roaming and MTR tariffs, as announced today, and the investments for the launch of the 'quadruple play' and the value creation of the customer base will negatively impact turnover and EBITDA. These will be partially compensated by the organic growth of Mobistar and Orange S.A. and by the KPN Belgium Business integration for 9 months.

In this context, Mobistar expects an equal turnover as in 2009, a net result situated between 210 and 230 million euros and an investment level representing 10 % of service revenues. EBITDA will be in a range between 500 and 520 million euros and the organic cash-flow between 260 and 280 million euros. Mobistar expects that these investments will pay off after 2010 thanks to the positive growth in turnover and organic cash-flow.





## Declaration by the persons responsible

We, the undersigned, Benoit Scheen, CEO, and Werner De Laet, CFO, declare that to our knowledge:

- a) the financial statements drawn up in accordance with the prevailing accounting standards, give a faithful image of the assets, financial situation and results of the issuer and the companies included within its consolidation;
- b) the management report contains an accurate overview of the business activities evolution, the results and the financial situation of the issuer and the companies included within its consolidation, and a description of the main risks and uncertainties they are confronted to.



Benoit Scheen  
CEO



Werner De Laet  
CFO

## **Report of the statutory auditor to the shareholders of Mobistar S.A. on the review of the condensed consolidated financial statements for the year ended 31 December 2009**

The statutory auditor has confirmed that the audit procedures on the consolidated financial statements have been completed substantially and that no significant corrections have been identified that should have been adjusted in the financial information included in the press release.

Brussels, February 9, 2010

Ernst & Young Reviseurs d'Entreprises SCC

Statutory auditor

represented by Herman Van den Abeele, Partner

## Condensed consolidated financial statements in accordance with IFRS

### Consolidated income statement (Mio €)

	Mobistar Group		
	31.12.2009	31.12.2008	Variation (%)
<b>Revenue</b>			
Service revenue	1 444.8	1 443.7	0.1%
Handsets sales	122.4	89.0	37.5%
<b>Total turnover</b>	<b>1 567.2</b>	<b>1 532.7</b>	<b>2.3%</b>
Other operating revenue	37.6	34.1	10.3%
<b>Total revenue</b>	<b>1 604.8</b>	<b>1 566.8</b>	<b>2.4%</b>
<b>Operating expenses</b>			
Interconnection costs	-358.1	-328.7	9.0%
Costs of equipment and goods sold	-250.2	-219.2	14.1%
Services and other goods	-271.5	-278.9	-2.7%
Employee benefits expenses	-133.1	-132.2	0.7%
Depreciation, amortisation and impairment	-164.3	-173.1	-5.1%
Other operating charges	-24.9	-16.2	53.7%
<b>Total operating expenses</b>	<b>-1 202.1</b>	<b>-1 148.3</b>	<b>4.7%</b>
Result of operating activities before depreciation and amortisation (EBITDA)	567.0	591.6	-4.2%
EBITDA margin in % of service revenue	39.2%	41.0%	
Result of operating activities (EBIT)	402.7	418.5	-3.8%
Finance income	1.4	1.9	-26.3%
Finance costs	-6.1	-7.4	-17.6%
<b>Result of operating activities after net finance costs</b>	<b>398.0</b>	<b>413.0</b>	<b>-3.6%</b>
Tax expense	-137.7	-132.9	3.6%
<b>Net profit of the period (*)</b>	<b>260.3</b>	<b>280.1</b>	<b>-7.1%</b>
<b>Profit attributable to equity holders of the parent</b>	<b>260.3</b>	<b>280.1</b>	<b>-7.1%</b>
<b>Consolidated statement of comprehensive income</b>			
<b>Net profit for the period</b>	<b>260.3</b>	<b>280.1</b>	<b>-7.1%</b>
Other comprehensive income	0	0	
<b>Total comprehensive income for the period</b>	<b>260.3</b>	<b>280.1</b>	<b>-7.1%</b>
<b>Part of the total comprehensive income attributable to equity holders of the parent</b>	<b>260.3</b>	<b>280.1</b>	<b>-7.1%</b>
Basic earnings per share (in €)	4.34	4.54	-4.4%
Weighted average number of ordinary shares	60 014 414	61 754 776	
Diluted earnings per share (in €)	4.34	4.54	-4.4%
Diluted weighted average number of ordinary shares	60 014 414	61 754 776	

(\*) Since there are no discontinued operations, the profit of the period corresponds to the result of continued operations.

## Consolidated balance sheet (Mio €)

	31.12.2009	31.12.2008
<b>ASSETS</b>		
<b>Non-current assets</b>		
Goodwill	79.3	79.3
Intangible assets	235.5	273.1
Tangible assets	548.9	529.5
Other non-current assets	11.5	11.2
Deferred taxes	7.3	4.9
<b>Total non-current assets</b>	<b>882.5</b>	<b>898.0</b>
<b>Current assets</b>		
Inventories	10.1	12.3
Trade receivables	204.4	217.2
Other current assets	46.1	66.0
Cash and cash equivalents	10.0	6.8
<b>Total current assets</b>	<b>270.6</b>	<b>302.3</b>
<b>Total assets</b>	<b>1 153.1</b>	<b>1 200.3</b>
<b>EQUITY and LIABILITIES</b>		
<b>Equity</b>		
Share capital	109.2	109.2
Legal reserve	35.7	35.7
Retained earnings	295.9	307.6
<b>Total equity</b>	<b>440.8</b>	<b>452.5</b>
<b>Non-current liabilities</b>		
Long-term borrowings	0.0	75.0
Long-term provisions	14.6	15.1
Deferred taxes	0.0	1.7
<b>Total non-current liabilities</b>	<b>14.6</b>	<b>91.8</b>
<b>Current liabilities</b>		
Amount payable after more than one year falling due within one year	50.0	0.0
Short-term borrowings	248.0	243.3
Trade payables	266.4	284.4
Employee benefits related liabilities	25.4	28.6
Currents taxes payables	37.4	29.5
Deferred income	68.0	66.3
Other payables	2.5	3.9
<b>Total current liabilities</b>	<b>697.7</b>	<b>656.0</b>
<b>Total liabilities</b>	<b>712.3</b>	<b>747.8</b>
<b>Total equity and liabilities</b>	<b>1 153.1</b>	<b>1 200.3</b>

**Statement of changes in equity (Mio €)**

	Share Capital	Share Premium	Legal Reserve	Retained earnings	Total equity
<b>Balance as at 1 January 2009</b>	<b>109.2</b>	<b>0.0</b>	<b>35.7</b>	<b>307.6</b>	<b>452.5</b>
Net profit for the period				260.3	260.3
<b>Total comprehensive income for the period</b>				<b>260.3</b>	<b>260.3</b>
Incentive Plan on France Télécom shares				1.3	1.3
Dividends				-273.1	-273.1
Equity transactions costs				-0.2	-0.2
<b>Balance as at 31 December 2009</b>	<b>109.2</b>	<b>0.0</b>	<b>35.7</b>	<b>295.9</b>	<b>440.8</b>

	Share Capital	Share Premium	Legal Reserve	Retained earnings	Total equity
<b>Balance as at 1 January 2008</b>	<b>357.1</b>	<b>0.1</b>	<b>35.7</b>	<b>375.1</b>	<b>768.0</b>
Net profit for the period				280.1	280.1
<b>Total comprehensive income for the period</b>				<b>280.1</b>	<b>280.1</b>
Incentive Plan on France Télécom shares				1.3	1.3
Capital reimbursement	-248.0				-248.0
Dividends				-173.6	-173.6
Shares repurchase and cancellation				-175.0	-175.0
Impact first time application of IFRIC 13 - Loyalty Programs				0.5	0.5
Incorporation share premium in share capital	0.1	-0.1			0.0
Equity transactions costs				-0.8	-0.8
<b>Balance as at 31 December 2008</b>	<b>109.2</b>	<b>0.0</b>	<b>35.7</b>	<b>307.6</b>	<b>452.5</b>

## Consolidated cash flow statement (Mio €)

	31.12.2009	31.12.2008
<b>Cash flows from operating activities</b>		
<b>Result of operating activities after net finance costs</b>	<b>398.0</b>	<b>413.0</b>
Adjustments for:		
Depreciation, amortisation and impairment	164.3	173.1
Share-based payment expense	1.3	1.3
<b>Adjusted result of operating activities after net finance costs</b>	<b>563.6</b>	<b>587.4</b>
Inventories (increase -, decrease +)	2.2	1.6
Trade receivables (increase -, decrease +)	12.8	-33.7
Deferred tax assets (increase -, decrease +)	-2.4	1.0
Accrued revenue (increase -, decrease +)	21.4	-15.9
Other current assets (increase -, decrease +)	-0.9	2.3
Other non-current assets (increase -, decrease +)	2.0	2.1
Trade payables (increase +, decrease -)	-18.0	15.6
Employee benefits related liabilities (increase +, decrease -)	-3.2	-1.8
Current taxes payables (increase +, decrease -)	7.9	-4.9
Deferred tax liabilities (increase +, decrease -)	-1.7	1.7
Deferred income (increase +, decrease -)	1.7	19.0
Dividends payables (increase +, decrease -)	0.0	1.0
Other current payables (increase +, decrease -)	-1.4	0.6
Long-term provisions and trade payables (increase +, decrease -)	-0.5	0.5
<b>Net change in working capital</b>	<b>19.9</b>	<b>-10.9</b>
<b>Tax expenses</b>	<b>-141.8</b>	<b>-130.4</b>
<b>Deferred taxes</b>	<b>4.1</b>	<b>-2.5</b>
<b>Net cash from operating activities (*)</b>	<b>445.8</b>	<b>443.6</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible and tangible assets	-146.1	-159.9
Acquisition of subsidiary	0.0	-6.7
Proceeds from sale of equipment	0.0	14.7
Long-term loans and advances granted	-9.9	-6.9
Reimbursement long-term loans granted	7.0	0.0
<b>Net cash used in investing activities</b>	<b>-149.0</b>	<b>-158.8</b>
<b>Cash flows from financing activities</b>		
Cash-in flows from short-term borrowings	4.7	237.2
Cash-in / cash-out flows from long-term borrowings	-25.0	75.0
Share capital and share premium - Capital reimbursement (GM May 7, 2008)	0.0	-248.0
Net purchase of treasury shares	0.0	-175.0
Equity transactions costs	-0.2	-0.8
Dividends paid	-273.1	-173.6
<b>Net cash used in financing activities</b>	<b>-293.6</b>	<b>-285.2</b>

	31.12.2009	31.12.2008
<b>Net increase (+), decrease (-) in cash and cash equivalents</b>	<b>3.2</b>	<b>-0.4</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>6.8</b>	<b>7.2</b>
<b>Cash and cash equivalents at end of period</b>	<b>10.0</b>	<b>6.8</b>
(*) Net cash from operating activities includes:		
- Interests paid	4.2	5.9
- Interests received	0.7	1.6
- Income taxes paid	132.2	137.7



## Segment information (Mio €)

	31.12.2009 Belgium			31.12.2009 Luxembourg	Interco elimination	Mobistar Group
	Mobile	Fix	Total	Total	Total	Total
<b>Revenue</b>						
Service revenue	1 323.6	86.4	1 410.0	37.7	-2.9	1 444.8
Handsets sales	119.3	0.0	119.3	7.8	-4.8	122.4
Total turnover	1 442.9	86.4	1 529.3	45.5	-7.6	1 567.2
Other operating revenue	34.2	3.3	37.5	0.3	-0.2	37.6
<b>Total revenue</b>	<b>1 477.1</b>	<b>89.7</b>	<b>1 566.8</b>	<b>45.8</b>	<b>-7.8</b>	<b>1 604.8</b>
<b>Results</b>						
Result of operating activities before depreciation and amortization (EBITDA)	578.7	-16.1	562.6	4.4		567.0
EBITDA margin in % of service revenue	43.7%	-18.6%	39.9%	11.7%		39.2%
Result of operating activities (EBIT)	430.8	-20.8	410.1	-7.3		402.8
Net finance income			-3.9	-0.8		-4.7
Tax expense			-139.4	1.7		-137.7
Net profit or loss			266.8	-6.4		260.4

The presentation of the 2008 data has been restated for comparison purpose.

	31.12.2008 Belgium			31.12.2008 Luxembourg	Interco elimination	Mobistar Group
	Mobile	Fix	Total	Total	Total	Total
<b>Revenue</b>						
Service revenue	1 328.6	83.1	1 411.7	33.3	-1.3	1 443.7
Handsets sales	85.2	0.3	85.5	6.3	-2.8	89.0
Total turnover	1 413.8	83.4	1 497.2	39.6	-4.1	1 532.7
Other operating revenue	31.2	2.7	33.9	0.2	0.0	34.1
<b>Total revenue</b>	<b>1 445.0</b>	<b>86.1</b>	<b>1 531.1</b>	<b>39.8</b>	<b>-4.1</b>	<b>1 566.8</b>
<b>Results</b>						
Result of operating activities before depreciation and amortization (EBITDA)	604.2	-14.8	589.5	2.1		591.6
EBITDA margin in % of service revenue	45.5%	-17.8%	41.8%	6.3%		41.0%
Result of operating activities (EBIT)	441.8	-17.5	424.3	-5.8		418.5
Net finance income			-3.8	-1.7		-5.5
Tax expense			-131.9	-1.0		-132.9
Net profit or loss			288.6	-8.5		280.1

## Quarterly results

		Quarterly figures 2008				FY 2008
		Q1	Q2	Q3	Q4	
<b>Subscriber base evolution</b>						
Mobistar S.A. Mobile customers (excl MVNO, MATMA)	in thousand	3 310.8	3 348.1	3 358.9	3 393.5	
of which Postpaid	in thousand	1 806.6	1 855.2	1 890.7	1 939.6	
of which Prepaid	in thousand	1 504.2	1 492.9	1 468.2	1 453.9	
MVNO customers	in thousand	247.0	297.1	316.1	345.2	
Orange S.A. (Luxembourg / ex-VOXmobile) customers	in thousand	74.1	74.8	77.5	79.7	
<b>Total Mobistar Group</b>	<b>in thousand</b>	<b>3 632.0</b>	<b>3 720.0</b>	<b>3 752.5</b>	<b>3 818.3</b>	
<b>ARPU evolution</b>						
<b>Blended ARPU</b>						
<b>(rolling average of the preceding 12 months incl. visitor roaming)</b>						
	<b>in EUR/month</b>	<b>33.66</b>	<b>33.11</b>	<b>32.79</b>	<b>32.35</b>	
Postpaid ARPU (excl. visitor roaming and IEW)	in EUR/month	43.34	43.84	43.76	42.97	
Prepaid ARPU (excl. visitor roaming and IEW)	in EUR/month	15.95	16.31	16.36	16.54	
<b>P&amp;L</b>						
Service Revenues Mobistar Mobile	in Mio EUR	323.0	337.8	338.9	328.9	1 328.6
Service Revenues Mobistar Fix/Data	in Mio EUR	20.2	19.4	22.0	21.6	83.2
Service Revenues Orange S.A. (Luxembourg / ex-VOXmobile)	in Mio EUR	7.9	8.7	8.4	8.3	33.3
<b>Total Mobistar consolidated service revenues*</b>	<b>in Mio EUR</b>	<b>350.8</b>	<b>365.7</b>	<b>369.0</b>	<b>358.2</b>	<b>1 443.7</b>
Total Mobistar consolidated handsets sales	in Mio EUR	11.6	17.5	24.8	35.1	89.0
Total Mobistar consolidated turnover	in Mio EUR	362.4	383.1	393.8	393.4	1 532.7
<b>Total Mobistar consolidated EBITDA</b>	<b>in Mio EUR</b>	<b>143.4</b>	<b>156.6</b>	<b>150.4</b>	<b>141.2</b>	<b>591.6</b>
as a % of service revenues		40.9%	42.8%	40.8%	39.4%	41.0%
<b>Total Mobistar consolidated net result</b>	<b>in Mio EUR</b>	<b>68.7</b>	<b>76.3</b>	<b>70.5</b>	<b>64.6</b>	<b>280.1</b>
EPS calculated on the basis of the outstanding shares at the end of the quarter	in EUR/share	1.11	1.23	1.18	1.15	4.67
Diluted weighted average earnings per share	in EUR/share	1.09	1.23	1.14	1.07	4.54
Total Mobistar consolidated CAPEX	in Mio EUR	30.1	39.5	39.5	50.8	159.9
as a % of service revenues		9%	11%	11%	14%	11%

\* after elimination of intercompany transactions.

		Quarterly figures 2009				FY 2009
		Q1	Q2	Q3	Q4	
<b>Subscriber base evolution</b>						
Mobistar S.A. Mobile customers (excl MVNO, MATMA)	in thousand	3 421.5	3 443.0	3 420.7	3 425.0	
of which Postpaid	in thousand	1 979.1	2 013.9	2 033.4	2 077.1	
of which Prepaid	in thousand	1 442.3	1 429.2	1 387.3	1 347.8	
MVNO customers	in thousand	363.1	344.5	313.0	321.5	
Orange S.A. (Luxembourg / ex-VOXmobile) customers	in thousand	79.7	79.6	80.1	80.8	
<b>Total Mobistar Group</b>	<b>in thousand</b>	<b>3 864.2</b>	<b>3 867.2</b>	<b>3 813.8</b>	<b>3 827.3</b>	
<b>ARPU evolution</b>						
<b>Blended ARPU</b>						
<b>(rolling average of the preceding 12 months incl. visitor roaming)</b>						
	<b>in EUR/month</b>	<b>32.00</b>	<b>31.65</b>	<b>31.31</b>	<b>31.54</b>	
Postpaid ARPU (excl. visitor roaming and IEW)	in EUR/month	39.13	39.31	39.48	39.63	
Prepaid ARPU (excl. visitor roaming and IEW)	in EUR/month	16.86	17.84	17.85	18.14	
<b>P&amp;L</b>						
Service Revenues Mobistar Mobile	in Mio EUR	319.3	332.4	331.7	340.2	1 323.6
Service Revenues Mobistar Fix/Data	in Mio EUR	22.1	22.1	20.7	21.5	86.4
Service Revenues Orange S.A. (Luxembourg / ex-VOXmobile)	in Mio EUR	8.7	9.7	9.7	9.8	37.8
<b>Total Mobistar consolidated service revenues*</b>	<b>in Mio EUR</b>	<b>349.6</b>	<b>363.7</b>	<b>361.5</b>	<b>370.1</b>	<b>1 444.8</b>
Total Mobistar consolidated handsets sales	in Mio EUR	21.6	26.7	24.6	49.5	122.4
Total Mobistar consolidated turnover	in Mio EUR	371.2	390.4	386.1	419.6	1 567.2
<b>Total Mobistar consolidated EBITDA</b>	<b>in Mio EUR</b>	<b>134.0</b>	<b>144.4</b>	<b>142.4</b>	<b>146.2</b>	<b>567.0</b>
as a % of service revenues		38.3%	39.7%	39.4%	39.5%	39.2%
<b>Total Mobistar consolidated net result</b>	<b>in Mio EUR</b>	<b>60.1</b>	<b>68.4</b>	<b>67.1</b>	<b>64.7</b>	<b>260.3</b>
EPS calculated on the basis of the outstanding shares at the end of the quarter	in EUR/share	1.00	1.14	1.12	1.08	4.34
Diluted weighted average earnings per share	in EUR/share	1.00	1.14	1.12	1.08	4.34
Total Mobistar consolidated CAPEX	in Mio EUR	25.7	35.4	36.8	48.2	146.1
as a % of service revenues		7%	10%	10%	13%	10%

\* after elimination of intercompany transactions.