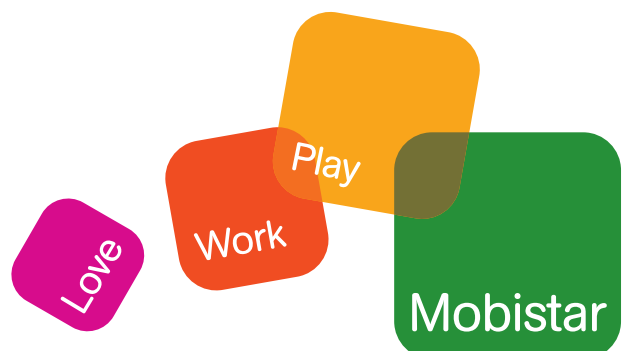


Results
first quarter 2014
Mobistar



Financial communication

Embargo until 24 April 2014 at 7 a.m.
Regulated information

Mobistar is delivering on its transformation program

Brussels, 24 April 2014 – Today, Mobistar (Euronext Brussels: MOBB) publishes its results for the first quarter of 2014.

- ✓ Substantial improvements in network quality have led to a recognized network leadership position⁽¹⁾ on top of a 4G network outperforming competition in speed.
- ✓ Mobistar has taken significant steps in the transformation of its distribution channels.
- ✓ Mobistar has delivered 17.9 million euros out of its 50 million euros net operational expense savings program for 2014.
- ✓ Mobistar stays confident to deliver a first internet & TV offer based on the regulated cable networks by the fourth quarter of 2014.
- ✓ This on-going transformation process will allow Mobistar to remain and even enforce its position on the forefront of the telecom market.
- ✓ The results of the first quarter of 2014 enable Mobistar to keep its outlook unchanged for the full year 2014:
 - Mobistar reached a total turnover of 317.0 million euros.
 - Mobistar reached a restated EBITDA of 66.1 million euros.
 - Mobistar reached an operational cash flow of 27.1 million euros.

'The proper execution of its transformation program secures better prospects for Mobistar. During the first quarter, Mobistar has regained its leadership position in terms of network quality. Mobistar is now engaged in the completion of the transformation of its distribution network, in order to better leverage this key advantage. As regards to its IT and organisational structure, Mobistar pursues its cost streaming effort further,' commented Jean Marc Harion (CEO).

Ludovic Pech (CFO) added: 'The first quarter of 2014 confirmed that the last quarter of 2013 was a trough in terms of service revenue evolution. The improving trend noticed during the first quarter should continue into the coming quarters as the backbook has been largely repriced. The market repricing should also start losing its intensity. The uptake of mobile data progresses well and should be boosted further with the commercial launch of 4G'.

At the end of the first three months of 2014:

- Mobistar group continued to increase the number of connected SIM cards on its network in Belgium and Luxembourg to **reach a total 5,280,362**, an increase of 5.1 % year-on-year.
- The attrition in Mobistar's pre- and postpaid subscriber base in Belgium was partly compensated by the **solid increase in Mobistar's M2M customer base**, resulting in a 56,159 net loss year-on-year, excluding 30,092 IEW⁽²⁾ cards being substituted by smartphone usage uptake.
- **90.4 % of Mobistar residential postpaid customers** opted for Mobistar's Animals tariff plans. It is a key priority for Mobistar to reassure all customers have a tariff plan that is geared towards their actual usage, thus maximizing the secured in-bundle revenues.
- **Mobile data** amounted to **50.8 %** of the service revenues in Belgium, while **advanced mobile data**⁽³⁾ represented 19.1 %, versus 45.7 % and 15.4 % respectively in the same period last year.
- Mobistar group recorded a **total consolidated turnover of 317.0 million euros**, down 19.3 % year-on-year. Without the regulatory impact of 6.2 million euros, the total consolidated turnover recorded an erosion of 18.1 % year-on-year.
- **Mobistar's service revenues amounted to 278.1 million euros**, compared to 332.0 million euros a year earlier, or a decline of 16.2 % year-on-year.

(1) Based on the Commsquare drive test in the first quarter of 2014. Drive testing is a method of measuring and assessing the coverage, capacity and Quality of Service (QoS) of a mobile radio network.

(2) Internet Everywhere: SIM card used for mobile internet on laptop and/or tablet.

(3) Mobile data excluding SMS.

- Mobistar recorded a **restated EBITDA of 66.1 million euros**, a decrease of 33.2 % versus the previous year. The restated EBITDA margin of the Mobistar group amounted to 23.8 % of service revenues. Without regulatory impact, the restated EBITDA would have amounted to 70.4 million euros.
- **Investments, mainly network related, are ramping up** and amounted to 37.4 million euros, an increase of 19.9 % compared to the same period of 2013.
- The **operational cash flow amounted to 27.1 million euros**, a decrease of 59.9 % year-on-year.

1. Key facts

In 2014 Mobistar continues executing its global transformation plan thus creating levers for future growth. Mobistar made progress on its four strategic priorities in the course of the first quarter of 2014:

Leadership in Mobile:

- Mobistar reclaimed its leadership position in terms of network quality. Its new high quality network scored extremely well compared to the other network operators, based on a drive test performed by Commsquare in February and March. Mobistar offers the best quality for voice conversations, indoor coverage of the 2G, 3G and 4G networks and mobile broadband speed, underlining Mobistar's network superiority.
- After the successful Discovery launch of 4G in 2013, Mobistar commercially opened up its 4G network at no extra cost to all its residential and business customers with a mobile data tariff plan. In 270 cities and municipalities Mobistar's 4G network provides at least 50 % of the population with indoor coverage, resulting in a superior customer experience thanks to the intensive use of 800 MHz spectrum. In addition, nearly 800 of 2,616 Belgian cities and municipalities have an outdoor 4G coverage of at least 50 %.

Pioneer in Disruptive Convergence:

- Technical workshops with Telenet and Brut  l  /Tecteo are on-going in order to ensure that the wholesale services are put in place according to the regulated requirements.
- Mobistar's cable experts have also progressed in the assembly of the different building blocks to secure a commercial launch in the course of the fourth quarter of 2014. The selection of the experienced and reliable partners for the content protection solution and the integrated operational and business support system are concrete steps towards the launch of new convergent offers.
- The main regulators (CSA, VRM, IBPT) kicked off a new market analysis round for markets 4⁽⁴⁾, 5⁽⁵⁾ and 18⁽⁶⁾. Mobistar estimates that the draft decision of the regulators could come in at the earliest in the second half of 2014.

Best Customer Experience:

- Mobistar continued its actions to improve the cross-channel customer journey, to the benefit of customer satisfaction and productivity gains in its commercial operations.
- The strong growth in mobile data services continued, supported by the use of smartphones among residential and corporate customers. Over the course of February and March, Mobistar subsidised a number of well-chosen low-, mid- and high-end 4G-smartphones. A first for Mobistar was the subsidisation of tablets.
- In the course of first quarter the Belgian regulator IBPT presented the results of its international comparative study on the price level of telecom products. On mobile pricing Belgian operators, and Mobistar in particular, rank amongst the most price competitive operators. The stricter regulation in Belgium in terms of contract duration puts Belgium in an even more competitive environment.

(4) Market 4: wholesale (physical) network infrastructure access at a fixed location (ULL).

(5) Market 5: wholesale broadband access (bitstream).

(6) Market 18: transmission of broadcasting services, i.e. TV and radio.

Best Industry Efficiency:

- In the first quarter of 2014 Mobistar's ACE2 cost transformation program has already delivered 17.9 million euros net savings in operating expenses. Hence, Mobistar reconfirms its commitment to achieve a net operating costs saving of 50 million euros in 2014⁽⁷⁾.
- The focus in the first quarter of 2014 was in particular rooted towards the transformation of Mobistar's distribution network. This transformation allows a more integrated and homogenous customer experience. It also provides Mobistar more control over its distribution channels, allowing it to considerably reduce its customer acquisition cost by becoming more efficient.
- The company also progressed with the organizational transformation of its business to streamline operating efficiencies with a reduction of general and administrative expenses as a result.

⁽⁷⁾ Excluding the annual tax pylon impact of up to 24 million euro.

2. Comments on the financial situation

2.1 Consolidated figures for the Mobistar group

Mobistar group's consolidated key figures	3 m to 31/03/2014	3 m to 31/03/2013	Variation
Total number of connected SIM cards (Mobistar S.A., Orange Communications Luxembourg S.A. and MVNOs)	5 280 362	5 024 136	+5.1 %
Consolidated turnover (million €)	317.0	393.0	-19.3 %
Service revenues (million €)	278.1	332.0	-16.2 %
Handsets revenues (million €)	38.9	61.0	-36.3 %
Restated EBITDA ⁽⁸⁾ (million €)	66.1	99.0	-33.2 %
Restated EBITDA margin in % of service revenues	23.8 %	29.8 %	
EBITDA (million €)	64.5	98.7	-34.6 %
EBITDA margin in % of service revenues	23.2 %	29.7 %	
Consolidated net profit (million €)	9.2	35.1	-73.8 %
Net profit per ordinary share ⁽⁹⁾ (€)	0.15	0.58	-73.8 %
Net investment (million €)	37.4	31.2	+19.9 %
Net investment/Service revenues	13.5 %	9.4 %	
Operational cash flow (million €)	27.1	67.5	-59.9 %
Organic cash flow ⁽¹⁰⁾ (million €)	11.6	0.2	na

The consolidation perimeter has not evolved since 31 December 2013 and includes Mobistar S.A. (100 %), Mobistar Enterprise Services S.A. (100 %), Orange Communications Luxembourg S.A. (100 %) and IRISnet S.C.R.L. (accounted for by equity method - 28.16 %).

For its quarterly results, Mobistar does not publish interim financial reports summarized and consolidated in accordance with International Financial Reporting Standards IAS 34, but instead opts for an interim statement concerning a series of key figures.

2.2 Consolidated income statement

Revenues

Mobistar group's service revenues amounted to 278.1 million euros in the first quarter of 2014 compared to 332.0 million euros a year earlier, or a reduction of 16.2 %. This confirms that the first quarter of 2014 has turned out as the inflection quarter in terms of service revenue growth, following a decline of 7.4 %, 11.1 %, 14.3 % and 21.4 % in the first, second, third and fourth quarter of 2013, respectively.

Despite the fact that for the first time in years, mobile service revenues in Belgium were not affected by a further reduction in the mobile termination rates, Mobistar's subsidiary in Luxembourg had to cope with a substantial reduction in MTRs. The cut in roaming rates in July 2013 continued to have an impact on the revenues in Belgium and Luxembourg. The regulatory impact on the service revenues of the Mobistar group amounted to 6.2 million

(8) EBITDA and restated EBITDA are financial aggregates not defined by IFRS. Restated EBITDA: EBITDA before restructuring and redundancy costs. For further information on the calculation of these aggregates and the reasons why Mobistar uses them, see next page.

(9) Weighted net profit per ordinary share (IFRS).

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

euros in the first quarter of 2014, i.e. 4.1 million euros MTR-impact and 2.1 million euros roaming-impact. Without regulatory impact, the consolidated service revenues in the first quarter would have been down 14.6 % compared to the same period last year.

The consolidated handset sales in the first quarter of 2014 amounted to 38.9 million euros, a decline of 36.3 % compared to 61.0 million euros in the same period last year. This decline in handset sales can partly be explained by lower volumes linked to higher subsidized offers in the overall market. In addition, the variance in handset sales compared to last year is further explained by a mix effect as an increasing number of low- and mid-end priced smartphones find their way into the market.

The total consolidated turnover, which includes services revenues as well as the turnover coming from the sale of handsets, amounted to 317.0 million euros for the first quarter of 2014, compared to 393.0 million euros in the same period a year ago. This implies a decline of 19.3 % year-on-year, excluding the impact of MTR- and roaming regulation the decline would have been 18.1 % year-on-year.

Result of operating activities before depreciation and other expenses

Mobistar's group EBITDA in the first quarter of 2014 amounted to 64.5 million euros, which compares to an EBITDA of 98.7 million euros in the same period last year. The EBITDA margin in the first quarter of 2014 amounted to 23.2 % of the service revenues, compared to 29.7 % in the same period a year ago. Given the service revenue erosion, the EBITDA benefitted from an important decrease in the direct costs and labour costs. The efficiency gains in the direct costs are due to lower interconnection fees and lower cost of sales of equipment and goods sold in line with the lower revenues, but are also due to lower commission fees and content cost savings. The labour cost in the first quarter of 2014 declined as a result of the reduction in staff. The indirect costs increased as result of the provision related to the pylon tax in the Walloon region and the higher operating taxes linked to the operation of new spectrum, only partially compensated by the reduction in general and administrative expenses.

The regulatory burden continued to impact the restated EBITDA in the first quarter of 2014 with a negative impact of 1.0 and 3.2 million euros respectively related to the reduction in mobile termination rates in Luxembourg - and roaming rate cuts in both Belgium and Luxembourg.

EBITDA restatements (in Mio €)	3 m to 31/03/2014	3 m to 31/03/2013	Variation
Restated EBITDA ⁽¹¹⁾	66.1	99.0	-33.2 %
- redundancy costs	-1.6	-0.3	na
- other restructuring costs	0	0	na
EBITDA	64.5	98.7	-34.6 %

The EBITDA in the first quarter of 2014 includes 1.6 million euros of redundancy costs, compared to 0.3 million euros in the first quarter of 2013. No other restructuring costs were booked in the first quarter of 2014. Hence, Mobistar achieved a restated EBITDA of 66.1 million euros, a decrease of 33.2 % compared to the same period in 2013. The restated EBITDA margin of Mobistar amounted to 23.8 % of the service revenues in the first quarter of 2014, compared to 29.8 % in the first quarter of 2013.

Net profit

(11) Restated EBITDA does not constitute a financial aggregate defined by IFRS as an element of measurement of financial performance and cannot be compared with similarly titled indicators from other companies. Restated EBITDA represents supplementary information and should not be considered a substitute for operating income. The reason why Mobistar is using this presentation is to facilitate comparison of operational performance. The present table shows the transition from EBITDA to restated EBITDA.

The consolidated net profit in the first quarter of 2014 amounted to 9.2 million euros, compared to 35.1 million euros last year, a decline of 73.8 %. The bulk of this decline can be explained by the reduction in operational profitability, higher depreciations and an increase in financial interest charges.

2.3 Consolidated statement of financial position

During the first three months of 2014, the Mobistar group again stepped up its investments. The company invested 37.4 million euros, compared to 31.2 million euros during the same period last year. By the end of March 2014, 3G/HSDPA indoor coverage reached 98.6 % of the population.

The consolidated statement of financial position shows the following changes since 31 December 2013:

- the incorporation in equity of the net profit of the quarter (9.2 million euros),
- the decrease of the net book value related to fixed assets resulting from the combination of capital expenditures (37.4 million euros) and depreciations (-47.2 million euros),
- the decrease of the trade receivable (-34.2 million euros) due to the combination of reduced billing levels and continued collection efforts,
- the decrease of the trade payable (-49.6 million euros),
- the decrease in financial debt from 570.7 million euros per 31 December 2013 to 555.5 million euros per 31 March 2014.

The consolidated statement of financial position amounted at the end of the first quarter of 2014 to 1,407.2 million euros.

2.4 Consolidated cash flow

At the end of the first quarter of 2014 the operational cash flow amounted to 27.1 million euros, compared to 67.5 million euros for the same period one year before. The organic cash flow amounted to 11.6 million euros in the first quarter of 2014, which is an increase versus last year. This positive variance has been largely influenced by the decrease in the adjusted results of operating activities (-35.2 million euros), fully compensated by an improvement of the working capital needs (+41.5 million euros), and a small decrease of the cash invested in assets acquisition (+5.8 million euros).

2.5 Activities of the Mobistar group by segment

In greater detail, the breakdown of Mobistar group's activities are the following:

2.5.1. Activities in Belgium (Mobistar S.A. and MES S.A.)

Key financial figures of Mobistar S.A.	3 m to 31/03/2014	3 m to 31/03/2013	Variation
ARPU ⁽¹²⁾ (€/month/active customer)	23.4	26.0	-9.9 %
Service revenues ⁽¹³⁾ (million €)	264.9	316.3	-16.3 %
Of which Mobile	240.3	281.1	-14.5 %
Of which Non-Mobile	24.5	35.2	-30.3%

Key operating figures of Mobistar S.A.	3 m to 31/03/2014	3 m to 31/03/2013	Variation
Total number of connected SIM cards	5 150 711	4 900 303	+5.1 %
Total number of active customers (mobile telephony, IEW)	3 091 060	3 375 879	-8.4 %
Total number of active M2M SIM cards	749 055	550 487	+36.1 %
Total number of MVNO customers (mobile telephony, incl. full MVNO)	1 310 596	973 937	+34.6 %
Total number of mobile Internet customers	111 361	141 453	-21.3 %
Total number of ADSL customers	41 743	70 103	-40.5 %
Total number of digital TV customers	0	25 924	na
Total number of active fixed telephone lines ⁽¹⁴⁾	225 759	262 204	-13.9 %

Following a stagnation in 2013, the Belgian GDP is picking up due to more dynamic exports and a modest consumption recovery. Inflation is expected to remain at rather low pace in a context of more subdued wage rises. The unemployment rate is finally stabilizing around 8.5 %. The economic sentiment indicators have risen strongly in early 2014 reaching above long-term average level. On the competitive side the structural market imbalance between an open mobile market and a closed fixed market has remained unchanged. However the nationwide rollout of 4G has again turned the spotlights on the mobile market.

Mobile activities

Market Review

The first quarter of 2014 was characterized by the broad commercial launch of 4G in Belgium, following the auction of the 800 MHz spectrum licenses in the previous quarter. The launch of 4G in the Belgian market is congruent with the uptake of smartphones and hence mobile data in Belgium. Mobistar has clearly reclaimed its leadership position in terms of network quality. In terms of pricing the market in the first quarter of 2014 seemed to continue its regained focus on value management as seen in the last couple of quarters. The IBPT has again examined the price level of telecom products in a group of five countries (Belgium, the Netherlands, France, Germany and the United Kingdom). This survey again confirms that Belgium ranks amongst the countries with the most attractive mobile prices. In the first quarter of 2014 handset subsidies have gained traction in the overall market, especially as

(12) Average Revenue Per User (excluding MVNOs and M2M cards). Note that we have switched the calculation mode from 12 month rolling average to a quarterly basis.

(13) Note that the segmentation has changed as the intercompany transactions between Mobistar S.A. and MES S.A. are now integrated at segment level instead of previously at the group level. The restatements for 2013 can be found at the end of the press release.

(14) Note that the definition of the number of active fixed telephone lines has changed.

a way to increase 4G smartphone penetration. However, it would be wrong to conclude that the market has flipped to a structural subsidisation model. For the first time in years the Belgian market was not impacted by a decline of the national MTRs, lower roaming rates at the European level however had an impact.

Financial Review

The blended ARPU declined by 9.9 % to 23.4 euros/month/customer in the first quarter of 2014, from 26.0 euros/month/customer the same period last year. Of notice, the quarterly ARPU growth trend in the first three months of 2014 improved to -9.9 % year-on-year versus -18.2 % year-on-year the last three months of 2013. The reason for this is threefold: 1/ no MTR impact anymore, 2/ a higher contribution of mobile data and 3/ the repricing within the Mobistar customer base that gradually decreases.

The mobile service revenues in Belgium in the first quarter of 2014 declined 14.5 % to 240.3 million euros from 281.1 million euros a year ago. The relative portion of mobile data, i.e. SMS and advanced mobile data, within the mobile service revenues in Belgium continues to increase. In the first quarter of 2014 it amounted to 50.8 %, while advanced mobile data represented 19.1 %. The increase in advanced mobile data revenues is driven by an increasing adoption of smartphone usage amongst the Mobistar customers.

The service revenues coming from machine-to-machine continued to show a solid growth of 17.5 % to 5.4 million euros in the first quarter of 2014 coming from 4.6 million euros in the same period last year. Service revenues coming from MVNO activities increased 18.2 % to 18.2 million euros in the first quarter of 2014 coming from 15.4 million euros in the first quarter of 2013. The solid traction in service revenues is in both cases driven by an increase in the respective customer bases, i.e. +198,568 and +336,659 compared to the same period last year.

Operational Review

In the first quarter of 2014 Mobistar's network market share continued to increase thanks to the growth in Mobistar's Machine-to-Machine customer base, and the growth of the customer base of its MVNO partners. At the end of March 2014, Mobistar (Mobistar S.A. + MVNO) had a total of 5,150,711 SIM cards connected on its network in Belgium, compared to 4,900,303 a year earlier, an increase of 5.1 % year-over-year. The number of active mobile telephone (incl. IEW) Mobistar customers decreased to 3,091,060 at the end of the first quarter of 2014 coming from 3,375,879 a year earlier, implying a decrease of 8.4 % year-on-year. The majority of the decline is due to a decline in prepaid customers, in line with the market attrition in this segment following the changes in the contract duration. The total number of IEW-customers came out at 111,361, compared to 141,453 in the first quarter of 2013. This decline is mainly due to the change in user behaviour as people increasingly use their smartphone to setup a personal hotspot for their other devices, removing the need for a second SIM card.

At the end of the first quarter of 2014, Mobistar recorded 749,055 active SIM cards in the area of 'machine-to-machine' (M2M) applications, an increase of 36.1 % compared to the 550,487 active cards recorded in the first quarter of 2013.

At the end of the first quarter of 2014, Mobistar S.A. had 1,310,596 MVNO customers, compared to 973,937 MVNO customers at the end of the first quarter of 2013, an increase of 34.6 % in one year in both pre- and postpaid MVNO customers.

Fixed and convergent activities

Market Review

The competitive rigidity in the fixed market has remained unchanged. The recent pricing study of the IBPT reconfirms the high price point of the triple play prices in Belgium. The number of households that are consuming mobile services as part of a multiplay pack continues to grow.

Financial Review

The non-mobile service revenues in Belgium declined 30.3 % in the first quarter of 2014 to 24.5 million euros, compared to 35.2 million euros the same period last year. In line with the trend of the past quarter the decline is mainly a result of lower wholesale carrier service revenues and lower broadband revenues as a result of the suspension of the commercialization of such activities starting May 2013.

Operational Review

In anticipation of the launch of new convergent service at the end of 2014, the erosion of the fixed customer base sustained itself in the first quarter of 2014 with 40.5 % and 13.9 % less ADSL customers and fixed telephone lines respectively, compared to the same period last year.

2.5.2. Activities in Luxembourg (Orange Communications Luxembourg S.A.)

Key financial figures of Orange Communications Luxembourg S.A.	3 m to 31/03/2014	3 m to 31/03/2013	Variation
Service revenues (million €)	13.5	16.5	-18.3 %
Total turnover (million €)	15.6	18.4	-14.9 %

Key operating figures of Orange Communications Luxembourg S.A.	3 m to 31/03/2014	3 m to 31/03/2013	Variation
Total number of connected SIM cards	129 651	123 833	+4.7 %
Total number of active customers (mobile telephony)	102 688	105 413	-2.6 %
Total number of active M2M SIM cards	26 963	18 420	+46.4 %
ARPU (€/month/active customer)	41.9	49.4	-15.2 %

Market Review

A new MVNO started its activities on the Luxembourgian market providing mobile communications and IT services. Competition amongst the other telecom operators was very active during the first quarter of 2014 with a clear focus on TV services. On January 16, 2014 the Government of the Grand Duchy of Luxembourg published the regulatory framework for the governance of mobile termination rates in Luxembourg. Until the finalization of a pure LRIC⁽¹⁵⁾ cost model, the Luxembourg regulator has fixed the mobile termination rates at 0.98 eurocent per minute coming from an average of 10.50 eurocents per minute previously, applied nearly immediately after publication.

Financial Review

In the first quarter of 2014, Orange Communications Luxembourg S.A. recorded service revenues of 13.5 million euros, a decline of 18.3 % compared to 16.5 million euros a year earlier. Excluding the 1.9 million and 0.2 million euros MTR- and roaming impact respectively, the services revenues in the first quarter would have amounted to 15.6 million euros, a decrease of 5.6 %. The total turnover for the first quarter of 2014 amounted to 15.6 million euros, a decrease of 14.9 % compared to 18.4 million euros a year earlier.

Operational Review

On 31 March 2014, Orange Communications Luxembourg S.A. had 129,651 connected SIM cards on its network in Luxembourg, an increase of 4.7% compared to last year. The number of active mobile telephone customers stood at 102,688, 2.6 % less than the 105,413 active customers a year earlier. However, compared to the previous quarter

(15) LRIC: Long-Run Average Incremental Cost model. A model used to determine the price paid by competitors for services provided by an operator with significant market power.

the customer base ended up with 509 active mobile telephony customers more, which is the initial result of the implementation of a retention plan.

At the end of the first quarter of 2014, Orange Communications Luxembourg S.A. recorded 26,963 active SIM cards in the area of 'machine-to-machine' (M2M) applications, an increase of 46.4 % compared to the 18,420 active cards recorded in the first quarter of 2013.

Following the product launch of a cable based convergent offering in the fourth quarter of 2013, convergent 4P offers are still increasing in the first quarter of 2014. It not only allows improving mobile retention in the long term, but also proves to be an efficient acquisitions tool. The partnership with the Luxembourg based cable company Eltrona Telecom is mutually beneficial for them as 30 % of the customers are new connected customers to the cable network (new houses). Furthermore Orange Communications Luxembourg S.A. has launched new digital services and Orange Cloud for consumers.

3. Financial instruments, financial risks management objective and policy

No change has occurred in comparison to the information contained in the 2013 annual report (p.116).

4. Disputes

The information relating to disputes contained in the 2013 annual report has been modified as follows:

Masts: The Court of Cassation confirmed in its judgments of 30 March 2012 the Constitutional Court's interpretation of article 98 of the Act of 21 March 1991. The total receivable amount of taxes charged, plus default interest calculated at the legal rate, amounts to 73.9 million euros and is subject to a bad debt provision for the total amount, of which 6.8 million euros correspond to the first three months of 2014.

Abuses of dominant position by the Belgacom Group: Regarding the abuse of dominance by Belgacom in the period from 1999 to 2004 on the mobile market, the Commercial Court appointed new experts in January 2014, following the dismissal of previously appointed experts. The expertise should start in Q2 2014.

In the complaint against Belgacom for abuse of dominance on the broadband market, jointly introduced by Mobistar & KPN Group Belgium, KPN Group Belgium decided to withdraw from the proceedings in March 2014.

Regulation of the cable networks: In the appeal cases against the market analysis decisions of July 2011, pleadings took place in January and February 2014. A final decision is expected Q3 2014.

In February 2014 Mobistar decided to appeal against the cable wholesale pricing decisions of the regulators of 11 December 2013. It also decided to intervene in the appeals launched by the cable operators against the same decisions, as well as to intervene in the appeal cases launched by the same cable operators against the decisions on the qualitative aspects of the cable wholesale reference offers of 3 September 2013. Intermediary hearings in the proceedings against the pricing and the qualitative aspects of the reference offers are foreseen end June 2014.

5. Significant events after the end of the first quarter of 2014

On April 7, 2014 Mobistar announced it concluded an agreement with Carrefour to operate its telecommunication operations in its hypermarkets in Belgium. The strengthening of the direct distribution channels is fully in line with the focus on customer experience and service.

On April 11, 2014 Mobistar announced that it has entered into an agreement with the bankruptcy receivers regarding the take-over of certain assets of Euphony Benelux NV that was declared bankrupt on April 3, 2014. The take-over price was not made public.

6. Trends

The results of the first quarter of 2014 enable Mobistar group to keep its outlook as provided in February 2014.

For the full financial year 2014 Mobistar group aims to attain a restated EBITDA of between 250 and 280 million euros. This guidance range includes a provision of up to 24 million euros linked to the new tax law on pylons in Wallonia that was voted at the end of 2013. The guidance range also includes the impact of the existing regulatory framework governing mobile interconnection and roaming rates, which will have a revenue- and EBITDA impact of respectively 23 and 16 million euros for Mobistar in Belgium and 13 and 7 million euros for Orange in Luxembourg. The provided guidance range is based on the current market and regulatory context and does not include any impact related to the cable opportunity.

7. Financial calendar

7 May 2014	General Meeting of Shareholders (11:00 am)
24 July 2014	Financial results H1 2014 (7:00 am) – Press release
24 July 2014	Financial results H1 2014 (10:00 am) – Conference call
20 October 2014	Financial results Q3 2014 (7:00 am) – Press release
20 October 2014	Financial results Q3 2014 (10:00 am) - Conference call

8. Shares

Share trading volumes and closing prices are based on trades made on NYSE Euronext Brussels.

	3 months to 31/03/2014	3 months to 31/03/2013	2013	2012
Trading of shares				
Average closing share price (€)	13.45	19.38	15.62	27.66
Average daily volume	132 934	194 489	166 955	175 966
Average daily value (€)	1 732 378	3 769 451	2 573 997	4 805 213
Shares and market values				
Total number of shares	60 014 414	60 014 414	60 014 414	60 014 414
Treasury shares	0	0	0	0
Outstanding shares	60 014 414	60 014 414	60 014 414	60 014 414
Closing price (€)	13.68	17.52	13.80	19.39
Market capitalisation (€)	820 997 184	1 051 452 533	828 198 913	1 163 679 487

Mobistar (EURONEXT BRUSSELS: MOBB) is one of the main actors on the telecommunications market in Belgium and Luxembourg. The company offers its residential customers postpaid and prepaid innovative mobile telecom products and services. On the business market, Mobistar operates DSL fixed network telephony and high-speed internet, acts as an integrated communications provider and offers a portfolio of mobility and connectivity services. Mobistar is also a wholesale provider, offering access to its infrastructure and service capabilities to its wholesale partners. Mobistar, with the Orange group as major shareholder, is listed on the Brussels Stock Exchange.

For further information, please contact:

Investor relations: e-mail: ir@mail.mobistar.be - <http://corporate.mobistar.be>
Siddy Jobe: +32 (0)2 745 80 92

Press service: e-mail: press@mail.mobistar.be - <http://corporate.mobistar.be/press>
Patti Verdoodt: +32 (0)495 55 96 26

Follow us on Twitter: @PressMobistar

Quarterly results

		Quarterly figures 2013				FY 2013
		Q1	Q2	Q3	Q4	
Subscriber base evolution						
Mobistar S.A. Mobile customers (excl. MVNO. MATMA)	in thousand	3 375.9	3 330.8	3 244.3	3 170.1	
of which Postpaid	in thousand	2 312.6	2 301.3	2 256.5	2 221.8	
of which Prepaid	in thousand	1 063.3	1 029.5	987.8	948.3	
Mobistar S.A. MATMA	in thousand	550.5	585.7	641.7	695.7	
MVNO customers	in thousand	973.9	1 073.2	1 142.1	1 209.7	
Orange Communications Luxembourg S.A. customers	in thousand	105.4	105.4	101.5	102.2	
Total Mobistar Group	in thousand	5 005.7	5 095.1	5 129.6	5 177.7	
ARPU evolution						
Blended quarterly ARPU (incl. visitor roaming)⁽¹⁾	in EUR/month	26.0	25.6	24.8	24.0	
Postpaid ARPU (excl. visitor roaming and IEW)	in EUR/month	30.1	29.7	29.0	27.7	
Prepaid ARPU (excl. visitor roaming and IEW)	in EUR/month	15.9	15.5	14.4	14.2	
P&L						
Service Revenues Mobistar Mobile	in Mio EUR	281.1	274.5	262.9	248.7	1 067.2
Service Revenues Mobistar/MES Fix/Data ⁽²⁾	in Mio EUR	35.2	31.9	30.1	26.5	123.7
Service Revenues Orange Communications Luxembourg S.A.	in Mio EUR	16.5	17.4	15.6	15.8	65.3
Total Mobistar consolidated service revenues⁽³⁾	in Mio EUR	332.0	322.9	307.8	290.2	1 252.9
Total Mobistar consolidated handsets sales	in Mio EUR	61.0	41.0	39.7	66.7	208.4
Total Mobistar consolidated turnover	in Mio EUR	393.0	363.9	347.5	356.9	1 461.3
Mobistar consolidated restated EBITDA	in Mio EUR	99.0	85.5	90.8	60.3	335.7
Mobistar consolidated EBITDA	in Mio EUR	98.7	82.2	89.1	47.1	317.1
as a % of service revenues		29.7%	25.4%	29.0%	16.2%	25.3%
Total Mobistar consolidated net result	in Mio EUR	35.1	22.3	26.2	3.8	87.4
EPS calculated on the basis of the outstanding shares at the end of the quarter	in EUR/share	0.59	0.37	0.43	0.07	1.46
Diluted weighted average earnings per share	in EUR/share	0.59	0.37	0.43	0.07	1.46
Total Mobistar consolidated CAPEX	in Mio EUR	31.2	37.7	46.8	203.3	319.0
as a % of service revenues		9.4%	12%	15%	70%	25%
Organic cash flow	in Mio EUR	0.2	27.4	66.8	-153.5	-59.1

(1) The calculation mode has been switched from a 12 month rolling average to a quarterly basis.

(2) The segmentation has changed as the intercompany transactions between Mobistar S.A. and MES S.A. are now integrated at segment level instead of previously at group level. 2013 figures have been restated accordingly.

(3) After elimination of intercompany transactions.

		Quarterly figures 2014				YTD 2014
		Q1	Q2	Q3	Q4	
Subscriber base evolution						
Mobistar S.A. Mobile customers (excl. MVNO. MATMA)	in thousand	3 091.1				
of which Postpaid	in thousand	2 180.2				
of which Prepaid	in thousand	910.9				
Mobistar S.A. MATMA	in thousand	749.1				
MVNO customers	in thousand	1 310.6				
Orange Communications Luxembourg S.A. customers	in thousand	102.7				
Total Mobistar Group	in thousand	5 253.5				
ARPU evolution						
Blended quarterly ARPU (incl. visitor roaming)⁽¹⁾	in EUR/month	23.4				
Postpaid ARPU (excl. visitor roaming and IEW)	in EUR/month	27.2				
Prepaid ARPU (excl. visitor roaming and IEW)	in EUR/month	13.8				
P&L						
Service Revenues Mobistar Mobile	in Mio EUR	240.3				240.3
Service Revenues Mobistar/MES Fix/Data ⁽²⁾	in Mio EUR	24.5				24.5
Service Revenues Orange Communications Luxembourg S.A.	in Mio EUR	13.5				13.5
Total Mobistar consolidated service revenues⁽³⁾	in Mio EUR	278.1				278.1
Total Mobistar consolidated handsets sales	in Mio EUR	38.9				38.9
Total Mobistar consolidated turnover	in Mio EUR	317.0				317.0
Mobistar consolidated restated EBITDA	in Mio EUR	66.1				66.1
Mobistar consolidated EBITDA	in Mio EUR	64.5				64.5
as a % of service revenues		23.2%				23.2%
Total Mobistar consolidated net result	in Mio EUR	9.2				9.2
EPS calculated on the basis of the outstanding shares at the end of the quarter	in EUR/share	0.15				0.15
Diluted weighted average earnings per share	in EUR/share	0.15				0.15
Total Mobistar consolidated CAPEX	in Mio EUR	37.4				37.4
as a % of service revenues		13.5%				13.5%
Organic cash flow	in Mio EUR	11.6				11.6

(1) The calculation mode has been switched from a 12 month rolling average to a quarterly basis.

(2) The segmentation has changed as the intercompany transactions between Mobistar S.A. and MES S.A. are now integrated at segment level instead of previously at group level. 2013 figures have been restated accordingly.

(3) After elimination of intercompany transactions.