



Dr. Thorsten Grenz, CEO

# **mobilcom**

# **1st Quarter 2005**

Hamburg, 9 May 2005

- **mobilcom group**
- Mobile Telephony segment
- Fixed Network / Internet segment
- Outlook for the full year 2005

## Some requirements of IFRS:

- Change in balance sheet structure to reflect maturities
  - Assets classified as short-lived or long-lived
- Minorities stated as a separate item under shareholders' equity
- New regulation for "share based-payments"
  - Recognised in investments at fair value
  - Retroactive adjustment of previous year comparison figures
- With effect for Q1/2005


Adjustment of earnings figures due to adoption of IAS1/IFRS2 (II)  
 Change attributable fully to the Fixed Network/Internet segment

**Impact on quarterly figures using the example of EBITDA (€ million)**

				<b>Net effect</b>	
	<b>Q1/04</b> (adjusted)	<b>Q1/04</b> (old)	<b>Change</b>	<b>Q1/05</b> excl. IFRS2	<b>Change</b> vs. Q1/04 old
Group	45.8	53.1	7.35	59.6	6.5
thereof Fixed/ Internet	30.6	37.9	7.35	39.1	1.2
thereof MSP	15.2	15.2	0	20.5	5.3


# mobilcom group: Income statement

[€ million]

	<b>Q1/2004</b>	 <b>Q1/2005</b>	<b>Change</b>
<b>Sales</b>	<b>467.7</b>	<b>450.6</b>	-3.7%
Gross profit	117.0	124.3	+6.2%
<i>Margin</i>	25.0%	27.6%	
<b>EBITDA</b>	<b>45.8</b>	<b>57.2</b>	+24.9%
<i>Margin</i>	9.8%	12.7%	
Amortisation	-16.6	-13.1	-21.1%
<b>EBIT</b>	<b>29.2</b>	<b>44.1</b>	+51.0%
<i>Margin</i>	6.2%	9.8%	
Minorities	-3.2	-8.5	+165.6%
<b>Result</b>	<b>17.0</b>	<b>28.3</b>	+66.5%

# Segment EBITDA's

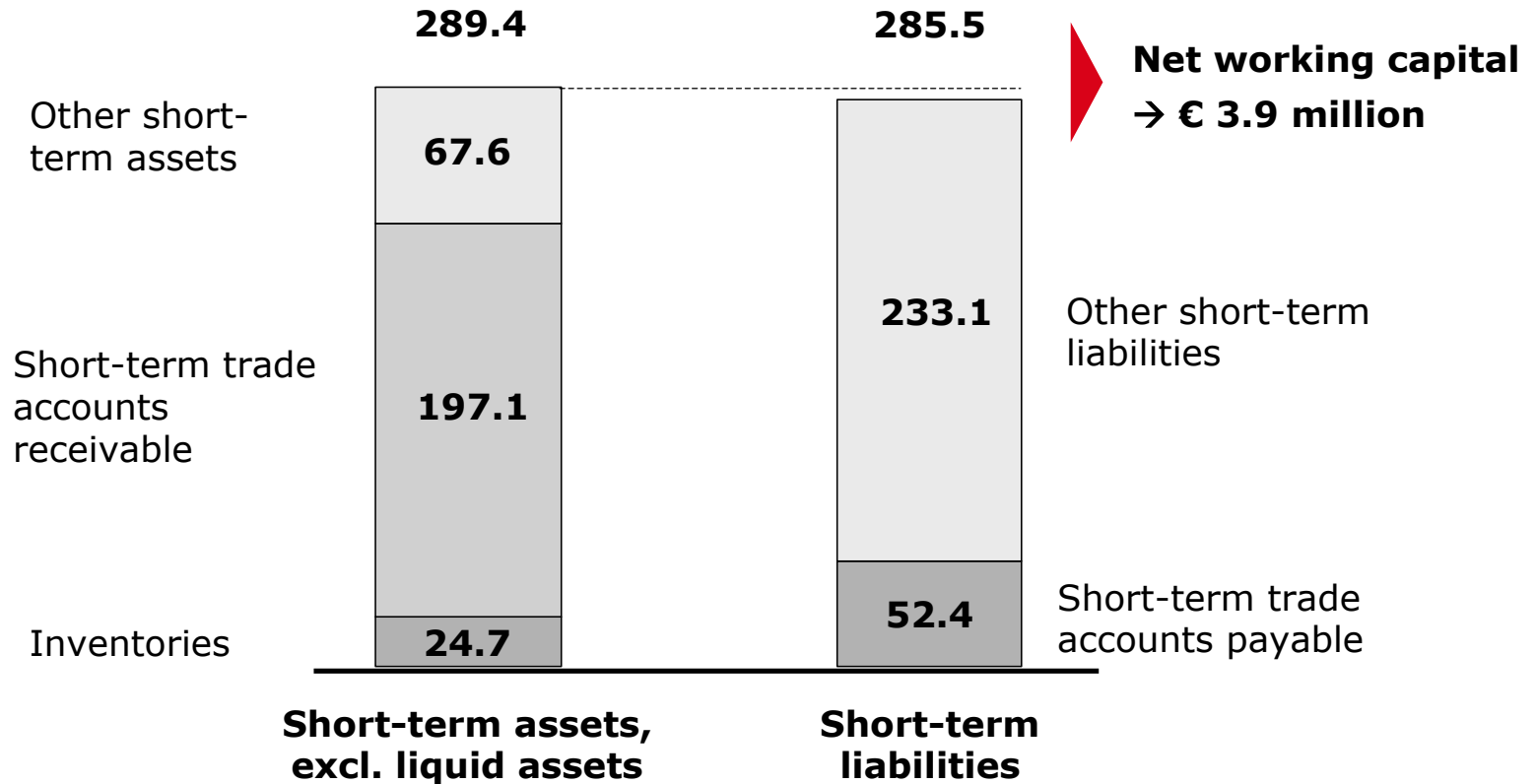
[in Mio. €]



	<b>Q1/2004</b>	<b>Q1/2005</b>	<b>Change</b>
<b>Group</b>	45.8	57.2	<b>+11.4</b>
<b>MSP</b>	15.2	20.3	<b>+5.1</b>
<b>Fixed/ Internet</b>	30.6	36.8	<b>+6.2</b>

# mobilcom group: Considerable improvement in net working capital

[€ million]



mobilcom group:  
Cash flow statement – Q1/2005

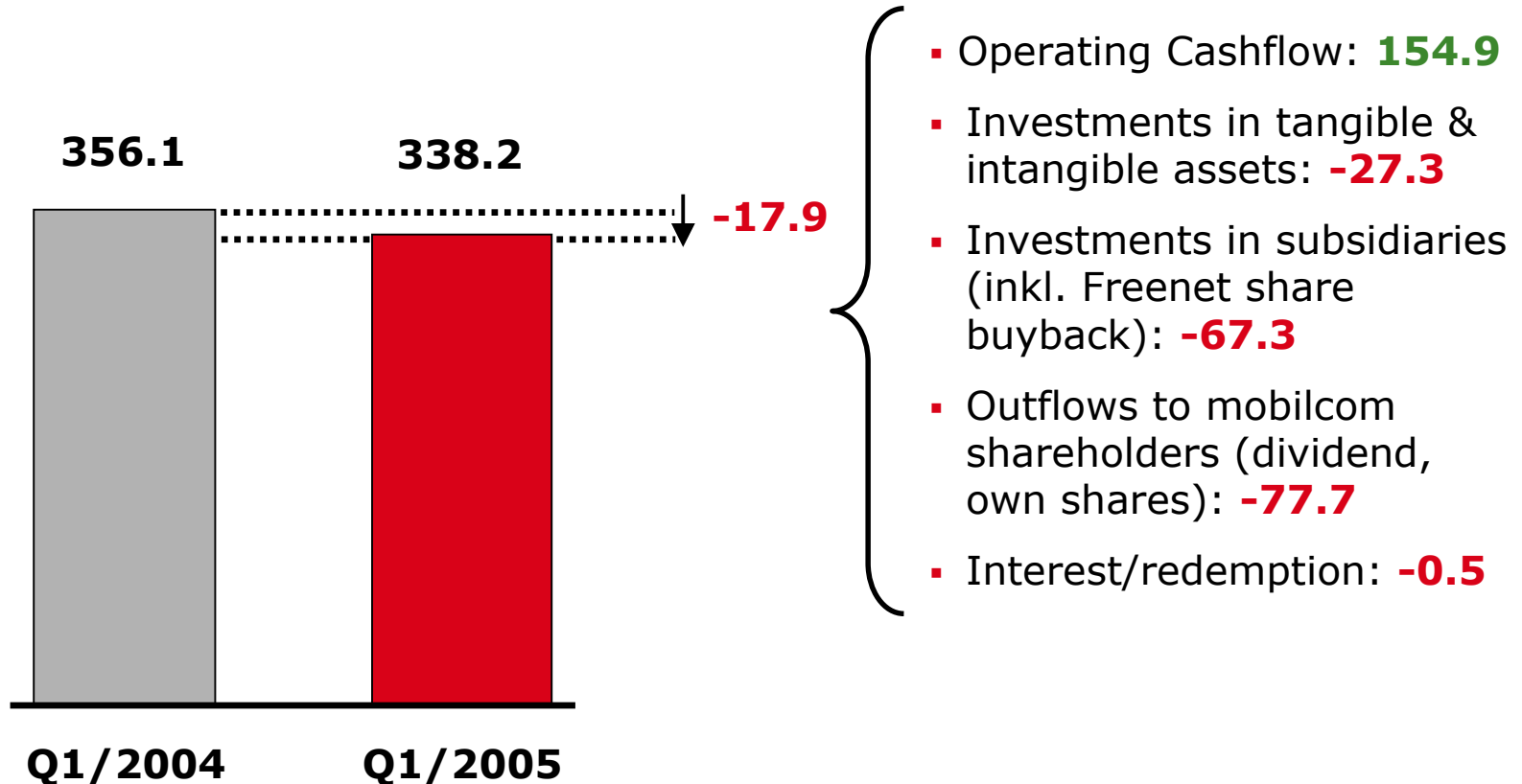
[€ million]

		<u>Main items</u>
Operational cash flow	55.4	MSP: 40.8 Fixed Line/Internet: 14.6
Cash flow from investing activities	-59.6	◀ In subsidiaries -56.4
Cash flow from financing activities	-24.6	◀ Share buy-back programme: -23.9
<b>Cash flow , total</b>	<b>-28.8</b>	



# Liquid assets Q1/2004 versus Q1/2005

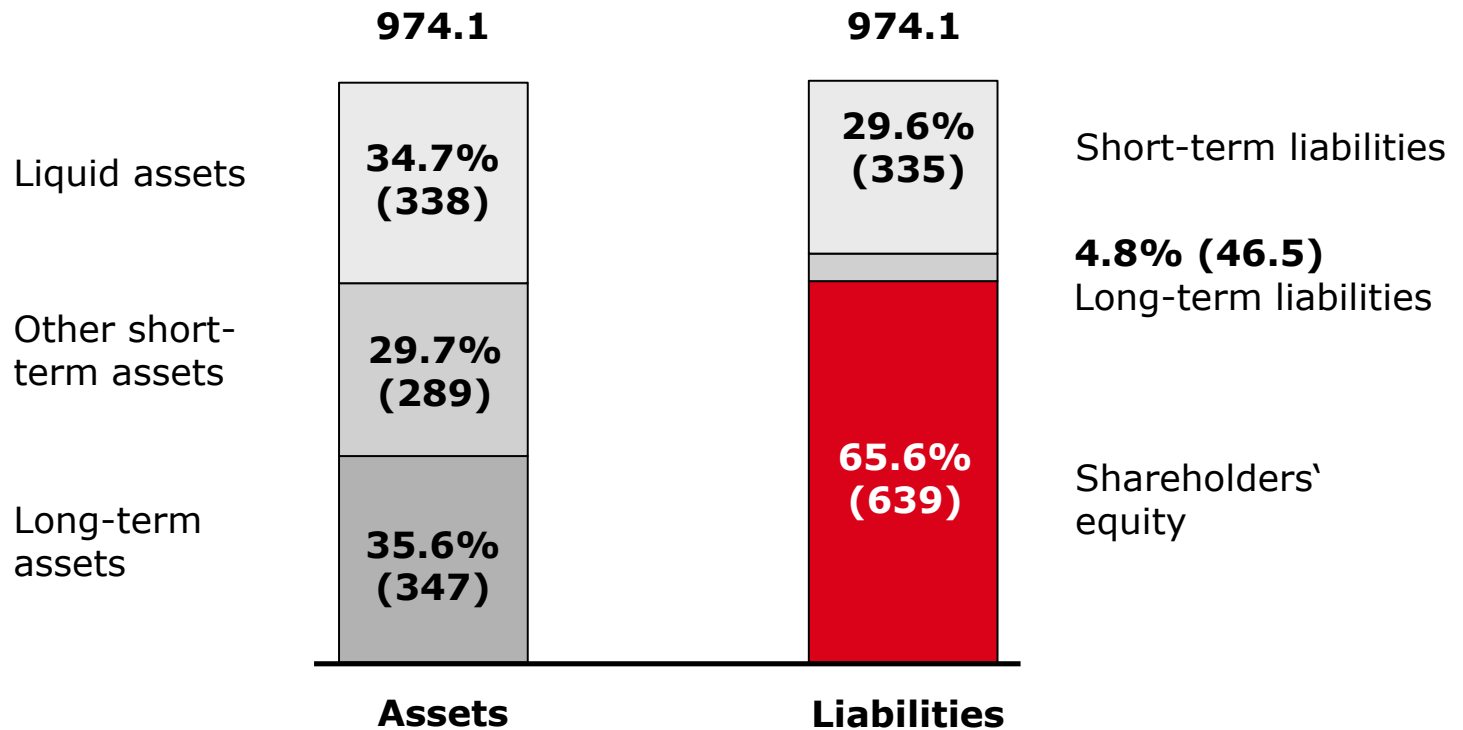
[€ million]



# mobilcom group: Very sound balance sheet structure

[€ million]

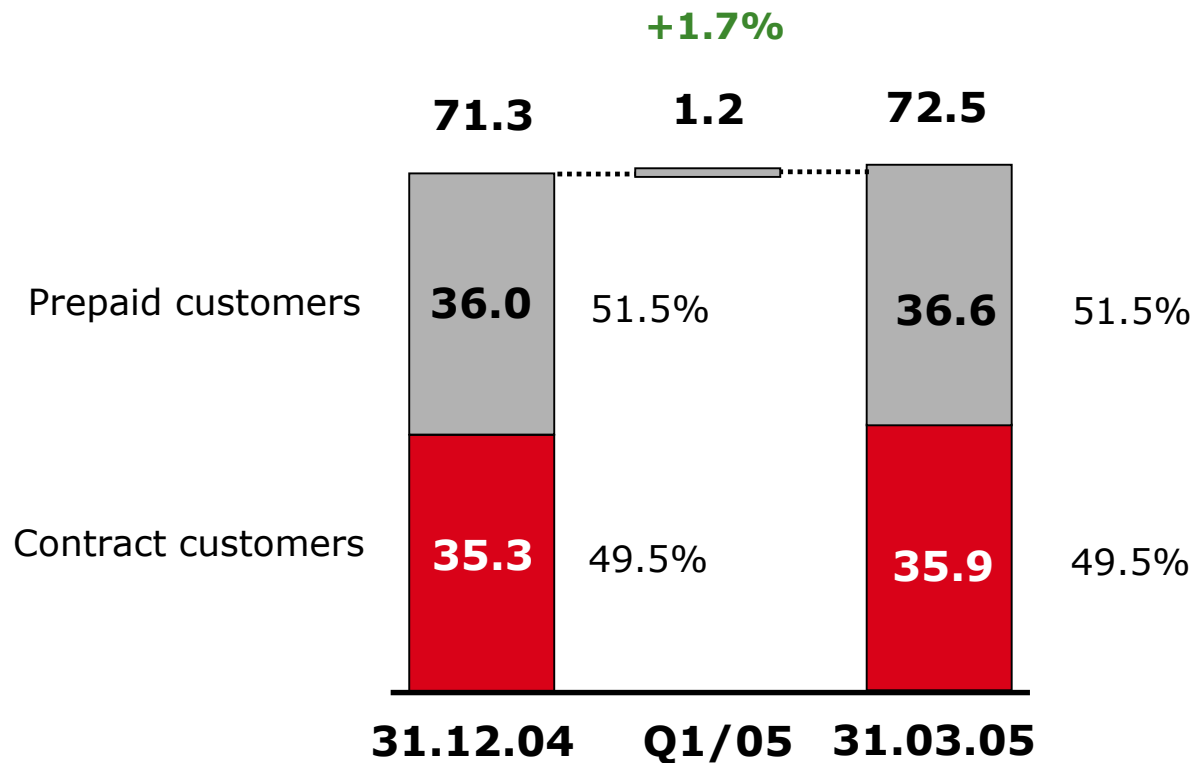
► High equity ratio, high liquidity and low working capital



- mobilcom group
- **Mobile Telephony segment**
- Fixed Network / Internet segment
- Outlook for the full year 2005

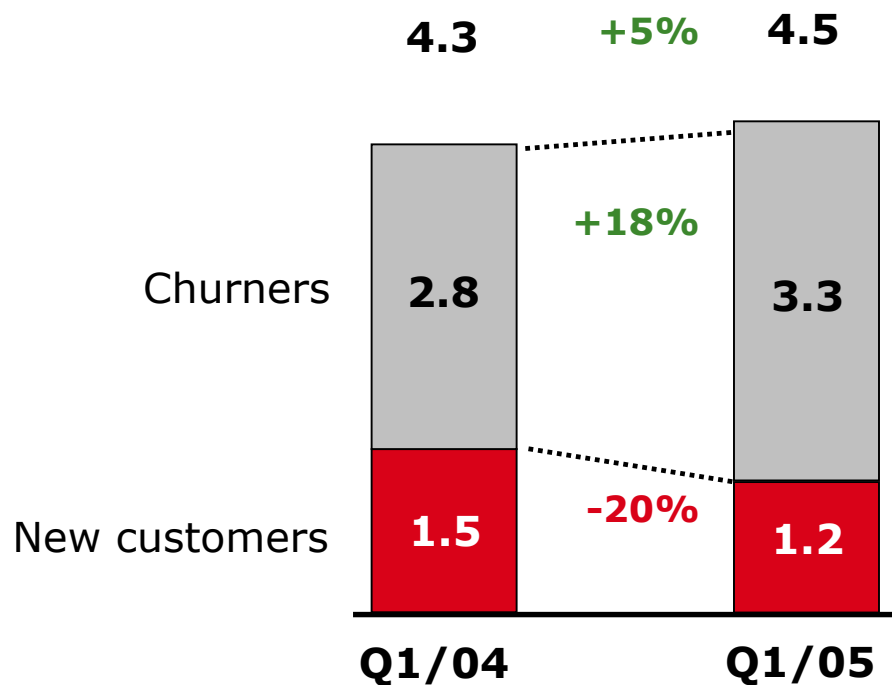
# Mobile telephony market: Growth in 2005

[million]



# Extent of new customer business 2004/2005

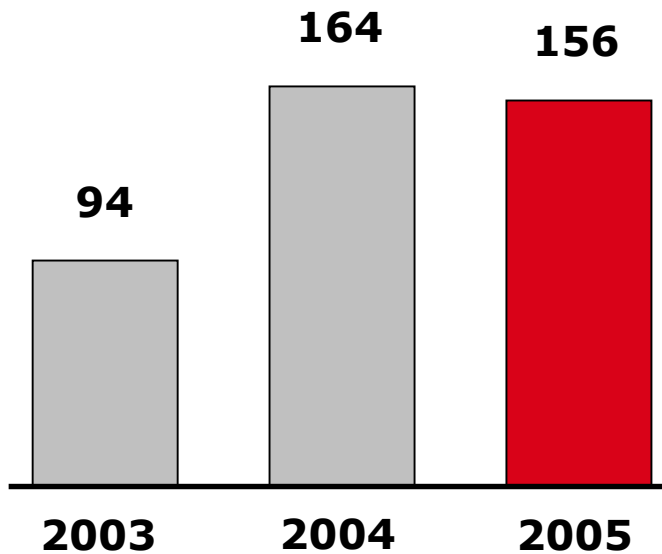
[million]



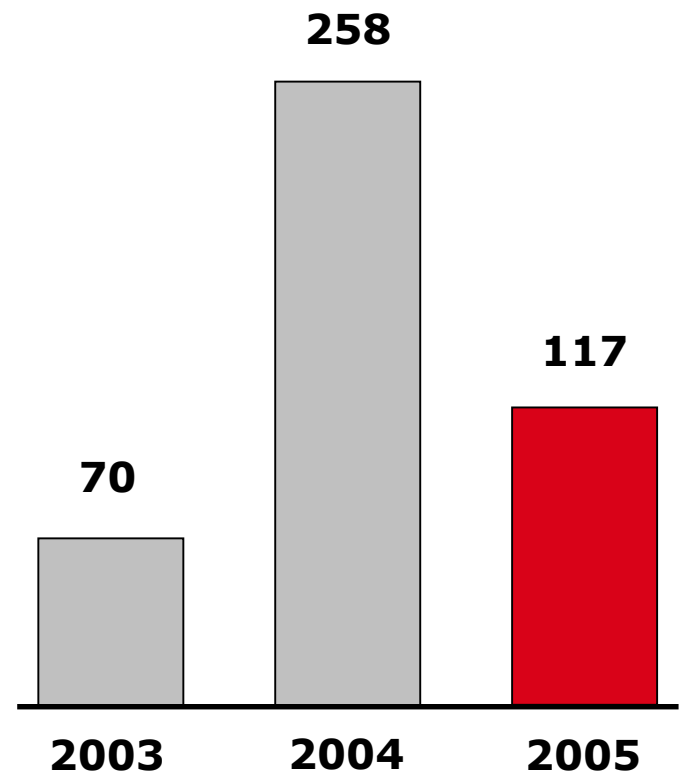
- Market not “distributed”
- Competition for market shares continues
- Sales ability continues to be a main factor of success
- Increasing significance of service and range of products

[ '000 ]

## Contract customers



## Prepaid customers



Market share:

2003  
5%

2004  
8%

2005  
8%

2003  
4%

2004  
12%

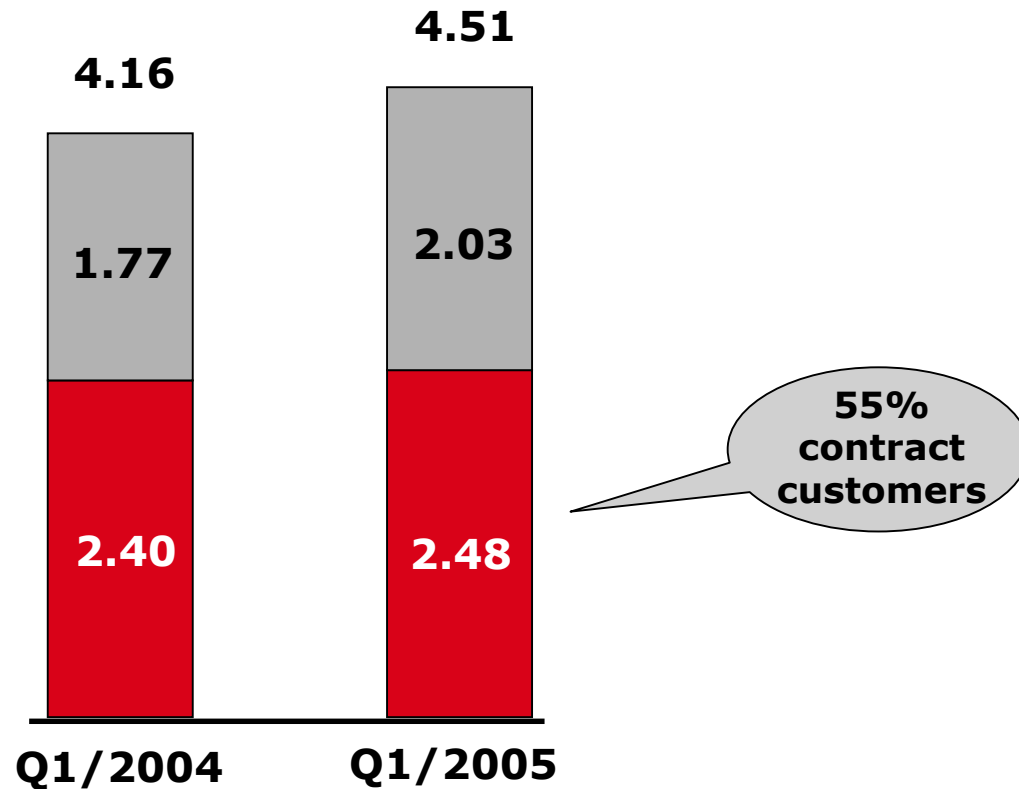
2005  
5%



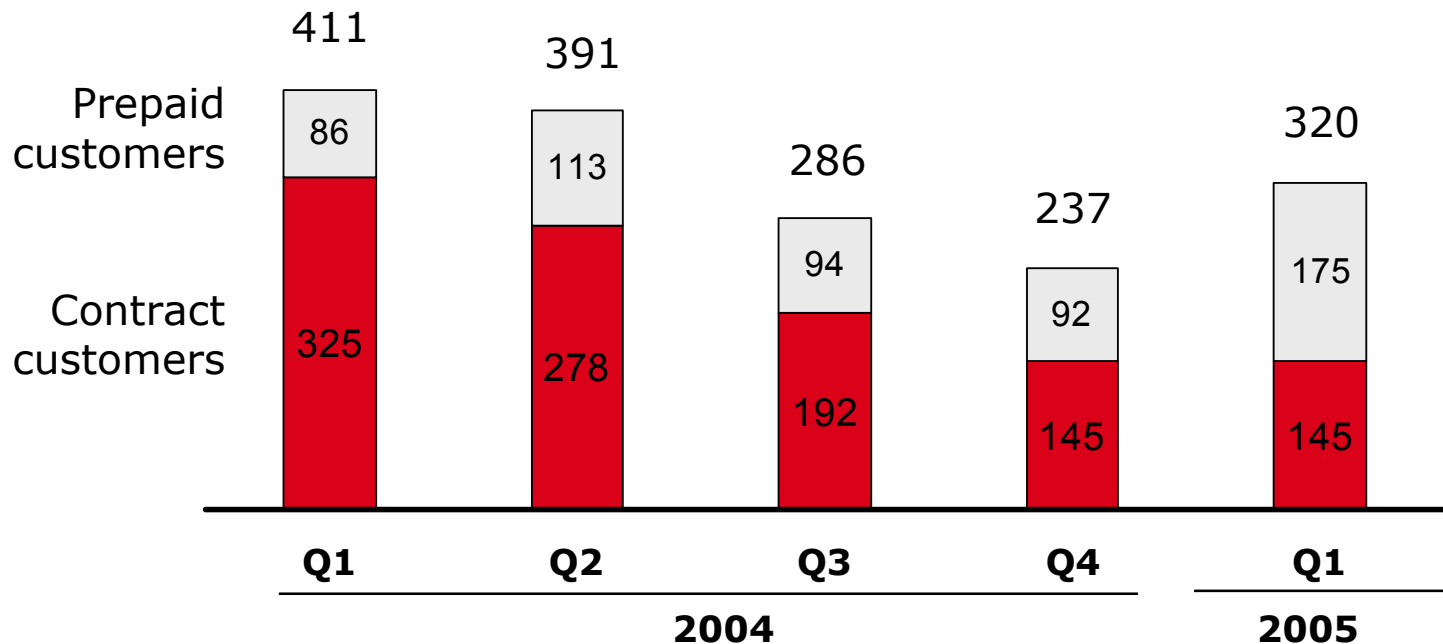
Market share, total Q1/2005: 8%

## Mobile Telephony segment: Customer base

- Increase to 4.51 million customers  
[million]

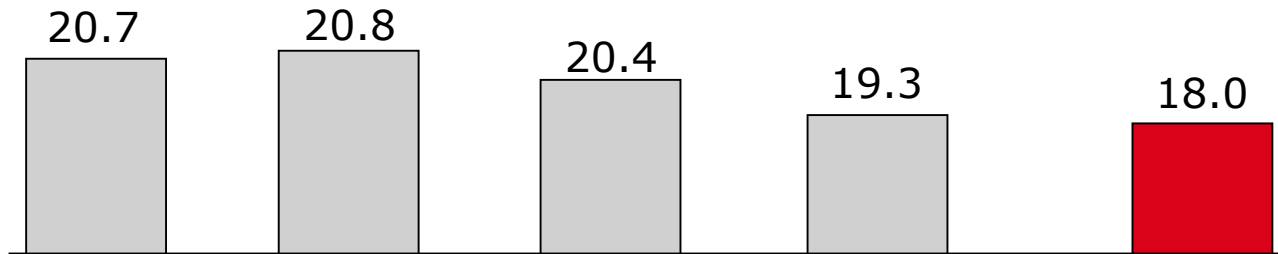


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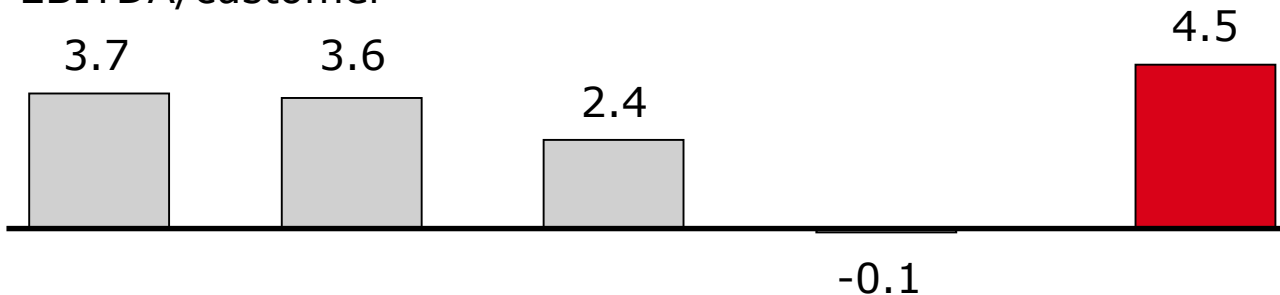




ARPU (average; contract and prepaid) in €



EBITDA/customer



Net growth (contract customers)



**Q1/04**

**Q2/04**

**Q3/04**

**Q4/04**

**Q1/05**

# Mobile Telephony segment: Development in sales and earnings

[€ million]



	<u>Q1/2004</u>	<u>Q1/2005</u>	<u>Change</u>
<b>Sales</b>	<b>348.5</b>	<b>311.5</b>	-10.6%
Gross profit	50.1	50.7	+1.2%
<i>Margin</i>	14.4%	16.3%	
Overheads	-34.9	-30.3	-13.2%
<b>EBITDA</b>	<b>15.2</b>	<b>20.3</b>	+33.6%
<i>Margin</i>	4.4%	6.5%	
Amortisation	-6.6	-3.7	-43.9%
<b>EBIT</b>	<b>8.7</b>	<b>16.6</b>	+90.8%
<i>Margin</i>	2.5%	5.3%	

# Mobile Telephony segment:

## Cash flow

[€ million]

	<u><b>Q1/2005</b></u>
Cash flow from operating activities	<b>+40.8</b>
- EBITDA	+20.3
- $\Delta$ net working capital	+17.6
- Others	+2.9
Cash flow from investing activities	<b>+8.7</b>
- Fixed-Network purchase rate from freenet	+10.0
- Investments	-2.3
- Interest income	+1.0
<b>Total</b>	<b>+49.5</b>

## Mobile Telephony segment: Only at mobilcom: Products in 2005


- All **four** networks from a single source
- “**Always-one-price tariff**” in all networks around the clock
  - 45, 35 or 25 Cents
- **13-Cents tariff**: The genuine price-breaker tariff on the German mobile telephony market
- **19-Cents tariff**: 13-Cents tariff with mobile phone
- **m30**: The tariff for high volume users and business customers
- **Mobile navigation**: First provider to offer navigation without purchase costs

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- Growth in DSL customer base from 0.13 million (Q4/04: 0.35m) to 0.47 million
- Growth in telephony customers from 3.2 million to 3.9 million
- Growth in sales due to acquisition of Strato
- freenet presents convergence product “freenet ip1” at the CeBIT
- Outlook for 2005 – Stable contribution to earnings in conjunction with slightly higher sales

## Fixed Network/Internet segment: Development in sales and earnings

[€ million]

	<u>Q1/2004*</u>	 <u>Q1/2005</u>	<u>Change</u>
<b>Sales</b>	<b>119.2</b>	<b>146.0</b>	+22.5%
Gross profit	66.9	73.6	+10.1%
<i>Margin</i>	56.1%	50.4%	
Overheads	-36.3	-36.8	+1.3%
<b>EBITDA</b>	<b>30.6</b>	<b>36.8</b>	+20.3%
<i>Margin</i>	25.6%	25.2%	
Amortisation	-10.1	-9.4	-6.9%
<b>EBIT</b>	<b>20.5</b>	<b>27.5</b>	+34.1%
<i>Margin</i>	17.2%	18.8%	

\*Personnel expenses adjusted in Q1 2004 due to expense of € 7.4 million for stock options being recognised in the income statement. The stated previous year EBITDA was € 37.9 million and EBIT was € 27.8 million

- mobilcom group
- Mobile Telephony segment
- Fixed Network / Internet segment
- **Outlook for the full year 2005**



## Mobile telephony

- Customer base to increase to 4.8 million
- Customer fluctuation: Lower than in 2004
- Sales at least stable
- EBITDA approx. € 60 million
- EBIT approx. € 32 million
- EBT approx. € 36 million

## “Guidance” due to freenet

- EBITDA € 125-140 million
- EBT € 93-95 million

## Group

- EBITDA approx. € 185-200 million
- EBT approx. € 128-130 million

**Thank you for your  
attention**

**mobilcom** 