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Group financials
Q3 2014
Q3 2014 confirming a solid business performance

Revenue

- Underlying Group revenue of €1,487m, i.e. -1.0% YoY.
- Core revenue +1.1% YoY, Consumer and Business segment showing good improvement
- Revenue from BICS down 6.1% on lower Voice volumes

Ebitda

- Underlying EBITDA of €431m, up 1.5% YoY
- Continued improvement in Mobile Services revenue
- Structural cost reduction through simplification starting to show in favourable trends for personnel and other expenses

Capex

- Belgacom invested €198m in Q3 2014
- Further improving Fixed and Mobile networks, and IT systems
- Ytd 2014 capex of EUR 623m
Group underlying* revenue

* Adjusted for incidentals

Q3
- Consumer: sequential improvement driven by good TV growth and strong Mobile revenue
- Enterprise: strong Mobile services revenue, and growth in organic ICT revenue
- Carrier Wholesale Services continued to be under pressure.
- BICS: -6.1% YoY, growing non-voice revenue not fully covering for the lower Voice revenue
- Regulation impact estimated at €-18 m

Ytd
- Ytd Sept '14, underlying revenue -2.7% YoY
- Underlying core revenue -1.2% YoY
- BICS decreased by 6.7%
- Regulation decreased impact estimated at € -37m
Recovering Mobile Service revenue important driver of higher Core revenue

- **Solid mobile customer growth**: +172,000 YoY for Group
- **Impact from customer re-pricing further faded**: 80% on new mobile tariff plans
- **Steep increase in data usage** as Smartphone penetration goes up
- **Improved customer tiering**, helped by joint-offers
- **Churn levels kept under control** in spite of increased competitive intensity

Mobile services revenue trend

- **CBU & EBU**: Recovering Mobile Service revenue important driver of higher Core revenue

New Belgian Telco law & mobile price war

Recovery

<table>
<thead>
<tr>
<th>Q3'12</th>
<th>Q4'12</th>
<th>Q1'13</th>
<th>Q2'13</th>
<th>Q3'13</th>
<th>Q4'13</th>
<th>Q1'14</th>
<th>Q2'14</th>
<th>Q3'14</th>
</tr>
</thead>
<tbody>
<tr>
<td>-5.0%</td>
<td>-7.1%</td>
<td>-12.9%</td>
<td>-13.3%</td>
<td>-14.0%</td>
<td>-6.0%</td>
<td>-11.6%</td>
<td>-4.5%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

Reported
On comparable basis

>44% Smartphone penetration; +9pp YoY
‘Fit for Growth’ strategy showing in positive underlying cost evolution

- Underlying Cost of Sales (€m)
  - Q113: 600
  - Q213: 609
  - Q313: 598
  - Q413: 605
  - Q114: 541
  - Q214: 610
  - Q314: 592
  - Decrease of 10%

- Underlying HR expenses (€m)
  - Q113: 269
  - Q213: 261
  - Q313: 268
  - Q413: 262
  - Q114: 258
  - Q214: 259
  - Q314: 260
  - Decrease of 3.0%

- Underlying non-HR expenses (€m)
  - Q113: 207
  - Q213: 214
  - Q313: 210
  - Q413: 227
  - Q114: 206
  - Q214: 204
  - Q314: 203
  - Decrease of 3.4%

- Lower CoS due to BICS, -6.6% YoY
  - Partly offset by higher CoS from the Consumer segment, including a timing difference of tactical handset-joint-offers and other promotional costs
  - Ytd Sept’14 underlying Cost of Sales totaled €1,743m, or -3.6% YoY

- Positive HR-cost evolution results from a natural attrition of -374 FTEs over the past 12 months
  - No impact from inflation-based salary indexations
  - Ytd Sept’14 €777m underlying HR expenses, -2.7% YoY

- Implementation of ‘Fit-for-Growth’ strategy showing in solid cost reduction
  - Ytd Sept’14, underlying non-HR expenses totaled €612m, -3.0% YoY
Divestures and natural attrition reducing headcount

- 14,342 FTEs in Belgacom Group end September 2014
- vs one year ago -1,425 FTEs:
  - 1,051 FTEs from divestures
  - 374 FTEs natural attrition
- End Sept’14: 5,038 civil servants, or +/- 35%

Estimated cash-out for termination benefits related to past headcount reduction programs:

<table>
<thead>
<tr>
<th>Year</th>
<th>€ million</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>49</td>
</tr>
<tr>
<td>2015</td>
<td>22</td>
</tr>
<tr>
<td>2016</td>
<td>6</td>
</tr>
<tr>
<td>2017</td>
<td>5</td>
</tr>
<tr>
<td>2018-2035</td>
<td>15*</td>
</tr>
</tbody>
</table>

(* Cumulative for full period)

Belgacom headcount in FTE

Belgacom SA age pyramid

- 44 Yr average age
  - contractual 39 Yr
  - statutory 52 Yr
Underlying Group EBITDA showing further enhancement from previous quarters
- Strong segment result from the Enterprise business unit
- BICS’ segment result too was up by 2.6%
- Partly offset by a 1.2% decline for the Consumer segment
- Regulation impact estimated at €-17m

Ytd Sept’14, underlying EBITDA was -1.4% YoY
- EBITDA showed impact from Mobile disruption on Consumer and Enterprise segment
- Regulation impact estimated at €-33m
€ 623 million capex ytd’14
Investing in excelling customer experience

Over first 9 months of 2014 Belgacom invested € 623m a.o. in:

- Further improving the Fixed experience for customers through Vectoring, which offers dedicated speeds of 70 Mbps
- Providing the best Mobile experience combining wide coverage with very high standards in calling and Mobile speeds
- Network transformation and simplification enabling significant efficiencies in the network and costs savings

FY 2014 capex to be around € 960m:

- Access networks
- IT and systems
- Convergence services
- Brand image
- and includes Belgian Jupiler Pro League football

*This does not include the € 120 mio capex paid for a 800 Mhz spectrum
Q3’14 FCF of € 238m; bringing ytd’14 FCF to € 629m

Belgacom generated € 629m of FCF ytd’14, or € +219m YoY. Main drivers for the FCF increase are:

- higher cash received from the sale of consolidated companies and buildings
- lower income tax payments, partly due to timing differences
- partly offset by more cash paid for the acquisition of intangible assets and property, plant and equipment.

Ytd 2014 (in million €)

- YTD 2013: € 410
- Cash from disposals: € 150
- Income tax payments: € 107
- Cash paid for capex: € 30
- Other: € 7
- YTD 2014: € 629
On 23 October 2014, Belgacom’s Board of Directors approved to return to the shareholders a total gross interim dividend of EUR 0.50 per share. The Board of Directors also confirmed their intention to pay a stable total gross dividend of €1.50 per share over the result of 2014, 2015 and 2016.

For the interim dividend:
- Ex-coupon date: 10 December 2014
- Record date: 11 December 2014
- Payment date: 12 December 2014

Belgacom commits to an attractive shareholder remuneration policy by returning, in principle, most of its annual free cash flow, to its shareholders.

The return of free cash flow either through dividends or share buybacks, will be reviewed on an annual basis, in order to keep strategic financial flexibility for future growth, organically or via selective M&A, with a clear focus on value creation. This also includes confirming appropriate levels of distributable reserves.

The shareholder remuneration policy is based on a number of assumptions regarding future business and market evolutions, and may be subject to change in case of unforeseen risks or events outside the company’s control.

<table>
<thead>
<tr>
<th>Status 31 Oct ’14</th>
<th>Shares</th>
<th>% shares</th>
<th>% Voting</th>
<th>% Dividend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belgian state</td>
<td>180,887,569</td>
<td>53.51%</td>
<td>56.34%</td>
<td>55.94%</td>
</tr>
<tr>
<td>Free float</td>
<td>140,156,615</td>
<td>41.46%</td>
<td>43.66%</td>
<td>43.34%</td>
</tr>
<tr>
<td>Own shares</td>
<td>16,980,951</td>
<td>5.02%</td>
<td>-</td>
<td>0.72%</td>
</tr>
</tbody>
</table>
Sound financial position

- Net financial debt at €1,725m, €90m lower versus end 2013
- The outstanding long term financial gross debt amounted to €2.5Bio
- Credit ratings: Standard & Poor’s A; Moody’s A1 – both stable outlook
Full-year EBITDA outlook raised to ‘slightly positive’ on Belgacom’s good business trends

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<thead>
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</tr>
</thead>
<tbody>
<tr>
<td>Reported Group revenue</td>
<td>6,318</td>
<td>4,736</td>
<td>4,597</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>non-recurring</td>
<td>0</td>
<td>0</td>
<td>62</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Telindus France</td>
<td>242</td>
<td>177</td>
<td>75</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Core business*</td>
<td>4,410</td>
<td>3,293</td>
<td>3,279</td>
<td>-0.4%</td>
<td>Decline between ‘-1% and -2%’</td>
<td>Decline between ‘-1% and -2%’</td>
</tr>
<tr>
<td>BICS</td>
<td>1,666</td>
<td>1,266</td>
<td>1,182</td>
<td>-6.7%</td>
<td>Decline between ‘-5% and -10%’</td>
<td>Decline between ‘-5% and -10%’</td>
</tr>
<tr>
<td>Reported Group EBITDA</td>
<td>1,699</td>
<td>1,301</td>
<td>1,400</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>non-recurring</td>
<td>-13</td>
<td>1</td>
<td>67</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Telindus France</td>
<td>11</td>
<td>6</td>
<td>-0.4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBITDA-base for guidance**</td>
<td>1,702</td>
<td>1,294</td>
<td>1,334</td>
<td>3.1%</td>
<td>Decline between ‘-1% and -2%’</td>
<td>Slightly positive</td>
</tr>
<tr>
<td>Capex</td>
<td>972</td>
<td>546</td>
<td>623</td>
<td></td>
<td>Around EUR 960 million</td>
<td>Around EUR 960 million</td>
</tr>
</tbody>
</table>

* i.e. Reported group revenue minus non-recurring & Telindus FR & BICS; including capital gain on building sales
** i.e. Reported group EBITDA minus non-recurring & Telindus FR
Continued solid operational Mobile performance

- Belgian Mobile market growing by 3.2% YoY to 12.6 million mobile cards
- Mobile penetration at 113%
- Belgacom market share at 40.3%, slightly down mainly due lower prepaid market share

Mobile customer base growing
Increase on mobile postpaid; slowing prepaid decline

*Including Voice and Data mobile cards sold through CBU, as well as M2M cards in EBU. Mobile cards from the Tango, MVNO and SDE&W segment are included as well.
Good performance for Fixed products, especially for Proximus TV

- Belgian Fixed internet market still growing, but at slower pace
- Internet penetration @ 79%
- Belgacom market share stable

77% of the 1.3 mio Consumer Internet lines has a Belgacom TV subscription

- Digital TV market growing at stable pace. Belgian digital TV penetration @ 80.6%
- Stable DTV market share of 32.3%
- Continued growth of TV customer base
- Total TV market** share of 28%; +2pp YoY

- Stable market, Fixed Voice penetration @ 71%
- Belgacom containing Fixed Voice line erosion
- Fixed Voice line "upgraded" via:
  - Flat rate calling "Happy Time XL" and "Happy Time International"
  - Multi-play packaging
Good progress in convergence strategy
- Operational drivers x-play Household reporting

- 55% of HH are multi-play, +2.7 p.p. yoy
- # 4-play HH +14% YoY, at very low churn
- multi-play convergent household, i.e. Fixed + Mobile, grew 3.5pp to 51.0%.

CBU Households per x-play Q3’13:
Total of 2,378,000 Households

CBU Households per x-play Q3’14:
Total of 2,312,000 Households

---

CBU Households per x-play: net adds of the quarter (in '000)

Number of Households in '000

Annualized full churn rate of a x-play Household

“Significantly lower full churn for multi-play households”
CBU revenue from households slightly up YoY
- higher ARPH & RGUs

- €381m came from X-play households; +1.6% YoY
- 75% from multi-play HH +2.7 p.p. YoY
- 4-play HH revenue +15.5% YoY due to growing number of 4-play HH and YoY increase in ARPH to €105.0

Average Revenue Generating Unit per x-play Household
Average Revenue per x-play Houseould (ARPH) in €

CBU Revenues per x-play Q3'13:
Total x-play Revenues of €375mio

CBU Revenues per x-play Q3'14:
Total x-play Revenues of €381mio
High-quality & innovative networks
Mobile Network - Best true customer experience as TOP priority

**Best Customer Experience...**
Overall best speed experience in Belgium to its customers

**...where it matters...**
Best 4G experience in the cities & at the coast (on 1800 Mhz band)

**...across technologies**
Best optimized experience cross 2G, 3G, 4G technologies & WiFi

**Average download speed on 4G capable device **

<table>
<thead>
<tr>
<th></th>
<th>Base</th>
<th>Mobistar</th>
<th>Proximus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Speed</td>
<td>14.2 Mbps</td>
<td>14.1 Mbps</td>
<td>20.3 Mbps</td>
</tr>
</tbody>
</table>

>40% faster average download speed experience with a 4G capable device vs nearest competition

**Leverage mobile experience through wifi**

- **970.000 WiFi hotspots** available today for our customers all throughout Belgium (+40.000 vs Q2)
- **13.200.000 WiFi hotspots** available abroad (e.g. NL, FR, UK, DE,...)
- **EAP SIM**: Since November, mobile devices of Proximus customers will connect automatically to WiFi when present, via SIM authentication: bringing true convergence

**Mobile Network Outdoor Coverage**: 
~99% 3G & 2G coverage  
~66% 4G coverage

*Source*: coverage and speeds are measured by independent agency CommSquare through national drive tests
Fixed Network
- Driving customer experience with new technologies

**Vectoring technology on VDSL**
Through cancellation of crosstalk on a VDSL2 line, Vectoring enables up-to-70 Mbps speeds on copper.

**FTTB in Industrial Zonings**
Go-to-market campaign launched to promote presence of FTTB in industrial zonings.

**FTTH in Greenfields**
Deployment of FTTH in new residential zonings started in 2014 following successful trials last year.

**Technology evolution**
Dedicated video grade speed

- up-to 1000 Mbps
- up-to 100 Mbps
- up-to 70 Mbps
- up-to 50 Mbps
- up-to 30 Mbps
- up-to 5 Mbps

- Vectoring + Dynamic Line Management for Vectoring
- Dynamic Line Management on VDSL2
- Vectoring on VDSL2
- Fiber-To-The-Home (FTTH) & Fiber-To-The-Business (FTTB)

**Fixed Network Coverage & Speed:**
- 99.85% DSL
- 90% FTTC
- Average VDSL2 speed: ~40 Mbps
## Spectrum: ownership & usage

### 800 MHz
- **Used for 4G**
- Licenses granted in November '13
- 20 year-license **valid until 29/11/2033**
- Belgacom pays € 120 Mio in total (annual instalments)
- Coverage obligations

<table>
<thead>
<tr>
<th></th>
<th>Base</th>
<th>Proximus</th>
<th>Mobistar</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>800 MHz</strong></td>
<td>2 x 10</td>
<td>2 x 10</td>
<td>2 x 10</td>
</tr>
</tbody>
</table>

### 900 MHz & 1800 MHz
- **Used for 2G, 3G and 4G**
- Licenses granted in '95
- **1st tacit extension (10-15):** Belgacom pays € 74m (annual payments).
- **2nd tacit extension (7/4/2015-15/03/2021):** no auction (fee based on current law – annual or one-off)
- Regulator re-assigned recently the spectrum reserved for Telenet/Voo
- Allowed to deploy UMTS in 900 MHz spectrum & 4G in 1800 MHz

<table>
<thead>
<tr>
<th></th>
<th>Base</th>
<th>Proximus</th>
<th>Mobistar</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>900 MHz</strong></td>
<td>2 x 12</td>
<td>2 x 12</td>
<td>2 x 10</td>
</tr>
<tr>
<td><strong>1800 MHz</strong></td>
<td>2 x 20.8</td>
<td>2 x 20.8</td>
<td>2 x 22</td>
</tr>
</tbody>
</table>

### 2100 MHz
- **Used for 3G**
- UMTS licenses granted in 2001
- 20 year-licenses **valid until 15/3/2021**
- Belgacom paid € 150m (one-off payment)
- 2 Aug '11, BIPT awarded 4th license to Telenet/Voo for € 71.5m (2X 14.8 MHz)
- In May '14 Telenet/Voo handed back their license

<table>
<thead>
<tr>
<th></th>
<th>Base</th>
<th>Proximus</th>
<th>Mobistar</th>
<th>Unallocated</th>
<th>Datang</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2100 MHz</strong></td>
<td>2 x 15</td>
<td>1x 5.4</td>
<td>1x5</td>
<td>2 x 14.8</td>
<td>2 x 14.8</td>
</tr>
<tr>
<td><strong>2600 MHz</strong></td>
<td>2 x 20</td>
<td>2 x 20</td>
<td>2 x 15</td>
<td>2 x 15</td>
<td>Datang 1 x 45</td>
</tr>
</tbody>
</table>
Fit for Growth strategy
We estimate our annual investment needs to be around €900m* over the coming years to cover network, convergence, new services and content needs.

* For 2014 increased to ‘around €960m’; also including capitalised Belgian football broadcasting rights for the next 3 seasons.
As from 2014, we ambition to keep workforce cost at least flat over the next 5 years, while pursuing additional cost savings building up to another €100m annually by 2018 (HR & non-HR opex).

To support the transformation and commercial brand image, we foresee about €20m exceptional spending (mainly opex) in 2014.

Develop superior customer experience
- Product usage experience (TV Everywhere, FON, …)
- Touchpoints experience (call centers, technicians, …)
- End-to-end process (first time right)
- 360° customer communication quality

Simplify to structurally reduce cost
- Products and services portfolio
- Network
- IT and platforms
- E sales and services

Build efficient organization
- Simpler and leaner organization for faster decision
- Reduction of resource costs leveraging pension wall
- Right talent at right place
- Real performance management

Improve brand differentiation
- Address different segments with differentiated offers (Scarlet)
- Push convergence via triple-play, quad-play and ICT services
- Reinforce brand investment
We ambition to return to top line and EBITDA growth in 2016

**Grow**

- **Regain market shares**
  - Exploit mobile leadership
  - Improved broadband experience
  - Roll-out fiber in greenfield and gradually in brownfield to offer the ultimate broadband experience
  - Superior customer experience (web, shops of the future, …)

- **Leverage convergence value**
  - Deliver solution-centricity to unlock value in EBU
  - Exploit upselling potential to quad-play
  - Leverage seamless network integration and convergent applications

- **Capture new growth potential**
  - Pursue data monetization
  - Leverage entertainment platform
  - Seize the opportunities of cloud and security
  - Be selective in development of new innovative services
### Consumer - Underlying* quarterly P&L

*Adjusted for incidentals

#### CBU underlying revenue (EUR mio)

<table>
<thead>
<tr>
<th></th>
<th>Q113</th>
<th>Q213</th>
<th>Q313</th>
<th>Q413</th>
<th>Q114</th>
<th>Q214</th>
<th>Q314</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>548</td>
<td>562</td>
<td>544</td>
<td>550</td>
<td>532</td>
<td>551</td>
<td>557</td>
</tr>
</tbody>
</table>

+2.2%

### CBU underlying Cost of Sales (EUR mio)

<table>
<thead>
<tr>
<th></th>
<th>Q113</th>
<th>Q213</th>
<th>Q313</th>
<th>Q413</th>
<th>Q114</th>
<th>Q214</th>
<th>Q314</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>139</td>
<td>155</td>
<td>128</td>
<td>149</td>
<td>131</td>
<td>145</td>
<td>143</td>
</tr>
</tbody>
</table>

+11.8%

### CBU underlying Personnel & Non-HR costs (EUR mio)

<table>
<thead>
<tr>
<th></th>
<th>Q113</th>
<th>Q213</th>
<th>Q313</th>
<th>Q413</th>
<th>Q114</th>
<th>Q214</th>
<th>Q314</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-HR</td>
<td>65</td>
<td>70</td>
<td>67</td>
<td>80</td>
<td>85</td>
<td>85</td>
<td>85</td>
</tr>
<tr>
<td>Personnel</td>
<td>84</td>
<td>82</td>
<td>84</td>
<td>83</td>
<td>85</td>
<td>85</td>
<td>85</td>
</tr>
</tbody>
</table>

+0.1%

### CBU underlying EBITDA (EUR mio) & margin

<table>
<thead>
<tr>
<th></th>
<th>Q113</th>
<th>Q213</th>
<th>Q313</th>
<th>Q413</th>
<th>Q114</th>
<th>Q214</th>
<th>Q314</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>260</td>
<td>255</td>
<td>265</td>
<td>238</td>
<td>251</td>
<td>254</td>
<td>262</td>
</tr>
</tbody>
</table>

-1.2%

Q3’14 underlying revenue +2.2% YoY
- Strong TV revenue compensating for Fixed Voice revenue erosion
- Recovering Mobile service revenue and higher terminal sales.
- Regulatory measures impacted Q3 revenue by an estimated amount of € -8 m (-1.4%).

Ytd Sept’14 € 1,639m in underlying revenue, -0.9% YoY

Q3’ 14 Cost of Sales +11.8% YoY from a low comparable basis
- different timing of tactical handset-subsidies and other promotional costs.

Ytd Sept’14, Cost of Sales remained fairly stable at € 420m, -0.4% YoY

- Q3’14 HR expenses +0.9% to € 85m: higher headcount to support touchpoint experiences (call centers, home installations, etc…) for Proximus customers, in line with company’s Fit-for-Growth strategy.
- Ytd Sept’14, HR-costs +1.7% YoY to € 255 m
- Q3’14 non-HR expenses of €67 m -0.9%, supported by a continued focus on cost efficiency.
- Ytd Sept’14 Non-HR expenses - 2.1% to €198m

Q3’14 adjusted segment result -1.2% YoY
- Revenue increase offset by higher Cost of Goods sold
- operational expenses for the quarter remained stable yoy
- estimated negative regulation impact of € -6 m (-2.3%).
- segment contribution margin of 47.1%, - 1.6 p.p.YoY

Ytd Sept’14 segment result of € 767m, -1.7 % YoY
Consumer underlying* revenue variance

Q3’14

Ytd’14

*Adjusted for incidentals, i.e. impact from divested companies
Stable Fixed Voice ARPU; slowing of customer loss continued

- Fixed Voice revenue decline resulted mainly from the YoY line loss
- Ytd Sept’14 revenue from Fixed Voice totaled € 296m, -4.6% YoY.

- Q3’14 Fixed line erosion limited to -10,000 lines, an improvement versus the prior quarters through mitigated churn and good gross customer gain, driven by convergent offers
- End-September 2014, CBU Fixed Voice customer base of 1,592,000 lines

- Overall fairly stable Fixed Voice ARPU
- Q3’14 ARPU up 0.8% YoY to € 20.4
**Consumer – Mobile Service**

Solid further recovery of Mobile service revenue; Postpaid customer base growing

- **Q3’14 revenue from Mobile services at € 187m, - 2.9% YoY**
  - In spite of the additional roaming price cut on 1 July 2014, the revenue decline improved notably vs. H1. on growing mobile postpaid customer base and ARPU trend improvement

- **attractive convergent Packs and value-based Joint-Offers kept gross customer gains high in Q3, churn somewhat up on competitive moves**
  - +32,000 Postpaid cards, +11,000 excl Internet-Everywhere data cards.
  - decline of Mobile Prepaid cards slowed, especially for the Proximus brand: successful summer promotion, strong take-up of Pay&Go Max
  - Prepaid includes a loss of 10,000 rather promo-sensitive Mobisud cards

- **Blended mobile ARPU stabilized in Q3’14**
  - further fading of customer re-pricing and better tiering of customers through increased smartphone penetration and value-driving Joint-Offers
  - Q3 Postpaid ARPU of € 26.9, -1.3% YoY; i.e. strong improvement from the +/- 5% decline in the prior quarters
  - Q3 Prepaid ARPU at € 11.7, -6.9% YoY, which is an improvement over the prior quarters as well.

---

**Mobile Service revenue (EUR mio) & YoY Variance**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Revenue (EUR mio)</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 13</td>
<td>197</td>
<td>-12.8%</td>
</tr>
<tr>
<td>Q2 13</td>
<td>205</td>
<td>-14.0%</td>
</tr>
<tr>
<td>Q3 13</td>
<td>193</td>
<td>-15.1%</td>
</tr>
<tr>
<td>Q4 13</td>
<td>190</td>
<td>-13.7%</td>
</tr>
<tr>
<td>Q1 14</td>
<td>183</td>
<td>-7.0%</td>
</tr>
<tr>
<td>Q2 14</td>
<td>190</td>
<td>-7.0%</td>
</tr>
<tr>
<td>Q3 14</td>
<td>187</td>
<td>-2.9%</td>
</tr>
</tbody>
</table>

**Mobile growth & EOP (000)**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Prepaid</th>
<th>Postpaid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 13</td>
<td>3,566</td>
<td></td>
</tr>
<tr>
<td>Q2 13</td>
<td>3,588</td>
<td></td>
</tr>
<tr>
<td>Q3 13</td>
<td>3,568</td>
<td></td>
</tr>
<tr>
<td>Q4 13</td>
<td>3,573</td>
<td></td>
</tr>
<tr>
<td>Q1 14</td>
<td>3,564</td>
<td></td>
</tr>
<tr>
<td>Q2 14</td>
<td>3,566</td>
<td></td>
</tr>
<tr>
<td>Q3 14</td>
<td>3,559</td>
<td></td>
</tr>
</tbody>
</table>

**Prepaid**
- Q1 13: 22
- Q2 13: 93
- Q3 13: 38
- Q4 13: 53
- Q1 14: 58
- Q2 14: 48
- Q3 14: 32

**Postpaid**
- Q1 13: -99
- Q2 13: -71
- Q3 13: -58
- Q4 13: -48
- Q1 14: -67
- Q2 14: -45
- Q3 14: -39

---

**Blended net mobile ARPU (EUR/month) & YoY Variance**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>ARPU (EUR/month)</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 13</td>
<td>19.5</td>
<td>-5.1%</td>
</tr>
<tr>
<td>Q2 13</td>
<td>20.6</td>
<td>-5.1%</td>
</tr>
<tr>
<td>Q3 13</td>
<td>19.7</td>
<td>-9.2%</td>
</tr>
<tr>
<td>Q4 13</td>
<td>19.4</td>
<td>-81%</td>
</tr>
<tr>
<td>Q1 14</td>
<td>19.0</td>
<td>-30%</td>
</tr>
<tr>
<td>Q2 14</td>
<td>19.9</td>
<td>-3.3%</td>
</tr>
<tr>
<td>Q3 14</td>
<td>19.7</td>
<td>0.4%</td>
</tr>
</tbody>
</table>

**Prepaid**
- Q1 13: 19.5
- Q2 13: 20.6
- Q3 13: 19.7
- Q4 13: 19.4
- Q1 14: 19.0
- Q2 14: 19.9
- Q3 14: 19.7

---

**Blended mobile ARPU stabilized in Q3’14**

**As of 2014, Belgacom calculates the Mobile ARPU excluding Free Mobile data cards and excluding M2M. 2013 figures have been restated.**
Fixed Internet revenue up 1.4%; Proximus and Scarlet adding +13,000 customers in the quarter

- Q3’14 Fixed Internet revenue of € 91m, i.e. +1.4% YoY, driven by the growing customer base.

- Fixed Internet customer base grew with 13,000 Proximus and Scarlet customers; continuing the improvement versus 2013.

- Q3’14 supported by the ‘September back-to-school campaign’

- Total Fixed Internet customer base of 1,274,000 end-September 2014.

- Q3’14 Broadband ARPU of € 26.3, slightly down from the same period in 2013 due to increased convergent pack penetration, with more value for the customer.
Double digit revenue growth for Proximus TV through larger customer base and uptake of TV-options

Q3’14 TV revenue grew by 10.5% to €74m continued subscriber growth,
- and TV-options such as football subscriptions and TV-replay.

Ytd’14 revenue from Proximus TV totaled €214m i.e. +8.5% YoY

- Continued good customer growth
- solid +33,000 TV subscriptions in Q3’14; incl. +13,000 multiple set-top boxes
- CBU ended Sept’14 with a total TV customer base of 1,558,000, of which 294,000 were multiple streams

- TV ARPU showed a 5.4% growth YoY to €19.7 driven by the uptake of TV options.

*As of 2014, pending orders are excluded from the total TV customer base. Q4 2013 TV customer figures have been restated accordingly. There is no impact on the 2013 quarterly net adds and the 2013 ARPU’s
Tango Luxembourg
Impacted by regulated MTR reduction

- Tango Q3’14 revenue of €30m, i.e. -7.4% YoY; mainly caused by the regulated MTR decrease.
- The regulation impact was partly offset by the revenue growth coming from the growing postpaid, triple and quadruple-play customer base. However, the prepaid customer base declined, due to a reduction in lifetime of the prepaid offers.

![Tango revenue (EUR mio) & YoY Variance](chart1)

![Tango mobile customers EOP (000)](chart2)

![Blended mobile net ARPU (EUR/month) & YoY Variance](chart3)
Enterprise – Underlying* quarterly P&L

*Adjusted for incidentals, mainly effect from Telindus France divesture

- EBU’s underlying revenue turned to growth in Q3’14
- Incl. estimated regulation impact of € -10m (~2.2%).
- Trend improvement from prior quarters driven by growing revenue from Mobile services and underlying ICT, more than offsetting lower revenue from Fixed Voice and Fixed Data.
- Ytd’14, EBU posted €1,456m underlying revenue, -0.5% YoY

- Higher underlying Cost of Sales mainly related to ICT
- Ytd’14, EBU’s underlying Cost of Sales were € 358m, +4.6% YoY

- Q3’14 HR expenses on underlying basis -6.8% to € 82m, in general positively impacted by lower headcount, showing benefits from initiatives launched to improve efficiency. Ytd Sept’14 underlying HR expenses of EBU totaled € 249m -6.2% YoY
- Q3’14 non-HR expenses of € 31m, stable YoY. Ytd Sept’14, EBU’s underlying non HR-expenses were € 94m, +1.2% YoY

- Q3’14 underlying segment result totaled € 252m, +3.6% YoY
- Strong improvement from previous quarters driven by better Direct Margin, especially for Mobile, and lower HR-expenses.
- Underlying contribution margin ended 1.3pp higher at 52.5%.
- Ytd’14, EBU’s underlying segment result totaled € 755m, -1.1% YoY
Enterprise underlying* revenue

Q3’14

Ytd’14

*Adjusted for incidentals, mainly impact from Telindus France divesture
### Enterprise - Fixed Voice*

**Continued stable Fixed Voice revenue decline**

#### Fixed voice revenue (EUR mio) & YoY Variance

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q113</th>
<th>Q213</th>
<th>Q313</th>
<th>Q413</th>
<th>Q114</th>
<th>Q214</th>
<th>Q314</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>117</td>
<td>116</td>
<td>113</td>
<td>113</td>
<td>114</td>
<td>113</td>
<td>110</td>
</tr>
<tr>
<td>Variance</td>
<td>-4.9%</td>
<td>-2.9%</td>
<td>-3.3%</td>
<td>-4.5%</td>
<td>-3.1%</td>
<td>-3.2%</td>
<td>-3.2%</td>
</tr>
</tbody>
</table>

Q3’14 EBU Fixed Voice revenue of € 110m
- Fairly stable decline of 3.2% YoY
- Key driver of the revenue decline is continued Fixed Voice line erosion triggered by companies rationalizing on Fixed line connections, only partly compensated for by price indexations

Ytd Sept’14, EBU reported € 336m Fixed Voice revenue, -3.2% YoY

#### Voice line loss & EOP (000)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q113</th>
<th>Q213</th>
<th>Q313</th>
<th>Q413</th>
<th>Q114</th>
<th>Q214</th>
<th>Q314</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loss</td>
<td>1,338</td>
<td>1,318</td>
<td>1,305</td>
<td>1,292</td>
<td>1,277</td>
<td>1,264</td>
<td>1,249</td>
</tr>
</tbody>
</table>

Q3’14 Fixed Line erosion of -15,000 lines
- EBU total Fixed Voice Line customer base of 1,249,000 by end-Sept’14, -4.3% line loss YoY

#### Fixed voice ARPU (EUR/month) & YoY Variance

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q113</th>
<th>Q213</th>
<th>Q313</th>
<th>Q413</th>
<th>Q114</th>
<th>Q214</th>
<th>Q314</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARPU</td>
<td>28.5</td>
<td>28.6</td>
<td>28.2</td>
<td>28.5</td>
<td>29.1</td>
<td>29.1</td>
<td>28.6</td>
</tr>
<tr>
<td>Variance</td>
<td>-27%</td>
<td>-0.7%</td>
<td>13%</td>
<td>0.3%</td>
<td>20%</td>
<td>15%</td>
<td>14%</td>
</tr>
</tbody>
</table>

- Somewhat higher Q3’14 Fixed Voice ARPU of EUR 28.6, up 1.4% YoY, a result of the price indexation early 2014.

---

*revenue from Belgacom Meeting Services (BMS) moved from Fixed Voice revenue to ICT, impacting both revenue and ARPU of Fixed Voice. 2013 figures have been restated.*
Enterprise - Mobile Service

Mobile Service revenue showing 4.1% year-on-year growth on larger mobile customer base, better tiering and slowing ARPU decline

**Q3’14 Mobile service revenue trend again showed a significant improvement**
- continuously growing mobile customer base,
- strong improved customer tiering within the Business customer segment, growing its mid- and high end customer base firmly
- sharp uptake in mobile data usage, in part driven by a greater smartphone penetration and a growing number of 4G-users
- Higher data roaming volumes more than offsetting lower roaming prices

Ytd Sept’14, EBU generated € 416m revenue from Mobile services, limiting the decline YoY to -0.5%.

**Q3’14 commercially less intensive quarter for Proximus**
- Nevertheless; 36,000 mobile cards added, of which 16,000 Mobile Voice and paying data cards
- low Mobile churn level of 8.8% in Q3’14
- EBU ended Sept’14 with a total of 1,760,000 mobile cards, +11.1% YoY

**Blended ARPU trend further improving to -3% YoY**
- fading effect from mobile customer re-pricing
- increased consumption of data volumes
- improved customer tiering

*As of 2014, Belgacom calculates the Mobile ARPU excluding Free Mobile data cards and excluding M2M. 2013 figures have been restated.*

---

**Enterprise - Mobile Service**

**Mobile Service revenue (EUR mio) & YoY Variance**

- Q113: 142, YoY Variance -12.9%
- Q213: 142, YoY Variance -12.2%
- Q313: 135, YoY Variance -12.2%
- Q413: 137, YoY Variance -8.7%
- Q114: 135, YoY Variance -4.7%
- Q214: 140, YoY Variance -0.8%
- Q314: 141, YoY Variance 4.1%

**Mobile growth & EOP (000)**

- Q113: 1,512
- Q213: 1,545
- Q313: 1,584
- Q413: 1,615
- Q114: 1,679
- Q214: 1,724
- Q314: 1,760

**Blended net Mobile ARPU (EUR/month) & YoY Variance**

- Q113: 36.8, YoY Variance -14.8%
- Q213: 36.3, YoY Variance -13.0%
- Q313: 34.1, YoY Variance -15.6%
- Q413: 34.2, YoY Variance -12.4%
- Q114: 33.0, YoY Variance -10.4%
- Q214: 33.6, YoY Variance -7.4%
- Q314: 33.1, YoY Variance -3.0%

*As of 2014, the calculation of active customers is based on the monthly activity rate instead of a rolling average activity rate. The definition of an active customer remains unchanged. 2013 figures have been updated accordingly.*
Enterprise - Fixed Data

Fixed Data revenue impacted by migrations to Explore platform, Fixed Internet revenue stable

Q3’14 revenue was -1.6% YoY to €93m
- Fixed Data revenue consists of Fixed Internet and data connectivity
- continued migration from older technologies such as leased lines to the Belgacom Explore platform, for which pricing is more favorable for customers.
- Fixed Internet revenue remained stable YoY

Ytd Sept’14, EBU recorded €280m revenue in Fixed Data, -1.9% YoY

EBU ended Sept’14 with 443,000 Fixed Internet customers, or +0.5% YoY

ARPU flattish YoY at EUR 39.5.
- SME customers opting more and more for advantageous converged Packs including internet.

*As of 1 January 2014, revenue from PABX is included in ICT. The 2013 figures have been restated accordingly. Previously PABX revenue was reported as part of Fixed Terminals.
Enterprise – underlying ICT*

Underlying ICT revenue growth of 5.2%

- EBU posted € 125 m underlying ICT revenue. This resulted from a solid revenue from the Belux ICT activities.
- Ytd Sept’14 organic ICT revenue totaled € 389m, +3.5% YoY

On divesture of Telindus France:
On 30 April 2014, Belgacom disposed 100% of the shares in the Group Telindus France to Vivendi for EUR 86 million net of cash disposed of and recognized a gain on disposal of EUR 43 million (through non-recurring income). The Group Telindus France generated pro-forma revenues of € 241m and EBITDA of € 11m in 2013.

*adjusted for the divesture impact of Telindus France
Service Delivery & Wholesale – P&L

- 9.6% YoY revenue decline to €60m, in line with the previous quarter
- eroding Carrier Wholesale Services revenue due to continued decline in wholesale broadband lines, leased lines and traffic volumes.
- negative impact from lowered Wholesale roaming tariffs, only partly compensated for by the roaming volume growth

CoS Q3’14 -3.3%

- focus on lowering both HR and non-HR-related operating expenses, in line with company’s strategy to optimize the overall workforce cost
- Q3’14 HR expenses of €44m -1.1% YoY on lower headcount
- non-HR expenses decreased to €45m, including the benefits from lower external workforce costs and maintenance cost optimization.

The revenue erosion in Q3’14 was fully offset by lower expenses, leading to a stable segment result of €-38m.
- Ytd Sept’14, the segment result totaled €-109m, or a 2.4% improvement YoY

* 2013 figures have been restated to reflect the allocation of Belgacom wholesale revenues invoiced to Scarlet to the Consumer Business Unit segment.
Staff & Support – P&L

- **S&S Adjusted Revenue (EUR mio)**
  - For Q3’14, Staff and Support recorded revenue of €7m.
  - Ytd’14 revenue of €22 million, on an underlying basis (i.e. excluding proceeds from building sales)

- **S&S adjusted Personnel costs (EUR mio)**
  - Q3’14 HR expenses were 6.4% lower YoY mainly as result of a lower personnel base.
  - For the same reason, the Ytd’14 HR expenses of €111 million were -5.5% YoY

- **S&S adjusted Non-HR costs (EUR mio)**
  - Q3’14 non-HR expenses totaled €52m.
  - Ytd’14 €151m non HR-expenses, fairly stable YoY
BICS – Underlying quarterly P&L

**BICS underlying Revenue (EUR mio)**

- Q1 2013: 417
- Q2 2013: 413
- Q3 2013: 437
- Q4 2013: 401
- Q1 2014: 357
- Q2 2014: 415
- Q3 2014: 410

BICS Q3'14 revenue totaled €410m, -6.1% or €27m YoY
- lower Voice revenue, down 8.7% on lower Voice traffic,
- not fully offset by continued growth in non-voice revenue, up by 11% in Q3'14

**BICS Gross margin (EUR mio)**

- Non-Voice
- Voice

<table>
<thead>
<tr>
<th></th>
<th>Q1 2013</th>
<th>Q2 2013</th>
<th>Q3 2013</th>
<th>Q4 2013</th>
<th>Q1 2014</th>
<th>Q2 2014</th>
<th>Q3 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>28</td>
<td>27</td>
<td>30</td>
<td>28</td>
<td>30</td>
<td>31</td>
<td>37</td>
</tr>
<tr>
<td>2014</td>
<td>34</td>
<td>38</td>
<td>37</td>
<td>32</td>
<td>28</td>
<td>31</td>
<td>28</td>
</tr>
</tbody>
</table>

Ytd'14 BICS generated €1,182m revenue, -6.7% YoY
- non-Voice gross margin up 23% in Q3'14, in part offsetting the pressure on the Voice gross margin.
- overall, BICS’ gross margin erosion was limited to -3.3% or €-2m YoY

**BICS underlying EBITDA (EUR mio) & margin**

- 8.3% (Q1 2013)
- 8.9% (Q2 2013)
- 8.6% (Q3 2013)
- 7.7% (Q4 2013)
- 8.3% (Q1 2014)
- 8.3% (Q2 2014)
- 9.4% (Q3 2014)

- lower Gross margin was more than offset by a favorable evolution in operating expenses, leading to a €39m segment result, +2.6% YoY.
- EBITDA margin rose to 9.4%, from 8.6% for the year before

**BICS Volumes (in mio)**

- SMS/MMS
- Minutes

<table>
<thead>
<tr>
<th></th>
<th>Q4 2012</th>
<th>Q1 2013</th>
<th>Q2 2013</th>
<th>Q3 2013</th>
<th>Q4 2013</th>
<th>Q1 2014</th>
<th>Q2 2014</th>
<th>Q3 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volume</td>
<td>445</td>
<td>451</td>
<td>461</td>
<td>540</td>
<td>512</td>
<td>499</td>
<td>583</td>
<td>629</td>
</tr>
</tbody>
</table>

- lower Voice traffic showing effect from the lost temporary traffic to Asia which BICS captured in 2013. In Q3'14 BICS handled 6,981m minutes, -4.2% YoY
- Non-Voice volumes +16.6% YoY
### Group – quarterly P&L – as reported

<table>
<thead>
<tr>
<th></th>
<th>Q113</th>
<th>Q213</th>
<th>Q313</th>
<th>YTD-Sep</th>
<th>Q413</th>
<th>Year</th>
<th>Q114</th>
<th>Q214</th>
<th>Q314</th>
<th>YTD-Sep</th>
<th>VAR Q3/Q3</th>
<th>VAR YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Revenues</strong></td>
<td>1.586</td>
<td>1.583</td>
<td>1.568</td>
<td>4,736</td>
<td>1.582</td>
<td>6,318</td>
<td>1.480</td>
<td>1.631</td>
<td>1.486</td>
<td>4,597</td>
<td>-5.2%</td>
<td>-2.9%</td>
</tr>
<tr>
<td><strong>Total OPEX</strong></td>
<td>-1,144</td>
<td>-1,153</td>
<td>-1,139</td>
<td>-3,436</td>
<td>-1,184</td>
<td>-4,619</td>
<td>-1,069</td>
<td>-1,074</td>
<td>-1,053</td>
<td>-3,196</td>
<td>-7.5%</td>
<td>-7.0%</td>
</tr>
<tr>
<td>Costs of materials and charges to revenues</td>
<td>-637</td>
<td>-645</td>
<td>-636</td>
<td>-1,918</td>
<td>-643</td>
<td>-2,561</td>
<td>-575</td>
<td>-620</td>
<td>-592</td>
<td>-1,787</td>
<td>-6.9%</td>
<td>-6.8%</td>
</tr>
<tr>
<td>Personnel expenses and pensions</td>
<td>-290</td>
<td>-283</td>
<td>-288</td>
<td>-860</td>
<td>-282</td>
<td>-1,142</td>
<td>-278</td>
<td>-255</td>
<td>-263</td>
<td>-797</td>
<td>-8.5%</td>
<td>-7.3%</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>-218</td>
<td>-225</td>
<td>-216</td>
<td>-659</td>
<td>-244</td>
<td>-903</td>
<td>-215</td>
<td>-202</td>
<td>-202</td>
<td>-618</td>
<td>-6.4%</td>
<td>-6.2%</td>
</tr>
<tr>
<td>Non recurring expenses</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>-15</td>
<td>-14</td>
<td>-1</td>
<td>2</td>
<td>4</td>
<td>5</td>
<td>254.6%</td>
<td>383.0%</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>441</td>
<td>430</td>
<td>430</td>
<td>1,301</td>
<td>398</td>
<td>1,699</td>
<td>411</td>
<td>556</td>
<td>433</td>
<td>1,400</td>
<td>0.7%</td>
<td>7.7%</td>
</tr>
<tr>
<td><strong>EBITDA margin</strong></td>
<td>27.8%</td>
<td>27.2%</td>
<td>27.4%</td>
<td>27.5%</td>
<td>25.2%</td>
<td>26.9%</td>
<td>27.8%</td>
<td>34.1%</td>
<td>29.1%</td>
<td>30.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Depreciation</strong></td>
<td>-192</td>
<td>-200</td>
<td>-197</td>
<td>-589</td>
<td>-193</td>
<td>-782</td>
<td>-196</td>
<td>-207</td>
<td>-207</td>
<td>-610</td>
<td>5.0%</td>
<td>3.5%</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>250</td>
<td>230</td>
<td>232</td>
<td>712</td>
<td>206</td>
<td>917</td>
<td>215</td>
<td>350</td>
<td>226</td>
<td>790</td>
<td>-2.9%</td>
<td>11.1%</td>
</tr>
<tr>
<td>Financial result</td>
<td>-20</td>
<td>-24</td>
<td>-27</td>
<td>-72</td>
<td>-24</td>
<td>-96</td>
<td>-23</td>
<td>-20</td>
<td>-28</td>
<td>-71</td>
<td>4.8%</td>
<td>-0.5%</td>
</tr>
<tr>
<td>Tax expense</td>
<td>-53</td>
<td>-44</td>
<td>-44</td>
<td>-141</td>
<td>-29</td>
<td>-170</td>
<td>-40</td>
<td>-66</td>
<td>-34</td>
<td>-139</td>
<td>-21.7%</td>
<td>-1.1%</td>
</tr>
<tr>
<td>Share of loss on associates</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net income (Group)</strong></td>
<td>171</td>
<td>155</td>
<td>156</td>
<td>482</td>
<td>148</td>
<td>630</td>
<td>149</td>
<td>251</td>
<td>156</td>
<td>556</td>
<td>0.2%</td>
<td>15.3%</td>
</tr>
<tr>
<td>Non-controlling interest</td>
<td>5</td>
<td>6</td>
<td>6</td>
<td>17</td>
<td>4</td>
<td>22</td>
<td>4</td>
<td>12</td>
<td>7</td>
<td>23</td>
<td>9.4%</td>
<td>31.9%</td>
</tr>
<tr>
<td><strong>Earnings/share in €</strong></td>
<td>0.54</td>
<td>0.49</td>
<td>0.49</td>
<td>1.51</td>
<td>0.46</td>
<td>1.98</td>
<td>0.47</td>
<td>0.78</td>
<td>0.49</td>
<td>1.74</td>
<td>-0.3%</td>
<td>14.9%</td>
</tr>
</tbody>
</table>
### From reported to underlying – incidentals

#### GROUP - Revenue incidentals

<table>
<thead>
<tr>
<th>Incident Elements Split</th>
<th>Revenue</th>
<th>EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ytd13</td>
<td>ytd14</td>
</tr>
<tr>
<td>Incidental Elements</td>
<td>-206</td>
<td>-189</td>
</tr>
<tr>
<td>Non-recurring items</td>
<td>0</td>
<td>-62</td>
</tr>
<tr>
<td>Gain/losses from disposals</td>
<td>0</td>
<td>-62</td>
</tr>
<tr>
<td>Other incidentals</td>
<td>-67</td>
<td>0</td>
</tr>
</tbody>
</table>

#### GROUP - EBITDA incidentals

<table>
<thead>
<tr>
<th>Incident Elements Split</th>
<th>Revenue</th>
<th>EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ytd13</td>
<td>ytd14</td>
</tr>
<tr>
<td>Incidental Elements</td>
<td>-4</td>
<td>-1</td>
</tr>
<tr>
<td>Non-recurring items</td>
<td>-1</td>
<td>-3</td>
</tr>
<tr>
<td>Other incidentals</td>
<td>-3</td>
<td>2</td>
</tr>
</tbody>
</table>

---

- The non-recurring revenue of €63 million recognized in the second quarter 2014 includes the gain on the disposal of Group Telindus France (€43 million) and of the mobile remittance activities (€20 million).

- A positive non-recurring expense of €2 million was recorded in the second quarter of 2014 mainly resulting from a partial settlement of a post-employment benefit plan.

---

**Other adjustments:**

- Impact from disposed companies
  - CBU Scarlet Netherlands (March 2014) and Sahara Net (May 2014), no longer contributing to the CBU revenue:
    - EBU: Divesture of Telindus France in May 2014: no longer contributing to the EBU revenue:
    - Impact from disposed companies:
      - -192 | -82 | -5 | 1

- Capitalization customer installations:
  - Accounting alignment within the company for capitalization of network installation activities for customer connections as of 1 January 2014. This lowers the HR and non-HR expenses (about €20 mio on annual basis for the Belgacom Group):
    - 17 | 0

- Transformation & Rebranding:
  - About €20m exceptional spending (mainly opex) on full-year 2014 on transformation & commercial brand image, spending mainly in H2:
    - 0 | 8

---

**Capital gains on building sales thin the framework of the Network Simplification project.**

-11 | -45 | -11 | -45

**HR-items of transient nature**

0 | -8

**Litigation provisions & reversals**

-3 | 0 | -8 | -13

---

**GROUP - Revenue incidentals (EUR million)**

<table>
<thead>
<tr>
<th>Incidental Elements Split</th>
<th>Q313</th>
<th>Q314</th>
<th>ytd13</th>
<th>ytd14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reported</td>
<td>1,568</td>
<td>1,486</td>
<td>4,736</td>
<td>4,597</td>
</tr>
<tr>
<td>Underlying</td>
<td>1,502</td>
<td>1,487</td>
<td>4,531</td>
<td>4,406</td>
</tr>
<tr>
<td>Incidentals - Total</td>
<td>-67</td>
<td>1</td>
<td>-206</td>
<td>-189</td>
</tr>
<tr>
<td>Non Recurring Items</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>-62</td>
</tr>
<tr>
<td>Other incidentals</td>
<td>-67</td>
<td>0</td>
<td>-206</td>
<td>-127</td>
</tr>
</tbody>
</table>

---

**GROUP - EBITDA incidentals (EUR million)**

<table>
<thead>
<tr>
<th>Incidental Elements Split</th>
<th>Q313</th>
<th>Q314</th>
<th>ytd13</th>
<th>ytd14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reported</td>
<td>430</td>
<td>433</td>
<td>1,301</td>
<td>1,400</td>
</tr>
<tr>
<td>Underlying</td>
<td>425</td>
<td>431</td>
<td>1,294</td>
<td>1,276</td>
</tr>
<tr>
<td>Incidentals - Total</td>
<td>-4</td>
<td>-1</td>
<td>-7</td>
<td>-125</td>
</tr>
<tr>
<td>Non Recurring Items</td>
<td>-1</td>
<td>-3</td>
<td>-1</td>
<td>-67</td>
</tr>
<tr>
<td>Other incidentals</td>
<td>-3</td>
<td>2</td>
<td>-6</td>
<td>-57</td>
</tr>
</tbody>
</table>
Belgacom consolidated balance sheet

As of 31 December | As of 30 September
--- | ---
(EUR million) | | | 2013 | 2014
**ASSETS** | | | 6,254 | 6,212
**NON-CURRENT ASSETS** | Goodwill | 2,320 | 2,294 | 6,254 | 6,212
Intangible assets with finite useful life (*) | 1,185 | 1,121 | 6,254 | 6,212
Property, plant and equipment | 2,558 | 2,600 | 6,254 | 6,212
Investments in associates | 6 | 4 | 6 | 4
Other participating interests | 6 | 12 | 6 | 12
Deferred income tax assets | 105 | 81 | 6 | 4
Other non-current assets | 74 | 100 | 74 | 100
**CURRENT ASSETS** | Inventories | 163 | 138 | 2,163 | 2,434
Trade receivables | 1,289 | 1,250 | 2,163 | 2,434
Current tax assets | 137 | 94 | 2,163 | 2,434
Other current assets | 148 | 170 | 2,163 | 2,434
Investments | 60 | 9 | 2,163 | 2,434
Cash and cash equivalents | 355 | 773 | 2,163 | 2,434
Assets classified as held for sale | 11 | 0 | 2,163 | 2,434
**TOTAL ASSETS** | 8,417 | 8,646 | 8,417 | 8,646

**LIABILITIES AND EQUITY**

| EQUITY | 3,042 | 3,100 | 3,042 | 3,100
Shareholders’ equity | 2,846 | 2,914 | 2,846 | 2,914
Issued capital | 1,000 | 1,000 | 1,000 | 1,000
Treasury shares | -527 | -482 | -527 | -482
Restricted reserve | 100 | 100 | 100 | 100
Remeasurement reserve | -51 | -44 | -51 | -44
Stock compensation | 13 | 9 | 13 | 9
Retained earnings | 2,310 | 2,331 | 2,310 | 2,331
Foreign currency translation | 1 | 0 | 1 | 0
Non-controlling interests | 196 | 185 | 196 | 185

**NON-CURRENT LIABILITIES** | 2,865 | 3,362 | 2,865 | 3,362
Interest-bearing liabilities | 1,950 | 2,548 | 1,950 | 2,548
Liability for pensions, other post-employment benefits and termination benefits | 473 | 411 | 473 | 411
Provisions | 204 | 180 | 204 | 180
Deferred income tax liabilities | 128 | 114 | 128 | 114
Other non-current payables | 111 | 109 | 111 | 109

**CURRENT LIABILITIES** | 2,511 | 2,184 | 2,511 | 2,184
Interest-bearing liabilities | 316 | 2 | 316 | 2
Trade payables | 1,320 | 1,290 | 1,320 | 1,290
Tax payables | 132 | 158 | 132 | 158
Other current payables | 731 | 734 | 731 | 734
Liabilities associated with assets classified as held for sale | 13 | 0 | 13 | 0

**TOTAL LIABILITIES AND EQUITY** | 8,417 | 8,646 | 8,417 | 8,646

---

All balance sheet captions impacted by disposal of Group Telindus France:

Decrease of goodwill by € 26m
Intangible fixed assets & property, plant & equipment decreased € 23m

Shareholders’ equity increased from € 2,846m end 2013 to € 2,914m end September 2014. This mainly results from the net income generated over the first nine months exceeding the 2013 dividend payment in April 2014 of € 537m.
### Pricing – Fixed products

<table>
<thead>
<tr>
<th>Plan</th>
<th>Price per month</th>
<th>Features</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Classic</strong></td>
<td>€ 20.99</td>
<td><strong>Note:</strong> Lower tariffs during peak compared to Happy Time. Peak: 8-19h</td>
</tr>
<tr>
<td><strong>Happy Time XL</strong></td>
<td>€ 20.99</td>
<td>Free to FIX &amp; to MOB during OffPeak &amp; Weekend. Peak: 8-17h</td>
</tr>
<tr>
<td><strong>No Limit National Anytime</strong></td>
<td>€ 30.67</td>
<td>Free to FIX Anytime. 24/24</td>
</tr>
<tr>
<td><strong>Happy Time international</strong></td>
<td>€ 21.99</td>
<td>Free to FIX, to MOB &amp; to most European countries during OffPeak &amp; Weekend. Peak: 8-17h</td>
</tr>
<tr>
<td><strong>Internet Start</strong></td>
<td>€ 25.50</td>
<td>Volume incl: 100 GB. Upload speed: 3 Mbps, 3G: 50 MB, Cloud: 10 GB. + hotspot access</td>
</tr>
<tr>
<td><strong>Internet Comfort</strong></td>
<td>€ 36.95</td>
<td>Volume incl: 150 GB. Upload speed: 4 Mbps, 3G: 100 MB, Cloud: 10 GB. + hotspot access</td>
</tr>
<tr>
<td><strong>Internet Maxi</strong></td>
<td>€ 46.20</td>
<td>Volume incl: Unlimited. Upload speed: 5 Mbps, 3G: 250 MB, Cloud: 10 GB. + unlimited hotspot access</td>
</tr>
</tbody>
</table>

- **Internet Start+TV:** € 43.95
- **Tel+TV:** € 35.75

- No price differentiation on “download speed”
- Customers get highest available download speed
- The average speed a Proximus Internet customer receives is currently at 40 Mbps, and rising. This is dedicated speed at videograde quality.
- The actual received speed is higher for homes connected through Dynamic Line management (50 Mbps) or Vectoring (70 Mbps)
- Speeds can be lower due to factors as the distance between the connection point and the telephone exchange, the computer system and the internal cabling.
# Pricing – TV options

<table>
<thead>
<tr>
<th>TV Everywhere</th>
<th>€ 4.95 / month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thanks to TV Overall, your smartphone, tablet or laptop becomes an additional TV screen! You won’t miss any of your favourite programs anymore since your TV can now follow you anywhere. You can enjoy TV Everywhere at home and anywhere else. At home via your Belgacom Wi-Fi connection. Everywhere else via a Wi-Fi Fon Spot or the Proximus 3G/4G network.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TV Replay</th>
<th>€ 3 / month</th>
</tr>
</thead>
<tbody>
<tr>
<td>I can go back up to 36 hours in my TV guide.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TV Replay</th>
<th>€ 7 / month</th>
</tr>
</thead>
<tbody>
<tr>
<td>I can go back up to 36 hours in my TV guide and fast forward in the program I have chosen.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Movies &amp; Series Pass</th>
<th>€ 14.95 / month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unlimited access to an extensive range of movies in a specific on-demand catalog and to the “ms” channel which offers varied programming. Every day a new film or episode of a series on the “ms” channel, at the same time available in the on-demand catalog of this Pass.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Belgacom 11</th>
<th>€ 9.95 / month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belgian football:</td>
<td></td>
</tr>
<tr>
<td>All the matches of the Jupiler Pro League</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Belgacom 11+</th>
<th>€ 9.95 / month</th>
</tr>
</thead>
<tbody>
<tr>
<td>European football:</td>
<td></td>
</tr>
<tr>
<td>- UEFA Champions League</td>
<td></td>
</tr>
<tr>
<td>- English League Cup</td>
<td></td>
</tr>
<tr>
<td>- Spanish League</td>
<td></td>
</tr>
<tr>
<td>- Copa del Rey</td>
<td></td>
</tr>
<tr>
<td>- Portuguese League</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>All Foot</th>
<th>€ 14.95 / month</th>
</tr>
</thead>
<tbody>
<tr>
<td>The best of Belgian and European football:</td>
<td></td>
</tr>
<tr>
<td>Belgacom 11</td>
<td></td>
</tr>
<tr>
<td>Belgacom 11+</td>
<td></td>
</tr>
</tbody>
</table>
Consumer Mobile Postpaid subscriptions

On Oct 1st, Smart 25 and Smart 35 offers reviewed, increasing the competitiveness of Proximus mid-end offers, especially in Pack.

<table>
<thead>
<tr>
<th>Easy+ 10</th>
<th>Easy+ 15</th>
<th>Easy+ 25</th>
<th>Easy+ 45</th>
</tr>
</thead>
<tbody>
<tr>
<td>€ 10</td>
<td>€ 15</td>
<td>€ 25</td>
<td>€ 45</td>
</tr>
<tr>
<td>20 min</td>
<td>€ 13 in PACK</td>
<td>€ 20 in PACK</td>
<td>€ 35 in PACK</td>
</tr>
<tr>
<td>Unlt SMS</td>
<td>€ 0.25 / min</td>
<td>€ 0.25 / min</td>
<td>€ 0.25 / MMS</td>
</tr>
<tr>
<td></td>
<td>€ 0.25 / MMS</td>
<td>€ 0.25 / MMS</td>
<td>€ 0.85 / MB</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Smart+ 15</th>
<th>Smart 25</th>
<th>Smart+ 35</th>
<th>Smart+ 50</th>
<th>Smart+ 65</th>
</tr>
</thead>
<tbody>
<tr>
<td>€ 15</td>
<td>€ 25</td>
<td>€ 35</td>
<td>€ 50</td>
<td>€ 65</td>
</tr>
<tr>
<td>€ 13 in PACK</td>
<td>€ 20 in PACK</td>
<td>€ 30 in PACK</td>
<td>€ 40 in PACK</td>
<td>€ 55 in PACK</td>
</tr>
<tr>
<td>120 min</td>
<td>300 min</td>
<td>300min &amp; Unlt voice</td>
<td>Unlimited / min</td>
<td>Unlimited / min</td>
</tr>
<tr>
<td>Unlt SMS</td>
<td>Unlt SMS</td>
<td>Unlt Px-2-Px Unlt SMS</td>
<td>€ 0.25 / min</td>
<td>€ 0.25 / MMS</td>
</tr>
<tr>
<td>500MB</td>
<td>2 GB</td>
<td>2 GB</td>
<td>€ 0.25 / MMS</td>
<td>€ 0.85 / MB</td>
</tr>
</tbody>
</table>

Voice & sms only (non-Smartphone users)

Voice, sms & data (Smartphone users)

Voice, sms & data

4G for everyone!

Speed Tiering

<table>
<thead>
<tr>
<th>4G</th>
<th>VERY FAST</th>
</tr>
</thead>
<tbody>
<tr>
<td>4G</td>
<td>SUPER FAST</td>
</tr>
</tbody>
</table>

Ideal for social media and surf

Up to 25 Mbps

Ideal for video

Up to 129 Mbps
i.e. maximum possible speed

Reviewed 1 Oct’14
Pricing – Mobile Voice (Prepaid)

## Reload bonus

For each reload, with Pay&Go Easy you get:

- **Bonus 1 (towards fix and Mobile):** €10 reload=30min, €15 reload=60min, €25 reload=90min, €50 reload=200min  
  - OR **Bonus 2 (towards fix):** €10 reload=150min, €15 reload=600min, €25 reload=unlimited min, €50 reload=unlimited

### Reload bonus

For each reload, with Pay&Go Smart you get:

- **Bonus €10 Reload:** unlt. SMS OffPeak + 10 MB  
  - **Bonus €15 Reload:** unlt. SMS + 150 MB  
  - **Bonus €25 Reload:** unlt. SMS + 500 MB

### Reload bundles

For Pay&Go Max reload you get:

- **€15 Reload:** 90 min + unlt. SMS + 250 MB  
- **€25 Reload:** 150 min + unlt. SMS + 500 MB  
- **€50 Reload:** 360 min + unlt. SMS + 2 GB

- For each reload, you get a bundle and no more credit
- The bundle has a validity of 31 days
- Out of bundle usage is possible with additional reloads
Pricing – Mobile Data

**4G for everyone!**

### Standard
- € 0.5 / MB (prepaid)
- € 0.85 / MB (postpaid)

### Pay & Surf
- € 4.99 → 50 MB
- € 9.99 → 500 MB

**General**

**Prepaid Only**

- **Pay & Surf**
  - € 10 → 500 MB
  - € 15 → 750 MB
  - € 25 → 1250 MB
  - € 50 → 2500 MB
  
  - Daily
    - € 4.99 / month
    - € 0.03 / MB
  
  - Comfort
    - € 19.99 / month
    - 2 GB incl.
    - € 0.03 / MB

  - Favorite
    - € 34.99 / month
    - 4 GB incl.
    - € 0.03 / MB

  - **5 reduction** if you are already a Proximus fixed internet customer

### Laptop & Tablet Only

- **Prepaid Only**
  - Pay & Surf
    - € 10 → 500 MB
    - € 15 → 750 MB
    - € 25 → 1250 MB
    - € 50 → 2500 MB
  
    - Daily
      - € 4.99 / month
      - € 0.03 / MB
  
    - Comfort
      - € 19.99 / month
      - 2 GB incl.
      - € 0.03 / MB

### iPad Only

- **Prepaid Only**
  - **Favorite for iPad**
    - € 24.99 / month
    - 3 GB incl.
    - (if you use more – usage is free but at a lower speed)

  - Pay & Surf for iPad
    - € 10 → 500 MB
    - € 15 → 750 MB
    - € 25 → 1250 MB
    - € 50 → 2500 MB

- **Reload € 10 > in 31d: +50% data volume**
Pricing converged Belgacom PACKS - successful combinations

**TV + Fix**

- € 35.75 / month
- TV + Fixed Voice (incl. Happy Time XL)

**TV + Internet**

- € 53.95 / month
- TV
  - TV Everywhere
- Fixed Voice (incl. Happy Time XL and Happy Time International)
- Internet Comfort
  - Unlimited volume
  - Unlimited hotspot access
  - 500 MB + 1 GB (Tv Everywhere) 3G/4G 10 GB cloud

**2-Play**

- € 53.95 / month
- TV
  - TV Everywhere
- Fixed Voice (incl. Happy Time XL and Happy Time International)
- Internet Comfort
  - Unlimited volume
  - Unlimited hotspot access
  - 500 MB 3G/4G 10 GB cloud

**3-Play**

- € 62.95 / month
- TV
  - TV Everywhere
- Fixed Voice (incl. Happy Time XL and Happy Time International)
- Internet Comfort
  - Unlimited volume
  - Unlimited hotspot access
  - 500 MB + 1 GB (Tv Everywhere) 3G/4G 10 GB cloud

**4-Play**

- € 75.95 / month
- TV
  - TV Everywhere
- Fixed Voice (incl. Happy Time XL and Happy Time International)
- Mobile Smart+/Easy+ 15
- Internet Comfort
  - Unlimited volume
  - Unlimited hotspot access
  - 500 MB + 1 GB (Tv Everywhere) 3G/4G 10 GB cloud

€ 2 to €10 /month discount for each Proximus subscription (as of € 15 /month) added to your Pack (maximum of 6 Proximus subscriptions per pack)
Positioning Scarlet as no frills brand, with very attractive pricing for 'price seekers'.

**scarlet Trio**

- **TV + Fix + Internet**
  - €39 / month
  - TV: ~30 channels
  - Fixed Voice line: Free calls to fix Off Peak
  - Internet: Unlimited volume
    - Down 30 Mbps
    - Up 3 Mbps

**scarlet postpaid**

<table>
<thead>
<tr>
<th>RED</th>
<th>HOT</th>
<th>CHILI</th>
</tr>
</thead>
<tbody>
<tr>
<td>€8</td>
<td>€18</td>
<td>€28</td>
</tr>
<tr>
<td>125</td>
<td>500</td>
<td>1000</td>
</tr>
<tr>
<td>250</td>
<td>500</td>
<td>1000</td>
</tr>
<tr>
<td>50</td>
<td>250</td>
<td>500</td>
</tr>
<tr>
<td>500</td>
<td></td>
<td>1GB</td>
</tr>
</tbody>
</table>

Out of bundle: 0,15€/MB - (0,03€/MB)

**scarlet prepaid**

<table>
<thead>
<tr>
<th>Ketch</th>
<th>Up</th>
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</thead>
<tbody>
<tr>
<td>8€</td>
<td>15€</td>
</tr>
<tr>
<td>100 min. (89 min. local + 10 min. roaming)</td>
<td>250 min. (195 min. local + 50 min. roaming)</td>
</tr>
<tr>
<td>100 sms</td>
<td>250 sms</td>
</tr>
<tr>
<td></td>
<td>(billed)</td>
</tr>
</tbody>
</table>
Estimated negative financial impact from regulatory price decreases

<table>
<thead>
<tr>
<th>Regulation impacts (Decrease in EUR million)</th>
<th>Outlook FY 2014</th>
<th>Q1 2014</th>
<th>Q2 2014</th>
<th>Q3 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>MTR</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>€ 14m</td>
<td>€ 3m</td>
<td>€ 4m</td>
<td>€ 4m</td>
</tr>
<tr>
<td>EBITDA</td>
<td>€ 7m</td>
<td>€ 1m</td>
<td>€ 2m</td>
<td>€ 2m</td>
</tr>
<tr>
<td>Roaming (i.e. Voice, SMS and Data)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>€ 36m</td>
<td>€ 5m</td>
<td>€ 7m</td>
<td>€ 14m</td>
</tr>
<tr>
<td>EBITDA</td>
<td>€ 36m</td>
<td>€ 5m</td>
<td>€ 7m</td>
<td>€ 14m</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>€ 50m</td>
<td>€ 8m</td>
<td>€ 11m</td>
<td>€ 18m</td>
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<tr>
<td>EBITDA</td>
<td>€ 43m</td>
<td>€ 7m</td>
<td>€ 9m</td>
<td>€ 17m</td>
</tr>
</tbody>
</table>

MTR - regulation

• **Luxembourg - Regulator implements symmetrical MTR at 0.98 €cts, down from 8.2 €cts**

  On 16 January 2014, the Luxembourg regulator, ILR, published its final decision concerning its review of the MTR market analysis. The three mobile operators (EPT, Tango and Orange) are submitted to an obligation of cost orientation for their MTR. ILR intends to define the MTR on basis of a pure bottom-up long run incremental cost (LRIC) cost model. Until the finalisation of this model, ILR sets symmetrical MTR at 0.98 €ct/min (based on a benchmarking) as from 1 February 2014. MTR were previously at 8.2 €ct for EPT and Tango and 10.5 eurocents for Orange. Tango has appealed the decision.

  The estimated impact on TANGO (reported in CBU) for 2014 is: € -14 m revenue, € -7m EBITDA

• **Belgium - the last MTR-cut was applied on 1 January 2013**

  BIPT is developing a new cost model to set MTR for period ‘14-’17

*excl VAT, including inflation*
Roaming III Regulation entered into force on 1 July 2012.

This regulation covers a ten-year period until 30 June 2022.

It imposed a further lowering of the existing regulated price caps, and extended the roaming regulation to retail data as from July 2012. It also imposed transparency measure to avoid bill shocks and has extended the transparency measures to roaming outside EU since July 2012.

Roaming III Regulation also foresees structural measures
- Wholesale roaming access (1 July 2012)
- Decoupling, i.e. separate selling of roaming services from domestic mobile services (1 July 2014)

In its package of measures to address the fragmentation of the EU telecoms sector, referred now to as “Connected Continent”, the EU Commission has proposed to impose additional measures to abolish roaming in the coming years. On 3 April 2014, the European Parliament voted on its first reading on the EC proposal and proposed to ban such charges as from 15 December 2015. The reform has now to be discussed with the EU Council. Timing is unclear for the moment. Adoption of the package possible in the first half of 2015.

Estimated impact on Q3 2014 financials:
- Revenue: ~ €-14m
- EBITDA: ~ €-14m

Estimated impact on FY 14 financials:
- Revenue: ~ €-36m
- EBITDA: ~ €-36m
Macro economic environment

**GDP Growth actuals and forecast**

- After growth of the GDP during 4 consecutive quarters, the GDP slowed down again in 2Q14. The reason is the temporary drop in the building sector.

**Inflation rate actuals and forecast**

- Belgium decreases to 0.2, Europe to 0.3.
- Decrease caused by lower energy prices.

**Unemployment rate**

- Unemployment rate stabilised at 8.5% in Belgium in August.

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Source: National Bank, 28/07/2014

1. GDP – percentage change on preceding year
2. Number of unemployed as a percentage of total labour force
3. Index of consumer prices – percentage change on preceding year
"This communication might include some forward-looking statements, without limitation, regarding Belgacom’s financial or operational results, certain strategic plans or objectives, macro-economic trends, regulation, future market conditions and other risk factors. These forward-looking statements rely on a number of assumptions concerning future events and are subject to uncertainties and other factors, many of which are outside Belgacom’s control. Therefore the actual future results may differ materially from those expressed in or implied by the statements.

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