2016 Q4
Results Presentation
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Q4’16 Group Highlights

Solid 5.5% progress in Underlying Group EBITDA, driven by a 5.3% Domestic EBITDA growth

Group Revenue*
€1,490m
-0.8% YoY

Group EBITDA*
€441m
+5.5% YoY

Capex
€314m

YTD FCF
€559m

Commercial drivers
Continued growth of customer base, in a more competitive market

+ 17,000
TV Households (unique customers)
+ 15,000
Fixed Internet Lines
+ 45,000
Mobile Postpaid cards excl. M2M & Internet Everywhere cards
- 45,000
Mobile Prepaid cards
- 8,000
Fixed Voice lines
+ 17,000
3 & 4-Play Households/ Small offices, i.e. over 46% of total base

Domestic revenue
+0.9% to €1,127m.
+ Continued sound revenue growth for Fixed Data, TV, ICT and device sales.
+ Postpaid revenue stable in spite of Roaming.
- Prepaid decline

BICS revenue -5.6%.
- Volatility of Voice business market, less favorable destination mix.

Domestic EBITDA of €405m, +5.3% YoY
- Lower expenses (-4.9%).
- Fairly stable Domestic direct margin.

BICS EBITDA +8.0% YoY
- Higher margin (+3.9%)
- Lower expenses (-0.5%)

Total capex FY’16 of €949m
Improved customer experience by enhancing both Mobile and Fixed networks as well as renewing and simplifying IT systems.

+23% YoY on like-for-like basis
- Higher underlying EBITDA.
- Less cash paid for Capex.
- In part offset by increase in inventory (normalizing from a low 2015).

*On underlying basis, i.e. excluding incidentals
Q4 Group underlying revenue
Domestic underlying revenue up by 0.9%, BICS revenue decreased YoY

Q4’16 Domestic revenue +0.9%

- Consumer: +1.3% YoY
  + Accelerated growth in 4-Play HH/SO base with Tuttimus.
  + Growth in Fixed data & TV revenue.
  + Higher Mobile device sales.
  - Pressure from roaming regulation on mobile services revenue. Growth of Postpaid offset by Prepaid decline.

- Enterprise: +0.8% YoY
  + Growing revenue from ICT and Be-Mobile NV.
  - Erosion of legacy Fixed Voice.
  - Pressure on mobile services revenue from roaming regulation.

- Wholesale: -3.3% YoY
  + Increase in roaming-in revenue.
  - Regulated decrease in Fixed Termination Rates.

Q4’16 revenue -5.6% YoY
- Revenue decline driven by continued high volatility in the voice business, with a less favorable destination mix.
- Solid growth in non-voice revenue driven by higher messaging volumes.
• Continued sound revenue growth for Fixed Data, TV and ICT.
• Mobile services revenue impacted by roaming regulation and unfavorable travel destination mix.
• Higher Mobile devices sales at lower margin.
• Lower BICS revenue due to volatility in the voice business coupled with unfavorable voice destination mix. Non-voice revenue continued to grow.
Good customer growth and improved market position for Fixed Internet and TV, in spite of intense competitive environment

**Fixed Internet**
- YoY growth of +64,000 Fixed Internet customers; i.e. +3.5%
- Market share: +0.3pp YoY

**TV (Households)**
- YoY growth of +75,000 TV customers; i.e. +5.3%
- Digital TV Market share: +0.8pp YoY
- Total TV Market share: +1.4pp YoY

**Fixed Voice**
- YoY erosion of -93,000 Fixed Voice lines; i.e. -3.3%
- Q4 supported by launch of new 3- & 4-Play portfolio

In '000

- Including migration of 16K former SNOW customers
- Including migration of 6K former SNOW customers

(*) unique subscriptions excluding multi-settop boxes
Q4 Mobile services revenue: -2.1% YoY. Decline in revenue from Prepaid while Postpaid revenue remained fairly stable.


Impact roaming regulation & destination mix

Strong Q4 for Mobile postpaid
- +126,000 Mobile Postpaid cards; +3.6%.
- -163,000 Prepaid cards; -11.7%.

M2M and Internet Everywhere cards (in 000's)
- +571,000 M2M & Internet Everywhere cards.
- driven by Road User Charging project.

Due to uptake of new portfolio, removing the need for free Internet Everywhere data cards.

Firm Mobile Market position

Total mobile* MS +0.3pp. YoY
- Q4 2015: 40.4%, Q4 2016: 40.7%.

Postpaid* MS -0.9pp. YoY
- Q4 2015: 47.1%, Q4 2016: 46.2%.

* excl. M2M. Market share impacted by a lower number of free Internet Everywhere cards.
Strong uptake of new product portfolio boosting 4-Play in Q4

- Accelerated growth in 4-Play HH/SO base following the launch of Tuttimus increased value and loyalty of the customer base.
- Over 46% of the Households/Small offices are 3-or 4-play, and count for 65% of total HH/SO revenue.
- Revenue from X-play HH/SO +1.8% YoY; 4-Play revenue +8.1%.
- ARPH up by 1.8% YoY to EUR 66.2, 4-Play ARPH at € 115.1.

- 20% of 2,943,000 Households take all 4 Plays (in '000)
- 34% of € 585M Consumer x-play revenue comes from 4-Play

- Revenue from X-play HH/SO +1.8% YoY; 4-Play revenue +8.1%.
- ARPH up by 1.8% YoY to EUR 66.2, 4-Play ARPH at € 115.1.

+1.8% YoY ARPH to 66.2 €

124,000 subscriptions to our new Tuttimus/Bizz all-in (first 3 months*)

Households/Small Offices per x-play net adds of the quarter (in '000)

HH/SO combining Fixed and Mobile

Average RGU per HH/SO

Q4 Annualized full churn rate (HH)

* Status end January 2017
Q4 Group Direct margin +0.1%. Domestic fairly stable YoY.

Q4’16 Group direct margin +0.1% YoY
- Domestic direct margin fairly flat.
- Domestic direct margin as % of revenue at 73.6%.
- BICS posted a solid 3.9% increase in direct margin.
- Including estimated negative Roaming-out impact.
Q4 Group underlying expenses reduced by 4.6%, resulting from a 4.9% decrease in Domestic expenses.

- Q4 operating expenses down 4.6% YoY, including benefit from company-wide cost reduction programs:
  - 2.0% decrease in workforce expenses
  - 8.5% decrease in non-workforce expenses.

- Domestic expenses reduced by 4.9% YoY, reflecting the initiatives launched to structurally reduce Proximus’ expenses.
  - Fairly stable operating costs of BICS (-0.5%).
Well on track to deliver ambition to realize €150m net cost reduction over 2015-2019

Contributors to structural
Domestic cost reductions reflected in the downward trend on both workforce and non-workforce opex:

- Sales channel optimisation
  - Integration of Wireless Technology (The Phone House)
- Simplification
  - Outphasing of Switches: power & maintenance cost reduction
  - Outphasing of IT applications: less maintenance cost and lower workforce demand
  - Simplified product portfolio
- Increased efficiency & productivity
  - Volume deflation in Call Centers due to quality improvement and digitisation
  - Less field interventions thanks to process engineering
  - Productivity increase in the field domains and in back-office
  - Improved efficiency of the overall organisation (consultancy, outsourcing, ...)

Cost savings supported by the voluntary early leave plan prior to retirement.
Q4’16 Group EBITDA, +5.5 % YoY,
Solid growth of 5.3% in Domestic and 8.0% in BICS EBITDA

Q4’16 underlying Group EBITDA totaled € 441m, up by 5.5% YoY
• Mainly driven by Domestic, up 5.3% YoY to € 405m, resulting from lower expenses.
• In contrast to prior quarters, BICS’ segment result was up by 8%, to € 36m on higher direct margin and easing comparable base.

Group underlying EBITDA (M€) & YoY variance

Q4’16 (in M€)

FY’16 (in M€)
Net income (Group share)

- Q4’16 net income (Group share) of €125m.
- FY’16 net income of €523m: +€ 41m or 8.5% explained by higher Group EBITDA and lower finance costs, partly offset by higher depreciation and amortization and tax expenses.

* Negative incidentals for an amount of € 87m in 2015 and € 63m in 2016.
Continuously investing in overall customer experience

<table>
<thead>
<tr>
<th>Capex in M €</th>
<th>FY'15</th>
<th>FY'16</th>
</tr>
</thead>
<tbody>
<tr>
<td>75</td>
<td>926</td>
<td>949</td>
</tr>
</tbody>
</table>

- **Capex excl. spectrum**
- **Spectrum**

**Fixed Network**

- **4G outdoor coverage**
  - Q4'15: 98.8%
  - Q4'16: 99.7%
- **4G indoor coverage**
  - Q4'15: 93.4%
  - Q4'16: 97.7%

**Average speed 4G(+) device**

<table>
<thead>
<tr>
<th>Network</th>
<th>Q4'15</th>
<th>Q4'16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Download national</td>
<td>38.3</td>
<td>16.2</td>
</tr>
<tr>
<td>Upload national</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Average VDSL speed**

<table>
<thead>
<tr>
<th>Device</th>
<th>Average speed (Mbps)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed network</td>
<td>4.21</td>
</tr>
<tr>
<td>Mobile network</td>
<td>4.00</td>
</tr>
<tr>
<td>Voo</td>
<td>3.93</td>
</tr>
</tbody>
</table>

**Vectoring**

- Strong FttC coverage: Q4'15: 91%, Q4'16: 93%
- Vectoring - national coverage%: Q4'15: 43%, Q4'16: 72%
- Average speed 4G(+) device: Q4'15: 52, Q4'16: 63

**4G indoor coverage**

- Q4'15: 98.8%
- Q4'16: 99.7%

**High streaming quality**

<table>
<thead>
<tr>
<th>Netflix speed index in December (Mbps)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proximus</td>
</tr>
<tr>
<td>Telenet</td>
</tr>
<tr>
<td>Voo</td>
</tr>
</tbody>
</table>

1. Result based on Q4 2016 national drive test conducted by independent agency CommSquare
2. Refers to population coverage where customers can actually enjoy the full benefit from carrier aggregation, i.e. where the customer has both LTE800 and LTE 1800.
3. Customers can consult their individual speed on www.proximus.be/internetspeed
Transversal cash management initiative launched mid-2015 contributed to a strong YTD '16 Free Cash Flow of €559m.

The 2016 FCF was up by EUR 151 million from 2015, which included the impact of major one-off cash items.

23% increase on like-for-like basis driven by the growth in underlying EBITDA, less cash needed for Capex and active working capital management. Inventories, however, increased year-on-year, with its level normalizing from a low 2015.
A stronger cash flow generation management engine

### Transversal Cash Management initiative
- Launched mid-2015
- Focus on all actionable working capital operating decisions
- Optimize a long-term sustainable level of FCF

As from 2016, Operating FCF, including Working Capital, was part of management’s short-term incentive.

### Accounts Receivables
- Improved management of billing cycles
- Better collection process

<table>
<thead>
<tr>
<th>DSO: -6%</th>
<th>Average 2016 vs 2015</th>
</tr>
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</table>

### Inventory
- Improved stock management with close follow-up of product life cycle
- Inventory compares to exceptionally low level of end-2015

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<thead>
<tr>
<th>DIO: +2%</th>
<th>Average 2016 vs 2015</th>
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### Accounts Payable
- Reviewed supplier payment terms, leading to significant contribution to FCF over the past 2 years supported by Supply Chain Finance Program (reversed factoring)

<table>
<thead>
<tr>
<th>DPO: +19%</th>
<th>Average 2016 vs 2015</th>
</tr>
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Proximus Domestic

**DIO:** +2%
Average 2016 vs 2015

**DSO:** -6%
Average 2016 vs 2015

**DPO:** +19%
Average 2016 vs 2015
We keep a sound financial position

Net debt/EBITDA ratio @ ~ 1

- Net financial debt at € 1,861m.
- Credit ratings: Standard & Poor’s A, Moody’s A1, both stable outlook.

Average debt duration 5.5 years

€ 314m Investments, Cash and cash equivalents

- Two bonds matured in 2016 for a total of € 675m,
- refinanced with combination of cash and short term debt, generating a net cash outflow of EUR 270 million in Q416.
- Net debt decreased to EUR 1,861 million at the end of 2016.
### FY 2016 Performance versus outlook

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<tbody>
<tr>
<td>Domestic underlying revenue</td>
<td>€4,379m</td>
<td>€4,410m</td>
<td>Slight growth</td>
<td>0.7%</td>
</tr>
<tr>
<td>Group underlying EBITDA</td>
<td>€1,733m</td>
<td>€1,796m</td>
<td>3% to 4% growth</td>
<td>3.6%</td>
</tr>
<tr>
<td>Capex (excl. Spectrum)</td>
<td>€926m</td>
<td>€949m</td>
<td>Around €950m</td>
<td>€949m</td>
</tr>
</tbody>
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Growth ambition achieved for the second year in a row.
After a successful execution of its 3-year ‘Fit for Growth’ strategy launched in 2014, Proximus will further build on its achievements.

Over the next three years we are strengthening our ambition and aim at accelerating our transformation towards a digital service provider, delivering superior customer experience.

We will make our organization fitter, focusing on efficiency and simplification efforts to further structurally reduce our costs and hence finance our ambitious investment program.

We will grow our core business offering convergent solutions and a large variety of entertainment to our customers.

We will build the future by bringing fiber to our customers, using the digital platforms and applications for better service and developing meaningful innovations such as Smart Mobility, Smart Retail, IoT, Security, in partnership with start-ups.
In 2017, Proximus will execute its renewed ‘Fit for Growth’ strategy, aiming at delivering sustainable growth. Proximus will continue to grow a valuable and loyal customer base, and further deliver upon its cost reduction plan.

Regulatory measures however, and especially Roam-like-at-Home, are expected to mitigate Proximus’ financial growth in 2017: €81 million on revenue and €69 million on EBITDA.

Although facing a greater negative regulatory impact, and highly competitive market, Proximus expects its Domestic revenue for 2017 to remain nearly stable to the prior year. The Proximus Group EBITDA is expected to slightly grow compared to 2016, supported by its cost reduction plan.

Proximus’ Group capex for the year 2017 is expected to be around €1 billion, in line with Proximus’ ‘Fiber for Belgium’ announcement on 16 December 2016.

In line with the announced three-year commitment on 16 December 2016, Proximus expects to return over 2017-2019 a stable gross dividend per share of €1.50.
Overview of regulation impact YoY in €M on Proximus financials

<table>
<thead>
<tr>
<th>(EUR million)</th>
<th>Q4'16 Actuals</th>
<th>FY'16 Actuals</th>
<th>FY'17 Estimate</th>
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<tbody>
<tr>
<td></td>
<td>Roaming FTR</td>
<td>Roaming FTR</td>
<td>Roaming FTR</td>
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<tr>
<td></td>
<td>Roaming out</td>
<td>Roaming out</td>
<td>Roaming out</td>
</tr>
<tr>
<td></td>
<td>FTR</td>
<td>FTR</td>
<td>FTR</td>
</tr>
<tr>
<td>REVENUE</td>
<td>-11</td>
<td>-36</td>
<td>-61</td>
</tr>
<tr>
<td>National</td>
<td>-9</td>
<td>-29</td>
<td>-50</td>
</tr>
<tr>
<td>Tango</td>
<td>-2</td>
<td>-7</td>
<td>-11</td>
</tr>
<tr>
<td>EBITDA</td>
<td>-11</td>
<td>-36</td>
<td>-61</td>
</tr>
<tr>
<td>National</td>
<td>-9</td>
<td>-29</td>
<td>-50</td>
</tr>
<tr>
<td>Tango</td>
<td>-2</td>
<td>-7</td>
<td>-11</td>
</tr>
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Roaming impact is defined as: Volumes of year -1 multiplied by the year -on-year price decrease as set by the regulator.

On 25 August 2016, the BIPT issued a decision regarding the fixed termination rates (FTR) setting these tariffs at 0.092 eurocent/min. applicable as from 1 November 2016. Proximus appealed, requesting the annulment.

FTR evolution in Belgium
(average in €c including inflation)

FTR evolution in Luxembourg
(average in €c including inflation)

- Transitory period towards Roam-like-at Home - From 30 April ‘16 - 14 June ‘17: surcharge up to the current regulated wholesale rates.
- As from 15 June 2017, ‘Roam-Like-At-Home’ will be implemented in the EU zone with the obligation to charge retail roaming within the EU at domestic retail price for consumption within the Fair Use Policy. The Commission adopted the Fair Use Policy on 15 December 2016.

Retail price caps (excl VAT)

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>30/04/2016</th>
<th>15/06/2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voice call out/min</td>
<td>0.19</td>
<td>H+0.05</td>
<td>H</td>
<td>H</td>
<td>H</td>
<td>H</td>
<td>H</td>
<td>H</td>
</tr>
<tr>
<td>SMS</td>
<td>0.06</td>
<td>H+0.02</td>
<td>H</td>
<td>H</td>
<td>H</td>
<td>H</td>
<td>H</td>
<td>H</td>
</tr>
<tr>
<td>Data/ GB</td>
<td>200</td>
<td>H+50</td>
<td>H</td>
<td>H</td>
<td>H</td>
<td>H</td>
<td>H</td>
<td>H</td>
</tr>
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</table>

H = Home price

- On 31 January 2017, a compromise was reached on regulated roaming wholesale prices. The Commission is tasked to review these rates every two years with its first report due at the end of 2019.

Wholesale price caps (excl VAT)

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>30/04/2016</th>
<th>15/06/2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voice call/min</td>
<td>0.05</td>
<td>0.05</td>
<td>0.032</td>
<td>0.032</td>
<td>0.032</td>
<td>0.032</td>
<td>0.032</td>
<td>0.032</td>
</tr>
<tr>
<td>SMS</td>
<td>0.02</td>
<td>0.02</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01*</td>
<td>0.01*</td>
<td>0.01*</td>
</tr>
<tr>
<td>Data/ GB</td>
<td>50*</td>
<td>50*</td>
<td>7.7</td>
<td>6</td>
<td>4.5</td>
<td>3.5**</td>
<td>3**</td>
<td>2.5**</td>
</tr>
</tbody>
</table>

* Note - Commercial Wholesale price already significantly below the regulated Wholesale cap.
** 2020 tariffs and beyond subject to Commission review.
Consumer results

Q4 2016
Q4’16 Consumer revenue up 0.4%, Direct Margin stable

**Q4’16 Consumer revenue +1.3% YoY**
- Continued Fixed revenue growth:
  - Fixed Internet +4.9%
  - TV-revenue +11.2%
- Higher revenue from mobile device sales
- Partly offset by Fixed Voice revenue erosion and impact of roaming regulation on mobile services revenue.

**Q4’16 CoS, +5.2% YoY due to mobile device sales.**

**Q4’16 underlying direct margin flat YoY**
- Stable direct margin, including impact of higher device sales.
- Continued positive direct margin for fixed services.
Note
In line with Proximus’ strategy, most products are sold through multi-play bundles. Therefore, the revenue and ARPU of standalone products are largely the result of the allocation of revenue and discounts to the respective products included in the Packs, as required by IFRS rules.
Q4’16 +1.3% YoY revenue increase
• Revenue growth for Fixed Data and TV partially offset by Fixed Voice erosion.
• Mobile services revenue: growth Postpaid more than offset by lower Prepaid.
• Revenue of terminals up driven by increased level of mobile devices sold to indirect channels and by year-end campaign

FY’16 +0.4% YoY revenue increase
• Revenue growth for Fixed Data, TV and Mobile Postpaid for large part offset by lower revenue of Fixed Voice and Mobile Prepaid.
Growing internet customer base and ARPU leading to +4.9% revenue increase in Q4

4.9% Fixed Data revenue increase in Q4’16
- Growing customer base of 64,000 or 3.7% in 1 year.
- Q4’16 ARPU up by 0.8% YoY.

Q4’16 Fixed Internet customer base grew to 1,781,000
- +15,000 Internet lines added in Q4’16 in spite of competitive setting.

Q4’16 ARPU of €28.3 +0.8% YoY
- January 2016 price adjustments.
- IFRS allocation of Pack revenue to products.
Consumer - TV

+17,000 TV households in Q4, revenue up 11.2% from previous year

Q4’16 revenue from TV totaled €94m, +11.2% YoY
- Continued subscriber growth, with both the Proximus and Scarlet brand increasing their customer base.
- Over 12 months, the total TV households base grew by 75,000.

+17,000 TV households in Q4’16
- End Q4’16 total of 1,489,000 unique TV households.
- End Q4’16 total of 359,000 multi-settop boxes.
- Cleaning of multi-settopboxes led to decrease by 2,000 in Q4.

Q4’16 TV ARPU was up +5.1% YoY at €21.1
- IFRS allocation of Pack revenue to products.

### TV revenue (M€) & YoY variance

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2015</th>
<th>2016</th>
<th>YoY %</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>78</td>
<td>82</td>
<td>15.0%</td>
<td>85</td>
<td>87</td>
<td>91</td>
<td>94</td>
<td>+10.0%</td>
</tr>
<tr>
<td>Q2</td>
<td>82</td>
<td>88</td>
<td>17.9%</td>
<td>87</td>
<td>88</td>
<td>91</td>
<td>94</td>
<td>+11.2%</td>
</tr>
<tr>
<td>Q3</td>
<td>82</td>
<td>91</td>
<td>13.9%</td>
<td>88</td>
<td>91</td>
<td>94</td>
<td>94</td>
<td>-1.8%</td>
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<tr>
<td>Q4</td>
<td>85</td>
<td>94</td>
<td>11.6%</td>
<td>88</td>
<td>91</td>
<td>94</td>
<td>94</td>
<td>+2.8%</td>
</tr>
</tbody>
</table>

### Unique TV - customers (000)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>1,340</td>
<td>1,365</td>
<td>1,384</td>
<td>1,414</td>
<td>1,440</td>
<td>1,458</td>
<td>1,472</td>
</tr>
<tr>
<td>Q2</td>
<td>1,340</td>
<td>1,365</td>
<td>1,384</td>
<td>1,414</td>
<td>1,440</td>
<td>1,458</td>
<td>1,472</td>
</tr>
<tr>
<td>Q3</td>
<td>1,340</td>
<td>1,365</td>
<td>1,384</td>
<td>1,414</td>
<td>1,440</td>
<td>1,458</td>
<td>1,472</td>
</tr>
<tr>
<td>Q4</td>
<td>1,340</td>
<td>1,365</td>
<td>1,384</td>
<td>1,414</td>
<td>1,440</td>
<td>1,458</td>
<td>1,472</td>
</tr>
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</table>

### Fixed TV ARPU (€) & YoY variance

<table>
<thead>
<tr>
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<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>19.8</td>
<td>20.1</td>
<td>20.0</td>
<td>20.1</td>
<td>20.2</td>
<td>20.2</td>
<td>20.7</td>
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<td>20.0</td>
<td>20.1</td>
<td>20.0</td>
<td>20.1</td>
<td>20.2</td>
<td>20.2</td>
<td>21.1</td>
</tr>
<tr>
<td>Q3</td>
<td>20.0</td>
<td>20.1</td>
<td>20.0</td>
<td>20.1</td>
<td>20.2</td>
<td>20.2</td>
<td>20.7</td>
</tr>
<tr>
<td>Q4</td>
<td>20.0</td>
<td>20.1</td>
<td>20.0</td>
<td>20.1</td>
<td>20.2</td>
<td>20.2</td>
<td>21.1</td>
</tr>
</tbody>
</table>
Consumer – Fixed Voice
Launch of Tuttimus increasing Fixed Voice Park in Q4

Q4’16 revenue from Fixed Voice totaled €128m, -6.3% YoY
- Lower YoY Fixed Voice customer base.
- Lower ARPU, including Pack discount.

Q4’16 Fixed line +2,000 lines; total of 2,060,000 lines
- Launch of new 4-play offer Tuttimus and Familus mid-October.

Q4’16 ARPU -3.5% YoY to €20.8
- Higher multi-play penetration, with customers benefitting from a discount.
- Partially offset by price adjustments in January 2016 and July 2016.
- IFRS allocation of Pack revenue to products.
Q4’16 Mobile service revenue decline stable at -1.6%. Postpaid service revenue +1.2%.

- Postpaid service revenue +1.2%.
- Prepaid service revenue -1.6%.
- Mobile revenue from Mobile services down 1.6% YoY, more than offsetting roaming regulation impact.
- Postpaid/Prepaid mix at 72%/28%.

- Q4’16 Postpaid voice customer base +27,000 cards.
- Mobile Prepaid loss of -40,000 cards.

- Postpaid* customer base of 2,494,000; +66,000 or +2.7% YoY
- Prepaid customer base of 1,170,000; -7,000 when including Internet Everywhere data cards and M2M.
- Mobile Prepaid loss of -40,000 cards.

- Internet Everywhere & M2M customer base of 461,000; -6.6% YoY
- 34,000 decline in Q4’16 linked to new product portfolio no longer including free Internet Everywhere cards, however with no impact on value or ARPU.
- Park of free Internet Everywhere expected to reduce gradually over next quarters.

* Excluding Internet Everywhere and a limited number of M2M cards.
Consumer – Blended mobile

### Blended net mobile ARPU (€) & YoY

<table>
<thead>
<tr>
<th>Quarter</th>
<th>3.1%</th>
<th>1.6%</th>
<th>2.1%</th>
<th>-0.1%</th>
<th>1.3%</th>
<th>-0.6%</th>
<th>-0.3%</th>
<th>0.2%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1'15</td>
<td>21.9</td>
<td>22.7</td>
<td>22.8</td>
<td>22.3</td>
<td>22.2</td>
<td>22.6</td>
<td>22.8</td>
<td>22.4</td>
</tr>
<tr>
<td>YTD15</td>
<td></td>
<td></td>
<td></td>
<td>+0.2%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Average monthly Consumer mobile data usage in Mb

<table>
<thead>
<tr>
<th>Quarter</th>
<th>4G users</th>
<th>All users</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1'15</td>
<td>474</td>
<td>855</td>
</tr>
<tr>
<td>Q2'15</td>
<td>511</td>
<td>851</td>
</tr>
<tr>
<td>Q3'15</td>
<td>581</td>
<td>920</td>
</tr>
<tr>
<td>Q4'15</td>
<td>627</td>
<td>945</td>
</tr>
<tr>
<td>Q1'16</td>
<td>725</td>
<td>1,039</td>
</tr>
<tr>
<td>Q2'16</td>
<td>790</td>
<td>1,090</td>
</tr>
<tr>
<td>Q3'16</td>
<td>842</td>
<td>1,107</td>
</tr>
<tr>
<td>Q4'16</td>
<td>945</td>
<td>1,197</td>
</tr>
</tbody>
</table>

#### Increasing blended Mobile ARPU at € 22.4 up 0.2% YoY
- Blended ARPU for Postpaid/Prepaid up on a higher portion of Postpaid in the total.

#### Consumer’s Average Monthly data consumption per user:
- **Overall average usage** (3G & 4G devices) of 945 Mb/month, +51% YoY.
- Average usage for **4G-devices** of 1,197 Mb/month, +27% YoY.
- **4G devices** ~ 5 times more data consumption than non 4G.
**Consumer – Postpaid and Prepaid**

**Postpaid revenue (M€) & YoY variance**

- Q1'15: 200
- Q2'15: 208
- Q3'15: 213
- Q4'15: 210
- Q1'16: 210
- Q2'16: 213
- Q3'16: 216
- Q4'16: 213

**Postpaid ARPU (€) & YoY variance**

- Q1'15: 29.4
- Q2'15: 28.9
- Q3'15: 30.0
- Q4'15: 29.1
- Q1'16: 28.8
- Q2'16: 28.9
- Q3'16: 29.3
- Q4'16: 28.7

**Prepaid revenue (M€) & YoY variance**

- Q1'15: 46
- Q2'15: 47
- Q3'15: 42
- Q4'15: 40
- Q1'16: 38
- Q2'16: 38
- Q3'16: 35
- Q4'16: 33

**Prepaid ARPU (€) & YoY variance**

- Q1'15: 10.7
- Q2'15: 11.2
- Q3'15: 10.4
- Q4'15: 10.0
- Q1'16: 9.8
- Q2'16: 10.1
- Q3'16: 9.6
- Q4'16: 9.2

**Postpaid ARPU at €28.7**

- Postpaid ARPU at €28.7, showing stable 1.6% decline YoY, due to reduced roaming pricing.

**Q4’16 Prepaid revenue -16.7% YoY**

- Prepaid is facing higher erosion following the Royal Decree making prepaid card identification compulsory.
- A part of the former Prepaid customers swapped to Proximus’ “FullControl” offer, launched mid-June 2016, or migrated to Postpaid.
Tango Luxembourg

Tango Q4’16 revenue of €34m, -2.9% YoY

- End of anonymity on prepaid.
- Lowered EU roaming pricing following the EU regulation.

Postpaid growth offset by decline in prepaid

- In Q4’16 Tango had a Mobile Postpaid growth of 5,000 cards, offset by 6,000 less prepaid cards linked to the end of anonymity on Prepaid.
- With the effects of the Roaming regulation, the fourth quarter blended mobile net ARPU decreased by 3.9% to EUR 29.8
X-Play view
Total Consumer revenue Q4’16 +1.3% YoY increase
€ 585m revenue from HH/SO, + 1.8% or € 10 m YoY

- Proximus’ strategy to focus on attractive multi-play offers resulted in a more valuable and loyal customer base.
- End Q4’16, Consumer serviced 2,943,000 HH/SO; +62,000 3- and 4 Play HH/SO YoY .
- The number of 3- or 4 Plays HH/SO increased to 46.3% of the total by end Q4’16 , +2.2pp YoY.
Consumer generated € 585m from HH/SO in Q4’16, 51.5% of consumer revenue from 3- and 4-Play

4-Play and 3-Play main revenue growth drivers for Consumer

- Revenue from 3- and 4-Play counting for 51.5% of total Consumer revenue.
- Ongoing expansion of 4-Play, adding 30,000 HH/SO in Q4’16.
- Tuttimus driving uptiering to 4-Play.

2-Play + 1-Play revenue -3.4% YoY

- Growing revenue from 3- and 4-Play partly offset by lower revenue generated by the 1 and 2-Play HH/SO.
- Part of the erosion results from Proximus’ strategy to actively migrate customers towards multi-play offers.
Q4’16 X-Play Households/Small offices totaled 2,943,000, down YoY by 0.3% or -8,000 YoY.

- 3 and 4-Play HH/SO increased by 62,000 YoY; now over 46% of total base.
- In Q4 2016, 30,000 4-Play HH/SO were added, driven by the launch of Tuttimus.
- Upsell to 4-Play explaining the net 3-Play decrease by 13,000 in Q4’16.
- Number of multiplay HH/SO combining Fixed with Mobile services increased to 54.5%, +1.4pp YoY.
The average ARPH increased year-on-year by 1.8% to EUR 66.2, including a favorable impact from the January 2016 price increases, and up-tiering of customers:

- 4-Play ARPH remaining fairly stable YoY, at € 115.1.
- 3-Play ARPH at € 78.5.
- ARPH of 1 Play up YoY to €36.2.
The average annualized full-churn rate of 3 & 4 Play improved from one year ago, with average of all Plays at 13.6%.

- More HH/SO chose to combine Fixed and Mobile services thanks to the ‘Tuttimus’ offer.
Enterprise results

Q4 2016
Growing revenue & Direct margin in spite of regulatory and competitive headwinds

Q4’16 underlying revenue +0.8% YoY
- Be-Mobile NV, a Smart Mobility Company created mid-March’16 contributed to the growth.
- ICT grew by 2.1%.
- Roaming regulation, change in travel behavior and competitive pressure led to a 3.5% YoY decline in mobile service revenue.

Q4’16 underlying Direct Margin: +0.4% YoY
- Favorable margin evolution Be-Mobile NV and ICT offset by the pressure on Mobile Services and Fixed Voice.
- Direct margin as percentage of revenue remained fairly stable YoY at 68.5%, including a changing revenue mix, with ICT taking an increasing share in the total Enterprise revenue.

Q4’16 underlying Cost of Sales (M€) +1.5% YoY
- COS related to increase of Be-Mobile revenue and mobile devices.
Enterprise’s underlying revenue variance per product group

Q4’16 revenue of Enterprise up 0.8% YoY
- Fixed voice revenue down by 5.5%.
- Fixed data revenue down by 1.0% on one-offs.
- ICT revenue up by 2.1%.
- Mobile services revenue down by 3.5%.

FY 2016 revenue of Enterprise +1.9% YoY
- Strong ICT revenue, up by 4.5%.
- Strong revenue contribution from Be-Mobile (incl. in ‘others’).
- Mobile services revenue down by 0.3%.
- Fixed data revenue up by 0.5%.
- The favorable variances partially offset by continued erosion of Fixed Voice revenue.
Lower Fixed Voice revenue due to Fixed Voice customer base erosion, ARPU slightly up

Q4'16 revenue from Fixed Voice totaled € 58m, - 5.5% YoY
  • Continued Fixed Voice line erosion.
  • Technology migration to IP-based voice solutions.
  • ARPU up 0.6% YoY, benefitting from a limited 1 July 2016 price change.

Q4'16 Fixed line erosion of 10,000 lines
  • Fixed Line erosion resulting from continued rationalization, move to IP-based voice solutions and competitive pressure.
  • Total Fixed Voice Line customer base of 620,000 by end Q4'16, i.e. a YoY decline of 6.1%.

Q4'16 ARPU up 0.6% YoY to €30.8
**Enterprise – Fixed Data**

Q4’16 revenue slightly down YoY on one-offs

- **Fixed data revenue (M€) & YoY variance**
  - Q4’16 Fixed data revenue of € 62m, -1.0% YoY
    - Benefit from a growing data connectivity customer base, better product mix and roll-out of P2P fiber offset by a one-off credit notes.
    - Flat revenue from Fixed Internet.

- **Q4’16 ARPU of €43.3, -0.8% YoY**
  - ARPU decrease linked to the outphasing/migration of legacy products towards solutions at more attractive pricing for customers, in the context of simplification programs.

- **Broadband growth & EOP (000)**
  - Q4’16 Fixed Internet base stable in a competitive environment, reaching 138,000 internet lines
    - YoY up by 0.7%
 ICT revenue up by 2.1% in Q4

Enterprise generated in Q4'16 €129m revenue from ICT, up 2.1% YoY
- Higher revenue resulting from onsite infrastructure revenue, growing revenue in cloud and storage services, as well as higher recurring revenue from Security services.
- Full-year ICT revenue up by 4.5% from 2015.
Revenue from strong customer growth in competitive setting offset by roaming regulation and travel destination mix

Q4’16 revenue from Mobile services totaled € 80m, -3.5% YoY
- Lowered EU roaming rates.
- Less travelers and changing travel behavior unfavorably impacting destination mix.
- Growing mobile customer base, up 4.9%, M2M excluded.

Q4’16 showing strong growth in Mobile customer base
- 13,000 Mobile Voice cards added in Q416.
- Low Postpaid churn at 9.8%.
- Total Mobile base of 937,000, +4.9% YoY.

Blended Mobile ARPU down by 7.8% YoY
- Lowered EU roaming rates.
- Changing travel behavior more in favor of European destinations.
- Operating in an environment of growing pressure on prices from competition.

* And a limited number of Internet Everywhere data cards
Average monthly data usage of 4G-users reaching 1,170 Mb

**M2M growth returning to normal run-rates**
- M2M park growth of 10,000 in Q4'16 with road-user charging project fully operational.
- Park end 2016: 1,179,000 cards.

**Enterprise’s Average Monthly data consumption per user of data**
- Overall average usage (3G and 4G devices) 982Mb/month, +52% YoY.
- Average usage for 4G-devices of 1,170Mb/month, up 36% YoY.
- Customers with 4G devices have ~4 times higher data consumption than non 4G.

* Including a very limited number of Internet Everywhere data cards
Q4'16 revenue totaled € 46m, -3.3 % YoY. Direct margin € 40m, -3.6 % YoY

- Impact in the fourth quarter from the regulated decrease in Fixed Termination Rates as from 1 November 2016, in part compensated for by Roaming-in for which revenue is up on higher data volumes.
Q4'16 revenue totaled €363m, -5.6% YoY
- Continued volatile Voice business and less favorable destination mix leading to -8.4% Voice revenue, better than prior quarters.
- Solid 7.6% increase in non-voice revenue, driven by a 7.3% continued growth in Messaging volumes.

Q4'16 Direct margin of €68m, up 3.9% vs Q4'15
- Non-Voice direct margin +11.4% YoY at €39m.
- This was partly offset by Voice direct margin, -4.6% YoY to €29m, under competitive pressure.
- This includes higher level of settlements YoY.
Q4 underlying segment result +8.0% YoY, a significant improvement from prior 3 quarters

Q4’16 segment result of €36m, up 8% YoY
- Higher direct margin +3.9% YoY.
- Expenses down 0.5% YoY, on performance-based provisions and investments in new geographies & growth initiatives annualizing.
- Significant improvement from prior quarters, on higher settlements and easing comparable base.

In Q4’16 BICS handled
- 6,667m minutes, +1.8% YoY.
- Non-Voice volumes, +7.3% YoY.
Additional info

- Headcount evolution
- Pricing new portfolio
- Fiber investment
- Spectrum
- Shareholder structure & remuneration
Lower headcount with the execution of the voluntary early leave plan prior to retirement

What:
• Employees as from 60 years can stop their active career, first wave on 1 July 2016
• Last 2 years of active career, the work time is reduced to 80%
• Replacement income paid by Proximus until earliest retirement date

Outcome:
• 1,855 FTEs subscribed to the plan, leaving in 2016-2020.
• In addition, a significant number of employees will retire in the period 2016-2020

Combined, the outflow is estimated to be about 2,750 FTEs by 2020
• This will be offset by limited external hiring for some specific domains and skills.

Financial implications:
• Cumulated over the period 2016-2019, Proximus will report € 239M in non-recurring expense covering all costs related to the early leave plan.
• In Q4’16 a non-recurring expense was recorded for € 18m.
• The benefit as of H2’16 of the lower headcount going forward has been reflected in underlying EBITDA,
• Net Cash Flow impact slightly positive as of 2016 and will build up over the years.

Headcount evolution (FTE’s)
-309 FTE’s left in July 2016 in the context of the Early Leave Plan
In total: ~457 FTE’s in 2016
End -2016: 31% of civil servants

2016-2020
Early leave plan and retirements expected to lead to total outflow of about 2,750 FTEs

AGE pyramid (excl. employees opting for Early leave plan & subsidiaries)
## Tuttimus Subscriptions

<table>
<thead>
<tr>
<th></th>
<th>Tuttimus</th>
<th>Tuttimus</th>
<th>Tuttimus</th>
<th>Tuttimus</th>
<th>Tuttimus</th>
<th>Tuttimus</th>
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<tbody>
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<td>81,00 €</td>
<td>92,00 €</td>
<td>103,00 €</td>
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<td>99,95 €</td>
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<td>100 Mbps/15 Mbps unlimited volume 10 GB Cloud modern incl.</td>
<td>100 Mbps/15 Mbps unlimited volume 10 GB Cloud modern incl.</td>
<td>100 Mbps/15 Mbps unlimited volume 10 GB Cloud modern incl.</td>
<td>100 Mbps/15 Mbps unlimited volume 10 GB Cloud modern incl.</td>
<td>100 Mbps/15 Mbps unlimited volume 10 GB Cloud modern incl.</td>
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<td>decoder incl.</td>
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<td>Proximus TV app</td>
<td>1 VoD/month incl.</td>
<td>1 VoD/month incl.</td>
<td>1 VoD/month incl.</td>
<td>1 VoD/month incl.</td>
<td>1 VoD/month incl.</td>
<td>1 VoD/month incl.</td>
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<td>Mobile Extender</td>
<td>- 3mths free Netflix</td>
<td>- 3mths free Netflix</td>
<td>- 3mths free Netflix</td>
<td>- 3mths free Netflix</td>
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<td>Free calls national to Fix &amp; Mob - EV &amp; WE</td>
<td>Free calls national to Fix &amp; Mob - EV &amp; WE</td>
<td>Free calls national to Fix &amp; Mob - EV &amp; WE</td>
<td>Free calls national to Fix &amp; Mob - EV &amp; WE</td>
<td>Free calls national to Fix &amp; Mob - EV &amp; WE</td>
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<td>Free Family calls</td>
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<tr>
<td>Free Family calls</td>
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<td>unlimited min</td>
<td>unlimited min</td>
<td>unlimited min</td>
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<td>Free Family calls</td>
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<td>unlimited sms</td>
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</tr>
<tr>
<td>2 GB</td>
<td>Smart Wi-Fi &amp; Wi-Fi hotspots</td>
<td>5 GB</td>
<td>Smart Wi-Fi &amp; Wi-Fi hotspots</td>
<td>10 GB</td>
<td>Smart Wi-Fi &amp; Wi-Fi hotspots</td>
<td>2 GB</td>
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<tr>
<td>120 min</td>
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<td>10 GB</td>
<td>Mobile Coverage Ext</td>
<td>Mobile Coverage Ext</td>
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### Add up to 6 mobile subscriptions

**TUTTIMUS +**

<table>
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<th>Size</th>
<th>S</th>
<th>M</th>
<th>L</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>€ 14</td>
<td>€ 25</td>
<td>€ 36</td>
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Comparing to cable offer, some examples

<table>
<thead>
<tr>
<th>Tuttimus M</th>
<th>Tuttimus S + 2nd mobile with Mobilus S</th>
<th>Wigo 100</th>
<th>Wigo 120</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>5GB</strong></td>
<td><strong>2GB + 2GB</strong></td>
<td><strong>2GB to share between 2 cards</strong></td>
<td><strong>5GB to share between 5 cards</strong></td>
</tr>
<tr>
<td></td>
<td>Superfast <em>unlimited</em> surf</td>
<td>Superfast <em>unlimited</em> surf</td>
<td>Superfast <em>limited</em> surf (200GB)</td>
</tr>
<tr>
<td></td>
<td>Choose your favorite App:</td>
<td>Choose your favorite App:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>![Icons]</td>
<td>![Icons]</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Free national mobile calls.</td>
<td>240 min national mobile calls/GSM.</td>
<td>Always free calls to all numbers in Belgium.</td>
</tr>
<tr>
<td></td>
<td>Free nat. and int. calls with fix line, evening and weekend, to fix and mobile numbers.</td>
<td>Nat. and int. calls with fixed line, evening and weekend, to fix and mobile numbers.</td>
<td>Mobile and with your fixed device.</td>
</tr>
<tr>
<td></td>
<td>Free calls between all numbers of your Tuttimus, always.</td>
<td>Free calls between all numbers of your Tuttimus, always.</td>
<td>International calls not included.</td>
</tr>
<tr>
<td></td>
<td>1 Blockbuster of your choice/month</td>
<td>1 Blockbuster of your choice/month</td>
<td>Paying options available. (Play 10€, Play More 24,95€, Play Sports 18,40€)</td>
</tr>
<tr>
<td></td>
<td>3 months Netflix</td>
<td>3 months Netflix</td>
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</tr>
<tr>
<td></td>
<td>Choose your favorite content</td>
<td>Choose your favorite content</td>
<td></td>
</tr>
<tr>
<td><strong>€99.95/m</strong></td>
<td><strong>€102.95/m</strong></td>
<td><strong>€100/m</strong></td>
<td><strong>€120/m</strong></td>
</tr>
</tbody>
</table>
4-Play for Business customers

Unlimited fixed and mobile calls
Unlimited calls from mobile or fixed line to all fixed & mobiles in Belgium. Take your fixed line with you on your smartphone thanks to Bizz Office Switch

A maximum of internet, fix and mobile
Unlimited surfing at the office with INTENSE (100/20)
2nd SIM with 3GB for your tablet
Unlimited use of Facebook or another app of your choice

24h/24 assistance for your business
Same day assistance for internet, fixed line or TV + Helpdesk 24/7
Bizz Install: Configuration of your e-mail, OneDrive and Bizz Office Switch

Your business in the cloud
Safe storage in the cloud (1TB) with OneDrive for Business
Professional e-mail address

Digital TV on all your screens (option €10)
Free blockbuster, 3 months of Netflix for free/TV Replay (36 h) & decoder included

Extra mobile subscriptions for employees or family

Flexible & professional call management: Call Connect

Option Bizz Travel XL (for Bizz Mobile XL)

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<table>
<thead>
<tr>
<th></th>
<th>S</th>
<th>M</th>
<th>L</th>
<th>XL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>600 min to EU</td>
<td>3 GB</td>
<td>8 GB</td>
<td>12 GB + 600MB (EU)</td>
<td></td>
</tr>
<tr>
<td>600 min in EU</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unl SMS in EU</td>
<td></td>
<td></td>
<td>WiFi Extender or MCE for free if needed</td>
<td></td>
</tr>
<tr>
<td>Fix</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unl. in EU</td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Excl. VAT

<table>
<thead>
<tr>
<th></th>
<th>S</th>
<th>M</th>
<th>L</th>
<th>XL</th>
</tr>
</thead>
<tbody>
<tr>
<td>€87</td>
<td>€77</td>
<td>€85</td>
<td>€105</td>
<td></td>
</tr>
<tr>
<td>€95</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>€115</td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>€12</td>
<td>€18</td>
<td>€26</td>
<td>€46</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Excl. VAT

€20 for the 2 first licences
+€24 for each additional licence

€20
400 min international to EU; 400 min EU roaming; 1.4 GB EU roaming

54
### Familus - Fixed bundle for the whole family

<table>
<thead>
<tr>
<th></th>
<th>Familus M</th>
<th>Familus L</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Price</strong></td>
<td>€67</td>
<td>€74.95</td>
</tr>
<tr>
<td><strong>Internet</strong></td>
<td>max. 100 Mbps download; 15 Mbps upload; unlimited</td>
<td></td>
</tr>
<tr>
<td><strong>Netflix</strong></td>
<td>3 months for free</td>
<td></td>
</tr>
<tr>
<td><strong>Blockbuster</strong></td>
<td>1 blockbuster for free / month</td>
<td></td>
</tr>
</tbody>
</table>
| **Favorite TV bundle** | • Movie&Series Pass  
|                            | • Entertainment Channels  
|                            | • Belgian foot  
|                            | • International Sport  
|                            | • Wanagogo Pass & Kids Channels |
| **Channels**   | 80 channels – TV Replay – Proximus TV app |
| **Call**       | Free Evening & Weekends Calls National/International with your Fix Voice line to Fix and Mobile |
| **Installation** | Free installation |

**Unlimited fast internet**

**Pick your favourite TV bundle and/or blockbuster; and 3 months free Netflix**

**Free calling in the evening and in weekends**
# MOBILUS – Consumer offer for standalone mobile

<table>
<thead>
<tr>
<th>Plan</th>
<th>Data</th>
<th>Minutes</th>
<th>SMS</th>
<th>Calls</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobilus S</td>
<td>1GB</td>
<td>120 min</td>
<td>Unlimited sms</td>
<td></td>
</tr>
<tr>
<td></td>
<td>€15/ month</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mobilus M</td>
<td>3GB</td>
<td>300 min</td>
<td>Unlimited sms</td>
<td></td>
</tr>
<tr>
<td></td>
<td>€25/ month</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mobilus L</td>
<td>8GB</td>
<td></td>
<td></td>
<td>Unlimited calling</td>
</tr>
<tr>
<td></td>
<td>€40/ month</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Optional on Mobilus L**

- €20
- Data & Travel
  - + 5 GB national data
  - +240 min in EU
  - +240 min to EU
  - +Unlm SMS in EU (roaming)
  - + 240 MB in EU

---

**Increased value for customers opting for Tuttimus: More data, more voice calling**

Data out of bundle in Mobilus: 0.10 per MB
Voice out of bundle in Mobilus: 0.25 per min
Bizz Mobile

Mobile subscriptions for business customers

Unlimited calls to fixed lines & colleagues

Unlimited usage of your favorite app

Work efficiently on a performing network

<table>
<thead>
<tr>
<th></th>
<th>For employees</th>
<th>Budget</th>
<th>Unlimited</th>
<th>Data &amp; Roaming</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bizz Mobile S</td>
<td>€12</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bizz Mobile M</td>
<td>€21</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bizz Mobile L</td>
<td>€36</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bizz Mobile XL</td>
<td>€56</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Unlimited calls to fixed lines & colleagues in Belgium

Fav app

- Unlimited SMS
- 1 GB

- Unlimited SMS
- 3 GB

- Unlimited calls
- Unlimited SMS
- 8 GB

Roaming/Interntl

- 600 min to EU
- 600 min in EU
- 600 MB
- Unl. SMS in EU
Positioning Scarlet as no frills brand, with very attractive pricing for 'price seekers'.

<table>
<thead>
<tr>
<th>Plan</th>
<th>Postpaid</th>
<th>Fixed</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Red</strong></td>
<td>€ 8</td>
<td>€ 23 / month</td>
</tr>
<tr>
<td></td>
<td>150 min</td>
<td>Internet: 50 GB</td>
</tr>
<tr>
<td></td>
<td>1000 SMS</td>
<td>Extra € 3 per block of 50 GB</td>
</tr>
<tr>
<td></td>
<td>500 MB</td>
<td>Down 30 Mbps</td>
</tr>
<tr>
<td></td>
<td>€ 0.16 / minute</td>
<td>Up 2 Mbps</td>
</tr>
<tr>
<td></td>
<td>€ 0.07 / SMS</td>
<td></td>
</tr>
<tr>
<td></td>
<td>€ 0.05 / MB</td>
<td></td>
</tr>
</tbody>
</table>

| **Hot**  | € 18           | Internet Loco          |
|          | 500 min        |                        |
|          | 2000 SMS       |                        |
|          | 1 GB           |                        |
|          | € 0.16 / minute|                        |
|          | € 0.07 / SMS   |                        |
|          | € 0.05 / MB    |                        |

| **Chili**| € 28           | TV + Fix + Internet    |
|          | 1000 min       | € 39 / month           |
|          | 5000 SMS       | TV: ~30 channels       |
|          | 4 GB           | + Fixed Voice line: Free calls to fix Off Peak |
|          | € 0.16 / minute| + Internet: Unlimited volume |
|          | € 0.07 / SMS   | Down 50 Mbps           |
|          | € 0.05 / MB    | Up 4 Mbps              |

<table>
<thead>
<tr>
<th><strong>Prepaid</strong></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reload 8</strong></td>
<td>€ 8</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Bonus : 100 min to</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Scarlet mobile</td>
<td></td>
</tr>
<tr>
<td></td>
<td>100 SMS</td>
<td></td>
</tr>
<tr>
<td></td>
<td>€ 0.10 / minute</td>
<td></td>
</tr>
<tr>
<td></td>
<td>€ 0.04 / SMS</td>
<td></td>
</tr>
<tr>
<td></td>
<td>€ 0.10 / MB</td>
<td></td>
</tr>
</tbody>
</table>

| **Reload 15** | € 15                  |                        |
|              | Bonus : Unlimited to  |                        |
|              | Scarlet Mobile        |                        |
|              | 1000 SMS              |                        |
|              | € 0.10 / minute       |                        |
|              | € 0.04 / SMS          |                        |
|              | € 0.10 / MB           |                        |
Proximus stepping up its network investments. Investing €3Bn in 10 years in fiber, a future-proof next generation network.

<table>
<thead>
<tr>
<th>Enterprise</th>
<th>Residential</th>
</tr>
</thead>
<tbody>
<tr>
<td>Integrated Fiber-To-The-Home &amp; Business (FTTH&amp;Bus)</td>
<td>• GPON to serve all businesses &amp; living units</td>
</tr>
<tr>
<td>In dense city areas</td>
<td>• Wall mounting &amp; underground roll-out</td>
</tr>
<tr>
<td>Outside dense city areas</td>
<td>• Switch-off existing copper in mid-long term to lower costs</td>
</tr>
<tr>
<td>Fiber-To-The-Business (FTTB)</td>
<td>Fiber-To-The-Curb (FTTC)</td>
</tr>
<tr>
<td>• GPON to clusters of businesses</td>
<td>• Densify the network to shorten average distance to the optical node (from 530m to &lt;350m)</td>
</tr>
<tr>
<td>• P2P to individual business sites upon request</td>
<td>• Upgrade performance through ultra-vectoring</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fiber coverage ambition</th>
<th>3 years</th>
<th>5 years</th>
<th>10 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>From FTTH&amp;Bus in dense city areas and FTTBus outside cities</td>
<td>40%</td>
<td>~65%</td>
<td>&gt;85%</td>
</tr>
<tr>
<td>From FTTH in dense city areas and FTTH Greenfields</td>
<td>7%</td>
<td>~18%</td>
<td>~40%</td>
</tr>
</tbody>
</table>
Fiber to support sustainable long-term growth and important operational savings, while avoiding copper renewal in the Fiber zones

**Support topline**

Average BB Market share uplift in Consumer Fiber zones

**Improve cost structure**

Structural and pro-active renewal of the network

- Capitalize on roadwork synergies
- Anticipate copper maintenance and renewal needs

Gradual outphasing of copper infrastructure as Fiber is rolled-out

- Passive network, low maintenance effort
- Ducts availability
- Lower power consumption
- Lower real estate footprint
- Longer equipment lifecycle

Churn below average

Fiber ARPU above average

Lower maintenance cost per customer on Fiber

- > 20%
Investing in future growth while preserving sound FCF levels, covering stable dividend pay-out over the next 3 years

- Limited incremental annual Capex
  - Large part covered by rebalancing of Capex envelope
  - Annual Capex estimated to stay around €1Bn for 2017-2019
  - Weight of Fiber in Group Capex will triple by 2019

- Underlying EBITDA growth
  - Sound market position, with room for continued customer growth, upselling and improving market shares
  - Lower the cost base through efficiencies

- FCF covering dividend
  - Proximus intends to return a stable dividend of €1.50/share over the period 2016-2019

- Sound financial position
  - Net debt/EBITDA ratio expected to remain stable at ~1X
## Spectrum: ownership & usage

<table>
<thead>
<tr>
<th>800 MHz</th>
<th>900MHz &amp; 1800 MHz</th>
<th>2100 MHz</th>
<th>2600 MHz</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Used for 4G</strong></td>
<td>• Used for 2G, 3G and 4G &lt;br&gt;• Licenses granted in '95 &lt;br&gt;• 1st tacit extension (10-15): Proximus paid €74m (annual payments). &lt;br&gt;• 2nd tacit extension (8/4/2015-15/03/2021) for ~ €75m &lt;br&gt;• Regulator re-assigned the spectrum initially reserved for Telenet/Voo (in 900 MHz - applicable as of 27/11/2015) for which Proximus paid €16m &lt;br&gt;• Allowed to deploy UMTS in 900 MHz spectrum &amp; 4G in 1800 MHz</td>
<td>• Used for 3G &lt;br&gt;• UMTS licenses granted in 2001 &lt;br&gt;• 20 year-licenses valid until 15/3/2021 &lt;br&gt;• Proximus paid €150m (one-off payment) &lt;br&gt;• 2 Aug '11, BIPT awarded 4th license to Telenet/Voo for €71.5m (2X 14.8 MHz) &lt;br&gt;• In May '14 Telenet/Voo handed back their license</td>
<td>• Will be used for 4G &lt;br&gt;• Licenses granted in July '12 &lt;br&gt;• 15 year-license valid until 30/6/2027 &lt;br&gt;• Proximus paid €20.22m (one-off payment) &lt;br&gt;• No coverage obligations</td>
</tr>
<tr>
<td><strong>OBEL</strong> &amp; <strong>Telenet</strong></td>
<td><strong>Unallocated</strong></td>
<td><strong>Voyacom</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Proximus</strong></td>
<td><strong>OBEL</strong></td>
<td><strong>Voyacom</strong></td>
<td></td>
</tr>
<tr>
<td><strong>800 MHz</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2 x 10</strong></td>
<td><strong>2 x 10</strong></td>
<td><strong>2 x 10</strong></td>
<td></td>
</tr>
<tr>
<td><strong>OBEL</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2 x 12.4</strong></td>
<td><strong>2 x 11.6</strong></td>
<td><strong>2 x 10.2</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Telenet</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2 x 24.8</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Proximus</strong></td>
<td><strong>OBEL</strong></td>
<td><strong>Telenet</strong></td>
<td></td>
</tr>
<tr>
<td><strong>2 x 15</strong></td>
<td><strong>2 x 14.8</strong></td>
<td><strong>2 x 14.8</strong></td>
<td></td>
</tr>
<tr>
<td><strong>OBEL</strong></td>
<td><strong>Unallocated</strong></td>
<td><strong>Unallocated</strong></td>
<td></td>
</tr>
<tr>
<td><strong>2 x 20</strong></td>
<td><strong>2 x 15</strong></td>
<td><strong>2 x 15</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Telenet</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2 x 20</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Voyacom</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>1 x 45</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**BIPT commissioned a study on renewal of 900 – 1800 & 2100 MHz spectrum and assigning of 700 MHz spectrum**

**Proximus largest spectrum holder allowing best in class customer experience**
The voting rights of the treasury shares are suspended by law. The dividend rights of the treasury shares acquired in 2004 are also suspended, whereas the dividend rights for shares acquired as from 2005 are cancelled.

The Board of Directors approved to propose to the Annual General Shareholder meeting of 19 April 2017 to return over the result of 2016 a gross dividend of EUR 1.50 per share, of which EUR 0.50 per share was paid in December 2016.

- ex-coupon date: 26 April 2017
- record date: 27 April 2017
- payment date: 28 April 2017

In line with the announced three-year commitment on 16 December 2016, Proximus expects to return over 2017-2019 a stable gross dividend per share of €1.50.

### General Shareholder return policy:

We offer an attractive shareholder remuneration policy by **returning**, in principle, **most** of our **annual free cash flow**.

This return of free cash flow is **reviewed** on an **annual basis** in order to keep strategic financial flexibility for future growth. The policy is based on a number of assumptions regarding future business and market evolution, and may be subject to change in the event of unforeseen risks or other factors beyond the company’s control.

#### Shareholder structure & remuneration

<table>
<thead>
<tr>
<th>31 December 2016</th>
<th>Number of shares</th>
<th>% Shares</th>
<th>% Voting rights</th>
<th>% Dividend rights</th>
<th>Number of shares with voting rights</th>
<th>Number of shares with dividend rights</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Belgian state</strong></td>
<td>180,887,569</td>
<td>53.51%</td>
<td>56.07%</td>
<td>55.86%</td>
<td>180,887,569</td>
<td>180,887,569</td>
</tr>
<tr>
<td><strong>Own shares</strong></td>
<td>15,388,032</td>
<td>4.55%</td>
<td>0.00%</td>
<td>0.36%</td>
<td>0</td>
<td>1,167,056</td>
</tr>
<tr>
<td><strong>Free-float</strong></td>
<td>141,749,534</td>
<td>41.93%</td>
<td>43.93%</td>
<td>43.78%</td>
<td>141,749,534</td>
<td>141,749,534</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>338,025,135</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>322,637,103</td>
<td>323,804,159</td>
</tr>
</tbody>
</table>

The voting rights of the treasury shares are suspended by law. The dividend rights of the treasury shares acquired in 2004 are also suspended, whereas the dividend rights for shares acquired as from 2005 are cancelled.
For further information

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Director Investor Relations

Sarah Franklin
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Investor Relations Manager

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Proximus investor relations website: www.proximus.com/en/investors
Cautionary statement

“This communication might include some forward-looking statements, without limitation, regarding Proximus’ 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 Proximus’ control. Therefore the actual future results may differ materially from those expressed in or implied by the statements.

Readers are cautioned not to put undue reliance on forward-looking statements, which speak only of the date of this communication.

Proximus disclaims any intention or obligation to update and revise any forward-looking statements, whether as a result of new information, future events or otherwise.”