> interim report

Q3 2009

belgacom

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Highlights

Solid financial and operational results

- *Year-to-date revenue growing 1%*
- *Successfully reducing cost*
- *Record sales of bundled offers and Belgacom TV*

- Belgacom reports over the first nine months 2009 a solid Group revenue of EUR 4,472 million, i.e. growing 1% year-over-year.

- Excluding the impact from acquired and divested companies, the Group revenue grew slightly by 0.4%, driven by International Carrier Services' revenue growth and the resilient result of the Consumer Business Unit.

- Reported Group EBITDA[1] of EUR 1,488 million, i.e. 2% lower than the same period last year. Sustained solid EBITDA margin, year-to-date September at 33.3%.

- Unrelenting focus on cost reduction mitigates pressure on sales-related costs resulting from changing revenue mix.

- The non-HR expenses were reduced by 2.5% compared to September 2008. On an organic basis, non-HR expenses were lowered by 4.9% compared to same period 2008.

- Personnel expenses decreasing 1.3% compared to September 2008, benefitting from past and ongoing headcount reduction programs. Favorable impact of lower headcount more than offsets the 2008 inflation impact on salaries.

- Year-to-date September 2009, Belgacom Group invested EUR 405 million, i.e. 9% of the Group revenue.

- Sound financial position with:
  - Free Cash Flow year-to-date September 2009 of EUR 681 million
  - Net debt level of EUR 1.7 billion, i.e. a ratio of 0.9 times EBITDA

- Successful launch of new convergent offer in July 2009 led to an all-time high sales figure for bundled offers (Packs) and Belgacom TV, adding respectively 70,000 and 75,000 customers in the third quarter 2009.

- So far, the residential segment of the Belgacom Group continued its resilient path, not experiencing any significant impact on its financial performance from the economic downturn. As expected, the enterprise business sees the impact mainly in the slowdown in mobile usage and large IT-projects.

  Based on the reported results so far and its best estimate for the fourth quarter 2009, Belgacom reaffirms its guidance and expects to end the year 2009, before non-recurring items, with:
  - a revenue decline of about 1%
  - an EBITDA margin between 32% and 33%
  - Capex levels between 10% and 11% of Group revenue

Interim dividend of EUR 0.4 per share

- Belgacom's Board of Directors approved the payment of an interim dividend of EUR 0.4 per share (gross), or a total amount of EUR 128 million. This brings the 2009 total shareholder return on a cash basis to EUR 666 million, including the 2008 ordinary dividend paid in April 2009.
  The 2009 interim dividend will be paid on 4 December 2009, with record date on 3 December 2009.

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1 Before non-recurring items

Key figures

	Nine months ended 30 September	
Income Statement (EUR million)	**2008**	**2009**
Total revenue before non-recurring items	4,427	4,472
Non-recurring revenue	8	0
Total revenue	4,435	4,472
EBITDA (1) before non-recurring items	1,519	1,488
EBITDA (1)	1,527	1,426
Depreciation and amortization	-564	-521
Operating income (EBIT)	962	905
Net finance costs	-63	-90
Income before taxes	899	815
Tax expense	-214	-199
Non-controlling interests	0	-1
Net income (Group share)	685	617

	Nine months ended 30 September	
Cash flows and Capital Expenditures (EUR million)	**2008**	**2009**
Cash flows from operating activities	1,166	1,078
Capital expenditures	-506	-405
Cash flows from / (used in) other investing activities	-203	8
Free cash flow (2)	**457**	**681**
Cash flows used in financing activities	-770	-617
Net increase / (decrease) of cash and cash equivalents	**-314**	**64**

	As of 30 September	
Balance sheet (EUR million)	**2008**	**2009**
Balance sheet total	7,294	7,749
Non-current assets	5,223	5,439
Investments, cash and cash equivalents	467	719
Shareholders' equity	2,414	2,362
Non-controlling interests	5	7
Liabilities for pensions, other post-employment benefits and termination benefits	760	699
Net financial position	-1,522	-1,700

	Nine months ended 30 September	
Data per share	**2008**	**2009**
Basic earnings per share (EUR)	2.09	1.93
Diluted earnings per share (EUR)	2.09	1.93
Weighted average number of ordinary shares	327,650,109	320,428,700

	Nine months ended 30 September	
Data on employees	**2008**	**2009**
Number of employees (full-time equivalents)	17,429	16,802
Average number of employees over the period	17,494	16,897
Total revenue before non-recurring items per employee (EUR)	253,062	264,663
Total revenue per employee (EUR)	253,516	264,663
EBITDA (1) before non-recurring items per employee (EUR)	86,815	88,089
EBITDA (1) per employee (EUR)	87,269	84,419

(1) Earnings Before Interests, Taxes, Depreciation and Amortization.
(2) Cash flow before financing activities.

The Belgacom Management Committee declares that to the best of its knowledge, the interim condensed consolidated financial statements, established in accordance with International Financial Reporting Standards ("IFRS"), give a true and fair view of the assets, financial position and results of Belgacom and of the entities included in the consolidation. The interim financial report gives an accurate overview of the information that needs to be disclosed.

The Belgacom Management Committee is represented by Didier Bellens, President and CEO, Scott Alcott, Executive Vice-President Service Delivery Engine, Michel De Coster, Executive Vice-President Enterprise, Astrid De Lathauwer, Executive Vice-President Human Resources, Ray Stewart, Executive Vice-President Finance and CFO, Grégoire Dallemagne, Executive Vice-President Strategy and Michel Georgis, Executive Vice-President Consumer.

Strategic progress

Belgacom Group

Convergence key to long-term success

New convergent offer leads to record number of Packs sold: +70,000 in Q3

Customers are increasingly looking for telecom solutions that offer more simplicity and give value for their money. Belgacom answered this need by introducing a range of triple- and quadruple-play offerings.
To counter the competition from cable operators, Belgacom launched the company-wide program "FAIR". New convergent offers (Packs) were launched under this program on 11 July 2009. With this new set of packs, customers calling (fixed or mobile) and surfing with Belgacom save an amount equivalent to the TV Comfort subscription and set-top box rental every month. This unique triple-play offer, marketed with "Free TV", allows customers to enjoy the advantages of convergence to the full: more freedom, more simplicity, and more value for their money.
The first results of the FAIR program are very promising with sales of Packs increasing significantly in both the north and south of the country.
In the third quarter 2009, no fewer than 70,000 Packs were sold, compared to 27,000 Packs for the same period of last year. The total number of Packs sold by end September is 454,000.

All-time high Belgacom TV net adds in Q3, +75,000

Belgacom is a challenger in a highly penetrated cable market. Yet in the third quarter 2009, an all-time high sales figure was reached with 75,000 new TV customers. The main driver is the launch of the "free TV"-Packs, bringing the total TV-customer base to 663,000, including 88,000 second-stream customers. The TV ARPU per household remained fairly stable over the last quarters, even going up slightly to EUR 20.6 in the third quarter 2009.

In September 2009, Belgacom subsidiary Scarlet launched the convergent offer "Scarlet One". The offer includes fixed and mobile calling, fixed Internet and television. The new offer is especially aimed at the "no-frills" segment and competes primarily with the cable offering.

Belgacom has taken initiatives to lower the barrier for Mobile Internet on laptops for consumers. "Internet One" is a converged offer allowing Belgacom Internet users to surf on their laptop while on the go anywhere in Belgium. Different solutions are available from the free of charge "Mobile Internet Free Weekend" to "Anytime" offers allowing them to surf at attractive rates. First results of these initiatives are promising, and driving the growth of Advanced Mobile data revenue in the Consumer Business Unit.

Successful convergent offers for business customers

Within the business segment convergent solutions are offered via the "Explore" platform, providing full end-to-end mobile and fixed solutions. By end September 2009, the number of customer sites on the Explore-platform increased to a total of 29,900.

"Fusion", a convergent offer for SME customers, allows for flat rate in-company calling for both fixed and mobile calls. The number of Fusion customers continues to grow, with by end September 2009, 116,000 subscribers.

Become Belgium's preferred network-centric ICT provider and a reference in its European footprint

Crisis pressure not accelerating. EBITDA impact very small

The Enterprise Business unit serving Belgacom's professional customers, continued to feel the impact of the crisis. As predicted, the impact became visible earlier this year in two main areas: mobile usage and large IT-projects. So far, the business has not yet seen signs of recovery. The pressure from the crisis continued in the third quarter of 2009, although the situation did not deteriorate further. The symptoms remain the same, with sales cycles of the IT-projects becoming longer, orders being delayed and existing customers trying to renegotiate contracts. The resulting pressure on revenue, however, has had only a minor impact on EBITDA.
Mobile usage in the business area was lower than last year, as a direct result of professional customers saving on telecom expenses and reduced business travel.

The decision to divest all non-core presences of Telindus International by end 2008 lowered Belgacom's risk profile, and was therefore helpful in the current economic climate. Although the divestment program causes a loss in revenue compared to last year, it is positively impacting the EBITDA level. The divestments led in 2008 to a reduced headcount of 379 FTEs, or 13% of Telindus's total headcount.

Where mobile and IT-projects show to be vulnerable to a weak economic climate, other product areas such as Videoconferencing and Datacenter services (housing/hosting) are doing well in these challenging economic conditions.

Strengthen leadership through innovation

Innovation key to address changing customer needs

Belgacom has reinvented itself many times in the past. The telecom market is changing fast and customer needs continuously evolve. Innovation is key to address these changes. Belgacom therefore decided to group all its Innovation efforts in order to accelerate the innovation culture of the group. Earlier this year this has resulted in, for example, the launch of a coherent portfolio of micro-payment solutions under the brand of PingPing and a number of partnerships in the Mobile payment business.

Disciplined stance on opportunities outside Belgium

Disciplined M&A strategy continued

Belgacom's M&A strategy has remained unchanged over the years with a primary focus on Belgium and ongoing investments to enable organic growth and innovation. In the meantime, the Group also monitors possible opportunities outside Belgium, while adhering to its disciplined stance, and maintaining strict valuation criteria. Any opportunity should therefore be in line with Belgacom's strategic rationale, it should satisfy strict financial criteria and synergy criteria, create shareholder value and be realizable.

Group strategy supported by continued investment in high-quality network

High population coverage: Fiber >71%; 3G over 91%

By end September 2009, the Belgacom Group invested a total of EUR 405 million or 9% of its total revenue. Belgacom is well on track to end the year 2009 with capex levels within the guided range of 10% to 11% of Group revenue.

An important part of the Belgacom strategy is to continuously invest in a quality network, anticipating its customers' needs and remaining flexible and innovative in a competitive market. Belgacom's early investment decisions have today placed it among the world leaders in fiber-optic coverage.

So far in 2009, the further deployment of the Broadway project, i.e. VDSL2 and bringing fiber to the street cabinet, has required an investment of EUR 34 million, of which EUR 9 million in the third quarter. This brings the population coverage to over 71% and remaining on track to reach the 80%-mark by mid-2011. The capacity of up to 20 Mbps provided by VDSL2 easily allows customers to watch two High Definition TV channels and surf on the Internet at the same time.

Belgacom's Mobile network, since 2004 gradually upgraded to 3G and subsequently HSDPA, currently has an outdoor coverage of 91.8%.

Belgacom TV, having a total footprint of 87% of Belgian households, is also supported by the VDSL2-technology, allowing customers to watch TV in high-definition (HD). End September, as many as 66% of Belgian households could access HD-services .

"Move-to-All-IP" progressing

In 2008, Belgacom started the business transformation project "Move to All IP", entailing a full re-engineering of the network, IT systems and processes. So far, the capital invested in the MaIP-project amounts to EUR 38 million, of which EUR 28 million in the first nine months of 2009. The main achievements in this transformation so far, are the enhanced repair process and the implementation of a new Voice-over-IP platform on which the first professional customers are connected.

Growing ICS business in global economic downturn

Move Belgacom ICS up the mobile value chain, increasing value through organic growth and participating in the market consolidation

With the MTN deal, Belgacom ICS is reaching an important milestone in the carrier market consolidation, thereby executing its strategy to be one of the leaders of this consolidation.

On 26 June 2009, Belgacom ICS announced the extension of its strategic co-operation with MTN, combining their international carrier services.
The completion of this transaction is expected for the fourth quarter of 2009 and will lead to MTN becoming a new shareholder in Belgacom ICS. Belgacom will own 57.6% of the new enlarged entity, Swisscom 22.4% and MTN 20%.

The combination of Belgacom ICS with MTN ICS will bring greater economies of scale, improve efficiencies and cost benefits. Post transaction, Belgacom ICS will be the leading International Carrier in Africa.

To achieve further organic growth, ICS keeps a special focus on growth areas, in particular Asia, Africa and the Middle East. Furthermore, in cooperation with partners, ICS invests in submarine cables.

Beside its core transport business, Belgacom International Carrier Services aims to move up the value chain by further strengthening its leadership position in mobile data and through deploying new services for the wireless industry, such as a Roaming Hub and its GSMA endorsed International Mobile Remittance Solution.

CSR to enable sustainable growth

Become one of Belgium's leading companies in terms of Corporate Social Responsibility

Belgacom commits itself on being a socially responsible company, and translated its CSR approach into an ambitious 5-year plan with a clear climate strategy, which has been approved by Belgacom's Board of Directors. The CSR-plan combines objectives around three main pillars: access to communications; health and electromagnetic fields; and climate change.

Belgacom, as the leading provider of telecommunication services in Belgium, believes it can play an important role in enabling the transition to a low-carbon society. Therefore Belgacom aims to reduce its CO_2 emissions in Belgium by 70% before 2020, but also to help its customers reduce their own impact on the environment and to raise awareness about this issue among its employees, suppliers and the general public.

Financial report

Belgacom Group

- **Resilient Group revenue: growing 1% YoY; underlying[1] business +1.6% YoY**
- **Divestments and strict cost control brings non-HR expenses down significantly**
- **Solid EBITDA margin at 33.3%, comparable to previous quarters in 2009**
- **Free Cash Flow of EUR 681 million**

✓ *Quarterly financials on group and segment level: page 27*

Revenue

	Nine months ended 30 September				
	2008		**2009**		**Variance 2009/2008**
	(EUR million)	(%)	(EUR million)	(%)	
Consumer Business Unit	1,660	38%	1,797	40%	8.2%
Enterprise Business Unit	2,016	46%	1,868	42%	-7.3%
Service Delivery Engine	315	7%	286	6%	-9.2%
Staff & Support	24	1%	25	1%	3.2%
International Carrier Services	582	13%	671	15%	15.3%
Inter-segment eliminations	-171	-4%	-176	-4%	2.8%
Total	**4,427**	**100%**	**4,472**	**100%**	**1.0%**
Non-recurring revenue	8		0		-100.0%
Total	**4,435**		**4,472**		**0.8%**

Belgacom Group reports over the first nine months of 2009 a resilient revenue of EUR 4,472 million, or a year-over-year growth of 1%. The positive revenue variance is the result of:

- a continued solid reported revenue growth in the Consumer Business unit by 8.2%, mainly driven by the contribution from Tango and Scarlet for an amount of EUR 124 million[2]. Moreover, on a comparable basis, the CBU revenue increased 0.8% year-over-year as the growing revenue from TV and Data more than compensates for the declining voice revenue;
- a strong performance of the International Carrier Services, growing by 15.3% compared to the first three quarters of 2008;
- partly offset by lower revenue in the Enterprise Business unit, declining by 7.3% compared to September 2008. Divestments[3] of 2008 have so far caused a revenue loss in 2009 of EUR 69 million. Organically EBU's revenue declined 4.3% because of regulation and as a consequence of the economic crisis, which continued to impact mobile usage and large IT-projects.

Excluding the impact from acquisitions and divestments, Belgacom Group organic revenue is growing slightly (+0.4%) year-over-year, including a EUR 55 million negative impact from regulation[4]. Excluding for the regulation impact, the year-to-date September underlying business grew by 1.6% .

From reported to organic revenue	Nine months ended 30 September		
(EUR million)	**2008**	**2009**	**Variance in % 2009/2008**
Reported Group revenue	**4,427**	**4,472**	**1.0%**
Acquisitions (CBU)	-17	-141	
Divestments (EBU)	-75	-5	
Inter-segment elimination	6	31	
Organic Group revenue	**4,341**	**4,357**	**0.4%**

Operating expenses before depreciation and amortization

Belgacom Group anticipated that some parts of the business would not be immune to the recession. At the start of 2009, a number of cost reduction initiatives were put in place to preserve margins in this context. Together

[1] Excluding impact from acquisitions, divestments and regulation
[2] The net positive impact is EUR 99 million, as EUR 25 million is eliminated at Group level
[3] Revenue from divested entities: Telindus International non-core countries (EUR 58 million), WIN and Certipost
[4] Regulation impact includes: MTR, flow-through to fixed-to-mobile tariffs, voice roaming, SMS and Data roaming, wholesale leased lines

with several measures taken over the last couple of years, this results in a positive evolution of the non-HR expenses.

Following initiatives contribute to this favorable cost evolution:

- Cost efficiency efforts across the Belgacom Group in terms of body shopping, maintenance, utilities, general services, etc.
- In May 2009, Belgacom requested a price reduction from its suppliers providing body-shopping for financial and technical services.
- Belgacom vacated the Proximus Boréal building by end 2008 and moved all Proximus employees to its headquarter building. This was enabled by the "active office program" which optimized the headquarter office space. In 2009 this brings important cost savings in the Staff & Support business unit.
- The Enterprise Business Unit took an early decision to divest all non-core Telindus countries, resulting in significant cost savings in the ICT domain and lowering its risk profile.

	Nine months ended 30 September		
(EUR million)	**2008**	**2009**	**Variance 2009/2008**
Costs of materials and charges to revenue	1,435	1,537	7.1%
Personnel expenses and pensions	843	831	-1.3%
Other operating expenses	630	615	-2.5%
Total	**2,908**	**2,984**	**2.6%**
Non-recurring expenses	0	62	0.0%
Total	**2,908**	**3,046**	**4.7%**

Costs of materials and charges to revenue

The sales-related costs increased by 7.1% compared to the first nine months of 2008. This is mainly the result of a changing revenue mix within the Consumer business unit and due to the growing weight of International Carrier Services in the total Group revenue. In the Enterprise segment and Service Delivery Engine on the other hand, sales-related costs came down significantly.

In the third quarter, sales-related costs increased 5.8% compared to the same period of 2008. This is an improvement compared to the two previous quarters of 2009 as a direct result from the fading negative impact on costs from Tango and due to the relative smaller ICS revenue growth.

Personnel expenses

Personnel expenses end September 2009 were 1.3% lower than for the same period of last year. The third quarter personnel expenses were 3.8% lower year-over-year, partly due to a one-time positive effect.
Belgacom visibly benefits from the past and ongoing headcount reduction programs. Since the start of 2009, 569 FTEs left the company through a combination of natural attrition and outflow through the Tutorship and External mobility programs.
Belgacom's personnel base by end September 2009 was 16,802 FTEs, meaning a year-over-year reduction of 627 FTEs, concerning mainly civil servants.

The positive impact on HR-expenses from the lower headcount more than offsets the salary indexation impact carried-over from 2008.

Number of FTE	**Ytd Sep 2008**	**End 2008**	**Ytd Sep 2009**	**12 months variance**	**9 months variance**
Consumer Business Unit	5,625	5,979	5,821	196	-158
Enterprise Business Unit	5,818	5,479	5,311	-507	-168
Service Delivery Engine	3,453	3,421	3,211	-242	-210
Staff & Support	2,300	2,263	2,219	-81	-44
International Carrier Services	233	229	240	7	11
Total	**17,429**	**17,371**	**16,802**	**-627**	**-569**

Other operating expenses

Other operating expenses were reduced by 2.5% or EUR 15 million compared to the same period of 2008. This positive evolution is the result of cost reduction initiatives across the company, lower costs following the Telindus divestment program in EBU and cost savings linked to the vacated Proximus building. The savings were partly offset by the cost increase in CBU resulting from the acquired companies Tango and Scarlet.

On an organic basis, the non-HR cost decreased by 4.9% compared to September 2008. For the third quarter the non-HR costs were 5.9% lower compared to last year.

Non-recurring expense[1]
In the second quarter of 2009, Belgacom reported a non- recurring expense of EUR 62 million. This includes the fine imposed by the Belgian Competition Authority for a net amount of EUR 55.5 million and the costs of a restructuring program for Scarlet employees for an amount of EUR 6.5 million.

Operating income before depreciation and amortization (EBITDA)

	Nine months ended 30 September				
	2008		2009		Variance 2009/2008
	(EUR million)	(%)	(EUR million)	(%)	
Consumer Business Unit	835	55%	804	54%	-3.7%
Enterprise Business Unit	953	63%	916	62%	-3.8%
Service Delivery Engine	-49	-3%	-47	-3%	-4.6%
Staff & Support	-266	-17%	-243	-16%	8.5%
International Carrier Services	46	3%	58	4%	26.8%
Inter-segment eliminations	0	-0%	0	-0%	-
Total	**1,519**	**100%**	**1,488**	**100%**	**-2.0%**
Non-recurring revenue	8		0		
Non-recurring expenses	0		-62		
Total	**1,527**		**1,426**		**-6.6%**

Over the first nine months, Belgacom reports a Group EBITDA, excluding non-recurring items, of EUR 1,488 million, or a year-over-year decline of 2.0%. The EBITDA margin was kept fairly stable over the first three quarters, with year-to-date September 2009 at 33.3%. This compares to 34.3% for the same period of 2008.

Depreciation and amortization[2]

Depreciation and amortization decreased from EUR 564 million in 2008 to EUR 521 million for 2009, driven by a lower asset base in SDE and the divestments of the non-core Telindus subsidiaries in EBU.
This decrease was partially offset by higher depreciations in CBU resulting from the consolidation of Tango and Scarlet and the success of Belgacom TV which increased the number of rented set-top boxes.

Net finance result[2]

The year-over-year variance in the net finance result, going from EUR -63 million in 2008 to EUR -90 million in 2009, results from the bonds issued in the last quarter of 2008 for a nominal amount of EUR 500 million and lower interest revenues on deposits in 2009.

Tax expense[2]

Tax expenses amounted to EUR 199 million for 2009, representing a slight increase in the effective tax rate to 24.4% compared to 23.8% in 2008. The effective tax rate is based on the application of general principles of Belgian tax law.

Net income (Group Share)[2]

The Group net income of EUR 617 million end of September 2009, including the non-recurring expense of EUR 62 million, was EUR 68 million lower compared to the same period of 2008. The lower net income was mainly attributable to the fine imposed by the Belgian Competition Authority.

[1] non-recurring revenues and non-recurring expenses include gains or losses on the disposal of consolidated companies exceeding individually EUR 5 million, fines and penalties imposed by competition authorities or by the regulator exceeding EUR 5 million and costs of employee restructuring programs.
[2] Consolidated income statement: page 32 of press release

Capital expenditure (Capex)

(EUR million)	Nine months ended 30 September 2008 (EUR million)	2008 (%)	2009 (EUR million)	2009 (%)	Variance 2009/2008
Consumer Business Unit	156	31%	61	15%	-61.2%
Enterprise Business Unit	14	3%	14	3%	-0.1%
Service Delivery Engine	303	60%	304	75%	0.5%
Staff & Support	27	5%	16	4%	-39.8%
International Carrier Services	6	1%	11	3%	77.7%
Total	**506**	**100%**	**405**	**100%**	**-19.8%**

By end September 2009, Belgacom Group invested a total amount of EUR 405 million or 9% of its Group revenue. This is EUR 101 million lower than for the same period of 2008, which included the renewal of the football broadcasting rights for EUR 105 million, covering three football seasons.

Cash flows

(EUR million)	Nine months ended 30 September 2008	2009
Cash flows from operating activities	1,166	1,078
Capital expenditures	-506	-405
Cash flows from / (used in) other investing activities	-203	8
Cash flow before financing activities or "free cash flow"	**457**	**681**
Cash flows used in financing activities	-770	-617
Net increase / (decrease) of cash and cash equivalents	**-314**	**64**

End September 2009, Belgacom reports a **cash flow from operating activities** of EUR 1,078 million. The unfavorable variance compared to the same period of 2008 results from a combined effect from the payment of the EUR 66 million fine to the Belgian Competition Authority and the deferral in 2008 of the payment of the football broadcasting rights over three years, partially offset by the favorable evolution of the receivables.

Capital expenditures were EUR 100 million lower than in 2008, which included the renewal of the football broadcasting rights for an amount of EUR 105 million.

The cash flows from other investing activities increased year-over-year by EUR 211 million, mainly due to the acquisition of Tango in the third quarter of 2008 for an amount of EUR 207 million net of cash.

This results in a **free cash flow** end September 2009 of EUR 681 million, i.e. EUR 224 million higher compared to the same period of 2008.

The **cash flow used in financing activities** decreased by EUR 153 million compared to the first nine months of 2008, mainly due to the completion in 2008 of the share buy-back program launched in October 2007, partially offset by the increased repayments of short-term debts and purchases of financial investments in the first nine months of 2009. The cash flow used in financing activities includes dividends paid to shareholders in 2009 for a total amount of EUR 556 million, whereas this was EUR 568 million in 2008.

As a result, the **cash and cash equivalents** increased year-over-year by EUR 378 million.

Balance sheet and shareholders' equity[1]

The **goodwill** decreased by EUR 10 million compared to year-end 2008 mainly due to the provisional purchase price allocations of Scarlet. ***Intangible fixed assets and property, plant and equipment*** decreased by EUR 85 million in 2009 resulting from a mix of impacts from capital expenditures, depreciation and amortization and the recognition of customer base and trade name as a result of the purchase price allocation of Scarlet.

The **shareholders' equity** increased from EUR 2,271 million at year-end 2008 to EUR 2,362 million in September 2009, reflecting mainly the excess of the net income generated during the nine first months of 2009 over the dividends declared and distributed in April 2009.

[1] Consolidated balance sheet: page 33 of press release

Belgacom continues to have a sound financial position. By end September 2009, Belgacom's **net financial debt** decreased to EUR 1,700 million, or EUR 165 million lower compared to end 2008. The lower debt is mainly the result of the Free Cash Flow (EUR 681 million) exceeding the dividend payment (EUR 556 million) in the first nine months of 2009.
The outstanding financial debt amounted to EUR 2.5 billion by end September 2009, most of it maturing in 2011 and 2016, except for the floating rate note of EUR 300 million which will mature in November 2009.

Outlook

Performance versus guidance	Guided	Reported[1]			
	FY09	Q109	Q209	Q309	Ytd Sep 09
Group revenue	Decline of about 1%	1.5%	1.3%	0.2%	1.0%
Group EBITDA margin	Between 32%-33%	33.0%	33.4%	33.5%	33.3%
CAPEX/Revenue	Between 10%-11%	9.0%	8.9%	9.2%	9.1%

[1] Before non-recurring items

So far, the residential segment of the Belgacom Group continued its resilient path, not experiencing any significant impact on its financial performance from the economic downturn. As expected, the enterprise business sees the impact mainly in the slowdown in mobile usage and large IT-projects.

Based on the reported results so far and its best estimate for the fourth quarter 2009, Belgacom reaffirms its guidance and expects to end the year 2009, before non-recurring items, with:

- a revenue decline of about 1%
- an EBITDA margin between 32%-33%
- Capex levels between 10% and 11% of Group revenue

The difference between the financial performance year-to-date and the expectation for the full-year 2009 is explained by the following elements which will impact the fourth quarter year-over-year variance:

- Fading positive impact from non-organic revenue:
    - Tango, consolidated as from 1 August 2008
    - Scarlet, consolidated as from 1 December 2008

- A very strong result from ICS in fourth quarter 2008

Consumer Business Unit - CBU

- **Resilient to crisis: reported revenue +8.2%; underlying business[1] +2.1% YoY**
- **Change in revenue mix impacts sales-related costs, trend stable**
- **Successful cost reduction program: organic non-HR expenses -2.8% YoY**
- **Strong third quarter operational results: record sales of Packs and Belgacom TV**

P&L Consumer Business Unit

	Nine months ended 30 September		
(EUR million)	**2008**	**2009**	**Variance 2009/2008**
TOTAL SEGMENT REVENUE	**1,660**	**1,797**	**8.2%**
Costs of materials and charges to revenue	-389	-519	33.3%
Personnel expenses and pensions	-240	-258	7.4%
Other operating expenses	-196	-216	10.4%
TOTAL OPERATING EXPENSES before depreciation & amortization	**-826**	**-993**	**20.3%**
TOTAL SEGMENT RESULT (1)	**835**	**804**	**-3.7%**
Segment contribution margin	*50%*	*45%*	
Non-recurring expenses	0	-7	-
OPERATING INCOME before depreciation & amortization	**835**	**797**	**-4.5%**
Depreciation and amortization	-73	-108	47.8%
OPERATING INCOME	**762**	**689**	**-9.5%**

(1) Operating income before depreciation and amortization and before non-recurring revenue and expenses

✓ CBU quarterly financial and operational results: page 27

CBU revenue

CBU **reported** a solid revenue growth of 8.2% for the first nine months of 2009. As anticipated, this part of the business remained resilient to the economic crisis with so far no significant financial impact.
The year-to-date revenue growth of EUR 137 million includes EUR 124 million from the acquired companies Tango and Scarlet. As Tango was consolidated as from August 2008, the year-over-year contribution starts to fade.

On an **organic** basis, CBU's revenue over the first nine months is EUR 1,656 million, growing 0.8% compared to last year. The year-over-year trend improved over the three quarters, with a revenue increase of 2.6% in the third quarter 2009.

Excluding the EUR 22 million negative impact from regulation, CBU's **underlying** business grew 2.1%, proving its resilience to the downturn. Main growth drivers are Belgacom TV (+51%), mobile data (+8%) and mobile terminals (+41%).

DETAILED REVENUES	Nine months ended 30 September			
(EUR million)	**2008 YTD**	**2009 YTD**	**Variance 2009/2008**	**Variance % 2009/2008**
Revenues	**1,660**	**1,797**	**137**	**8.2%**
From Fixed	**846**	**922**	**76**	**9.0%**
Voice	449	423	-26	-5.7%
Data	233	239	6	2.5%
TV	62	94	32	51.2%
Terminals (excl. TV)	44	37	-6	-14.4%
Scarlet	0	72	72	-
Other	58	57	-1	-2.5%
From Mobile	**814**	**875**	**61**	**7.4%**
Voice	548	528	-20	-3.7%
Data	206	223	17	8.1%
Terminals	33	46	13	40.7%
Tango	17	69	52	-
Other	11	10	-1	-9.1%

[1] Excluding impact from acquisitions and regulation

Fixed voice
For the first nine months of 2009, CBU generated a fixed voice revenue of EUR 423 million or 5.7% lower compared to the same period last year. As of the third quarter, the revenue was not affected anymore by the price decreases for Fixed-to-Mobile traffic (April and July 2008). However, the success of the Packs including a fixed line, the lower access line base and the continued success of flat-rate pricing plans (Together and Happy Time products) offset this positive effect.

End of September 2009, CBU counted 2,057,000 fixed lines, meaning a decrease of 29,000 in the third quarter 2009. This is a significant improvement compared to last year (-39,000) and the first two quarters of 2009. Packs including fixed lines are positively impacting the fixed-line erosion.

Total minutes of fixed voice traffic decreased 4.4% year-over-year, impacted by the access line loss. Traffic of the third quarter is typically lower due to the summer holiday period.

Compared to a year ago, the fixed voice ARPU slightly increased by 1.1% to EUR 21.6 as a result of the 2008 price indexations (July and October 2008), which have been partly offset by the impact from lower retail tariffs for calls to Telenet/Versatel following lower fixed termination rates as from January 2009.

Fixed data
The year-to-date fixed Internet revenue from Belgacom's residential customers increased 2.5% to EUR 239 million, driven by the growing customer base. This increase is somewhat offset by the success of the Packs. The third quarter of 2009 shows a solid revenue growth of 6% as it was no longer impacted by the discounts given within the framework of the year-end promotion "20.09". The positive impact is also reflected in the ARPU, going up in the third quarter to EUR 29.1.

After a traditionally slow second quarter and the holiday season, the Internet net adds picked up again in September 2009 as a result of back-to-school promos and Packs including Internet, leading to 12,000 new customers for the third quarter.
End September 2009, CBU had 1,057,000 Internet customers including the residential customers from Scarlet, or an additional 181,000 customers compared to last year. Customer growth was slightly impacted by a small net loss of Scarlet broadband customers.

Belgacom TV
Over the period July to September 2009, the Belgacom TV customer base grew by 75,000 customers compared to 52,000 for the same period last year. The number of net adds in the third quarter 2009 was positively influenced by the launch of "FAIR", a company-wide program to address cable competition. One of the initiatives taken was the launch of a new multi-play pack that was commercialized as "Free TV", referring to the monthly saving customers realize by signing up for this offer. Since its launch in September 2009, Scarlet One is contributing to the TV-customer growth as well.

By end of September 2009, the total Belgacom TV customer base amounted to 663,000, including 88,000 second stream users. This means that in one year time, Belgacom's TV customer base grew by 220,000 customers. The continued customer growth is the main driver of the Belgacom TV revenue growth. Compared to September 2008, the revenue grew by 51.2% to EUR 94 million and now contributes for 5% to the total CBU revenue.

The TV ARPU per household end of September 2009 was EUR 20.1 or an increase of 1.8% compared to a year ago, driven by a lower impact of promotions. The third quarter ARPU of EUR 20.6 significantly improved compared to the previous quarter as a result of increased sales of set-top boxes and slightly higher usage of on-demand services.

Fixed terminals
Fixed terminal revenue decreased 14.4% year-over-year as fewer voice terminals are rented and because modems are often offered for free as part of a promotional campaign.

Mobile voice
Over the first nine months of 2009, the CBU mobile voice revenue amounted to EUR 528 million or 3.7% lower than last year, driven by regulation and customers optimizing their mobile spending.

The year-over-year revenue evolution improved significantly in the third quarter, with revenues flat compared to last year. As of 1 July 2009, mobile voice revenue is no longer negatively impacted by the decrease in mobile termination rates (last MTR cut dates from 1 July 2008), which fully offset the impact from the lowered roaming tariffs, starting on the same date.

CBU delivered sound operational results over the first nine months of 2009, with an additional 78,000 customers under its own brands, in line with the 80,000 in the same period of last year. For the period July-September, CBU added 32,000 new customers under its own brands.

End of September 2009, CBU had a total mobile customer base of 3,829,000. This means a net increase of 52,000 customers over the first nine months, including a loss of low value MVNO customers.
The MVNO market is very volatile with cards being used as calling cards leading to high churn rates. Over the first nine months of 2009, CBU lost 26,000 MVNO customers whereas for the same period last year a growth of 43,000 MVNO customers was reported.

The paying number of minutes slightly declined to 94.9 minutes per customer per month, partially driven by a seasonality effect but mainly due to a substitution effect towards SMS.

The combined impact from regulation and customers moving to more attractive pricing plans drive the year-over-year decline of 6.9% in mobile voice ARPU to EUR 15.7. Compared to the previous quarters of 2009, the third quarter ARPU stabilized at EUR 15.9, supported by the price increases of May 2009 and the MTR regulation impact fading away.

Mobile data
Over the first nine months, mobile data revenue increased 8.1% to EUR 223 million, including another strong performance in the third quarter, with revenues up year-over-year by 12.9%.

The SMS revenue increase of 7.5% is among other things driven by increased inbound revenues resulting from the pricing plans including free SMS on the Belgian market.

Excluding the free SMS, the number of paying SMS increased 22.7% to 71.2 SMS/customer driven by the substitution of voice towards SMS.
The positive volume effect more than offset the regulation impact of SMS roaming, capping SMS roaming tariffs to EUR 0.11 as of 1 July 2009.

Year-to-date September, Advanced data revenue grew almost 10%, including a strong performance in the third quarter (+27.9%). This results from the Internet One promotions launched as from April 2009, that combine fixed and mobile Internet into one pack, lowering the threshold for mobile internet.
In addition, the third quarter did no longer see an impact from the stricter rules set for voting and gaming by a Royal Decree of April 2008.

As a result, the mobile data ARPU grew by 4.6% to EUR 6.6.

	Nine months ended 30 September		
(EUR million)	**2008**	**2009**	**Variance % 2009/2008**
Mobile DATA revenue	**206**	**223**	**8.1%**
Data - SMS	156	168	7.5%
Advanced data	50	55	9.9%
% in Mobile Data revenue			
Data SMS	76%	75%	
Advanced data	24%	25%	

Mobile terminals
The “Member gets Member” campaign and the success of smartphones and touch-screen devices result in a revenue growth of more than 40% to EUR 46 million.

CBU operating expenses before depreciation and amortization

CBU's total operating expenses increased by EUR 168 million to a total of EUR 993 million. This includes a EUR 100 million contribution from Scarlet and Tango. As Tango has been consolidated since August 2008, the negative year-over-year impact on costs becomes less significant in the third quarter 2009.
On a comparable basis, the costs increased by EUR 68 million or 8.3% fully driven by increased costs of sales.

Costs of materials and charges to revenue
The CBU-reported cost of sales increased year-over-year by EUR 130 million (+33.3%) to EUR 519 million, with Scarlet and Tango contributing for EUR 60 million. Organically, costs of sales were up 18% due to higher commissions as the mix in sales channels changed, higher TV sales, higher mobile handset sales impacting the terminal costs and higher interconnection costs driven by free SMS and free minutes.

Personnel expenses
CBU's reported personnel expenses were EUR 18 million or 7.4% higher compared to September 2008, and is fully driven by the additional headcount following the acquisition of Tango and Scarlet. By end September, CBU had 5,821 FTEs or 196 FTEs more than a year ago.

On an organic basis, year-to-date personnel costs were slightly up as the decrease in organic headcount (-82 FTEs year-over-year) following the Tutorship program, the External Mobility program and natural attrition did not fully offset the carry-over impact from the 2008 salary indexations.

Other operating expenses
As a result of the company wide cost-efficiency program, the organic other operating expenses decreased year-over-year by 2.8%.
The increase in the reported other operating expenses of 10.4% year-over-year to EUR 216 million is fully driven by the contribution of Tango and Scarlet.

CBU operating income before depreciation and amortization (EBITDA)

CBU reported a EBITDA decline of 3.7% to EUR 804 million driven by the higher sales related costs. The reported contribution margin stands at 44.7%. The organic contribution margin is 46.7%.

Tango

	Nine months ended 30 September
	2009
Revenue[1] (in EUR mio)	69
Total active mobile customers (in '000)	252
Blended net ARPU (EUR/month)	24.2

(1) Total Tango revenues i.e. fixed and mobile revenues

For the first nine months of 2009, Tango reported a revenue of EUR 69 million. The total mobile customers base stands at 252,000 active customers with a blended net mobile ARPU of EUR 24.2 year-to-date September 2009.

CBU operating result

OPERATIONALS	Nine months ended 30 September			
	2008	2009	Variance 2009/2008	Variance % 2009/2008
FROM FIXED				
Number of access channels (thousands)	3,078	3,114	36	1.2%
Voice (PSTN/ISDN)	2,167	1,992	-175	-8.1%
IP	35	65	30	-
ADSL, VDSL [1]	876	1,057	181	20.6%
Traffic (millions of minutes)	3,570	3,413	-157	-4.4%
National	2,973	2,808	-165	-5.5%
Fixed to Mobile	310	315	5	1.6%
International	287	290	3	1.0%
TV (thousands)	443	663	220	49.7%
TV - households	389	575	185	47.6%
Of which TV-second stream users	54	88	35	64.7%
ARPU (EUR)				
ARPU Voice[2]	21.4	21.6	0.2	1.1%
ARPU broadband[3]	30.2	28.6	-1.6	-5.2%
ARPU Belgacom TV[4]	19.7	20.1	0.3	1.8%
FROM MOBILE				
Number of active customers[5] (thousands)	3,705	3,829	124	3.3%
Prepaid	2,228	2,235	7	0.3%
Postpaid	1,393	1,510	116	8.4%
MVNO	84	84	1	1.0%
Annualized churn rate[6] (blended - variance in p.p.)	19.6%	20.7%		-
Net ARPU[7] (EUR)				
Prepaid	14.5	13.8	-0.7	-4.8%
Postpaid	37.9	36.1	-1.8	-4.8%
Blended	23.1	22.3	-0.9	-3.7%
Blended voice	16.8	15.7	-1.2	-6.9%
Blended data	6.3	6.6	0.3	4.6%
UoU[8] (units)	219.4	276.3	56.9	26.0%
MoU[9] (min)	118.6	109.8	-8.8	-7.4%
Normalized MoU[10] (min)	97.1	94.9	-2.3	-2.3%
SMS[11] (units)	103.8	167.5	63.7	61.3%
Normalized SMS[12] (units)	58.0	71.2	13.1	22.7%

(1) Total Broadband lines includes the Belgian residential lines of Scarlet as from Q1 2009.

(2) ARPU Voice is equal to total voice revenue, excluding activation and payphone-related revenue, divided by the average voice access channels for the period considered, divided by the number of months in that same period.

(3) ARPU Broadband is equal to total ADSL revenue including Scarlet ADSL revenue, divided by the average number of ADSL lines for the period considered, divided by the number of months in that same period.

(4) ARPU Belgacom TV includes only customer-related revenue and takes into account promotional offers, divided by the number of households having Belgacom TV.

(5) Active customers are customers who have made or received at least one call or sent or received at least one SMS message in the last three months.

(6) Annualized churn is the total annualized number of retail SIM cards (postpaid + prepaid) disconnected from the Belgacom Mobile network (including the total number of port-outs due to mobile number portability) during the given period, divided by the average number of retail customers for that period.

(7) ARPU has been calculated on the basis of monthly averages for the period indicated. Monthly net ARPU is equal to total mobile voice and mobile data revenues, divided by the average number of active mobile customers for that period.

(8) UoU (Units of Use): voice minutes of use +SMS (where one SMS equals one minute) per active customer per month.

(9) MoU (Minutes of Use): duration of all calls from or to Proximus, per active voice customer, per month.

(10) Normalized MoU: duration of all calls from or to Proximus, per active voice customer, per month – excluding free minutes

(11) SMS: number of SMS per active customer per month.

(12) Normalized SMS: number of paying SMS per active customer per month (i.e. excluding free SMS).

Enterprise Business Unit - EBU

- **Crisis impact continued as expected in Mobile and ICT; trend not accelerating**
- **Underlying[1] business revenue -2.8% ytd September**
- **Divestments and cost control brings operating costs down 10.5% YoY**
- **Segment contribution margin up from 47.3% to 49.1%**

P&L Enterprise Business Unit

	Nine months ended 30 September		
(EUR million)	**2008**	**2009**	**Variance 2009/2008**
TOTAL SEGMENT REVENUE	**2,016**	**1,868**	**-7.3%**
Costs of materials and charges to revenue	-629	-556	-11.7%
Personnel expenses and pensions	-306	-283	-7.3%
Other operating expenses	-128	-113	-12.1%
TOTAL OPERATING EXPENSES before depreciation & amortization	**-1,063**	**-952**	**-10.5%**
TOTAL SEGMENT RESULT (1)	**953**	**916**	**-3.8%**
Segment contribution margin	*47%*	*49%*	
Non-recurring revenue	8	0	-
Non-recurring expenses	0	-56	-
OPERATING INCOME before depreciation & amortization	**961**	**861**	**-10.4%**
Depreciation and amortization	-24	-20	-15.2%
OPERATING INCOME	**937**	**841**	**-10.3%**

(1) Operating income before depreciation and amortization and before non-recurring revenue and expenses

✓ *EBU quarterly financial and operational results: page 28*

EBU revenue

EBU **reported a revenue** of EUR 1,868 million over the first nine months of 2009. This is EUR 148 million or 7.3% lower than for the same period of last year, including a EUR 69 million revenue loss resulting from the divestments[2].

The reported revenue decline in the third quarter was limited to 7.5% year-over-year, coming from a 9.2% decline in the second quarter.

On an **organic** basis, EBU's revenue declined by 4% or EUR 78 million, including a negative impact from regulation for a total amount of EUR 23 million.

The **underlying** business over the first nine months of 2009 was 2.8% lower than for the same period last year. As expected, the professional customer segment is impacted by the economic crisis, pressuring especially the mobile and IT domain. However, the negative trend of the underlying business did not accelerate, with a year-over-year variance of -3.4% for the third quarter 2009, whereas this was -4.7% for the previous quarter.

The order intake over the first nine months 2009 has a total transaction value (TTVA[3]) of EUR 624 million, including EUR 167 million for the third quarter. This is weaker than the two previous quarters, linked to seasonality but also reflecting the impact of the crisis with sales cycles taking longer and orders being delayed.

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[1] Excluding the impact from divestments and regulation

[2] Telindus International non-core countries for EUR 58 million, Certipost and Win

[3] Total Transaction Value: annualized value of new contracts signed during a specified period. This excludes renewals and retention of existing Voice (fixed-mobile) and Mobile Data contracts, and swaps of mobile pricing plans. TTVA is an indicator of the level of order intake in a specific period and is subject to seasonality. TTVA is not a projection of total revenue.

Nine months ended 30 September				
(EUR million)	2008 YTD	2009 YTD	Variance 2009/2008	Variance % 2009/2008
Revenue	**2,016**	**1,868**	**-148**	**-7.3%**
From Fixed	**1,398**	**1,286**	**-112**	**-8.0%**
Voice	458	432	-26	-5.7%
Data	304	301	-3	-1.1%
ICT	557	489	-68	-12.2%
Terminals	57	55	-2	-3.1%
Other	21	9	-12	-58.2%
From Mobile	**618**	**582**	**-36**	**-5.8%**
Voice	476	425	-51	-10.7%
Data	120	137	17	14.4%
Terminals	15	11	-4	-26.8%
Other	7	9	2	24.1%

Fixed voice

Over the first nine months of 2009, EBU generated a Fixed Voice revenue of EUR 432 million, which is 5.7% lower than for the same period of last year. For the third quarter 2009, however, the unfavorable variance was limited to 4.3% as the year-over-year comparison is no longer affected by the carry-over impact of the two price decreases for Fixed-to-Mobile traffic (1 April and 1 July 2008).

The positive effect from the two price indexations in July and October 2008 only cover to a limited extend the impact from the continued fixed line loss. Over the first nine months of 2009, EBU lost a total of 40,000 fixed lines, whereas this was 24,000 lines for the same period of 2008.
EBU's fixed line loss picked-up in 2009, driven by customers' search of possible cost savings and as a result of the increased number of bankruptcies in Belgium. However, the trend somewhat improved in the third quarter 2009, with a net line loss of 11,000, compared to a loss of 15,000 lines in the first quarter and 14,000 lines in the second quarter.

The net line loss is also affecting the total minutes of fixed voice traffic, decreased year-over-year by 8.9%. In the third quarter, the traffic volume is also subject to a seasonality effect, with typical lower volumes during the summer holiday season.

The regulation impact over the first half of 2009, and the lower usage per line, leads to a year-over-year decline in ARPU of 3.2% to EUR 30.8. The ARPU in the third quarter 2009 of EUR 30.1 is impacted by a seasonality effect and only slightly down compared to the third quarter 2008 (EUR 30.4), due to lower traffic per line.

Fixed data

Fixed Data revenue consists of revenue generated by Internet products and Data connectivity products. The EBU Internet market is saturating and continues to be very competitive. By end September, EBU counted 442,000 broadband customers, which is about flat compared to the start of 2009.
The year-to-date EBU broadband ARPU of EUR 40 is 1.7% lower than one year ago as a result of lower connection fees and promotional activities. However, over the first three quarters, the broadband ARPU remained fairly flat with EUR 40.1 for the third quarter 2009.

Data Connectivity is marked by an ongoing migration from older technology (Leased lines, Frame Relay, ATM) to the new and more advantageous "Explore"-platform (connectivity and managed services). By end of September, the Explore platform counted 29,900 sites.

ICT

On a comparable basis, the ICT revenue over the first nine months of 2009 is 2.1% lower than for the same period of last year. As expected, this part of the business shows some vulnerability to the economic crisis. Especially Telindus International is showing a weakness, whereas Telindus Belgium remains fairly stable.

The revenue pressure continued in the third quarter, although trends did not get worse. For the third quarter, organic revenue was 4.2% lower compared to last year, while for the second quarter the revenue decline was 5.1%.

Indicators remain similar to the previous quarters, with larger IT-projects being delayed or spread in time, decision processes taking longer and existing customers asking for contract renegotiations.
To limit as much as possible the impact on the EBITDA, EBU looks for an increased share of wallet, and keeps a high focus on the sales-related costs.

Furthermore, the ICT-revenue was impacted by an unfavorable exchange rate evolution for Telindus UK. As the IT-business is a typical lower-margin business, the impact on EBITDA has been very small.

On the other hand, some products in the ICT-portfolio do very well in a crisis. For example, Datacenter products, such as housing and hosting services, offer flexible solutions to customers, help them to optimize costs and to realize quick savings. These 'integration services' show a significant revenue growth compared to last year, but are not sufficiently large to fully compensate for the Belgacom Telindus revenue loss.

	Nine months ended 30 September		
(EUR million)	**2008**	**2009**	**Variance 2009/2008**
Reported ICT revenues	557	489	-12.2%
Impact divestments	58	0	
ICT excl. divested countries	500	489	-2.1%

Mobile voice
The reported mobile voice revenue of EUR 425 million year-to-date September is 10.7% lower than for the same period of last year.
The positive impact from a growing customer base (+95,000 compared to one year ago) did not offset the negative impact from regulation and the ongoing pressure caused by the economic crisis.

Over the first nine months of 2009, EBU grew its mobile customer base by 71,000, including 20,000 net adds in the third quarter 2009. Self-employed and independents are increasingly attracted by packages[1], offering free minutes and/or free SMS. As of August 2009, a number of new successful promotions were launched on these packages, attracting new customers and reducing the churn rate in the third quarter to 9%.

The year-to-date September mobile voice revenue was negatively impacted by the carry-over impact from MTR regulation. As the last decrease in MTR dates from 1 July 2008, the negative impact on mobile inbound revenue is no longer applicable as of the third quarter 2009.
Revenue from Mobile Roaming, however, was impacted by the regulated tariff cut on 1 July 2009, with rates coming down to EUR 0.43 (-6.6%) for retail outgoing and to EUR 0.19 (-13.7%) for retail incoming traffic.

As predicted, the economic downturn lowered the level of mobile usage. Business customers have cut in their mobile expenses and reduced business travel, impacting roaming. The effect is mainly visible in the level of paying MoU. The year-to-date September paying MoU of 330 is 6.1% lower than for the same period of 2008. Trends however did not accelerate, with paying MoU in the third quarter 4.9% lower year-over-year, while this was 8.2% lower for the second quarter.
While the summer holiday season positively impacts roaming, it is a typical low season for mobile outbound.

The combined impact from regulation, lower mobile usage and an increased level of promotions in the SME market, results in a lower Mobile Voice ARPU of EUR 40.1 year-to-date September, or 18.2% lower than for the same period of 2008. The ARPU decline in the third quarter to EUR 37.6 results from the lower MoU (seasonality), the lower roaming rates as of 1 July and the level of promotional activity.

Mobile data
Revenue from Mobile data continues its solid growth. Over the first nine months of 2009, the revenue grew 14.4% to EUR 137 million.

The revenue growth is fully driven by the continued increase in advanced data revenue, growing 21.4% year-to-date September 2009. As a result of the launch of a new concept "Bizz Deal[2]", oriented towards the SME-market and because of new promotions for mobile Internet on laptops[3], the third quarter 2009 revenue increased by more than 33% year-over-year.
The solid result of Advanced Data, representing 68% of the total EBU mobile data revenue, positively impacts the ARPU. In the third quarter 2009, the ARPU increased to EUR 13.4, or +7.2% compared to the same period of 2008.

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[1] Consumer packages or offers specifically oriented towards SMEs such as Bizz Flex, Bizz Happy Work, Bizz Happy Max. These offers include packages of minutes and/or SMS, and a flat rate pricing beyond the bundle limit.
[2] Special deals targeting SMEs, increasing the accessibility of mobile Internet by combining the latest smartphones with a mobile Internet subscription
[3] USB stick at discount or for free

Regarding data roaming, Belgacom took measures to prevent bill shocks. As of 1 July 2009, customers subscribing to PAYU[1] or a bundle, receive via SMS a real-time notification on their usage of mobile data roaming when they are abroad. This is a step towards compliance with the EU regulation, which needs to be ready as of March 2010.

The revenue from SMS grew year-to-date September 2009 by 2.2%. While the number of paying SMS remains high at 53.8, the SMS revenue in the third quarter was significantly affected by regulation of SMS roaming, capping the SMS price to EUR 0.11 as of 1 July 2009.

	Nine months ended 30 September		
(EUR million)	2008	2009	Variance % 2009/2008
Mobile DATA revenue	**120**	**137**	**14.4%**
Data - SMS	43	44	2.2%
Advanced data	77	93	21.4%
% in Mobile Data revenue			
Data SMS	36%	32%	
Advanced data	64%	68%	

EBU operating expenses before depreciation and amortization

With revenues being under pressure, EBU successfully manages its costs. Over the first nine months, the reported operating expenses of EUR 952 million were 10.5% lower than for the same period of last year. Important costs savings were realized on sales-related costs, but also on HR and non-HR-related expenses. Realized divestments have contributed significantly to the savings.

Costs of materials and charges to revenue

The sales-related costs year-to-date September were limited to EUR 556 million, or a decrease of 11.7% compared to the same period of 2008. This is in part linked to EBU's divestment program. On an organic basis, sales-related costs were still 4.4% lower, driven by a favorable impact on costs by regulation (lower MTR and lower fixed interconnect rates to alternative networks as of 1 January 2009) and consequently by the lower revenue from mobile roaming, mobile handsets and ICT.

Personnel expenses

EBU's HR expenses were EUR 23 million or 7.3% lower compared to September 2008. This positive evolution is fully driven by the decreased personnel base. By end September 2009, EBU had 5,311 FTEs, which is 507 less than one year ago, partly driven by the Telindus divestment program. The lower FTE base more than offsets the salary indexation impact carried over from 2008.

Other operating expenses

The positive results from the divestments and the company-wide cost reduction program is also showing in the other operating costs, year-to-date down by 12.1%. Especially in the third quarter 2009, the non-HR expenses were significantly lower (-20% year-over-year) compared to the third quarter of last year. Excluding the positive impact from divestments, the organic other operating expenses were down by 4.3% compared to the first nine months of 2008.

EBU operating income before depreciation and amortization (EBITDA)

EBU reported an EBITDA of EUR 916 million for the first nine months of 2009. The tight cost control, and especially the positive impact from the divestments, have limited the EBITDA decrease to 3.8%. This leads to an improved contribution margin, going up year-over-year from 47.3% to 49.1% end September 2009. On an organic basis, EBU's contribution margin by end September 2009 was 49.3%.

[1] Pay as you Use

EBU operating result

OPERATIONALS	Nine months ended 30 September			
	2008	2009	Variance 2009/2008	Variance % 2009/2008
FROM FIXED				
Number of access channels (thousands)	1,993	1,946	-47	-2.3%
Voice (PSTN/ISDN)	1,550	1,492	-58	-3.7%
IP	4	12	8	-
ADSL, VDSL	439	442	3	0.7%
Traffic (millions of minutes)	2,754	2,508	-245	-8.9%
National	1,889	1,711	-178	-9.4%
Fixed to Mobile	534	504	-30	-5.7%
International	331	293	-38	-11.4%
ARPU (EUR)				
ARPU Voice[1]	31.8	30.8	-1.0	-3.2%
ARPU Broadband[2]	40.7	40.0	-0.7	-1.7%
FROM MOBILE				
Number of active customers[3] (thousands)	1,116	1,211	95	8.5%
Post-paid[4]	1,116	1,211	95	8.5%
Annualized churn rate[5] (blended - variance in p.p.)	9.7%	10.2%		
Net ARPU[6] (EUR)				
Postpaid	61.4	53.0	-8.4	-13.6%
Postpaid voice	49.0	40.1	-8.9	-18.2%
Postpaid data	12.4	12.9	0.5	4.3%
UoU[7] (units)	393.9	381.0	-12.9	-3.3%
MoU[8] (min)	378.8	346.4	-32.4	-8.6%
Normalized MoU[9] (min)	351.5	330.1	-21.4	-6.1%
SMS[10] (units)	53.1	67.2	14.1	26.6%
Normalized SMS[11] (units)	49.0	53.8	4.8	9.8%

(1) ARPU Voice is equal to total voice revenue, excluding activation and payphone-related revenue, divided by the average voice access channels for the period considered, divided by the number of months in that same period.

(2) ARPU Broadband is equal to total ADSL revenue, divided by the average number of ADSL lines for the period considered, divided by the number of months in that same period.

(3) Active customers are customers who have made or received at least one call or sent or received at least one SMS in the last three months.

(4) Prepaid customers and MVNO customers are fully segmented as CBU customers.

(5) Annualized churn is the total annualized number of SIM cards disconnected from the Belgacom Mobile network (including the total number of port-outs due to mobile number portability) during the given period, divided by the average number of customers for that same period.

(6) ARPU has been calculated on the basis of monthly averages for the period indicated. Monthly net ARPU is equal to total mobile voice and mobile data revenues, divided by the average number of active mobile customers for that period.

(7) UoU (Units of Use): voice minutes of use + SMS (where one SMS equals one minute) per active customer per month.

(8) MoU (Minutes of Use): duration of all calls from or to Proximus, per active voice customer per month.

(9) Normalized MoU: duration of all calls from or to Proximus, per active voice customer, per month – excluding free minutes

(10) SMS: number of SMS per active customer per month.

(11) Normalized SMS: number of paying SMS per active customer per month (i.e. excluding free SMS).

Service Delivery Engine – SDE

P&L Service Delivery Engine

(EUR million)	Nine months ended 30 September 2008	2009	Variance 2009/2008
TOTAL SEGMENT REVENUE	**315**	**286**	**-9.2%**
Costs of materials and charges to revenue	-74	-52	-29.5%
Personnel expenses and pensions	-159	-147	-7.3%
Other operating expenses	-131	-133	1.7%
TOTAL OPERATING EXPENSES before depreciation & amortization	**-364**	**-333**	**-8.6%**
TOTAL SEGMENT RESULT (1)	**-49**	**-47**	**-**
Segment contribution margin	*-15%*	*-16%*	
OPERATING LOSS before depreciation & amortization	**-49**	**-47**	**-**
Depreciation and amortization	-377	-321	-15.1%
OPERATING LOSS	**-426**	**-367**	**-13.9%**

(1) Operating income before depreciation and amortization and before non-recurring revenue and expenses

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SDE revenue

Over the first nine months of 2009, SDE reported a revenue of EUR 286 million or a decrease of 9.2% compared to last year. Main drivers are regulation impacts and lower interconnection revenues.

Year-to-date September 2009 revenue has been impacted by:

- Lower interconnect revenues from Pay Services following Royal Decree April 2008. The year-over-year trend however improved over the three quarters as the impact on volumes is lessening.
- Lower Telindus wholesale revenues with other operators following the integration within Belgacom
- Lower transit traffic volumes to other operators;
- Regulation impact due to 50% decrease in bitstream transport prices (November 2008) and the Brotsoll[1] regulation
- A slight decline in roaming-in revenues due to lower roaming-in volumes and lower regulated prices as of 1 July 2009

This was partly offset by an increase in data and capacity revenues, driven by increased volumes in 2 Mbps leased lines.

(EUR million)	Nine months ended 30 September 2008 YTD	2009 YTD	Variance 2009/2008	Variance % 2009/2008
Revenues	**315**	**286**	**-29**	**-9.2%**
From Fixed	252	228	-24	-9.5%
From Mobile	64	59	-5	-8.0%

SDE operating expenses before depreciation and amortization

Cost of material and charges to revenue

Compared to a year ago, the SDE cost of sales declined -29.5% to EUR 52 million, driven by the decline in low-margin transit traffic, the decline in interconnection volumes coming from Pay services, and the smaller Telindus wholesale revenue.

Personnel expenses

The year-over-year decline in personnel costs of EUR 12 million (-7.3%) is driven by the decrease in headcount (-242 FTEs) and special tax reductions on night shift/overtime which more than offset the carry-over impact of the salary indexations of 2008.
In the first nine months of 2009, SDE headcount was reduced by 210 FTEs.

[1] Belgacom Reference Offer for Terminating Segments of Leased Lines

Other operating expenses
The SDE other operating costs went up slightly driven by among other things an increase in renting costs due to a higher number of sites.

SDE operating income before depreciation and amortization (EBITDA)

As the lower year-to-date revenue had only a limited impact on Direct margin, and SDEs operational costs evolved favourably, the EBITDA slightly improved from EUR -49 million to EUR -47 million.

Staff & Support – S&S

P&L Staff and Support

	Nine months ended 30 September		
(EUR million)	**2008**	**2009**	**Variance 2009/2008**
TOTAL SEGMENT REVENUE	**24**	**25**	**3.2%**
Costs of materials and charges to revenue	-2	-1	-46.9%
Personnel expenses and pensions	-121	-124	2.1%
Other operating expenses	-166	-143	-14.0%
TOTAL OPERATING EXPENSES before depreciation & amortization	**-290**	**-268**	**-7.5%**
TOTAL SEGMENT RESULT (1)	**-266**	**-243**	**-8.5%**
Segment contribution margin	-	-	
OPERATING LOSS before depreciation & amortization	**-266**	**-243**	**-8.5%**
Depreciation and amortization	-76	-56	-25.7%
OPERATING LOSS	**-342**	**-299**	**-12.3%**

(1) Operating income before depreciation and amortization and before non-recurring revenue and expenses

✓ *S&S quarterly financial and operational results: page 29*

S&S revenue

Staff & Support revenue increased year-over-year 3.2% to EUR 25 million, including a gain realized on the disposal of a building.

S&S operating expenses before depreciation and amortization

Other operating expenses decreased year-over-year by 14% to EUR 143 million. This is mainly driven by the lower renting costs and provisions as a result of the vacated Proximus building. In addition, the company-wide cost reduction program also contributes to the favorable evolution.

The S&S headcount was reduced by 81 FTEs compared to September 2008, of which 44 FTEs left the company in 2009. The resulting positive impact on personnel expenses was however not sufficient to fully offset the 2008 salary indexation impact.

International Carrier Services - ICS

- **Ytd revenue growth of 15.3%, EBITDA + 26.8%**
- **Deceleration of Voice revenue growth in Q3 as anticipated**
- **Non-voice revenue continues its growth path**

P&L International Carrier Services

	Nine months ended 30 September		
(EUR million)	**2008**	**2009**	**Variance 2009/2008**
TOTAL SEGMENT REVENUE	**582**	**671**	**15.3%**
Costs of materials and charges to revenue	-491	-564	14.9%
Gross margin (1)	*91*	*108*	*17.7%*
Personnel expenses and pensions	-16	-18	12.3%
Other operating expenses	-29	-31	6.2%
TOTAL OPERATING EXPENSES before depreciation & amortization	**-536**	**-613**	**14.3%**
TOTAL SEGMENT RESULT (2)	**46**	**58**	**26.8%**
Segment result margin	*8%*	*9%*	
OPERATING INCOME before depreciation & amortization	**46**	**58**	**26.8%**
Depreciation and amortization	-14	-16	11.9%
OPERATING INCOME	**32**	**42**	**33.5%**

(1) Total segment revenue net of costs of materials and charges to revenue
(2) Operating income before depreciation and amortization and before non-recurring revenue and expenses

✓ *ICS quarterly financial and operational results: page 30*

ICS revenue

In view of the global economic downturn, ICS continued to deliver strong results. For the first nine months of 2009, ICS reports a year-over-year revenue growth of 15.3%, driven by a continued strong growth in higher margin premium products. The growth in the mobile segment, especially in Africa, Asia and the Middle East is the main driver for the increase in voice revenue.
As expected, third quarter growth for **Voice revenue** has decelerated as the year-over-year impact stagnates. **Non-voice revenue** on the other hand, continued its strong growth with 17.2% in the third quarter driven by mobile services (SMS, MMS and GPRS roaming) and high-rate bandwidth products.

	Nine months ended 30 September			
(EUR million)	**2008**	**2009**	**Variance 2009/2008**	**Variance % 2009/2008**
Voice Direct Routing	177.9	170.3	-7.6	-4.3%
Voice Standard Products	59.6	72.2	12.7	21.3%
Voice Premium Products	294.7	371.5	76.8	26.1%
Non Voice	49.8	57.1	7.3	14.6%
Total revenues	**581.9**	**671.1**	**89.2**	**15.3%**

ICS detailed gross margin

The ICS gross margin increased 17.7% year-to-date September, driven by the strong volume growth in both voice and non-voice.
Due to six-month commercial agreements, the ICS business is rather cyclical with fluctuations between quarters. Whereas the second quarter 2009 gross margin was rather high at 17.8%, the third quarter margin was lower at 15.2%.

	Nine months ended 30 September			
(EUR million)	**2008**	**2009**	**Variance 2009/2008**	**Variance % 2009/2008**
Voice	53.4	63.5	10.1	19.0%
Non Voice	38.0	44.0	6.0	15.9%
Total Gross Margin	**91.4**	**107.5**	**16.2**	**17.7%**

ICS operating income before depreciation and amortization (EBITDA)

The increase in the personnel expenses is on the one hand driven by the increase in headcount in order to sustain the mobile data growth and on the other hand by the carry-over impact of the salary indexations of last year. The slight increase in other operating expenses is driven by the volume growth.

Over the first nine months of 2009, ICS' EBITDA grew by 26.8% to EUR 58 million, with EBITDA margin at 8.7% compared to 7.9% end September 2008.

ICS operating review

	Nine months ended 30 September			
(Voice volumes in billion of minutes)	**2008**	**2009**	**Variance 2009/2008**	**Variance % 2009/2008**
Voice Direct Routing	5.5	5.4	0.0	-0.8%
Voice Standard Products	1.1	1.5	0.4	32.3%
Voice Premium Products	5.1	7.1	2.0	38.1%
Total	**11.7**	**14.0**	**2.3**	**19.4%**

BICS volumes included at 100%

Quarterly results

Group – Financials

(EUR million)	Q108	Q208	Q308	Q408	YTD08	2008	Q109	Q209	Q309	YTD09
Revenues	**1,469**	**1,485**	**1,473**	**1,551**	**4,427**	**5,978**	**1,492**	**1,504**	**1,476**	**4,472**
Consumer Business Unit	548	553	560	593	1,660	2,253	591	604	602	1,797
Enterprise business unit	675	690	651	680	2,016	2,696	640	626	602	1,868
Service Delivery engine	110	103	102	99	315	415	98	94	94	286
Staff&Support	9	7	8	10	24	34	7	12	6	25
International Carrier Services	185	190	207	230	582	812	217	227	228	671
Intersegment eliminations	-59	-58	-54	-61	-171	-232	-61	-60	-55	-176
Costs of materials and charges to revenues	**-469**	**-479**	**-487**	**-540**	**-1,435**	**-1,975**	**-511**	**-511**	**-515**	**-1,537**
Personnel expenses and pensions	**-280**	**-282**	**-281**	**-281**	**-843**	**-1,124**	**-281**	**-280**	**-271**	**-831**
Other operating expenses	**-202**	**-226**	**-202**	**-259**	**-630**	**-890**	**-207**	**-211**	**-196**	**-615**
Segment result	**518**	**498**	**503**	**471**	**1,519**	**1,990**	**492**	**502**	**494**	**1,488**
Segment EBITDA margin*	**35.3%**	**33.5%**	**34.1%**	**30.4%**	**34.3%**	**33.3%**	**33.0%**	**33.4%**	**33.5%**	**33.3%**
Non recurring items	**0**	**8**	**0**	**-93**	**8**	**-85**	**0**	**-62**	**0**	**-62**
Ebitda	**518**	**506**	**503**	**378**	**1,527**	**1,905**	**492**	**440**	**494**	**1,426**

** before non-recurring items*

Group – Capex

(EUR million)	Q108	Q208	Q308	Q408	YTD 2008	2008	Q109	Q209	Q309	YTD 2009
Group Capex	**128**	**242**	**135**	**258**	**506**	**764**	**135**	**134**	**136**	**405**
Consumer Business Unit	10	117	29	39	156	195	26	16	19	61
Enterprise business unit	7	3	3	6	14	19	6	4	4	14
Service Delivery engine	105	108	90	174	303	477	98	106	100	304
Staff&Support	6	12	9	27	27	54	3	6	8	16
International Carrier Services	1	2	3	13	6	19	2	3	6	11

CBU - Financials

(EUR million)	Q108	Q208	Q308	Q408	YTD08	2008	Q109	Q209	Q309	YTD09
Revenues	**548**	**553**	**560**	**593**	**1,660**	**2,253**	**591**	**604**	**602**	**1,797**
From Fixed	**283**	**283**	**280**	**298**	**846**	**1,144**	**309**	**304**	**308**	**922**
Voice	153	149	147	150	449	599	144	141	138	423
Data	76	80	78	80	233	313	79	78	82	239
TV	18	20	23	24	62	86	29	30	34	94
Terminals (excl. TV)	16	14	14	13	44	57	13	12	13	37
Scarlet	0	0	0	9	0	9	25	24	22	72
Other	20	19	19	22	58	80	19	19	19	57
From Mobile	**265**	**270**	**279**	**295**	**814**	**1,110**	**282**	**300**	**293**	**875**
Voice	183	185	180	176	548	723	170	178	179	528
Data	70	69	67	71	206	277	71	77	75	223
Terminals (excl. TV)	9	12	12	18	33	50	14	18	14	46
Tango	0	0	17	26	17	43	23	23	23	69
Other	3	4	4	5	11	16	4	3	2	10
Costs of materials and charges to revenues	**-124**	**-127**	**-139**	**-164**	**-389**	**-553**	**-166**	**-174**	**-178**	**-519**
Personnel expenses and pensions	**-79**	**-80**	**-81**	**-85**	**-240**	**-325**	**-89**	**-88**	**-81**	**-258**
Other operating expenses	**-58**	**-71**	**-67**	**-86**	**-196**	**-282**	**-68**	**-75**	**-73**	**-216**
Segment result	**287**	**275**	**273**	**258**	**835**	**1,093**	**268**	**266**	**269**	**804**
Segment Contribution margin	**52.3%**	**49.8%**	**48.7%**	**43.6%**	**50.3%**	**48.5%**	**45.4%**	**44.1%**	**44.8%**	**44.7%**

CBU – Operationals

	Q108	Q208	Q308	Q408	YTD08	2008	Q109	Q209	Q309	YTD09
FROM FIXED										
Number of access channels (thousands)	**3,136**	**3,099**	**3,078**	**3,068**	**3,078**	**3,068**	**3,164**	**3,130**	**3,114**	**3,114**
PSTN	2,223	2,176	2,125	2,071	2,125	2,071	2,013	1,979	1,956	1,956
ISDN	45	43	42	40	42	40	38	37	36	36
IP	15	21	35	54	35	54	71	70	65	65
ADSL, VDSL	854	859	876	902	876	902	1,042	1,044	1,057	1,057
Traffic (millions of minutes)	**1,263**	**1,188**	**1,119**	**1,231**	**3,570**	**4,801**	**1,230**	**1,124**	**1,060**	**3,413**
National	1,063	983	927	1,023	2,973	3,996	1,022	918	869	2,808
Fixed to Mobile	101	109	100	107	310	417	105	109	101	315
International	99	97	91	102	287	388	102	97	90	290
TV (thousands)	**349**	**391**	**443**	**506**	**443**	**506**	**555**	**589**	**663**	**663**
TV - households	313	350	389	441	389	441	486	513	575	575
of which second stream users	37	42	54	65	54	65	70	75	88	88
ARPU (EUR)										
ARPU Voice	21.5	21.3	21.3	22.2	21.4	21.6	21.7	21.6	21.5	21.6
ARPU broadband	29.8	31.0	29.7	29.7	30.2	30.0	28.6	28.1	29.1	28.6
ARPU Belgacom TV	19.3	19.6	20.2	18.5	19.7	19.4	20.4	19.2	20.6	20.1
FROM MOBILE										
Number of active customers (thousands)	**3,648**	**3,672**	**3,705**	**3,777**	**3,705**	**3,777**	**3,787**	**3,809**	**3,829**	**3,829**
Pre-paid	2,196	2,199	2,228	2,235	2,228	2,235	2,229	2,224	2,235	2,235
Post-paid	1,364	1,389	1,393	1,431	1,393	1,431	1,451	1,488	1,510	1,510
MVNO	87	84	84	111	84	111	107	97	84	84
Annualized churn rate (blended - variance in p.p.)*	**19.6%**	**19.2%**	**20.4%**	**18.8%**	**19.6%**	**19.5%**	**19.6%**	**20.8%**	**21.5%**	**20.7%**
ARPU (EUR)**										
Prepaid	24.2	22.5	21.4	22.9	22.7	22.8	22.0	24.5	23.6	23.4
Postpaid	40.8	40.3	39.8	39.2	40.3	40.0	37.3	38.6	38.2	38.0
Blended	30.0	28.9	28.1	28.7	29.0	28.9	27.5	29.5	28.9	28.6
Blended voice	20.7	19.5	18.8	18.6	19.7	19.4	17.5	18.3	18.3	18.0
Blended data	9.3	9.4	9.3	10.2	9.3	9.5	10.0	11.2	10.6	10.6
Net ARPU (EUR)**										
Prepaid	14.8	14.9	13.9	14.0	14.5	14.4	13.3	14.4	13.8	13.8
Postpaid	38.8	37.9	37.0	36.6	37.9	37.6	35.3	36.4	36.5	36.1
Blended	23.5	23.5	22.5	22.4	23.1	23.0	21.6	22.7	22.6	22.3
Blended voice	17.0	17.2	16.4	16.0	16.8	16.6	15.3	15.9	15.9	15.7
Blended data	6.5	6.3	6.1	6.4	6.3	6.3	6.3	6.8	6.7	6.6
UoU (units)	**218.5**	**224.6**	**214.4**	**244.8**	**219.4**	**225.8**	**262.9**	**290.5**	**275.7**	**276.3**
MoU (min)	**119.3**	**118.6**	**111.0**	**112.0**	**118.6**	**115.3**	**107.9**	**112.9**	**108.9**	**109.8**
Normalized MoU (min)	95.9	100.5	94.5	95.4	97.1	96.7	93.6	96.5	95.6	94.9
SMS (units)	**100.1**	**106.9**	**104.3**	**133.7**	**103.8**	**111.4**	**156.0**	**178.7**	**167.8**	**167.5**
Normalized SMS (units)	58.9	60.0	54.9	66.8	58.0	60.2	68.3	72.2	69.0	71.2

EBU - Financials

(EUR million)	Q108	Q208	Q308	Q408	YTD08	2008	Q109	Q209	Q309	YTD09
Revenue	**675**	**690**	**651**	**680**	**2,016**	**2,696**	**640**	**626**	**602**	**1,868**
From Fixed	470	479	449	482	1,398	1,880	444	429	413	1,286
Voice	157	155	146	150	458	608	148	144	139	432
Data	101	103	101	103	304	408	101	100	100	301
ICT	187	194	176	199	557	756	171	166	153	489
Terminals	18	19	19	20	57	77	19	18	18	55
Other	7	8	7	10	21	32	6	1	2	9
From Mobile	205	211	202	198	618	816	196	197	189	582
Voice	159	164	153	148	476	624	146	144	135	425
Data	39	40	41	42	120	162	43	46	48	137
Terminals	5	5	5	5	15	20	4	4	3	11
Other	2	3	2	3	7	10	3	3	3	9
Costs of materials and charges to revenues	**-212**	**-220**	**-198**	**-215**	**-629**	**-844**	**-198**	**-184**	**-174**	**-556**
Personnel expenses and pensions	**-101**	**-103**	**-102**	**-102**	**-306**	**-408**	**-95**	**-94**	**-94**	**-283**
Other operating expenses	**-40**	**-48**	**-41**	**-50**	**-128**	**-178**	**-41**	**-39**	**-33**	**-113**
Segment result	**324**	**320**	**310**	**313**	**953**	**1,266**	**306**	**310**	**301**	**916**
Segment Contribution margin	**47.9%**	**46.3%**	**47.6%**	**46.1%**	**47.3%**	**47.0%**	**47.7%**	**49.4%**	**50.0%**	**49.1%**

EBU – Operationals

	Q108	Q208	Q308	Q408	YTD08	2008	Q109	Q209	Q309	YTD09
FROM FIXED										
Number of access channels (thousands)	**2,000**	**1,998**	**1,993**	**1,987**	**1,993**	**1,987**	**1,974**	**1,958**	**1,946**	**1,946**
PSTN	693	687	682	674	682	674	664	657	652	652
ISDN	874	872	868	864	868	864	854	847	840	840
IP	2	2	4	7	4	7	11	11	12	12
ADSL, VDSL	431	436	439	443	439	443	445	443	442	442
Traffic (millions of minutes)	**969**	**944**	**841**	**889**	**2,754**	**3,643**	**901**	**837**	**770**	**2,508**
National	672	645	572	610	1,889	2,499	620	569	522	1,711
Fixed to Mobile	183	186	165	175	534	708	176	171	157	504
International	114	114	104	105	331	436	105	97	91	293
ARPU (EUR)										
ARPU Voice	32.7	32.2	30.4	31.6	31.8	31.7	31.3	30.9	30.1	30.8
ARPU Broadband	40.4	41.2	40.4	40.2	40.7	40.6	40.1	39.8	40.1	40.0
FROM MOBILE										
Number of active customers (thousands)	**1,065**	**1,093**	**1,116**	**1,139**	**1,116**	**1,139**	**1,170**	**1,190**	**1,211**	**1,211**
Post-paid	1,065	1,093	1,116	1,139	1,116	1,139	1,170	1,190	1,211	1,211
Annualized churn rate (blended - variance in p.p.)	**10.2%**	**9.4%**	**9.4%**	**11.4%**	**9.7%**	**10.1%**	**10.7%**	**11.0%**	**9.0%**	**10.2%**
ARPU (EUR)										
Postpaid	69.3	69.7	65.0	64.3	67.9	67.0	60.8	60.4	58.4	59.9
Postpaid voice	55.9	56.2	51.5	50.2	54.5	53.4	47.1	46.2	43.5	45.6
Postpaid data	13.4	13.5	13.5	14.1	13.5	13.6	13.7	14.3	14.9	14.3
Net ARPU (EUR)										
Postpaid	62.6	62.9	58.8	56.1	61.4	60.0	54.5	53.6	51.1	53.0
Postpaid voice	50.3	50.6	46.3	43.7	49.0	47.6	42.1	40.7	37.6	40.1
Postpaid data	12.4	12.3	12.5	12.5	12.4	12.4	12.4	12.9	13.4	12.9
UoU (units)	**397.2**	**411.0**	**372.7**	**397.2**	**393.9**	**394.8**	**388.5**	**389.2**	**365.4**	**381.0**
MoU (min)	**371.9**	**385.9**	**347.1**	**365.6**	**378.8**	**367.7**	**355.4**	**354.5**	**329.3**	**346.4**
Normalized MoU (min)	355.6	369.1	329.7	347.5	351.5	350.5	337.9	338.9	313.5	330.1
SMS (units)	**52.0**	**53.8**	**53.1**	**62.2**	**53.1**	**55.4**	**64.7**	**68.4**	**68.6**	**67.2**
Normalized SMS (units)	49.6	48.8	48.2	53.5	49.0	50.1	53.3	54.3	53.8	53.8

SDE - Financials

(EUR million)	Q108	Q208	Q308	Q408	YTD08	2008	Q109	Q209	Q309	YTD09
Revenues	**110**	**103**	**102**	**99**	**315**	**415**	**98**	**94**	**94**	**286**
From Fixed	90	81	81	78	252	330	79	74	75	228
From Mobile	20	22	21	21	64	85	19	21	19	59
Costs of materials and charges to revenues	**-29**	**-23**	**-21**	**-19**	**-74**	**-93**	**-16**	**-18**	**-18**	**-52**
Personnel expenses and pensions	**-54**	**-53**	**-52**	**-50**	**-159**	**-209**	**-50**	**-50**	**-47**	**-147**
Other operating expenses	**-46**	**-45**	**-41**	**-48**	**-131**	**-179**	**-48**	**-43**	**-42**	**-133**
Segment result	**-20**	**-18**	**-11**	**-18**	**-49**	**-67**	**-16**	**-18**	**-13**	**-47**
Segment Contribution margin	**-18.0%**	**-17.3%**	**-11.0%**	**-18.4%**	**-15.5%**	**-16.2%**	**-16.5%**	**-18.7%**	**-13.6%**	**-16.3%**

S&S - Financials

(EUR million)	Q108	Q208	Q308	Q408	YTD08	2008	Q109	Q209	Q309	YTD09
Revenues	**9**	**7**	**8**	**10**	**24**	**34**	**7**	**12**	**6**	**25**
Costs of materials and charges to revenues	**-1**	**-1**	**-1**	**-1**	**-2**	**-3**	**0**	**-1**	**-1**	**-1**
Personnel expenses and pensions	**-40**	**-41**	**-41**	**-39**	**-121**	**-160**	**-41**	**-41**	**-42**	**-124**
Other operating expenses	**-55**	**-59**	**-52**	**-71**	**-166**	**-237**	**-50**	**-49**	**-43**	**-143**
Segment result	**-86**	**-94**	**-86**	**-100**	**-266**	**-366**	**-84**	**-79**	**-80**	**-243**

ICS - Financials

(EUR million)	Q108	Q208	Q308	Q408	YTD08	2008	Q109	Q209	Q309	YTD09
Revenues	**185**	**190**	**207**	**230**	**582**	**812**	**217**	**227**	**228**	**671**
Costs of materials and charges to revenues	**-157**	**-160**	**-174**	**-195**	**-491**	**-685**	**-184**	**-186**	**-193**	**-564**
Personnel expenses and pensions	**-5**	**-5**	**-6**	**-5**	**-16**	**-22**	**-6**	**-6**	**-6**	**-18**
Other operating expenses	**-9**	**-10**	**-10**	**-12**	**-29**	**-41**	**-8**	**-11**	**-11**	**-31**
Segment result	**14**	**14**	**18**	**18**	**46**	**64**	**19**	**23**	**17**	**58**
Segment EBITDA margin	**7.6%**	**7.5%**	**8.5%**	**7.8%**	**7.9%**	**7.9%**	**8.7%**	**10.0%**	**7.4%**	**8.7%**

ICS – Operationals

(Voice volumes in billion of minutes)	Q108	Q208	Q308	Q408	YTD08	2008	Q109	Q209	Q309	YTD09
Voice Direct Routing	1.8	1.8	1.8	1.9	5.5	7.3	1.8	1.8	1.8	5.4
Voice Standard Products	0.3	0.4	0.4	0.5	1.1	1.6	0.5	0.5	0.5	1.5
Voice Premium Products	1.5	1.7	1.9	2.2	5.1	7.3	2.1	2.4	2.5	7.1
Total	**3.7**	**3.9**	**4.1**	**4.5**	**11.7**	**16.2**	**4.5**	**4.7**	**4.8**	**14.0**

BICS volumes included at 100%

Interim Financial statements

Interim condensed consolidated financial statements.

These interim financial statements have not been subject to a review by the independent auditor.

These interim condensed consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted for use in the European Union, and with IAS 34, Interim Financial Reporting.

The accounting policies and methods of the Group are consistent with those applied in the 31 December 2008 consolidated financial statements, with the exception that the Group adopted the new standards and interpretations that became mandatory for the Belgacom Group on 1 January 2009. The adoption of these new standards and interpretations did not affect the financial statements of the Group, except for the application of "IFRIC 13 Customer Loyalty Programs" which requires the awards credit granted to be deferred via the revenues and to be measured at fair value. The Group does not anticipate on the application of standards and interpretations.

On 28 November 2008, Belgacom acquired all the shares of Scarlet SA, an infrastructure-based communication provider. The fair value of its identifiable assets and liabilities, at the acquisition date, had not been determined on 31 December 2008, even provisionally. During the first nine months of 2009, the Belgacom Group recognized Scarlet's customer base and trade name (EUR 37 million, net of deferred taxes) and liabilities and provisions (EUR 11 million) and decreased the value of the network (EUR -19 million). The resulting purchase price allocation is likely finalized.

During the first nine months of 2009, the Belgacom Group did not acquire or dispose of any significant subsidiary, joint venture or affiliate.

Consolidated income statements

(EUR million)	Nine months ended 30 September 2008	2009
Net revenue	4,380	4,420
Other operating revenue	47	52
Non-recurring revenue	8	0
TOTAL REVENUE	**4,435**	**4,472**
Costs of materials and charges to revenue	-1,435	-1,537
Personnel expenses and pensions	-843	-831
Other operating expenses	-630	-615
Non-recurring expenses	0	-62
TOTAL OPERATING EXPENSES before depreciation & amortization	**-2,908**	**-3,046**
OPERATING INCOME before depreciation & amortization	**1,527**	**1,426**
Depreciation and amortization	-564	-521
OPERATING INCOME	**962**	**905**
Finance revenue	23	11
Finance costs	-87	-102
Net finance costs	**-63**	**-90**
INCOME BEFORE TAXES	**899**	**815**
Tax expense	-214	-199
NET INCOME	**685**	**616**
Non-controlling interests	0	-1
Net income (Group share)	685	617
Basic earnings per share	2.09 EUR	1.93 EUR
Diluted earnings per share	2.09 EUR	1.93 EUR
Weighted average number of ordinary shares	327,650,109	320,428,700
Weighted average number of ordinary shares for diluted earnings per share	327,769,836	320,563,775

Consolidated statements of other comprehensive income

(EUR million)	Nine months ended 30 September 2008	2009
Net income	**685**	**616**
Other comprehensive income:		
Available-for-sale investments:		
Valuation gain/(loss) taken to equity	-2	3
Exchange differences on translation of foreign operations	1	0
Other comprehensive income net of tax	**0**	**3**
Total comprehensive income	**685**	**619**
Attributable to:		
Equity holders of the parent	685	620

Consolidated balance sheets

(EUR million)	As of 31 December 2008	As of 30 September 2009
ASSETS		
NON-CURRENT ASSETS	**5,564**	**5,439**
Goodwill	2,111	2,100
Intangible assets with finite useful life	552	561
Property, plant and equipment	2,501	2,408
Enterprises accounted for under the equity method	0	2
Other participating interests	1	1
Deferred income tax assets	308	284
Pension assets	5	2
Other non-current assets	85	81
CURRENT ASSETS	**2,218**	**2,310**
Inventories	100	91
Trade receivables	1,205	1,146
Current income tax assets	144	165
Other current assets	151	188
Investments	53	90
Cash and cash equivalents	565	629
Assets classified as held for sale	0	2
TOTAL ASSETS	**7,782**	**7,749**
LIABILITIES AND EQUITY		
EQUITY	**2,276**	**2,369**
Shareholders' equity	**2,271**	**2,362**
Issued capital	1,000	1,000
Treasury shares	-517	-509
Restricted reserve	100	100
Remeasurement to fair value	4	7
Stock compensation	6	9
Retained earnings	1,675	1,752
Foreign currency translation	3	3
Non-controlling interests	**5**	**7**
NON-CURRENT LIABILITIES	**3,182**	**3,143**
Interest-bearing liabilities	2,128	2,132
Liability for pensions, other post-employment benefits and termination benefits	777	699
Provisions	225	213
Deferred income tax liabilities	49	96
Other non-current payables	3	3
CURRENT LIABILITIES	**2,323**	**2,238**
Interest-bearing liabilities	393	353
Trade payables	1,239	1,108
Income tax payables	165	101
Other current payables	527	673
Liabilities associated with assets classified as held for sale	0	2
TOTAL LIABILITIES AND EQUITY	**7,782**	**7,749**

Consolidated cash flow statements

	Nine months ended 30 September	
(EUR million)	**2008**	**2009**
Cash flow from operating activities		
Net income (group share)	685	617
Adjustments for:		
Non-controlling interests	0	-1
Depreciation and amortization on intangible assets and property, plant and equipment	564	521
Increase of impairment on intangible assets and property, plant and equipment	1	1
Increase of provisions	15	14
Deferred tax expense	27	53
Fair value adjustments on financial instruments	-4	2
(Gain) / loss on disposal of consolidated companies	-8	1
Gain on disposal of property, plant and equipment	-2	-3
Other non-cash movements	3	3
Operating cash flow before working capital changes	**1,282**	**1,208**
Decrease in inventories	7	9
Decrease / (increase) in trade receivables	-42	59
Increase in current income tax assets	-26	-21
Increase in other current assets	-56	-36
Increase / (decrease) in trade payables	41	-130
Decrease in income tax payables	-50	-64
Increase in other current payables	101	156
Decrease in net liability for pensions, other post-employment benefits and termination benefits	-69	-74
Decrease in other non-current payables and provisions	-22	-29
Increase in working capital, net of acquisitions and disposals of subsidiaries	**-117**	**-130**
Net cash flow provided by operating activities	**1,166**	**1,078**
Cash flow from investing activities		
Purchase of intangible assets and property, plant and equipment	-506	-405
Cash paid for consolidated companies, net of cash acquired	-217	-2
Cash received from sales of consolidated companies, net of cash disposed of	5	1
Cash received from sales of intangible assets and property, plant and equipment	8	7
Net cash received from other non-current assets	0	3
Net cash used in investing activities	**-709**	**-397**
Cash flow before financing activities	**457**	**681**
Cash flow from financing activities		
Dividends paid to shareholders	-568	-556
Dividends paid to non-controlling interests	-1	0
Net sale / (acquisition) of treasury shares	-241	8
Sale / (purchase) of investments	4	-34
Increase / (decrease) of shareholders' equity	-1	1
Issuance of long term debt	3	2
Issuance / (repayment) of short term debt	33	-39
Net cash used in financing activities	**-770**	**-617**
Net increase / (decrease) of cash and cash equivalents	**-314**	**64**
Cash and cash equivalents at 1 January	726	565
Cash and cash equivalents at 30 September	413	629

Consolidated statements of changes in equity

(EUR million)	Issued capital	Treasury shares	Restricted reserve	Remeasure-ment to fair value	Foreign currency translation	Stock Compen-sation	Retained Earnings	Share'rs' Equity	Minority interests	Total Equity
Balance at 31 December 2007	**1,000**	**-178**	**100**	**4**	**2**	**5**	**1,586**	**2,520**	**6**	**2,525**
Fair value changes in available-for-sale investments	*0*	*0*	*0*	*-2*	*0*	*0*	*0*	*-2*	*0*	*-2*
Currency translation differences	*0*	*0*	*0*	*0*	*1*	*0*	*0*	*1*	*0*	*1*
Equity changes not recognised in the income statement	0	0	0	-1	1	0	0	0	0	0
Net income	0	0	0	0	0	0	685	685	0	685
Total comprehensive income and expense	**0**	**0**	**0**	**-1**	**1**	**0**	**685**	**685**	**0**	**685**
Dividends to shareholders (relating to 2007)	0	0	0	0	0	0	-550	-550	0	-550
Dividends of subsidiaries to non-controlling interests	0	0	0	0	0	0	0	0	-1	-1
Treasury shares										
Exercise of stock options	0	8	0	0	0	0	-2	6	0	6
Acquisition of treasury shares	0	-252	0	0	0	0	0	-252	0	-252
Sale of treasury shares under a discounted share purchase plan	0	4	0	0	0	0	0	4	0	4
Cancellation of treasury shares	0	0	0	0	0	0	0	0	0	0
Stock options										
Stock options granted and accepted	0	0	0	0	0	3	0	3	0	3
Deferred stock compensation	0	0	0	0	0	-3	0	-3	0	-3
Amortization deferred stock compensation	0	0	0	0	0	2	0	2	0	2
Exercise of stock options	0	0	0	0	0	-1	1	0	0	0
Total transactions with equity holders	**0**	**-241**	**0**	**0**	**0**	**0**	**-551**	**-791**	**-1**	**-792**
Balance at 30 September 2008	**1,000**	**-418**	**100**	**2**	**3**	**6**	**1,721**	**2,414**	**5**	**2,419**
Balance at 31 December 2008	**1,000**	**-517**	**100**	**4**	**3**	**6**	**1,675**	**2,271**	**5**	**2,276**
Fair value changes in available-for-sale investments	*0*	*0*	*0*	*3*	*0*	*0*	*0*	***3***	*0*	*3*
Equity changes not recognised in the income statement	0	0	0	2	0	0	0	**3**	0	3
Net income	0	0	0	0	0	0	617	**617**	-1	616
Total comprehensive income and expense	**0**	**0**	**0**	**2**	**0**	**0**	**617**	**620**	**-1**	**619**
Dividends to shareholders (relating to 2008)	0	0	0	0	0	0	-538	**-538**	0	-538
Acquisition of non-controlling interests	0	0	0	0	0	0	0	**0**	2	2
Treasury shares	0									
Exercise of stock options	0	1	0	0	0	0	0	**1**	0	1
Sale of treasury shares under a discounted share purchase plan	0	6	0	0	0	0	-1	**5**	0	5
Stock options										
Stock options granted and accepted	0	0	0	0	0	4	0	**4**	0	4
Deferred stock compensation	0	0	0	0	0	-4	0	**-4**	0	-4
Amortization deferred stock compensation	0	0	0	0	0	3	0	**3**	0	3
Total transactions with equity holders	**0**	**8**	**0**	**0**	**0**	**3**	**-540**	**-529**	**2**	**-527**
Balance at 30 September 2009	**1,000**	**-509**	**100**	**7**	**3**	**9**	**1,752**	**2,362**	**7**	**2,369**

Contingent liabilities

No changes occurred during the first nine months of 2009 in the contingent liabilities mentioned in note 34 of the consolidated financial statements for the year ended on 31 December 2008, except for the following cases.

Regarding the complaint filed on the “Benefit Excellence Program”, the College of Auditors decided on 18 September 2009 not to pursue the investigation further and therefore to close the investigation in light of the resources that would be required further to bring the investigation to an end and submit a report to the Competition Council. Belgacom has no information regarding a possible appeal against the decision of the College of Auditors not to investigate the complaint further.

In June 2003, BASE filed an action against Belgacom Mobile before the Commercial Court of Brussels. BASE alleges that Belgacom Mobile’s termination rates since 1 October 2000 are not in accordance with the official telecommunications regulations requiring cost oriented pricing and that Belgacom Mobile’s Proximus-to-Proximus tariffs constitute an abuse of Belgacom Mobile’s alleged dominant position in the Belgian market. BASE’s provisional estimate of the claim for compensation based upon BASE's briefs in August 2004, amounted to approximately EUR 700 million in reimbursement and damages, representing the amount of lost revenue that BASE allegedly suffered as a result of these practices. This amount has been changed by BASE during the procedure: the provisional estimate from BASE related to the claim of compensation, based on the last documents in the file, amounts to approximately EUR 1 billion.

On 1 March 2004, Mobistar filed a request to intervene voluntarily in the action brought by BASE against Belgacom Mobile. Mobistar alleges that if the Commercial Court of Brussels were to find that Belgacom Mobile’s termination rates were not in accordance with the obligation of cost-oriented pricing, Mobistar should be awarded damages provisionally estimated by Mobistar to range between EUR 967,000 and EUR 56,000,000 depending on the termination rates upheld by the Court. Furthermore, Mobistar alleges that in addition to the Proximus-to-Proximus tariffs, certain tariff schemes offered by Belgacom Mobile to business and corporate customers constitute an abuse of Belgacom Mobile’s allegedly dominant position. Mobistar requests the Court to appoint a court expert to calculate the amount of alleged damages and seeks compensation for such damages, provisionally estimated at a minimum of EUR 50,000,000.

On 29 May 2007, the Commercial Court of Brussels pronounced in a first judgment that Belgacom Mobile did not infringe the obligation requiring cost oriented pricing for its termination rates. Furthermore, it did not find any proof for the existence of a dominant position during 2005. With regard to former years (from 1999 to 2004), the Court considered Belgacom Mobile as being in a dominant position and requested a panel of experts, composed of Mr. Robert Wtterwulghe and Mr. Cyril Nourissant (i) to determine whether the criticized pricing plans of Belgacom Mobile containing an off-net/on-net differential have an anti-competitive effect due to a network effect and whether there was a price squeeze and (ii) to determine the possible damage.

On 2 October 2009, the panel of experts filed their preliminary report and concluded:

- the existence of the alleged competition law infringements;
- on the basis of an unprecedented and prospective method, leading in particular to a calculation of the theoretical market share BASE and Mobistar should have had under conditions of perfect competition, that it could be considered that the alleged impact of the Proximus on-net tariffs during the years 1999-2004 amounted to EUR 1.18 billion.

Belgacom Mobile stresses that this is a preliminary report, which will be the object of a thorough analysis. As foreseen in the proceedings, Belgacom will submit its detailed observation and criticisms that will cover all aspects of the pending matter. Indeed this matter does not only involve a debate on the possible damages that would have been caused, but first the existence of the alleged anti-competitive practices is to be demonstrated. The experts will need to take these observations into account when drawing up their final report (expected in Q1 2010). The latter will then have to be examined by the Commercial Court in the context of the further legal proceedings. It will finally be upon the court (i) to decide whether anti-competitive practices have been committed, (ii) to determine whether Belgacom Mobile is liable for such practices and (iii) to decide upon the amount of the possible damages to be paid.

Belgacom Mobile continues to contest the claims of both BASE and Mobistar and hence also the content of the preliminary report of the panel of experts in respect of the existence of the infringements itself as in respect of the calculation of the damages.

In the proceedings following a complaint by BASE in 2005 with the Belgian Competition Authority the latter confirmed on 26 May 2009 one of the five charges of abuse of dominant position put forward by the Prosecutor on 22 April 2008, i.e. engaging in 2004-2005 in a “price-squeeze” on the professional market. The Competition Authority considered that the rates for calls between Proximus customers (“on-net rates”) were lower than the rates it charged competitors for routing a call from their own networks to that of Proximus (=termination rates), increased with a number of other costs deemed relevant. All other charges of the Prosecutor were rejected. The Competition Authority also imposed a penalty of EUR 66.3 million on Belgacom Mobile for abuse of a dominant position during the years 2004 and 2005. The Group was obliged to pay the penalty prior to 30 June 2009 and

recognized this charge (net of existing provisions) as a non-recurring expense in the income statement of the second quarter 2009.
Belgacom Mobile filed an appeal against the ruling of the Competition Authority with the Court of Appeal of Brussels, contesting a large number of elements of the ruling: a.o. the fact that the market impact was not examined. Also Base and Mobistar filed an appeal against said ruling.
Following the aforementioned ruling of the Belgian Competition Authority of 26 May 2009 and the Preliminary report of the panel of experts in the aforementioned litigation case initiated by BASE in June 2003 and voluntarily joined by Mobistar on 1 March 2004, management reassessed the contingent liabilities of the Group, taking into account the current legal status of those litigations . The Group will continue to monitor any further developments in these cases and in the meantime vigorously continues to defend its interests.

Following the aforementioned ruling of the Belgian Competition Authority of 26 May 2009 and the Preliminary report of the panel of experts in the aforementioned litigation case initiated by BASE in June 2003 and voluntarily joined by Mobistar on 1 March 2004 (considering an alleged damage amounting to EUR 1.18 billion), management reassessed the contingent liabilities of the Group taking into account the current legal status of those litigations. The Group will continue to monitor any further developments in these cases, including the impact it may have on the accounting provisions. In the meantime the Group will vigorously continue to defend its interests.

After the launch on 1 June 2005 of the Happy Time tariff scheme by Belgacom on 1 June 2005, Tele2 filed a complaint with the Belgian Competition Authority *i)* alleging that said tariffs constitute an abuse of dominant position (27 June 2005) and *ii)* requesting interim measures, i.e. suspension of the Happy Time offer, pending the procedure (5 July 2005).
On 1 September 2006, Tele2's request for interim measures was initially rejected by the President of the Competition Council. Following an appeal by Tele2, the Court of Appeal, on 18 December 2007, nullified the aforementioned decision, arguing a.o. a lack of reasoning.
However, Tele2 did not ask the President to adopt a new decision on its request for interim measures but initiated a damage claim based on an alleged abuse if dominance (the Happy Time plan) on 18 April 2008 (claim for €1 provisional and request for appointment of an expert to compute the precise damage). Last hearing is scheduled for 19 November 2009. The timing for a decision is unknown.
In the case pending on the merits with the Competition Authority, the Prosecutor issued on 29 September 2009 his reasoned report proposing to the Council that Belgacom abused and still abuses its dominant position, retaining the allegation of price squeeze. The further timing for the matter with the Competition Authority is currently unknown.
Belgacom continues to contest both claims of Tele2.
Following the report of the Prosecutor, management reassessed the contingent liabilities of the Group, taking into account the current legal status of both litigation files. Belgacom will continue to monitor any further development in both cases and in the meantime vigorously continues to defend its interests.

Subsequent events

Interim dividend

Belgacom's Board of Directors approved the payment of an interim dividend of EUR 0.4 per share (gross), or a total amount of EUR 128 million. This brings the 2009 total shareholder return on a cash basis to EUR 666 million, including the 2008 ordinary dividend paid in April 2009.

- Ex-dividend date: 1 December 2009
- Record date: 3 December 2009
- Payment date: 4 December 2009

Segment reporting

Segment revenue and results

(EUR million)	Consumer Business Unit	Enterprise Business Unit	Service Delivery Engine	Staff & Support	International Carrier Services	Inter-segment eliminations	Total
	Nine months ended 30 September 2008						
Net revenue	1611	1968	261	1	539	0	4380
Other operating revenue	11	8	11	15	1	0	47
Intersegment revenue	38	40	43	8	41	-171	0
TOTAL SEGMENT REVENUE	**1660**	**2016**	**315**	**24**	**582**	**-171**	**4427**
Costs of materials and charges to revenue	-389	-629	-74	-2	-491	150	-1435
Personnel expenses and pensions	-240	-306	-159	-121	-16	0	-843
Other operating expenses	-196	-128	-131	-166	-29	20	-630
TOTAL OPERATING EXPENSES before depreciation & amortization	**-826**	**-1063**	**-364**	**-290**	**-536**	**170**	**-2908**
TOTAL SEGMENT RESULT (1)	**835**	**953**	**-49**	**-266**	**46**	**0**	**1519**
Non-recurring revenue	0	8	0	0	0	0	8
OPERATING INCOME / (LOSS) before depreciation & amortization	**835**	**961**	**-49**	**-266**	**46**	**0**	**1527**
Depreciation and amortization	-73	-24	-377	-76	-14	0	-564
OPERATING INCOME / (LOSS)	**762**	**937**	**-426**	**-342**	**32**	**0**	**962**
Finance expense (net)							-63
INCOME BEFORE TAXES							**899**
Tax expense							-214
NET INCOME							**685**
Non-controlling interests							0
Net income (Group share)							685

(1) Operating income before depreciation and amortization and before non-recurring revenue and expenses

(EUR million)	Consumer Business Unit	Enterprise Business Unit	Service Delivery Engine	Staff & Support	International Carrier Services	Inter-segment eliminations	Total
	Nine months ended 30 September 2009						
Net revenue	1,744	1,831	214	1	629		4,420
Other operating revenue	10	10	14	16	2		52
Intersegment revenue	42	27	59	8	40	-176	**0**
TOTAL SEGMENT REVENUE	**1,797**	**1,868**	**286**	**25**	**671**	**-176**	**4,472**
Costs of materials and charges to revenue	-519	-556	-52	-1	-564	154	-1,537
Personnel expenses and pensions	-258	-283	-147	-124	-18	0	-831
Other operating expenses	-216	-113	-133	-143	-31	22	-615
TOTAL OPERATING EXPENSES before depreciation & amortization	**-993**	**-952**	**-333**	**-268**	**-613**	**175**	**-2,984**
TOTAL SEGMENT RESULT (1)	**804**	**916**	**-47**	**-243**	**58**	**0**	**1,488**
Non-recurring expenses	-7	-56	0	0	0	0	**-62**
OPERATING INCOME / (LOSS) before depreciation & amortization	**797**	**861**	**-47**	**-243**	**58**	**0**	**1,426**
Depreciation and amortization	-108	-20	-321	-56	-16	0	-521
OPERATING INCOME / (LOSS)	**689**	**841**	**-367**	**-299**	**42**	**0**	**905**
Finance expense (net)							-90
Loss from enterprises accounted for using the equity method							0
INCOME BEFORE TAXES							**815**
Tax expense							-199
NET INCOME							**616**
Non-controlling interests							-1
Net income (Group share)							617

(1) Operating income before depreciation and amortization and before non-recurring revenue and expenses

Segment assets

(EUR million)	Consumer Business Unit	Enterprise Business Unit	Service Delivery Engine	Staff & Support	International Carrier Services	Unallocated	Total
	As of 31 December 2008						
Goodwill	1,026	1,085	0	0	0	0	2,111
Segment assets	286	52	1,956	698	64	-3	3,054
Unallocated assets						2,617	2,617
Total assets	**1,313**	**1,136**	**1,956**	**698**	**64**	**2,614**	**7,782**

(EUR million)	Consumer Business Unit	Enterprise Business Unit	Service Delivery Engine	Staff & Support	International Carrier Services	Unallocated	Total
	As of 30 September 2009						
Goodwill	1,016	1,085	0	0	0	0	2,100
Segment assets	269	46	1,953	644	59	-2	2,969
Unallocated assets						2,680	2,680
Total assets	**1,285**	**1,130**	**1,953**	**644**	**59**	**2,678**	**7,749**

Other segment information

(EUR million)	Consumer Business Unit	Enterprise Business Unit	Service Delivery Engine	Staff & Support	International Carrier Services	Inter-segment eliminations	Total
	Nine months ended 30 September 2008						
Capital expenditure	156	14	303	27	6	0	506

(EUR million)	Consumer Business Unit	Enterprise Business Unit	Service Delivery Engine	Staff & Support	International Carrier Services	Inter-segment eliminations	Total
	Nine months ended 30 September 2009						
Capital expenditure	61	14	304	16	11	0	405

General information

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Date of constitution – Legal form
The transformation of Belgacom into a *"société anonyme"* (limited liability company) under public law was implemented by the Royal Decree of 16 December 1994, which was published in the Belgian Official Gazette on 22 December 1994, and became effective that same day.