

# Proximus Group Roadshow presentation

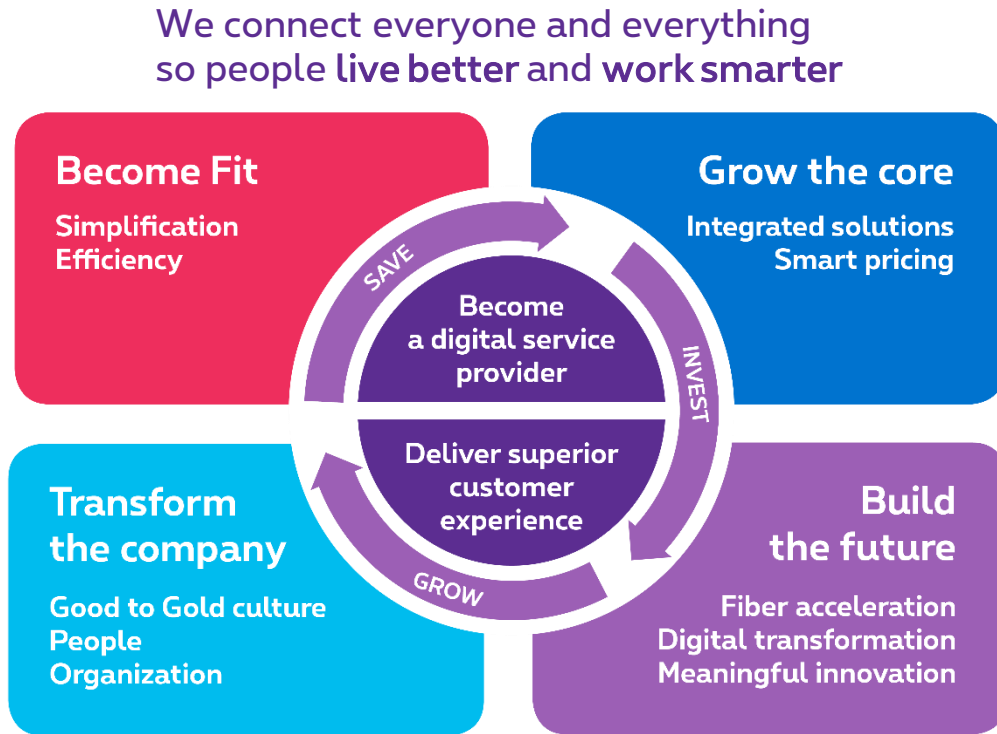
September 2017



# Table of contents

Fit for Growth Strategy - key achievements	3	Additional information	60
		<i>Regulation</i>	61
Zoom in on Q2'17 Group highlights	22	<i>BICS acquisition of TeleSign</i>	63
<i>Consumer segment</i>	33	<i>Headcount evolution</i>	65
<i>Enterprise segment</i>	49	<i>Pricing</i>	66
<i>Wholesale</i>	56	<i>Spectrum</i>	71
<i>BICS</i>	57	<i>Shareholder structure &amp; remuneration</i>	72
		<i>Contact details</i>	73

# 'Fit for Growth' strategy strengthened the company and led to positive operational and financial results



- ✓ We rebranded to Proximus and adopted a multi-brand strategy.
- ✓ We grew a valuable converged customer base and improved our market position, while keeping a sound pricing strategy.
- ✓ We put high focus on bringing superior customer experience.
- ✓ Innovative solutions to secure future growth.
- ✓ We further enhanced our high-quality networks and launched a future-proof fiber roll-out.
- ✓ We transform and simplify to structurally reduce the cost base.
- ✓ Achieving EBITDA growth, in spite of regulatory pressure.
- ✓ We generate solid FCF, allowing for investments and attractive shareholder return, while maintaining a sound financial position.

Multi brands

Valuable customer base

Customer experience

Innovation

Enhanced networks

Reducing costs

EBITDA growth

Sound FCF & financial position

# Our complementary brands meet the demands of a wide range of customers



Best quality and service with a full choice of features – bringing consumers and businesses instantly close to what matters.

Dual-brand strategy in Belgium



No frills offering for customers looking for the best prices.



Specialised in ICT, delivering access, connectivity and data center solutions combined with managed services and multi-vendor support.

Belgium  
Netherlands  
Luxembourg



The Proximus Group telecom operator in Luxembourg, offering fixed, mobile and convergent services.

Luxembourg



Best-in-class international wholesale solutions for voice and mobile data service providers. Expertise in Security and CPAAS solutions.



Global

# Proximus and Scarlet addressing different customer needs via different sales channels

Multi brands



Convergent offerings that have evolved from discount to product features



No frills, no convergent standard offering, low priced



**TV:** ~80 linear channels  
TV Replay  
TV bundle of choice  
1 blockbuster/month

4P @  
€101.94

+  
**Fixed Voice line:** National & International  
free calls to Fix & Mob in EV & UE  
Free family calls

+  
**Internet:** Unlimited volume  
Down 100Mbps - Up 15Mbps

**Mobile:**  
unlimited min & SMS  
Free Family calls  
10 GB

Favorite app 

scarlet Trio   
@ €39

**TV:** ~30 channels  
+  
**Fixed Voice line:** Free calls to fix Off Peak

+  
**Internet:** Unlimited volume  
Down 50 Mbps  
Up 4 Mbps

+

**Postpaid Red  
+ Data Boost**  
@ €13

**Mobile:**  
150 min  
1000 SMS  
1.5 GB

4P @  
€52

Robust customer growth for Fixed Internet and TV for Proximus and Scarlet brands. Increased market shares in spite of more competitive landscape.

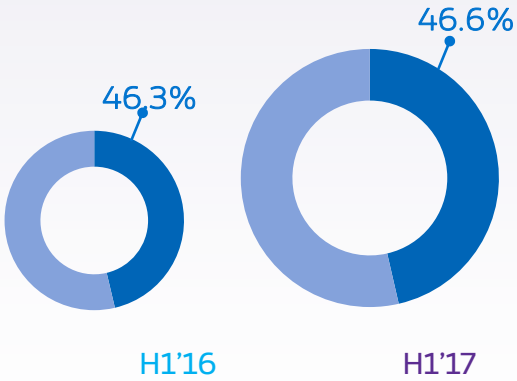
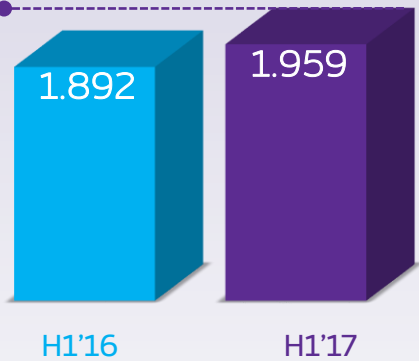
Valuable customer base

(Graphs - Subscribers in '000, Market share in %)



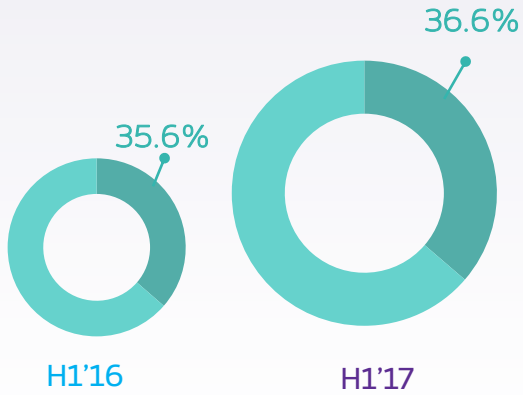
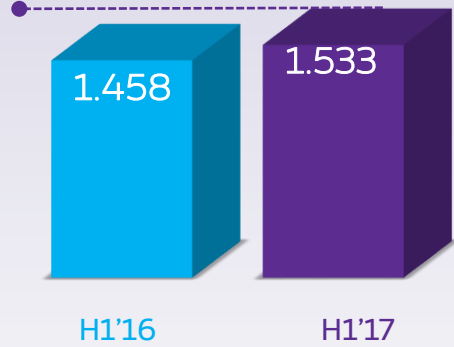
### Fixed Internet

**+66,000** YoY  
Internet customers  
i.e. **+3.5%**



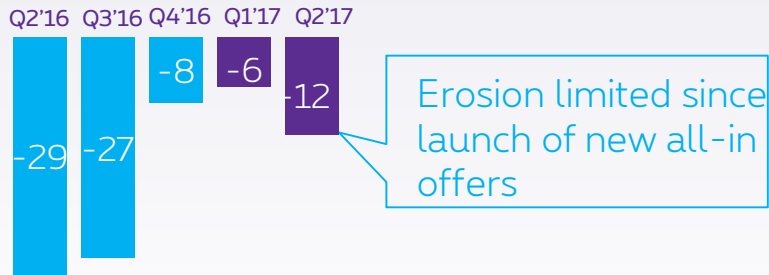
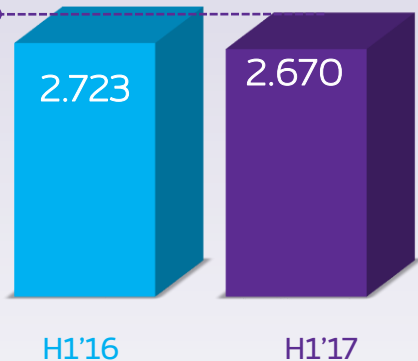
### TV

**+75,000** YoY  
TV customers  
i.e. **+5.2%**



### Fixed Voice

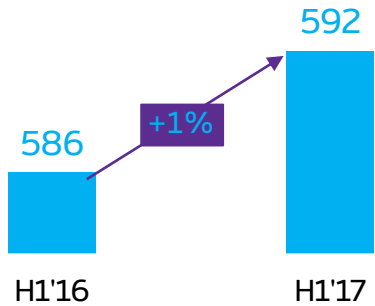
**-52,000** YoY  
Fixed Voice lines  
i.e. **-1.9%**



# Managing value creation on Mobile postpaid, despite roam-like-at-home

Valuable customer base

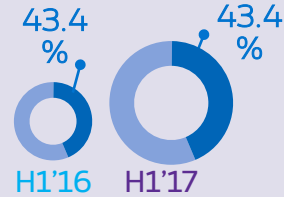
Mobile Postpaid Service revenue up, including significant roaming regulation impact



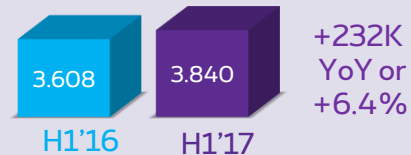
Mobile Postpaid Service revenue Consumer + Enterprise (M€)

## Acquisition value management

- ✓ Stable Postpaid Market Share



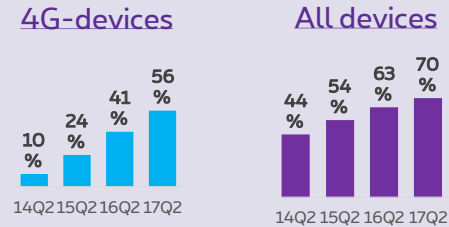
- ✓ Growing Postpaid park



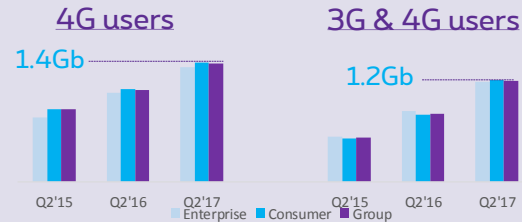
- ✓ Share of Medium & High Tier in total Mobile Voice Park growing YoY

## Development of value

- ✓ Smartphone Penetration



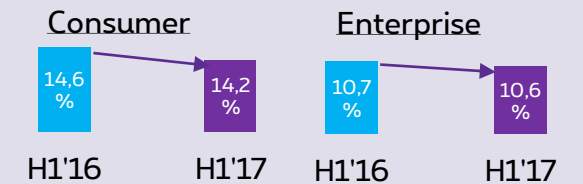
- ✓ Mobile data usage (av. Mb/month)



- ✓ Tariff migration management
- ✓ Prepaid to Postpaid conversion
- ✓ Real time data option selling via app

## Retention and churn management

- ✓ Mobile Postpaid Churn reduction



# M4M pricing strategy increasing value for converged customers with boosting data usage.

Move from packs discounts to enhanced product features for convergent packs.

Valuable customer base

Our mobile offer addresses the steep increase in mobile data consumption

1.2Gb average data usage/month

> 2.1 Mio 4G users

1.4Gb average 4G usage/month

Total traffic x7 since 4G launch in Q2'14

70% of Mobile traffic is 4G

Mobile only	Mobilus S	Mobilus M	Mobilus L
	120 min Unlt sms 1GB 1.5 GB Fav. app 	300 min Unlt sms 3GB 5 GB Fav. app 	Unlt min Unlt sms 8GB 10 GB Fav. app 
	€15,00 €15.99	€25,00 €26.99	€40,00 €42.99
	<b>€90.94</b>	<b>€101.94*</b>	<b>€115.94*</b>
<b>2x</b> Mobile data	120 min + CUG Unlt sms 2GB 3 GB Fav. app 	Unlt min Unlt sms 5GB 10 GB Fav. app 	Unlt min Unlt sms 10GB 20 GB Fav. app 
	€15,00 €15.99	€25,00 €26.99	€36,00 €40.99
<b>All- in offer</b>			
	<ul style="list-style-type: none"> <li>100Mbps/15Mbps</li> <li>Unlt volume</li> </ul>	<ul style="list-style-type: none"> <li>10 GB cloud</li> <li>Modem incl.</li> </ul>	<ul style="list-style-type: none"> <li>Wi-Fi extender (only for L)</li> </ul>
	<ul style="list-style-type: none"> <li>Decoder</li> <li>TV replay</li> </ul>	<ul style="list-style-type: none"> <li>Proximus TV app</li> <li>1 Blockbuster/ month</li> </ul>	<ul style="list-style-type: none"> <li>TV bundle @ choice (eg. Sports, Netflix ...)</li> </ul>
	<ul style="list-style-type: none"> <li>National &amp; International free calls to Fix &amp; Mob in EV &amp; WE</li> </ul>	<ul style="list-style-type: none"> <li>Free family calls</li> </ul>	

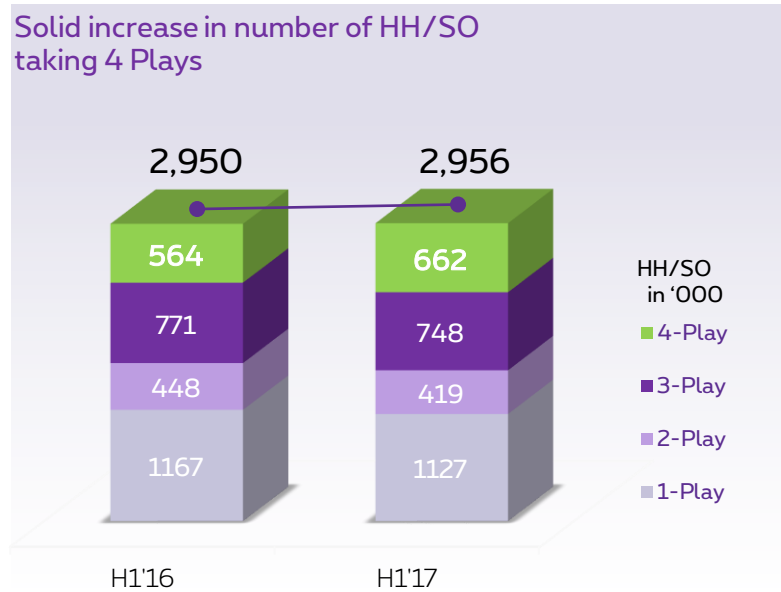
As of 1 August'17

\* New prices as of 1 Aug '17, including favourite TV option. If no fav. TV option: €82.99 / €93.99/€107.99



# Successful convergence strategy, with ongoing growth in 4-Play

Solid increase in number of HH/SO taking 4 Plays

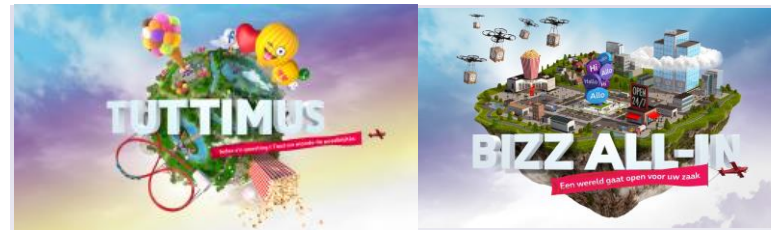


>22%

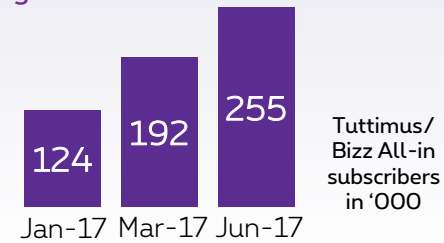
4-Play

>25%

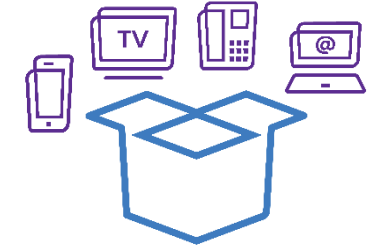
3-Play



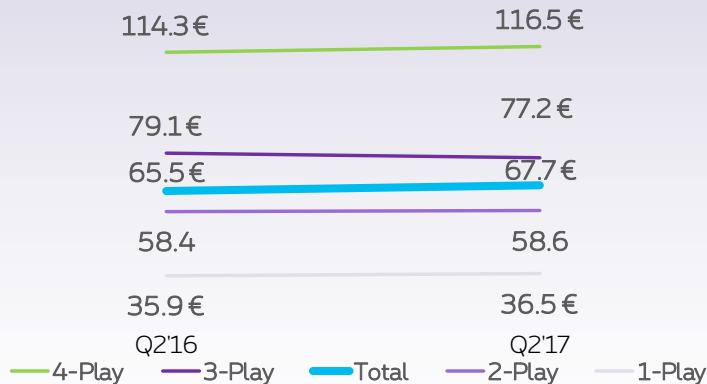
Strong uptake of all-in offers, increasing 4-Play HH/SO



Valuable customer base



Higher revenue per HH/SO  
Driven by uptake in 4-Play at higher ARPH



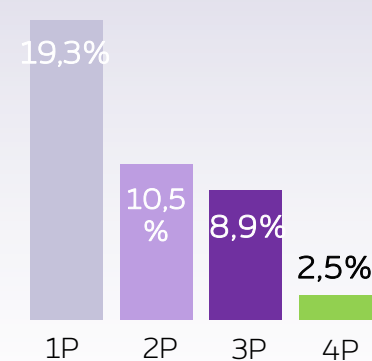
2.71

Average RGU per HH  
+3.6% YoY

€67.7

ARPH per HH  
+3.3% YoY

More Plays results in lower full-churn levels

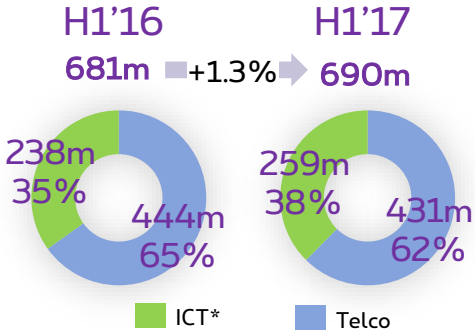


56.1%

HH with Fixed & Mobile  
+2.6pp YoY

# Proximus Enterprise segment doing well in challenging market

Valuable customer base



## An increasingly challenging enterprise environment

- competitors ambition to make inroads in our leading market shares
- fixed voice erosion due to VoIP
- fragmented IT market increasingly driven by applications
- regulatory pressure

## ...with a big opportunity

- ✓ digital transformation is our customers' first priority

## Strengths

### Future proof communication portfolio

- ✓ best convergent network with national reach
- ✓ fiber roll out
- ✓ dynamically guide customers in their voice & UC journey (from telco to applications)
- ✓ convergent ICT solutions

### E2E service provider bringing peace of mind

- ✓ broad account based sales channel
- ✓ managed services and SLAs
- ✓ major ICT outsourcing contracts in BeLux
- ✓ strong and expanding security expertise (Da Vinsi Labs)
- ✓ strong partnerships (Vodafone, Cisco, Microsoft, ...)

### Digital Transformation Partner

- ✓ seasoned BeNeLux integrator
- ✓ adding application capability
- ✓ deep API expertise to digitize solutions portfolios (Enco.io)
- ✓ building a strong European Smart Mobility player (BeMobile)
- ✓ continued IOT expansion

\*ICT and Advanced Business services (BeMobile, Big data)

# We have put high focus on bringing a superior customer experience for consumers and enterprises


Customer experience


 Upgrading customers to latest technology

 Same Day Repair


 Extended hours contact centers & customer visits


 400 Bizz experts

YouTube video tutorials 

Proximus Forum 

>135,000 Happy House Visits

93% satisfaction 

 1.3M MyProximus app active users

Satisfaction customer interactions

+1.3pp Overall

+1.4pp Digital vs end '16

Comprehensive entertainment offer strengthened by the renewal of the Jupiler Pro League football rights and Netflix now available as TV option in Tuttimus.

Customer  
experience

Large international  
& national  
sports offer



Attractive  
kids offer



Complementary  
movies & series  
offer



**NETFLIX**

French & Dutch  
co-productions





# Innovative solutions and partnering to support future growth

Innovation



IoT  
*MyThings*



Unified Communication and Cloud



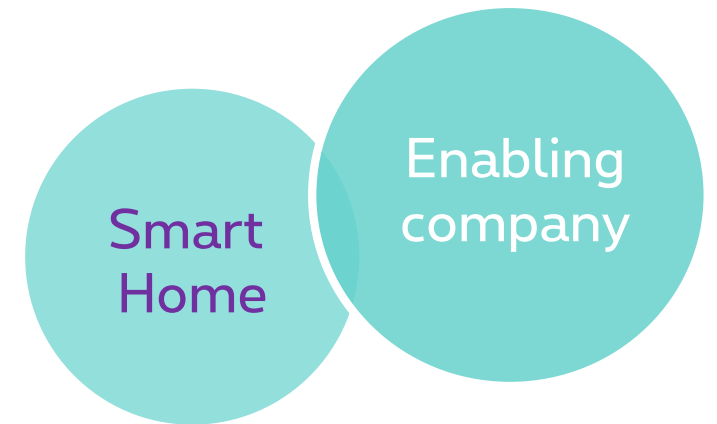
Smart Mobility  
*Be-Mobile*



Smart advertising



Security

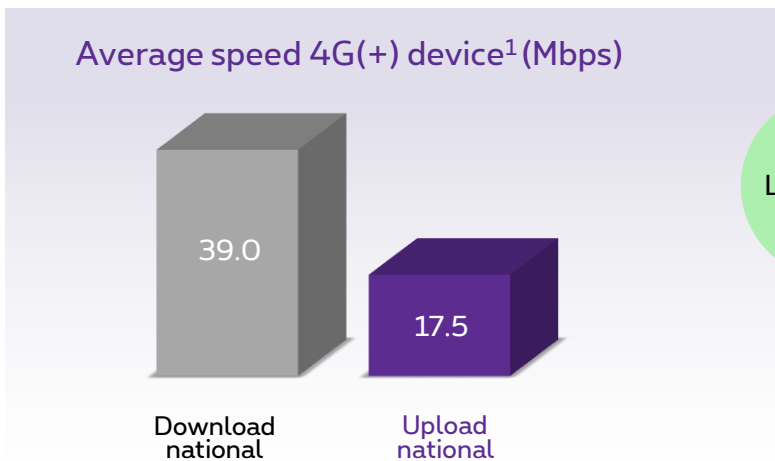
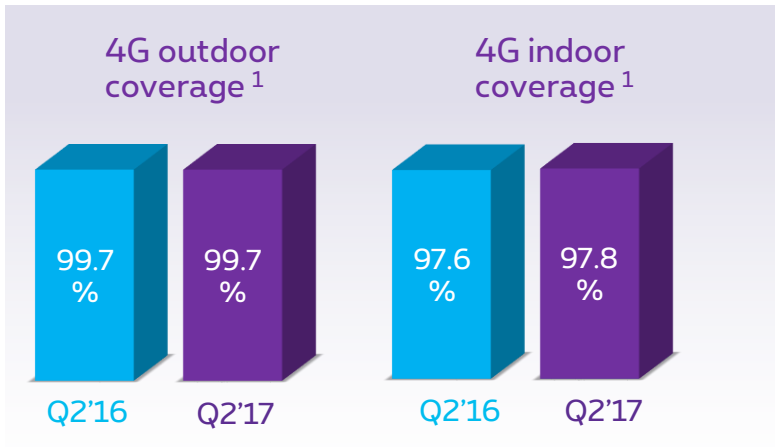


# We continue to invest in enhanced networks and overall customer experience

Enhanced networks

## Mobile

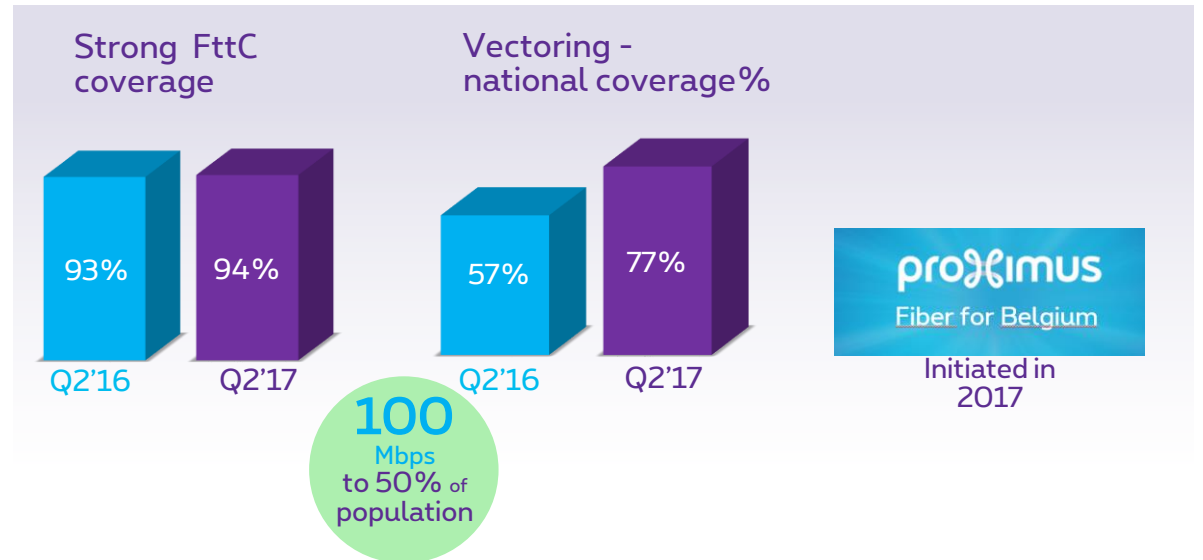
Combining wide coverage with high speeds



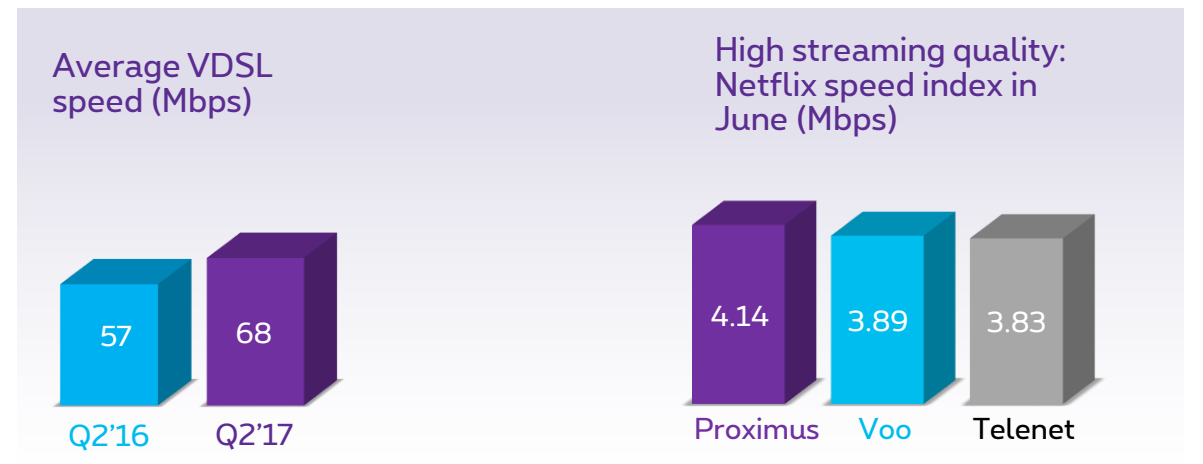
**4.5G**  
Launched in several cities

## Fixed

Higher speeds for more customers



**proximus**  
Fiber for Belgium  
Initiated in 2017



<sup>1</sup> Result based on national drive test conducted by independent agency CommSquare

# Future proof network by investing €3Bn in 10y in fiber network

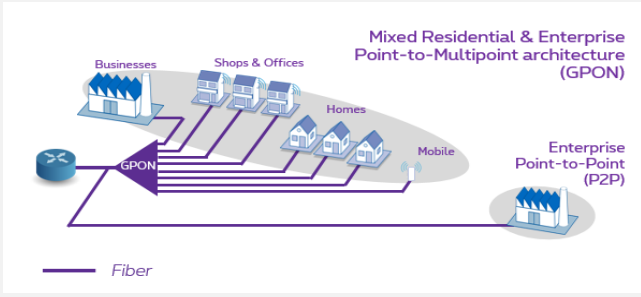
## Deployment kicked-off in several main cities

Enhanced networks

	Enterprise	Residential
--	------------	-------------

In dense city areas

Integrated Fiber-To-The-Home & Business (FTTH&Bus)



- GPON to serve all businesses & living units
- Wall mounting & underground roll-out
- Switch-off existing copper in mid-long term to lower costs

Outside dense city areas

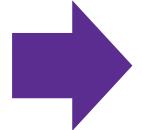
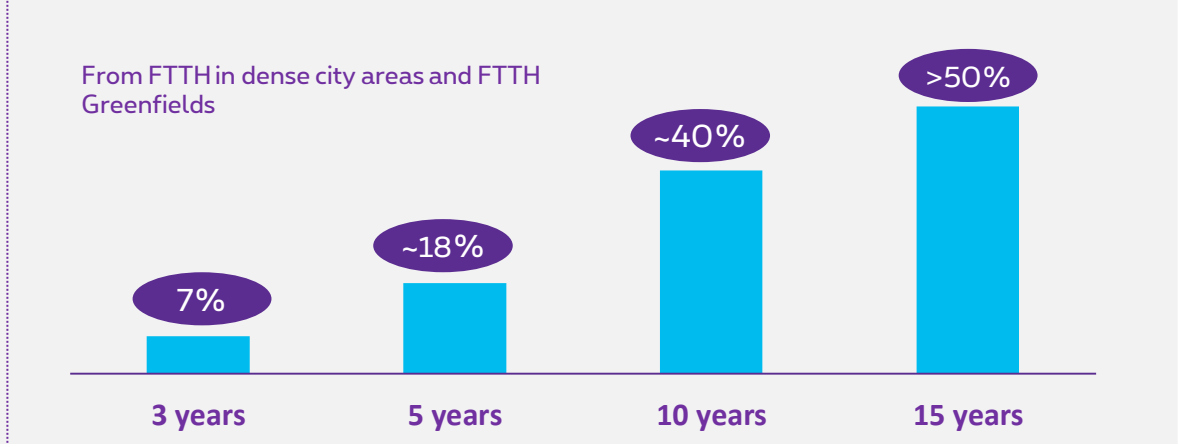
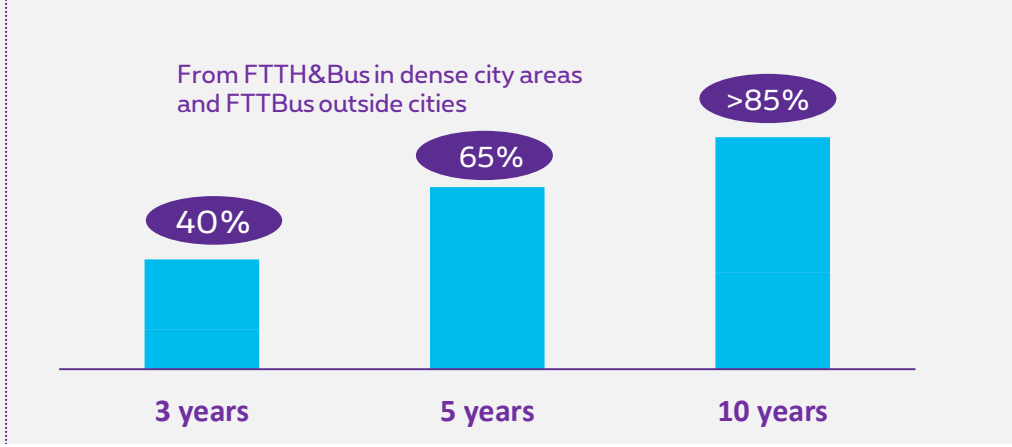
Fiber-To-The-Business (FTTBus)

- GPON to clusters of businesses
- P2P to individual business sites upon request

Fiber-To-The-Curb (FTTC)

- Densify the network to shorten average distance to the optical node (from 530m to <350m)
- Upgrade performance through ultra-vectoring

Fiber coverage ambition with initial priority given to FTTBus



Supporting topline, lowering costs

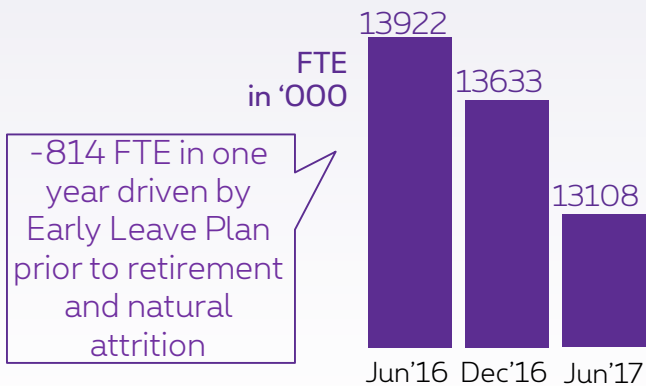
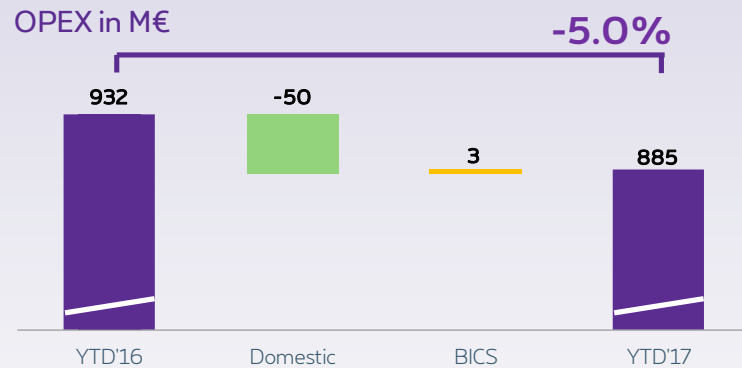
- ✓ Business ARPU uplift
- ✓ Lower churn

- ✓ Consumer market share uplift
- ✓ Structural lower network cost

# Structural lower costs as key lever of EBITDA growth with the ambition of €150M net cost reductions over 2015-2019

Reducing costs

Company-wide cost program resulted in further OPEX savings:



Initiatives for ambitious Gross Opex savings



### Agile organization

- Optimize Sales channels
- Reduce support functions
- Structurally reduce contractors



### Productivity & Efficiency

- Productivity gains
- Network simplification
- ICT industrialization
- Process optimization & automation



### Volume deflation

- Improve customer experience to reduce bad volumes



### Digitalization

- E-billing
- E-ordering
- E-servicing

Partly offset by...

- Volume-driven costs with increasing installed base
- Capacity driven maintenance costs
- Opex linked to mobile spectrum licenses
- Opex linked to Fiber roll-out
- New taxes on e.g. electricity, real-estate
- New skills needed for innovative solutions
- Inflation-based wage indexations & higher pension cost



# Lowered cost base already strongly supporting EBITDA with direct margin pressured by regulatory impacts and changing product mix

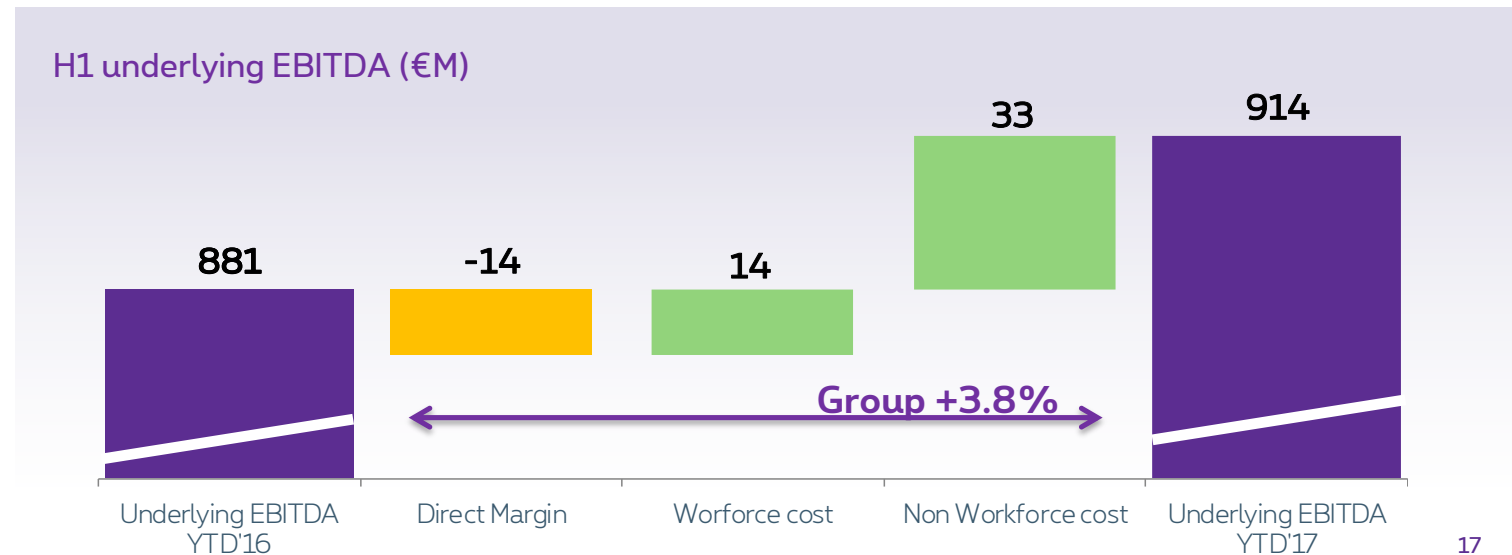
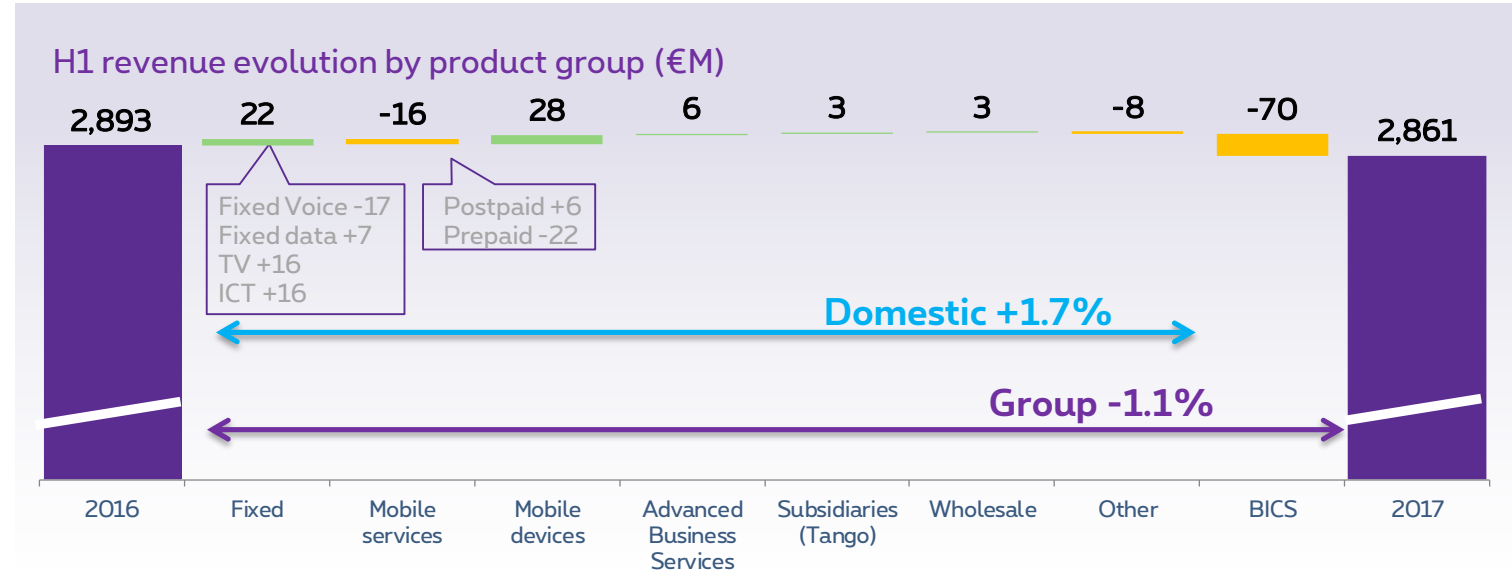
EBITDA growth

## Growth driven by...

- ↑ TV
- ↑ Internet
- ↑ Postpaid
- ↑ ICT
- ↑ Advanced business services

## offset by ...

- ↓ Prepaid
- ↓ Fixed Voice
- ↓ Roaming price regulation
- ↓ BICS Voice pressure

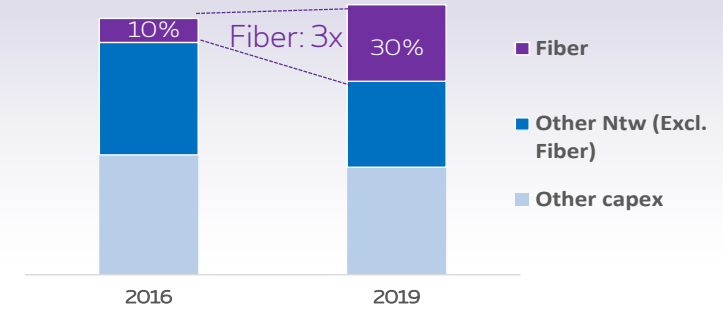


# Positive EBITDA allows for investing in future growth while preserving sound FCF levels, covering stable dividend pay-out.

Sound FCF & financial position

## Incremental capex limited

- Fiber capex mainly covered by rebalancing of Capex envelope
- Annual Capex estimated to stay around € 1Bn for 2017-2019
- Weight of Fiber in Group Capex will triple by 2019



## Underlying EBITDA growth

- Sound market position, with room for continued customer growth, upselling and improving market shares
- Margin erosion following product shift
- Lower the cost base through efficiencies

## FCF covering stable dividend

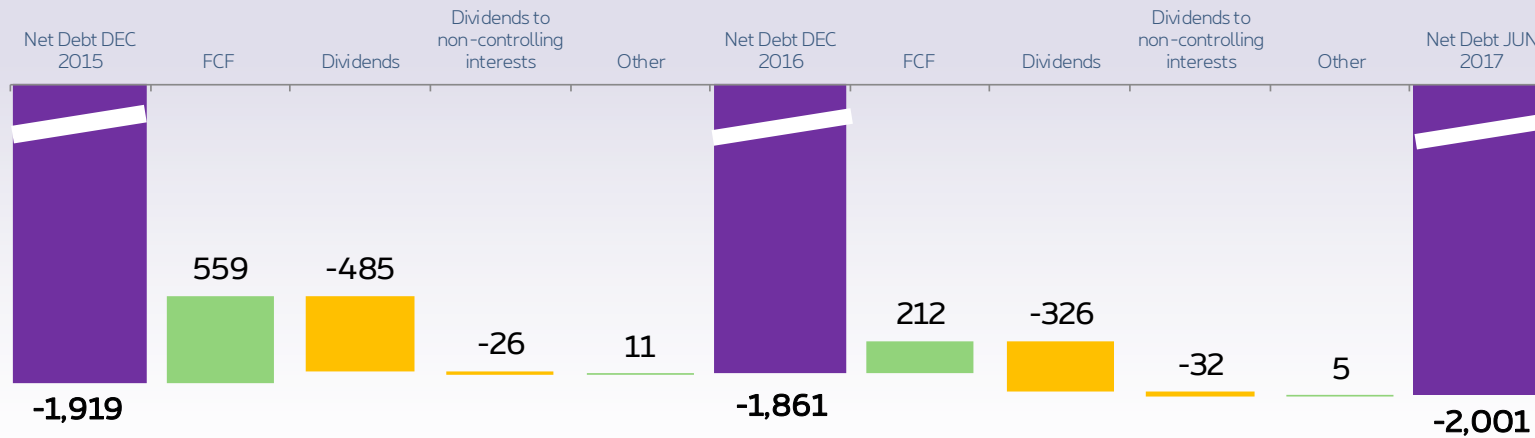
- Proximus intends to pay a stable dividend of EUR 1.50 per share for 2017, 2018 and 2019, provided Proximus' financial performance delivery is in line with its strategic plan.



# We keep a sound financial position

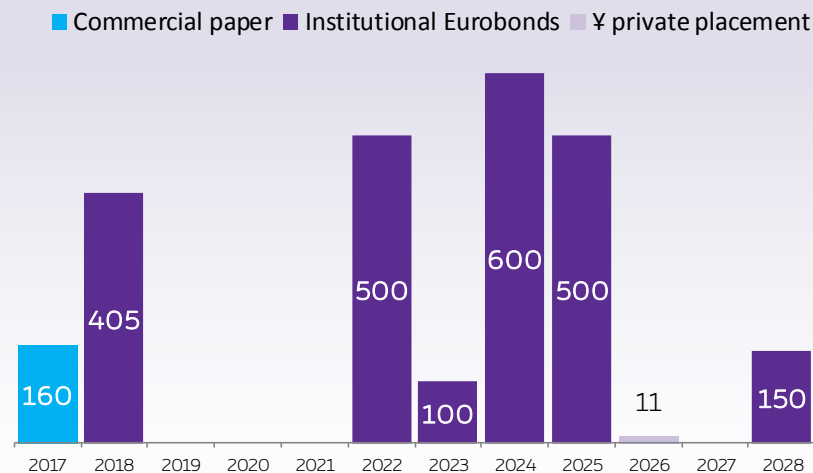
Sound FCF & financial position

## Net Debt (YTD, M€)



about 1%  
Net debt/EBITDA

## Debt maturity schedule (M€)



- Credit ratings: Standard & Poor's A, Moody's A1, both stable outlook
- Proximus issued a new €500m 5y Eurobond at 0.5% in March 2017

# We keep a sound financial position (continued)

Sound FCF  
& financial  
position

5.5 Yr

Average debt duration

1.97%

Weighted average coupon

EMTN  
bonds

Amount	Tenor	Maturity	Coupon	ISIN
405M EUR	7 years	7 February 2018	3.875%	BE6215434620
500M EUR	5 years	22 March 2022	0.500%	BE0002273424
100M EUR	10 years	22 May 2023	2.256%	BE6252911977
600M EUR	10 years	4 April 2024	2.375%	BE6265262327
500M EUR	10 years	1 October 2025	1.875%	BE0002237064
150M EUR	15 years	20 March 2028	3.190%	BE6251142749

## Liquidity at end-June 2017

- € 423m Investments, Cash and cash equivalents
- EMTN Programme: 3.500m (2,255m outstanding)
- Committed credit line (bilaterals/club/syndicate): € 710 m
- CP Programme: € 1.000m (€ 160 m outstanding)

# FY 2017 outlook

Based on its half-year results of 2017, and taking into account its best estimate for the remainder of the year, Proximus confirms its 2017 full-year outlook. Therefore Proximus expects to close the year with nearly stable Domestic revenue and slightly growing Group EBITDA, supported by its cost reduction plan. Proximus' Group Capex for the year 2017 is expected to be around EUR 1 billion, excluding the capitalization of the Jupiler League football broadcasting rights.

Guidance metrics	Actuals FY'16	Outlook FY'17	YTD'17 Achievement
<u>Domestic</u> underlying revenue	€4,410m	Nearly stable	+1.7%
<u>Group</u> underlying EBITDA	€1,796m	Slight growth	+3.8%
Capex	€949m	Around €1Bn*	€502m**

\* Capex outlook excludes the capitalization of the Jupiler League football broadcasting rights

\*\* Actuals 2017 include the capitalization of the Jupiler League football broadcasting rights for the next three seasons, acquired mid-May 2017

# Proximus Group

Q2 2017 results



# Q2'17 Group Highlights

Robust commercial performance continued

Domestic EBITDA +1.1% YoY, including roaming regulation headwinds

**Group Revenue\***  
**€1,417m**  
 -2.9% YoY

**Domestic revenue**  
**+0.3% to €1,105m**

- + Fixed Data and TV growth
- + Postpaid revenue up in spite of Roaming reg.
- + Mobile terminals revenue
- Fixed Voice and Prepaid erosion
- Lower ICT products revenue

**BICS revenue -12.9%**

- Voice business volatility
- Less favorable destination mix

**Group EBITDA\***  
**€464m**  
 +0.4% YoY

**Domestic EBITDA**  
**of € 430m, +1.1% YoY**  
 + Lower expenses (-3.6%)

- Lower direct margin (-1.2%).

**BICS EBITDA -8.4% YoY**

- + Higher margin (+0.4%)
- Higher expenses (+11.9%), incl. currency impact

**Capex**  
**€281m**

Incl. football broadcasting rights

**Capex YTD of €502m**

- Jupiler League soccer broadcasting rights for 3 seasons
- Simplification and transformation
- Enhancing Mobile and Fixed networks
- Fiber roll-out

**FCF**  
**€39m**

Incl. higher tax prepayments

**YTD FCF of €212m**

- + Higher underlying EBITDA
- + Less cash paid for Capex.
- + Positive evolution Business Working Capital
- Higher income tax legal prepayments

**Commercial drivers**

Continued growth of customer base, in a more competitive market

**+ 17,000**  
 TV Households (unique customers)

**+ 15,000**  
 Fixed Internet Lines

**+60,000**  
 Mobile Postpaid cards

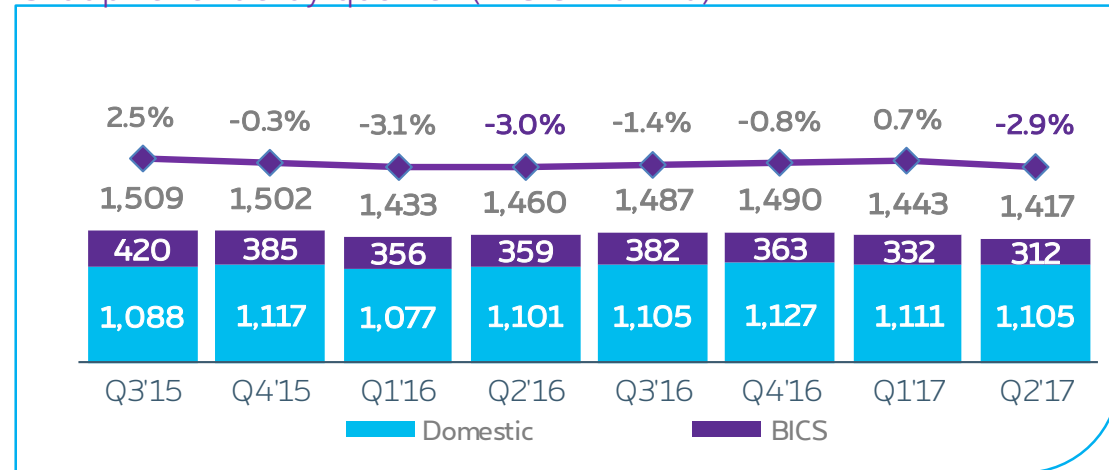
**- 57,000**  
 Mobile Prepaid cards

**- 12,000**  
 Fixed Voice lines

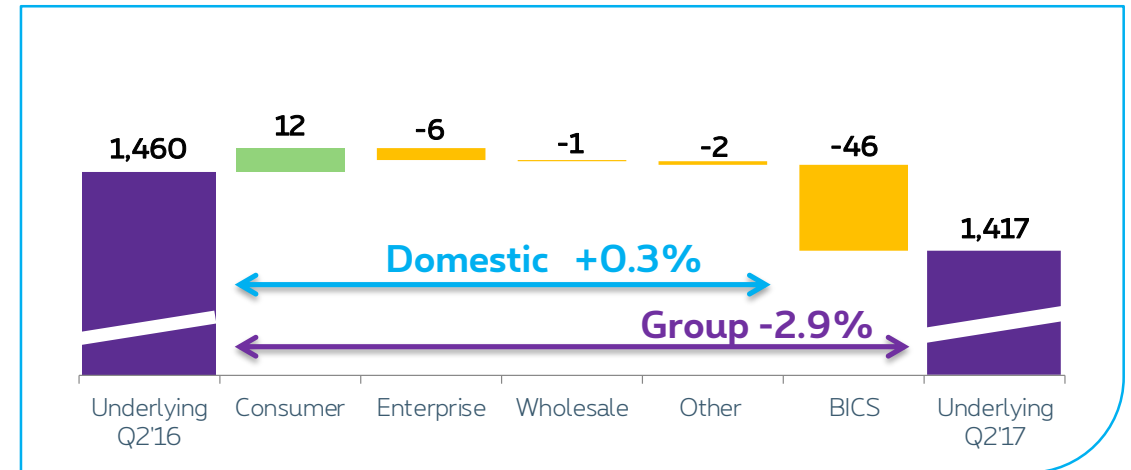
**+ 20,000**  
 3 & 4-Play Households/ Small offices, i.e. 48% of total base

# Q2'17 Domestic underlying revenue fairly stable, +0.3% YoY BICS revenue declined on Voice volumes and destination mix

Group revenue by quarter (M€ & YoY %)



Group revenue by segment (M€)



## Domestic



### Consumer: +1.7% YoY

- + Sustained traction for Tuttimus & Bizz All-in
- + Fixed data & TV revenue growth
- + Postpaid revenue growth, in spite of roaming regulation impact
- + Scarlet proving solid competitive position in low end of the market
- + Higher Mobile devices sales
- Prepaid revenue erosion (authentication legislation)



### Enterprise: -1.8% YoY

- + Growth Advanced business services and new data products
- Erosion legacy Fixed Voice and data
- Pressure on mobile services revenue, (roaming regulation)
- Lower ICT product revenue



### Wholesale: -1.6% YoY

- + Increase in roaming-in revenue
- Decline in traditional wholesale products



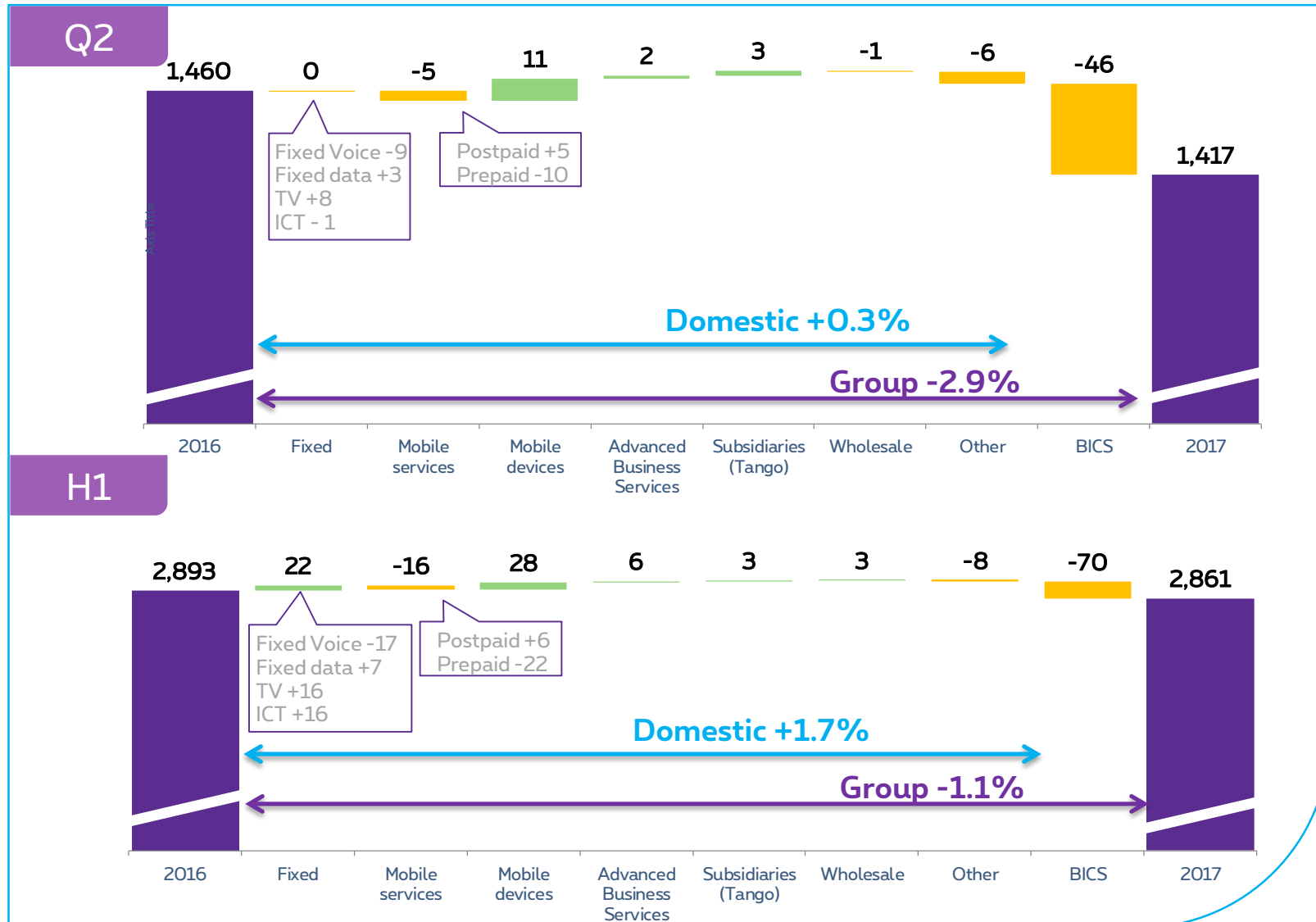
### Q2'17 revenue -12.9%YoY

- Continued high volatility in the voice business
- + Non-voice revenue driven by higher messaging volumes, offsetting increased competition in other non-voice segments



# Q2 & H1 Group underlying revenue evolution per product group

(in M€)

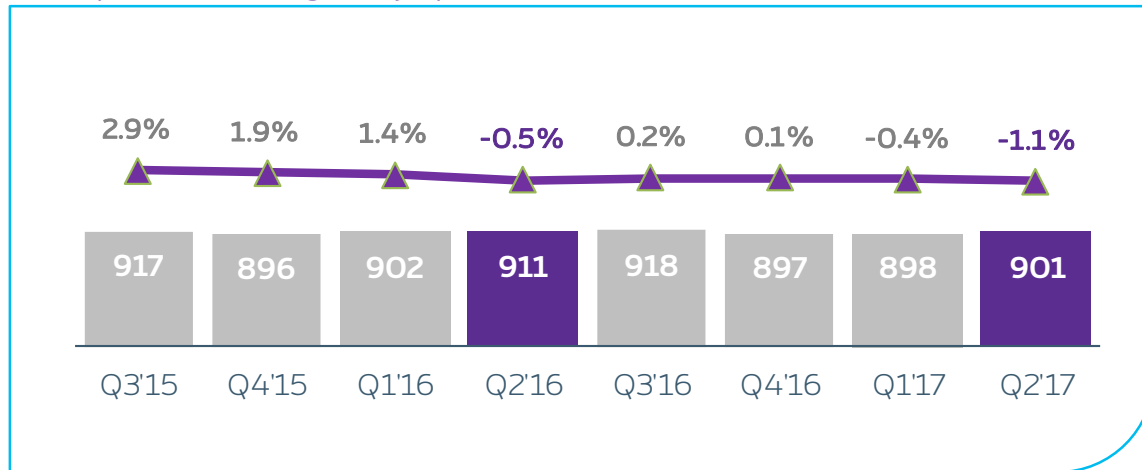


- Growing mobile postpaid customer base and improved tiering offsetting pressure from Roaming regulation
- Prepaid erosion, incl. impact identification legislation
- Higher revenue from mobile devices, up from a low comparable base
- Higher Advanced Business Services\* revenue, contribution BeMobile annualizing (created mid-March '16)
- Lower BICS revenue due to continued volatility in the voice business.

\* Advanced Business Services groups new solutions offered aside from traditional Telecom and ICT, such as smart mobility solutions (BeMobile), Road User Charging, Converging Solutions, Big data.

# Q2 Group Direct margin down by 1.1% YoY, incl. roaming regulation impact and higher devices costs

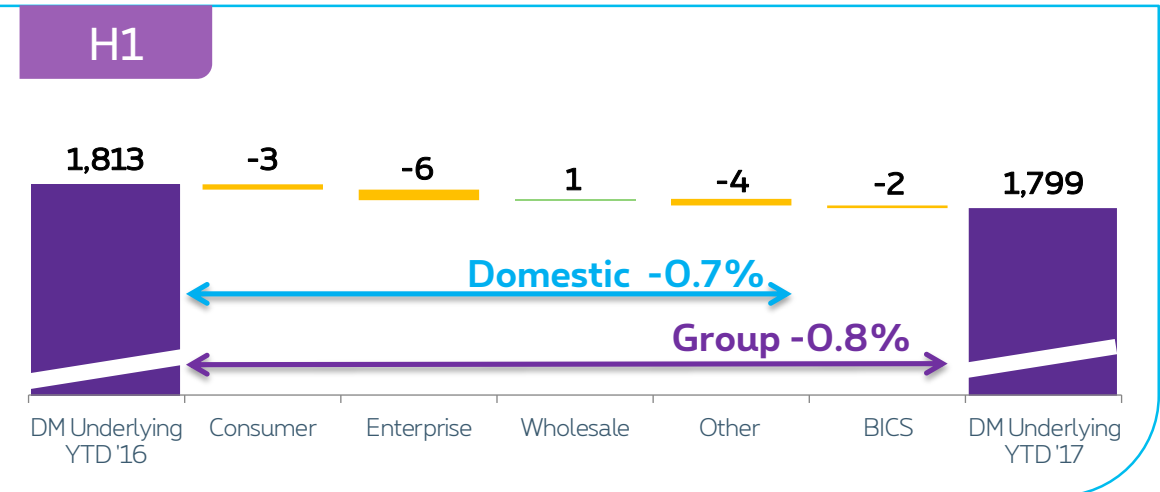
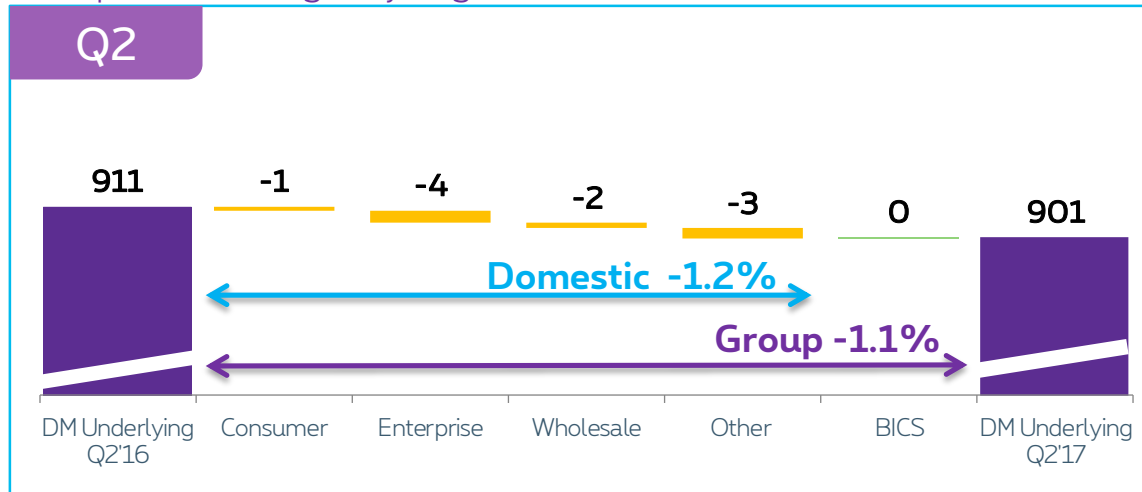
Group direct margin by quarter (M€ & YoY variance)



## Q2'17 Group direct margin -1.1% YoY

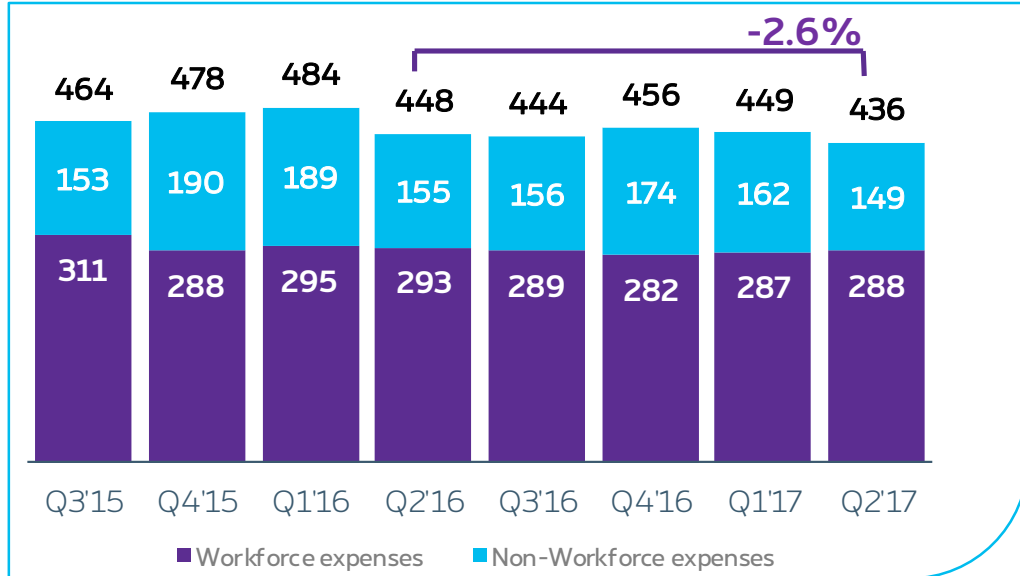
- Domestic direct margin -1.2% to € 834m: higher margin contribution for TV, Fixed Data and ICT offset by roaming-out regulation, commercially-driven higher costs for mobile devices and the ongoing attrition of Fixed Voice.
- Domestic direct margin as % of revenue at 75.5%
- BICS direct margin broadly stable (+0.4%) in spite of revenue pressure

Group direct margin by segment (M€)



# Reduced underlying expenses, in line with € 150M cost reduction plan over 2015-2019.

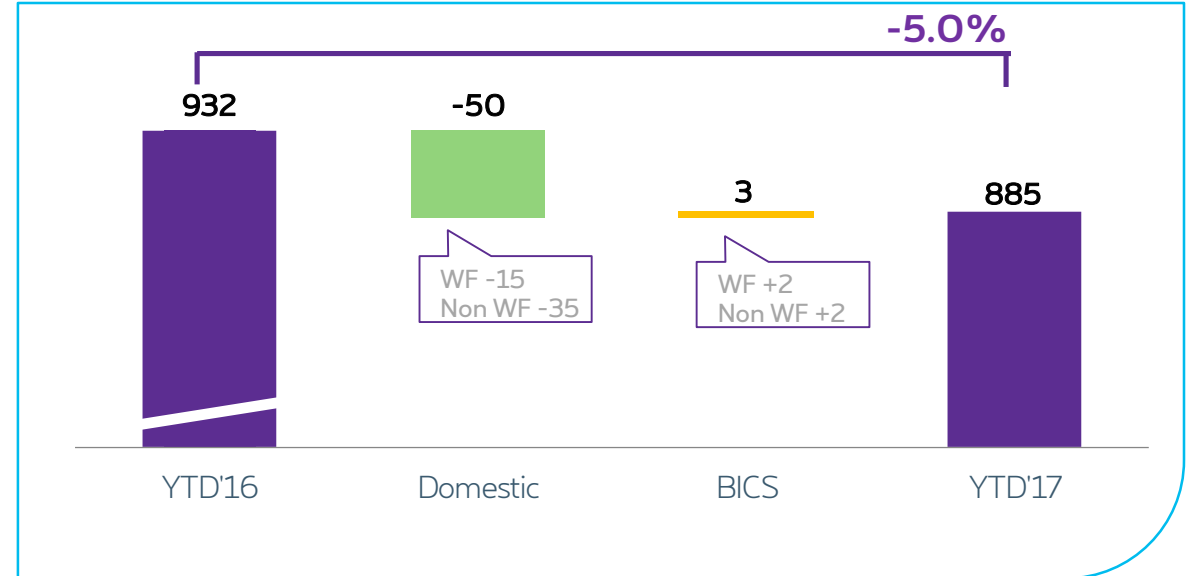
Group expenses (M€)  
workforce vs. non-workforce



## Q2'17 operating expenses down 2.6% YoY

- Domestic expenses -3.6% YoY or €-15m, reflecting the initiatives launched to structurally reduce Proximus' expenses.
- BICS expenses up €3m YoY, including a negative foreign currency effect.

Group expenses (M€)  
Domestic vs. BICS

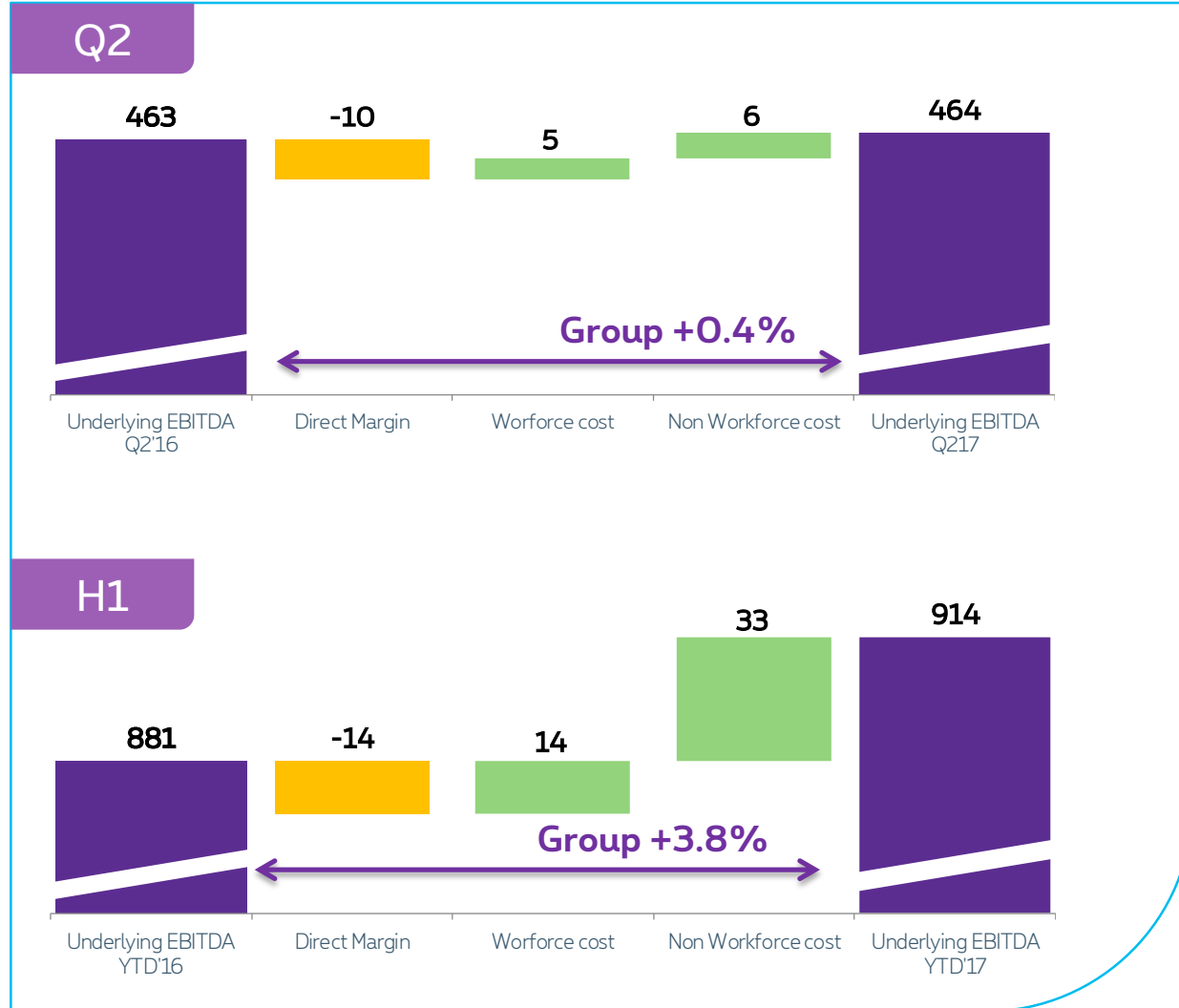


## H1'17 operating expenses € 47m lower YoY

- YTD Domestic expenses €-50m YoY or -5.8%
- YTD BICS expenses up €3m YoY

# Q2'17 Group EBITDA, +0.4 % YoY

Domestic EBITDA up 1.1% driven by ongoing firm reduction of expenses



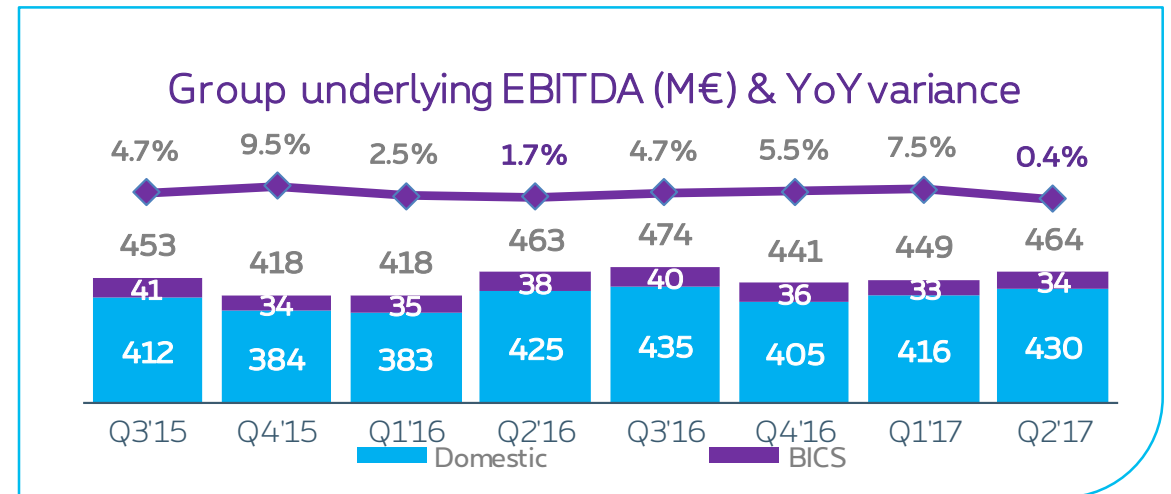
## Q2'17 underlying Group EBITDA up by 0.4% YoY:

Domestic Q2 EBITDA up by 1.1%

- incl. roaming regulation headwinds and on tougher comparable base
- continued ongoing reduction of operating expenses more than offset lower direct margin

BICS Q2 EBITDA -8.4% YoY

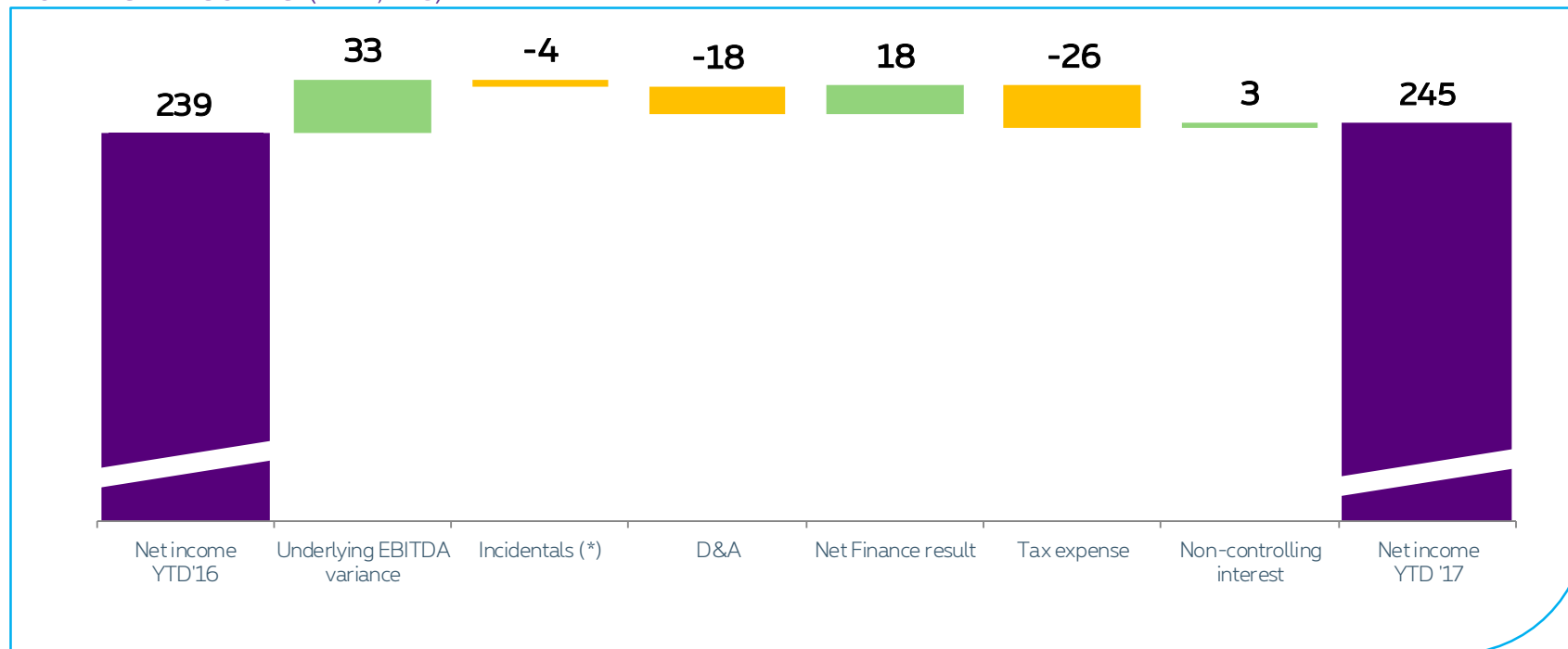
- stable Direct Margin
- expenses up incl. currency impact



# Net income (Group share)

- YTD'17 net income (Group share) of €245m, +2.7% YoY, mainly explained by higher Group EBITDA and lower finance costs, partly offset by higher depreciation and amortization and tax expenses

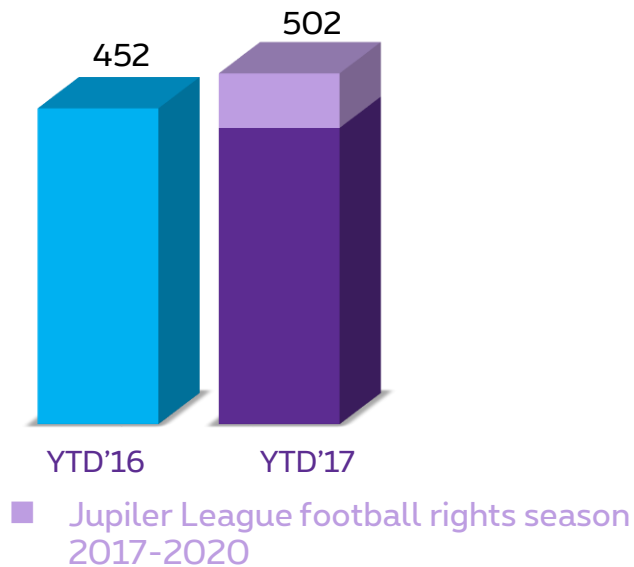
YoY Net income (YTD, M€)



\* Negative incidentals for an amount of € 36m in 2016 . Incidentals 2017 of € -40m, mainly related to the voluntary early leave plan prior to retirement.

# Proximus, investing in enhanced networks and overall customer experience

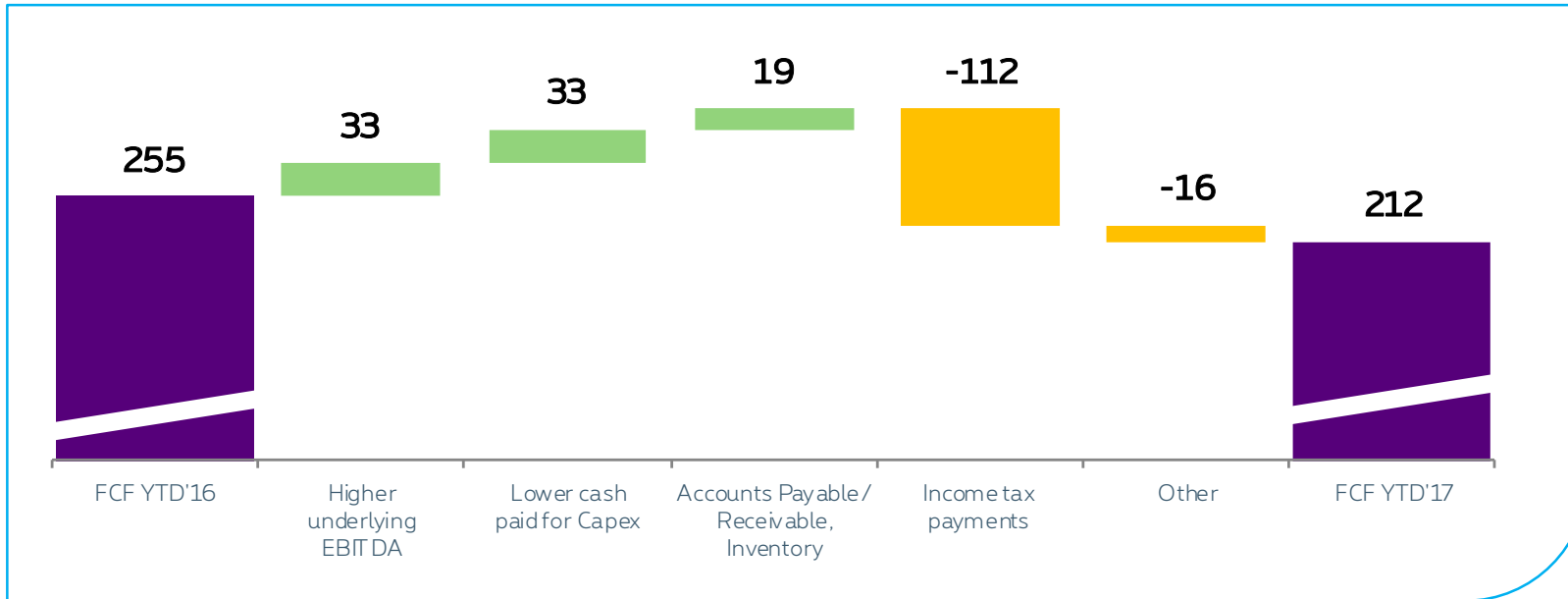
## Capex in €M



- Additional mobile sites, increasing capacity, and coverage
- Improved Fixed experience
- Investments in simplification and transformation to decrease cost base
- Renewed & simplified IT systems
- Attractive TV content
- Fiber for Belgium initiated in 2017

# YTD'17 FCF of € 212M

YoY FCF (YTD, M€)



- Lower Free Cash Flow YoY mainly driven by higher prepayments in Q2 of corporate income taxes (increased legal prepayment percentage to 59% and the higher tax base).
- This is not fully offset by the higher underlying Ebitda, less cash paid for Capex and positive evolution in business working capital.

# Regulation - roaming

## Roaming-Out impact

Defined as: Volumes of year-1 multiplied by the year-on-year price decrease as set by the regulator.

(EUR million)	Q2'17 Actuals	YTD'17 Actuals	FY'17 Estimate
Revenue	-10	-27	-61
National	-8	-22	-50
Tango	-2	-4	-11
EBITDA	-10	-27	-61
National	-8	-22	-50
Tango	-2	-4	-11

- End-April 2016, Proximus significantly lowered its roaming rates in Europe, in line with the EU regulatory transitory period before the complete abolition of roaming surcharges. At the same time, Scarlet, Proximus' low-cost telecom provider, completely abolished its roaming costs for all EU countries.
- Since 12 June 2017, 'Roam-Like-At-Home', allowing Proximus customers to surf, call and text within the European Union like at home, without extra charges.
- Roaming wholesale prices have been reviewed. For data caps, a step by step reduction over 5 years is foreseen, with a decrease from EUR 7.7/GB as of 15 June 2017 to EUR 2.5/GB as of 1 January 2022. The Commission is tasked with reviewing these rates every two years with its first report due at the end of 2019.

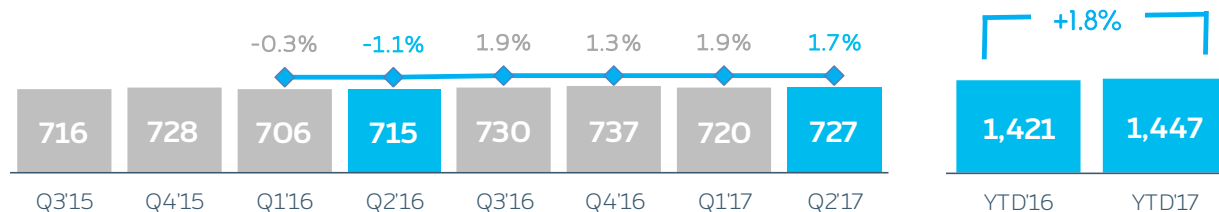


# Consumer Results

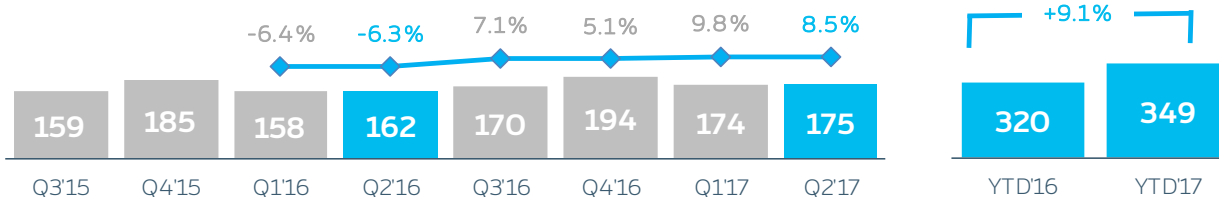


# Q2'17 revenue up by 1.7%, mix-effect leading to stable Direct Margin

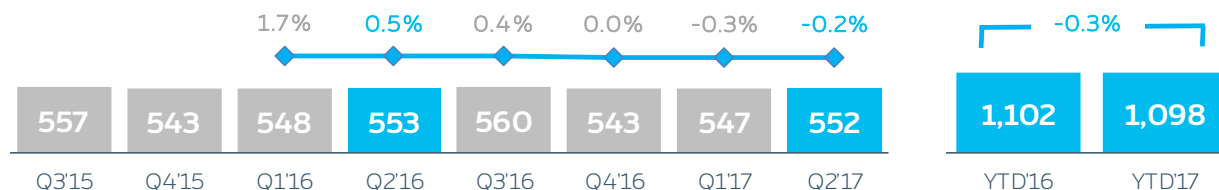
Consumer underlying revenue (M€) & YoY



Consumer underlying COGS (M€) & YoY



Consumer underlying DM (M€) & YoY



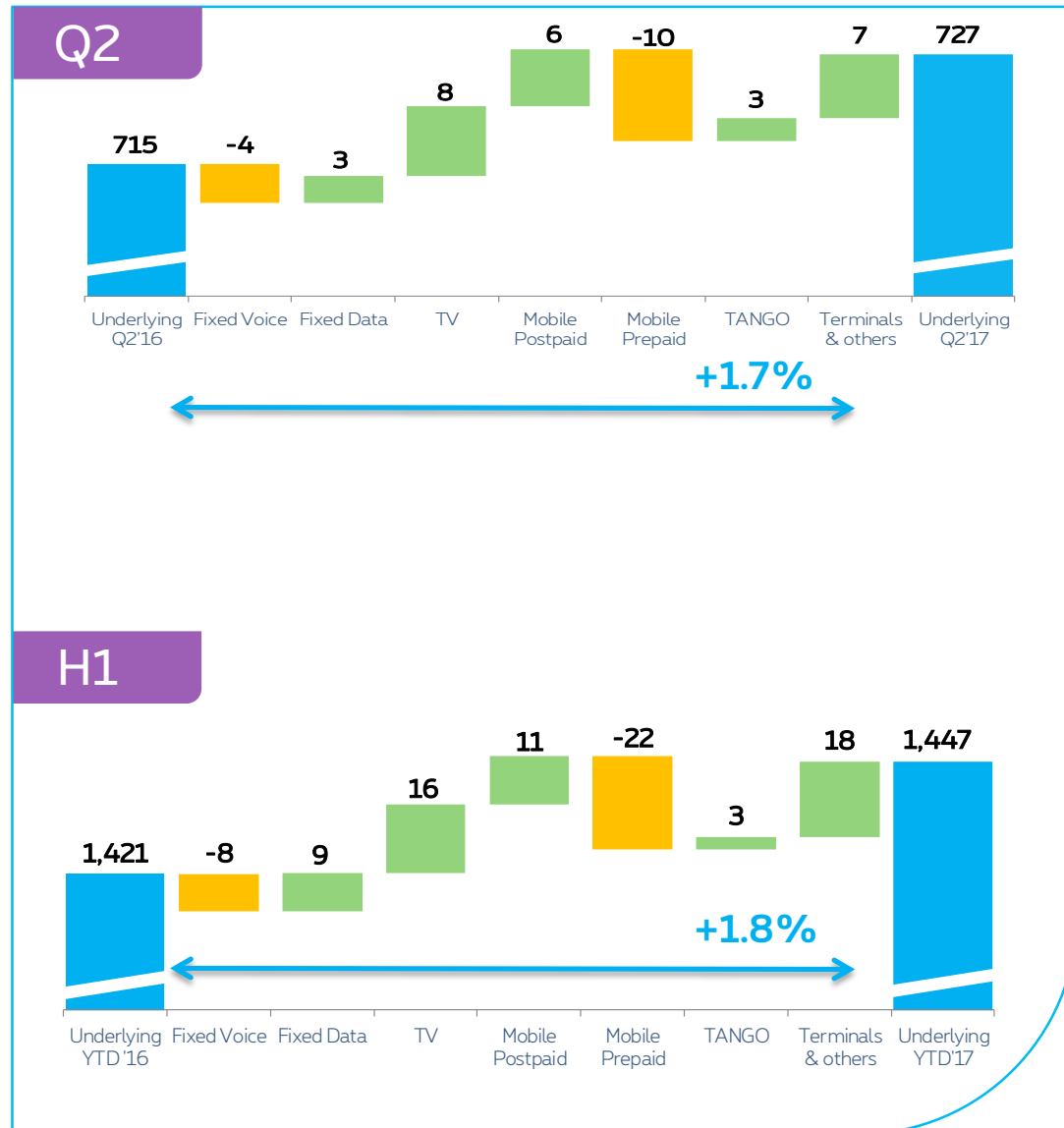
- Growing revenue and direct margin from Data and TV services was offset by the cost-effect of higher device sales, pressure on Mobile Services due to the Prepaid decline and roaming regulation, and ongoing decline in Fixed voice.
- The changed product mix resulted in an underlying direct margin of 75.9% of revenue, -1.5 p.p. YoY

# Consumer revenue by product group

**Note**

In line with Proximus' strategy, most products are sold through multi-play bundles. Therefore, the revenue and ARPU of standalone products are largely the result of the allocation of revenue and discounts to the respective products included in the Packs, as required by IFRS rules.

# Consumer revenue YoY growing, driven by expanding customer base for TV, Internet and Mobile postpaid

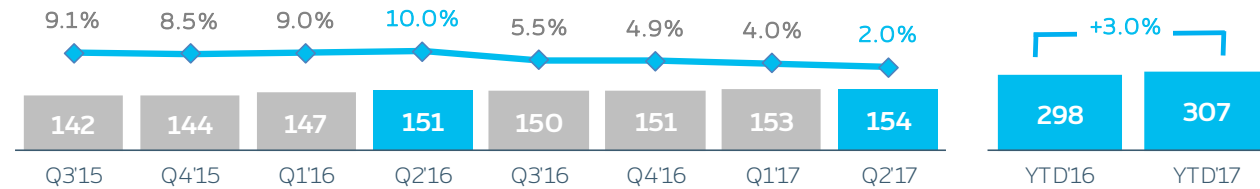


## Higher revenue achieved through:

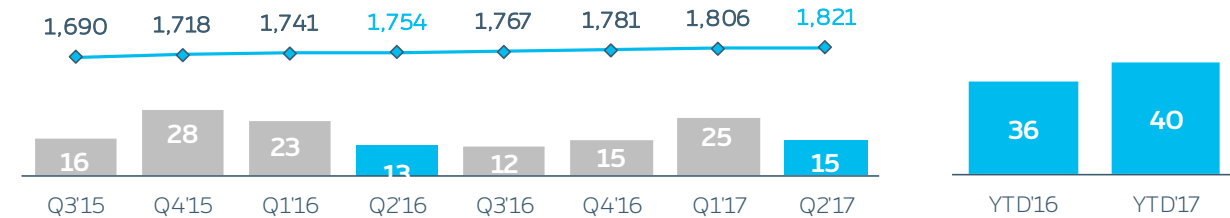
- Continued growth in Proximus' customer base for its main products, growing its services revenue for TV by 8.8%, for Internet by 2.0%, and -in spite of roaming regulation headwinds- for Mobile postpaid by 3.0%.
- Mobile devices revenue up versus lower comparable base. Positively impacted by commercial campaigns and joint-offers.
- Partly offset by Fixed voice decline (reduced customer base and lower usage) and elevated loss in Mobile Prepaid revenue, prompted by the identification legislation.

# Solid Internet customer growth in competitive market

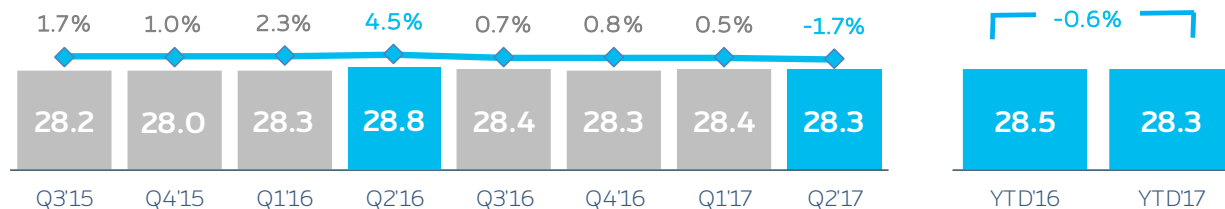
Fixed data revenue (M€) & YoY



Broadband growth & EOP (000)



Broadband ARPU (€) & YoY variance

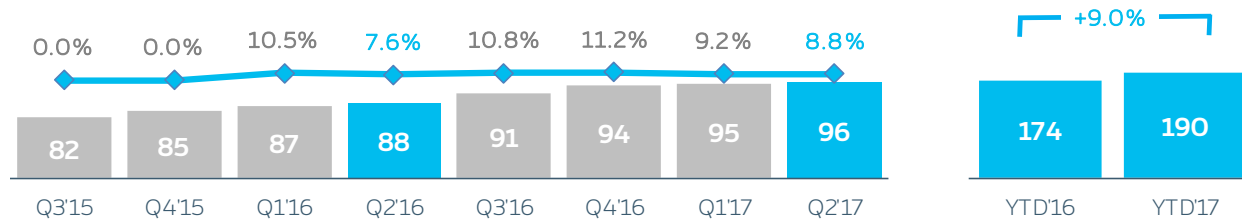


Consumer revenue from Fixed Internet continues to grow on expanding customer base.

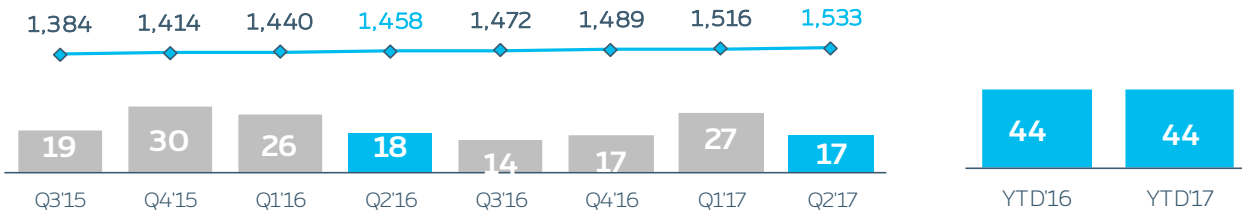
- +15,000 Internet lines in Q2'17 in spite of intense competitive setting; +67,000 or +3.8% YoY to total of 1,821,000
- Good customer growth:
  - Proximus supported by all-in offers Tuttimus & Bizz All-in
  - Scarlet well positioned for price sensitive segment with TRIO and Poco/Loco internet offer
- Q2 churn level further improved from prior quarter and well below one year back
- ARPU down 1.7% YoY, on a high comparable base.

# Proximus continues to attract customers on its TV platform

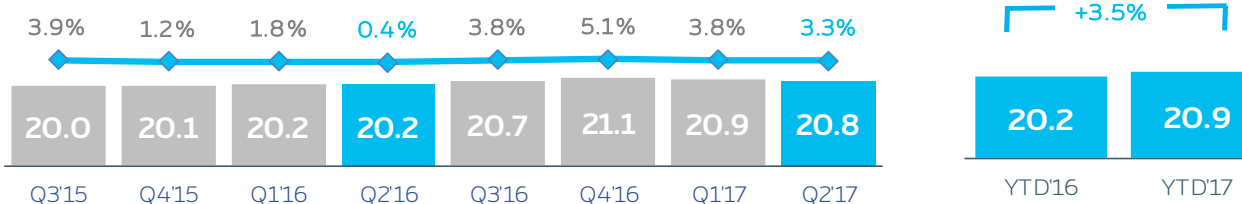
TV revenue (M€) & YoY variance



Unique TV - customers (000)



Fixed TVARPU(€) & YoY variance



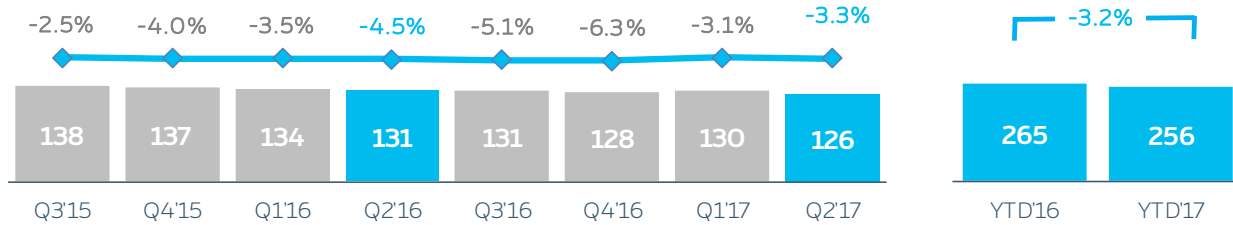
Growing TV-subscriber base remains an important revenue driver for the Consumer segment.

Both the Proximus and Scarlet brand increasing their customer base.

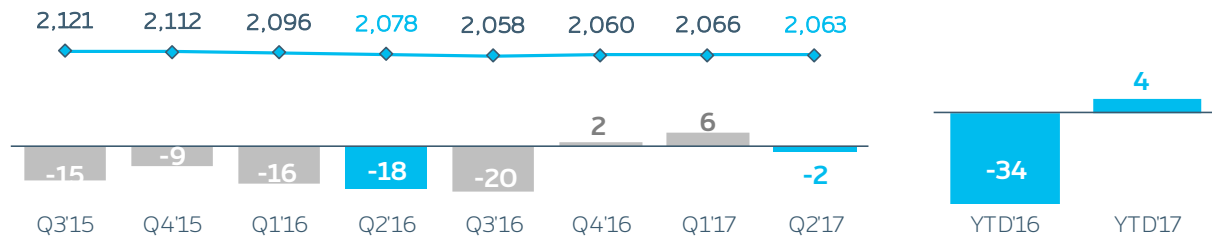
- +75,000 TV households YoY, or +5.2%
- +17,000 TV households in Q2'17
- 1,533,000 unique TV households end-June'17
- Q2'17 TV ARPU up +3.3% YoY at € 20.8, with Tuttimus & Familus offer providing customers more extensive TV content.

# Success of Proximus and Scarlet multi-play offers limit Fixed Voice line erosion

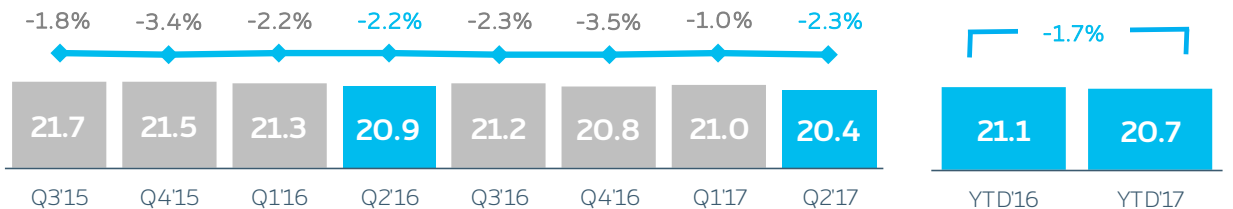
Fixed voice revenue (M€) & YoY variance



Voice line loss/gain & EOP (000)



Fixed voice ARPU (€) & YoY variance

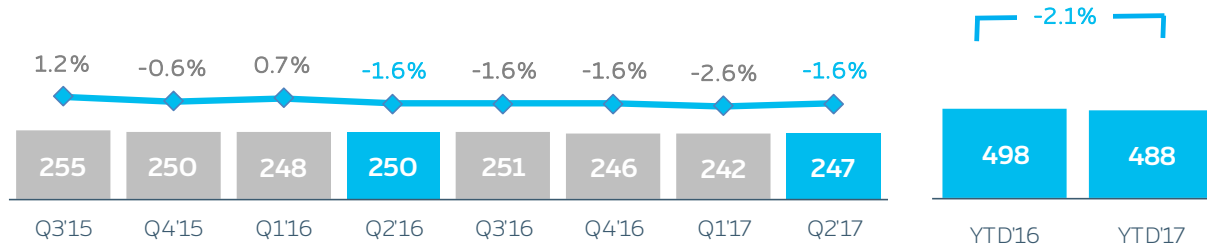


Proximus' Tuttimus and Familus multi-play offers and Scarlet's Trio offer, continued the successful upselling of the Fixed Voice line.

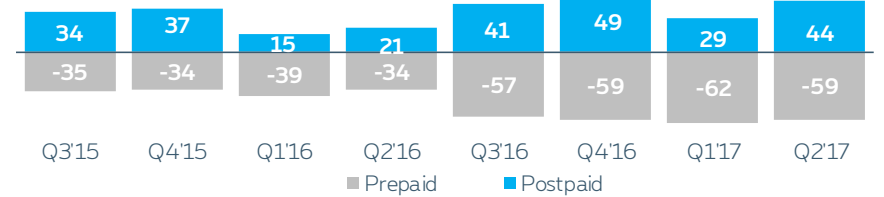
- Upselling offset for large part erosion of standalone Fixed Line offer
- -2,000 Fixed Voice lines in Q2'17
- Total Fixed Voice customer base at 2,063,000
- ARPU Q2'17 EUR 20.4, i.e. -2.3% incl. a higher multi-play Pack penetration and ongoing decline in the use of Voice traffic

Mobile Postpaid solid, revenue +3.0% and +44,000 cards in Q2. Prepaid still impacted by authentication legislation.

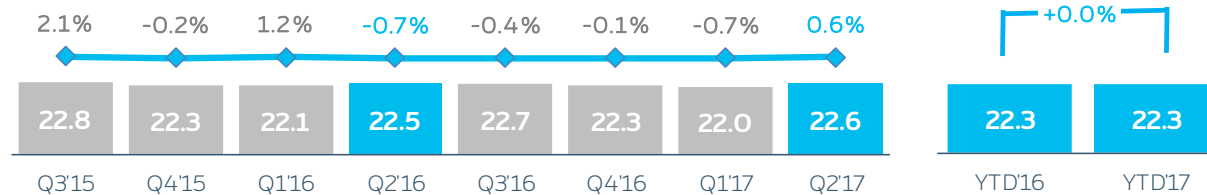
Mobile service revenue (M€) & YoY variance



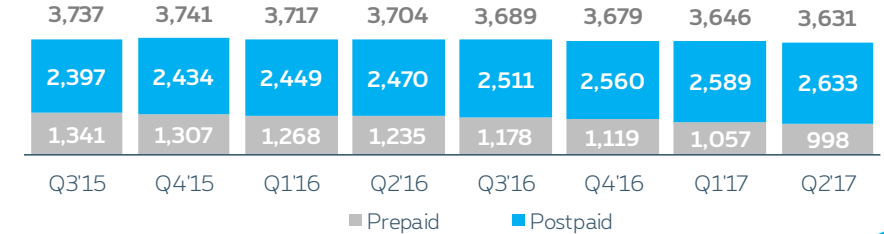
Mobile Net Adds (000's)



Blended net mobile ARPU (€) & YoY



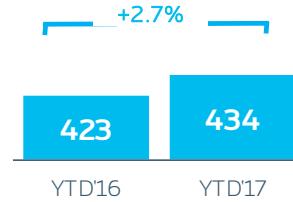
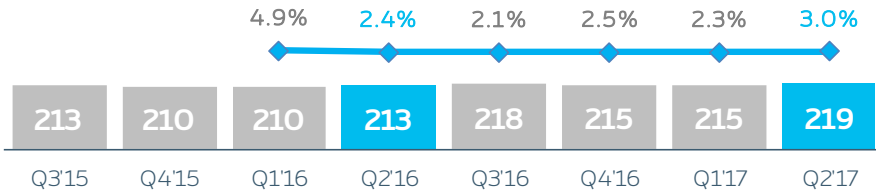
Mobile Park (000's)



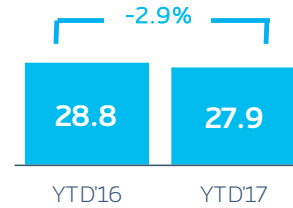
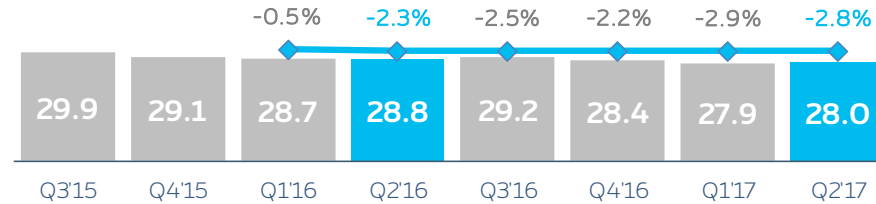


# Consumer – Postpaid and Prepaid

Postpaid revenue (M€) & YoY variance



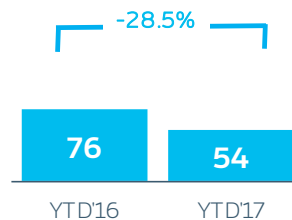
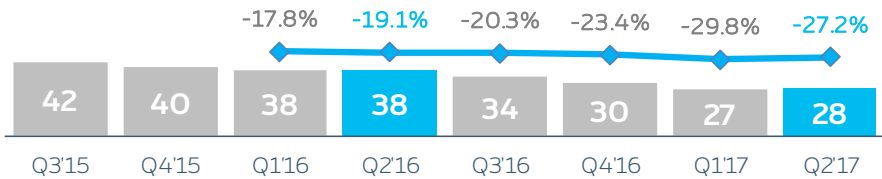
Postpaid ARPU (€) & YoY variance



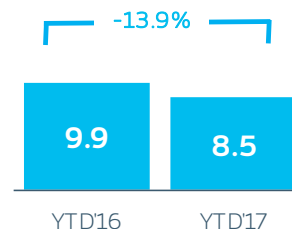
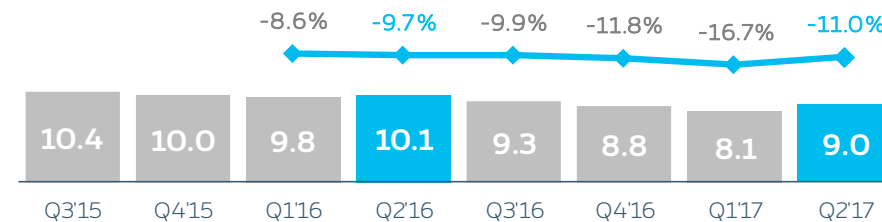
Postpaid revenue growth fully driven by continued expansion of Proximus' customer base, up 6.6% YoY.

- Revenue growth sequentially somewhat better following annualizing of roaming price decrease end-April. However, renewed tic-up of regulation impact with Roam-like-at-Home launched 12 June 2017.
- Regulation impact and structural decrease in voice usage partially offset by customer uptiering and uptake in data.

Prepaid revenue (M€) & YoY variance



Prepaid ARPU (€) & YoY variance

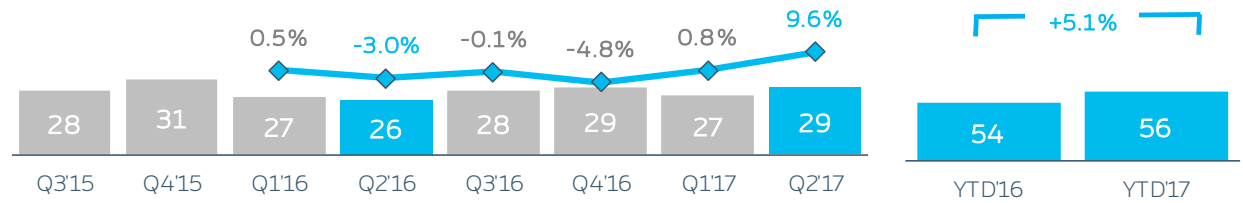


In declining Prepaid market, erosion was accelerated since December'17 by the legislation on Prepaid card identification.

- End-June 2017, 93,000 Prepaid cards remained unidentified. In accordance with the Royal Decree, on 7 September all remaining unidentified cards will be deactivated and removed from Proximus' Prepaid park.

# Tango Luxembourg – Consumer segment

Tango revenue (M€) & YoY variance



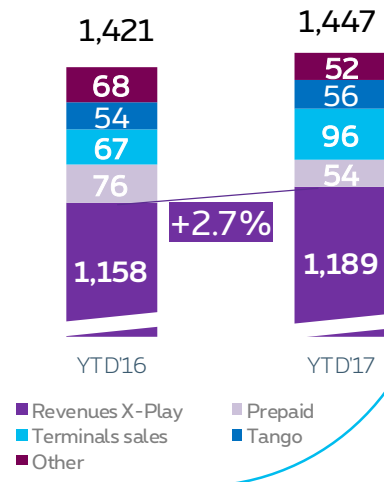
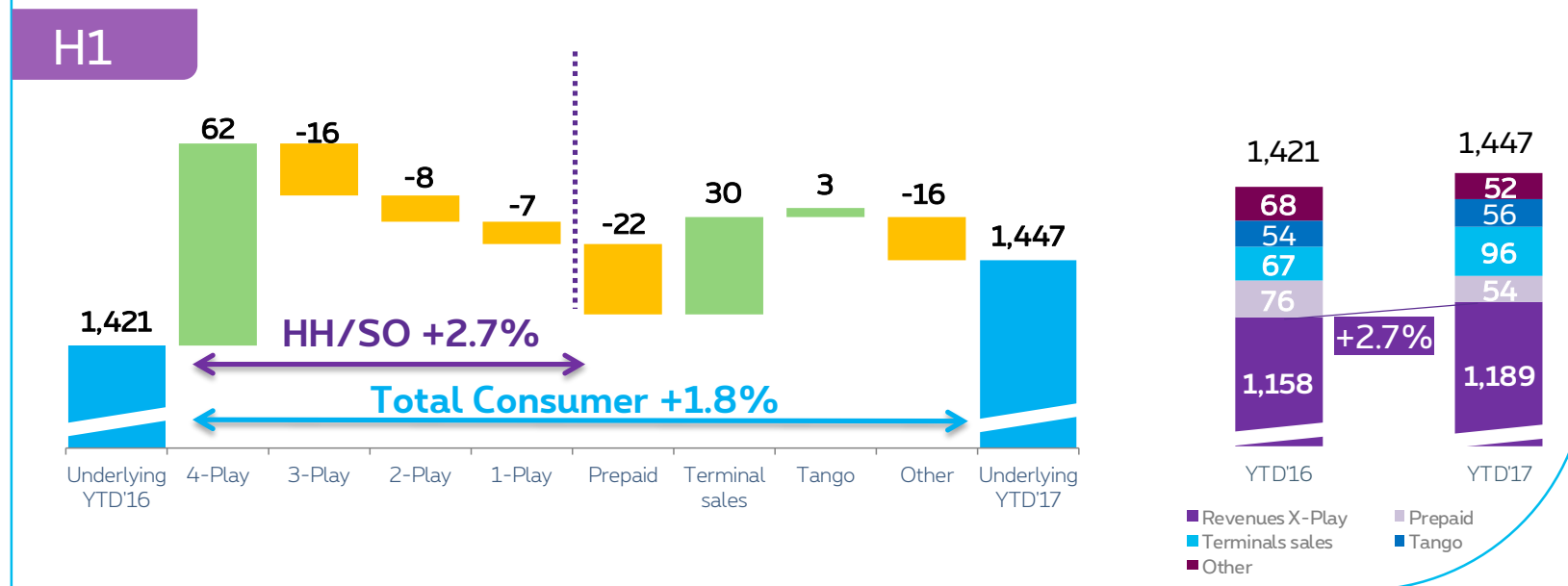
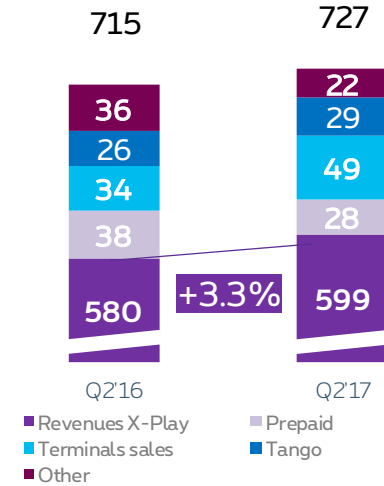
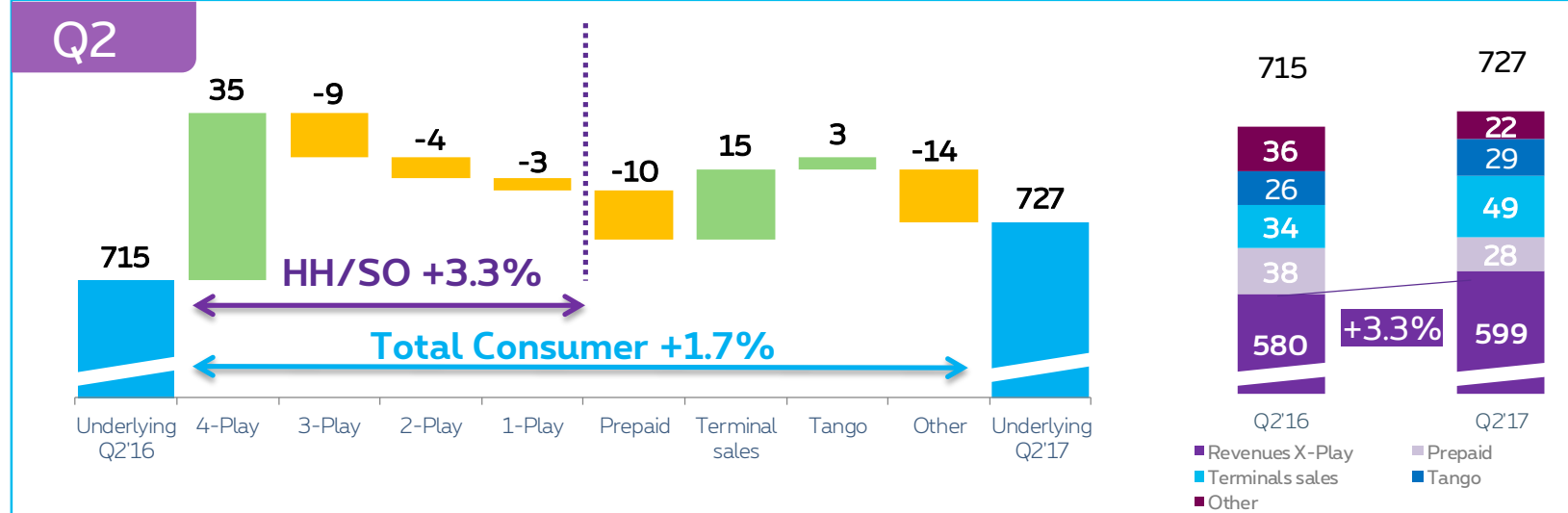
In spite of the competitive landscape Tango continued to solidly grow its customer base for Mobile Postpaid and More4More price changes improved the ARPU compared to the prior year.

Fixed services (Voice, Internet and TV) also showed a positive evolution. This was partially offset, however, by a decline in Prepaid, impacted by Prepaid card identification legislation in Luxembourg.

X-Play view

# Consumer increasingly generates revenue from the households it services, +3.3% for Q2, driven by uptake of 4-Play offers

## Revenue in M€

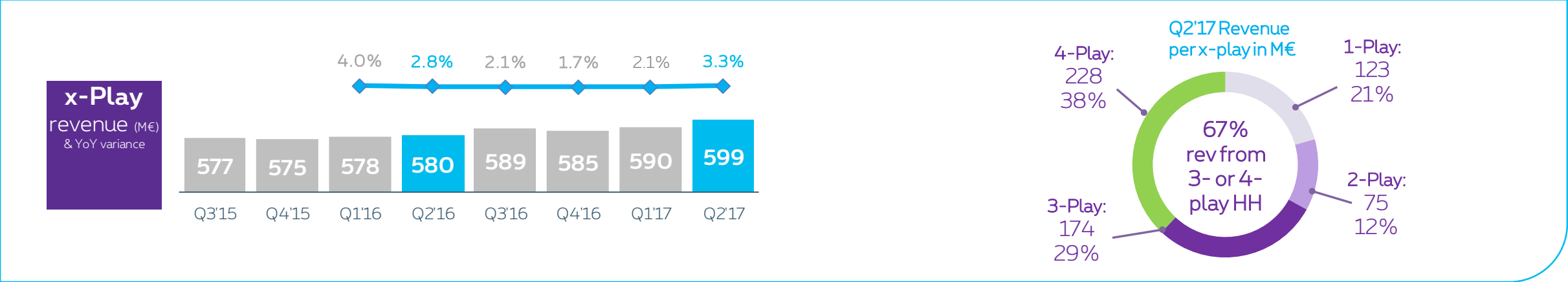


Proximus' strategy to focus on attractive multi-play offers, supported by Tuttimus and Bizz All-in, resulted in strong uptiering to 4-Play, leading to 18.3% 4-Play revenue increase and a more valuable and loyal customer base.

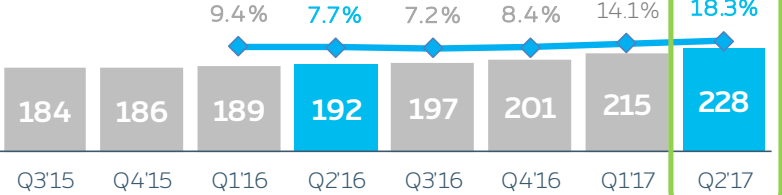
22% of 2,956,000 Households take all 4 Plays, up 3.3pp YoY

# Proximus all-in offers accelerate revenue increase for 4-Play to €228m

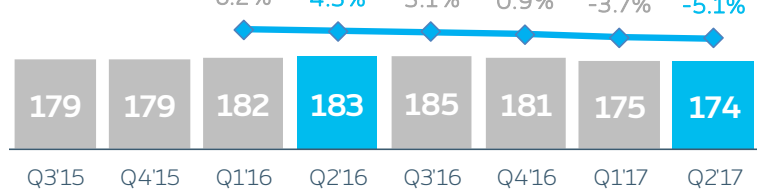
- Tuttimus/Bizz All-in driving uptiering to 4-Play
- Ongoing expansion of 4-Play base, 98,000 YoY incl. +22,000 HH/SO in Q2'17
- Growing revenue from 4-Play partly offset by lower revenue generated by the 1 - 2- and 3-Play HH/SO (incl. uptiering)



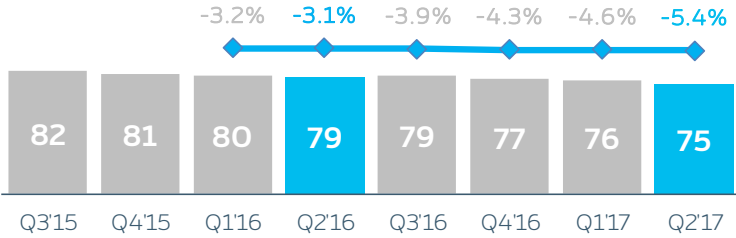
**4-Play revenue (M€) & YoY variance**



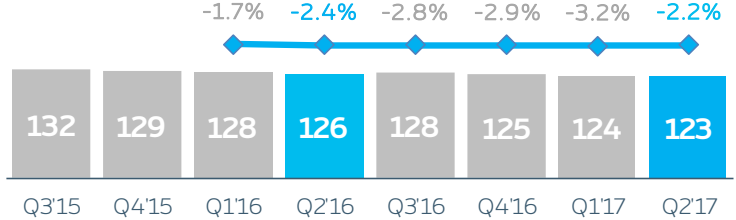
**3-Play revenue (M€) & YoY variance**



**2-Play revenue (M€) & YoY variance**

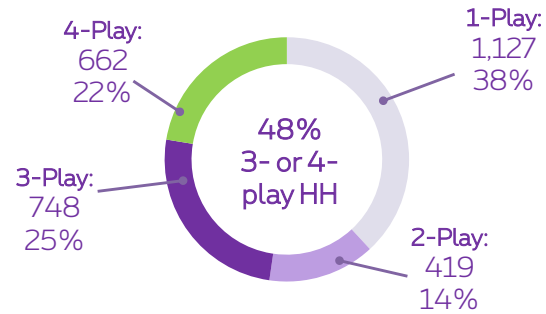


**1-Play revenue (M€) & YoY variance**



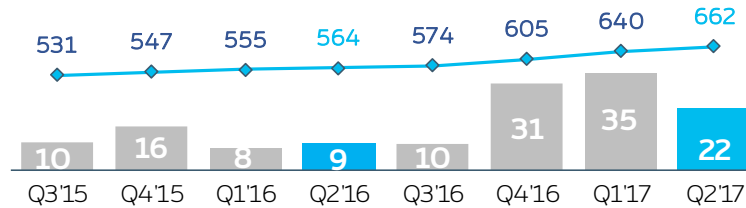
# Solid commercial quarter, with consumer HH/SO base growing to 2,956,000. 56.1% of multiplay HH/SO combine Fixed with Mobile, +2.6pp YoY

Q2'17 HH/SO perx-play in 000's

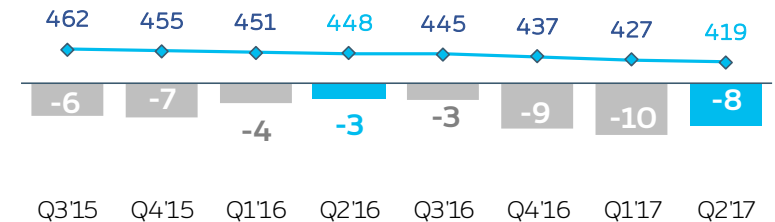


- Proximus achieved to enlarge its overall customer base, with X-Play Households/Small offices totaling 2,956,000 end Q2'17; ie. up YoY by 0.2% or +5,000, including +8,000 net adds in Q2'17
- Customer mix improving with ongoing expansion of 4-Play base, 98,000 YoY incl. +22,000 HH/SO in Q2'17, driven by the new Tuttimus and Bizz All-in portfolio

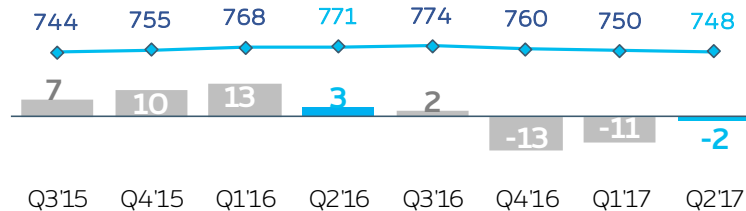
**4-Play**  
growth & EOP  
(000)



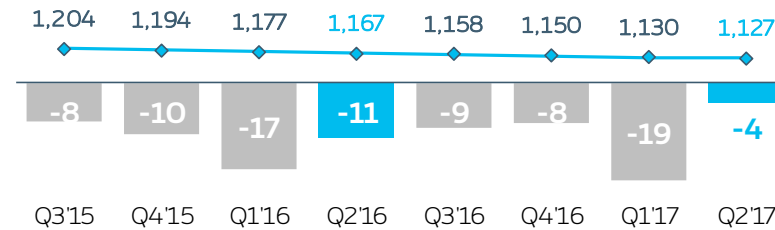
**2-Play**  
growth & EOP  
(000)



**3-Play**  
growth & EOP  
(000)

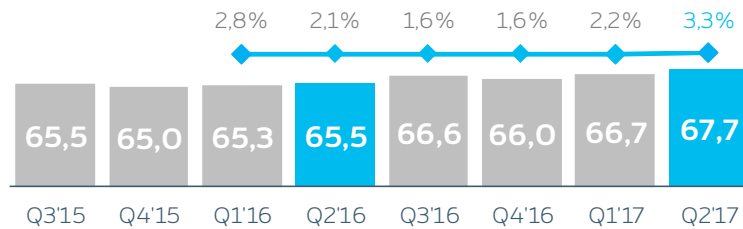


**1-Play**  
growth & EOP  
(000)



# Overall ARPH +3.3% YoY to € 67.7, in spite of roaming regulation impact on Mobile

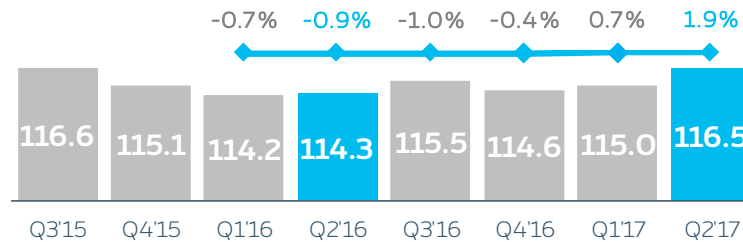
## X-Play ARPH (€) & YoY Variance



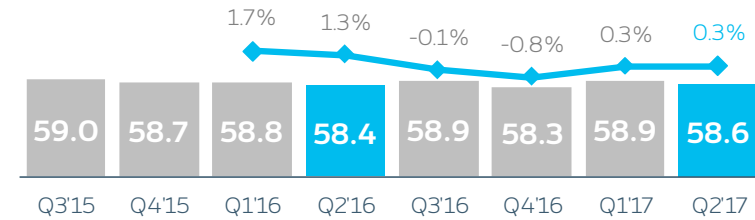
The overall ARPH continues to grow on improved customer mix with 4-Play ARPH up 1.9% YoY to € 116.5, driven by higher RGU's.

3-Play ARPH showing some erosion, down 2.4%, with Scarlet TRIO customers increasing in the mix, at lower pricing

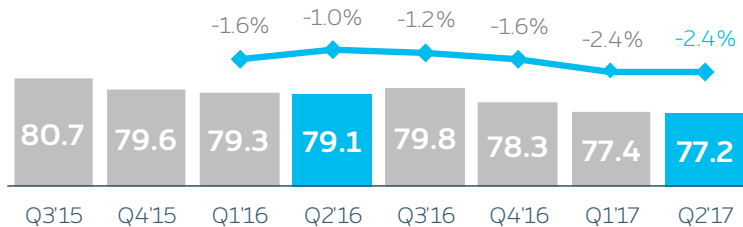
## 4-Play ARPH (€) & YoY Variance



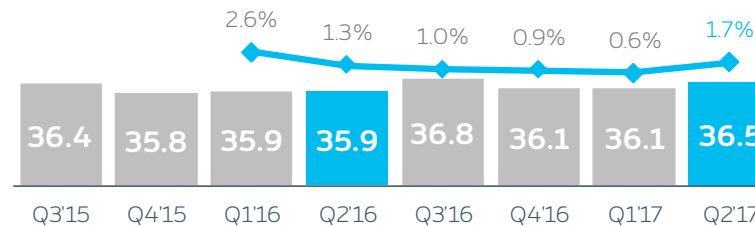
## 2-Play ARPH (€) & YoY Variance



## 3-Play ARPH (€) & YoY Variance

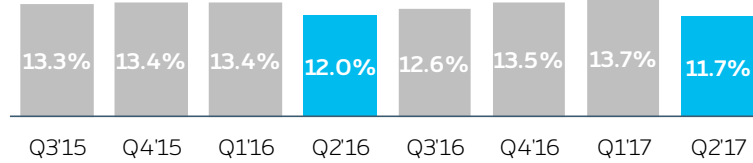


## 1-Play ARPH (€) & YoY Variance



# Improved annualized full churn rates, in spite of competitive landscape

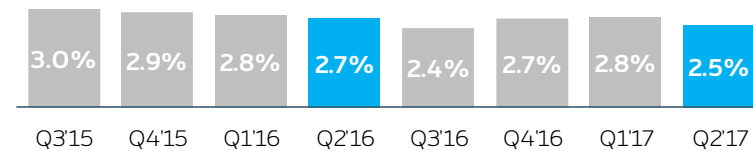
## X-Play Annualized full churn rate



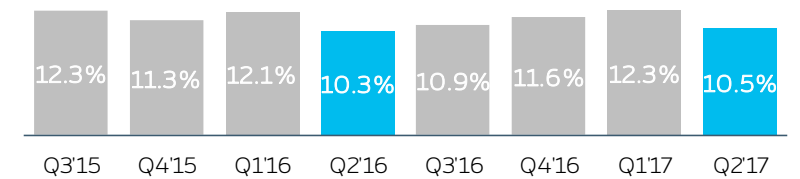
The many initiatives launched across the company, aimed at improving the overall customer experience, selling more appealing offers, and implementing a dual-brand approach, contribute to improved churn levels.

The annualized full-churn rate on average for all Plays was 11.7%, improving both YoY and QoQ. Churn levels improve significantly when customers move to multi-play offers, with especially 4-Play churn remaining low at 2.5%.

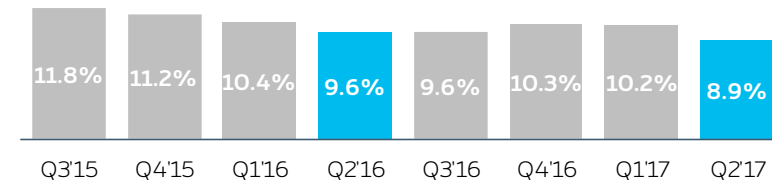
## 4-Play Annualized full churn rate



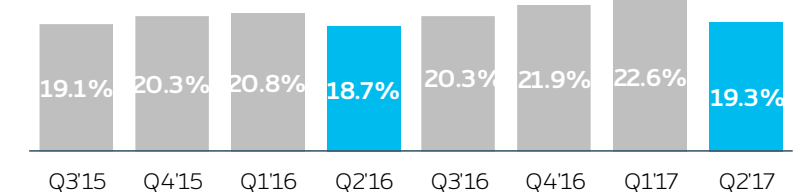
## 2-Play Annualized full churn rate



## 3-Play Annualized full churn rate

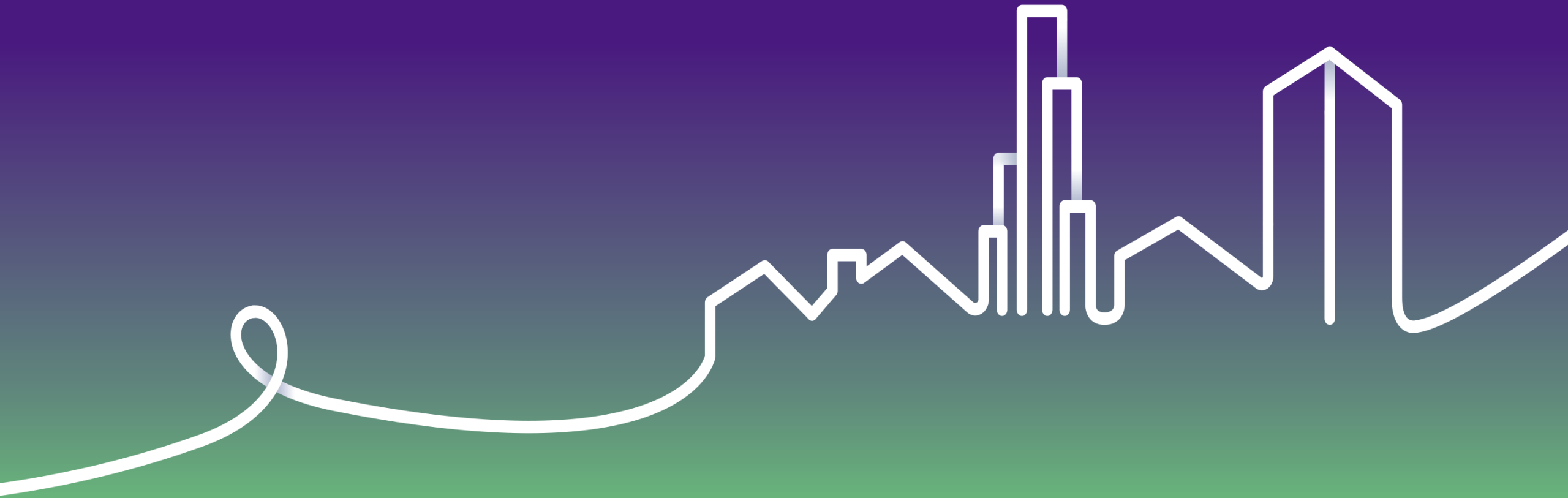


## 1-Play Annualized full churn rate



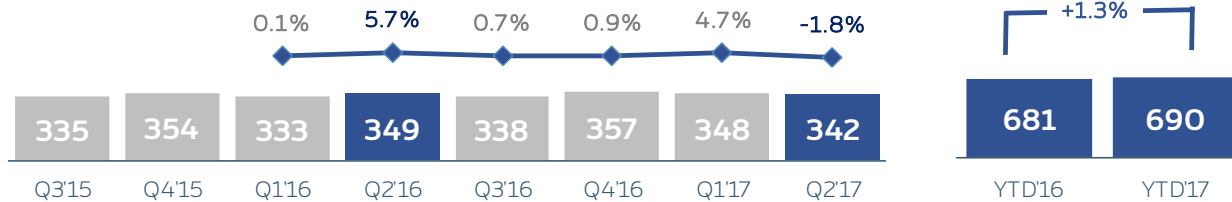


# Enterprise Results

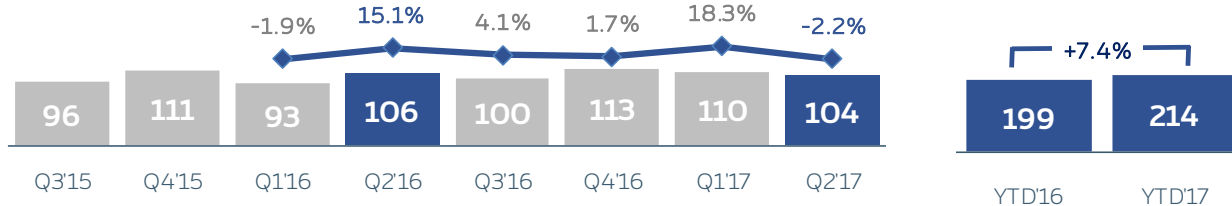


# Q2'17 revenue impacted by quarterly fluctuation on low-margin ICT product deals.

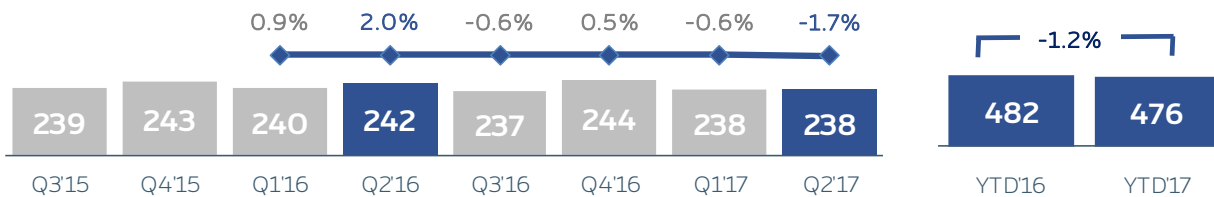
Enterprise underlying revenue (M€) & YoY



Enterprise underlying Cost of Sales (M€) & YoY

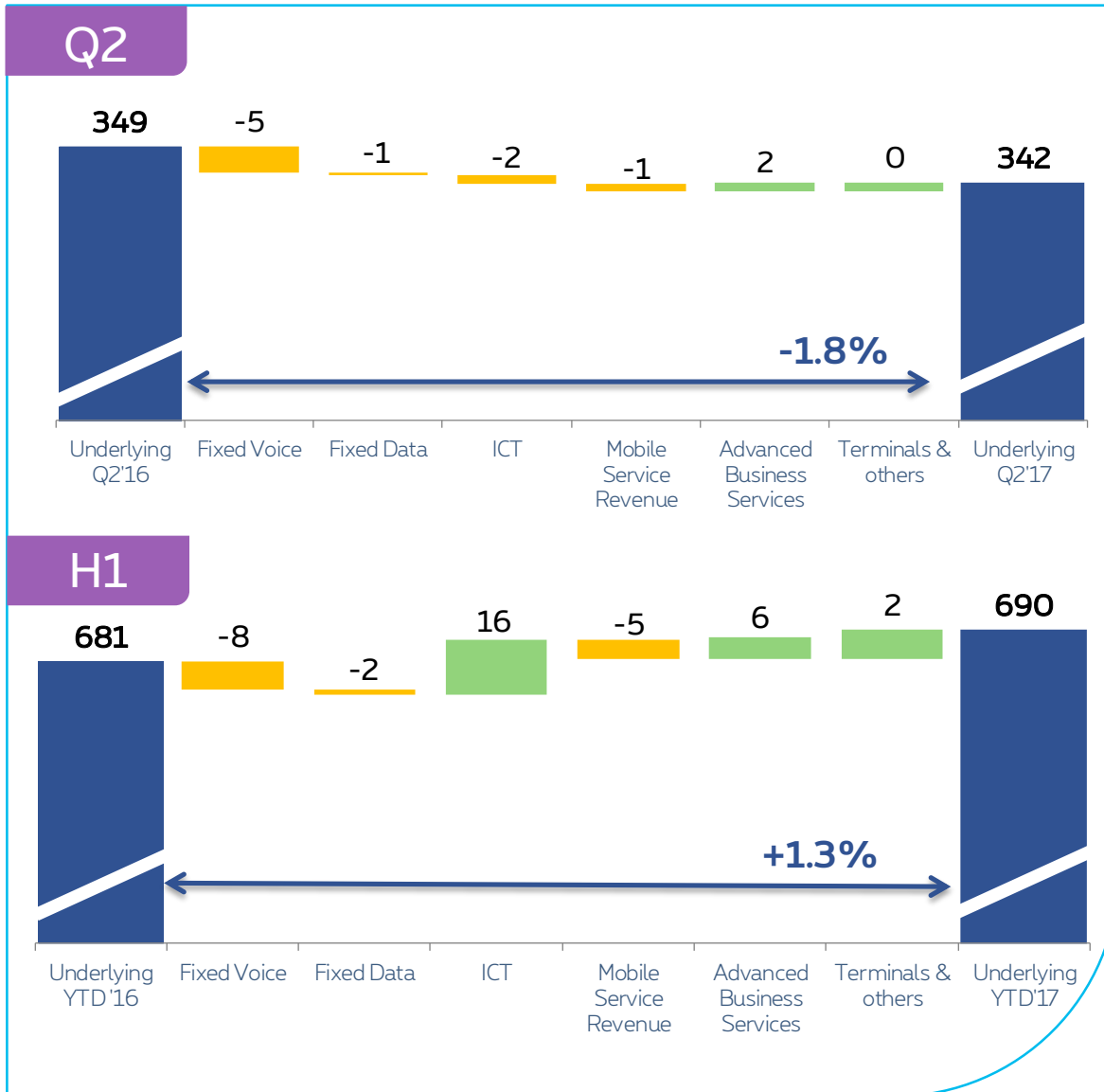


Enterprise underlying direct margin (M€) & YoY



- Revenue impacted by lower revenue from ICT product deals, in addition to the ongoing erosion of legacy Fixed Voice, and regulatory pressure on Mobile Service revenue.
- Direct margin -1.7%, with erosion on Fixed voice and roaming regulation impact not fully compensated by the margin contribution from ICT and Advanced Business Services
- Direct margin as a percentage of revenue remained broadly stable at 69.7%.

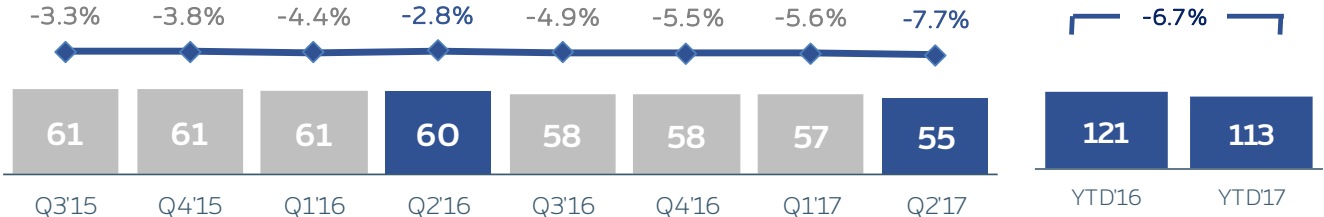
# Pressure on legacy Telecom services not compensated for by ICT and Advanced Business services in Q2'17



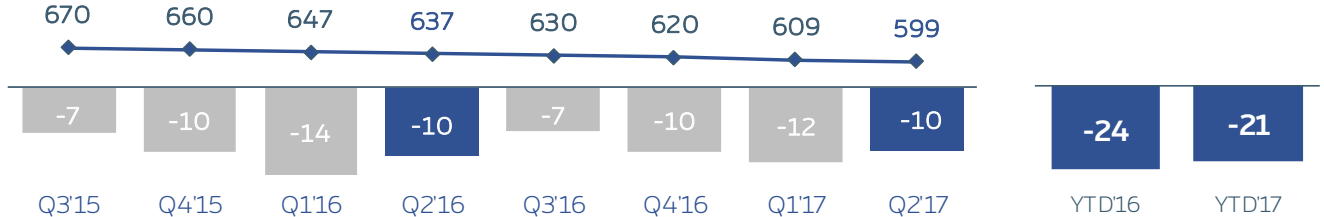
Q2'17 revenue of Proximus' Enterprise segment impacted by lower revenue from ICT product deals, in addition to the ongoing erosion of legacy Fixed Voice, and regulatory pressure on Mobile Service revenue.

# Fixed Voice customer base erosion and lower usage

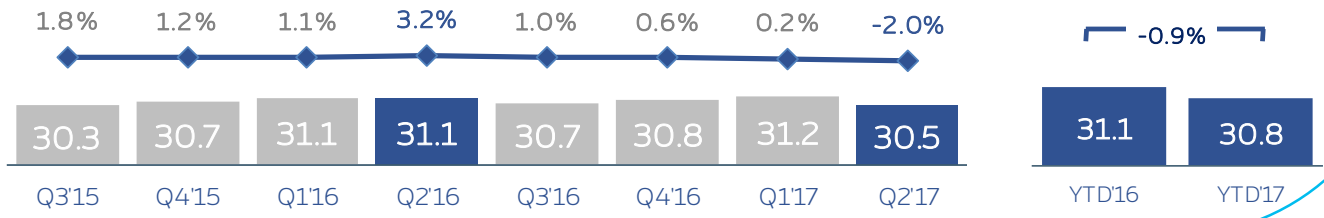
Fixed voice revenue (M€) & YoY variance



Voice line loss/gain & EOP(000)



Fixed voice ARPU (EUR) & YoY variance

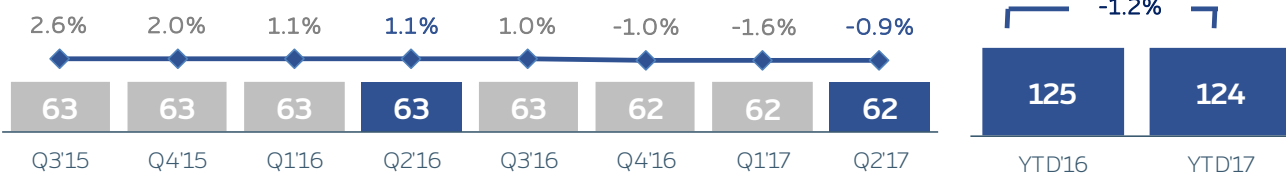


The enterprise segment faces an ongoing rationalization by customers on Fixed line connections, lower usage, technology migrations to VoIP and competitive pressure. The net Fixed line erosion remains however fairly stable with -10,000 lines in Q2'17.

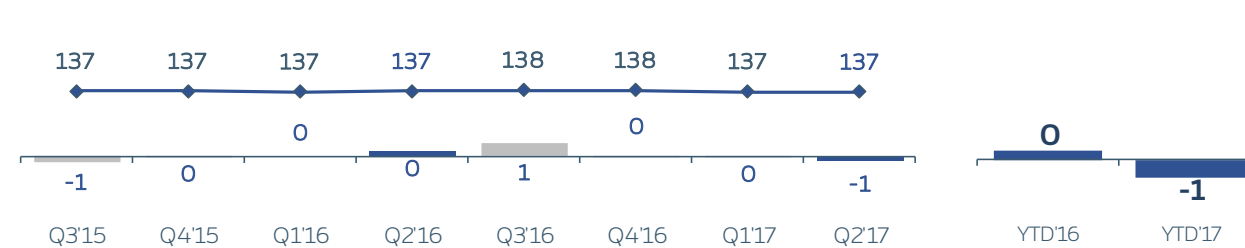
The Fixed Voice ARPU eroded to EUR 30.5, -2.0% from the previous year due a lower number of equivalent business days.

# Ongoing migration of legacy Data products, continued structural growth for new products

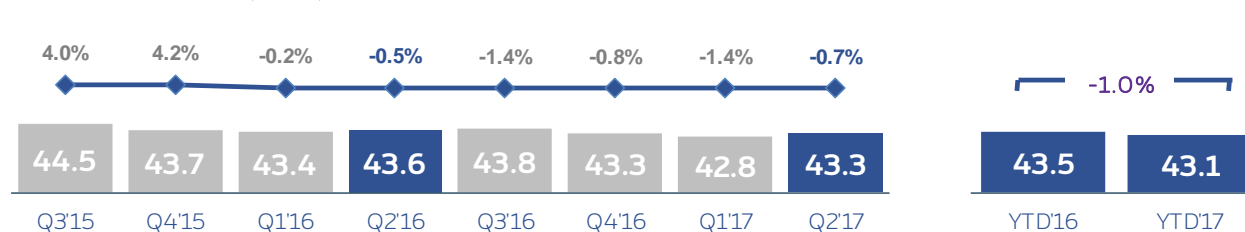
Fixed data revenue (M€) & YoY variance



Broadband growth & EOP (000)



Broadband ARPU (EUR) & YoY variance



Continued benefit from growing Data connectivity customer base, with ongoing migration to Proximus' VPN flagship 'Explore', benefitting from further P2P roll-out.

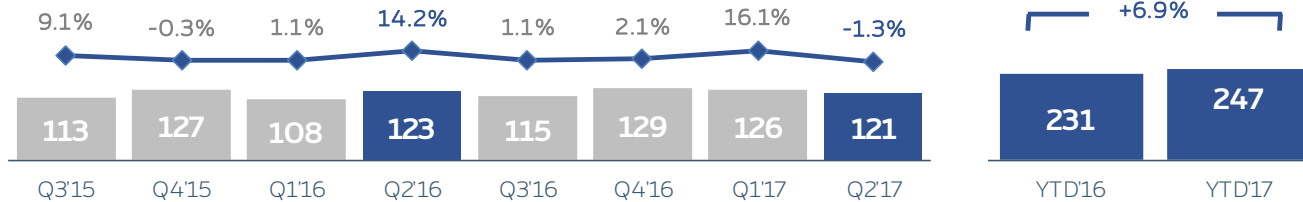
Offset by the impact of the outphasing and migration of legacy products in the context of simplification programs offering customers new solutions at more attractive pricing.

Revenue from Fixed Internet confirmed its broadly stable trend, with firm Internet base and Broadband ARPU only slightly down to 43.3 in Q2'17.

# Quarterly ICT revenue fluctuating on low-margin product deals

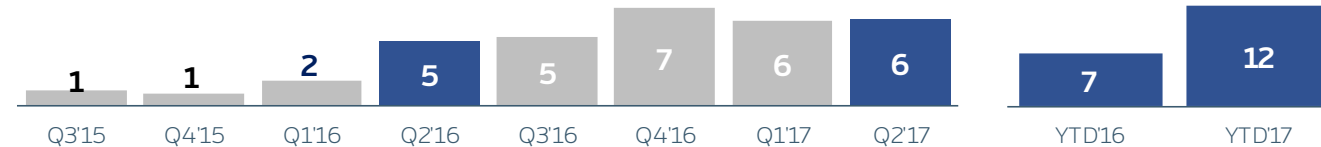
## Advanced Business Services revenue up YoY

Underlying ICT revenue (M€) & YoY



Lower Q2'17 turnover on lower product revenue, with limited impact on direct margin. Proximus Cloud, Security and Outsourcing services continued to grow. As of May 2017, revenue from security company Davinsi Labs\* integrated, providing Proximus with a 360° cybersecurity portfolio.

Advanced Business Services (M€)



Enterprise generated € 6m revenue from Advanced Business Services in Q2'17. Growth of BeMobile now fully organic

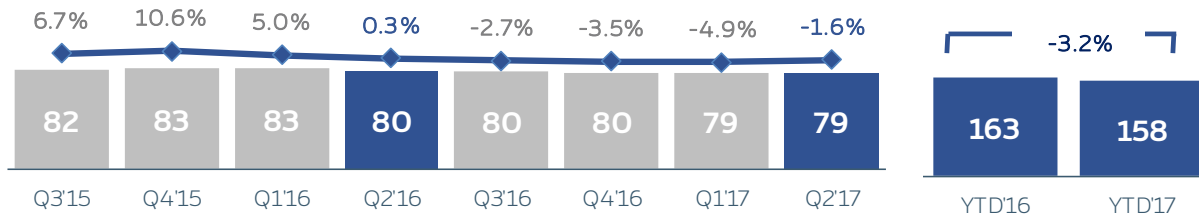
Advanced Business Services groups new solutions offered aside from traditional Telecom and ICT, such as smart mobility solutions (BeMobile), Road User Charging, Converging Solutions, Big data.

\* Antwerp-based cyber security company with a strong position on the Benelux cybersecurity market. FY'16 revenue of €3.4m.

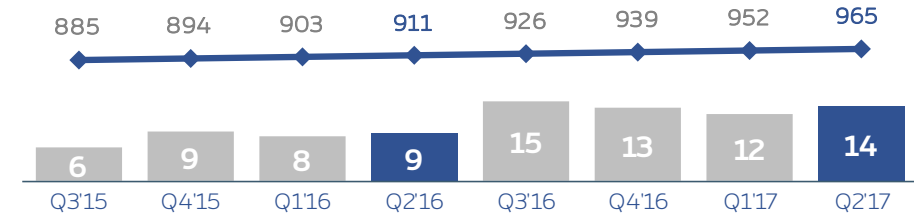
# Solid Mobile customer growth in competitive setting, ARPU impacted by roaming regulation

- Q2'17 Mobile service revenue -1.6% YoY. Solid customer growth not fully offsetting regulatory price impact, ongoing move from customers to mobile bundles and competitive pressure.
- Roaming price decreased of end-April 2016 annualizing, though as of 12 June 2017, Roam-like-at-Home was launched, which reintroduced a pricing impact.
- +14,000 mobile cards other than M2M in Q2'17 bringing the customer base to 965,000 cards, +5.9% YoY (excl M2M)

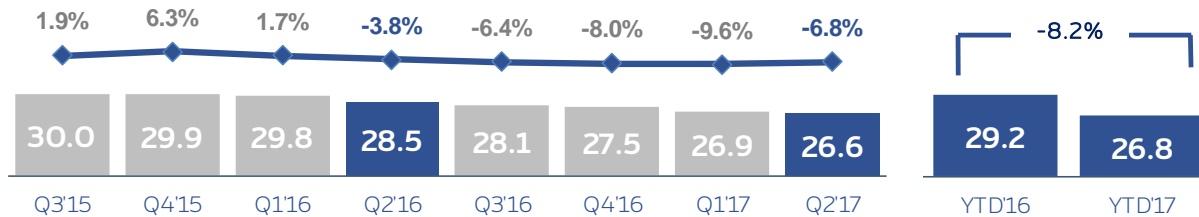
Mobile service revenue (M€) & YoY variance



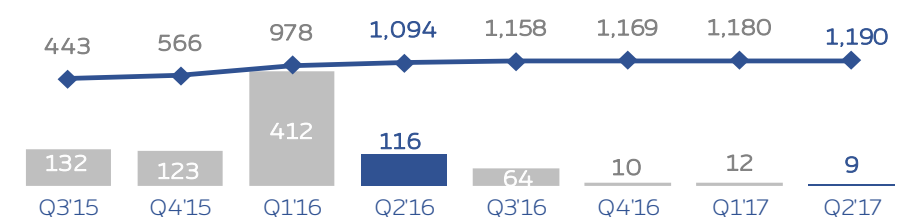
Postpaid exl M2M growth & EOP (000)



Postpaid ARPU (EUR) & YoY variance

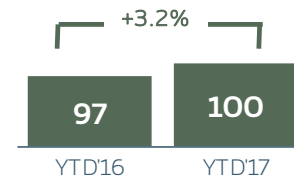
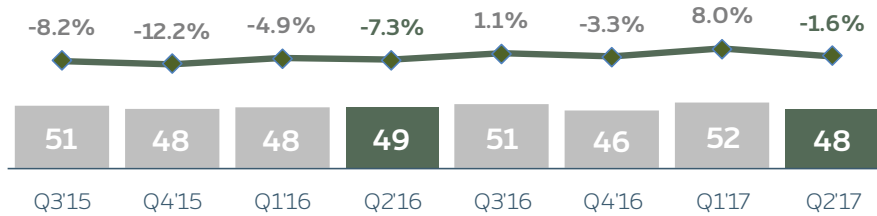


M2M growth & EOP (000)

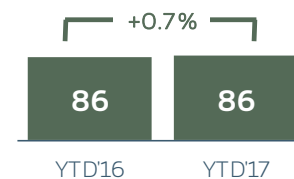
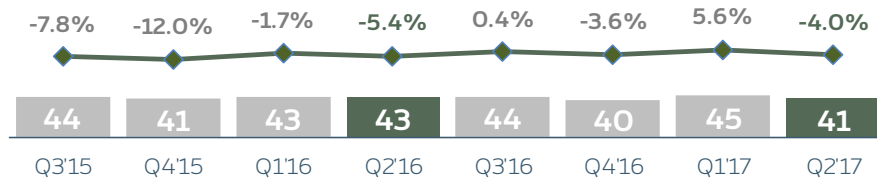


# Wholesale impacted by decline in traditional wholesale products, partially offset by higher roaming-in revenue

Wholesale underlying revenue (M€) & YoY



Wholesale underlying direct margin (M€) & YoY



- Revenues & Direct Margin erosion mainly due to decline in traditional wholesale products (fix/mobile voice, data connectivity and broadband access) which is only partially offset by higher roaming-in margin driven by higher data volumes.
- Trend back to normal levels from exceptionally high Q1'17 which included a corrective one-time impact following the annulment by the Brussels Appeal Court of the new Fixed Termination rates.



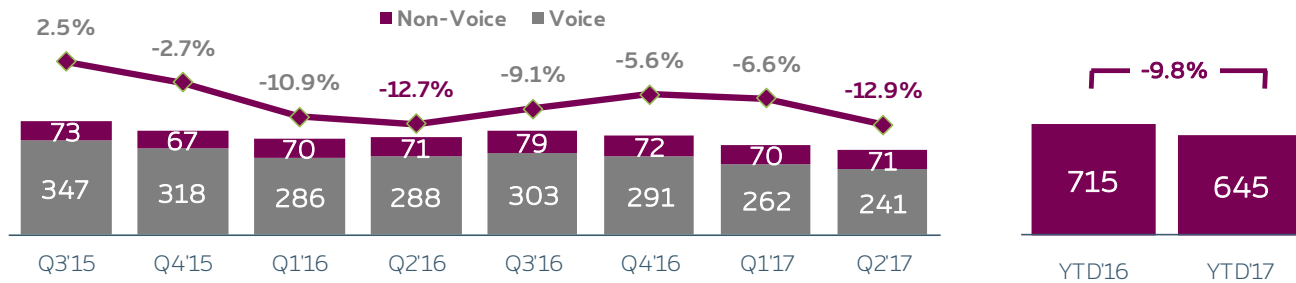
# BICS Results



# BICS posted stable Q2 direct margin, in a volatile and competitive market

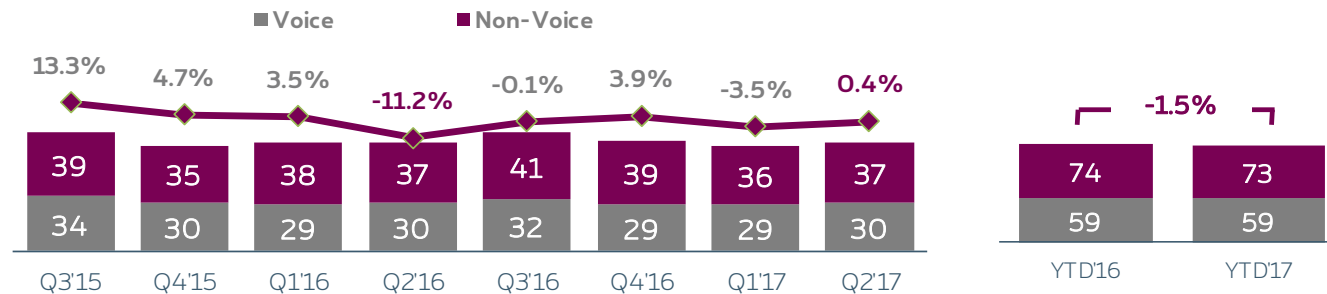


BICS Revenue (M€)



- Q2'17 revenue declined on 10.1% lower volume of Voice traffic carried by BICS combined with a less favorable destination mix.
- Messaging volumes continued to grow, up by 3.3%, compensating the impact of the competitive pressure in other non-Voice sub-segments.

BICS Direct Margin (M€)

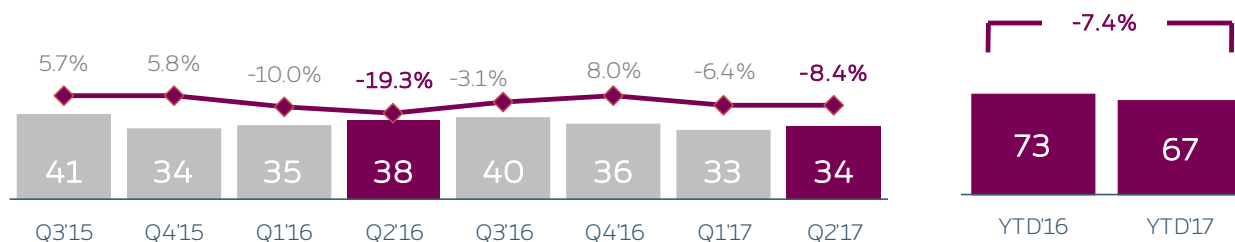


- In spite of a lower revenue, BICS achieved a fairly stable Q2'17 direct margin, improving YoY vs prior quarter.
- YoY +1.7% in the Non Voice direct margin
- YoY -1.0% Voice direct margin

# BICS EBITDA decline on higher expenses, segment contribution margin up to 11.0%

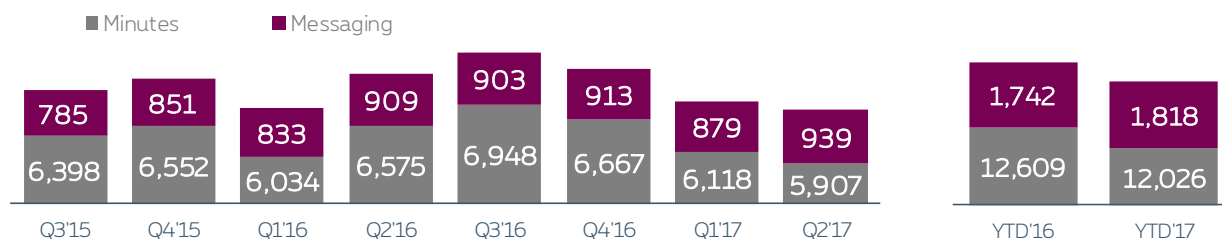


BICS underlying segment result (M€) & YoY variance



- BICS' underlying segment result for Q2'17 -8.4% YoY with expenses up by 11.9%
- Non-workforce expenses up mainly on a foreign currency effect
- Q2'17 Segment margin of 11.0%, +0.5pp YoY.

BICS Volumes (in mio)



- Voice traffic carried by BICS -10.1% YoY, with a less favorable destination mix
- Messaging volumes continued to grow, +3.3% YoY



# Additional info

- Regulation
- BICS acquisition of TeleSign
- Headcount evolution
- Pricing
- Spectrum
- Shareholder structure & remuneration
- Contact details

# Operating in highly regulated environment

## EU roaming regulation

### Roaming-Out impact

Defined as: Volumes of year-1 multiplied by the year-on-year price decrease as set by the regulator.

(EUR million)	Q2'17 Actuals	YTD'17 Actuals	FY'17 Estimate
<b>REVENUE</b>	<b>-10</b>	<b>-27</b>	<b>-61</b>
National	-8	-22	-50
Tango	-2	-4	-11
<b>EBITDA</b>	<b>-10</b>	<b>-27</b>	<b>-61</b>
National	-8	-22	-50
Tango	-2	-4	-11

- **Transitory period towards Roam-like-at Home from 30 April '16 till 14 June '17:** surcharge up to the current regulated wholesale rates.
- **As from 15 June 2017, 'Roam-Like-At-Home'** implemented in the EU zone with the obligation to charge retail roaming within the EU at domestic retail price for consumption within the Fair Use Policy.
- **Roaming wholesale prices for data caps,** a step by step reduction over 5 years is foreseen, with a decrease from EUR 7.7/GB as of 15 June 2017 to EUR 2.5/GB as of 1 January 2022.

## Mobile Termination rates

On 31 May 2017, the BIPT published its 3rd round analysis of the mobile termination market. The decision applies a MTR level of 0.99 eurocent/minute for the period 2017-2019 (vs 1.18 eurocent previously). **The new MTR has been applicable since 1 July. The estimated impact is less than EUR 6 million in revenue for 2017, with a fairly neutral EBITDA impact.** In Luxembourg, the new MTR have been set at 0.89 eurocent/min since 1 July until 31 December 2019 (from 0.97 eurocent previously).

## Prepaid identification

The identification of old and new mobile Prepaid cards is now mandatory under Belgian law, which led an accelerated decline of the Prepaid market. Proximus implemented different solutions in order to make it easier for its customers to identify their prepaid cards. Since 1 June 2017, all non-identified prepaid cards have been blocked. In case a prepaid number was blocked due to non-identification, the customer can still identify and reactivate the prepaid card until the end of the validation period or until 7 September at the latest, while keeping the remaining credit and the number. End-June 2017, 93,000 Prepaid cards were still unidentified.

# Operating in highly regulated environment (continued)

## BIPT market analysis

On 7 July 2017, the Belgian regulators (BIPT and media regulators (CSA, VRM and Medienrat)) launched a public consultation on their review of the broadband internet and TV market analysis (the last analysis dates from July 2011). The regulators consider that these markets are still characterized by competition shortcomings and take as a stance that the market needs a third fixed player. Overall they propose a scheme for deepening the cable regulation and extending Proximus regulation from its copper to also its fiber network. The concrete modalities of the regulation are not yet defined. The consultation runs until mid- September 2017.

## Easy switch

The “Easy Switch procedure launched by the BIPT at the request of the Telecom Minister to facilitate the switch-over for fixed services (voice, internet, television and packs) effectively entered into force on 3 July 2017. The new obligations will be reassessed by the BIPT by 1 July 2019.

## Fixed Termination Rates

On 15 March 2017, the Brussels Appeal Court annulled the BIPT decision of 25 August 2016 setting new FTR (at 0.092 eurocent/min). The tariffs in force before 1 November 2016 (date of entry into force of the decision) are therefore applicable again. The BIPT is working on a new market analysis expected to be submitted to consultation this year.

## Who is TeleSign ?

- Global leader in Mobile Identity Verification and Assurance through SMS, Voice, ...
- Offering the broadest, highest quality and furthest –reaching consumer account security solution in the world
- Diversified, International Customer base
- 250 employees worldwide
- 6Bn+ transactions processed per year

## Need to Bridge the Operator and the Internet Worlds

**Operators need to monetize their assets**

Connection to 700+ Operators Worldwide



**Digital services providers need connectivity, interoperability, off-net Voice/SMS termination, mobile end-user related data, ...**

Connection to 500+ Digital Service Providers

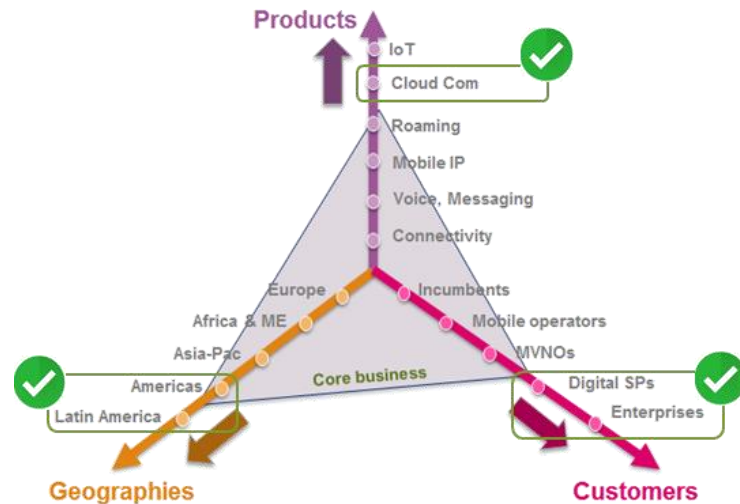
## TeleSign's Communications platform

- Developer-friendly API's & SDK's, combining data intelligence and messaging communications
- Expansive global network with 100's off high-quality, direct-to-carrier routes ensuring highest availability and market-leading delivery and completion rates
- Unparalleled service and support

# Strategic Fit – creating the first world end-to-end communication services to the digital world

## For Bics

- Acceleration of diversification strategy in 3 directions, while focusing on a leveraging the core business



- Embracing new technologies
- Platforms and expertise

## For TeleSign

- Bics' mobile and worldwide reach to >700 operators
- Improving sourcing of

Bridging the telco and digital worlds



- Direct SMS and Voice termination
  - ➔ Improving TeleSign cost structure and gain new destinations



- Mobile End-user data (such as localisation, usage, etc ...)
  - ➔ Enrich TeleSign Score products and to gain new customers



- Numbering (enabling end-user calls)
  - ➔ Enlarging TeleSign offer (bundles)



- Connectivity solutions
  - ➔ Decrease connectivity costs



# Reducing headcount, voluntary early leave plan prior to retirement ongoing

## What:

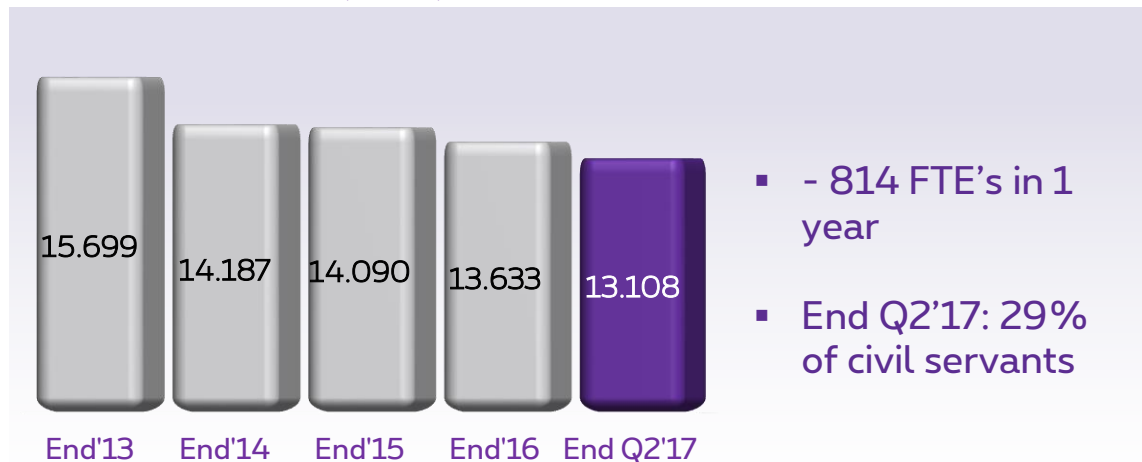
- Employees as from 60 years could opt to voluntary stop their active career, first wave left on 1 July 2016
- Last 2 years of active career, the work time is reduced to 80%
- Replacement income paid by Proximus until earliest retirement date

## Outcome:

- 1.855 FTEs subscribed to the plan, leaving in 2016-2020.
- In addition, a significant number of employees will retire in the period 2016-2020
- This will be slightly offset by limited external hiring for some specific domains and skills.

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

## Headcount evolution (FTE's)

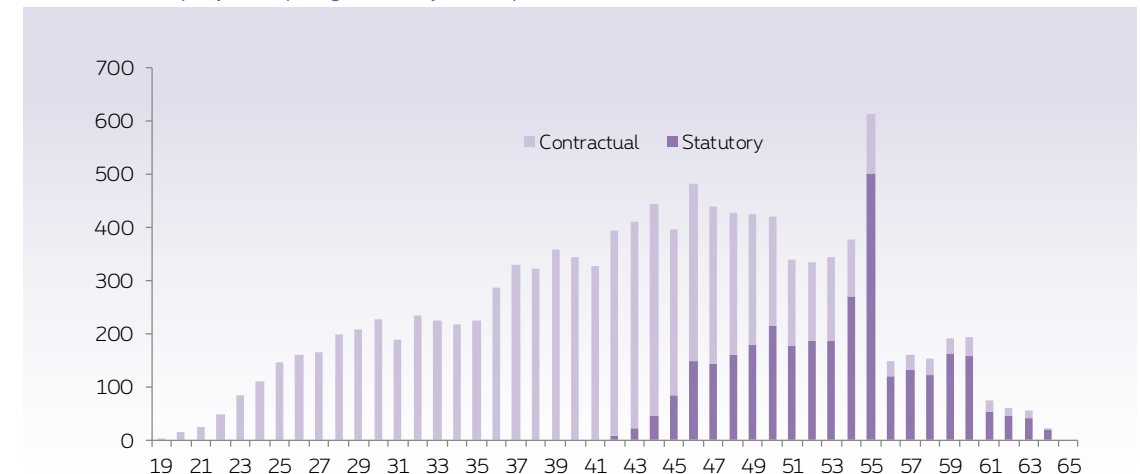


## Financial implications:



- Cumulated over the period 2016-2019, Proximus will report € 239M in non-recurring expense covering all costs related to the early leave plan.
- In H1'17 a non-recurring expense was recorded for € 38m.
- The benefit as of H2'16 of the lower headcount is reflected in underlying EBITDA,
- Net Cash Flow impact slightly positive as of 2016 and will build up over the years.

## AGE pyramid

(excl. employees opting for Early leave plan & subsidiaries)



# Comparing to cable offer, some examples

Tuttimus M	Tuttimus S + 2 <sup>nd</sup> mobile with Mobilus S
<b>10GB</b>	<b>3GB + 3GB</b>
Superfast <b>unlimited</b> surf	Superfast <b>unlimited</b> surf
Choose your favorite App : 	Choose your favorite App : 
Free national mobile calls. Free nat. and int. calls with fix line, evening and weekend, to fix and mobile numbers. Free calls between all numbers of your Tuttimus, always.	240 min national mobile calls. Nat. and int. calls with fixed line, evening and weekend, to fix and mobile numbers. Free calls between all numbers of your Tuttimus, always.
1 Blockbuster of your choice/month Choose your favorite content	1 Blockbuster of your choice/month Choose your favorite content
<b>€101,94/m</b>	<b>€106,93/m</b>

Wigo 100	Wigo 120
<b>3GB to share between 2 cards</b>	<b>10GB to share between 5 cards</b>
Superfast, <b>limited</b> surf (200GB)	Superfast <b>limited</b> surf
/	/
Always free calls to all numbers in Belgium. Mobile and with your fixed device. International calls not included.	Always free calls to all numbers in Belgium. Mobile and with your fixed device. International calls not included.
Paying options available. (Play 10€, Play More 24,95€, Play Sports 18,40€)	Paying options available. (Play 10€, Play More 24,95€, Play Sports 18,40€)
<b>€100/m</b>	<b>€120/m</b>



# 4-Play for Business customers



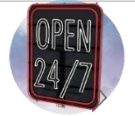
## Unlimited fixed and mobile calls

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



## A maximum of internet, fix and mobile

Unlimited surfing at the office with INTENSE (100/20)  
2nd SIM with 3GB for your tablet  
Unlimited use of Facebook or another app of your choice



## 24h/24 assistance for your business

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



## Your business in the cloud

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



## Digital TV on all your screens (option €10)

Free blockbuster, Netflix (original at €9,99 VAT incl.) and a discount of €1,65  
VAT excl/mth on pack, TV Replay (36 h) & decoder included



## Extra mobile subscriptions for employees or family



## Flexible & professional call management : Call Connect



## Option Bizz Data & International Calls (for Bizz Mobile XL)

S

M

L

XL

**Mobile:**  
600 min to EU  
**Fix**  
Unl. to fix in EU

5 GB

10 GB

20 GB

WiFi  
Extender  
or MCE for  
free if  
needed

Excl. VAT

€89

€98

€115

€79

€88

€105

€13

€20

€29

€46

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

Excl. VAT

€20

+400 min international to EU and +6GB data national and EU



# Familus - Fixed bundle for the whole family



Unlimited fast internet



Pick your favourite TV bundle and blockbuster



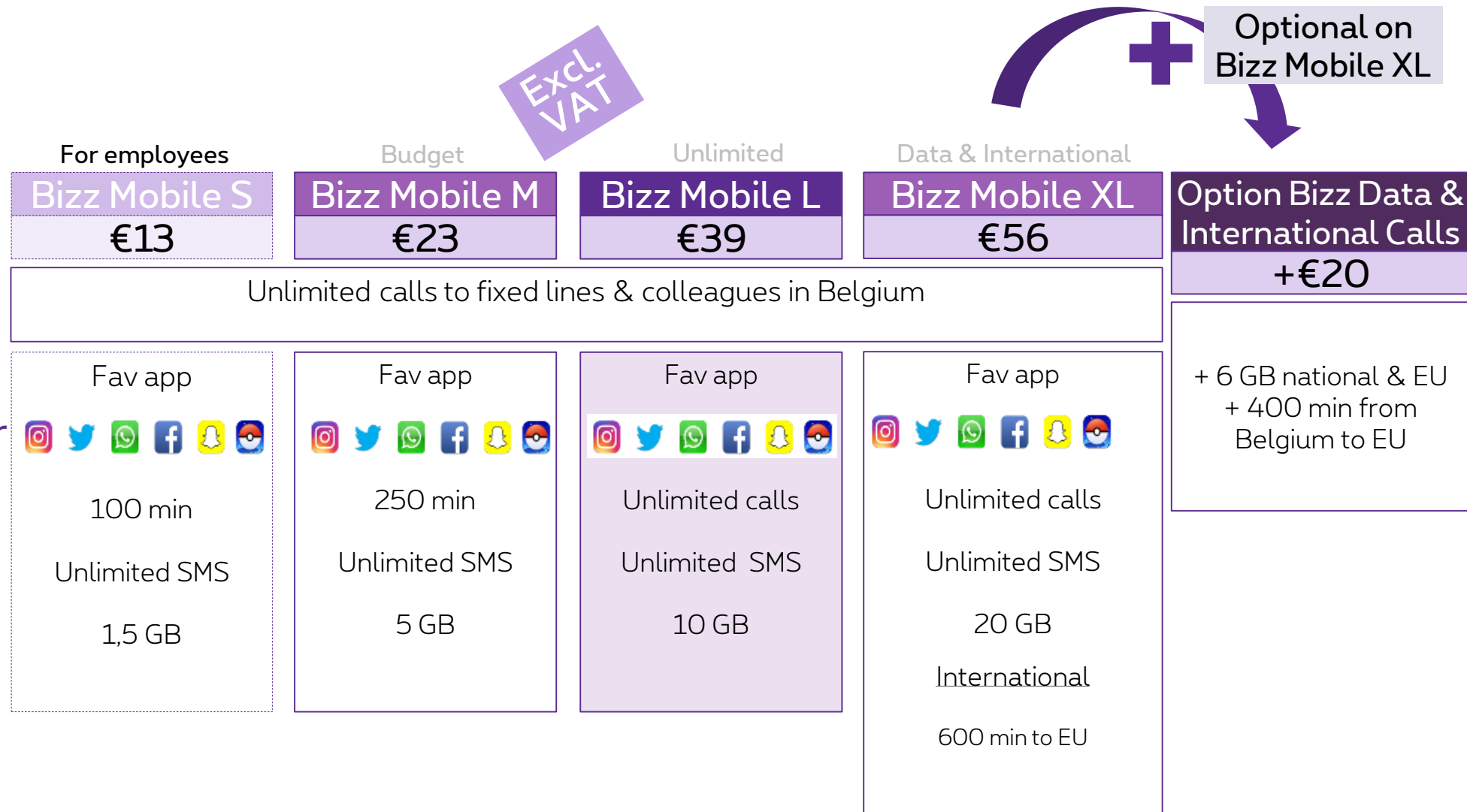
Free calling in the evening and in weekends

Familus M	Familus L
€67	€74.95
max. 100 Mbps download ; 15 Mbps upload ; unlimited	
1 blockbuster for free / month	1 blockbuster for free / month 1 Choose your favorite content: <ul style="list-style-type: none"> <li>• Netflix</li> <li>• Belgian foot</li> <li>• International Sport</li> <li>• All kids</li> <li>• Movie&amp;Series Pass</li> <li>• Entertainment Channels</li> </ul>
80 channels – TV Replay – Proximus TV app	
Free Evening & Weekends Calls National/International with your Fix Voice line to Fix and Mobile	
Free installation	

Unlimited calls to fixed lines & colleagues

Unlimited usage of your favorite app

Work efficiently on a performing network





# Positioning Scarlet as no frills brand, with very attractive pricing for 'price seekers'

## Postpaid

Red	Hot	Chili	HiFive
<b>€ 8</b>	<b>€ 18</b>	<b>€ 28</b>	<b>€ 15</b>
<b>150 min</b> <b>1000 SMS</b> <b>500 MB</b>	<b>500 min</b> <b>2000 SMS</b> <b>2 GB</b>	<b>1000 min</b> <b>5000 SMS</b> <b>4 GB</b>	<b>0 min</b> <b>0 SMS</b> <b>5 GB</b>
€ 0.16 / minute € 0.07 / SMS € 0.05 / MB	€ 0.16 / minute € 0.07 / SMS € 0.05 / MB	€ 0.16 / minute € 0.07 / SMS € 0.05 / MB	€ 0.20 / minute € 0.05 / SMS € 0.05 / MB
			<b>+3€</b> <b>90 min</b> <b>1000 SMS</b>

## Fixed

**internet Poco** **€ 23 / month**  
 Internet: 50 GB  
 Extra € 3 per block of 50 GB  
 Down 30 Mbps  
 Up 2 Mbps

**internet Loco** **€ 35 / month**  
 Internet: Unlimited volume  
 Down 50 Mbps  
 Up 4 Mbps

## TV + Fix + Internet

**scarlet Trio** **€ 39 / month**  
 TV: ~30 channels  
 +  
 Fixed Voice line: Free calls to fix Off Peak  
 +  
 Internet: Unlimited volume  
 Down 50 Mbps  
 Up 4 Mbps

### Les abonnements mobiles moins chers

**SCARLET SUPPRIME LES FRAIS DE ROAMING**

Red: 150 min, 1000 SMS, 500 MB, 8€ par mois  
 Hot: 500 min, 2000 SMS, 2 GB, 18€ par mois  
 Chili: 1000 min, 5000 SMS, 4 GB, 28€ par mois

Ajoutez 1 GB pour 5 €

**NEW Boost internet!** **on**

Ajoutez 1 GB\* pour 5 € par mois



# Spectrum: ownership & usage

Proximus, largest spectrum holder, allowing best in class customer experience

800 MHz	900MHz & 1800 MHz	2100 MHz	2600 MHz
<ul style="list-style-type: none"> <li>20 year-license valid until 29/11/33</li> <li>Proximus paid €120 Mio (annual instalments)</li> <li>License submitted to coverage obligations</li> </ul>	<ul style="list-style-type: none"> <li>Initially used for 2G but refarmed in 2011 to use 900MHz to deliver 3G services and 1800MHz to deliver 4G services</li> <li>900MHz granted in '95 and 1800MHz in '99</li> <li>1st tacit extension ('10-'15): Proximus paid €74m (annual instalments)</li> <li>2nd tacit extension (8/4/15-14/03/21): Proximus paid €75m (annual instalments)</li> <li>Regulator re-assigned the 900MHz spectrum initially reserved for Telenet/Voo : Proximus paid €16m (annual instalments)</li> </ul>	<ul style="list-style-type: none"> <li>Used for 3G</li> <li>20 year-licenses valid until 15/3/21: Proximus paid €150m (one-off payment)</li> <li>2 Aug '11, BIPT awarded 4th license to Telenet/Voo for €71.5m (2X 14.8 MHz)</li> <li>In May '14 Telenet/Voo handed back their license (including their option in the 900MHz band)</li> </ul>	<ul style="list-style-type: none"> <li>Will be used for 4G</li> <li>Licenses granted in July '12</li> <li>15 year-license valid until 30/6/27</li> <li>Proximus paid €20.22m (one-off payment)</li> <li>No coverage obligations</li> </ul>

## Current spectrum holdings

## New spectrum auctions

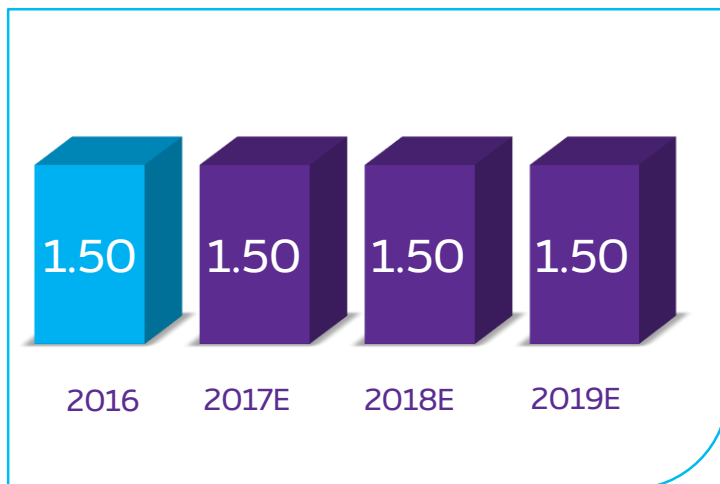
Expiry dates	800 MHz	900 MHz	1800 MHz	2100 MHz	2600 MHz
29/11/33	Proximus 2x10	OBEL 2x10	Telenet* 2x10		
15/03/21	Proximus 2x12.4	OBEL 2x11.6	Telenet* 2x10.2		
15/03/21	Proximus 2x24.8	OBEL 2x24.8	Telenet* 2x24.8		
15/03/21	Proximus 2x15	1x5.4 OBEL 2x14.8	1x5 Telenet* 2x14.8	1x5 Unallocated 2x14.8	1x5
30/06/27	Proximus 2x20	OBEL 2x20	Telenet* 2x15	Unallocated 2x15	Voyacom 1x45

Proposed expiry dates	700 MHz	1400 MHz	3.4-3.8 GHz
Included in BIPT consultation All around 2040	2X30MHz	90MHz	400MHz

\* Telenet/Base following the acquisition in 2016

# Shareholder structure & remuneration

## Dividend of 1.50/share



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

## General Shareholder return policy:

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

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

31 July 2017	Number of shares	% Shares	% Voting rights	% Dividend rights	Number of shares with voting rights	Number of shares with dividend rights
Belgian state	180.887.569	53,51%	56,04%	55,89%	180.887.569	180.887.569
Own shares	15.213.381	4,50%	0,00%	0,27%	0	863.836
Free-float	141.924.185	41,99%	43,96%	43,85%	141.924.185	141.924.185
<b>Total</b>	<b>338.025.135</b>	<b>100,00%</b>	<b>100,00%</b>	<b>100,00%</b>	<b>322.811.754</b>	<b>323.675.590</b>

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



# For further information

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## Cautionary statement

“This communication might include some forward-looking statements, without limitation, regarding Proximus’ financial or operational results, certain strategic plans or objectives, macro-economic trends, regulation, future market conditions and other risk factors. These forward-looking statements rely on a number of assumptions concerning future events and are subject to uncertainties and other factors, many of which are outside Proximus’ control. Therefore the actual future results may differ materially from those expressed in or implied by the statements.

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

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