

Company presentation

Key achievements 2014 & Outlook

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**Key
Achievements**
Q4 / FY 2014
&
Outlook 2015

Improved Underlying Core revenue trend

Consumer:

Mobile revenue:

- Strong increase Mobile terminals revenue on YE promo
- Mobile Service revenue further improving

Fixed revenue: Good growth TV and Internet Revenue 3-Play and 4-Play up 4.1% and 16.9%

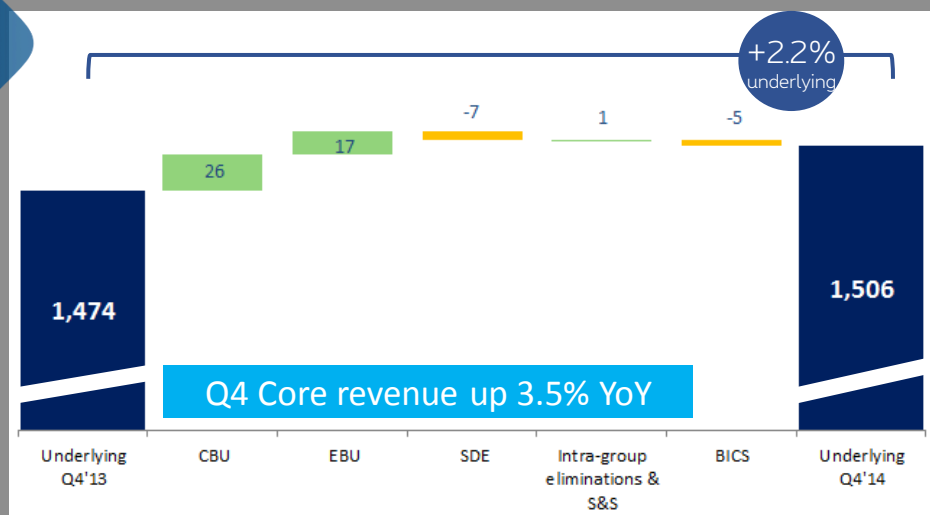
Enterprise:

Exceptionally strong ICT +15%

Positive contribution Mobile services 1.5%, devices up on YE-promo

SDE - Carrier Wholesale Services continued to be under pressure.

Q4



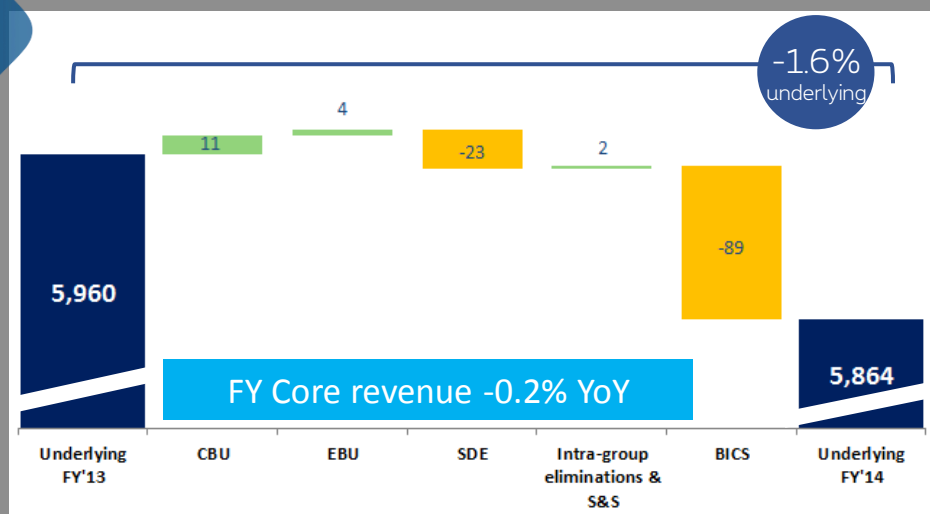
FY'14

Core underlying revenue nearly stable (-0.2%)

Consumer and Enterprise underlying revenue positive YoY on solid Fixed and recovering mobile business

More than offset by slowing Carrier Wholesale Services revenue (SDE)

BICS revenue decreased by 5.4% on lower Voice volumes, partly offset by growing Data revenue



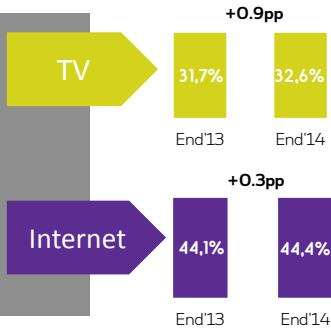
Core revenue performance driven by solid Q4 operationals in Consumer and Enterprise Business Units

Gaining Market Share in Mobile*



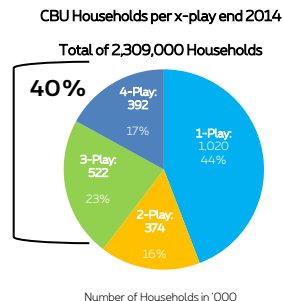
- Good increase in Mobile customer base
- Mobile Service revenue trend stabilising
- Success YE campaign and tactical joint-offers boosted sale of Mobile Devices

Gaining Market Share in Fixed



- Larger TV customer base and positive ARPU trends
- Larger Fixed Internet customer base & fairly stable ARPU
- Exceptionally strong Q4 ICT revenue **+15%**

Convergence success



- Multi-play households **+2.4% YoY**; Q4 revenue **+7.4% YoY**
- 4-Play households **+14.3% for Q4**
- ARPH for all Plays **+7.4% to €55.7 for Q4**
- ARPH for 4-Play **+2.6% to €105.3 for Q4**

*Based on company research

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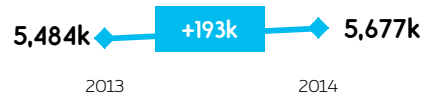
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Core business benefitting from Mobile recovery

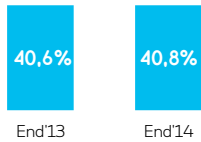
✓ Solid growth in Group mobile customer base



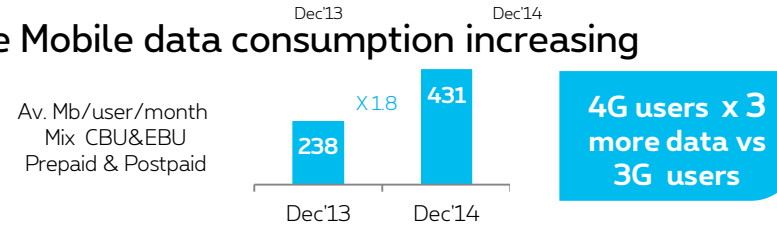
✓ Proximus Smartphone penetration* increasing, supported by Joint-Offers



✓ Mobile market share evolving positively

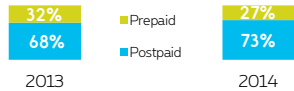


✓ Average Mobile data consumption increasing



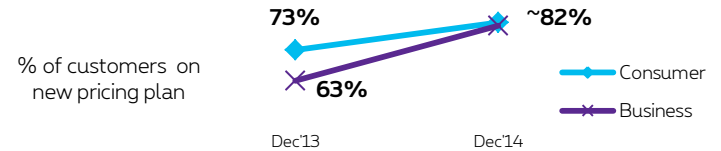
✓ Improving customer mix & tiering

Group Postpaid/Prepaid mix

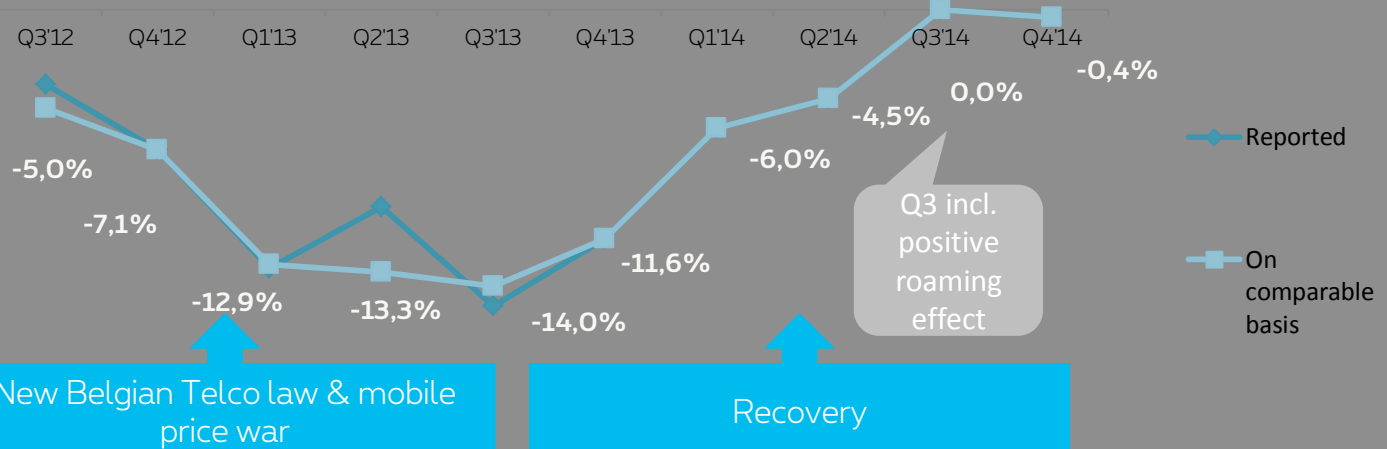


For Postpaid:
Growing customer base in mid-and high-end Mobile price plans

✓ Customer re-pricing effect fading



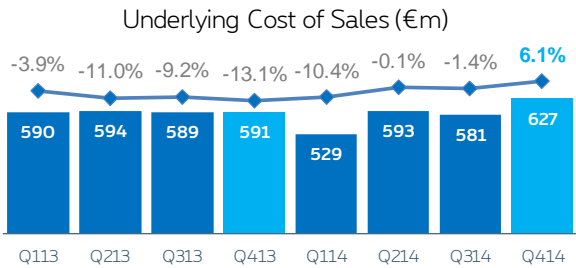
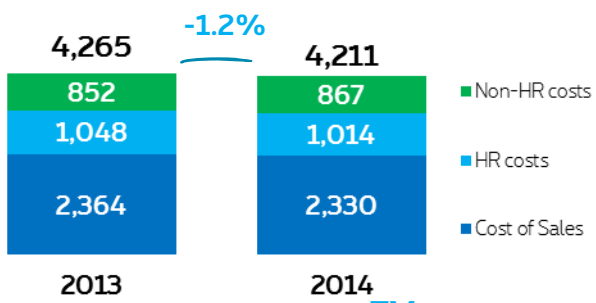
YoY evolution Mobile Service revenue



* % of Smartphones on total mobile phones detected on the Proximus network

'Fit-for-Growth' strategic measures supportive for cost structure

Total underlying Operating expenses (in mio €)

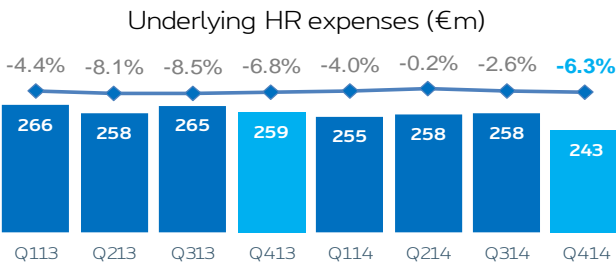


Q4

Q4'14 CoS up 6.1% driven by year-end promo's and Joint-Offer. ICT costs up following higher revenue.

FY

FY'14, CoS -1.4%, resulting from lower CoS for BICS

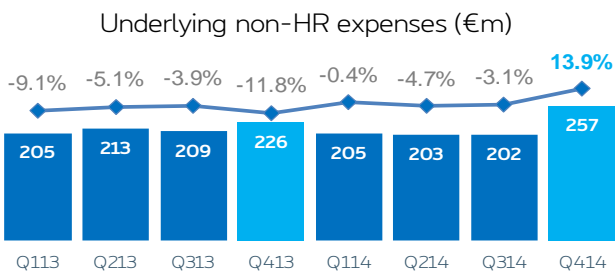


Q4

Q4 included € 15m favorable pension liability compensation impact and benefit from lower YoY headcount

FY

FY'14 € 1,014m underlying HR costs, -3.3% YoY incl. benefit natural attrition (-298 FTEs in '14) and pension compensation impact in Q4



Q4

Non-HR expenses up mainly due to provision for Walloon Region Pylon tax and non-structural expenses in S&S

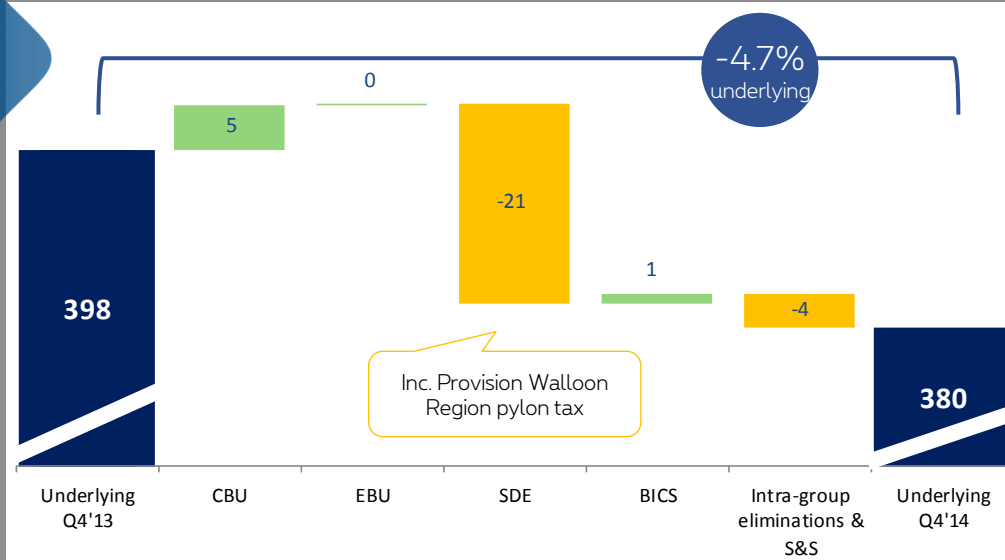
FY

FY'14, underlying non-HR expenses totaled € 867m, +1.7% YoY, incl. provision Walloon Region pylon tax

Group underlying* EBITDA -2.5% for FY ; Q4 impacted by higher non-HR exp. - Gross margin nearly stable

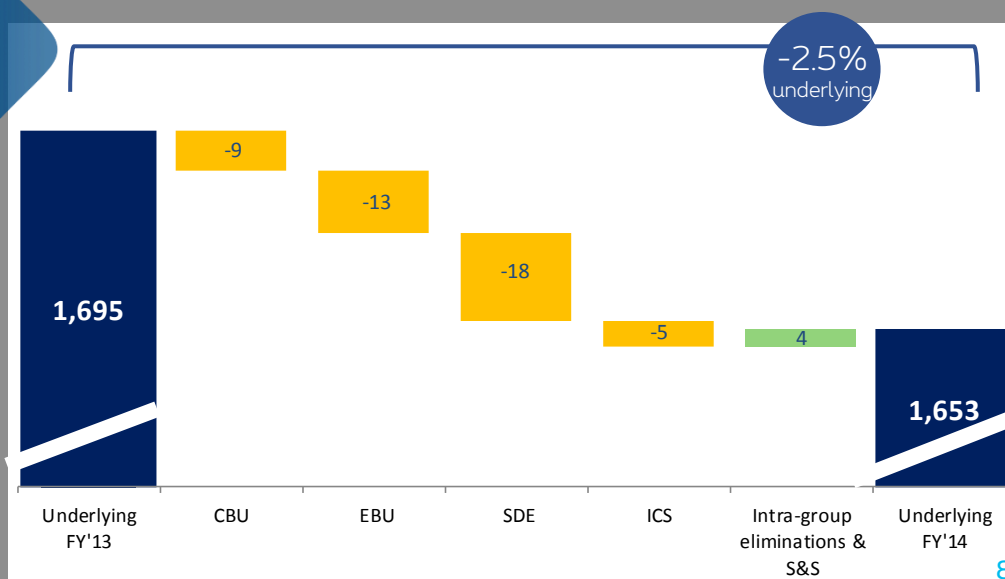
Q4

- Group's Gross Margin -0.4% YoY , including strong year-end promotions on devices.
- Operating expenses +3.1%, or € 15 m higher, incl provisioned Walloon Region pylon tax and some non-structural expenses.
- In part offset by favourable impact compensation for statutory retirees and by the ongoing benefits from cost reductions programs.



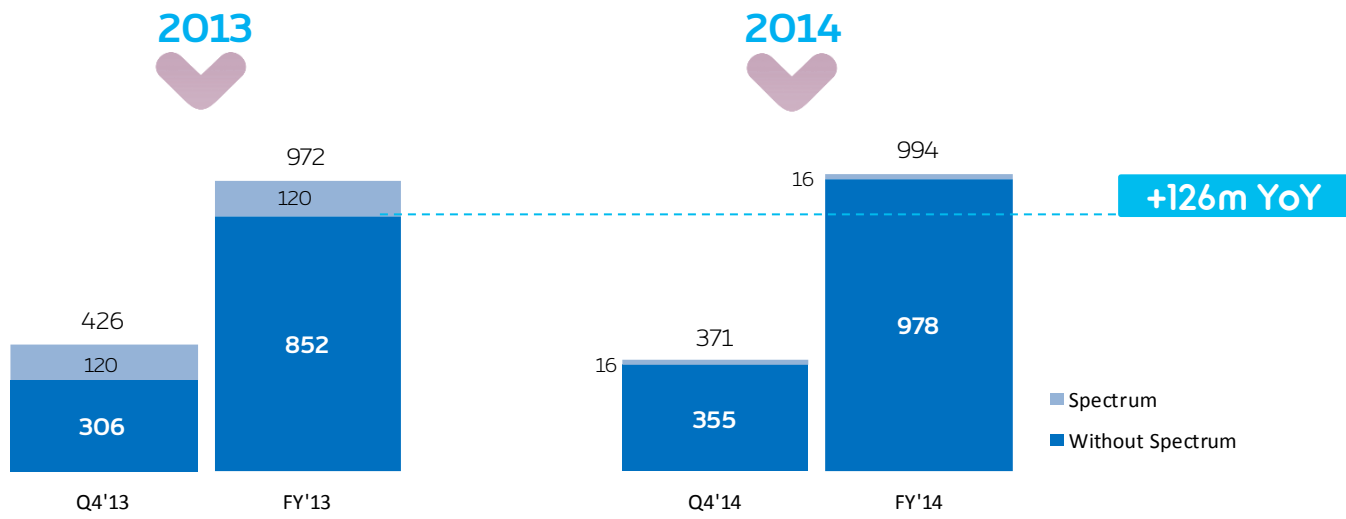
FY'14

- FY'14, underlying EBITDA -2.5% YoY; versus -8.7% for 2013, on comparable basis.
- Impact from Mobile disruption on Consumer and Enterprise segment slowing



* Adjusted for incidentals

Investing in excelling customer experience (amounts in € million)



Q4 '14

- €371m capex, incl. €16m for additional spectrum in 900Mhz/1800Mhz band.
- Remaining € 355m compares to € 306m in Q4'13. Increase driven by:
 - ✓ timing differences in content renewal
 - ✓ capitalized customer installations (success year-end campaign)
 - ✓ accelerated investments in the LTE-network

FY '14

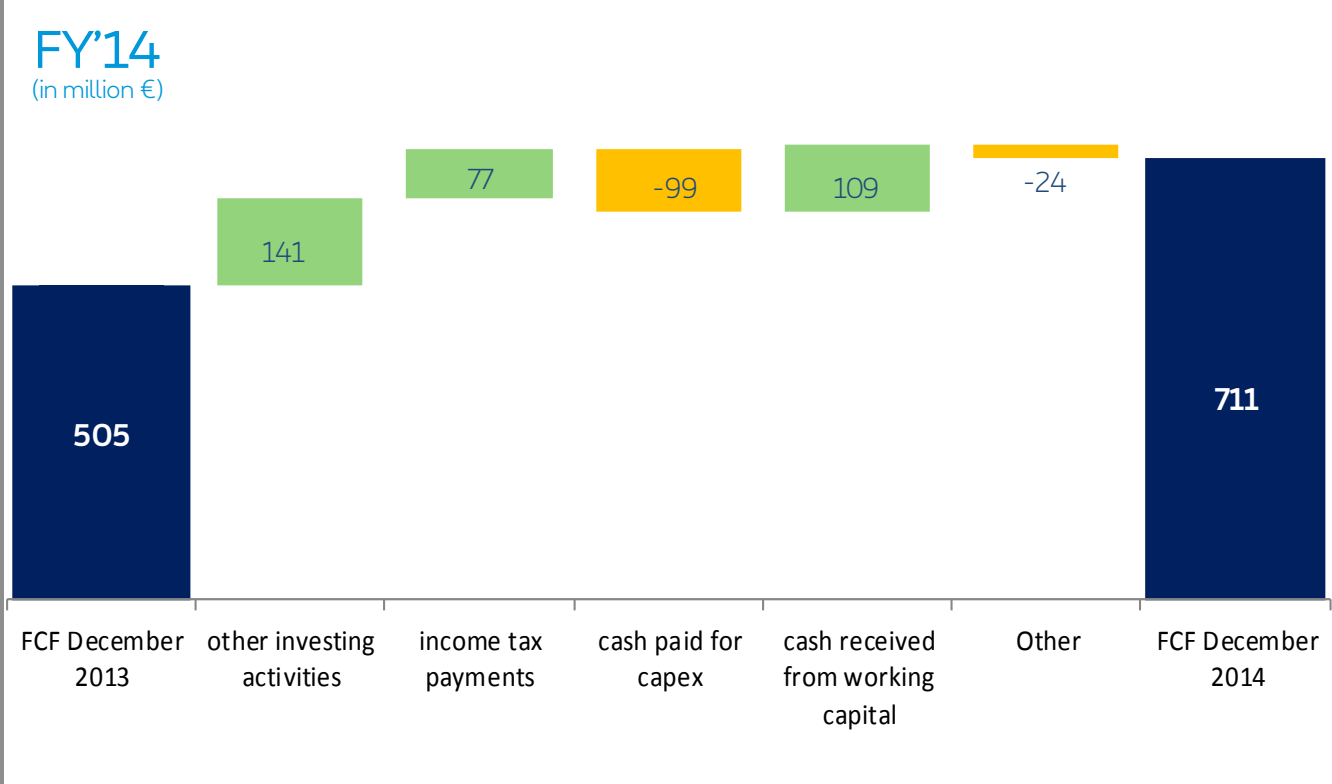
- €978 m, excluding additional spectrum investment. € 126m more invested vs 2013 on comparable basis.
 - ✓ 3-year broadcasting rights of Belgian Jupiler Pro league football (June 2014)
 - ✓ start of a 3-year program to roll-out the vectoring technology on the VDSL2 network
 - ✓ Belgacom connected 80% of industrial zonings to its fibre network
 - ✓ LTE roll-out to reach 85% of population @ high average speeds
 - ✓ Network Simplification program and more efficient IT-systems



FY'14 FCF of € 711 m including higher sale of consolidated companies and buildings

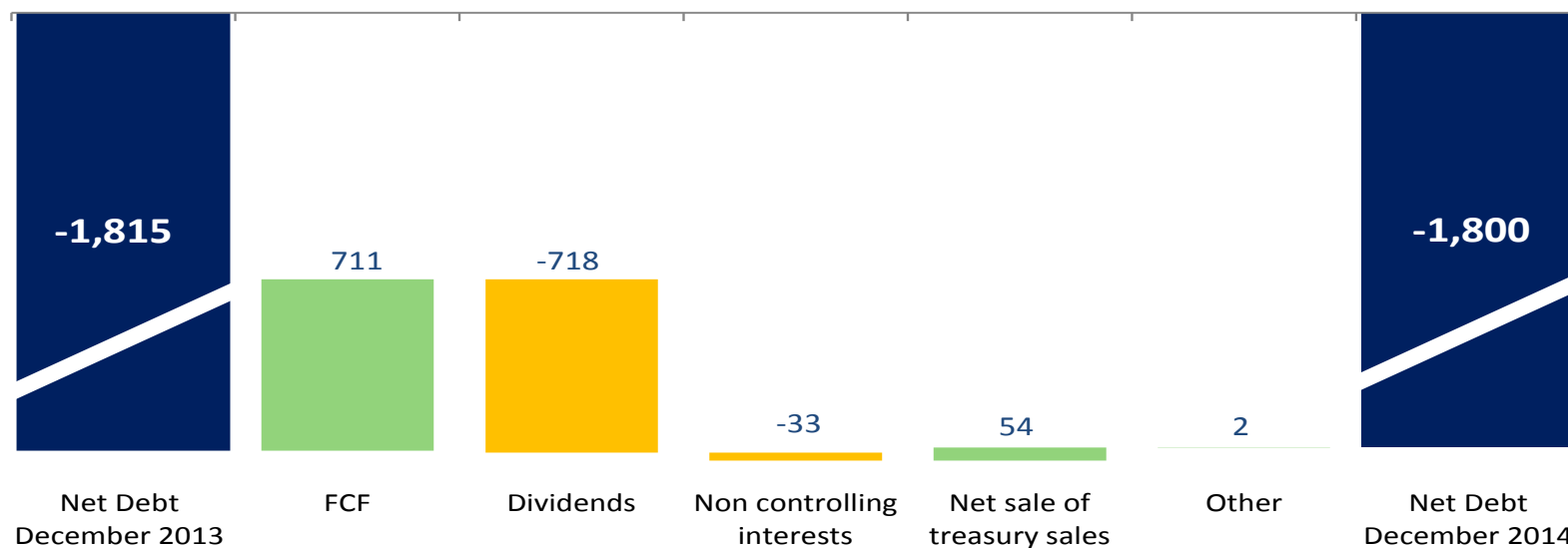
Belgacom generated € 711 m of FCF in FY'14, or € +206m YoY. Main drivers:

- higher cash received from the sale of consolidated companies and buildings
- lower income tax payments, partly due to timing differences
- Higher cash provided from working capital (mainly from inventory & accounts payable)
- partly offset by more cash paid for capex



We keep a sound financial position

- Net financial debt at € 1,800m, € 15m lower versus end 2013
- The outstanding long term financial gross debt amounted to € 2.5Bio
- Credit ratings: Standard & Poor's A; Moody's A1 – both stable outlook



Attractive shareholder remuneration

On 26 February 2015, Belgacom's Board of Directors approved to propose to the Annual Shareholder meeting to return a total gross dividend of € 1.50 per share over the result of 2014, of which €0.50 was paid in December 2014.

For the normal dividend of €1,00/share:

- Ex-coupon date: 22 April 2015
- Record date: 23 April 2015
- Payment date: 24 April 2015

The Board of Directors also confirmed their intention to return a stable total gross dividend of €1.50 per share over the result of 2015 and 2016

General policy shareholder return

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

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

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

Belgacom ownership

338,025,135 shares in total

Status 31 Jan'15	Shares	% shares	% Voting	% Dividend
Belgian state	180,887,569	53.51%	56.29%	55.94%
Free float	140,470,649	41.56%	43.71%	43.44%
Own shares	16,666,917	4.93%	-	0.62%

Outlook for 2015

- ✓ We made good progress in 2014 on our 'Fit-for-Growth' strategy
- ✓ Underlying trends are on track to deliver our underlying revenue and EBITDA growth objective in 2016.

Under current market conditions, we expect the year 2015 to be the tipping point within our track to growth. i.e.:

- **stable to slightly positive underlying revenue from our Core business** (i.e. Group excluding BICS) vs. 2014. This includes an expected sound progression from our Consumer/Enterprise key activities, and revenue pressure on the Wholesale segment.
- **stable to slightly positive Underlying Group EBITDA**, i.e. progressing from -2.5% underlying EBITDA in 2014.
- **BICS: a stable 2015 full-year revenue versus 2014**
- As we announced in our 'Fit-for-Growth' strategy early 2014, we consider it very important to invest in both our Fixed and Mobile access networks to further improve customer experience, as well as improving our IT systems:
- **FY 2015 estimated capex will of around € 900m.** (excl. tacit extension of the 900Mhz/1800Mhz spectrum for the period 2015 to 2021, capex is expected to be around € 75m.)

Guidance metrics	FY 2014	Outlook 2015
Core underlying revenue	4,287 million	Stable to slightly positive
BICS underlying revenue	1, 577 million	Stable
Group Underlying EBITDA	1,653 million	Stable to slightly positive
Capex (excl. spectrum license)	978 million*	About 900 million

*Including the capitalized three-year broadcasting rights of the Belgian Jupiler Pro league football acquired in June 2014

belgacom

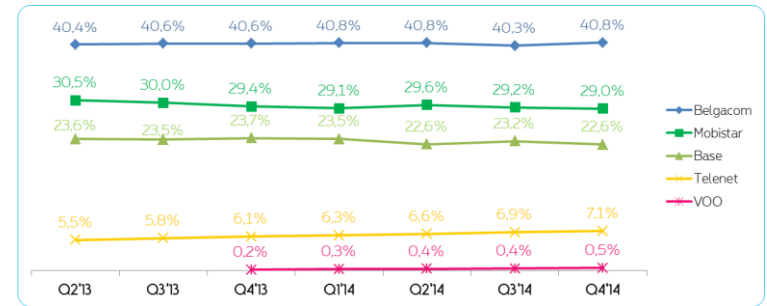
Group
Mobile/Fixed
&
Convergence



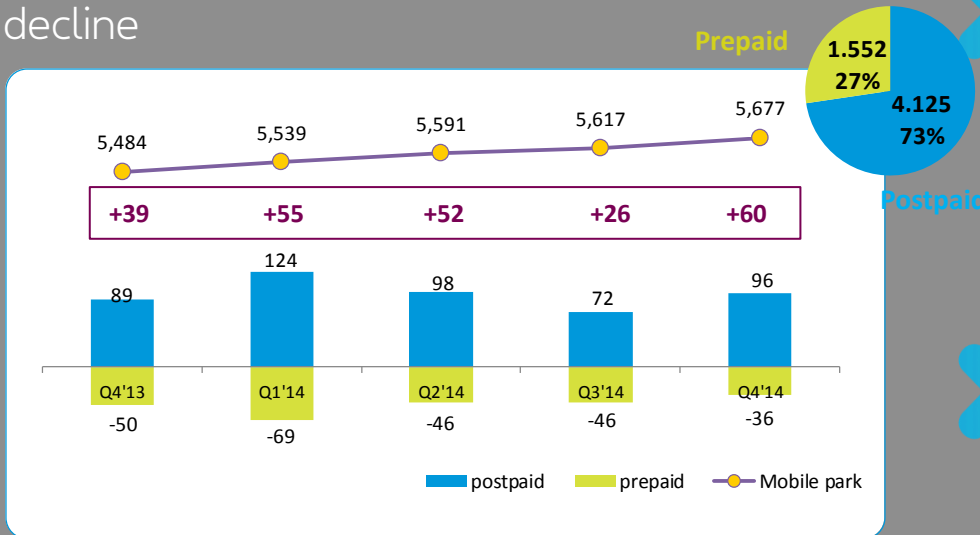
Strong mobile customer growth leading to improved market share

- Belgian Mobile **market growing by 2% YoY** to 12.5 million mobile cards
- Mobile penetration at **112%**
- Belgacom **market share at 40.8%** slightly up mainly thanks to higher postpaid market share **(+1.1pp YoY)**

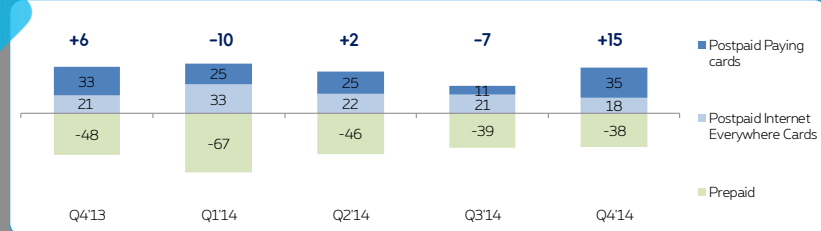
Mobile market shares (based on company research)



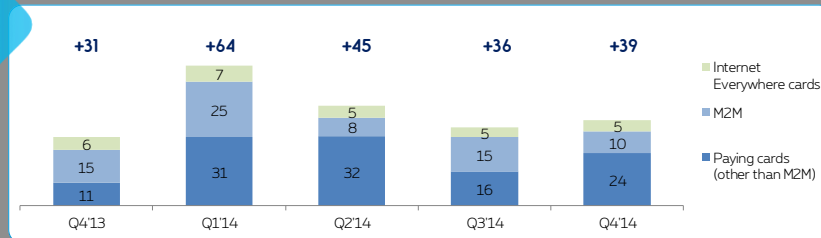
Mobile customer base growing
Increase on mobile postpaid; slowing prepaid decline



Consumer mobile net adds



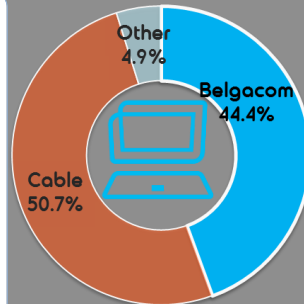
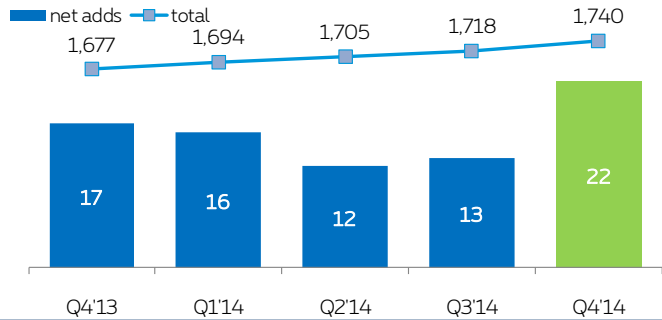
Enterprise mobile net adds



*Including Voice and Data mobile cards sold through CBU, as well as M2M cards in EBU. Mobile cards from the Tango, MVNO and SDE&W segment are included as well.

Good Q4 performance for all Fixed products

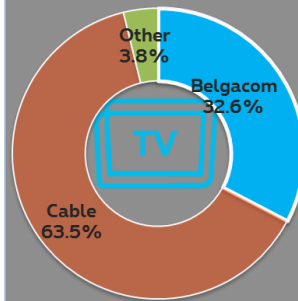
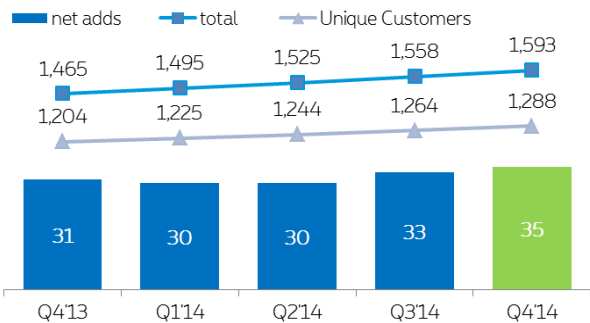
Broadband customer evolution



- Belgian Fixed internet market still growing, but at slower pace
- Internet penetration @ 80%
- Belgacom market showing positive evolution

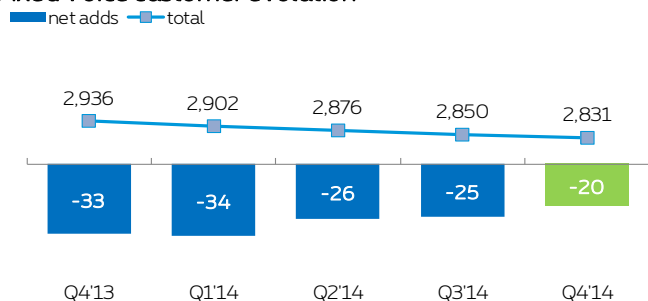
77% of the 1.3 mio Consumer Internet lines has a Proximus TV subscription

TV evolution



- Digital TV market growing at stable pace. Belgian digital TV penetration @ 81.0%
- Growing DTV market share of 32.6%
- Continued growth of TV customer base
- Total TV market** share of 28% ; +1.8pp YoY

Fixed Voice customer evolution



- Stable market, Fixed Voice penetration @ 71%
- Belgacom containing Fixed Voice line erosion
- Fixed Voice line "upgraded" via:
 - Flat rate calling "Happy Time XL" and "Happy Time International"
 - Multi-play packaging

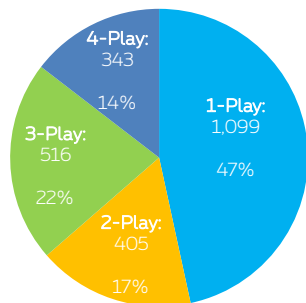
Good progress in convergence strategy

- Operational drivers x-play Household reporting



CBU Households per x-play Q4'13:

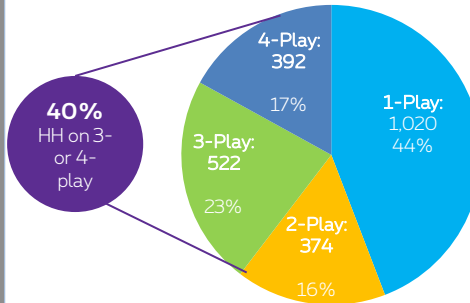
Total of 2,359,000 Households



Number of Households in '000

CBU Households per x-play Q4'14:

Total of 2,309,000 Households

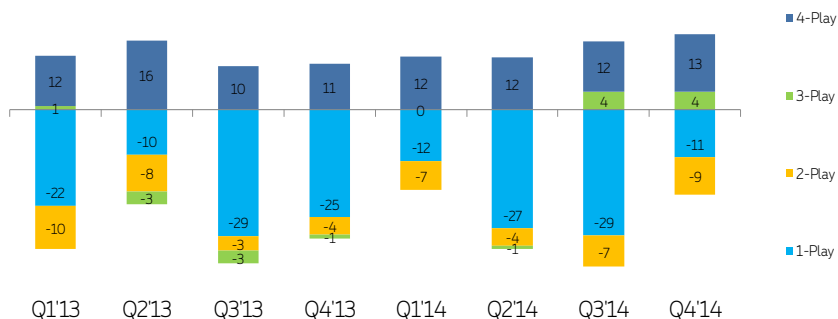


Number of Households in '000

Annualized full churn rate (HH)

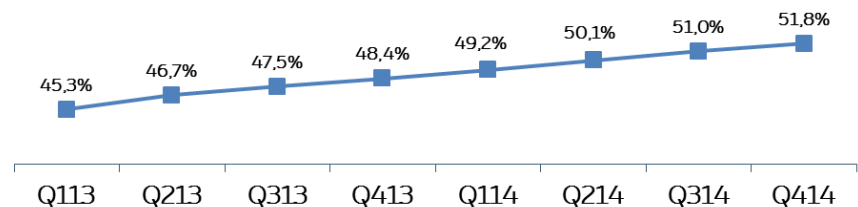
# Plays	Q4'14
1 - Play	21.2%
2 - Play	11.1%
3 - Play	7.7%
4 - Play	2.4%
Total	13.6%

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



- 56% of HH are multi-play, +2.4 p.p. yoy
- # 4-play HH +14.3% YoY, at very low churn
- multi-play convergent household, i.e. Fixed + Mobile, grew 0.8pp to 51.8%.

% Convergent Households

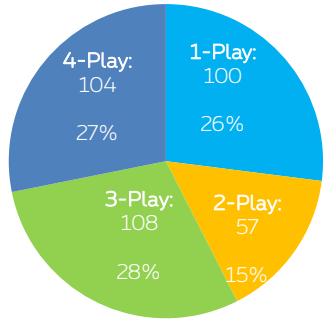


CBU revenue from households slightly up YoY

- higher ARPH & RGUs

CBU Revenues per x-play Q4'13:

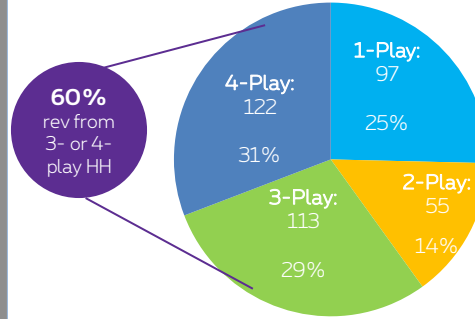
Total x-play Revenues of € 369mio



Revenues per x-play in € mio

CBU Revenues per x-play Q4'14:

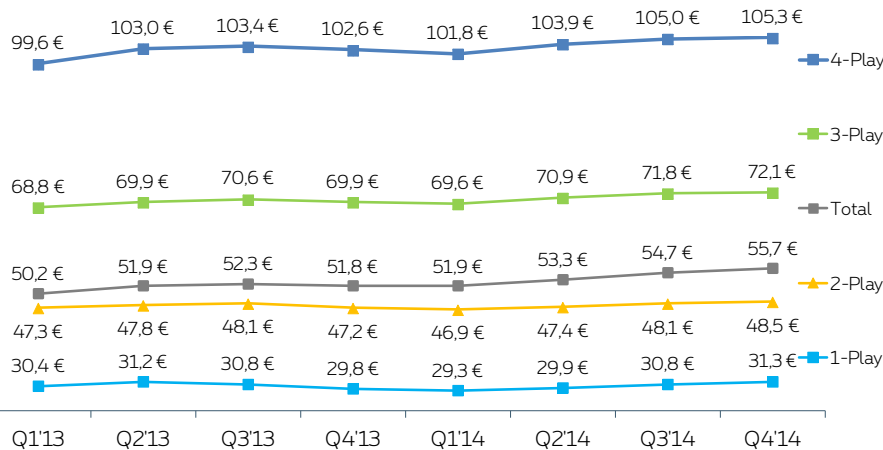
Total x-play Revenues of € 386 mio



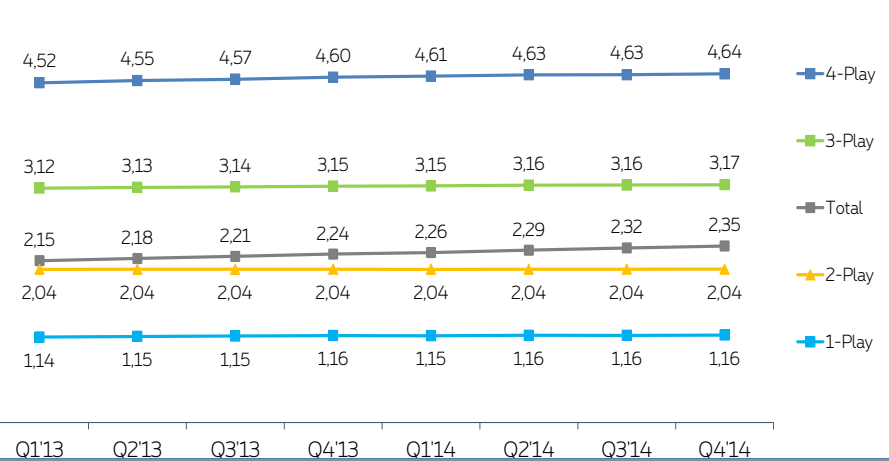
Revenues per x-play in € mio

- € 386m came from X-play households; +1.6% YoY
- 75% from multi-play HH +2.0 p.p. YoY
- 4-play HH revenue +16.9% YoY due to growing number of 4-play HH and YoY increase in ARPH to € 105.3 (+2.6%)

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

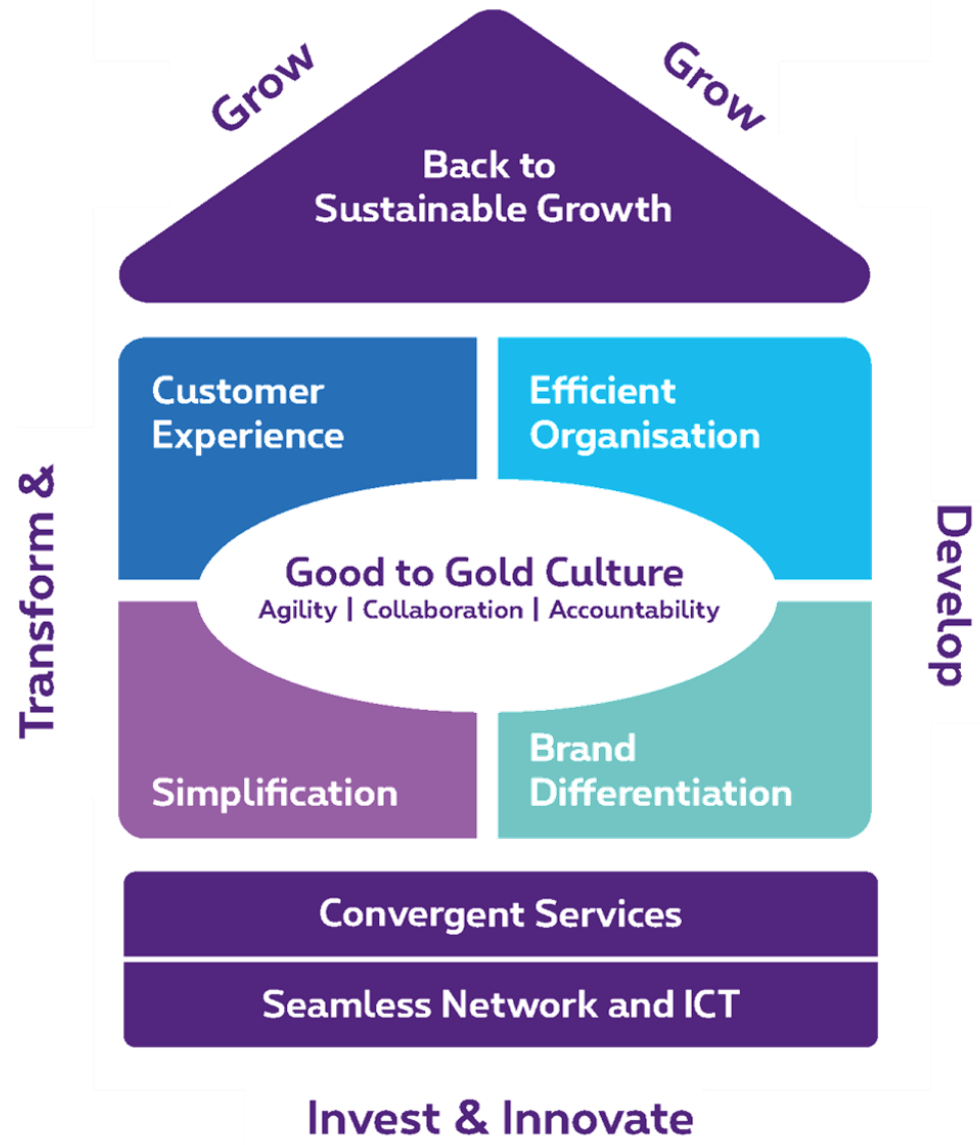


Average Revenue Generating Unit per x-play Household



Fit-for-Growth
strategy
progressing

We constantly keep people in touch with the world so they can live better and work smarter



Invest & Innovate

	In what	Status
Access	<p>To build the foundation of our next wave of growth:</p> <ul style="list-style-type: none"> • Mobile leadership and further deploy 4G • Push legacy copper network to max capabilities • Gradually introduce FttH/FttB 	<ul style="list-style-type: none"> ✓ Outdoor coverage 4G of 85%, mainly on 1800 Mhz ✓ Avg mobile data speed 45% faster vs competition for 4G device ✓ 3-yr vectoring roll out started and on track, already connected customers get a dedicated speeds of 70 Mbps ✓ 80% of industrial zonings are connected to Fiber ✓ Preparations done to start in 2015 deploying new residential zoning projects directly with FttH
IT and systems	<ul style="list-style-type: none"> • Push digital (e-sales, e-services) • Renew selling and ordering • Support end-to-end processes • Improve systems stability and (cyber) security 	<ul style="list-style-type: none"> ✓ faster front-end order introductions ✓ more efficient field interventions ✓ better & more automated testing of IT releases with a faster time to market ✓ Cyber security reinforcement plan
Convergence services	<ul style="list-style-type: none"> • Build seamless fixed-mobile hand-over • Push TV replay, TV everywhere • Leverage cloud, unified communication and collaboration • Develop ICT as a service and security 	<ul style="list-style-type: none"> ✓ Wi-Fi hotspot user experience improved with automatic access provided by the EAP-SIM technology. ✓ TV Everywhere experience with extended features ✓ Wifi bandwidth increased by making the service quality dynamic on all Proximus Wi-Fi hotspots. ✓ ICT Industrialisation
Brand image	<ul style="list-style-type: none"> • Enrich entertainment offer • Introduce new CPE for better in-house experience 	<ul style="list-style-type: none"> ✓ launched TV Replay and Movies & series pass ✓ WIFI repeaters successfully deployed ✓ Roll-out of new settop box ✓ Bringing Netflix to the settop box ✓ Proximus Cloud for both residential and enterprise use

We estimate our annual investment needs to be around €900m over the coming years to cover network, convergence, new services and content needs

Transform & Develop


What

Some of our achievements

Develop superior customer experience

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



- ✓ Increased customer satisfaction following technical intervention
- ✓ MyProximus App: manage usage through app 
- ✓ New TV look and feel
- ✓ Same day repair for Business customers

Simplify to structurally reduce cost

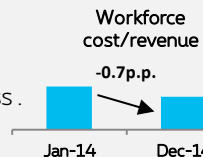
- Products and services portfolio
- Network
- IT and platforms
- E sales and services

- ✓ Important portfolio cleaning of legacy products started
- ✓ New front-end selling & ordering tool, leading to much faster order processing
- ✓ >1 million PSTN lines moved on new IP platform. In 2014, 4 buildings phased out and > 160 switches ready to be shut down: savings in later stage of process
- ✓ More e-billing

Build efficient organization

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

- ✓ New high-performing organisation redesign done
- ✓ 1000 people changed jobs in the company
- ✓ "Customer Operations Business Unit" for increased responsibility of key customer processes and to improve cost-effectiveness.



Improve brand differentiation

- Address different segments with differentiated offers (Scarlet)
- Push convergence via 3-play, 4-play and ICT services
- Reinforce brand investment

- ✓ New proximus brand
- ✓ Increased awareness of Scarlet brand
- ✓ Increased cross-selling and number of 3-play and 4-play Households
- ✓ Enriched TV offering (TV Replay, ...)



As from 2014, we ambition to keep workforce cost at least flat over the next 5 years, while pursuing additional cost savings building up to another €100m annually by 2018 (HR & non-HR opex)

How

Regain market shares

- Best Mobile customer experience across technologies. High LTE coverage, best average speed. Attractive mobile pricing and value creative Joint-Offers
- Improved broadband experience through roll-out Vectoring. Roll-out fiber in industrial zonings.
- Improved web-experience, 54 new shops of the future, ...
- All supported by rebranding to “Proximus”

Leverage convergence value

- Exploit upselling potential to quad-play
- Deliver solution-centricity to unlock value in EBU
- Leveraging seamless network integration and convergent applications: 1st to launch EAP-SIM

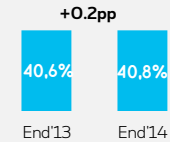
Capture new growth potential

- Pursue data monetization
- Leverage entertainment platform
- Seize the opportunities of cloud, security
- Be selective in development of new innovative services

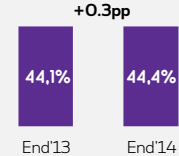


Some of our achievements

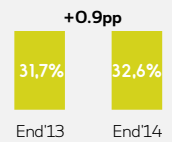
Mobile market share



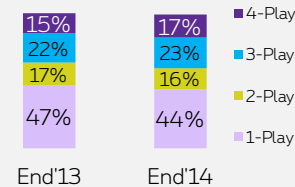
Broadband market share



Digital TV market share



% of Proximus Households



ARPH	Q4'13	Q4'14
Av.	51,8	55,7
1-Play	29,8	31,3
2-Play	47,2	48,5
3-Play	69,9	72,1
4-Play	102,6	105,3

- ✓ improved tiering of mobile customer base through Joint offers & increasing data usage

Park var. YoY	CBU	EBU
Low	-0.1% p.p.	-4.7% p.p.
Medium	-2.2% p.p.	2.7% p.p.
High	2.3% p.p.	2.0% p.p.

- ✓ IoT (Road User Charging, LoRa™ Alliance)
- ✓ Big Data
- ✓ Security platform
- ✓ Workplace as a Service
- ✓ Leverage Netflix on settop box



Our underlying trends are on track to deliver our underlying revenue and EBITDA growth objective in 2016
Under current market conditions, the year 2015 will be the tipping point within our track to growth

belgacom

Investing in a
best-in-class
customer
experience

Mobile Network

- Best true customer experience as top priority

Best Customer Experience...

Best experience to call, surf & watch videos

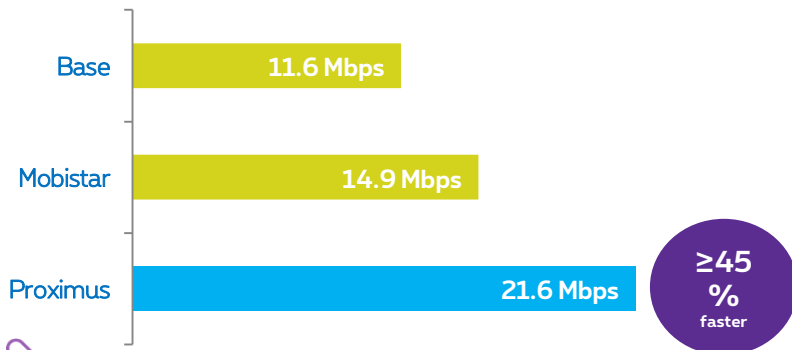
...when & where it matters...

Best experience to live better and work smarter

...across devices & networks

Best experience cross devices via seamless switch mobile & WiFi

Average download speed on 4G capable device *



Mobile Network Outdoor Coverage:

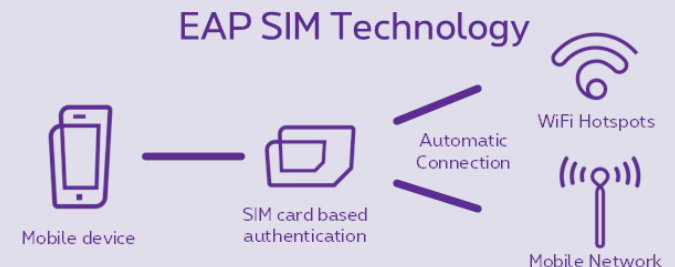
99% 3G & 2G coverage
85% 4G coverage



Towards seamless connectivity everywhere

- > 1 million WiFi hotspots in Belgium
- Hotspot traffic increased > 50% vs last year
- > 14 million WiFi hotspots abroad
- Nationwide EAP SIM since Nov'14:

automatic Wi-Fi connectivity via SIM authentication:



Fixed Network

- Deliver a fixed network fit for the right customer purposes

Vectoring technology on VDSL

Vectoring technology enables up-to-70 Mbps speeds on copper

- 3-year roll-out program on track since start in 2014
- All VDSL street cabinets will be covered

FTTB in Industrial Zonings

Presence of FTTB in industrial zonings

- 800 Business sites connected to Proximus fiber in '14
- Available in 80% of the industrial zonings

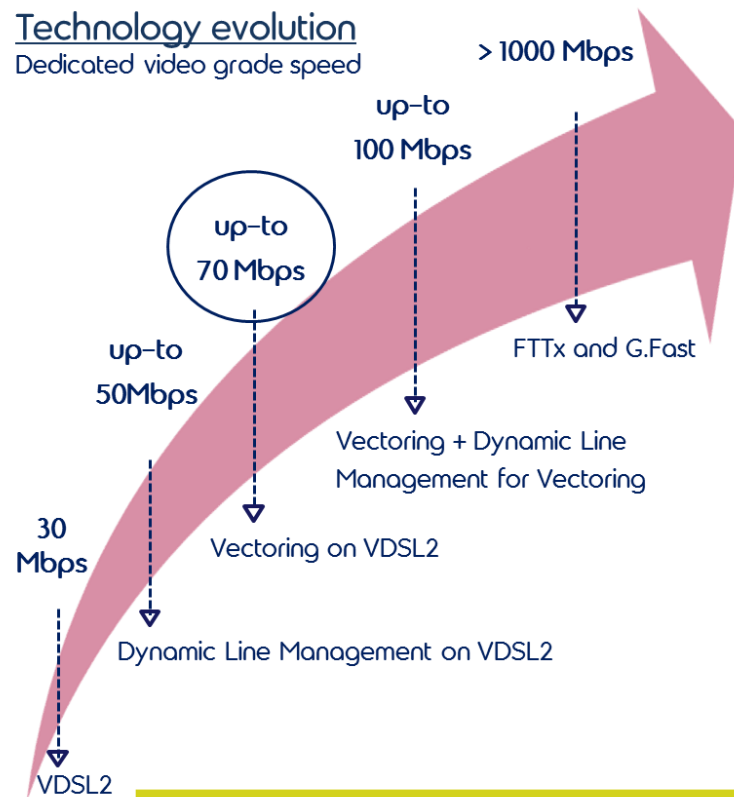
FTTH in Greenfields

Deployment of FTTH in new residential

- In '14 > 100 residential zonings designed to be ready to connect to FttH
- All new sufficiently large residential zonings will be equipped with Proximus fibre

Technology evolution

Dedicated video grade speed

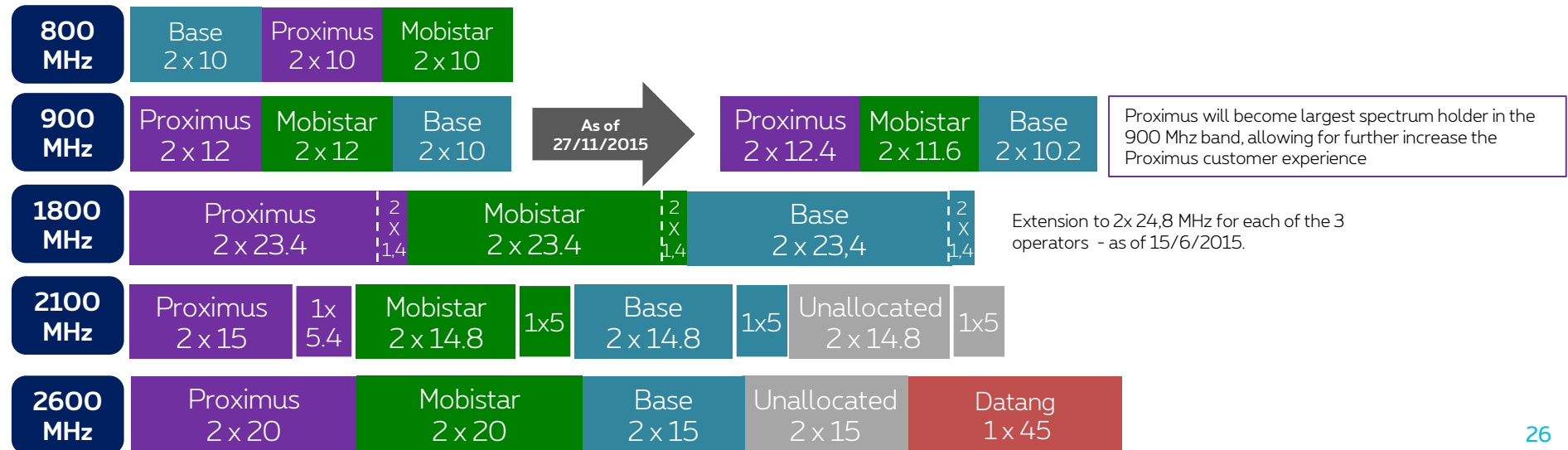


* Combination of DLM and Vectored lines



Spectrum: ownership & usage

800 MHz	900 MHz & 1800 MHz	2100 MHz	2600 MHz
<ul style="list-style-type: none"> Used for 4G Licenses granted in November '13 20 year-license valid until 29/11/2033 Belgacom pays € 120 Mio in total (annual instalments) Coverage obligations 	<ul style="list-style-type: none"> Used for 2G, 3G and 4G Licenses granted in '95 1st tacit extension ('10-'15): Belgacom pays €74m (amount can be in annual payments). 2nd tacit extension (7/4/2015-15/03/2021), expected ~ €75m Regulator re-assigned recently the spectrum reserved for Telenet/Voo (in 900 MHz applicable as of 27/11/2015) for which Belgacom paid €16m Allowed to deploy UMTS in 900 MHz spectrum & 4G in 1800 MHz 	<ul style="list-style-type: none"> Used for 3G UMTS licenses granted in 2001 20 year-licenses valid until 15/3/2021 Belgacom paid € 150m (one-off payment) 2 Aug '11, BIPT awarded 4th license to Telenet/Voo for € 71.5m (2X 14.8 MHz) In May '14 Telenet/Voo handed back their license 	<ul style="list-style-type: none"> Will be used for 4G Licenses granted in July '12 15 year-license valid until 30/6/2027 Out of 5 candidates, 4 have obtained spectrum in 2.6 GHz band Belgacom paid € 20.22 Mio (one-off payment) No coverage obligations

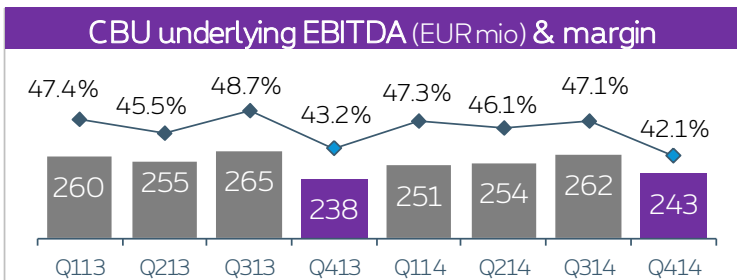
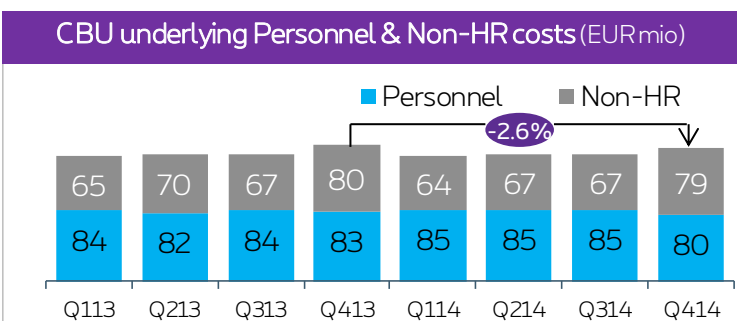
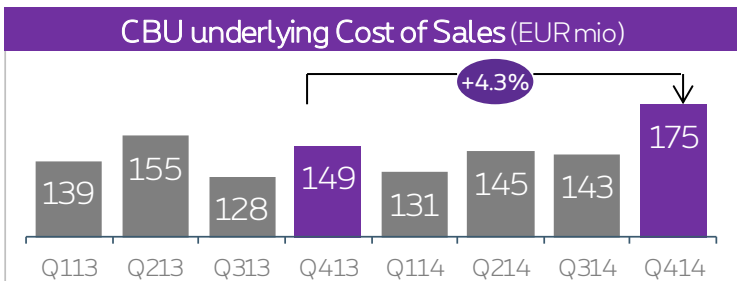
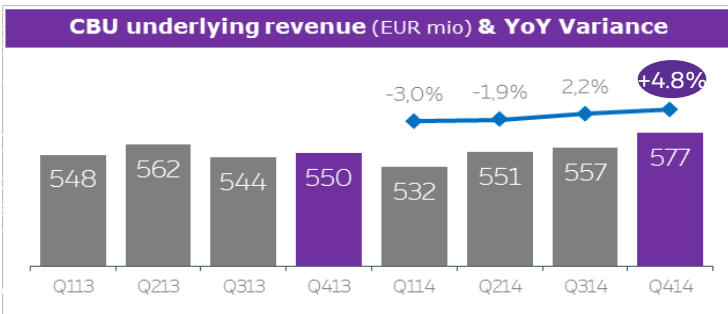


belgacom

Consumer
results
Q4 2014

Consumer - Underlying* quarterly P&L

*Adjusted for incidentals



Q4'14 underlying revenue +4.8% YoY

- Solid revenue from Internet, TV and especially Mobile Devices
- Further recovery of Mobile service revenue on customer growth and favorable ARPU trends
- Regulatory measures impacted Q4 revenue by an estimated amount of € -6 m (-1.0%).

FY'14 € 2,216m in underlying revenue, +0.5% YoY

Q4'14 Cost of Sales +17.4% YoY in a customer acquisition driven quarter

- Successful end of year campaign leading to best Internet and TV customer gain since years
- Successful mobile joint offers, supporting Mobile Service revenue trend

FY'14, Cost of Sales of € 595m, +4.3% YoY

HR-expenses:

- Q4'14 HR expenses -4.4% to € 80m; including favorable impact of pension liability compensation
- FY'14, HR-costs +0.2% YoY, remaining fairly stable at € 334m

Non-HR expenses:

- Q4'14 non-HR expenses of € 79 m -0.8%, with higher commercial costs more than offset by continued focus on cost efficiency.
- FY'14 Non-HR expenses -1.8% to € 277m

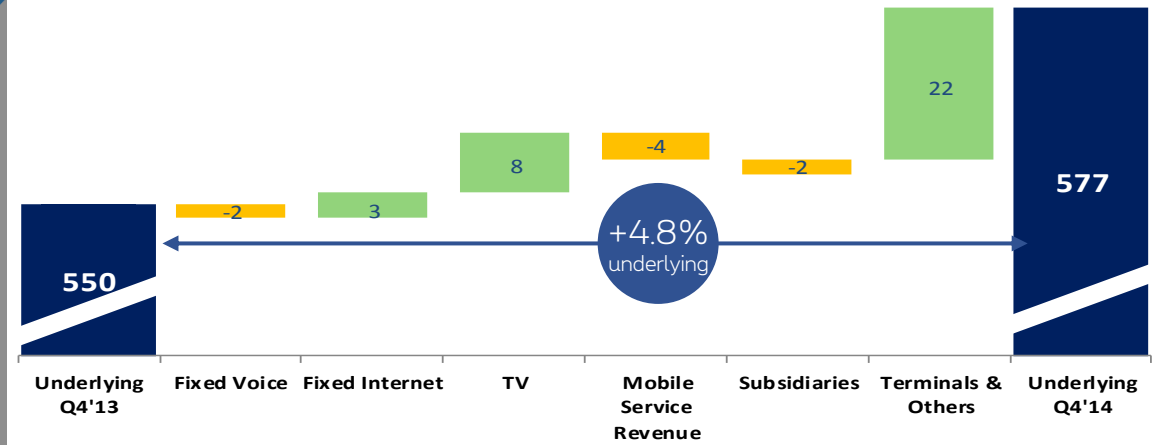
Q4'14 underlying segment result +2.0% YoY, incl. estimated negative regulation impact of € -4 m.

- Strong revenue, supported by attractive year-end promo, resulted in stable gross margin.
- Lower operational expenses (-2.6% YoY)
- Segment contribution margin of 42.1%, -1.2 p.p.YoY

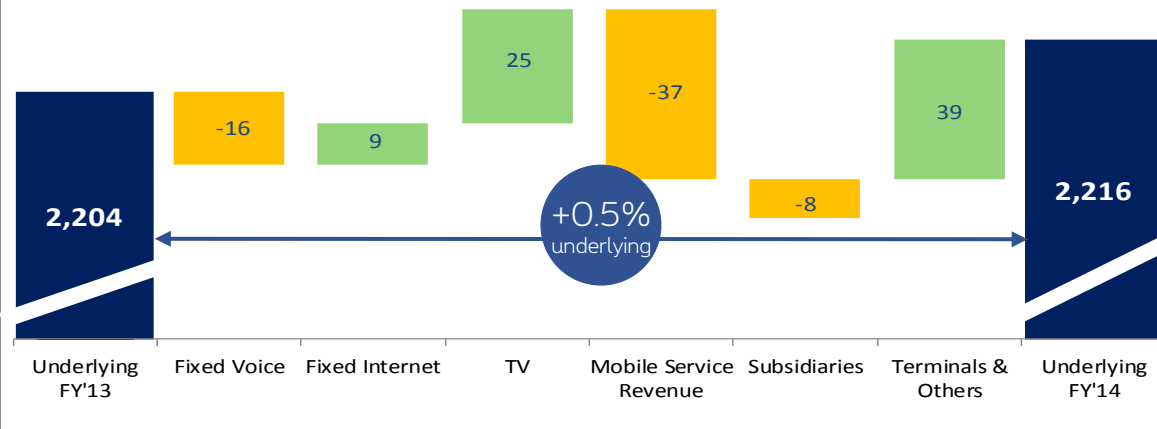
FY'14 segment result of € 1,009m, -0.8% YoY

Consumer underlying* revenue variance (in EUR million)

Q4'14



FY'14

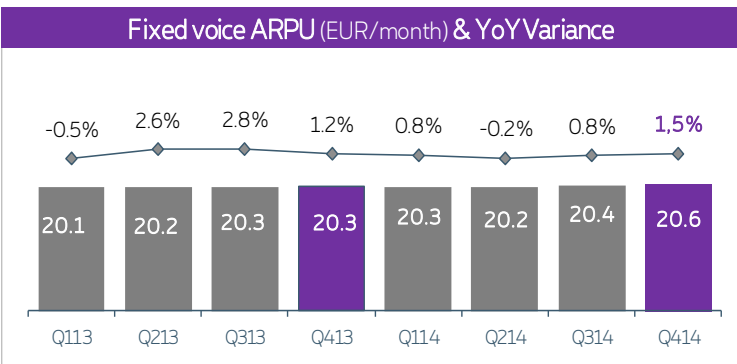
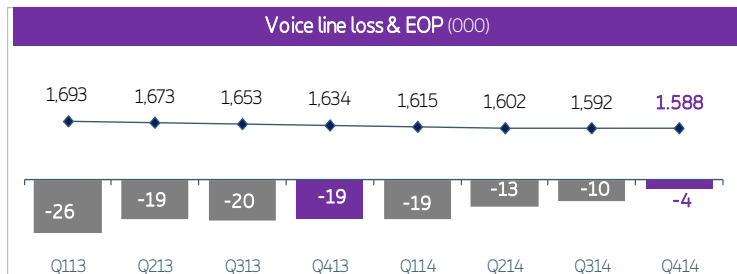
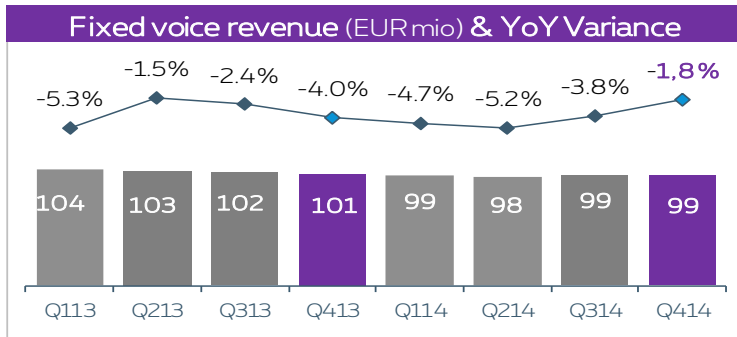


*Adjusted for incidentals, i.e. impact from divested companies

Consumer - Fixed voice



Limited Fixed Voice revenue erosion: significantly reduced Fixed Lines loss and slightly higher ARPU



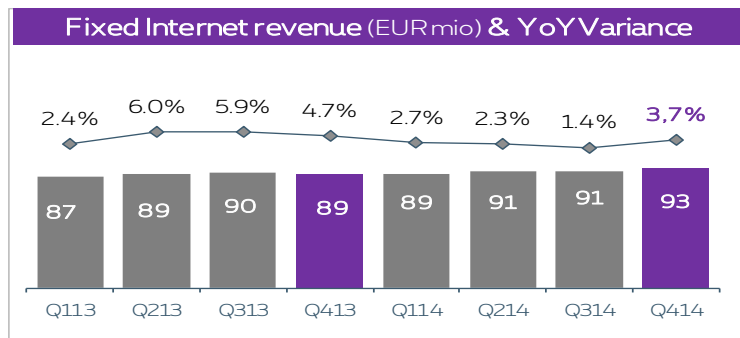
- Limited Fixed Voice revenue erosion; further improving from the previous quarters
- FY'14 revenue from Fixed Voice totaled € 295m, -3.9% YoY.

- **Q4'14** Fixed line erosion limited to -4,000 lines, a significant improvement versus the prior quarters through commercial push of 3-play Packs incl. Fixed Voice.
- FY'14 Fixed Voice line loss of -46,000; versus -84,000 in 2013
- **End 2014**, CBU Fixed Voice customer base of 1,588,000 lines.

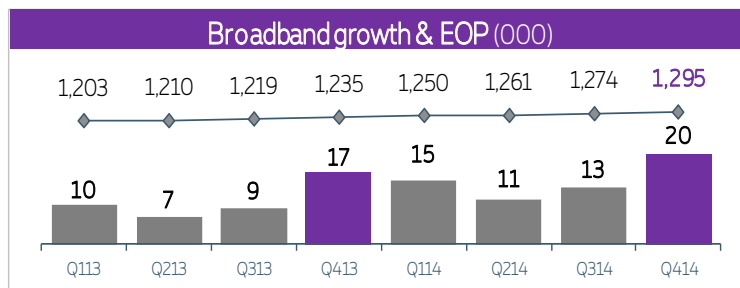
- **Q4'14** ARPU up 1.5% YoY to € 20.6, following the price indexation early 2014

Consumer - Fixed Internet

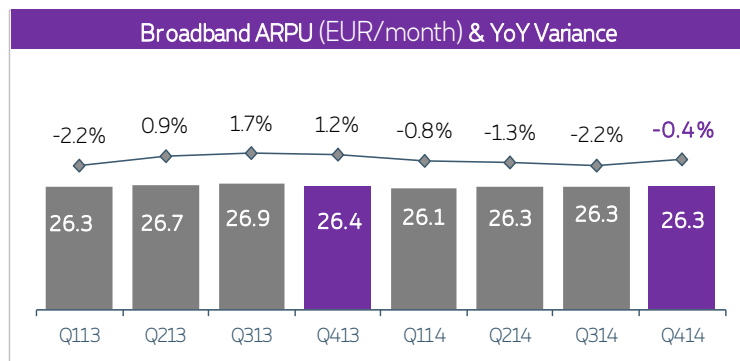
Fixed Internet revenue up 3.7%; Proximus and Scarlet adding +20,000 customers in Q4, best quarterly customer gain in years



- Q4'14 Fixed Internet revenue of € 93m, i.e. +3.7% YoY, driven by the growing customer base
- FY'14 revenue from Fixed Voice totaled € 363m, +2.5% YoY.



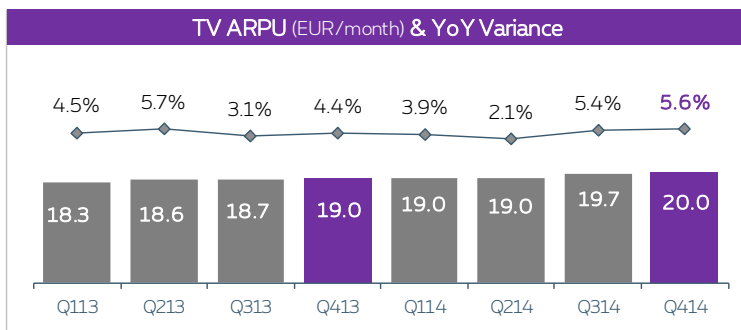
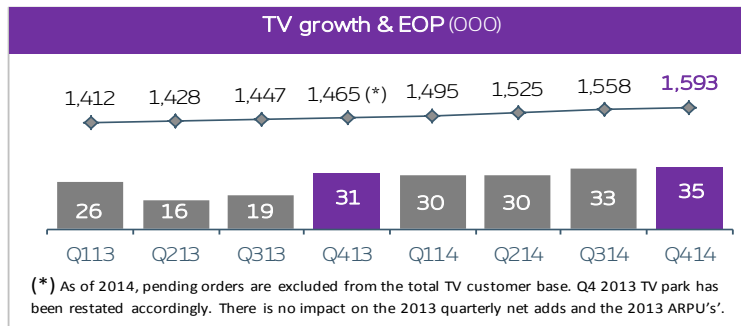
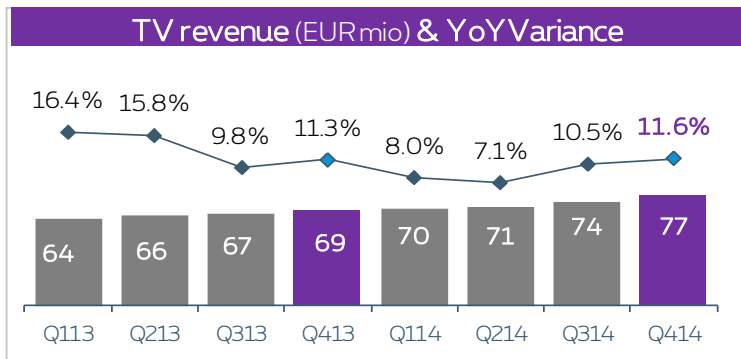
- Fixed Internet customer base grew with +20,000 Proximus and Scarlet customers; continuing the improvement versus 2013 (+4.8% YoY).
- Q4'14 supported by the 'End of year campaign'
- Total Fixed Internet customer base of 1,295,000 end-December 2014..



- Q4'14 Broadband ARPU of € 26.3, slightly down from the same period in 2013 due to increased convergent pack penetration, with more value for the customer.



Double digit revenue growth for Proximus TV through larger customer base and uptake of TV options



- Q4'14 TV revenue grew by **11.6%** to €77m with a continued subscriber growth and TV-options such as football subscriptions & TV-replay.
- FY'14 revenue from Proximus TV totaled € 292m (**+9.3% YoY**)

- **+35,000 TV subscriptions in Q4'14**; incl. +10,000 multiple set-top boxes
 - popular Proximus year-end promotion with TV-Joint offer in a Pack
 - Good Scarlet Trio net adds

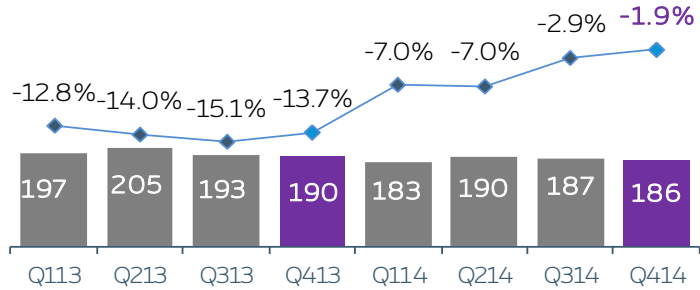
CBU ended Dec'14 with a total TV customer base of 1,593,000, of which 304,000 were multiple streams.

- TV ARPU showed a **5.6% growth YoY to € 20** driven by the uptake of TV options.

Consumer – Mobile Service

Revenue trend showing further improvement; strong growth in Postpaid customer base

Mobile Service revenue (EUR mio) & YoY Variance

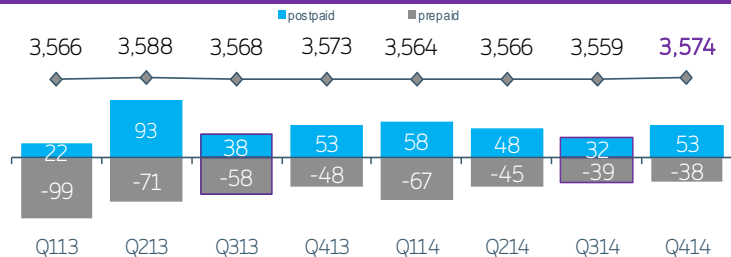


Q4'14 revenue from Mobile services at € 186m, -1.9% YoY; Recovery continued:

- Solid growth in Postpaid customers
- Prepaid revenue loss becoming smaller
- Blended Mobile ARPU up YoY

FY'14 revenue from Mobile Service totaled € 747m, -4.8% YoY.

Mobile growth & EOP (000)



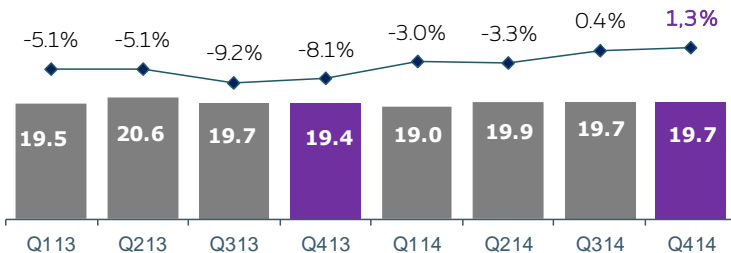
Attractive convergent Packs and value-based Joint-Offers kept net customer gains high in Q4, +15,000 mobile cards

- +53,000 Postpaid cards, +35,000 excl Internet-Everywhere data cards.
- Decline of Mobile Prepaid cards slowed to -38,000 cards further improving from prior quarters

Mobile customer base end 2014 of 3,574,000 cards

***As of 2014, the calculation of active customers is based on the monthly activity rate instead of a rolling

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



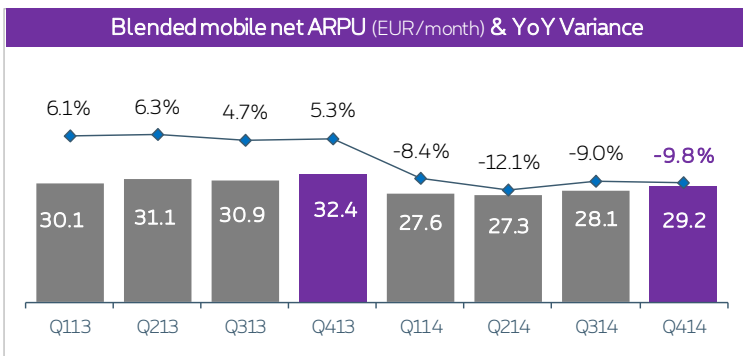
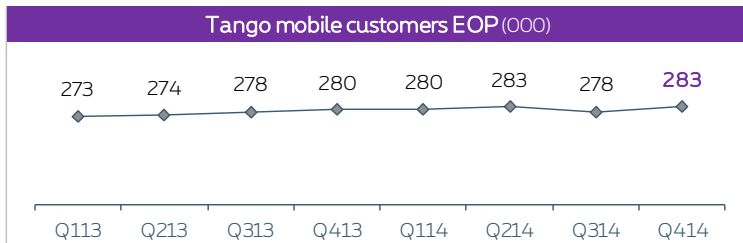
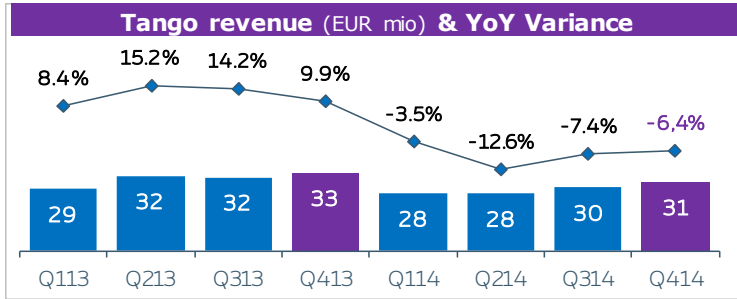
Blended mobile ARPU improved in Q4'14 (+1.3% YoY)

- further fading of customer re-pricing and better tiering of customers through increased smartphone penetration and value-driving Joint-Offers
- Q4 Postpaid ARPU of € 26.5, -0.3% YoY; i.e. strong improvement from the +/- 5% decline in H1'14.
- Q4 Prepaid ARPU at € 11.7, -6.0% YoY, which is an improvement from the about -11% decline in H1'14.
- Mix Postpaid/Prepaid improving

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

Tango Luxembourg

Impacted by regulated MTR reduction



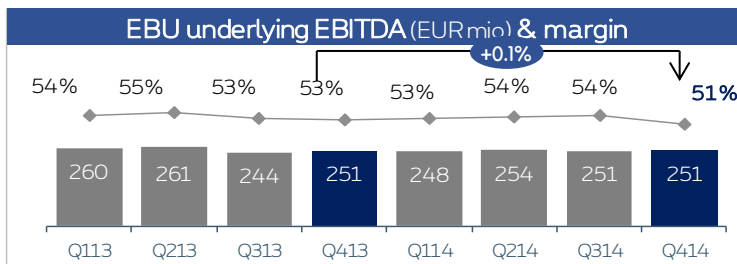
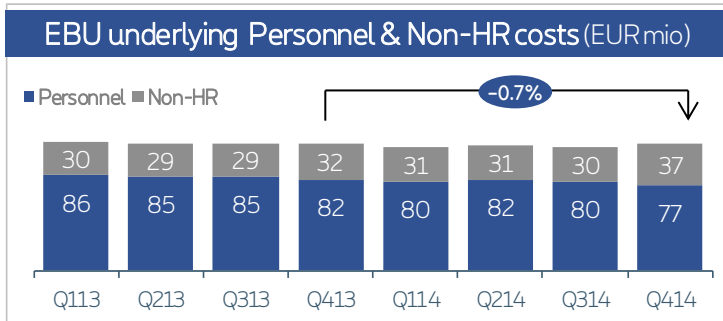
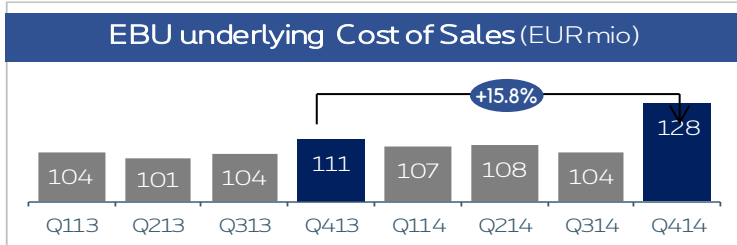
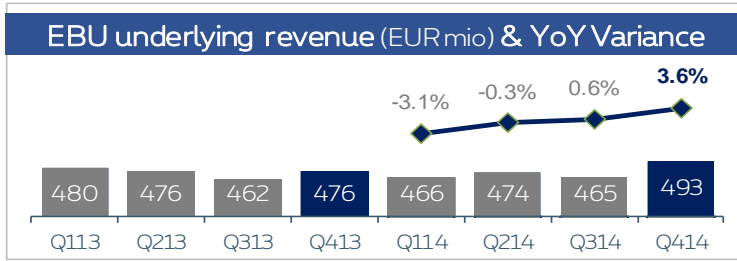
- Tango Q4'14 revenue of € 31m, i.e. **-6.4% YoY**; mainly caused by the **regulated MTR decrease**
- The regulation impact was partly offset by the revenue growth coming from the growing postpaid, triple and quadruple-play customer base. However, the prepaid customer base declined, due to a reduction in life-time of the prepaid offers.

belgacom

Enterprise
results
Q4 2014

Enterprise – Underlying* quarterly P&L

*Adjusted for incidentals, mainly effect from Telindus France and Telindus UK divestures, hence we have adapted underlying figures of previous quarters accordingly.



Underlying **revenue** continued to grow in **Q4'14 (+3.6%)**; incl. estimated regulation impact of € -6m (-1.3%)

- Strong quarter for EBU's ICT business, **+15% YoY** on underlying basis.
- Mobile services revenue remained positive contributor, revenue erosion from Fixed Voice and Fixed Data showed some improvement

FY'14, EBU posted €1,898m underlying revenue, **+0.2% YoY**

- Higher underlying Cost of Sales **mainly related to ICT and higher Mobile Terminals costs**
- FY'14, EBU's underlying Cost of Sales were € 447m, **+6.6% YoY**

HR Expenses

- **Q4'14 HR expenses** on underlying basis **-6.5%** to € 77m, including impact of favorable pension liability compensation
- **FY'14** underlying HR expenses totaled € 319m **-5.5% YoY**

Non-HR Expenses

- **Q4'14 non-HR expenses** of € 37m, **+14.3% YoY** due to marketing campaigns and some bad-debt impact.
- **FY'14**, underlying non HR-expenses were € 128m, **+6.5% YoY**

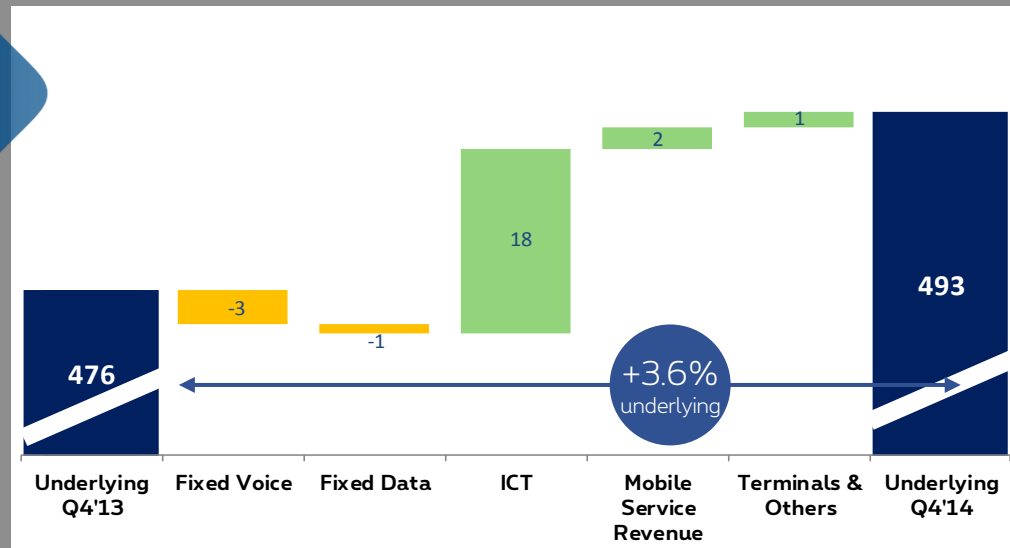
Q4'14 underlying segment result totaled € 251m, **+0.1% YoY**

- Fairly stable Direct Margin (good Mobile margins, positive ICT contribution offsetting Fixed Voice erosion); lower HR-expenses offsetting higher non-HR costs in the quarter.
- Underlying **contribution margin** ended 1.8pp lower at **51.0%**.

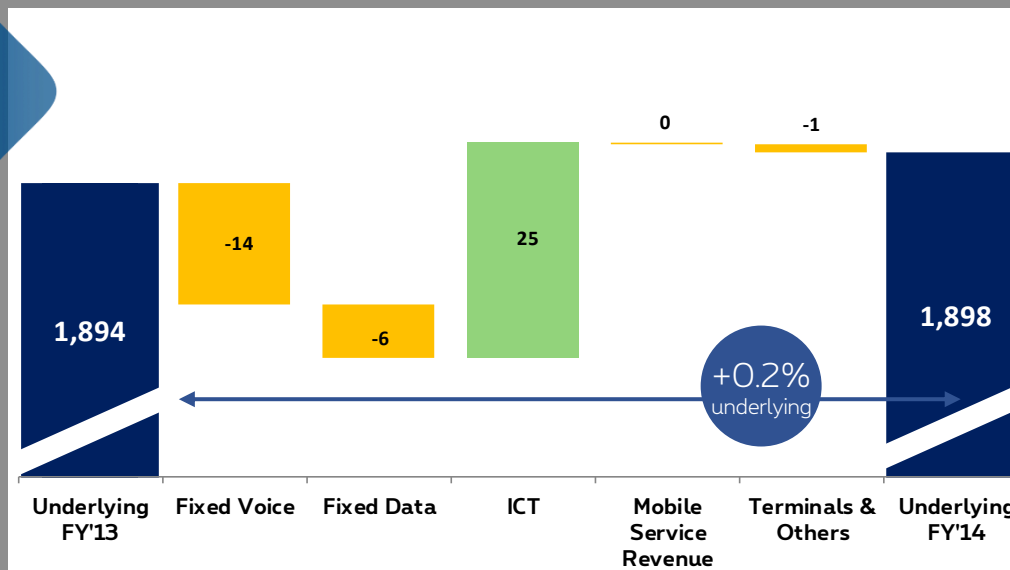
FY'14, EBU's underlying segment result totaled € 1,004m, **-1.3% YoY**

Enterprise underlying* revenue (in EUR million)

Q4'14



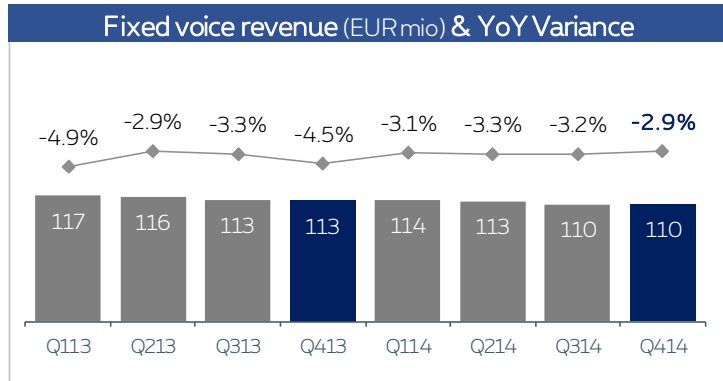
FY'14



*Adjusted for incidentals, i.e. mainly divestiture of Telindus France and Telindus UK activities

Enterprise - Fixed Voice*

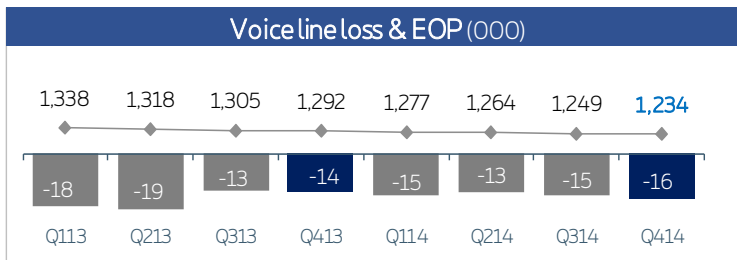
Continued stable Fixed Voice revenue decline



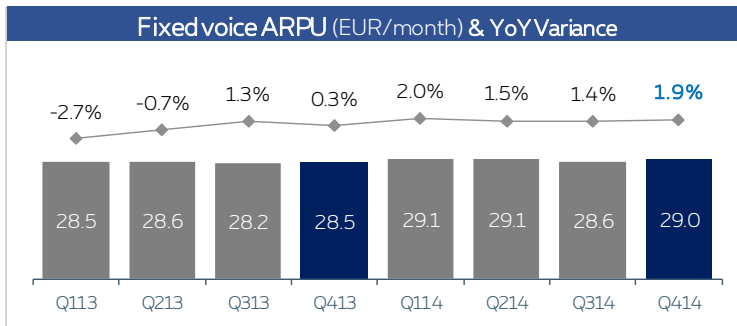
Q4'14 EBU Fixed Voice revenue of € 110m,

- Slightly Improving decline of **-2.9% YoY**
- Key driver of the revenue decline is continued Fixed Voice line erosion triggered by companies rationalizing on Fixed line connections and move to VOIP, only partly compensated for by price indexations

FY'14, EBU reported € 446m Fixed Voice revenue, **-3.1% YoY**



- Q4'14 Fixed Line erosion of -16,000 lines
- EBU total Fixed Voice Line customer base of 1,234,000 by end Dec'14, **-4.5% line loss YoY**



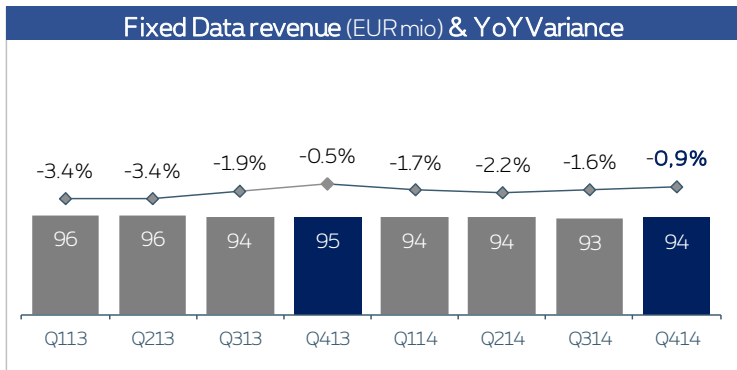
- Somewhat higher **Q4'14 Fixed Voice ARPU of €29, up 1.9% YoY**, a result of the price indexation early 2014 which more than compensates the negative impact of higher pack penetration.

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

Enterprise - Fixed Data



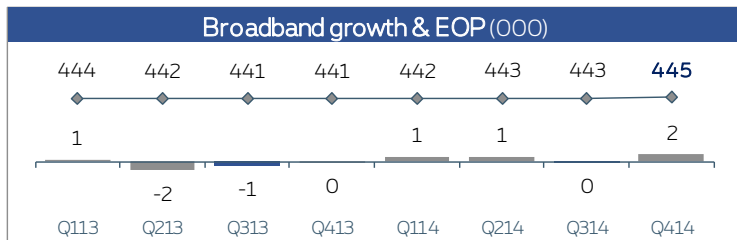
Fixed Data revenue impacted by migrations to Explore platform, Fixed Internet revenue fairly stable



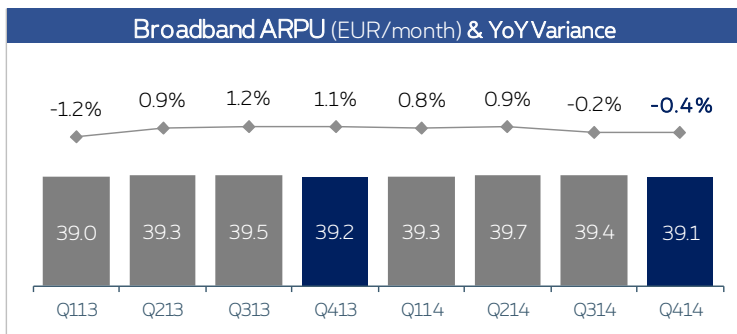
Q4'14 revenue was **-0.9% YoY** to € 94m

- Fixed Data, revenue consists of Fixed Internet and data connectivity
- continued migration from older technologies such as leased lines to the Proximus Explore platform, for which pricing is more favorable for customers.
- Fixed Internet revenue remained stable YoY

FY'14, EBU recorded € 374m revenue in Fixed Data, **-1.6% YoY**



- EBU ended Dec'14 with 445,000 Fixed Internet customers, or **+0.8% YoY**, in a saturated and highly competitive market.



- ARPU YoY **-0.4% at € 39.1**.
- SME customers opting more and more for advantageous converged Packs including internet.

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

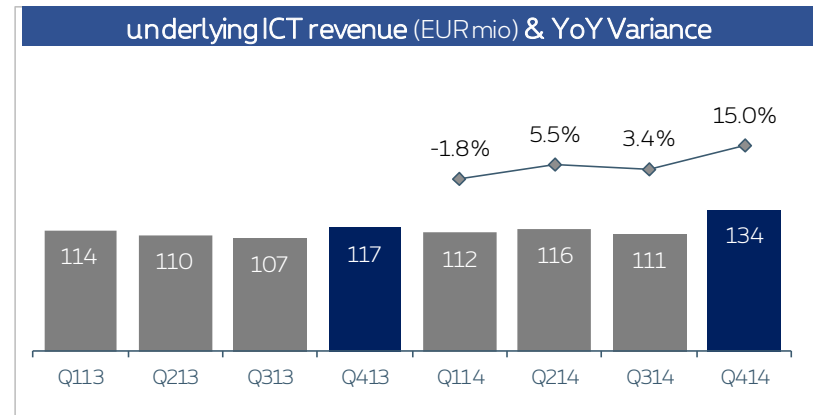
Enterprise – underlying ICT*

Underlying ICT revenue growth of 15%

EBU posted € 134 m underlying ICT revenue, in Q4'14, **+15% YoY**:

- a solid revenue from the Telindus activities, benefitting from a number of large product deals and some backlog catch-up.

FY'14 organic ICT revenue totaled € 473m, **+5.6% YoY**, including the benefit from a large outsourcing contract signed end 2013.



most recent Telindus divestures:

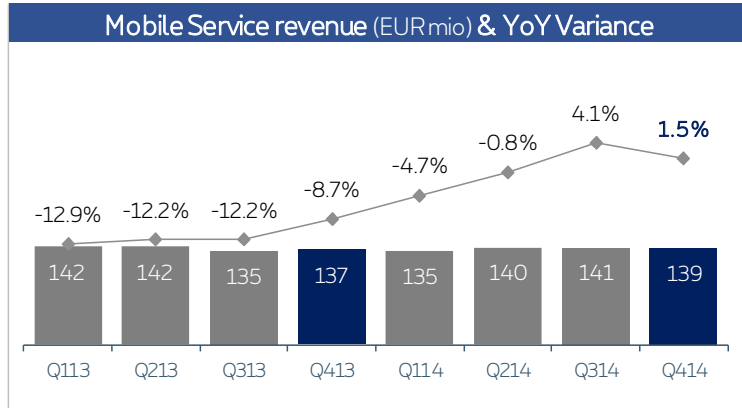
- On **30 April 2014**, Belgacom disposed 100% of the shares in the Group **Telindus France** to Vivendi for EUR 86 million net of cash disposed of and recognized a gain on disposal of EUR 43 million (through non-recurring income). The Group Telindus France generated pro-forma revenues of € 241m and EBITDA of € 11m in 2013.
- On **1 December 2014**, Belgacom and Telent Technology Services Limited have signed an agreement for the divestment of the **activities of Telindus Limited, the UK subsidiary of Telindus**. In 2013 the company contributed €62m in revenues to the EBU segment with limited EBITDA impact.

*Adjusted for incidentals, i.e. mainly the effect from the divestiture of Telindus France and Telindus UK activities. Underlying figures of previous quarters have been adapted accordingly.

Enterprise - Mobile Service



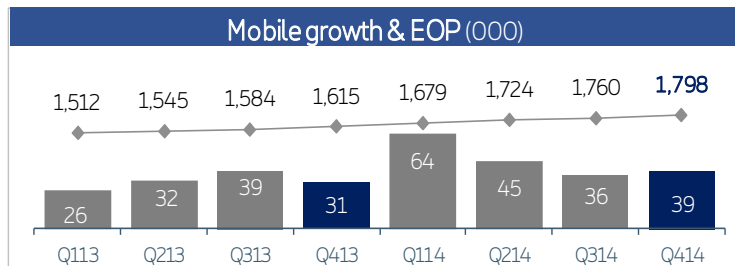
Year-on-year growth on larger mobile customer base and better price-tiering



Mobile service revenue showed growth for the second consecutive quarter:

- continuously growing mobile customer base,
- improved customer price-tiering within the Business customer segment, growing mid- and high end customer base firmly
- sharp uptake in mobile data usage, driven by a greater smartphone penetration and a growing number of 4G-users.
- Q4 progress more moderate vs. Q3, which benefitted from strong Mobile roaming growth during the summer holiday period.

FY'14, EBU generated € 555m revenue from Mobile services **stable YoY**.

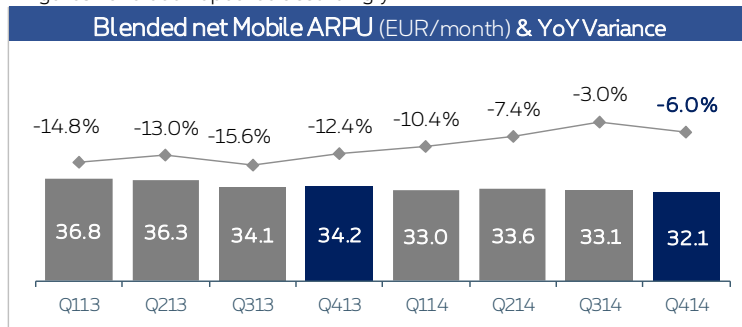


Q4'14 commercially intensive quarter for Proximus

- **+39,000 mobile cards added**, of which 24,000 Mobile Voice and paying data cards.
- Mobile churn level of 12.3% in Q4'14, distorted by an international M2M case.

EBU ended Dec'14 with a total of 1,798,000 mobile cards, **+11.3% YoY**

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



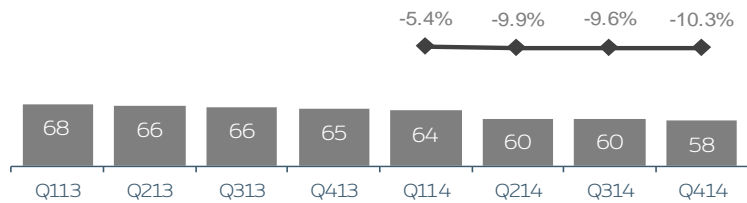
Blended ARPU trend further improving vs H1'14 to **-6% YoY**

- Q4'14 benefitting less from Roaming, vs. strong seasonal increase in Q3
- continued fading effect from mobile customer re-pricing
- increased consumption of data volumes
- improved customer price-tiering

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

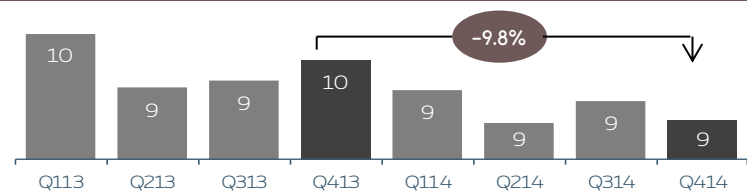
Service Delivery & Wholesale – P&L

SDE&W revenue (EUR mio)



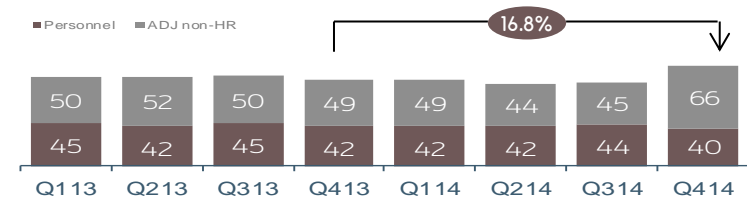
- Q4'14 revenue decline to € 58m, **-10.3% YoY**
- Eroding Carrier Wholesale Services revenue due to continued decline in wholesale broadband lines, leased lines and traffic volumes.
- Negative impact from lowered Wholesale roaming tariffs, only partly compensated for by the roaming volume growth
- FY'14 revenue of €241m, **-8.8% YoY**

SDE&W Cost of Sales (EUR mio)



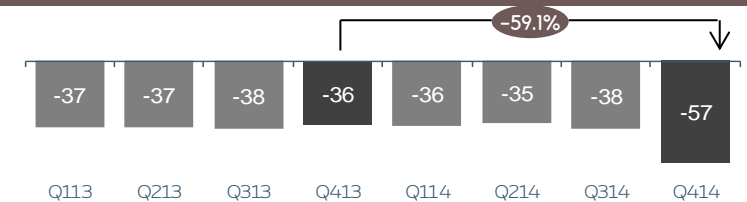
- Q4'14 CoS **-9.8% YoY**

SDE&W underlying Personnel & Non-HR costs (EUR)



- Q4'14 HR expenses of € 40m, **-5% YoY** including favorable impact of pension liability compensation
- Non-HR expenses increased to €66m, and includes a provision for the Walloon region tax on pylons

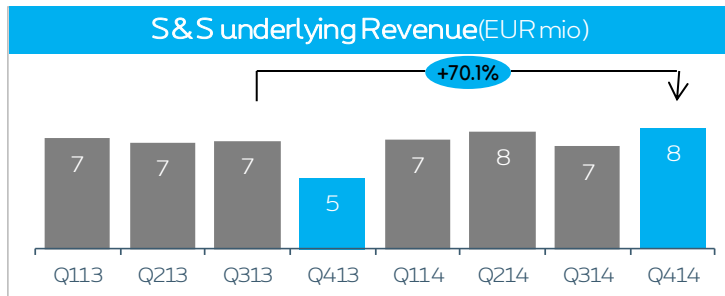
SDE&W underlying EBITDA (EUR mio)



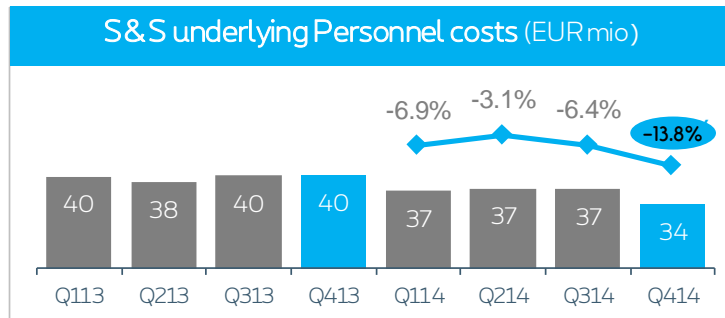
- Q4'14, the segment result of **€ -57m**, impacted by the continued revenue erosion and the higher non-HR related operating expenses
- FY'14, the segment result totaled € -166m, **-12.5% YoY**

* 2013 figures have been restated to reflect the allocation of Belgacom wholesale revenues invoiced to Scarlet to the Consumer Business Unit segment.

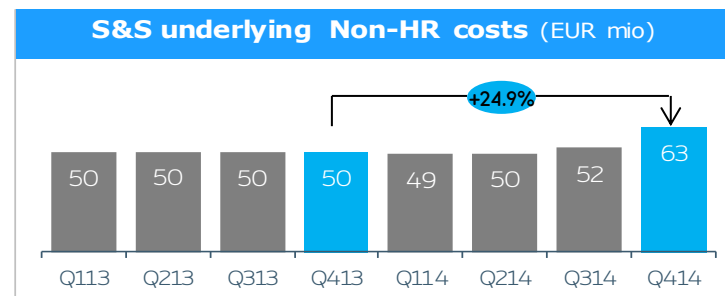
Staff & Support – P&L



- For **Q4'14**, Staff and Support recorded revenue of € 8m.
- FY'14** revenue of **€ 30 million**, on an underlying basis (i.e. excluding proceeds from building sales)



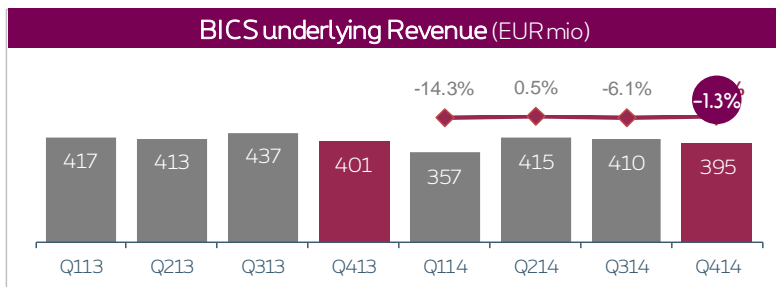
- Q4'14** HR expenses were **13.8% lower YoY**, including favorable impact of pension liability compensation and a lower personnel base.
- For the same reasons, the **FY'14** HR expenses of € 145 million were **-7.6% YoY**



- Q4'14** non-HR expenses totaled **€ 63m**
 - expenses of recurring nature limited to € 2m: higher renting costs related to the sale and rent back of some technical buildings; higher spending on cyber security.
 - remaining € 11m increase: non-structural expenses, incl. € 4m negative impact from the re-measurement to fair value of financial instruments related to commodities.
- FY'14** € 214m non HR-expenses, **+6.4% YoY**



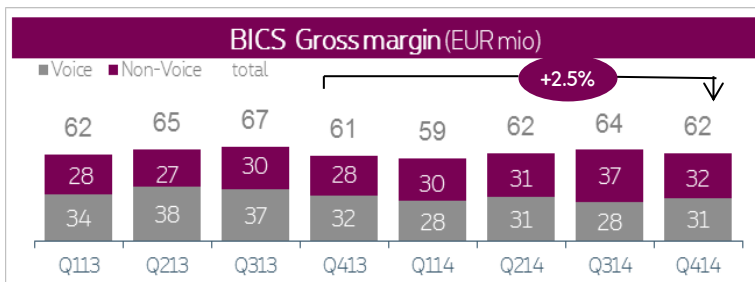
BICS – Underlying quarterly P&L



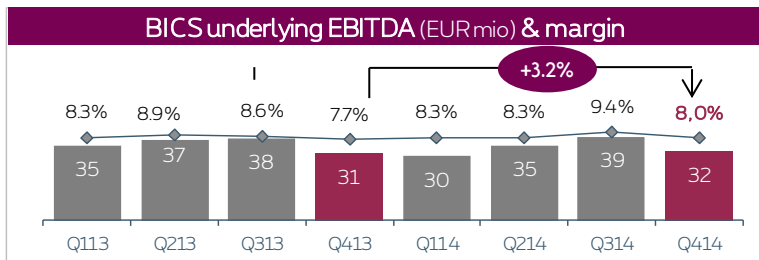
BICS Q4'14 revenue totaled € 395m, **-1.3%** or € 5m YoY

- lower Voice revenue, down 3.1 % on lower Voice traffic,
- not fully offset by continued growth in non-voice revenue, up by 10.3% in Q4'14

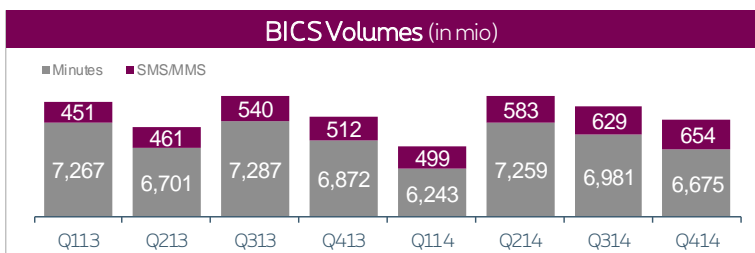
FY'14 BICS generated € 1,577m revenue, **-5.4%** YoY



- non-Voice gross margin 11.8% in Q4'14, in part offsetting the pressure on the Voice gross margin.
- In Q4'14, BICS's gross margin improved with **+2.5%**
- FY'14, BICS' gross margin erosion was limited to **-2.6%**



- EBITDA margin rose to **8%**, from 7.7% for the year before



- lower **Voice traffic** showing effect from the lost temporary traffic to Asia which BICS captured in 2013. In Q4'14 BICS handled 6,675m minutes, **-2.9%** YoY
- Q4'14 Non-Voice volumes **+27.7%** YoY

belgacom

*Other
information*

Group – quarterly P&L – as reported

in mio €	Q113	Q213	Q313	Q413	Year	Q114	Q214	Q314	Q414	Year	VAR Q4/Q4	VAR FY
Total Revenues	1,586	1,583	1,568	1,582	6,318	1,480	1,631	1,486	1,515	6,112	-4.2%	-3.3%
Total OPEX	-1,144	-1,153	-1,139	-1,184	-4,619	-1,069	-1,074	-1,053	-1,161	-4,358	-1.9%	-5.7%
Costs of materials and charges to revenues	-637	-645	-636	-643	-2,561	-575	-620	-592	-633	-2,420	-1.5%	-5.5%
Personnel expenses and pensions	-290	-283	-288	-282	-1,142	-278	-255	-263	-245	-1,041	-13.4%	-8.8%
Other operating expenses	-218	-225	-216	-244	-903	-215	-202	-202	-251	-869	2.9%	-3.7%
Non recurring expenses	0	0	1	-15	-14	-1	2	4	-33	-27	118.8%	97.4%
EBITDA	441	430	430	398	1,699	411	556	433	354	1,755	-11.1%	3.3%
EBITDA margin	27.8%	27.2%	27.4%	25.2%	26.9%	27.8%	34.1%	29.1%	23.4%	28.7%		
Depreciation	-192	-200	-197	-193	-782	-196	-207	-207	-212	-821	9.8%	5.1%
EBIT	250	230	232	206	917	215	350	226	143	933	-30.6%	1.7%
Financial result	-20	-24	-27	-24	-96	-23	-20	-28	-24	-96	1.2%	-0.1%
Tax expense	-53	-44	-44	-29	-170	-40	-66	-34	-14	-154	-49.7%	-9.3%
Share of loss on associates	0	0	0	0	0	0	-1	-1	-1	-2		
Net income (Group)	171	155	156	148	630	149	251	156	98	654	-33.6%	3.8%
Non-controlling interest	5	6	6	4	22	4	12	7	5	27	7.4%	26.8%
Earnings/share in €	0.54	0.49	0.49	0.46	1.98	0.47	0.78	0.49	0.31	2.04	-34.0%	3.4%

From reported to underlying – incidentals

GROUP - Revenue incidentals				
(EUR million)	Q413	Q414	FY'13	FY'14
Reported	1,582	1,515	6,318	6,112
Underlying	1,474	1,506	5,960	5,864
Incidentals - Total	-108	-9	-359	-248
<u>Non-Recurring Items</u>	0	0	0	-62
<u>Other incidentals</u>	-108	-9	-359	-187

GROUP - EBITDA incidentals				
(EUR million)	Q413	Q414	FY'13	FY'14
Reported	398	354	1,699	1,755
Underlying	398	380	1,695	1,653
Incidentals - Total	0	25	-4	-102
<u>Non-Recurring Items</u>	15	33	14	-34
<u>Other adjustments</u>	-15	-8	-18	-67

Incidental Elements Split	Revenue		EBITDA		Revenue		EBITDA	
	Q4'13	Q4'14	Q4'13	Q4'14	FY'13	FY'14	FY'13	FY'14
Total of Incidental Elements	-108	-9	0	25	-359	-248	-4	-102
<i>Non-recurring items:</i>	0	0	15	33	0	-62	14	-34
Gain/losses from disposals	0	0	16	34	0	-62	16	-25
<i>e.g. Telindus France (EUR 43m), BICS (EUR 20 million)</i>								
Other	0	0	-1	-1	0	0	-2	-10
<i>mainly resulting from a partial settlement of a post-employment benefit plan.</i>								
<i>Other incidentals:</i>	-108	-9	-15	-8	-359	-187	-18	-67
Impact from disposed companies	-87	-9	0	-1	-325	-141	-2	-3
<i>- CBU: Scarlet Netherlands (March 2014) and Sahara Net (May 2014)</i>	-6	0	4	0	-21	-7	5	0
<i>- EBU: Divestiture of Telindus France and the activities of Telindus UK</i>	-82	-9	-5	-1	-304	-134	-8	-3
Capitalization customer installations	0	0	6	0	0	0	23	0
<i>- Capitalization of network installation activities for customer connections as from of 1 January 2014.</i>								
Transformation & Rebranding	0	0	0	8	0	0	0	11
Capital gains on building sales	-20	0	-20	0	-31	-46	-31	-45
HR-items of transient nature	0	0	0	0	0	0	0	-8
Litigation provisions & reversals	0	0	0	-15	-3	0	-8	-22

Belgacom consolidated balance sheet

(EUR million)	As of 31 December	As of 31 December
	2013	2014
ASSETS		
NON-CURRENT ASSETS	6.254	6.339
Goodwill	2.320	2.272
Intangible assets with finite useful life (*)	1.185	1.180
Property, plant and equipment	2.558	2.680
Investments in associates	6	4
Other participating interests	6	8
Deferred income tax assets	105	102
Pension assets	0	0
Other non-current assets	74	94
CURRENT ASSETS	2.163	2.183
Inventories	163	117
Trade receivables	1.289	1.182
Current tax assets	137	63
Other current assets	148	111
Investments	60	8
Cash and cash equivalents	355	702
Assets classified as held for sale	11	0
TOTAL ASSETS	8.417	8.522
LIABILITIES AND EQUITY		
EQUITY	3.042	2.969
Shareholders' equity	2.846	2.779
Issued capital	1.000	1.000
Share premium	0	0
Treasury shares	-527	-470
Restricted reserve	100	100
Remeasurement reserve	-51	-128
Stock compensation	13	8
Retained earnings	2.310	2.270
Foreign currency translation	1	0
Non-controlling interests	196	189
NON-CURRENT LIABILITIES	2.865	3.332
Interest-bearing liabilities	1.950	2.386
Liability for pensions, other post-employment benefits and termination benefits	473	504
Provisions	204	154
Deferred income tax liabilities	128	110
Other non-current payables	111	178
CURRENT LIABILITIES	2.511	2.221
Interest-bearing liabilities	316	162
Trade payables	1.320	1.358
Tax payables	132	111
Other current payables	731	591
Liabilities associated with assets classified as held for sale	13	0
TOTAL LIABILITIES AND EQUITY	8.417	8.522

All balance sheet captions impacted by disposal of Group Telindus France and the activities of Telindus UK.

Decrease of goodwill by € 48m as a result of the disposal of Telindus France and the activities of Telindus UK.

Intangible fixed assets & property, plant & equipment increased by € 117m

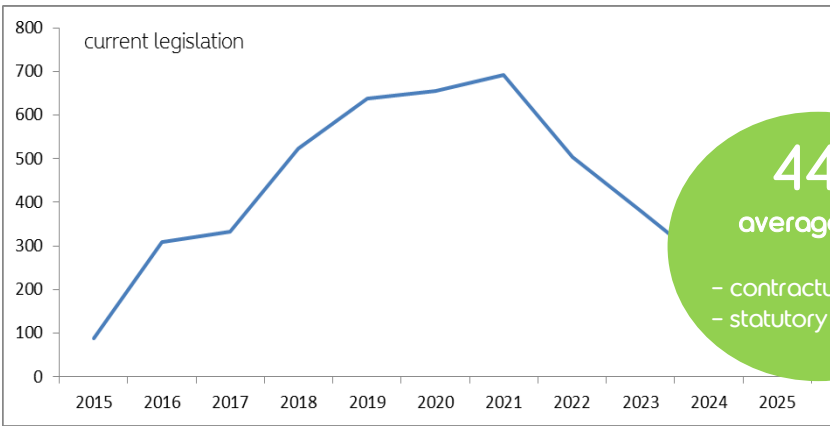
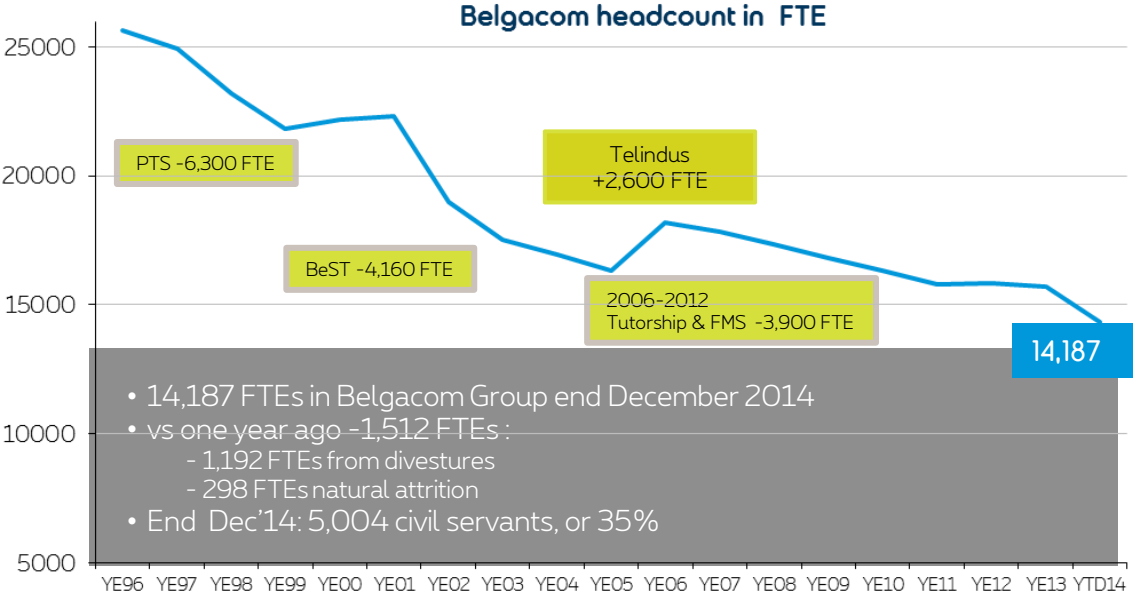
Shareholders' equity decreased from € 2,846m end 2013 to € 2,779m end December 2014. This mainly results from dividends higher than net income (Group share) and from the increase of liability for post-employment benefits recognised through Other Comprehensive Income.

Divestitures and natural attrition reducing headcount

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

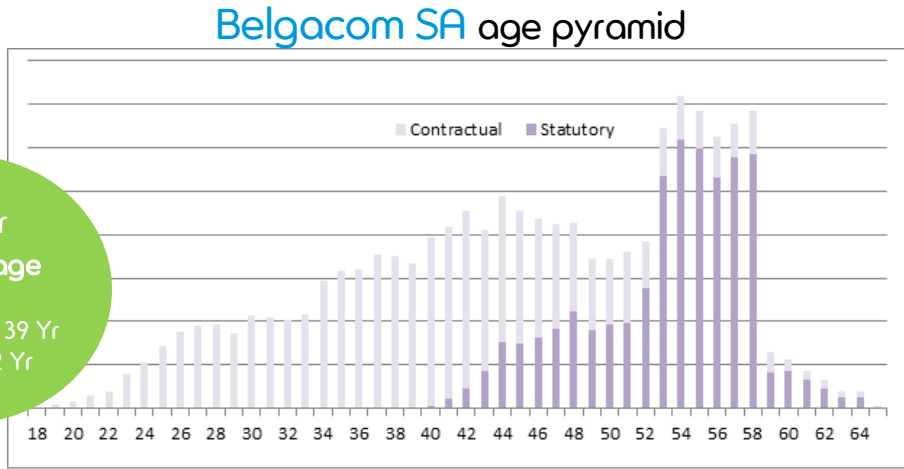
	€ million
2014	49
2015	22
2016	6
2017	5
2018-2035	15*

(* Cumulative for full period)



44Yr
average age

- contractual 39 Yr
- statutory 52 Yr



Pricing converged Proximus PACKS

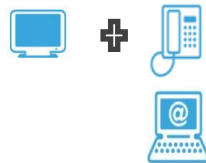
- successful combinations

3-Play

TV & Fix + Internet

€ 62.95 / month
TV

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



TV & Mobile & Internet

€ 66.95 / month
TV

TV Everywhere
+
Mobile
Smart+/Easy+ 15
+
Internet Comfort
+Unlimited volume
+Unlimited hotspot access
+500 MB 3G/4G
+ 1 GB (Tv Everywhere)
10 GB cloud



4-Play

TV & Fix & Mobile & Internet

€ 75.95 / month
TV

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



€ 2 to € 10 /month discount for each Proximus subscription (as of € 15 /month) added to your Pack
(maximum of 6 Proximus subscriptions per pack)

Pricing – TV options



TV Everywhere

€ 4.95 / month

Thanks to TV Everywhere, your smartphone, tablet or laptop becomes an additional TV screen! You won't miss any of your favorite programs anymore since your TV can now follow you anywhere. You can enjoy TV Everywhere at home and anywhere else. At home via your Proximus Wi-Fi connection. Everywhere else via a Wi-Fi Fon Spot or the Proximus 3G/4G network.

Note:
TV Everywhere
is for free
for customers having
a comfort or
maxi Pack

TV Replay

€ 3 / month

I can go back up to 36 hours in my TV guide.

€ 7 / month

I can go back up to 36 hours in my TV guide and fast forward in the program I have chosen



Movies & Series Pass

€ 14.95 / month

Unlimited access to an extensive range of movies in a specific on-demand catalog and to the "ms" channel which offers varied programming. Every day a new film or episode of a series on the "ms" channel, at the same time available in the on-demand catalog of this Pass.

Proximus 11

€ 9.95 / month

Belgian football:

All the matches of the Jupiler Pro League

Proximus 11+

€ 9.95 / month

European football:

- UEFA Champions League
- English League Cup
- Spanish League
- Copa del Rey
- Portuguese League

All Foot

€ 14.95 / month

The best of **Belgian and European** football:

Proximus 11
+
Proximus 11+

Consumer Mobile Postpaid subscriptions



voice & sms only
(non-Smartphone users)

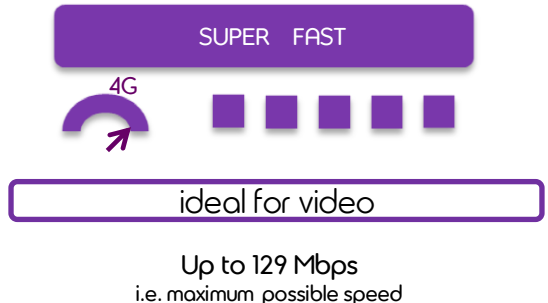
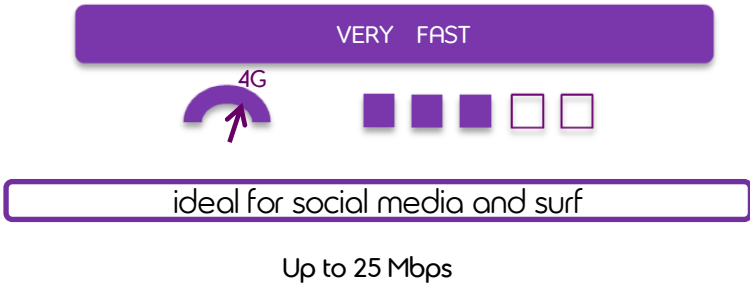
<p>Easy+ 10</p> <p>€ 10</p> <p>20 min Unlt SMS</p> <p>€ 0.25 / min € 0.25 / MMS € 0.85 / MB</p>	<p>Easy+ 15</p> <p>€ 15 € 13 in PACK</p> <p>150 min Unlt SMS</p> <p>€ 0.25 / min € 0.25 / MMS € 0.85 / MB</p>	<p>Easy+ 25</p> <p>€ 25 € 20 in PACK</p> <p>240 min Unlt SMS</p> <p>€ 0.25 / min € 0.25 / MMS € 0.85 / MB</p>	<p>Easy+ 45</p> <p>€ 45 € 35 in PACK</p> <p>Unlt min Unlt SMS</p> <p>€ 0.25 / MMS € 0.85 / MB</p>
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4G for everyone!

Voice, sms & data
(Smartphone users)

<p>Smart+ 15</p> <p>€ 15 € 13 in PACK</p> <p>120 min Unlt SMS 1GB</p> <p>€ 0.25 / min € 0.25 / MMS € 0.10 / MB</p>	<p>Smart 25</p> <p>€ 25 € 20 in PACK</p> <p>300 min Unlt SMS 2 GB</p> <p>€ 0.25 / min € 0.25 / MMS € 0.10 / MB</p>	<p>Smart+ 35</p> <p>€ 35 € 30 in PACK</p> <p>300min & Unlt Px-2-Px Unlt SMS 2 GB</p> <p>€ 0.25 / min € 0.25 / MMS € 0.10 / MB</p>	<p>Smart+ 50</p> <p>€ 50 € 40 in PACK</p> <p>Unlt voice Unlt SMS 3 GB</p> <p>Unlimited / min € 0.25 / MMS € 0.10 / MB</p>	<p>Smart+ 65</p> <p>€ 65 € 55 in PACK</p> <p>Unlt voice Unlt SMS (incl EU) 5 GB</p> <p>Unlimited / min € 0.25 / MMS € 0.10 / MB</p>
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Speed Tiering



4G for everyone!

Focus on calls

Pay & Go Easy

€ 0.27/ min
€ 0.12 / SMS
€ 0.25 / MMS
€ 0.5 / MB

Focus on Calls & SMS

Pay & Go Smart

€ 0.50 / min Peak
€ 0.25 / min OffPeak
€ 0.12 / SMS Peak
€ 0.08 / SMS OffPeak
€ 0.25 / MMS
€ 0.5/MB

Focus on Calls, SMS & Data

Pay & Go Max

€ 0.30 / min
€ 0.12 / SMS
€ 0.25 / MMS
€ 0.5/MB

Reload bonus

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

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

Reload bonus

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

- **Bonus € 10 Reload:** unltd. SMS OffPeak + 10 MB Peak: 7 – 16h
- **Bonus € 15 Reload:** unltd. SMS + 150 MB
- **Bonus € 25 Reload:** unltd. SMS + 500 MB

Reload bundles

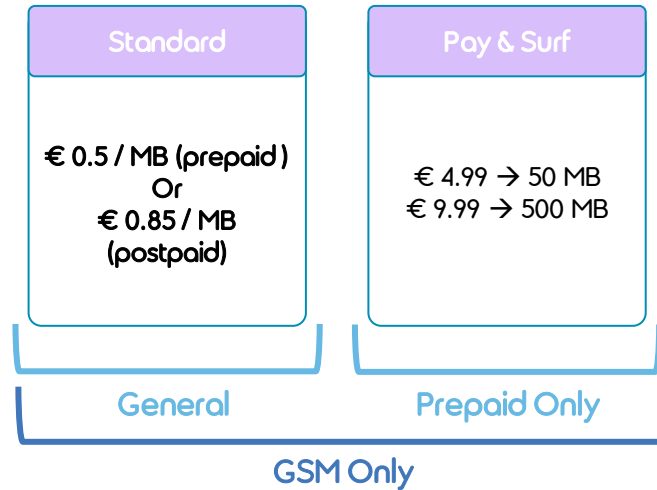
For Pay&Go Max reload you get:

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

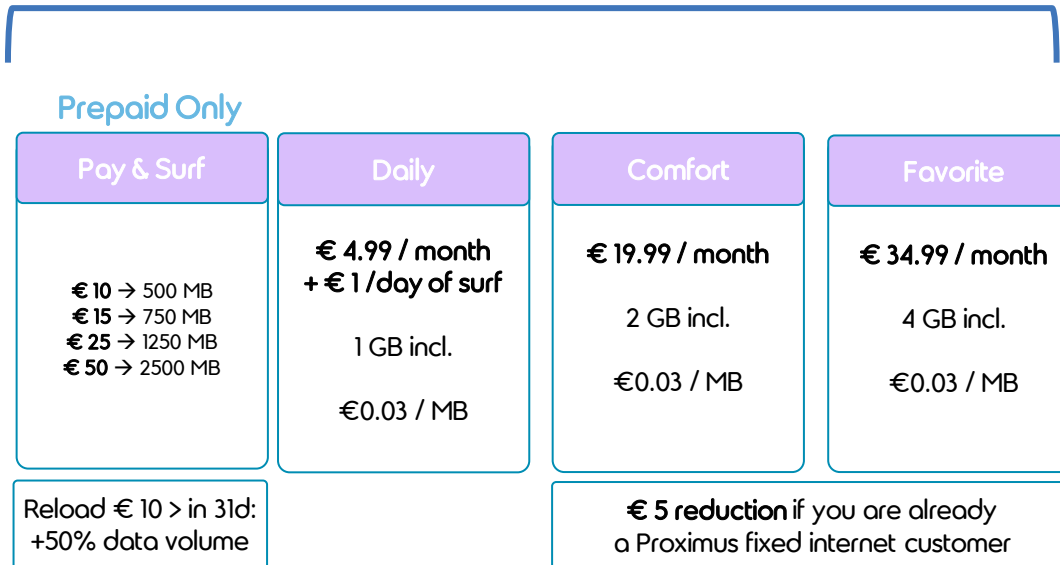
- ✓ For each reload, you get a bundle and no more credit
- ✓ The bundle has a validity of 31 days
- ✓ Out of bundle usage is possible with additional reloads

Pricing – Mobile Data

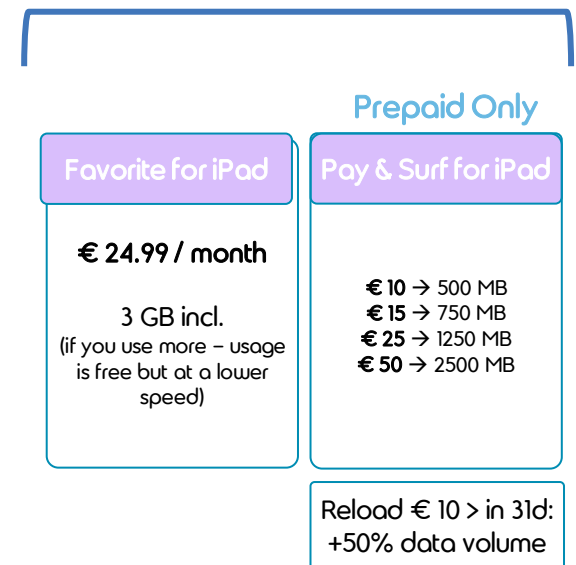
4G for everyone!



Laptop & Tablet Only



iPad Only





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



scarlet postpaid

GOEDKOPER BELLEN EN SURFEN

Red	Hot	Chili
8€ per maand voor	18€ per maand voor	28€ per maand voor
150 min. + 250 sms + 50 MB	500 min. + 500 sms + 500 MB	1000 min. + 1000 sms + 1 GB

Internet boost! on
Voeg 1 GB* toe voor 5 € per maand

buiten bundel

0,16 € per minuut
0,09 € per sms
0,03 € per MB

scarlet prepaid herlaadkaart

GOEDKOPER BELLEN
Ketch - Up
4G
-begroepen

Ketch	Up
8€ vrij te gebruiken krediet	15€ vrij te gebruiken krediet
+ Bonus ⁽²⁾	+ Bonus ⁽²⁾
20 min. & 100 sms	100 min. & 250 sms

scarlet Trio



TV + Fix + Internet

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

Pricing – Fixed products



Fixed telephony (classic line)

Classic	Happy Time XL	No Limit National Anytime	Happy time international
<p>€ 20.99 / month</p> <p>Note: Lower tariffs during peak compared to Happy Time</p> <p>Peak: 8-19h</p>	<p>€ 20.99 / month</p> <p>Free to FIX & to MOB during OffPeak & Weekend</p> <p>Peak: 8-17h</p>	<p>€ 30.67 / month</p> <p>Free to FIX Anytime</p> <p>24/24</p>	<p>€ 21.99 / month</p> <p>Free to FIX ,to MOB & to most European countries during OffPeak & Weekend</p> <p>Peak: 8-17h</p>



Internet

Internet Start	Internet Comfort	Internet Maxi
<p>€ 25.50 / month</p> <p>Volume incl: 100 GB</p> <p>Upload speed: 4 Mbps 3G/4G: 50 MB Cloud: 10 GB</p> <p>+ hotspot access</p>	<p>€ 36.95 / month</p> <p>Volume incl: 150 GB</p> <p>Upload speed: 5 Mbps 3G/4G: 100 MB Cloud: 10 GB</p> <p>+ hotspot access</p>	<p>€ 46.20 / month</p> <p>Volume incl: Unlimited</p> <p>Upload speed: 6 Mbps 3G/4G: 250 MB Cloud: 10 GB</p> <p>+ unlimited hotspot access</p>

- No price differentiation on “download speed”
- Customers get highest available download speed
- **The average speed a Proximus VDSL2 Internet customer receives is currently at 40 Mbps, and rising.** This is dedicated speed at videograde quality.
- The actual received speed is higher for homes connected through Dynamic Line management (50 Mbps) or Vectoring (70 Mbps)
- Speeds can be lower due to factors as the distance between the connection point and the telephone exchange, the computer system and the internal cabling.



Television

TV (only as option on Fixed connection)
<p>€ 21.5 / month</p> <p>>70 channels</p>

- **Internet Start+TV: € 45.95**
- **Tel+TV: € 35.75**

Regulation- 1

Estimated negative financial impact from regulatory price decreases

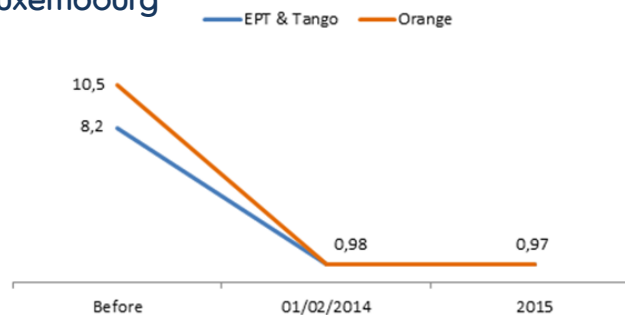
Regulation impacts (Decrease in EUR million)		Estimated impact						FY 2014	FY 2015
		FY 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014			
MTR	Revenue	€ 38m	€ 3m	€ 4m	€ 4m	€ 4m	€ 15m	€ 1m	
	EBITDA	€ 2m	€ 1m	€ 2m	€ 2m	€ 2m	€ 8m	€ 1m	
Roaming (i.e. Voice, SMS and Data)	Revenue	€ 46m	€ 5m	€ 7m	€ 14m	€ 8m	€ 35m	€ 23m	
	EBITDA	€ 46m	€ 5m	€ 7m	€ 14m	€ 8m	€ 35m	€ 23m	
Total	Revenue	€ 85m	€ 8m	€ 11m	€ 18m	€ 12m	€ 50 m	€ 24 m	
	EBITDA	€ 48m	€ 7m	€ 9m	€ 17m	€ 11 m	€ 43 m	€ 24 m	

MTR -regulation

Luxembourg – MTR at 0.98 €cts, down from 8.2 €cts since 1 Feb. 2014, regulator proposing MTR at 0.97€cts upon their final decision

The estimated impact on TANGO (reported in CBU) for 2014 is: € -14 m revenue, € -8m EBITDA

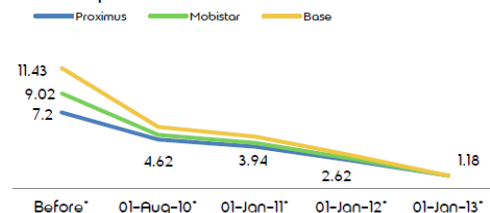
Luxembourg



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

BIPT is developing a new cost model to set future MTR

MTR-Glidepath in €ct



*Including inflation

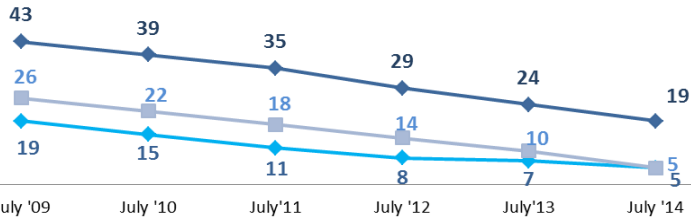
*excl VAT, including inflation

Regulation- 2

Mobile voice and data-roaming: EU Roaming III Regulation regulation

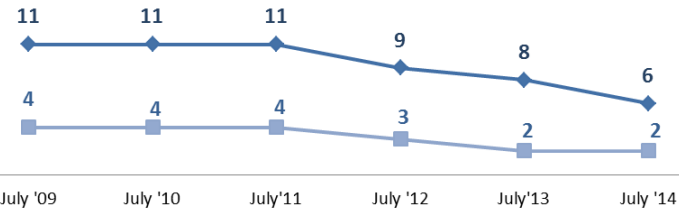
Voice Roaming (€ct per minute)

◆ Retail Outgoing ◆ Retail Incoming ■ Wholesale Outgoing



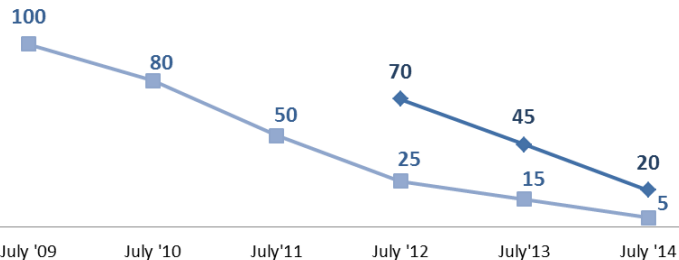
SMS Roaming (€ct per sms)

◆ Retail ■ Wholesale



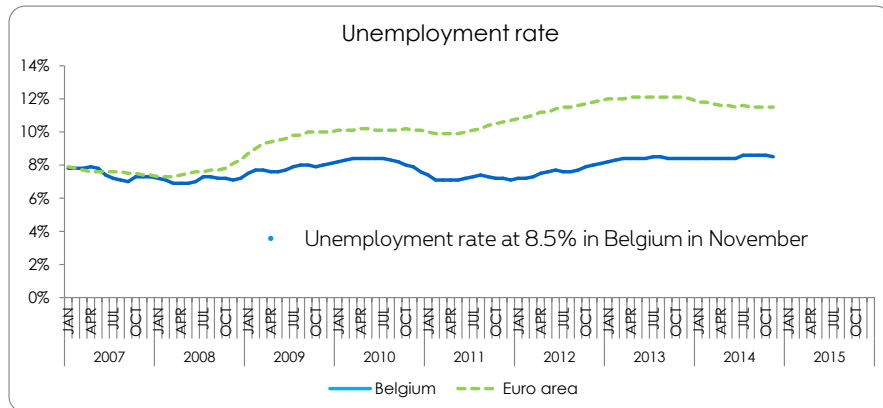
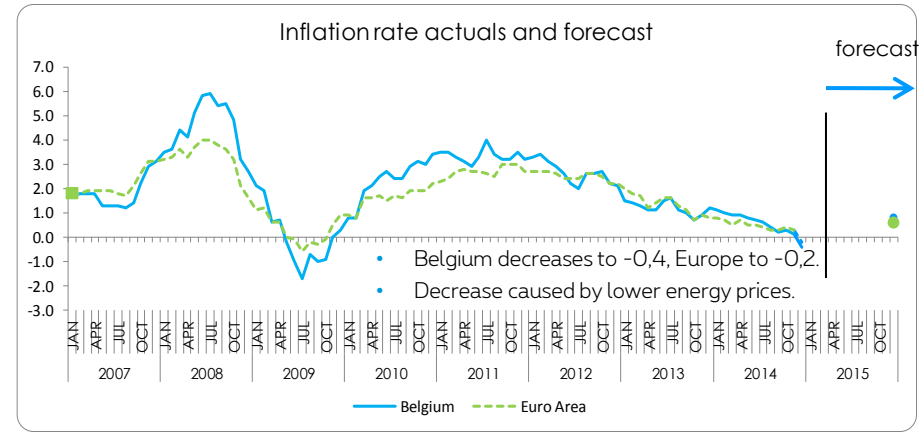
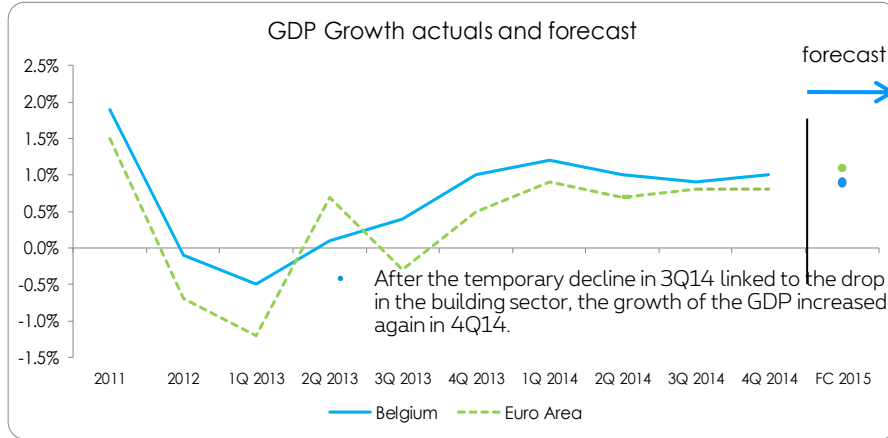
Data Roaming (€ct per Mb)

◆ Retail ■ Wholesale



- Roaming III Regulation entered into force on 1 July 2012.
- It imposed a further lowering of the existing regulated price caps, and extended the roaming regulation to retail data as from July 2012. It also imposed transparency measure to avoid bill shocks and has extended the transparency measures to roaming outside EU since July 2012.
- Roaming III Regulation also foresees structural measures
 - Wholesale roaming access (1 July 2012)
 - Decoupling, i.e. separate selling of roaming services from domestic mobile services (1 July 2014)
- The Roaming III Regulation will expire in principle on 30 June 2022. However, in the meantime, roaming remains under close scrutiny of the EU authorities (Commission, Parliament and Council). The proposals that are currently being discussed include all an alignment of the domestic and roaming rates ("Room-like-at home"). The timing and conditions of such alignment are however still uncertain.
- Estimated impact on Q4 2014 financials:
 - Revenue: ~ € -8m
 - EBITDA: ~ € -8m
- Estimated impact on FY 14 financials:
 - Revenue: ~ € -35m
 - EBITDA: ~ € -35m

Macro economic environment



Source: National Bank, 27/01/15

- 1 GDP – percentage change on preceding year
- 2 Number of unemployed as a percentage of total labour force
- 3 Index of consumer prices – percentage change on preceding year

Cautionary Statement

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

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