quarterly report

Q3 2011

belgacom

Key figures

Income Statement (EUR million)	Year-to-date 2010	2011
Total income before non-recurring items	4,945	4,790
Non-recurring income	436	0
Total income	5,381	4,790
EBITDA (1) before non-recurring items	1,489	1,465
EBITDA (1)	1,925	1,447
Depreciation and amortization	-604	-573
Operating income (EBIT)	1,322	874
Net finance costs	-80	-81
Income before taxes	1,241	792
Tax expense	-195	-193
Non-controlling interests	10	12
Net income (Group share)	1,036	587
Cash flows and Capital Expenditures (EUR million)	**2010**	**2011**
Cash flows from operating activities	1,315	1,260
Capital expenditures	-515	-498
Cash flows from / (used in) other investing activities	49	-1
Free cash flow (2)	**849**	**761**
Net cash provided by / (used in) financing activities	-566	-530
Net increase of cash and cash equivalents	**283**	**231**
Balance sheet (EUR million) - As of 30 September	**2010**	**2011**
Balance sheet total	8,552	8,729
Non-current assets	6,155	6,152
Investments, cash and cash equivalents	660	855
Shareholders' equity	3,038	3,064
Non-controlling interests	229	248
Liabilities for pensions, other post-employment benefits and termination benefits	599	491
Net financial position	-1,425	-1,325
Data per share	**2010**	**2011**
Basic earnings per share before non-recurring items (EUR)	1.87	1.89
Basic earnings per share (EUR)	3.23	1.83
Diluted earnings per share (EUR)	3.22	1.83
Weighted average number of oustanding shares	321,025,771	320,762,452
Data on employees	**2010**	**2011**
Number of employees (full-time equivalents)	16,214	15,676
Average number of employees over the period	16,253	15,687
Total income before non-recurring items per employee (EUR)	304,252	305,367
Total income per employee (EUR)	331,062	305,367
EBITDA (1) before non-recurring items per employee (EUR)	91,600	93,406
EBITDA (1) per employee (EUR)	118,449	92,227
Ratios (before non-recurring items)	**2010**	**2011**
Return on Equity (3)	23.1%	19.6%
Gross margin (4)	59.8%	61.1%

(1) Earnings Before Interests, Taxes, Depreciation and Amortization.
(2) Cash flow before financing activities.
(3) The net income and the Shareholders' equity are adjusted to exclude the non-recurring income /expenses and the related tax impacts.
(4) The gross margin is adjusted to exclude non-recurring income.

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

The Belgacom Management Committee is represented by Didier Bellens, President and CEO, Scott Alcott, Executive Vice-President Service Delivery Engine & Wholesale, Bruno Chauvat, Executive Vice-President Strategy and Content, Bart Van Den Meersche, Executive Vice-President Enterprise, Ray Stewart, Executive Vice-President Finance and CFO, and Michel Georgis, Executive Vice-President Consumer.

Highlights – Q3 2011

- *Strong customer gain for Mobile and Belgacom TV, multi-play Pack sales pass 1 million mark*
- *Q3 2011 Group EBITDA 3.6% lower year-over-year; Group Revenue -2.7%*
- *FY 2011 estimates adjusted: EBITDA outlook improved to a decline between '3% and 4%', while revenue expectation slightly lower to about -3%*

- **For the third quarter 2011,** Belgacom Group reports a revenue of **EUR 1,596 million, i.e. 2.7% lower than for the same period of 2010**. Regulation impact softens in the third quarter, reducing the revenue by EUR 18 million. Excluding regulation, the Belgacom Group's **underlying revenue was down year-over-year by 1.6%**.

- Revenue from **Belgacom TV** was impacted since Belgacom no longer holds the exclusive broadcasting rights on Belgian first-division football championship games. In the football bidding process of June 2011, Belgacom made an offer to the Belgian football league based on an analysis of expected return, but was outbid by cable competitors who offered about EUR 49 million/year for the exclusive rights to the top three weekend matches. Belgacom was granted the remaining five weekend matches, for which it paid EUR 1 million/year. With more than 180 football matches per year offered for free to all TV customers, Belgacom's football offer remains attractive. As a consequence, churn of the former 70,000 Belgacom TV football subscribers remained limited to 8,100 since the announcement in June, but quite some customers churned with Voice and Internet services as well. The additional churn, and especially the free football offer for loyal former football subscribers and all other Belgacom TV-customers, has so far reduced the revenue by EUR 6.6 million, with fairly equal impact on the Group EBITDA.

- **Cost of Sales** continued to show a favorable variance versus last year, declining by 2.8% to EUR 633 million, including a positive effect from reduced Mobile Termination Rates.

- The **Belgacom Group EBITDA for the third quarter 2011 decreased year-over-year by 3.6%** compared to the same period of 2010, including EUR 8 million (-1.6%) of negative impact from regulation. The EBITDA margin for the third quarter decreases year-over-year by 0.3pp to 29.6%.

- **In the third quarter 2011** the Belgacom Group generated **EUR 375 million of Free Cash Flow**, compared to EUR 252 million for the same period of 2010. The positive year-on-year comparison is mainly explained by a positive variance in core working capital and lower advances on income tax payments, both mainly due to timing differences.

- **Customer growth in the third quarter 2011 was strong for Mobile and for Belgacom TV** as the TV customer gain more than offset the higher churn related to the loss of exclusivity on Belgian football broadcasting rights. Meanwhile the success of multi-play packs continued, exceeding the 1 million milestone. The higher TV-churn, however, also impacted net Broadband customer growth and Fixed Voice line erosion.
    - + 52,000 Belgacom TV customers, with a total of 1,139,000 by end September 2011
    - + 75,000 Mobile cards, incl. 59,000 postpaid. Total Mobile cards at 5,413,000[1]
    - + 18,000 Mobile Internet cards. Total Mobile Internet cards at 216,0002
    - + 47,000 convergent Packs, with a total of 1,024,000 year-to-date September
    - - 1,000 Fixed Internet lines, with a total Internet customer base of 1,572,000 end September
    - - 44,000 Fixed Voice lines, with a total Fixed Voice customer base of 3,238,000

- Based on the revenue trends so far, Belgacom expects to end the year 2011 with a year-over-year revenue decline of about 3%. Since a significant amount of this revenue decline is low margin, there is minor impact on the EBITDA. But the good news is that the football related churn was contained, resulting in a lower than expected negative impact on EBITDA. Therefore, Belgacom reviews its EBITDA estimates upwards, to a full-year Group EBITDA decline between "3% and 4%".

- The Belgacom Board of Directors approved to return to the shareholders an interim dividend of EUR 0.50 gross per share, i.e. a net dividend of EUR 0.375 per share.

    - Ex-dividend date: 6 December 2011
    - Record date: 8 December 2011
    - Payment date: 9 December 2011

[1] Including mobile customers of Tango
[2] Total Mobile Internet cards also included in Total Mobile cards

Comment by the CEO

We are pleased to see that our increased marketing efforts and our continued improvements in terms of customer servicing, are resulting in some good operational results for the third quarter. The strong Mobile customer growth we saw in the previous quarter was repeated thanks to well targeted marketing actions improving sales through controlled and indirect distribution channels. We could also once again welcome many new households on our TV platform, more than offsetting the football-related TV churn as the greater part of our former football subscribers remained loyal to Belgacom. However, as some of the churned TV-customers were multi-play customers, the Fixed Internet and Fixed Voice operational result was negatively impacted in the third quarter. This offset the positive results we saw from our segmented marketing approach, e.g. "TV with Fixed line" oriented towards our senior customers. Our convergence strategy continues to prove to be the right one, with the number of customers subscribing to one of our convergent packs now crossing the 1 million mark. Combining Fixed with Mobile services is gaining traction, currently more than 10% of our Packs include mobile. For instance, our Pack combining fixed and mobile Internet with a Samsung Galaxy tablet is proving quite popular and the number of customers signing-up for the newly launched "Happy Time XL" plan, which allows free off-peak calling from fixed to mobile, is very promising. Encouraged by these trends, we will continue to leverage our strong position in convergence to progress in our goal to strengthen our market position.

Didier Bellens, CEO Belgacom

Financial report

Belgacom Group

- **Year-over-year, Group revenue declining 2.7% incl. regulation impact**
- **Group revenue impacted by pressure on BICS, divestment Telindus Spain and weaker TV revenue growth**
- **EBITDA third quarter at EUR 472 million, i.e. 3.6% below 2010**
- **FCF third quarter at EUR 375 million, year-to-date at EUR 761 million**

✓ *Quarterly financials at group and segment level: page 21*

Revenue

	3rd Quarter			Year-to-date		
(EUR million)	**2010**	**2011**	**% Change**	**2010**	**2011**	**% Change**
Consumer Business Unit	585	571	-2.3%	1,768	1,716	-2.9%
Enterprise Business Unit	590	572	-3.1%	1,816	1,758	-3.2%
Service Delivery Engine & Wholesale	79	77	-2.3%	259	239	-7.8%
Staff & Support	10	25	145.8%	28	40	42.7%
International Carrier Services	415	401	-3.4%	1,208	1,161	-3.9%
Inter-segment eliminations	-40	-51	26.5%	-132	-123	-7.4%
Total	**1,640**	**1,596**	**-2.7%**	**4,945**	**4,790**	**-3.1%**
Non-recurring income	0	0	-	436	0	-
Total	**1,640**	**1,596**	**-2.7%**	**5,381**	**4,790**	**-11.0%**

For the ***third quarter 2011***, the Belgacom Group reports revenue of EUR 1,596 million or a 2.7% year-over-year decline. This includes a negative impact of regulatory[1] measures, which reduced the third-quarter revenue by EUR 18 million. Excluding regulation, the Group revenue experienced some additional pressure in the third quarter, leading to an underlying revenue decline of 1.6% year-over-year. This is mainly the consequence of:

- A net revenue loss resulting from divestments/acquisitions in the ICT domain of the Enterprise segment, impacting the year-over-year revenue variance negatively by EUR 12 million;
- Slower revenue growth of Belgacom TV within the Consumer business unit because of the ‘Free football[2]’ offer for all TV customers and, to a lesser extent, the churn of Belgacom TV multi-play customers;
- BICS continuing a negative year-over-year revenue variance, though showing improvement.
- These unfavorable developments were partly offset by a significant year-over-year increase in Mobile Data revenue, driven by Advanced Data (+30%).

Over the ***first nine months of 2011***, the Belgacom Group reports EUR 4,790 million of revenue, which is 3.1% lower than for the same period in 2010, including a EUR 103 million negative impact from regulation (-2.1%).

<u>Exhibit 1:</u> Revenue evolution in percentage

		Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011	Q2 2011	Q3 2011
GROUP (1)	**YoY variance**	**-0.2%**	**-0.4%**	**-0.3%**	**-1.5%**	**-3.5%**	**-3.2%**	**-2.7%**
	YoY variance excl regulation	**0.2%**	**1.5%**	**2.2%**	**1.5%**	**-0.3%**	**-1.2%**	**-1.6%**
CBU (2)	YoY variance	1.9%	0.5%	-1.1%	-1.0%	-4.3%	-2.1%	-2.3%
	YoY variance excl regulation	2.5%	3.0%	2.1%	2.7%	-0.1%	0.4%	-0.8%
EBU (2)	YoY variance	-2.9%	-1.4%	-0.9%	-3.2%	-3.7%	-2.8%	-3.1%
	YoY variance excl regulation	-2.3%	-0.1%	1.1%	-0.8%	-0.8%	-0.4%	-1.7%
	YoY variance excl regulation & divestments/acquisitions	-2.3%	-0.1%	1.1%	-0.8%	-0.8%	-0.4%	0.3%
SDE&W (2)	YoY variance	-7.6%	-1.7%	-6.3%	-6.6%	-13.9%	-6.1%	-2.3%
	YoY variance excl regulation	8.7%	5.1%	1.9%	3.0%	-3.6%	-2.9%	-0.8%
BICS (1)	YoY variance	0.5%	5.4%	5.0%	4.7%	-1.5%	-6.5%	-3.4%

(1) 2010 variance on a like-for-like basis: BICS proportionally consolidated at 57.6%
(2) 2010 variance on a like-for-like basis: adjusted for changes in intercompany revenues

[1] Mobile Termination Rate cuts (cut of 1 August 2010 annualizing) , Roaming tariff cut of 1 July 2011
[2] In June 2011 Belgacom TV counted 70,000 football subscribers paying a monthly fee of EUR 9.95 for “My club” or EUR 19.95 for “All Foot”.

Operating expenses

	3rd Quarter			Year-to-date		
(EUR million)	**2010**	**2011**	**% Change**	**2010**	**2011**	**% Change**
Costs of materials and services related to revenue	651	633	-2.8%	1,987	1,862	-6.3%
Personnel expenses and pensions	281	278	-0.9%	829	834	0.6%
Other operating expenses	218	213	-2.3%	640	629	-1.8%
Total	**1,149**	**1,123**	**-2.3%**	**3,456**	**3,325**	**-3.8%**
Non-recurring expenses	0	0	-	-1	18	-
Total	**1,149**	**1,123**	**-2.3%**	**3,456**	**3,344**	**-3.2%**

Cost of Sales third quarter 2.8% lower year-over-year
For the ***third quarter 2011***, Belgacom reports a Cost of Sales of EUR 633 million, i.e. 2.8% lower than for the same period of 2010, including the effect from lower Mobile Termination Rates. Excluding the impact of regulation, however, the Cost of Sales still showed a year-over-year decline, driven by the divesture of Telindus Spain and the lower Cost of Sales in BICS.

This brings the total Cost of Sales to EUR 1,862 million by ***end September 2011***, which is 6.3% down year-over-year.

Year-over-year impact of salary indexations in third quarter offset by one-off in 2010 and lower headcount
For the ***third quarter 2011***, the Belgacom Group reports slightly lower HR expenses than for the same period of 2010, which included a one-off upward revision of HR-related provisions. Together with the benefit from a lower headcount, this leads to a favorable year-over-year comparison, in spite of the double impact of inflation-based wage indexations (1 October 2010 and 1 June 2011).
Year-over-year, Belgacom's FTE base decreased by 538 FTEs to 15,676 FTEs by end of September 2011. This concerns mainly employees that left in January 2011 as part of the "Tutorship" headcount restructuring program. In the third quarter 2011, the headcount decreased by 90 FTEs, including the divestment of Telindus Spain.

HR expenses over the ***first nine months*** of 2011 were up 0.6% year-over-year to EUR 834 million.

Exhibit 2: Number of FTE

	September 2010	End 2010	September 2011	12 months variance	9 months variance
Consumer Business Unit	5,145	5,209	5,182	37	-27
Enterprise Business Unit	5,227	5,263	5,098	-129	-165
Service Delivery Engine & Wholesale	3,369	3,377	3,174	-194	-202
Staff & Support	2,082	2,074	1,831	-251	-243
International Carrier Services	390	385	390	0	5
Total	**16,214**	**16,308**	**15,676**	**-538**	**-632**

Over the third quarter other operating expenses were 2.3% lower year-over-year
Belgacom's non-HR expenses over ***the third quarter 2011*** compare favorably to the same quarter of 2010 by 2.3% as the third-quarter 2010 costs were inflated by negative exchange rate effects in the ICT domain, additional costs for SDE&W related to the roll-out of the Mobile Radio Access network and some Scarlet migration costs.

Year-to-date September, non HR-costs of EUR 629 million were 1.8% lower versus the previous year, including a one-off positive reversal of litigation provisions recorded in the second quarter 2011.

Operating income before depreciation and amortization (EBITDA)

	3rd Quarter			Year-to-date		
(EUR million)	**2010**	**2011**	**% Change**	**2010**	**2011**	**% Change**
Consumer Business Unit	276	257	-6.7%	807	792	-1.8%
Enterprise Business Unit	292	291	-0.3%	905	889	-1.8%
Service Delivery Engine & Wholesale	-36	-30	-17.7%	-81	-70	-13.4%
Staff & Support	-75	-81	8.0%	-235	-233	-0.7%
International Carrier Services	34	35	3.4%	94	88	-5.7%
Total	**490**	**472**	**-3.6%**	**1,489**	**1,465**	**-1.6%**
Non-recurring income	0	0	-	436	0	-
Non-recurring expenses	0	0	-	1	-18	-
Total	**490**	**472**	**-3.6%**	**1,925**	**1,447**	**-24.8%**

For the ***third quarter 2011***, the Belgacom Group reports an EBITDA of EUR 472 million, i.e. a 3.6% decrease compared to the same period of 2010. This includes the impact of regulatory measures, which lowered the EBITDA by EUR 8 million (-1.6%). The EBITDA margin for the third quarter 2011 is 29.6%, i.e. -0.3pp lower year-over-year.

The Belgacom Group ends the ***first nine months*** of 2011 with an EBITDA of EUR 1,465 million, i.e. 1.6% lower than for the same period of 2010. The year-to-date variance was positively impacted by the one-off reduction in litigation provisions for about EUR 20 million recorded in the second quarter of 2011. Regulation on the other hand, has so far reduced the EBITDA in 2011 by EUR 24 million (-1.6%).

Depreciation and amortization

Depreciation and amortization over the first nine months of 2011 decreased to EUR 573 million from EUR 604 million in 2010. The 2010 depreciation was higher as a result of the shortened useful life of the Mobile Radio Access Network, which started to be replaced in 2010.

Net finance result

Over the first nine months of 2011 the net finance costs remained fairly flat at EUR 81 million. This was the result of the increase in interest expenses following the bond issue in January 2011 and the premium granted in the context of the bond buy back in March 2011 and the gains in 2010 on disposal of available-for-sale investments, offset by the year-over-year improvement of re-measurement to fair value of financial instruments and lower discounting charges of long-term liabilities.

Tax expense

In the ***third quarter 2011***, tax expenses amounted to EUR 59 million, whereas this was EUR 62 million for the same period of 2010. This brings the total Group tax expense over the ***first nine months of 2011*** to EUR 193 million, i.e. just below the EUR 195 million in 2010.

The ***year-to-date September 2011*** effective tax rate was 24.3% whereas this was 15.7% in 2010 as a result of the realized non-taxable capital gain of EUR 436 million through the acquisition of control of BICS on 1 January 2010. Excluding the capital gain, the effective tax rate year-to-date September 2010 was 24.2%. The effective tax rate results from the application of Belgian tax law.

Net income (Group share)

Third-quarter 2011 net income (Group share) remained flat year-over-year at EUR 195 million, as the year-over-year decrease in EBITDA was offset by lower depreciation and amortization.

Year-to-date September, the net income (Group share) amounted to EUR 587 million, compared to EUR 1,036 million for the same period in 2010, which was favorably impacted by a non-recurring capital gain of EUR 436 million.

Capital expenditure (Capex)

	3rd Quarter			Year-to-date		
(EUR million)	**2010**	**2011**	**% Change**	**2010**	**2011**	**% Change**
Consumer Business Unit	11	24	114.6%	79	94	20.3%
Enterprise Business Unit	7	3	-58.8%	13	10	-18.2%
Service Delivery Engine & Wholesale	96	125	29.6%	372	359	-3.4%
Staff & Support	19	9	-52.5%	36	25	-30.2%
International Carrier Services	6	3	-49.8%	16	9	-44.6%
Total	**139**	**163**	**17.6%**	**515**	**498**	**-3.3%**

The ***third-quarter 2011*** capex of EUR 163 million was EUR 24 million higher than for the same period of 2010. This results from investments in content in the Consumer segment, including national and international football content, and from continued network investments within the SDE&W segment.

The Belgacom Group invested ***year-to-date September*** EUR 498 million, i.e. 10.4% of its revenue. From an investment point of view, Belgacom continues to focus on further enhancing its core fixed and mobile network in terms of coverage and speed, as such fully supporting the company's convergence strategy. In this regard, Belgacom further expanded its FttC[1] network, covering over 79% of Belgian households by the end of September 2011. The Mobile network, already delivering a 3G coverage of over 97%, was further upgraded in the third quarter through the replacement of the Mobile Radio Access network by Huawei equipment. By end September 2011, all Mobile sites were renewed.

Cash flows

	3rd Quarter			Year-to-date		
(EUR million)	**2010**	**2011**	**% Change**	**2010**	**2011**	**% Change**
Cash flows from operating activities	393	541	38%	1,315	1,260	-4%
Capital expenditures	-139	-163	18%	-515	-498	-3%
Cash flows from / (used in) other investing activities	-2	-3	21%	49	-1	-102%
Cash flow before financing activities	**252**	**375**	**49%**	**849**	**761**	**-10%**
Net cash provided by / (used in) financing activities	6	-55	-1016%	-566	-530	-6%
Net increase of cash and cash equivalents	**258**	**319**	**24%**	**283**	**231**	**-18%**

[1] Fiber to the curb

In the ***third quarter 2011***, Belgacom Group generated EUR 375 million of Free Cash Flow. The EUR 123 million positive year-over-year variance is mainly explained by a favorable evolution of core working capital and by lower advances on income tax payments, both mainly due to timing differences.

This brings the **Free Cash Flow** of the ***first nine months of 2011*** to EUR 761 million, i.e. EUR 88 million lower than the EUR 849 million for the same period last year due to lower Cash Flow from Operating Activities and higher net cash used for investing activities. The Cash Flow from Operating Activities decreased year-over-year by EUR 55 million to EUR 1,260 million in September 2011 as a consequence of the positive impact in 2010 of the deferral of the payment of the 2G license, and to a lesser extent due to lower EBITDA in 2011 and non-cash positive items included in the EBITDA in 2011. Capex, excluding the impact of the 2G license renewal, increased, whereas the cash used in other investing activities was lower, since 2010 included a EUR 51 million cash increase related to the full consolidation of BICS.

The EUR 530 million of **Cash Flow used in financing activities** ***year-to-date September 2011*** is EUR 36 million lower compared to the same period of 2010. This results from the issuance in January 2011 of a seven-year subordinated bond of EUR 500 million under the Euro Medium Term Note program, partially offset by the early partial reimbursement of the loans maturing in November 2011 (bond buyback) and the finalization of a EUR 100 million share buyback.

Balance sheet and shareholders' equity

Compared to year-end 2010, the goodwill decreased by EUR 6 million to EUR 2,331 million mainly as a result of the disposal of Telindus Spain. This was partly offset by the acquisition of Eudasys SA.

Intangible fixed assets and property, plant and equipment decreased by EUR 81 million in 2011, compared to year-end 2010, mainly as a consequence of depreciation and amortization which was higher than invested Capex.

The shareholders' equity decreased from EUR 3,108 million at year-end 2010 to EUR 3,064 million in September 2011, mainly reflecting the net income generated during the first nine months of 2011 more than offset by the dividend distribution as approved by the General Meeting of April and the EUR 100 million share buyback.

During the first nine months of 2011, the Group sold 277,474 treasury shares to its senior management under discounted share purchase plans with a discount of 16.67%. During that same period, employees exercised 100,247 share options, for which treasury shares were used.
In 2011, the Group granted 1,036,061 new share options to its senior management with an exercise price of EUR 25.015.

In the context of the share buyback program, Belgacom acquired in the second and third quarter of 2011, 4,300,975 treasury shares for an amount of EUR 100 million.

Belgacom continues to have a sound financial position. For ***the first nine months of 2011***, the net financial debt decreased by EUR 125 million to EUR 1,325 million. At the same date, the outstanding financial debt amounted to EUR 2.3 billion, of which EUR 384 million will mature in 2011.

Regulation and legal update

		Estimated Impact	*Actuals*			
Regulation impacts (Decrease in EUR million		***FY 2011***	***Q1 2011***	***Q2 2011***	***Q3 2011***	***YTD 2011***
MTR & flow-through Fix-to-Mob	Revenue	*~ €80m*	€29m	€29m	€12m	***€70m***
	EBITDA	*< €15m*	€5m	€3m	€2m	***€10m***
Roaming	Revenue	*~ €10m*	€2m	€3m	€4m	***€9m***
	EBITDA	*~ €10m*	€2m	€3m	€4m	***€9m***
Collecting model for Premium Rate Services	Revenue	*~ €20m*	€20m	-	-	***€20m***
	EBITDA	*Neutral*	Neutral	-	-	***Neutral***
Other (a.o. new LLU & bitstream prices)	Revenue	*~ €5m*	€1m	€1m	€2m	***€4m***
	EBITDA	*~ €5m*	€1m	€1m	€2m	***€4m***
Total	**Revenue**	***~ €115m***	**€52m**	**€33m**	**€18m**	***€103m***
	Ebitda	***< €30m***	**€9m**	**€7m**	**€8m**	***€24m***

Mobile Termination Rates: significant MTR cut of 1 August 2010 annualizing
On 29 June 2010, the Belgian regulator (BIPT) adopted its final decision on the 2010-2013 MTR glide path. Gradual MTR decreases are foreseen until 2013, at which point symmetry will be reached for all operators. The first decrease occurred on 1 August 2010, followed by another on 1 January 2011 for all three mobile operators in Belgium. The cut of 1 August 2010 significantly reduced the MTR asymmetry, bringing Belgian regulation more in line with the European context. While the MTR cut reduced revenues, the asymmetry reduction positively impacted Belgacom's Cost of Sales.
Any decrease in MTRs is reflected in Belgacom's fixed-to-mobile retail tariffs. Accordingly, Belgacom lowered its fixed-to-mobile tariffs on 1 August 2010 and on 1 January 2011.

MTR glide path	Before*	01-Aug-10*	01-Jan-11*	01-Jan-12	01-Jan-13
In euro cent (excluding VAT)					
Proximus	*7.2*	4.62	3.94	2.46	1.08
Mobistar	*9.02*	5.05	4.29	2.62	1.08
Base	*11.43*	5.81	4.90	2.92	1.08
% change					
Proximus		-36%	-15%	-38%	-56%
Mobistar		-44%	-15%	-39%	-59%
Base		-49%	-16%	-40%	-63%
Asymmetry					
Mobistar-Prox	*25%*	9%	9%	7%	0%
Base-Prox	*59%*	26%	24%	19%	0%

*Including inflation

On 14 July 2010, Mobistar and KPN Group each filed a separate appeal against the BIPT decision of 29 June before the Brussels Court of Appeal, both asking the Court to suspend and annul the decision (especially regarding their own MTR tariffs). Belgacom intervened in these appeals to protect its interests. On 15 February 2011, the Court took its decision in the suspensions procedure, rejecting the Mobistar and KPN Group claims. The annulment procedure, however, is still ongoing.

Voice Roaming rate further reduced

In application of the updated regulation on voice roaming that entered into force in July 2009, the voice roaming rates decreased on 1 July 2010, and were further lowered on 1 July 2011. Data roaming services are regulated at wholesale level based on a price cap, calculated on a kilobyte basis.

EU roaming regulation	Before	01-Jul-10	01-Jul-11
Voice roaming rates (euro cent per minute)			
Retail Outgoing	*43*	39	35
Retail Incoming	*19*	15	11
Wholesale	*26*	22	18
Data roaming rates (euro cent per Mb)			
Wholesale	*100*	80	50

In addition, measures aimed at preventing "bill shocks" for mobile data roaming were implemented and this impacted mobile data revenue. As of 1 July 2010, all customers are by default on a maximum financial limit of EUR 49.85 (excl. VAT) per month for data roaming, unless they opt out.

Financial collecting model for Premium Rate Services: carry-over impact on first-quarter revenue

On 1 April 2010, Belgacom adopted, where appropriate, a financial collecting model for part of its Premium Rate Services in which Belgacom collects from customers on behalf of a third-party content provider. This was in consequence of the final circulars issued end-2009 by the Ministry of Finance concerning the application of VAT on Premium Rate Services and Tax on Chance Games. As a result, the relevant revenues can no longer be considered as full Belgacom revenues.

Cable and broadband regulation

On 18 July 2011, the Belgian regulators (BIPT, CSA, Medienrat and VRM) published their final decisions on broadband and TV regulation. On the TV market, the dominant cable operators will be regulated in their respective coverage areas and are required to resell analog TV, to open up their Digital TV platform, and to resell broadband. Belgacom can only obtain access only to analog TV. On the broadband market, Belgacom's broadband regulation is still based on the finding of sole dominance (cable not included in the market). Based on the new decision, Belgacom has to provide bitstream access for television (multicast), and VDSL2 prices are based on strict cost orientation. The BIPT maintains strong focus on operational excellence for wholesale services.
Belgacom has launched an appeal against its exclusion from digital TV and broadband access on the cable networks and against the non-inclusion of Cable in the LLU and Bitstream markets.

Mobile licenses

Five applications for the 4G auction were submitted to the BIPT on 14 October 2011. On 19 October 2011, the BIPT disclosed the names of the candidates (Belgacom, Mobistar, KPN Belgium, BUCD (China-based Datang) and Craig Wireless (Canada)). All applications have been considered as admissible. The auction will take place on 28 November. To mitigate the risk of interference with aviation radar emissions, the BIPT has decided to postpone the start of the license period and the payment of the rights until July 2012.

Consumer protection

In June 2010, the BIPT decided to impose a fine of EUR 800,000 on Belgacom for providing incomplete information to Belgacom's retail customers for the review of its broadband services. Belgacom appealed this decision. On 23 September 2011, the Court of Appeal confirmed the shortcomings in Belgacom's communication but lowered the fine to EUR 500,000.

On-net case: damage claim by Base/Mobistar

Following the dismissal by the Commercial Court on 17 March 2011 of Belgacom's motion requesting the recusal/replacement of the panel of experts, Belgacom initiated an appeal procedure. In a preliminary ruling of 1 June 2011 the Court of Appeal has suspended the expertise (the experts can no longer act) until the Court makes a decision on Belgacom's request for the recusal/replacement of the experts.

The pleadings on the merits of Belgacom's motion for the recusal/replacement of the experts are planned in the first quarter of 2012. Consequently, there is no longer a timetable for the filing of the final report of the experts and no predictable date for a final decision. In case the Court of Appeal accepts the recusal/replacement of the experts, a new expertise should start; in case the Court of Appeal rejects Belgacom's request, a new timetable for the final report should be determined.

Outlook

Based on the revenue trends so far, Belgacom expects to end the year 2011 with a year-over-year revenue decline of about 3%. Since a significant amount of this revenue decline is low margin, there is minor impact on the EBITDA. But the good news is that the football related churn was contained, resulting in a lower than expected negative impact on EBITDA. Therefore, Belgacom reviews its EBITDA estimates upwards, to a full-year Group EBITDA decline between "3% and 4%".

Metrics	Previous outlook 2011	Revised outlook 2011
Group revenue	Decline between -1% and -2%	Decline of about -3%
Group EBITDA	Decline closer to -4% of guided range '-4% to -5%'	Decline between '-3% and -4%'
Capex/Revenue	Upper-end of range 10%-12%	Upper-end of range 10%-12%

Consumer Business Unit - CBU

- **Q3 revenue impacted by free football offer and, to a lesser extent, football-driven churn**
- **Strong advanced data revenue growth did not compensate for softening of TV revenue**
- **Very solid customer gain for mobile (+48,000) and TV (+52,000)**
- **Success of convergent offers continued; 1 million milestone exceeded (1,024,000 Packs sold)**

P&L Consumer Business Unit

	3rd Quarter			Year-to-date		
(EUR million)	**2010**	**2011**	**% Change**	**2010**	**2011**	**% Change**
TOTAL SEGMENT INCOME	**585**	**571**	**-2.3%**	**1,768**	**1,716**	**-2.9%**
Costs of materials and services related to revenue	-158	-158	0.2%	-509	-456	-10.4%
Personnel expenses and pensions	-82	-86	4.9%	-244	-253	3.9%
Other operating expenses	-70	-71	0.8%	-208	-215	3.3%
TOTAL OPERATING EXPENSES before depreciation & amortization	**-309**	**-314**	**1.6%**	**-961**	**-924**	**-3.8%**
TOTAL SEGMENT RESULT (1)	**276**	**257**	**-6.7%**	**807**	**792**	**-1.8%**
Non-recurring expenses	-	0	-	1	0	-
OPERATING INCOME before depreciation & amortization	**276**	**257**	**-6.7%**	**808**	**792**	**-1.9%**
Depreciation and amortization	-36	-28	-22.9%	-110	-110	-0.6%
OPERATING INCOME	**240**	**229**	**-4.3%**	**697**	**683**	**-2.1%**

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

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Third-quarter revenue impacted by free football offer, whereas football subscriber churn is better than expected

For the ***third quarter 2011***, CBU reported a revenue of EUR 571 million, i.e. 2.3% lower than for the same quarter of 2010. Although the impact of regulatory measures is fading, it remained the main driver for the year-over-year variance, with a negative impact of EUR 9 million (-1.5%) mainly coming from lower Mobile Termination Rates and lower roaming tariffs.
Excluding regulation, CBU revenues were down 0.8% year-over year, not continuing the trend improvement seen in the second quarter. The free football offer, and to a lesser extent the football-driven customer churn, caused the TV revenue growth to slow in the third quarter. This could not be fully offset by the solid revenue increase in Advanced Mobile Data, growing 37% year-over-year.

Year-to-date September 2011, CBU's revenues were at EUR 1,716 million, or a year-over-year decline of 2.9%. This includes a EUR 49 million negative impact (-2.8%) from regulatory measures in 2011.

	3rd Quarter			Year-to-date		
(EUR million)	**2010**	**2011**	**% Change**	**2010**	**2011**	**% Change**
Revenues	**585**	**571**	**-2.3%**	**1,768**	**1,716**	**-2.9%**
From Fixed	**281**	**271**	**-3.5%**	**852**	**830**	**-2.6%**
Voice	124	111	-10.3%	381	344	-9.8%
Data	84	82	-1.9%	254	250	-1.3%
TV	46	51	11.7%	132	155	17.1%
Terminals (excl. TV)	8	7	-14.8%	24	19	-18.2%
Scarlet	19	20	1.7%	61	61	0.3%
From Mobile	**285**	**279**	**-2.0%**	**852**	**823**	**-3.4%**
Voice	162	143	-11.9%	485	429	-11.6%
Data	82	93	13.6%	246	271	10.2%
Terminals	17	16	-3.2%	47	44	-5.6%
Tango	25	28	11.5%	74	79	6.9%
Other	**19**	**21**	**10.6%**	**64**	**63**	**-1.6%**

Regulation and line loss continued to pressure Fixed Voice revenues
Third-quarter 2011 Fixed Voice revenues were down 10.3% year-over-year to EUR 111 million. Revenues continued to feel pressure from the lowered Fixed-to-Mobile tariffs (August 2010 and January 2011) and other regulatory measures. Furthermore, revenues were impacted by the recurring discounts on Packs, the loss in access lines and the price indexations of August 2010 annualizing. CBU lost 31,000 lines during the third quarter which is somewhat higher than in the previous quarter as the success of the targeted retention campaigns was partly offset by some multi-play football subscribers leaving. Fixed voice ARPU declined 2.9% to EUR 19.7, due to regulation.

By ***end of September 2011***, Fixed Voice revenues amounted to EUR 344 million, i.e. a 9.8% decline year-over-year.

Fixed Data impacted by fierce competition in a highly penetrated market and churn multi-play football subscribers
CBU ended the ***third quarter of 2011*** with a Fixed Data revenue of EUR 82 million, 1.9% lower than for the same period last year. The continued competitive climate in combination with some additional churn of multi-play football subscribers, led to only a modest increase in the CBU broadband customer base of +1,000 customers. This brings the total Internet customer base for CBU to 1,138,000 by end of September 2011. Broadband ARPU of EUR 26.7 (-5.1%) remained impacted by the recurring discounts and lower one-time revenues.

For the ***first nine months of 2011***, CBU generated EUR 250 million Fixed Data revenues, or 1.3% lower than a year ago.

Solid TV customer growth of +52,000: strong gross gain while churn remains contained
Third quarter TV revenue grew by 11.7% to EUR 52 million, mainly driven by the continued sound subscriber growth. Compared to previous quarters, the growth trend somewhat slowed because of a revenue loss due to the “Free Football” offer for all TV customers and some increased TV churn related to the change in football broadcasting rights. Belgacom took several initiatives to limit this churn, resulting in a much better-than-expected figure of just 8,100 football subscribers having left by end of September 2011. In addition, the success of the converged offers continued in the third quarter, with the Pack “TV with fixed line” being one of the main drivers along with the highly popular “free full installation” campaign. All this resulted in a strong customer gain of 52,000 TV subscribers leading to a total TV customer base of 1,139,000 (+24% year-over-year), of which 176,000 were multiple streams. The free football offer impacted TV ARPU, resulting in a year-over-year decline of 7.6% to EUR 17.8.

By the end of September 2011, the CBU ***year-to-date*** Belgacom TV revenue grew by 17.1% to EUR 155 million.

Substantial increase in Mobile net adds +48,000; regulation and lower usage keep pressuring Mobile Voice revenue
The declining Mobile Voice revenue trend continued in the ***third quarter 2011***, with revenues 11.9% lower compared to the same quarter in 2010. The decline is partly driven by regulatory impacts, with MTR cut of 1 August 2010 annualizing. July’s 2011 cut in roaming tariffs further impacted revenues.
The remaining decrease in revenue mainly came from the year-over-year loss of voice-centric customers, explaining the drop in usage since the start of 2011. Though compared to the previous quarters, the declining trend in MoU (-2.2% year-over-year) is not accelerating. Third-quarter net adds increased to +48,000 new mobile customers. For postpaid, CBU added 33,000 customers through successful and well targeted marketing campaigns improving sales in both the indirect and controlled distribution channels. The success of Mobile Internet actions, such as the converged offer, combining fixed and mobile Internet with a Samsung Galaxy Tab, contributed to the customer growth as well. For prepaid, CBU added 15,000 customers. The conversion from prepaid to postpaid offers continued but the impact on the prepaid installed base was offset by successful Mobisud campaigns targeting the more promotion-sensitive customer segment.
The blended Voice ARPU declined to EUR 12.9 due to regulation as well as a decline in usage.

CBU ended the ***first nine months*** of 2011 with a Mobile Voice revenue of EUR 429 million, or a year-over-year decrease of 11.6%.

Mobile Data growth trend accelerating, with revenue up 13.6%
With a year-over-year 13.6% revenue growth in the ***third quarter 2011***, the growth trend in Mobile Data continued. The **SMS revenue** maintained its double-digit growth (+10.3%) during this quarter with the monthly SMS usage going up 15.6% year-over-year to an average of 235 text messages per month. This growth is mainly driven by free SMS messages, generating higher inbound revenues.
Advanced Mobile data revenue grew by 36.5% year-over-year, generating EUR 14 million in the third quarter. This increase mainly came from Mobile data roaming which is seasonally strong in the third quarter. Data roaming revenues third quarter 2010 were impacted by the regulatory measures on data to prevent “bill shocks”[1].

Year-to-date September 2011, the Mobile data revenue totalled EUR 272 million, i.e. a 10.2% year-over-year increase.

Exhibit 3: Detail of Mobile data revenue

	3rd Quarter			Year-to-date		
(EUR million)	**2010**	**2011**	**% Change**	**2010**	**2011**	**% Change**
Mobile DATA revenue	**82**	**93**	**13.6%**	**246**	**271**	**10.2%**
SMS - incl Premium SMS	71	79	10.3%	218	236	7.9%
Advanced data	10	14	36.5%	28	36	27.7%

[1] As of July 2010, all customers are by default on a maximum financial limit of EUR 50 per month for data roaming, unless the customer opt out.

CBU operating expenses

Cost of Sales impacted by higher mobile acquisition costs
Third-quarter 2011 Cost of Sales remained fairly flat year-over-year (+0.2%), driven by regulation. Excluding regulation, Costs of Sales were up mainly driven by higher mobile acquisition costs.

Year-to-date Cost of Sales showed a 10.4% improvement year-over-year to EUR 456 million, largely driven by the closing of the gap in MTR-asymmetry since 1 August 2010.

Wage indexations impacting HR expenses
The HR expenses for the ***third quarter*** were up 4.9% to EUR 86 million. This increase was driven by the double inflation-based wage indexation (October 2010 and June 2011).

On a ***year-to-date*** basis, the personnel costs were EUR 253 million or 3.9% higher year-over-year.

Non-HR expenses +0.8% in the third quarter
CBU's ***third-quarter*** non-HR expenses of EUR 71 million were slightly up (+0.8%), driven by additional costs following the customer centricity project.

Year-to-date September 2011, non-HR expenses were EUR 215 million, i.e. 3.3% higher year-over-year.

CBU segment result

For the ***third quarter 2011***, CBU reported a segment result of EUR 257 million, i.e. a year-over-year decline of 6.7%. This still includes a regulation impact of EUR 4 million. An increase in costs and, to a lesser extent, the revised football offer were the main drivers for the decline in the underlying segment result. CBU ended the third quarter with a contribution margin of 45%.

This brings the ***year-to-date September*** segment result to EUR 792 million, or 1.8% lower than that of 2010.

CBU operating result

	3rd Quarter 2010	2011	Variance (in abs. amount)
FROM FIXED			
Number of access channels (thousands)	3,076	2,977	-100
Voice (PSTN/ISDN)	1,880	1,753	-127
IP	90	*86*	-4
ADSL, VDSL	1,107	1,138	31
Traffic (millions of minutes)	1,004	936	-68
National	824	765	-58
Fixed to Mobile	94	89	-6
International	86	82	-3
TV (thousands)	920	1,139	219
TV - households	795	963	168
Of which multiple settop boxes	125	176	51
ARPU (EUR)			
ARPU Voice	20.3	19.7	-0.6
ARPU broadband	28.1	26.7	-1.4
ARPU Belgacom TV	19.3	17.8	-1.5
FROM MOBILE			
Number of active customers (thousands)	3,773	3,774	1
Prepaid (1)	2,199	2,111	-88
Postpaid	1,573	1,663	90
Annualized churn rate (blended - variance in p.p.)	21.8%	20.4%	
Net ARPU (EUR) (2)			
Prepaid	14.7	14.4	-0.3
Postpaid	32.1	30.0	-2.1
Blended	21.8	21.1	-0.8
Blended voice	14.6	12.9	-1.7
Blended data	7.2	8.2	1.0
UoU (units)	307.1	335.4	28.3
MoU (min) (3)	105.9	103.6	-2.3
Normalized MoU (min) (3)	88.8	88.4	-0.3
SMS (units)	203.5	235.1	31.6
Normalized SMS (units)	85.7	81.3	-4.3

(1) Prepaid includes Mobisud customers that were previously reported as MVNO customers
(2) Mobile ARPU's 2010 have been adapted to reflect the change in mobile access revenue allocation
(3) MoU reflect the duration of all calls from or to Proximus/voice customer/per month. In 2011 the definition of voice customers has been fine-tuned to exclude all data cards; 2010 MoU have been adapted accordingly.

Tango

	3rd Quarter 2010	3rd Quarter 2011	% Change	Year-to-date 2010	Year-to-date 2011	% Change
Revenue (in EUR mio) (1)	25	28	11.5%	74	79	6.9%
Total active mobile customers (in '000)	260	260	0.0%	260	260	0.0%
Blended mobile net ARPU (EUR/month)	26.0	29.3	12.6%	25.3	28.1	11.2%

1 Total Tango revenues, i.e. fixed and mobile revenues

Third-quarter results confirm the growth trend of the previous quarter, with revenue going up 11.5% year-over-year to EUR 28 million. The success of mobile subscriptions for iPhones was the main driver for the strong year-over-year growth. In addition, the strong smartphone and iPhone sales, together with the ongoing migration of prepaid towards postpaid offers, continued to contribute to the revenue increase. These drivers led to an ARPU increase of EUR 29.3, i.e. 12.3% year-over-year. In the third quarter, Tango added 4,000 customers.

For the ***first nine months of 2011***, Tango's revenues were up 6.9%, bringing the total to EUR 79 million.

Enterprise Business Unit - EBU

- **Improving revenue trend continued in Q3: revenue yoy +0.3% excl impact from regulation and divesture**
- **ICT revenue impacted by divestment of Telindus Spain, partly compensated by the acquisition of Eudasys**
- **Growth of mobile data and organic ICT increasingly offsets Fixed and Mobile Voice decline**
- **Segment result stable due to favorable yoy cost evolution**

P&L Enterprise Business Unit

	3rd Quarter			Year-to-date		
(EUR million)	**2010**	**2011**	**% Change**	**2010**	**2011**	**% Change**
TOTAL SEGMENT INCOME	**590**	**572**	**-3.1%**	**1,816**	**1,758**	**-3.2%**
Costs of materials and services related to revenue	-163	-154	-5.7%	-521	-475	-8.9%
Personnel expenses and pensions	-96	-93	-3.4%	-280	-285	1.7%
Other operating expenses	-39	-34	-12.2%	-109	-108	-0.5%
TOTAL OPERATING EXPENSES before depreciation & amortization	**-298**	**-281**	**-5.8%**	**-910**	**-868**	**-4.6%**
TOTAL SEGMENT RESULT (1)	**292**	**291**	**-0.3%**	**905**	**889**	**-1.8%**
Non-recurring expenses	0	0	-	0	-18	-
OPERATING INCOME before depreciation & amortization	**292**	**291**	**-0.3%**	**905**	**871**	**-3.7%**
Depreciation and amortization	-5	-4	-13.7%	-14	-12	-14.0%
OPERATING INCOME	**287**	**287**	**-0.0%**	**891**	**859**	**-3.6%**

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

✓ *EBU quarterly financial and operational results: page 22*

Revenue

EBU reported for the ***third quarter 2011*** a revenue of EUR 572 million, or 3.1% less than for the same period of last year. This is however mainly driven by a net negative impact of EUR 12 million following the divestment of Telindus Spain end of June 2011, partly compensated by the acquisition of Eudasys by Telindus France earlier this year. Organically, i.e. **excluding the divestment and acquisition, EBU's third-quarter revenue decline was limited to EUR 6 million**. The improved revenue trend compared to the two previous quarters of 2011 is the result of an organic revenue increase for ICT (+5.4%) and a solid revenue increase in Advanced Mobile Data (+27.7%). Furthermore, the **regulation impact was limited to EUR 8 million (-1.4%)**. Leaving aside the divestment and regulation impact, **EBU's underlying revenue remained stable year-over-year (+0.3%)**.

Year-to-date September 2011, the revenue of EBU was 3.2% down on the previous year, including a negative impact from regulation (-2.2%) and divesture (-0.7%).

	3rd Quarter			Year-to-date		
(EUR million)	**2010**	**2011**	**% Change**	**2010**	**2011**	**% Change**
Revenues	**590**	**572**	**-3.1%**	**1,816**	**1,758**	**-3.2%**
From Fixed	**413**	**398**	**-3.6%**	**1,270**	**1,235**	**-2.7%**
Voice	130	121	-7.1%	407	374	-8.0%
Data	98	96	-1.4%	295	292	-1.1%
Terminals (excl. TV)	19	18	-2.9%	55	54	-1.8%
ICT	166	163	-2.2%	513	515	0.4%
From Mobile	**174**	**169**	**-2.8%**	**532**	**509**	**-4.2%**
Voice	123	110	-10.9%	381	341	-10.7%
Data	47	56	18.6%	140	159	13.2%
Terminals	3	3	-9.6%	10	10	-3.0%
Other	**3**	**5**	**56.4%**	**14**	**13**	**-6.6%**

Regulation and Fixed Voice line erosion continue to pressure revenue from Fixed Voice

Revenue from Fixed Voice for the ***third quarter 2011*** was 7.1% lower versus the same period last year, meaning a slight improvement in revenue trend versus the two previous quarters. This is mainly driven by a declining impact on the variance from the lowered Fixed-to-Mobile tariffs. Meanwhile, the Fixed Line erosion continued, lowering the Fixed line base by 13,000 in the third quarter. In addition, the benefit from the price indexation on 1 August 2010 annualized. The Fixed Voice ARPU decline also improved on previous quarters, with a year-over-year decline of 3% to EUR 28.1.

Year-to-date September 2011, EBU reported EUR 374 million revenue from Fixed Voice, i.e. 8% lower than for the first nine months of 2010.

Fixed Data trend continued as revenue from Data Connectivity does not fully offset Fixed Internet decline
The ***third-quarter 2011 revenue*** from Fixed Data, existing of Fixed Internet and Data connectivity revenue, for a total of EUR 96 million, ended 1.4% lower than for the same period 2010. The slight growth in Data connectivity revenue could not fully offset the slightly eroding Internet revenue due to the highly competitive and saturated professional Internet market. Over the July-September period, EBU saw a minor impact from the loss of exclusivity on Belgian football broadcasting rights in the Horeca sector, as there was some churn of customers with "Internet + TV".
Over the third quarter, EBU reported a total net loss of 2,000 Internet customers, leading to a Fixed Internet customer base of 434,000 by end September. The broadband ARPU remained stable at EUR 39.1.

Over the first nine months, Fixed Data revenue declined by 1.1% to EUR 292 million

Third-quarter revenue from ICT increased by 5.4% on an organic basis
For the ***third quarter 2011***, EBU reported EUR 163 million revenue from ICT, which is 2.2% lower than for the same period of 2010. The negative revenue variance is fully explained by Belgacom's divesture of Telindus Spain end of June 2011, partly compensated for by the acquisition of Eudasys by Telindus France. The EBITDA impact of both operations is minor. Excluding the revenue impact from Telindus Spain and Eudasys, ICT showed an organic year-over-year revenue growth of 5.4%.

This brings the ***year-to-date September 2011*** ICT revenue to EUR 515 million, up by 0.4%, or up by 2.5% on an organic basis.

Revenue erosion in Mobile Voice continued, in spite of solid customer growth and stable usage
The Mobile Voice revenue trend continued in the ***third quarter 2011***, with revenue down year-over-year by 10.9%. Regulatory measures in part explain the continued decline in net Voice ARPU to EUR 26.9, this in addition to the continued price erosion driven by the uptake of pricing packages including free mobile minutes and fierce competition in the corporate mobile market. The number of active mobile customers grew solidly by 22,000[1] in the third quarter 2011, compared to 14,000 net adds for the same period in 2010. By end September 2011, Belgacom's professional segment counted a total mobile customer base of 1,380,000. The Mobile usage per customer, seasonally lower in the third quarter, was slightly down year-over-year by 1.1%, amounting to a MoU of 305 minutes/user/month.

Year-to-date September 2011, the Mobile Voice revenue from Belgacom's professional segment totalled EUR 341 million, i.e. 10.7% lower than the previous year.

Strong revenue growth Mobile data continued
The growth trend from Mobile Data accelerated in the ***third quarter 2011***, growing by 18.6% year-over-year to EUR 56 million. Advanced Mobile data in particular shows a trend improvement with revenue growing 28% year-over-year to EUR 32 million. This is mainly driven by Mobile Data roaming, seasonally strong in the third quarter. This became more visible with the year-over-year variance no longer being impacted by regulatory measures on data roaming to prevent "bill shocks"[2].
SMS continued its growth trend as well, up by 8% to a total of EUR 24 million, with usage per customer up by 17% to 87 SMS/user/month.
With the share of Advanced Data growing in the total Mobile data revenue, the ARPU from Mobile data also grew by 10% as well to EUR 13.8.

The revenue from Mobile Data over ***the first nine months*** grew by 13% to EUR 159 million.

Exhibit 4: Detail of mobile data revenue

	3rd Quarter			Year-to-date		
(EUR million)	**2010**	**2011**	**% Change**	**2010**	**2011**	**% Change**
Mobile DATA revenue	**47**	**56**	**18.6%**	**140**	**159**	**13.2%**
SMS - incl Premium SMS	22	24	8.3%	66	72	8.3%
Advanced data	25	32	27.7%	74	87	17.6%

EBU operating expenses

Cost of Sales positively impacted by lower Mobile Termination Rates and divestment
With EUR 154 million, EBU's Cost of Sales for the ***third quarter 2011*** was 5.7% or EUR 9 million lower than that of the previous year. This is partly driven by a positive effect from lower Mobile Termination Rates. Excluding the impact from regulation, the Cost of Sales was still 2.6% below that of the same period of 2010 as a result of the divestment of Telindus Spain.

[1] Including Mobile Voice, Mobile Data and M2M cards
[2] As of 1 July 2010 all customers are by default on a maximum financial limit of EUR 50 per month for Data roaming, unless the customer opts out.

HR expenses lower versus last year which included a one-off
In spite of a double salary indexation impact, the ***third-quarter 2011*** HR-expenses were 3.4% lower versus the same period of the previous year. This positive year-over-year evolution is the result of higher HR costs in 2010 due to an upward revision of HR-related provisions while HR costs in the third quarter 2011 benefitted from the divestment of Telindus Spain. Year-over-year, EBU's headcount decreased by 129 FTEs to a total of 5,098 FTEs by end of September 2011.

Year-to-date September, EBU's total HR expense was EUR 285 million, i.e. up by 1.7% versus last year.

Year-over-year variance of Non-HR expenses favorably impacted by exchange rate effects
EBU's non-HR expenses for the ***third quarter 2011*** were EUR 34 million which is 12% lower year-over-year. Whereas the revaluation of foreign currency positions within the ICT domain negatively impacted the costs in the third quarter 2010, there was a small positive effect from it in the third quarter of 2011.

The positive cost evolution in the third quarter nearly offset the increase of the first half 2011, leading to nearly flat non-HR costs ***year-to-date September 2011***.

EBU segment result

For the ***third quarter 2011***, EBU reports a segment result of EUR 291 million, which is nearly flat with the previous year (-0.3%) as a result of the positive cost evolution. Excluding the EUR 3 million negative effect from regulation, EBU's underlying segment result therefore slightly grew year-over-year.

This brings the ***year-to-date September*** segment result to EUR 889 million, or 1.8% lower than for 2010.

EBU operating result

	3rd Quarter		
	2010	**2011**	**Variance** (in abs. amount)
FROM FIXED			
Number of access channels (thousands)	1,901	1,834	-67
Voice (PSTN/ISDN)	1,443	1,385	-58
IP	12	15	3
ADSL, VDSL	446	434	-11
Traffic (millions of minutes)	727	672	-55
National	487	445	-42
Fixed to Mobile	153	147	-6
International	86	80	-6
ARPU (EUR)			
ARPU Voice	29.0	28.1	-0.9
ARPU Broadband	39.0	39.1	0.0
FROM MOBILE			
Number of active customers (thousands)	1,286	1,380	94
Post-paid	1,286	1,380	94
Annualized churn rate (blended - variance in p.p.)	10.0%	9.4%	
Net ARPU (EUR) (1)			
Postpaid	44.7	40.6	-4.1
Postpaid voice	32.3	26.9	-5.4
Postpaid data	12.5	13.8	1.3
UoU (units)	345.3	343.3	-2.0
MoU (min) (2)	308.3	305.0	-3.4
Normalized MoU (min) (2)	268.5	267.0	-1.5
SMS (units)	74.7	87.3	12.6
Normalized SMS (units)	59.2	65.0	5.8

(1) Mobile ARPU's 2010 have been adapted to reflect the change in mobile access revenue allocation
(2) MoU reflect the duration of all calls from or to Proximus/voice customer/per month. In 2011 the definition of voice customers has been fine-tuned to exclude all data cards; 2010 MoU have been adapted accordingly.

Service Delivery Engine & Wholesale – SDE&W

P&L Service Delivery Engine & Wholesale

	3rd Quarter			Year-to-date		
(EUR million)	**2010**	**2011**	**% Change**	**2010**	**2011**	**% Change**
TOTAL SEGMENT INCOME	**79**	**77**	**-2.3%**	**259**	**239**	**-7.8%**
Costs of materials and services related to revenue	-10	-9	-17.9%	-36	-27	-24.2%
Personnel expenses and pensions	-53	-50	-4.8%	-152	-149	-2.3%
Other operating expenses	-52	-48	-7.3%	-152	-133	-12.4%
TOTAL OPERATING EXPENSES before depreciation & amortization	**-115**	**-107**	**-7.1%**	**-340**	**-309**	**-9.1%**
TOTAL SEGMENT RESULT (1)	**-36**	**-30**	-17.7%	**-81**	**-70**	-13.4%
Depreciation and amortization	-123	-109	-11.2%	-361	-336	-6.9%
OPERATING LOSS	**-159**	**-139**	**-12.7%**	**-443**	**-407**	**-8.1%**

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

✓ SDE&W quarterly financial and operational results: page 23

Revenue decline continued to improve with third-quarter revenues down 2.3%

For the ***third quarter of 2011***, SDE&W reported a revenue of EUR 77 million, or 2.3% less than for the same period last year, mainly due to regulatory measures. The decline in mobile termination rates and the lower LLU and broadband prices had a negative impact of EUR 1 million (-1.5%). In line with the previous quarter, the revenue decline continued to improve as the negative impact of regulation is fading.

SDE&W ended the ***first nine months of 2011*** with a revenue of EUR 239 million (-7.8%) including a EUR 14 million (-5.3%) regulation impact.

Third-quarter operating expenses improved by 7.1%

For the ***third quarter*** of 2011, SDE&W cost of sales were down 17.9% to EUR 9 million.

Year-to-date costs showed a stronger decline (-24%) as the first quarter of 2011 was positively impacted by the financial collecting model.

In spite of a double salary indexation impact, the ***third quarter 2011*** HR-expenses were 4.8% lower for the same period of last year. This positive year-over-year evolution is the result of higher HR costs in 2010 due to an upward revision of HR-related provisions and a lower headcount in 2011 (-194 FTEs year-over-year).

Year-to-date HR costs were down 2.3% to EUR 149 million.

Non-HR costs for the ***third quarter*** improved 7.3% to EUR 48 million, driven by, among other things lower year-over-year maintenance costs, as these were exceptionally high in 2010 following the swap of the Radio Access Network to Huawei equipment.

Year-to-date September 2011 costs were down 12.4% including a positive impact in the second quarter of 2011 from a one-time reduction of network costs resulting from the reversal of a provision due to a litigation settlement.

Staff & Support – S&S

P&L Staff and Support

	3rd Quarter			Year-to-date		
(EUR million)	**2010**	**2011**	**% Change**	**2010**	**2011**	**% Change**
TOTAL SEGMENT INCOME	**10**	**25**	**145.8%**	**28**	**40**	**42.7%**
Costs of materials and services related to revenue	0	0	27.9%	2	0	>100%
Personnel expenses and pensions	-41	-40	-2.5%	-125	-119	-4.4%
Other operating expenses	-45	-66	48.6%	-140	-154	10.0%
TOTAL OPERATING EXPENSES before depreciation & amortization	**-85**	**-106**	**24.2%**	**-263**	**-273**	**3.8%**
TOTAL SEGMENT RESULT (1)	**-75**	**-81**	**8.0%**	**-235**	**-233**	**-0.7%**
Depreciation and amortization	-19	-19	-1.5%	-56	-56	-1.5%
OPERATING LOSS	**-94**	**-100**	**6.1%**	**-291**	**-289**	**-0.9%**

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

✓ S&S quarterly financial and operational results: page 23

Staff and Support ***third-quarter*** results have been impacted by an accounting shift explaining the year-over-year revenue increase and part of the non-HR cost increase. However, the impact on Group revenue and EBITDA remained neutral.

In addition, third-quarter non-HR costs were impacted by a one-time negative.

The one-off upward revision of HR-related provisions in the third quarter 2010 explains the slight improvement in the year-over-year HR cost evolution, fully offsetting the impact of the inflation-based wage indexations (1 October 2010 and 1 June 2011).

International Carrier Services – BICS

- **Revenue pressure from weaker dollar reduced in Q3; continued impact of lower MTRs**
- **Partly offset by volume-driven revenue growth**
- **Third-quarter gross margin remains stable yoy**
- **EBITDA margin up yoy to 8.7%, driven by one-time favorable exchange rate effects**

P&L International Carrier Services

	3rd Quarter			Year-to-date		
(EUR million)	**2010**	**2011**	**% Change**	**2010**	**2011**	**% Change**
TOTAL SEGMENT INCOME	**415**	**401**	**-3.4%**	**1,208**	**1,161**	**-3.9%**
Costs of materials and services related to revenue	-356	-342	-3.8%	-1,040	-996	-4.2%
Gross margin (1)	*60*	*59*	*-1.1%*	*168*	*165*	*-1.6%*
Personnel expenses and pensions	-9	-9	-0.2%	-28	-28	-2.2%
Other operating expenses	-16	-15	-10.9%	-46	-49	7.2%
TOTAL OPERATING EXPENSES before depreciation & amortization	**-382**	**-366**	**-4.0%**	**-1,114**	**-1,073**	**-3.7%**
TOTAL SEGMENT RESULT (2)	**34**	**35**	**3.4%**	**94**	**88**	**-5.7%**
Segment result margin	*8.1%*	*8.7%*	-	*7.7%*	*7.6%*	-
Non-recurring income	0	0	-	436	0	-
Non-recurring expenses	0	0	-	0	-1	-
OPERATING INCOME before depreciation & amortization	**34**	**35**	**3.4%**	**529**	**88**	**-83.5%**
Depreciation and amortization	-20	-20	-0.8%	-62	-60	-3.0%
OPERATING INCOME	**13**	**15**	**9.7%**	**467**	**27**	**-94.1%**

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

✓ *ICS quarterly financial and operational results: page 24*

Revenue pressure offset by lower costs; gross margin remained fairly stable

Over the ***third quarter of 2011***, BICS reported revenue of EUR 401 million, down 3.4% compared to the same period in 2010, but an improvement to the 6.5% revenue decline in the previous quarter.
The third quarter year-over-year revenue decline was driven by the lower Voice revenues (-4.3%), including significant pressure from the Europe-wide reduction in Mobile Termination Rates. Furthermore, though to a lesser extent than in the previous quarter, the revenue in the third quarter was once again impacted by a negative currency effect with the average dollar rate weakening year-over-year by 8% to 1.41 USD/EUR .
Driven by Mobile Data and Signalling, non-voice revenues increased year-over-year by 5% to EUR 41 million.

	3rd Quarter			Year-to-date		
(EUR million)	**2010**	**2011**	**% Change**	**2010**	**2011**	**% Change**
Voice	376.7	360.6	-4.3%	1,106.2	1,047.4	-5.3%
Non Voice	38.7	40.6	5.0%	101.5	113.6	11.9%
Total revenues	**415.4**	**401.2**	**-3.4%**	**1,207.7**	**1,161.0**	**-3.9%**

Considering the Gross Margin, the negative currency effect was levelled out with BICS' Cost of Sales being dollar denominated on an equal base compared to the revenue. This brings the Gross Margin in the third quarter to EUR 59 million or minus 1.1% year-over-year.

	3rd Quarter			Year-to-date		
(EUR million)	**2010**	**2011**	**% Change**	**2010**	**2011**	**% Change**
Voice	31.7	31.4	-1.0%	97.5	88.6	-9.1%
Non Voice	28.0	27.6	-1.2%	70.5	76.7	8.8%
Total Gross Margin	**59.7**	**59.0**	**-1.1%**	**168.0**	**165.3**	**-1.6%**

During the ***first nine months*** of 2011, BICS' revenues amounted to EUR 1,161 million, down 3.9% lower versus the previous year, whereas the Gross Margin decrease was limited to 1.6%, with the growing non-voice Gross margin offsetting a large part of the decrease in voice Gross Margin in this competitive market.

Third-quarter EBITDA slightly up, driven by favorable currency effects

Whereas the first half of 2011 showed a declining EBITDA trend, BICS' ***third-quarter*** segment result increased 3.4% year-over-year, resulting in EUR 35 million. While the HR expenses remained flat year-over-year, the non-HR expenses were 11% lower due to a favourable non-recurring exchange rate effect. The contribution margin maintained its rising trend compared to the previous two quarters and was up 0.6 p.p. year-over-year to 8.7%.

On a ***year-to-date*** basis, the currency effect still shows its negative impact with BICS reporting an EBITDA of EUR 88 million, i.e. 5.7% lower year-over-year.

	3rd Quarter			Year-to-date		
Volumes (in million)	**2010**	**2011**	**% Change**	**2010**	**2011**	**% Change**
Voice	6,433	6,853	6.5%	18,609	20,424	9.7%
Non-Voice (SMS/MMS)	209	276	31.6%	565	759	34.3%

Quarterly results

Group – Financials

(EUR million)	Q110	Q210	Q310	Q410	YTD10	2010	Q111	Q211	Q311	YTD11
Revenues	**1,641**	**1,664**	**1,640**	**1,658**	**4,945**	**6,603**	**1,583**	**1,612**	**1,596**	**4,790**
Consumer Business Unit	590	592	585	600	1,768	2,368	565	579	571	1,716
Enterprise business unit	615	610	590	606	1,816	2,421	593	593	572	1,758
Service Delivery Engine & Wholesale	94	85	79	83	259	342	81	80	77	239
Staff&Support	10	7	10	7	28	35	8	7	25	40
International Carrier Services	378	414	415	402	1,208	1,610	372	388	401	1,161
Intersegment eliminations	-47	-45	-40	-39	-132	-172	-36	-36	-51	-123
Costs of materials and charges to revenues	**-662**	**-674**	**-651**	**-655**	**-1,987**	**-2,642**	**-609**	**-621**	**-633**	**-1,862**
Personnel expenses and pensions	**-274**	**-275**	**-281**	**-278**	**-829**	**-1,107**	**-274**	**-282**	**-278**	**-834**
Other operating expenses	**-210**	**-212**	**-218**	**-230**	**-640**	**-870**	**-220**	**-196**	**-213**	**-629**
Segment result	**495**	**503**	**490**	**495**	**1,489**	**1,984**	**480**	**512**	**472**	**1,465**
Segment EBITDA margin (*)	**30.2%**	**30.2%**	**29.9%**	**29.9%**	**30.1%**	**30.0%**	**30.3%**	**31.8%**	**29.6%**	**30.6%**
Non recurring items	**436**	**1**	**0**	**8**	**436**	**444**	**0**	**-18**	**0**	**-18**
Ebitda	**931**	**504**	**490**	**503**	**1,925**	**2,428**	**480**	**494**	**472**	**1,447**

(*) before non-recurring items

Group – Capex

(EUR million)	Q110	Q210	Q310	Q410	YTD10	2010	Q111	Q211	Q311	YTD11
Group Capex	**154**	**222**	**139**	**219**	**515**	**734**	**173**	**161**	**163**	**498**
Consumer Business Unit	49	19	11	54	79	132	44	27	24	94
Enterprise business unit	2	3	7	7	13	20	4	4	3	10
Service Delivery Engine & Wholesale	96	180	96	121	372	492	115	119	125	359
Staff&Support	5	13	19	26	36	62	7	9	9	25
International Carrier Services	2	8	6	11	16	27	3	2	3	9

CBU – Financials

(EUR million)	Q110	Q210	Q310	Q410	YTD10	2010	Q111	Q211	Q311	YTD11
Revenues	**590**	**592**	**585**	**600**	**1,768**	**2,368**	**565**	**579**	**571**	**1,716**
From Fixed	**291**	**280**	**281**	**288**	**852**	**1,139**	**281**	**278**	**271**	**830**
Voice	133	125	124	124	381	506	118	115	111	344
Data	85	85	84	83	254	337	85	83	82	250
TV	44	43	46	49	132	182	51	53	51	155
Terminals (excl. TV)	8	7	8	7	24	31	7	6	7	19
Scarlet	21	20	19	23	61	84	21	21	20	61
From Mobile	**279**	**288**	**285**	**290**	**852**	**1,142**	**265**	**279**	**279**	**823**
Voice	158	165	162	156	485	641	139	147	143	429
Data	83	82	82	88	246	334	87	92	93	271
Terminals (excl. TV)	15	16	17	21	47	68	14	14	16	44
Tango	24	25	25	25	74	99	25	26	28	79
Other	**21**	**24**	**19**	**23**	**64**	**87**	**19**	**23**	**21**	**63**
Costs of materials and charges to revenues	**-180**	**-171**	**-158**	**-169**	**-509**	**-678**	**-149**	**-149**	**-158**	**-456**
Personnel expenses and pensions	**-81**	**-81**	**-82**	**-82**	**-244**	**-325**	**-83**	**-85**	**-86**	**-253**
Other operating expenses	**-65**	**-73**	**-70**	**-83**	**-208**	**-291**	**-70**	**-74**	**-71**	**-215**
Segment result	**264**	**267**	**276**	**266**	**807**	**1,073**	**264**	**271**	**257**	**792**
Segment Contribution margin	**44.7%**	**45.1%**	**47.1%**	**44.3%**	**45.7%**	**45.3%**	**46.7%**	**46.8%**	**45.0%**	**46.2%**

CBU – Operationals

	Q110	Q210	Q310	Q410	YTD10	2010	Q111	Q211	Q311	YTD11
FROM FIXED										
Number of access channels (thousands)	**3,120**	**3,098**	**3,076**	**3,046**	**3,076**	**3,046**	**3,028**	**3,006**	**2,977**	**2,977**
PSTN	1,904	1,877	1,850	1,817	1,850	1,817	1,781	1,756	1,728	1,728
ISDN	32	31	30	28	30	28	27	26	25	25
IP	93	92	90	88	90	88	88	88	86	86
ADSL, VDSL	1,091	1,099	1,107	1,113	1,107	1,113	1,131	1,136	1,138	1,138
Traffic (millions of minutes)	**1,178**	**1,052**	**1,004**	**1,140**	**3,234**	**4,374**	**1,061**	**977**	**936**	**2,975**
National	976	857	824	942	2,657	3,599	875	795	765	2,435
Fixed to Mobile	104	103	94	102	302	404	95	96	89	279
International	98	91	86	96	275	371	91	87	82	261
TV (thousands)	**814**	**868**	**920**	**975**	**920**	**975**	**1,029**	**1,087**	**1,139**	**1,139**
TV - households	713	753	795	839	795	839	879	925	963	963
of which multiple settop boxes	100	115	125	135	125	135	149	162	176	176
ARPU (EUR)										
ARPU Voice	21.2	20.3	20.3	20.9	20.6	20.7	20.2	20.0	19.7	20.0
ARPU broadband	28.7	28.5	28.1	27.6	28.4	28.2	27.6	27.0	26.7	27.1
ARPU Belgacom TV	20.7	19.1	19.3	19.7	19.7	19.7	19.4	19.2	17.8	18.8
FROM MOBILE										
Number of active customers (thousands)	**3,739**	**3,745**	**3,773**	**3,769**	**3,773**	**3,769**	**3,723**	**3,726**	**3,774**	**3,774**
Pre-paid (1)	2,201	2,188	2,199	2,165	2,199	2,165	2,117	2,096	2,111	2,111
Post-paid	1,538	1,557	1,573	1,604	1,573	1,604	1,606	1,630	1,663	1,663
Annualized churn rate (blended - variance in p.p.)	**20.9%**	**20.1%**	**21.8%**	**22.8%**	**20.9%**	**21.4%**	**21.3%**	**20.4%**	**20.4%**	**20.6%**
Net ARPU (EUR) (2)										
Prepaid	14.3	15.0	14.7	15.3	14.6	14.8	14.1	15.3	14.4	14.6
Postpaid	32.5	32.9	32.1	31.4	32.5	32.2	29.2	30.0	30.0	29.7
Blended	21.5	22.3	21.8	22.0	21.9	21.9	20.5	21.6	21.1	21.0
Blended voice	14.2	15.0	14.6	14.2	14.9	14.5	12.7	13.4	12.9	13.0
Blended data	7.3	7.3	7.2	7.8	7.0	7.4	7.8	8.2	8.2	8.0
UoU (units)	**318.0**	**335.1**	**307.1**	**345.3**	**319.8**	**326.5**	**338.0**	**357.5**	**335.4**	**343.9**
MoU (min) (3)	**104.4**	**110.5**	**105.9**	**107.5**	**105.7**	**107.0**	**102.2**	**106.6**	**103.6**	**104.2**
Normalized MoU (min) (3)	86.6	90.3	88.8	91.9	87.5	89.6	84.8	89.3	88.4	88.5
SMS (units)	**215.2**	**226.5**	**203.5**	**240.5**	**215.3**	**221.6**	**238.7**	**254.1**	**235.1**	**242.8**
Normalized SMS (units)	85.3	87.3	85.7	101.2	87.1	90.6	96.6	102.3	81.3	92.9

(1) Prepaid includes Mobisud customers that were previously reported as MVNO customers
(2) Mobile ARPU's 2010 have been adapted to reflect the change in mobile access revenue allocation
(3) MoU reflect the duration of all calls from or to Proximus/voice customer/per month. In 2011 the definition of voice customers has been fine-tuned to exclude all data cards. 2010 MoU have been adapted accordingly.

EBU – Financials

(EUR million)	Q110	Q210	Q310	Q410	YTD10	2010	Q111	Q211	Q311	YTD11
Revenue	**615**	**610**	**590**	**606**	**1,816**	**2,421**	**593**	**593**	**572**	**1,758**
From Fixed	**432**	**425**	**413**	**427**	**1,270**	**1,697**	**420**	**417**	**398**	**1,235**
Voice	141	136	130	132	407	539	128	125	121	374
Data	99	98	98	98	295	392	98	97	96	292
Terminals	18	18	19	18	55	74	18	18	18	54
ICT	174	172	166	179	513	692	175	177	163	515
From Mobile	**177**	**180**	**174**	**170**	**532**	**702**	**169**	**171**	**169**	**509**
Voice	129	130	123	119	381	500	115	115	110	341
Data	45	48	47	47	140	187	50	53	56	159
Terminals	3	3	3	5	10	15	4	3	3	10
Other	**6**	**5**	**3**	**8**	**14**	**22**	**4**	**5**	**5**	**13**
Costs of materials and charges to revenues	**-183**	**-175**	**-163**	**-164**	**-521**	**-685**	**-162**	**-160**	**-154**	**-475**
Personnel expenses and pensions	**-91**	**-93**	**-96**	**-95**	**-280**	**-375**	**-94**	**-98**	**-93**	**-285**
Other operating expenses	**-36**	**-35**	**-39**	**-40**	**-109**	**-149**	**-37**	**-37**	**-34**	**-108**
Segment result	**306**	**308**	**292**	**306**	**905**	**1,212**	**300**	**298**	**291**	**889**
Segment Contribution margin	**49.7%**	**50.4%**	**49.5%**	**50.6%**	**49.9%**	**50.0%**	**50.6%**	**50.3%**	**50.9%**	**50.6%**

EBU- Operationals

	Q110	Q210	Q310	Q410	YTD10	2010	Q111	Q211	Q311	YTD11
FROM FIXED										
Number of access channels (thousands)	**1,922**	**1,912**	**1,901**	**1,886**	**1,901**	**1,886**	**1,861**	**1,849**	**1,834**	**1,834**
PSTN	647	644	641	636	641	636	631	627	622	622
ISDN	818	810	801	791	801	791	781	771	763	763
IP	11	12	12	13	12	13	13	14	15	15
ADSL, VDSL	445	446	446	445	446	445	436	436	434	434
Traffic (millions of minutes)	**848**	**790**	**727**	**781**	**2,364**	**3,145**	**782**	**732**	**672**	**2,185**
National	579	529	487	529	1,594	2,123	526	485	445	1,456
Fixed to Mobile	173	168	153	165	495	660	165	160	147	473
International	96	93	86	87	275	362	90	86	80	256
ARPU (EUR)										
ARPU Voice	30.9	30.2	29.0	29.7	30.0	30.0	29.1	28.9	28.1	28.7
ARPU Broadband	39.4	39.1	39.0	38.7	39.2	39.1	39.6	39.3	39.1	39.3
FROM MOBILE										
Number of active customers (thousands)	**1,252**	**1,271**	**1,286**	**1,303**	**1,286**	**1,303**	**1,327**	**1,357**	**1,380**	**1,380**
Post-paid	1,252	1,271	1,286	1,303	1,286	1,303	1,327	1,357	1,380	1,380
Annualized churn rate (blended - variance in p.p.)	**10.6%**	**10.9%**	**10.0%**	**10.8%**	**10.5%**	**10.6%**	**11.1%**	**10.8%**	**9.4%**	**10.4%**
Net ARPU (EUR) (1)										
Postpaid	46.9	47.0	44.7	42.8	46.2	45.3	41.8	41.9	40.6	41.4
Postpaid voice	34.7	34.4	32.3	30.8	33.9	33.0	29.2	28.7	26.9	28.3
Postpaid data	12.2	12.6	12.5	12.1	12.3	12.3	12.6	13.2	13.8	13.2
UoU (units)	**360.7**	**363.6**	**345.3**	**372.8**	**356.9**	**361.3**	**356.5**	**369.6**	**343.3**	**357.2**
MoU (min) (2)	**322.0**	**324.3**	**308.3**	**330.5**	**315.9**	**321.8**	**317.1**	**328.3**	**305.0**	**317.5**
Normalized MoU (min) (2)	289.7	285.3	268.5	291.4	278.8	282.5	275.5	285.8	267.0	277.8
SMS (units)	**74.6**	**77.0**	**74.7**	**85.5**	**75.6**	**78.1**	**83.7**	**90.1**	**87.3**	**87.2**
Normalized SMS (units)	59.1	60.0	59.2	66.9	59.5	61.4	63.5	67.0	65.0	64.9

(1) Mobile ARPU's 2010 have been adapted to reflect the change in mobile access revenue allocation
(2) MoU reflect the duration of all calls from or to Proximus/voice customer/per month. In 2011 the definition of voice customers has been fine-tuned to exclude all data cards. 2010 MoU have been adapted accordingly.

SDE&W – Financials

(EUR million)	Q110	Q210	Q310	Q410	YTD10	2010	Q111	Q211	Q311	YTD11
Revenues	**94**	**85**	**79**	**83**	**259**	**342**	**81**	**80**	**77**	**239**
Costs of materials and charges to revenues	**-15**	**-10**	**-10**	**-10**	**-36**	**-46**	**-9**	**-9**	**-9**	**-27**
Personnel expenses and pensions	**-51**	**-48**	**-53**	**-50**	**-152**	**-203**	**-49**	**-50**	**-50**	**-149**
Other operating expenses	**-50**	**-50**	**-52**	**-50**	**-152**	**-202**	**-52**	**-33**	**-48**	**-133**
Segment result	**-23**	**-23**	**-36**	**-27**	**-81**	**-109**	**-29**	**-12**	**-30**	**-70**
Segment Contribution margin	**-24.0%**	**-26.6%**	**-45.5%**	**-33.1%**	**-31.4%**	**-31.8%**	**-35.2%**	**-15.3%**	**-38.3%**	**-29.5%**

S&S – Financials

(EUR million)	Q110	Q210	Q310	Q410	YTD10	2010	Q111	Q211	Q311	YTD11
Revenues	**10**	**7**	**10**	**7**	**28**	**35**	**8**	**7**	**25**	**40**
Costs of materials and charges to revenues	**1**	**0**	**0**	**0**	**2**	**1**	**0**	**0**	**0**	**0**
Personnel expenses and pensions	**-41**	**-43**	**-41**	**-40**	**-125**	**-165**	**-39**	**-40**	**-40**	**-119**
Other operating expenses	**-50**	**-45**	**-45**	**-52**	**-140**	**-192**	**-47**	**-41**	**-66**	**-154**
Segment result	**-80**	**-80**	**-75**	**-85**	**-235**	**-320**	**-79**	**-74**	**-81**	**-233**

BICS – Financials

(EUR million)	Q110	Q210	Q310	Q410	YTD10	2010	Q111	Q211	Q311	YTD11
Revenues	378	414	415	402	1,208	1,610	372	388	401	1,161
Costs of materials and charges to revenues	-325	-359	-356	-344	-1,040	-1,383	-320	-333	-342	-996
Personnel expenses and pensions	-10	-9	-9	-10	-28	-39	-10	-9	-9	-28
Other operating expenses	-15	-15	-16	-12	-46	-58	-18	-17	-15	-49
Segment result	28	32	34	36	94	129	24	29	35	88
Segment EBITDA margin	7.4%	7.7%	8.1%	8.9%	7.7%	8.0%	6.5%	7.5%	8.7%	7.6%

BICS – Operationals

Volumes (in million)	Q110	Q210	Q310	Q410	YTD10	2010	Q111	Q211	Q311	YTD11
Voice	5,922	6,254	6,433	6,680	18,609	25,290	6,574	6,997	6,853	20,424
Non-Voice (SMS/MMS)	168	188	209	235	565	800	230	253	276	759

Interim Condensed Consolidated Financial statements

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

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

The accounting policies and methods of the Group are consistent with those applied in the 31 December 2010 consolidated financial statements, with the exception that the Group adopted the new standards and interpretations that became mandatory for the Group on 1 January 2011 and which are detailed in note 38 of the 31 December 2010 consolidated financial statements. The Group does not anticipate on the application of standards and interpretations.

On 4 April 2011, the Group acquired, via its fully owned subsidiary Telindus France, 100% of the shares of Eudasys SAS, a data-storage market leader in France, for EUR 10 million, net of cash acquired. The purchase price allocation has not yet been performed as at 30 September 2011. Therefore goodwill has been provisionally determined at EUR 11 million.

On 30 June, the Belgacom Group sold its 100% Spanish subsidiary, Telindus SA, for EUR 10 million net of cash disposed, and recognized a loss on disposal of EUR 18 million through the non-recurring expenses.

The Group does not make any significant judgments and estimates other than those mentioned here above or in the 31 December 2010 consolidated financial statements.

Consolidated income statements

	3rd Quarter		Year-to-date	
(EUR million)	2010	2011	2010	2011
Net revenue	1,627	1,583	4,905	4,756
Other operating income	13	13	40	34
Non-recurring income	0	0	436	0
TOTAL INCOME	**1,640**	**1,596**	**5,381**	**4,790**
Costs of materials and services related to revenue	-651	-633	-1,987	-1,862
Personnel expenses and pensions	-281	-278	-829	-834
Other operating expenses	-218	-213	-640	-629
Non-recurring expenses	0	0	1	-18
TOTAL OPERATING EXPENSES before depreciation & amortization	**-1,149**	**-1,123**	**-3,456**	**-3,344**
OPERATING INCOME before depreciation & amortization	**490**	**472**	**1,925**	**1,447**
Depreciation and amortization	-203	-180	-604	-573
OPERATING INCOME	**287**	**292**	**1,322**	**874**
Finance income	-4	-1	6	17
Finance costs	-22	-30	-86	-98
Net finance costs	**-26**	**-31**	**-80**	**-81**
INCOME BEFORE TAXES	**261**	**262**	**1,241**	**792**
Tax expense	-62	-59	-195	-193
NET INCOME	**199**	**203**	**1,047**	**599**
Non-controlling interests	4	8	10	12
Net income (Group share)	195	195	1,036	587
Basic earnings per share	0.61 EUR	0.61 EUR	3.23 EUR	1.83 EUR
Diluted earnings per share	0.61 EUR	0.61 EUR	3.22 EUR	1.83 EUR
Weighted average number of ordinary shares	321,369,972	319,460,105	321,025,771	320,762,452
Weighted average number of ordinary shares for diluted earnings per share	321,774,345	319,905,609	321,397,386	321,411,724

Consolidated statements of other comprehensive income

(EUR million)	As of 30 September 2010	As of 30 September 2011
Net income	**1,283**	**599**
Other comprehensive income:		
Available-for-sale investments:		
Transfer to profit or loss on sale	-7	0
Exchange differences on translation of foreign operations	0	-2
Other comprehensive income before related tax effects	**-7**	**-1**
Related tax effects		
Available-for-sale investments:		
Transfer to profit or loss on sale	2	0
Total Related tax effects	**2**	**0**
Other comprehensive income net of related tax effects	**-5**	**-1**
Total comprehensive income	**1,278**	**598**
Attributable to:		
Equity holders of the parent	1,262	585
Non-controlling interests	17	12

Consolidated balance sheets

	As of 31 December	As of 30 September
(EUR million)	**2010**	**2011**
ASSETS		
NON-CURRENT ASSETS	**6,185**	**6,152**
Goodwill	2,337	2,331
Intangible assets with finite useful life	1,190	1,133
Property, plant and equipment	2,348	2,323
Investments in associates	2	3
Other participating interests	26	31
Deferred income tax assets	158	141
Pension assets	2	2
Other non-current assets	122	187
CURRENT ASSETS	**2,326**	**2,577**
Inventories	114	121
Trade receivables	1,246	1,293
Current tax assets	198	149
Other current assets	142	159
Investments	43	41
Cash and cash equivalents	584	815
TOTAL ASSETS	**8,511**	**8,729**
LIABILITIES AND EQUITY		
EQUITY	**3,342**	**3,312**
Shareholders' equity	**3,108**	**3,064**
Issued capital	1,000	1,000
Treasury shares	-484	-573
Restricted reserve	100	100
Available for sale and hedge reserve	0	-1
Stock compensation	11	13
Retained earnings	2,476	2,522
Foreign currency translation	4	2
Non-controlling interests	**235**	**248**
NON-CURRENT LIABILITIES	**2,364**	**2,762**
Interest-bearing liabilities	1,406	1,917
Liability for pensions, other post-employment benefits and termination benefits	565	491
Provisions	203	175
Deferred income tax liabilities	187	176
Other non-current payables	3	3
CURRENT LIABILITIES	**2,804**	**2,655**
Interest-bearing liabilities	783	387
Provisions for liabilities and charges	0	0
Trade payables	1,304	1,342
Tax payables	188	256
Other current payables	529	669
Liabilities associated with assets classified as held for sale	0	0
TOTAL LIABILITIES AND EQUITY	**8,511**	**8,729**

Consolidated cash flow statements

	3rd Quarter		Year-to-date	
(EUR million)	**2010**	**2011**	**2010**	**2011**
Cash flow from operating activities				
Net income (group share)	195	195	1,036	587
Adjustments for:	0	0	0	0
Non-controlling interests	4	8	10	12
Depreciation and amortization on intangible assets and property, plant and equipment	203	180	604	573
Increase of impairment on intangible assets and property, plant and equipment	0	0	1	1
Increase / (decrease) in provisions	3	5	11	-15
Deferred tax expense	-8	2	82	6
Fair value adjustments on financial instruments	-1	6	6	2
Loans amortization	0	2	0	2
(Gain) / loss on disposal of consolidated companies and remeasurement of previously held interest	0	0	-436	18
Gain on disposal of property, plant and equipment	-4	-3	-4	-4
Other non-cash movements	2	2	8	7
Operating cash flow before working capital changes	**395**	**397**	**1,318**	**1,190**
Increase in inventories	-9	-9	-43	-13
Decrease / (increase) in trade receivables	32	-16	13	-67
Decrease / (increase) in current income tax assets	-12	2	-20	1
Decrease in other current assets	19	16	11	28
Decrease / (increase) in other non current assets	0	2	0	-52
Increase / (decrease) in trade payables	-55	58	15	50
Increase / (decrease) in income tax payables	-3	53	-6	63
Increase in other current payables	57	64	110	147
Decrease in net liability for pensions, other post-employment benefits and termination benefits	-31	-23	-77	-73
Decrease in other non-current payables and provisions	-2	-3	-6	-13
Decrease / (increase) in working capital, net of acquisitions and disposals of subsidiaries	**-2**	**143**	**-3**	**70**
Net cash flow provided by operating activities (1)	**393**	**541**	**1,315**	**1,260**
Cash flow from investing activities				
Purchase of intangible assets and property, plant and equipment	-139	-163	-515	-498
Cash paid for acquisitions of other participating interests	-8	-6	-27	-6
Cash received from / (paid for) acquisition of consolidated companies, net of cash acquired	0	0	59	-10
Cash received from sales of consolidated companies, net of cash disposed of	0	0	0	10
Cash received from sales of intangible assets and property, plant and equipment	5	6	17	7
Net cash received from / (paid for) other non-current assets	1	-3	1	-2
Net cash used in investing activities	**-141**	**-166**	**-466**	**-499**
Cash flow before financing activities	**252**	**375**	**849**	**761**
Cash flow from financing activities				
Dividends paid to shareholders	-1	-1	-541	-541
Dividends / capital paid to non-controlling interests	0	0	-30	0
Net sale of treasury shares	4	-64	25	-89
Sale / (purchase) of investments	-3	9	25	3
Increase / (decrease) of shareholders' equity	2	0	-1	-2
Issuance of long term debt	4	1	5	496
Repayment of long term debt	0	0	0	-398
Issuance / (repayment) of short term debt	0	1	-49	2
Net cash provided by / (used in) financing activities	**6**	**-55**	**-566**	**-530**
Net increase of cash and cash equivalents	**258**	**319**	**283**	**231**
Cash and cash equivalents at 1 January			332	584
Cash and cash equivalents at 30 September			615	815

Consolidated statements of changes in equity

(EUR million)	Issued capital	Treasury shares	Restricted reserve	Available for sale and hedge reserve	Foreign currency translation	Stock Compen-sation	Retained Earnings	Share'rs' Equity	Minority interests	Total Equity
Balance at 31 December 2009	**1,000**	**-509**	**100**	**5**	**4**	**10**	**1,911**	**2,521**	**7**	**2,528**
Fair value changes in available-for-sale investments	*0*	*0*	*0*	*-4*	*0*	*0*	*0*	***-4***	*0*	*-4*
Currency translation differences	*0*	*0*	*0*	*0*	*1*	*0*	*0*	***1***	*0*	*1*
Equity changes not recognised in the income statement	0	0	0	-4	1	0	0	**-3**	0	-4
Net income	0	0	0	0	0	0	1,036	**1,036**	10	1,047
Total comprehensive income and expense	**0**	**0**	**0**	**-4**	**1**	**0**	**1,036**	**1,033**	**10**	**1,043**
Dividends to shareholders (relating to 2009)	0	0	0	0	0	0	-539	**-539**	0	-539
Dividends of subsidiaries to non-controlling interests	0	0	0	0	0	0	0	**0**	-9	-9
Non-controlling interests arising in a business combination	0	0	0	0	0	0	0	**0**	220	220
Treasury shares	0									
Exercise of stock options	0	16	0	0	0	0	-2	**14**	0	14
Sale of treasury shares under a discounted share purchase plan	0	9	0	0	0	0	-1	**7**	0	7
Stock options										
Stock options granted and accepted	0	0	0	0	0	3	0	**3**	0	3
Deferred stock compensation	0	0	0	0	0	-3	0	**-3**	0	-3
Amortization deferred stock compensation	0	0	0	0	0	3	0	**3**	0	3
Exercise of stock options	0	0	0	0	0	-2	2	**0**	0	0
Total transactions with equity holders	**0**	**25**	**0**	**0**	**0**	**1**	**-541**	**-515**	**212**	**-304**
Balance at 30 September 2010	**1,000**	**-484**	**100**	**1**	**4**	**10**	**2,407**	**3,038**	**229**	**3,267**
Balance at 31 December 2010	**1,000**	**-484**	**100**	**0**	**4**	**11**	**2,476**	**3,108**	**235**	**3,342**
Fair value changes in cash flow hedges - acquired during the year	*0*	*0*	*0*	*-1*	*0*	*0*	*0*	***-1***	*0*	*-1*
Currency translation differences	*0*	*0*	*0*	*0*	*-2*	*0*	*0*	***-2***	*0*	*-2*
Equity changes not recognised in the income statement	0	0	0	-1	-2	0	0	**-2**	0	-2
Net income	0	0	0	0	0	0	587	**587**	12	599
Total comprehensive income and expense	**0**	**0**	**0**	**-1**	**-2**	**0**	**587**	**585**	**12**	**597**
Dividends to shareholders (relating to 2010)	0	0	0	0	0	0	-540	**-540**	0	-540
Treasury shares										
Exercise of stock options	0	3	0	0	0	0	0	**3**	0	3
Acquisition of treasury shares	0	-100	0	0	0	0	0	**-100**	0	-100
Sale of treasury shares under a discounted share purchase plan	0	8	0	0	0	0	-1	**7**	0	7
Stock options										
Stock options granted and accepted	0	0	0	0	0	3	0	**3**	0	3
Deferred stock compensation	0	0	0	0	0	-3	0	**-3**	0	-3
Amortization deferred stock compensation	0	0	0	0	0	2	0	**2**	0	2
Total transactions with equity holders	**0**	**-89**	**0**	**0**	**0**	**2**	**-541**	**-628**	**0**	**-628**
Balance at 30 September 2011	**1,000**	**-573**	**100**	**-1**	**2**	**13**	**2,522**	**3,064**	**248**	**3,312**

Segment reporting

Segment revenue and results

(EUR million) Nine months ended 30 September 2010	Consumer Business Unit	Enterprise Business Unit	Service Delivery Engine & Wholesale	Staff & Support	International Carrier Services	Inter-segment eliminations	Total
Net revenue	1,745	1,801	201	4	1,155	0	4,905
Other operating income	14	4	3	16	2	0	40
Intersegment income	9	11	55	7	51	-132	**0**
TOTAL SEGMENT INCOME	**1,768**	**1,816**	**259**	**28**	**1,208**	**-132**	**4,945**
Costs of materials and services related to revenue	-509	-521	-36	2	-1,040	117	-1,987
Personnel expenses and pensions	-244	-280	-152	-125	-28	0	-829
Other operating expenses	-208	-109	-152	-140	-46	15	-640
TOTAL OPERATING EXPENSES before depreciation & amortization	**-961**	**-910**	**-340**	**-263**	**-1,114**	**132**	**-3,456**
TOTAL SEGMENT RESULT (1)	**807**	**905**	**-81**	**-235**	**94**	**-0**	**1,489**
Non-recurring income	0	0	0	0	436	0	**436**
Non-recurring expenses	1	0	0	0	0	0	**1**
OPERATING INCOME / (LOSS) before depreciation & amortization	**808**	**905**	**-81**	**-235**	**529**	**-0**	**1,925**
Depreciation and amortization	-110	-14	-361	-56	-62	0.5	-604
OPERATING INCOME / (LOSS)	**697**	**891**	**-443**	**-291**	**467**	**-0**	**1,322**
Finance expense (net)							-80
INCOME BEFORE TAXES							**1,241**
Tax expense							-195
NET INCOME							**1,047**
Non-controlling interests							10
Net income (Group share)							1,036

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

(EUR million) Nine months ended 30 September 2011	Consumer Business Unit	Enterprise Business Unit	Service Delivery Engine & Wholesale	Staff & Support	International Carrier Services	Inter-segment eliminations	Total
Net revenue	1,696	1,746	189	6	1,119	0	4,756
Other operating income	15	5	2	11	1	0	34
Intersegment income	4	6	48	23	41	-123	**0**
TOTAL SEGMENT INCOME	**1,716**	**1,758**	**239**	**40**	**1,161**	**-123**	**4,790**
Costs of materials and services related to revenue	-456	-475	-27	0	-996	91	-1,862
Personnel expenses and pensions	-253	-285	-149	-119	-28	0	-834
Other operating expenses	-215	-108	-133	-154	-49	31	-629
TOTAL OPERATING EXPENSES before depreciation & amortization	**-924**	**-868**	**-309**	**-273**	**-1,073**	**122**	**-3,325**
TOTAL SEGMENT RESULT (1)	**792**	**889**	**-70**	**-233**	**88**	**-0**	**1,465**
Non-recurring expenses	0	-18	0	0	-1	0	**-18**
OPERATING INCOME / (LOSS) before depreciation & amortization	**792**	**871**	**-70**	**-233**	**88**	**-0**	**1,447**
Depreciation and amortization	-110	-12	-336	-56	-60	0	-573
OPERATING INCOME / (LOSS)	**683**	**859**	**-407**	**-289**	**27**	**-0**	**874**
Finance expense (net)							-81
INCOME BEFORE TAXES							**792**
Tax expense							-193
NET INCOME							**599**
Non-controlling interests							12
Net income (Group share)							587

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

Other segment information

(EUR million)	Consumer Business Unit	Enterprise Business Unit	Service Delivery Engine & Wholesale	Staff & Support	International Carrier Services	Inter-segment eliminations	Total
	Nine months ended 30 September 2010						
Capital expenditure	79	13	372	36	16	0	515

(EUR million)	Consumer Business Unit	Enterprise Business Unit	Service Delivery Engine & Wholesale	Staff & Support	International Carrier Services	Inter-segment eliminations	Total
	Nine months ended 30 September 2011						
Capital expenditure	94	10	359	25	9	0	498

Contingent liabilities

Compared to the Consolidated Financial Statements of the year 2010, no changes occurred during the first nine months of 2011 in the contingent liabilities except the Commercial Court's refusal of Belgacom's request to have the expert panel recused/replaced. Belgacom appealed against said refusal on 11 April 2011. In a preliminary ruling on 1 June 2011, the Court of Appeal i) ruled that the expertise has to come to a complete standstill pending the Court's ruling on the motion in which Belgacom requests the recusal/replacement of said panel of experts and ii) set the calendar leading to pleadings in the first quarter of 2012 on the said motion.

In April 2011, Belgacom concluded an agreement to acquire the company that owns the chain of The Phone House Belgium stores for an amount of EUR 22 million. This transaction is still subject to the ongoing procedure of notification to the Belgian Competition Authority.

Post balance sheet events

In order to cover the outstanding stock options granted in 2010 and 2011, the Board of Directors approved the conversion of 2.025.774 treasury shares without dividend rights into treasury shares entitled to dividend rights, on 27th October 2011.

Definitions

Broadband lines CBU: include the Belgian residential lines of Scarlet as from Q1 2009.

Fixed Voice ARPU: total voice revenue, excluding activation and payphone-related revenue, divided by the average voice access channels for the period considered, divided by the number of months in that same period.

Broadband ARPU: total ADSL revenue, divided by the average number of ADSL lines for the period considered, divided by the number of months in that same period.

Belgacom TV ARPU: includes only customer-related revenue and takes into account promotional offers, divided by the number of households with Belgacom TV.

Mobile active customers: includes voice and data cards. Active customers are customers who have made or received at least one call or sent or received at least one SMS message in the last three months. Prepaid customers are fully segmented as CBU customers.

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

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

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

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

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

SMS: number of SMS per active customer per month.

Normalized SMS: number of SMS per active customer per month, excluding free SMS

Financial Calendar

2 March 2012	Announcement FY 2011 results
18 April 2012	Annual General Meeting of Shareholders
4 May 2012	Announcement Q1 2012 results
27 July 2012	Announcement Q2 2012 results
26 October 2012	Announcement Q3 2012 results

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