> quarterly report

Q3 2013

belgacom

Key figures

Note that to maintain a correct comparison base, and where applicable, 2012 figures published in this report have been restated following the revision of IAS 19 (IAS 19R) on Employee Benefits and more specifically on post-employment benefits. For more information see page 9.

	Year-to-date	
Income Statement (EUR million)	**2012 Restated**	**2013**
Total income	4,818	4,736
EBITDA (1) before non-recurring items	1,372	1,300
EBITDA (1)	1,361	1,301
Depreciation and amortization	-554	-589
Operating income (EBIT)	807	712
Net finance costs	-102	-72
Income before taxes	704	640
Tax expense	-147	-141
Non-controlling interests	14	17
Net income (Group share)	544	482

Cash flows (EUR million)	**2012 Restated**	**2013**
Cash flows from operating activities	1,101	943
Cash paid for acquisitions of intangible assets and property, plant and equipment	-540	-546
Cash flows from / (used in) other investing activities	-24	13
Free cash flow (2)	**537**	**410**
Net cash used in financing activities	-492	-379
Net increase of cash and cash equivalents	**45**	**31**

Balance sheet (EUR million)	**As of 31 December 2012 - restated**	**As of 30 September 2013**
Balance sheet total	8,243	8,124
Non-current assets	6,192	6,079
Investments, cash and cash equivalents	285	294
Shareholders' equity	2,881	2,839
Non-controlling interests	211	191
Liabilities for pensions, other post-employment benefits and termination benefits	570	509
Net financial position	-1,601	-1,751

Data per share	**2012 Restated**	**2013**
Earnings per share (EUR) (3)	1.71	1.51
Weighted average number of outstanding shares	317,918,983	318,647,185

Data on employees	**2012 Restated**	**2013**
Number of employees (full-time equivalents)	16,015	15,767
Average number of employees over the period	15,961	15,764
Total income per employee (EUR)	301,873	300,453
EBITDA (1) before non-recurring items per employee (EUR)	85,969	82,437
EBITDA (1) per employee (EUR)	85,266	82,509

Ratios (before non-recurring items)	**2012 Restated**	**2013**
Return on Equity	18.1%	17.0%
Gross margin	59.9%	59.5%

(1) Earnings Before Interests, Taxes, Depreciation and Amortization.
(2) Cash flow before financing activities.
(3) For 2012 and 2013 basic and diluted earnings per share are equivalent.

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 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, Dominique Leroy, Executive Vice-President Consumer, Bruno Chauvat, Executive Vice-President Strategy and Content, Bart Van Den Meersche, Executive Vice-President Enterprise, Ray Stewart, Executive Vice-President Finance and CFO, Geert Standaert, Executive Vice-President Service Delivery Engine and Michel Georgis, Executive Vice-President Human Resources.

Brussels, 25 October 2013 - 7:00 (CET)
Regulated Information as defined in the Royal Decree of 14 November 2007

Highlights – Q3 2013

- Belgacom remains on track to meet its full-year guidance
- Good operational performance: Fixed and Mobile postpaid growing, prepaid loss slowing
- Belgacom to return EUR 0.50 interim dividend per share in December 2013

- The Belgacom Group reported for the third quarter 2013 **revenue of EUR 1,568 million**, i.e. -3.2% year-over-year. Regulatory effects aside, the lower Group revenue resulted from the continued pressure on Mobile services for both customer business units, and from a negative impact from incidentals and lower mobile terminals sales within the Consumer segment. This was to some extent offset by a continued firm performance from Fixed Line products and BICS.

- Belgacom reported for the third quarter 2013 a Group **EBITDA of EUR 428 million**, 7.7%[1] lower than for the same period of 2012. On a comparable basis, i.e. corrected for a net positive impact from litigation reversals on the variance, the third-quarter EBITDA decline was -9%, equal to the previous quarter. Regulatory effects aside, the lower EBITDA is mainly the result of a stable decline in Direct margin, slightly offset by lower costs.

- In the third quarter of 2013, **Belgacom invested EUR 176 million**, bringing year-to-date September 2013 capex to EUR 546 million, i.e. 11.5 % of Group revenue. Among other things, Belgacom invested in further raising the speeds and capacity of both its Mobile and its Fixed network, and in IT and network simplification projects.

- The third-quarter 2013 **Free Cash Flow** totaled EUR 274 million, or EUR 26 million more than for the same period of 2012 resulting from a timing difference in income tax payments, offsetting the lower EBITDA.

- Since the launch of its attractive mobile pricing offer in April 2013, and its retention and acquisition activities, Belgacom had been able to realize a turnaround in its mobile postpaid customer growth. Even though the third quarter is a seasonally slower commercial quarter, Belgacom continued to solidly grow its mobile postpaid customer base, whereas the loss of prepaid customers slowed. The customer base for TV, Internet and Packs continued to grow as well.
    - + 33,000 Mobile cards (+83,000 postpaid, -50,000 prepaid); total of 5,443,000[2] Mobile cards
    - + 19,000[3] Belgacom TV subscriptions, increasing the total TV customer base to 1,447,000
    - + 8,000 Fixed Internet lines, with a total Internet customer base of 1,660,000
    - + 17,000 multi-play Packs, leading to a total of 1,295,000 Packs
    - - 33,000 Fixed Voice lines, with a total Fixed Voice customer base of 2,969,000

- On 24 October 2013, Belgacom's Board of Directors approved to return to the shareholders a total **gross interim dividend of EUR 0.50 per share**:
    - Ex-coupon date: 3 December 2013
    - Record date: 5 December 2013
    - Payment date: 6 December 2013

Comment by the CEO

Our operational and financial results are proof that we made the right choice to differentiate on mobile network quality in a challenging mobile market. Our accelerated network investments, combined with simplified and attractive mobile pricing plans, have been highly appreciated by our customers. Mobile postpaid churn is heading towards normal levels again, and we managed to grow our postpaid customer base over the last three quarters.
In the context of a tough, though not deteriorated mobile market, the ongoing re-pricing of customers continued to weigh on our Mobile revenue. By end-September, nearly 70% of our Consumer mobile customers were on new tariff plans. The pressure on Mobile was somewhat offset by the solid performance of our Fixed business, where we continue to add customers. Our multi-play Packs in particular continue to attract customers, who increasingly choose Packs which include a mobile component. Our consistent focus on and execution of our convergence strategy over the years provides us today with a competitive advantage.

Didier Bellens, CEO Belgacom

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[1] EBITDA evolution before non-recurring items
[2] Including Voice and Data mobile cards sold through CBU, EBU, Tango, MVNO and SDE&W segments
[3] Corresponds to total number of set-top boxes: 14,000 new households and 5,000 second-stream users

Analyst conference call

Belgacom will host a conference call for institutional investors and analysts on Friday 25 October 2013.
Time: 02:00 p.m. Brussels – 01:00 p.m. London – 08:00 a.m. New York

Dial-in UK : +44 20 3427 1912
Dial-in USA : +1 646 254 3388
Dial-in Europe : +32 2 404 0662

Code : 8232055

Financial report

Belgacom Group

- **Third quarter Group revenue of EUR 1,568 million in challenging operating environment**
- **Solid revenue from BICS and Fixed, partly offset the pressure on Mobile**
- **EBITDA impacted by regulation and lower Mobile direct margin, value management providing some relief**
- **Third-quarter Free Cash Flow of EUR 247 million**

Quarterly financials as of page 19

Revenue

	3rd Quarter			Year-to-date		
(EUR million)	**2012**	**2013**	**% Change**	**2012**	**2013**	**% Change**
Consumer Business Unit	587	549	-6.5%	1,740	1,669	-4.1%
Enterprise Business Unit	560	533	-4.7%	1,715	1,641	-4.3%
Service Delivery Engine & Wholesale	75	73	-2.4%	229	222	-3.0%
Staff & Support	7	10	36.3%	23	35	50.1%
International Carrier Services	424	437	3.0%	1,215	1,266	4.2%
Inter-segment eliminations	-33	-34	2.3%	-104	-97	-6.7%
Total	**1,620**	**1,568**	**-3.2%**	**4,818**	**4,736**	**-1.7%**

The Belgacom Group closed the ***third quarter of 2013*** with EUR 1,568 million of revenue, i.e. -3.2% compared to the third quarter of 2012. The year-on-year evolution was impacted by regulatory measures[1] for a total amount of EUR 16 million (-1%). This is less significant compared to previous quarters with the first capping of Retail Data roaming rates annualizing on 1 July 2013. The regulatory effects aside, the third quarter Group revenue declined from the previous year through a combination of:

- The lower revenue from the **Consumer Business Unit**, showing a sequential decline driven by a one-off accounting reclassification[2], a decrease in low-margin revenue from mobile terminals and last year's positive impact of a change in bundle carry-over[3]. Furthermore, the Consumer revenue continued to be impacted by the sale of some The Phone House stores, and by pressure on the Mobile service revenue, in line with our expectations. This was to some extent offset by a continued firm performance of the Fixed business;
- a lower revenue from the **Enterprise Business Unit**, mainly due to an ongoing customer take up of Mobile pricing plans including more volumes. The rate of Mobile revenue decline, however, remained fairly stable in relation to the previous quarters, supported by continued solid mobile customer growth;
- on a Group level, these effects were partially offset by continued solid revenue growth from **BICS**, up 3% from a strong comparable base driven by firm Mobile data revenue and a beneficial destination mix with temporary higher traffic towards the Asian and African regions.

Year-to-date September 2013, the Belgacom Group recorded EUR 4,736 million revenue, 1.7% less than for the same period of 2012, including a EUR -70 million (-1.5%) regulation impact.

[1] Combined impact of regulatory reduction of Mobile Termination Rates (and flow-through to fixed-to-mobile rates), voice and data roaming rates
[2] One-off reclassification of EUR 3.5 million revenue as lower Cost of Sales, hence being EBITDA neutral
[3] During the third quarter 2012, the LIFO method was adopted as the carry-over method, creating a one-off positive effect on Mobile revenue. Before, unused minutes from Mobile bundles were carried over using the FIFO method.

Operating expenses

(EUR million)	3rd Quarter 2012 Restated	2013	% Change	Year-to-date 2012 Restated	2013	% Change
Costs of materials and services related to revenue	649	636	-1.9%	1,930	1,918	-0.6%
Personnel expenses and pensions	290	288	-0.8%	848	860	1.3%
Other operating expenses	217	216	-0.6%	667	659	-1.2%
Total	**1,156**	**1,140**	**-1.4%**	**3,446**	**3,437**	**-0.3%**
Non-recurring expenses	1	-1	-	11	-1	-
Total	**1,157**	**1,139**	**-1.6%**	**3,457**	**3,436**	**-0.6%**

Cost of Sales 1.9% lower

The Belgacom Group reported EUR 636 million Cost of Sales for the ***third quarter 2013***, 1.9% or EUR 13 million less than for the third quarter of 2012. This included a one-off EUR 3.5 million reduction from Cost of Sales following an accounting reclassification[1]. Furthermore the Cost of Sales was positively impacted by regulation effects, the sale of some The Phone House[2] stores and continued value management. This more than offset the higher sales-related costs of BICS.
Over the ***first nine months of 2013***, Belgacom recorded EUR 1,918 million Cost of Sales, 0.6% below that of the previous year.

Third quarter HR-expenses slightly down year-over-year

The Belgacom Group reported EUR 288 million HR expenses for the ***third quarter of 2013***, down 0.8% from the previous year. This brings the ***year-to-date September 2013*** HR-expenses to EUR 860 million, 1.3% higher compared to the same period of 2012. This slight increase is driven by the inflation-based wage indexation of January 2013, for a large part offset by the benefits of the year-on-year reduction in headcount (-248 FTEs) and more capitalized manpower resulting from Belgacom's network and IT simplification projects in 2013.

Number of FTE	September 2012	June 2013	September 2013	3 months variance	12 months variance
Consumer Business Unit	5,475	5,182	5,221	39	-255
Enterprise Business Unit	5,274	5,412	5,369	-43	94
Service Delivery Engine & Wholesale	3,104	3,065	3,049	-16	-55
Staff & Support	1,776	1,713	1,715	3	-60
International Carrier Services	385	407	414	7	28
Total	**16,015**	**15,778**	**15,767**	**-11**	**-248**

Cost containment reflected in lower Non-HR expenses

In the ***third quarter of 2013***, the Belgacom Group recorded EUR 216 million in non-HR expenses, 0.6% lower than for the same period of 2012. Apart from a small net positive impact from provision reversals, this resulted from continued company-wide cost containment, largely offsetting the required resources for Belgacom's simplification projects.
Over the ***first nine months of 2013***, the non-HR expenses totaled EUR 659 million, or 1.2% lower compared to the previous year.

Non-recurring expenses

A negative non-recurring expense of EUR -1 million was recorded in the third quarter of 2013 as a result of the update of actuarial assumptions used in estimating the liability for the employee restructuring program 'Tutorat'.

Operating income before depreciation and amortization (EBITDA)

(EUR million)	3rd Quarter 2012 Restated	2013	% Change	Year-to-date 2012 Restated	2013	% Change
Consumer Business Unit	263	258	-1.9%	748	749	0.0%
Enterprise Business Unit	268	245	-8.9%	838	768	-8.3%
Service Delivery Engine & Wholesale	-21	-32	-54.2%	-69	-93	-34.7%
Staff & Support	-81	-80	2.3%	-242	-233	3.6%
International Carrier Services	35	38	7.3%	97	109	12.1%
Total	**464**	**428**	**-7.7%**	**1,372**	**1,300**	**-5.3%**
Non-recurring expenses	-1	1	-	-11	1	-
Total	**463**	**430**	**-7.3%**	**1,361**	**1,301**	**-4.4%**

Belgacom reported for the ***third quarter 2013*** a **Group EBITDA of EUR 428 million, 7.7%**[3] or EUR 36 million lower than for the same period of 2012. The third-quarter 2013 EBITDA margin was 27.3%.
On a comparable basis, i.e. corrected for a net positive impact from one-off reversals on the variance, the third-quarter EBITDA decline was -9%, or a stable decline compared to the previous quarter[4]. The lower EBITDA is mainly the result of a steady decline in direct margin, slightly offset by lower costs.
Regulatory measures reduced the 2013 third-quarter EBITDA by EUR -7 million (-1.6%), mainly related to lowered Voice and Data roaming prices. With the initial capping of Retail Data roaming rates at EUR 0.7 per Mb annualising on 1 July 2013, the regulation impact is lower compared to previous quarters.
Year-to-date September 2013, the Belgacom Group EBITDA totaled EUR 1,300 million, i.e. 5.3% lower than the previous year.

[1] One-off adjustment of revenues and costs of sales in the Consumer segment, EBITDA neutral
[2] As part of the agreement with the Competition Council, Belgacom sold some of The Phone House stores in November 2012.
[3] EBITDA evolution before non-recurring items
[4] See page 19 for Group figures from Reported to Underlying

Depreciation and amortization

Third-quarter 2013 depreciation and amortization amounted to EUR 197 million, bringing the total to EUR 589 million for the first nine months of 2013. Depreciation and amortization costs are up from the previous year, mainly driven by the depreciation of modems which Belgacom is capitalizing since 1 January 2012, and by generally shorter useful lives.

Net finance cost

Third-quarter 2013 net finance cost were EUR 27 million, leading to total finance cost of EUR 72 million year-to-date September. This is EUR 30 million less from the same period of 2012 which included significant impairment losses on participating interests.

Tax expense

The third-quarter 2013 tax expenses amounted to EUR 44 million. This brings the total tax expense over the first nine months of 2013 to EUR 141 million, representing an effective tax rate of 22%. This is slightly above the effective tax rate of 20.9% for the same period of 2012 which included a one-off accelerated use of tax deductions.

Net income (Group share)

Belgacom reported a Group net income (Group share) of EUR 156 million for the ***third quarter of 2013***, leading to EUR 482 million for the ***first nine months of 2013***. The EUR 62 million decrease compared to the first nine months of 2012 results from a lower EBITDA and higher depreciation and amortization, partly offset by lower net finance costs.

Capital expenditure (Capex)

	3rd Quarter			Year-to-date		
(EUR million)	**2012**	**2013**	**% Change**	**2012**	**2013**	**% Change**
Consumer Business Unit	30	26	-15.2%	123	103	-16.6%
Enterprise Business Unit	3	2	-48.6%	10	8	-27.3%
Service Delivery Engine & Wholesale	114	139	22.0%	356	410	15.3%
Staff & Support	8	7	-14.1%	21	15	-31.3%
International Carrier Services	5	3	-38.8%	8	10	26.6%
Total	**160**	**176**	**10.0%**	**520**	**546**	**5.1%**

During the ***third quarter of 2013***, Belgacom invested EUR 176 million, leading to a total investment of EUR 546 million by ***end of September 2013***, i.e. 11.5% of Group revenue. With network quality being an important differentiator in a more intense Belgian competitive market, investments in the Fixed and Mobile networks represent the majority of the cumulated invested amounts. Among other things, this has resulted in increased download speeds on the broadband network of up to 50 Mbps through the deployment of an in-house developed technology Dynamic Line Management; a 60% increase in mobile data speeds to 6 Mbps on average and even doubled peak speeds to up to 20 Mbps with the roll-out of Dual carrier and 3G+; and a 70% mobile data capacity increase anticipating on the mobile data evolution. Furthermore, Belgacom continued to deploy 4G technology, reaching over 44% outdoor coverage by end of September 2013 with 4G availability in over 210 Belgian cities. The SDE&W division also implements a Network Simplification program and company-wide IT change plan.

Cash flows

	3rd Quarter			Year-to-date		
(EUR million)	**2012 Restated**	**2013**	**% Change**	**2012 Restated**	**2013**	**% Change**
Cash flows from operating activities	431	448	4%	1,101	943	-14%
Cash paid for acquisitions of intangible assets and property, plant and equipment	-180	-176	2.2%	-540	-546	-1.2%
Cash flows from / (used in) other investing activities	-3	2	>-100%	-24	13	-156%
Cash flow before financing activities	**248**	**274**	**10%**	**537**	**410**	**-24%**
Net cash used in financing activities	-143	-260	-81.3%	-492	-379	22.9%
Net increase of cash and cash equivalents	**105**	**14**	**-87%**	**45**	**31**	**-33%**

In the ***third quarter 2013***, Belgacom generated EUR 274 million in Free Cash Flow (FCF), or EUR 26 million more than for the same period of 2012. The higher FCF is mainly the result of a timing difference in income tax payments, partly offset by lower EBITDA.
By ***end September 2013***, the FCF totaled EUR 410 million, or EUR 127 million less than for the same period of 2012, mainly due to income tax payments and lower EBITDA[1].

In the ***third quarter 2013,*** Belgacom used EUR 260 million of Cash Flow in financing activities mainly as a result of reimbursement of short-term debts.

[1] Corrected for (non-cash) accounting adjustment in second quarter 2012 following adoption of new Telecom law

Balance sheet and shareholders' equity

The shareholders' equity decreased from EUR 2,881 million at year-end 2012 (after restatement) to EUR 2,839 million end-September 2013. This results mainly from the 2012 dividend of EUR 535 million as approved by the General Assembly of April 2013 exceeding the net income (Group share) generated so far in 2013.
Compared to end-2012, the net financial debt increased by EUR 150 million to EUR 1,751 million per end of September 2013. Outstanding long-term gross financial debt amounted to EUR 2.1 billion at the same date. Belgacom continues to have a sound financial position, with one of the lowest debt positions in the European telecom sector.

Regulation and legal update

		Estimated Impact		*Actuals*	
Regulation impacts (Decrease in EUR million)		*FY 2013*	Q1 2013	*Q2 2013*	*Q3 2013*
MTR & flow-through Fix-to-Mob	Revenue	*~ €38m*	€10m	*€10m*	*€9m*
	EBITDA	*~ €2m*	€1m	*€1m*	*€0m*
Roaming (i.e. Voice, SMS and Data)	Revenue	*~ €47m*	€15m	*€19m*	*€7m*
	EBITDA	*~ €47m*	€15m	*€19m*	*€7m*
Total	**Revenue**	***~ €85m***	**€24m**	***€30m***	***€16m***
	EBITDA	***~ €50m***	**€15m**	***€20m***	***€7m***

Mobile Termination Rates

On 1 January 2013, the last step of the MTR glide path set by the Belgian regulator (BIPT) in June 2010 for the period 2010-2013 entered into force. Since 1 January 2013, MTRs in Belgium are fully symmetric at a rate of 1.18 euro cents/min (incl. inflation).

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	2.62	1.18
Mobistar	*9.02*	5.05	4.29	2.79	1.18
Base	*11.43*	5.81	4.90	3.11	1.18
% change					
Proximus		-36%	-15%	-34%	-55%
Mobistar		-44%	-15%	-35%	-58%
Base		-49%	-16%	-36%	-62%
Asymmetry					
Mobistar-Prox	*25%*	9%	9%	6%	0%
Base-Prox	*59%*	26%	24%	19%	0%

*Including inflation

On 16 May 2012, the Brussels Appeal Court considered that BIPT had failed to consult the regional regulators, but rejected the substantial arguments in the case on the merits. Pending another decision of the Appeal Court or a BIPT repair decision, the current MTR rates remain fully valid.

Mobile licenses

On 8 October 2013, the BIPT announced the names of the three candidates for the upcoming 800 MHz auction: Belgacom, Mobistar and Base. In total three licences are available, each consisting of 2x10MHz of spectrum, available for a 20-year term. Each applicant may acquire at most one licence. The minimum price was set at EUR 120 million per licence. No spectrum is reserved for a newcomer in the Belgium market, though certain incentives are available such as 50% more time to comply with coverage obligations. The auction will start on 12 November 2013, with results to be announced as soon as the auction is closed.

Roaming rates

The Roaming III Regulation entered into force on 1 July 2012. This new regulation covers a ten-year period until 30 June 2022. It imposes a further lowering of the existing regulated price caps and extended the roaming regulation to retail data as from July 2012.

EU roaming regulation	01-Jul-11	01-Jul-12	01-Jul-13	01-Jul-14
Voice roaming rates (in euro cent per minute)				
Retail Outgoing	35	29	24	19
Retail Incoming	11	8	7	5
Wholesale	18	14	10	5
SMS roaming rates (in euro cent per SMS)				
Retail SMS	11	9	8	6
Wholesale SMS	4	3	2	2
Data roaming rates (in euro cent per MB)				
Retail data	-	70	45	20
Wholesale data	50	25	15	5

In addition, two structural measures to encourage competition have been taken: (i) MVNO wholesale access from 1 July 2012 and (ii) decoupling, i.e. separate selling of roaming services from domestic mobile services, from 1 July 2014. The regulation also lays down rules aimed at increasing price transparency and improving the provision of information on charges to roaming customers.
On 12 September 2013, the European Commission officially released its package of measures to address the fragmentation of the EU telecoms sector, now called "Connected continent". The draft legislation proposes additional measures on roaming (no more incoming call charges as from mid-2014, no decoupling for operators abandoning roaming surcharges) and international calls (fixed and mobile prices capped for intra-EU as from mid-2016). The proposal will be on the agenda of the meeting of EU heads of state and governments in October. Conditional to the approval from the EU Council of ministers and EU Parliament, the EC aims to have the new law in place before the EU elections in May 2014.

Cable and Broadband regulation

On 9 September 2013, the Belgian regulators published their final decisions regarding the Telenet, Tecteo, Brutélé and Coditel (Numéricable) reference offers for opening of cable. The six-month implementation period can start running as soon as a first alternative operator files a letter of intent and pays an "advance payment" to each individual cable operator (EUR 600.000 euro per cable operator to obtain all cable services). The offer could be operational by the second quarter 2014. The final decision on pricing is expected in November 2013.

It should be noted that Belgacom has abandoned the possibility to resale analog cable television. Belgacom has explained to the regulators what has changed since its initial request in 2009 and has requested a revision of the market analysis to achieve a fully level playing field.

On 12 September 2013, the European Commission adopted the Recommendation on "consistent non-discrimination obligations and costing methodologies to promote competition and enhance the broadband investment environment". The Recommendation seeks to (i) establish predictable and stable regulated wholesale copper access prices, (ii) to increase certainty on the circumstances which should lead to the non-imposition of regulated wholesale access prices for NGA services as well as (iii) ensure a level playing field through the application of non-discrimination rules.

The BIPT market analysis decision of 1 July 2011 on wholesale broadband obliges Belgacom to provide a "multicast" functionality in the bitstream offer (to be used for broadcasting). On 4 July 2013, the BIPT published a consultation on the regulated wholesale prices. The consultation ran until 31 August 2013. The multicast functionality has been implemented since April 2013. Belgacom has appealed the broadband decision to challenge the multicast obligation.

Accounting change with retrospective application: Revision of IAS rule on Employee Benefits

The accounting policies and methods of the Group used as of 2013 are consistent with those applied in the 31 December 2012 consolidated financial statements, with the exception that the Group adopted the new standards, interpretations and revisions that became mandatory for the Belgacom Group on 1 January 2013. This had only very limited impact except for the adoption of the revision of IAS 19 (IAS 19R) on Employee Benefits and more specifically on post-employment benefits. Also, IAS 19R required a retrospective application, meaning that **the year 2012 (including the opening balance sheet of 2012) has been restated for 2013 reporting and comparison purposes, as from the first-quarter 2013 release. Where applicable, 2012 figures have been restated in the tables included in this report.**
The major changes introduced in the IAS 19R relate to the recognition of actuarial gains and losses through Other Comprehensive Income (equity) and the alignment of the expected return of assets to the discount rate. Applying the revision, Belgacom classified the net periodic pension cost in operating and financing activities for their respective components and reclassified the accumulated 2012 actuarial gains and losses to the retained earnings.

Concretely, the impacts are the following:

- On the balance sheet, cumulated actuarial gains and losses are now recognized through Other Comprehensive Income together with their related deferred taxes, if any.
- The Income Statement is impacted as a result of (i) the removal of the amortization of actuarial gains and losses exceeding the corridor, (ii) the alignment of the expected return of assets to the discount rate and (iii) the classification of the different components of the net periodic pension cost in operating and financing activities for their respective components.
- The free cash flow is not impacted as the financing of such benefits remained unchanged.

Balance Sheet Restatements	As of 31 December 2012			
in EUR million	Restatements on Opening	Retatements on Income Statement	Restatement via Retained Earnings	Restatements on Closing
Increase of liability for pensions and other post-empl benefits	99.1	-0.7	71.4	169.8
Decrease of deferred tax liabilities	-23.7	-0.3	-10.9	-34.8
Decrease of shareholders equity	-75.4	1.0	-60.5	-135.0

Balance Sheet Restatements	As of 30 September 2012			
in EUR million	Restatements on Opening	Retatements on Income Statement	Restatement via Retained Earnings	Restatements on Closing
Increase of liability for pensions and other post-empl benefits	99.1	-0.5	-	98.6
Decrease of deferred tax liabilities	-23.7	-0.2	-	-23.9
Decrease of shareholders equity	-75.4	0.7	-	-74.7

Restated Income Statement	Nine months ended 30 September 2012		
in EUR million	Reported	Restatements	Restated
EBITDA (*) before non recurring	1,359.5	12.7	1,372.2
EBITDA (*) after non recurring	1,345.6	15.3	1,360.9
Operating income	791.3	15.3	806.6
Net finance cost	-87.3	-14.8	-102.1
Income before taxes	703.9	0.5	704.4
Tax expense	-147.4	0.2	-147.1
Net income	556.6	0.7	557.3
Net income (Group share)	542.9	0.7	543.6

(*) EBITDA: operating income before depreciation and amortization

Outlook 2013

Based on the performance so far, Belgacom remains on track to meet its full-year expectations and reiterates it expects to close the year 2013 with a **Group revenue 1% to 2% lower than the previous year and a Group EBITDA 4% to 6% lower compared to the 2012 restated EBITDA of EUR 1,801 million** (following the retrospective application of IAS 19R as explained in the section above).

Metrics	Guidance 2013 (based on the restated FY 2012 - due to the IAS19 revision)	Reported Q1 2013	Reported Q2 2013	Reported Q3 2013	Reported Ytd 2013
Group revenue	Decline between '-1% and -2%'	-0.1%	-1.7%	-3.2%	-1.7%
Group EBITDA	Decline between '-4% and -6%'	-6.1%	-1.9%	-7.7%	-5.3%
Capex/Revenue	Between '13% and 14%'	12.2%	11.2%	11.2%	11.5%

Consumer Business Unit – CBU

- **While facing tough competition, CBU continued its strong Mobile postpaid subscriber growth**
- **Ongoing re-pricing in Mobile as expected reflected in Mobile revenue decline**
- **Firm revenue from Fixed products driven by growing customer base and price increases**
- **Underlying segment result decline driven by pressure on Mobile, partly offset by good value management**

P&L Consumer Business Unit

	3rd Quarter			Year-to-date		
(EUR million)	2012 Restated	2013	% Change	2012 Restated	2013	% Change
TOTAL SEGMENT INCOME	**587**	**549**	**-6.5%**	**1,740**	**1,669**	**-4.1%**
Costs of materials and services related to revenue	-157	-139	-11.5%	-501	-452	-9.6%
Personnel expenses and pensions	-91	-88	-3.4%	-268	-262	-2.0%
Other operating expenses	-77	-65	-15.7%	-224	-206	-7.7%
TOTAL OPERATING EXPENSES before depreciation & amortization	**-325**	**-292**	**-10.2%**	**-992**	**-921**	**-7.1%**
TOTAL SEGMENT RESULT (1)	**263**	**258**	**-1.9%**	**748**	**749**	**0.0%**
Segment contribution margin	*44.7%*	*46.9%*	-	*43.0%*	*44.8%*	-
Depreciation and amortization	-33	-40	20.3%	-101	-124	22.2%
OPERATING INCOME	**230**	**218**	**-5.1%**	**647**	**625**	**-3.5%**

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

CBU quarterly financial and operational results: page 20

Revenue

Over the ***third quarter 2013***, CBU reported **EUR 549 million revenue** including regulatory price measures reducing the revenue by EUR -7 million (-1.2%). These came from the effect of the regulated price cut of 1 January 2013 on Mobile Termination Rates as well as lower Voice, SMS and Data Roaming rates following the reduced regulated tariffs since 1 July 2013.

Excluding the price regulation, the stronger decline compared to the first-half of this year was mainly the result of (i) a negative one-off accounting reclassification[1] (ii) less low-margin revenues from mobile terminals and (iii) a harder year-over-year comparison with third quarter 2012 which included a positive impact of a change in bundle carry-over[2]. The remaining decline, being fairly in line with the trend seen in first half of the year, was driven by the contained decrease in Mobile revenue and the negative revenue impact from the sale of some of The Phone House stores in November 2012. This was partly compensated for by the continued firm performance of the Fixed revenues and Tango.

CBU ended the ***first nine months of 2013*** with EUR 1,669 million revenue, -4.1% versus the same period of 2012. Excluding this quarter's reclassification, the one-off accounting adjustment in the second quarter 2012[3] and the regulation impact so far in 2013, the revenue was 3.2% lower compared to the prior year.

	3rd Quarter			Year-to-date		
(EUR million)	2012	2013	% Change	2012	2013	% Change
Revenues	**587**	**549**	**-6.5%**	**1,740**	**1,669**	**-4.1%**
From Fixed	**274**	**282**	**2.8%**	**818**	**841**	**2.8%**
Voice	105	102	-2.2%	319	310	-3.0%
Data	85	90	5.6%	254	265	4.4%
TV	61	67	10.2%	173	197	14.0%
Terminals (excl. TV)	7	6	-11.5%	19	18	-4.5%
Scarlet	17	17	-1.1%	53	51	-4.0%
From Mobile	**292**	**250**	**-14.2%**	**855**	**768**	**-10.3%**
Voice	133	99	-25.8%	386	305	-20.9%
Data	98	95	-3.9%	298	290	-2.7%
Terminals	32	25	-21.4%	89	79	-10.5%
Tango	28	32	12.9%	83	94	12.3%
Other	**22**	**17**	**-20.0%**	**66**	**61**	**-8.5%**

Fixed Voice price adjustments resulted in contained revenue decline and growing ARPU

The ***third-quarter 2013*** Fixed Voice revenue of EUR 102 million was down 2.2% year-over-year. The quarter benefitted from price changes earlier this year, which continued to be reflected in the Fixed Voice ARPU, being up 2.8% year-over-year to EUR 20.3. This brought relief to the declining Voice revenue resulting from the year-on-year line loss. In the third quarter 2013, CBU reported a Fixed line erosion of -20,000 lines. By end-September 2013, the CBU Fixed Voice customer base totaled 1,653,000 lines, i.e. -4.8% year-over-year.

The total Fixed Voice traffic was down 6.7%, driven by lower national and fixed-to-mobile traffic.

By ***end September 2013***, the revenue from Fixed Voice totaled EUR 310 million, i.e. a 3.0% decline compared to last year.

[1] One-off reclassification of EUR 3.5 million revenue as lower Cost of Sales, hence being EBITDA neutral.

[2] During the third quarter 2012, the LIFO method was adopted as the carry-over method. Before, unused minutes from Mobile bundles were carried over using the FIFO method.

[3] Following the New Telecom Law.

Strong Fixed Internet revenue grew 5.6%, driven by price adjustments and larger customer base
CBU ended the ***third quarter 2013*** with a Fixed Data revenue of EUR 90 million, i.e. 5.6% higher compared with the same period of the year before. This was driven by the growing customer base and the price changes of February and July 2013. The broadband customer base grew by 9,000 in the third quarter of 2013, bringing the total CBU Fixed Internet customer base to 1,219,000 by end-September 2013. The third-quarter Broadband ARPU of EUR 26.9 was up 1.7% versus the same period in 2012.
Over the ***first nine months of 2013***, CBU recorded EUR 265 million, up 4.4% versus the same period last year.

Solid TV revenue growth through larger TV customer base and higher ARPU
The ***third-quarter 2013*** TV revenue grew by 10.2% to EUR 67 million, as a result of continued subscriber growth. Belgacom added a stable 14,000 TV households, in line with the previous quarters. Moreover, 5,000 multiple set-top boxes were added in the third quarter 2013. This resulted in a total TV customer base of 1,447,000 (+8.0% year-over-year), of which 249,000 were multiple streams. The TV ARPU showed a 3.1% growth year-over-year to EUR 18.7, supported by a price increase for rented set-top boxes since February 2013.
CBU's TV revenue over the ***first-nine months of 2013*** totaled EUR 197 million, i.e. 14.0% higher than the previous year.

Controlled Mobile Voice revenue decline in a climate of ongoing repricing; continued Postpaid subscriber growth
In the ***third quarter 2013,*** CBU generated EUR 99 million Mobile Voice revenue, compared to EUR 133 million in the same quarter of 2012, which included the positive impact from a change in bundle carry-over[1]. This excluded, the Mobile Voice revenue was 23.7% lower year-on-year; compared to a 21.5% decline over the first half of 2013.
Besides the regulatory impact[2], the lower revenue is largely the cumulative result of the loss of Prepaid customers and the continued mobile Postpaid re-pricing, with especially the lower out-of-bundle usage impacting revenues.
The seasonally lower third-quarter blended Voice ARPU was EUR 9.5, remaining fairly similar to the ARPU of the previous two quarters.
The Belgian mobile market proved to be fairly stable in the third quarter, with no significant price adjustments. Backed by a superior mobile network and attractive mobile pricing, CBU further reduced its Mobile churn levels since the peak seen in October 2012 when the new Telecom Law came in to force. Furthermore, convergent Packs including mobile proved increasingly successful. This led to a firm net addition of 37,000 postpaid cards in a commercially slower quarter.
In line with the market evolution seen over the last quarters, Mobile Prepaid continued to decline though at a slower pace. This resulted in a net loss of 49,000 prepaid cards during the third quarter.
Accordingly, Prepaid and Postpaid combined, CBU's total Mobile customer base end-September 2013 numbered 3,560,000 cards, i.e. a net decrease of 12,000 cards.
For the ***first nine months of 2013***, CBU's Mobile Voice revenue was EUR 305 million, i.e. 20.9% lower than for the same period in 2012.

Roaming regulation and the mobile customer evolution feeding the Mobile data revenue decline
Year-over-year the Mobile Data revenue declined (-3.9%) in the ***third quarter of 2013***, being negatively impacted by regulation, the year-on-year lower mobile customer base and the more abundant offers. The SMS revenue was down 2.9% in the third quarter 2013, while the average monthly SMS usage was down 4.9% year-over-year to 249 text messages. Advanced Mobile Data showed a smaller revenue decline versus the previous quarter, down 9.6% and generating EUR 13 million in the third quarter of 2013. This revenue decline was impacted by the new reduced price cap on retail Data Roaming effective since July 2013, though to a lesser extent than before. This, in addition to the more abundant offers, offset the uptake in usage.
The ARPU from Mobile Data increased slightly year-over-year by 0.9% to EUR 8.8 for the third quarter 2013.
Over the ***first nine months of 2013***, the total CBU Mobile Data revenue amounted to EUR 290 million, i.e. a 2.7% decrease compared with the same period of last year.

	3rd Quarter			Year-to-date		
(EUR million)	**2012**	**2013**	**% Change**	**2012**	**2013**	**% Change**
Mobile DATA revenue	**98**	**95**	**-3.9%**	**298**	**290**	**-2.7%**
SMS	84	81	-2.9%	256	252	-1.3%
Advanced data	15	13	-9.6%	42	37	-11.4%

CBU operating expenses

Lower Cost of Sales, down 11.5% year-over-year
The third-quarter 2013 Cost of Sales continued the positive trend from the last quarters, ending 11.5% lower year-over-year. Besides regulation this includes the positive impact from (i) the one-off accounting reclassification (ii) lower terminal sales, (iii) the divestment of part of The Phone House stores and (iv) continued benefits from the improved sales channel mix, i.e. focusing more on own direct and e-sales channels.
Cost of Sales decreased 9.6% over ***the first nine months of 2013*** to EUR 452 million.

[1] During the third quarter 2012, the LIFO method was adopted as the carry-over method. Before, unused minutes from Mobile bundles were carried over using the FIFO method.
[2] Including the MTR cut of January 2013 and lower Voice Roaming rates (July 2013).

HR expenses down 3.4%

HR expenses for the ***third quarter*** showed a decrease to EUR 88 million, -3.4 % year-over-year. The inflation-based salary indexations of January 2013 were more than offset by the positive impact of the lower headcount within the Consumer Business Unit which was in part due to divestment of a number of The Phone House stores and lower installation costs.

Over the ***first nine months of 2013***, the HR expenses decreased 2.0% year-over-year to EUR 262 million.

Non-HR expenses down 15.7%

CBU's ***third-quarter*** non-HR expenses of EUR 65 million were down 15.7%. Apart from the continued benefits of cost optimization, the quarter was backed by a positive year-over-year comparison linked to a litigation provision last year and its settlement this year.

Non-HR expenses over the ***first nine months of 2013*** decreased by 7.7% to 206 million.

CBU segment result

For the ***third quarter 2013***, CBU reported a segment result of EUR 258 million, i.e. a year-over-year decrease of 1.9%.

Leaving aside the year-over-year net impact from the litigation provision, the segment result decline slightly improved versus the previous quarter[1]. In spite of the continued pressure on Mobile, this was driven by sound Fixed revenues while the sustained value management allowed the Cost of Sales as well as the Operating expenses to continue their positive evolution compared to the same period in 2012.

CBU's segment result still includes a negative impact from regulation of EUR -2 million, mainly due to Voice and Data Roaming price caps. The segment contribution margin was 46.9%.

Over the ***first nine months of 2013***, the reported segment result was EUR 749 million or stable versus 2012.

CBU operating result

	3rd Quarter		
	2012	**2013**	**YoY Variance** (in abs. amount)
FROM FIXED			
Number of access channels (thousands)	2,918	2,872	-46
Voice	1,737	1,653	-83
Broadband	1,181	1,219	37
Traffic (millions of minutes)	965	901	-64
National	703	639	-64
Fixed to Mobile	170	164	-6
International	92	98	6
TV (thousands)	1,340	1,447	107
TV - households	1,125	1,198	73
Of which multiple settop boxes	216	249	34
ARPU (EUR)			
ARPU Voice	19.7	20.3	0.5
ARPU broadband	26.5	26.9	0.4
ARPU Belgacom TV	18.1	18.7	0.6
FROM MOBILE			
Number of active customers (thousands)	3,748	3,560	-188
Prepaid (1)	1,992	1,684	-307
Postpaid	1,756	1,876	119
Annualized churn rate (blended - variance in p.p.)	25.8%	26.1%	
Net ARPU (EUR)			
Prepaid	13.6	12.6	-1.0
Postpaid	28.9	23.5	-5.4
Blended	20.8	18.3	-2.5
Blended voice	12.0	9.5	-2.6
Blended data	8.7	8.8	0.1
UoU (units)	357.5	348.6	-8.9
MoU (min)	100.5	108.1	7.6
SMS (units)	262.1	249.2	-12.9

(1) Prepaid includes Mobisud customers that were previously reported as MVNO customers

[1] Q2 2013 CBU segment result showed a -6.5% decline excluding the 2012 accounting one-off of EUR 26 million.

	3rd Quarter			Year-to-date		
	2012	2013	% Change	2012	2013	% Change
Revenue (in EUR mio) (1)	28	32	12.9%	83	94	12.3%
Total active mobile customers (in '000)	270	278	2.9%	270	278	2.9%
Blended mobile net ARPU (EUR/month)	29.5	30.9	4.7%	29.0	30.7	5.6%

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

Tango's income reached EUR 32 million in revenue in the ***third quarter of 2013***. The growth shown during the first half of the year has been sustained to reach a 12.9% increase year-over-year. The good trend of smartphone sales with Tango's leading 4G subscriptions, as well as the launch of new prepaid offers during the third quarter are the major contributors to this positive trend. In addition, the acquisition of several large accounts in the B2B market enabled Tango to grow its customer base with 4,000 new mobile customers in the third quarter of 2013. Tango's quadruple play offer including TV is continuing its progression.

Enterprise Business Unit – EBU

- **Revenue erosion comparable to previous quarters, impacted by regulation and pressure on mobile**
- **Mobile revenue trend did not worsen, supported by continued solid net adds**
- **Segment result variance third quarter fairly in line with first half-year 2013[1]**

P&L Enterprise Business Unit

(EUR million)	3rd Quarter 2012 Restated	3rd Quarter 2013	3rd Quarter % Change	Year-to-date 2012 Restated	Year-to-date 2013	Year-to-date % Change
TOTAL SEGMENT INCOME	**560**	**533**	**-4.7%**	**1,715**	**1,641**	**-4.3%**
Costs of materials and services related to revenue	-150	-146	-2.7%	-456	-444	-2.8%
Personnel expenses and pensions	-102	-104	2.4%	-303	-316	4.4%
Other operating expenses	-39	-38	-2.7%	-119	-113	-4.4%
TOTAL OPERATING EXPENSES before depreciation & amortization	**-291**	**-288**	**-0.9%**	**-878**	**-873**	**-0.5%**
TOTAL SEGMENT RESULT (1)	**268**	**245**	**-8.9%**	**838**	**768**	**-8.3%**
Segment contribution margin	*48.0%*	*45.9%*	-	*48.8%*	*46.8%*	-
Depreciation and amortization	-4	-4	0.4%	-11	-11	-6.4%
OPERATING INCOME	**265**	**241**	**-9.0%**	**826**	**758**	**-8.3%**

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

EBU quarterly financial and operational results: page 21

Revenue

Belgacom's Business segment generated EUR 533 million of revenue in the ***third quarter 2013*** or a 4.7% year-on-year decrease, which is **fairly in line with the variance of previous quarters[2]**.
The estimated impact from regulatory measures[3] was limited to EUR -9 million (-1.6%), i.e. less significant versus previous quarters, with the 1 July 2013 rate cut for retail Data Roaming tariffs being less severe.
The regulation impact aside, EBU's revenue remains impacted by the overall tendency to include more volumes (Voice, SMS and DATA) in Mobile pricing plans. The rate of Mobile revenue decline, however, remained fairly stable in relation to the previous quarters, supported by a continued solid mobile customer growth.
Over the ***first nine months of 2013***, EBU reported EUR 1,641 million revenue, 4.3% lower versus the same period of 2012. The EUR -46 million regulation impact and 2012 one-off accounting adjustment aside, EBU's underlying revenue was 1.8% down from the prior year.

(EUR million)	3rd Quarter 2012	3rd Quarter 2013	3rd Quarter % Change	Year-to-date 2012	Year-to-date 2013	Year-to-date % Change
Revenues	**560**	**533**	**-4.7%**	**1,715**	**1,641**	**-4.3%**
From Fixed	**398**	**391**	**-1.6%**	**1,215**	**1,203**	**-1.0%**
Voice	118	114	-3.2%	362	349	-3.6%
Data	96	94	-1.5%	293	286	-2.6%
Terminals (excl. TV)	18	17	-1.3%	54	53	-1.2%
ICT	167	166	-0.6%	506	516	1.9%
From Mobile	**158**	**137**	**-12.8%**	**485**	**424**	**-12.6%**
Voice	100	83	-16.7%	308	260	-15.5%
Data	55	52	-5.8%	169	158	-6.3%
Terminals	3	2	-12.7%	9	6	-29.2%
Other	**4**	**5**	**4.7%**	**15**	**14**	**-8.3%**

Fixed Voice ARPU showing continued relief from price changes, offset by impact from continued line erosion
For the ***third quarter 2013***, EBU reported EUR 114 million revenue in Fixed Voice, i.e. 3.2% lower versus the same period of 2012. This includes a limited negative effect from lowered Fixed-to-Mobile rates on 1 January 2013 following the regulated cut in Mobile Termination Rates. Besides the regulation impact, the Fixed Voice revenue remained pressured by the year-on-year line erosion, while price changes gave further relief to the ARPU. The third-quarter 2013 Fixed Voice ARPU was up by 1.4% year-over-year to EUR 28.3.
The Fixed Line erosion in the third quarter is seasonally low, and limited to -13,000 lines in spite of enterprises continuing to rationalize on their Fixed Voice lines. By end-September 2013, the EBU Fixed Voice customer base counted 1,305,000 lines. On a yearly basis, this is a 4.8% line loss.
Year-to-date September 2013, EBU's Fixed Voice revenue totaled EUR 349 million, 3.6 % down from the previous year.

[1] Like-for-like, segment result of first half of the year was down 9.3% year-on-year
[2] EBU's revenue for the first and second quarter was down by 4.4% and 4.2% respectively, the second-quarter revenue excluding the impact from the one-off accounting adjustment following the new telecom law.
[3] Regulatory measures include the final cut in Mobile Termination Rates, lower Voice and SMS Roaming rates, and reduced retail Data roaming tariffs

Fixed Data revenue impacted by migrations to Explore platform and uptake of converged Packs with Internet

The ***third-quarter 2013*** revenue from Fixed Data, consisting of Fixed Internet and data connectivity revenue, for a total of EUR 94 million, was 1.5% below that of the same period of 2012. This is in part due to a continued migration from older technologies to the Belgacom Explore platform, for which pricing is more favorable for customers. Fixed Internet revenue slightly eroded year-on-year because of a slightly smaller customer base. EBU ended September 2013 with 441,000 Internet customers (-0.8% year-on-year), while ARPU was up 1.2% to EUR 39.5, mainly driven by price adjustments. This offset the impact on ARPU from SOHO and SME customers increasingly opting for advantageous converged Packs.
Year-to-date September 2013, EBU reported EUR 286 million Fixed Data revenues, 2.6% less than for the same period of 2012.

ICT revenue marginally down in challenging economic context

EBU reported for the ***third quarter 2013*** EUR 166 million ICT revenue, 0.6% lower than the previous year. While the third quarter is seasonally lower, the ICT revenue is also impacted by a difficult economic climate, with customers delaying IT projects or opting for private Cloud-based solutions, triggering a shift from one-time revenue to monthly service fees. In the third quarter 2013 this was especially showing in the UK market.
Year-to-date September 2013, ICT revenue totaled EUR 516 million, a 1.9% increase compared to the previous year.

Pressure on Mobile Voice ARPU in line with previous quarters; customer base growing by 40,000 mobile cards

For the ***third quarter of 2013,*** EBU reported EUR 83 million revenue from Mobile Voice, or a 16.7% revenue erosion compared to the previous year, as such continuing the first-half revenue trend[1].
Besides the impact from the final cut in Mobile Termination Rates (1 January 2013) and the reduced Voice Roaming rates (1 July 2013), EBU's Mobile Voice revenue was especially impacted by some spill-over effect on small-sized business customers from the mobile re-pricing triggered by the new telecom law. EBU's new Mobile pricing since 1 April, supported by a recognized high-quality Mobile network, further improved the port-in/port-out balance over the third quarter. The annualized Mobile churn fell back to 10% for the third quarter. Mobile cards sold in a multi-play Pack continued to do very well, contributing to a solid growth of 40,000 mobile cards in the third quarter 2013, with particularly Mobile Voice cards doing well. EBU ended September 2013 with a Mobile customer base of 1,589,000 cards[2], up year-on-year by 8%.
The third-quarter ARPU continued to decline at a rate in line with the previous quarters, down by 22.3% to EUR 17.8. This erosion is partly due to the inclusion of a growing number of Machine-to-Machine cards, with typically lower ARPU. The remaining decline reflects the uptake of more abundant price plans, including more free Voice usage, and the year-on-year effect from high-usage customers lost end-2012. This is also reflected in the monthly average usage per customer, slightly down to 291 minutes.

Regulated price caps pressuring both SMS and advanced Mobile data revenue

For the ***third quarter of 2013***, EBU reported EUR 52 million revenue in total for Mobile Data, i.e. 5.8% lower versus the same period of 2012. The third-quarter Mobile Data ARPU was EUR 11.1 down year-on-year by 12.1%.
EBU generated EUR 23 million **revenue from SMS** in the third quarter 2013, i.e. a 9.5% decline versus the previous year, including a limited impact from the regulated capping of SMS roaming rates. Moreover, SMS revenue was impacted by the re-pricing in the business market, including more free SMS volumes. This is also reflected in SMS usage, up year-on-year by 8% to 113 text messages per user per month.
Non-SMS mobile data generated EUR 29 million revenue, i.e. 2.6% lower than for the same period of 2012. This is an improvement versus the previous quarters, driven by a lower impact from the regulated price caps on retail Data roaming since 1 July 2013, while volumes for Mobile data continued to grow, partially due to the inclusion of Data roaming volumes in price plans.
Over the ***first nine months of 2013,*** the revenue from Mobile data totaled EUR 158 million, 6.3% lower than for the same period of 2012.

	3rd Quarter			Year-to-date		
(EUR million)	**2012 Adjusted**	**2013**	**% Change**	**2012**	**2013**	**% Change**
Mobile DATA revenue	**55**	**52**	**-5.8%**	**169**	**158**	**-6.3%**
SMS	25	23	-9.5%	77	72	-6.9%
Advanced data	30	29	-2.6%	92	86	-5.8%

The split between SMS and advanced Mobile Data has been adjusted due to a refinement in the allocation of EBU data bundles. The 2012 results have been adjusted accordingly to keep a correct comparable basis. Adjusted 2012 quarterly evolution also on page 21

[1] EBU's mobile Voice revenue was down 16.7% in the first quarter, and -15% in the second quarter 2013, on a like-for-like basis

[2] Including Voice, Data and machine-to-machine cards

EBU operating expenses

Cost of Sales down 2.7%

For the ***third quarter 2013***, EBU reported EUR 146 million in Cost of Sales, i.e. 2.7% less than for the same period of 2012. This results from the positive effect from lower Mobile Termination Rates, and less ICT-related costs, more than offsetting volume-driven commissions and SMS interconnection costs.
EBU ended ***the first nine months of 2013*** with EUR 444 million Cost of Sales, 2.8% lower year-on-year.

HR expenses up year-on-year due to higher headcount and salary indexation

Year-over-year the HR expenses increased by 2.4% to EUR 104 million for the ***third quarter of 2013***, mainly due to a higher personnel base versus last year to support the increased servicing to Business customers and the migration from 'old' to 'new' technologies, and due to the inflation-based salary indexation of January 2013.
EBU reported EUR 316 million HR expenses over the ***first nine months of 2013***, up 4.4% from the previous year.

Lower non-HR expenses

For the ***third quarter 2013,*** EBU reported EUR 38 million non-HR expenses, 2.7% lower compared to the same period of 2012, showing an effect from solid cost containment.
Over the ***first nine months of 2013***, EBU's non-HR expenses declined by 4.4% to EUR 113 million.

EBU segment result

EBU's ***third-quarter 2013*** segment result of EUR 245 million was 8.9% lower versus the same period of 2012, remaining fairly in line with the first half-year decline of -9.3% on a like-for-like[1] basis.
Regulatory measures reduced the third-quarter segment result by EUR 5 million (-1.9%). The remaining decrease was due to lower Direct margin resulting from the changing product mix.

EBU's segment result over the ***first nine months of 2013*** totaled EUR 768 million, 8.3% lower compared to the same period of 2012.

EBU operating result

	3rd Quarter		
	2012	**2013**	**YoY Variance** (in abs. amount)
FROM FIXED			
Number of access channels (thousands)	1,815	1,746	-69
Voice	1,370	1,305	-65
Broadband	444	441	-3
Traffic (millions of minutes)	636	592	-45
National	416	382	-34
Fixed to Mobile	147	140	-7
International	73	69	-4
ARPU (EUR)			
ARPU Voice	27.9	28.3	0.4
ARPU Broadband	39.1	39.5	0.5
FROM MOBILE			
Number of active customers (thousands)	1,470	1,589	119
Postpaid	1,470	1,589	119
Annualized churn rate (blended - variance in p.p.)	10.8%	10.0%	
Net ARPU (EUR)			
Postpaid	35.5	28.8	-6.6
Postpaid voice	22.9	17.8	-5.1
Postpaid data	12.6	11.1	-1.5
UoU (units)	339.9	337.4	-2.4
MoU (min)	293.3	290.9	-2.4
SMS (units)	104.7	113.1	8.4

[1] First half of 2012 adjusted for the EUR 8 million one-off accounting adjustment recorded in the second quarter 2012

Service Delivery Engine & Wholesale – SDE&W

P&L Service Delivery Engine & Wholesale

	3rd Quarter			Year-to-date		
(EUR million)	**2012 Restated**	**2013**	**% Change**	**2012 Restated**	**2013**	**% Change**
TOTAL SEGMENT INCOME	**75**	**73**	**-2.4%**	**229**	**222**	**-3.0%**
Costs of materials and services related to revenue	-9	-10	10.0%	-27	-30	10.1%
Personnel expenses and pensions	-46	-44	-4.6%	-132	-131	-0.8%
Other operating expenses	-41	-51	26.2%	-139	-154	11.1%
TOTAL OPERATING EXPENSES before depreciation & amortization	**-96**	**-105**	**9.8%**	**-298**	**-315**	**5.8%**
TOTAL SEGMENT RESULT (1)	**-21**	**-32**	**-54.2%**	**-69**	**-93**	**-34.7%**
Depreciation and amortization	-110	-116	5.2%	-328	-344	5.1%
OPERATING LOSS	**-131**	**-148**	**-12.9%**	**-397**	**-437**	**-10.2%**

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

SDE&W quarterly financial and operational results: page 22

Revenue

For the ***third quarter of 2013***, SDE&W reported EUR 73 million revenue, a 2.4% year-on-year decline. This is mainly driven by a year-on-year decline in Belgacom's revenue from Carrier Wholesale Services as a result of lower broadband volumes. This was, however, partly offset by increased Roaming revenue, with the Roaming volume growth compensating for both regulated and commercial price decreases.

Operating expenses

SDE&W reported EUR 44 million HR expenses for the ***third quarter 2013***, down by 4.6% from the previous year.
The salary indexation of January 2013 was more than compensated for by the positive effect from a lower headcount and more capitalized manpower resulting from increased network investments and IT development in 2013. ***Year-to-date September*** the HR expenses totaled EUR 131 million, fairly stable compared to the prior year.

SDE&W's non-HR expenses for the ***third quarter*** were EUR 51 million, fairly in line with the previous quarters. The year-on-year increase was mainly due to a one-off provision reversal recorded in the third quarter of 2012.
The total non-HR expenses for the ***first nine months of 2013*** totaled EUR 154 million. Besides the one-off provision reversal in 2012 costs were up year-on-year because of the resources required for Belgacom's simplification projects.

Staff & Support – S&S

P&L Staff and Support

	3rd Quarter			Year-to-date		
(EUR million)	**2012 Restated**	**2013**	**% Change**	**2012 Restated**	**2013**	**% Change**
TOTAL SEGMENT INCOME	**7**	**10**	**36.3%**	**23**	**35**	**50.1%**
Personnel expenses and pensions	-40	-40	-0.1%	-115	-118	2.2%
Other operating expenses	-49	-50	1.8%	-150	-151	0.4%
TOTAL OPERATING EXPENSES before depreciation & amortization	**-89**	**-89**	**0.8%**	**-265**	**-268**	**1.1%**
TOTAL SEGMENT RESULT (1)	**-81**	**-80**	**-2.3%**	**-242**	**-233**	**-3.6%**
Non-recurring expenses	-1	1	235.9%	-11	1	110.0%
OPERATING LOSS before depreciation & amortization	**-82**	**-78**	**4.7%**	**-253**	**-232**	**8.4%**
Depreciation and amortization	-18	-18	-3.7%	-55	-51	-6.1%
OPERATING LOSS	**-101**	**-96**	**4.5%**	**-308**	**-283**	**8.0%**

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

S&S quarterly financial results: page 23

For the ***third quarter 2013***, Staff and Support recorded EUR 10 million of revenue. The increase compared to the same period of 2012 is entirely due to a litigation settlement in the third quarter.
The revenue from Staff & Support over the ***first nine months of 2013*** totaled EUR 35 million, with the difference versus the previous year fully driven by the capital gain on the sale of a technical building in the first quarter 2013, and the litigation settlement in the third quarter.

S&S total expenses for the ***third quarter 2013*** of EUR 89 million remained fairly stable versus the previous year. ***Year-to-date September 2013***, expenses were slightly up, driven by an increase in HR expenses resulting from inflation-based wage indexations, partially offset by the benefit from lower headcount compared to end-September 2012.

International Carrier Services – BICS

- **BICS continued to show solid growth, in spite of stronger comparable base**
- **Another solid quarter for Mobile data**
- **Favorable destination mix leading to strong Gross margin**
- **Contribution margin of 8.6%**

P&L International Carrier Services

(EUR million)	3rd Quarter 2012 Restated	3rd Quarter 2013	3rd Quarter % Change	Year-to-date 2012 Restated	Year-to-date 2013	Year-to-date % Change
TOTAL SEGMENT INCOME	**424**	**437**	**3.0%**	**1,215**	**1,266**	**4.2%**
Costs of materials and services related to revenue	-361	-370	2.7%	-1,033	-1,073	3.8%
Gross margin (1)	*63*	*67*	-5.1%	*181*	*193*	-6.6%
Personnel expenses and pensions	-11	-12	4.7%	-31	-33	6.1%
Other operating expenses	-17	-17	0.9%	-53	-51	-3.2%
TOTAL OPERATING EXPENSES before depreciation & amortization	**-389**	**-399**	**2.6%**	**-1,117**	**-1,157**	**3.5%**
TOTAL SEGMENT RESULT (2)	**35**	**38**	**7.3%**	**97**	**109**	**12.1%**
Segment result margin	*8.3%*	*8.6%*	-	*8.0%*	*8.6%*	-
Depreciation and amortization	-20	-20	-0.2%	-60	-60	-0.4%
OPERATING INCOME	**15**	**18**	**17.1%**	**37**	**49**	**32.2%**

(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 23

Revenue

BICS reported revenue of EUR 437 million in the ***third quarter 2013***, up 3% or EUR 13 million from a strong comparable base. The largest part of the increase comes from the continued uptake of Mobile data revenue, up by 15% driven by strong volumes (+26%). Voice revenue too showed some growth in the third quarter, driven by strong Voice volumes and a beneficial destination mix with temporary higher traffic towards the Asian and African regions. This more than offset the impact from reduced European MTRs and a negative dollar impact.
Over the ***first nine months of 2013*** BICS reported EUR 1,266 million, up by 4.2% compared to the same period of 2012.

(EUR million)	3rd Quarter 2012	3rd Quarter 2013	3rd Quarter % Change	Year-to-date 2012	Year-to-date 2013	Year-to-date % Change
Voice	373	379	1.4%	1,078	1,108	2.8%
Non Voice	50	58	15.0%	137	158	15.3%
Total revenues	**424**	**437**	**3.0%**	**1,215**	**1,266**	**4.2%**

Through the favorable destination mix, BICS maintained a record Gross margin of EUR 67 million in the ***third quarter 2013***, up 5.1% from the previous year. ***Year-to-date September 2013*** the Gross margin totaled EUR 193 million, a 6.6% year-on-year increase.

(EUR million)	3rd Quarter 2012	3rd Quarter 2013	3rd Quarter % Change	Year-to-date 2012	Year-to-date 2013	Year-to-date % Change
Voice	32	37	12.7%	96	108	12.8%
Non Voice	31	30	-2.9%	85	85	-0.3%
Total Gross Margin	**63**	**67**	**5.1%**	**181**	**193**	**6.6%**

Segment result

Third-quarter 2013 **non-HR expenses** for BICS remained fairly stable year-on-year, totalling EUR 17 million. **HR expenses** for the third quarter 2013 were EUR 12 million, showing an effect from a larger personnel base and salary indexations. As a consequence of the strong Direct margin, and marginal increase in expenses, BICS's segment result for the third quarter 2013 was up 7.3% to EUR 38 million. The segment result margin increased to 8.6%.

Year-to-date September 2013, BICS reported a segment result of EUR 109 million, up 12.1% from the first nine months of 2012.

Volumes (in million)	3rd Quarter 2012	3rd Quarter 2013	3rd Quarter % Change	Year-to-date 2012	Year-to-date 2013	Year-to-date % Change
Voice	6,934	7,287	5.1%	20,826	21,255	2.1%
Non-Voice (SMS/MMS)	428	540	26.0%	1,112	1,452	30.5%

Quarterly results

Note that to maintain a correct comparison base, and where applicable, 2012 figures published in this report have been restated following the revision of IAS 19 (IAS 19R) on Employee Benefits and more specifically on post-employment benefits.

Group – Financials

(EUR million)	Q112	Q212	Q312 Restated	Q412	2012	Q113	Q213	Q313
Revenues (1)	**1,588**	**1,611**	**1,620**	**1,644**	**6,462**	**1,586**	**1,583**	**1,568**
Consumer Business Unit	577	575	587	581	2,321	553	567	549
Enterprise business unit	579	576	560	579	2,294	554	554	533
Service Delivery Engine & Wholesale	78	76	75	76	304	75	74	73
Staff&Support	9	7	7	11	34	18	7	10
International Carrier Services	382	409	424	430	1,645	417	413	437
Intersegment eliminations	-37	-34	-33	-33	-137	-31	-32	-34
Costs of materials and charges to revenues	**-614**	**-667**	**-649**	**-680**	**-2,611**	**-637**	**-645**	**-636**
Personnel expenses and pensions	**-278**	**-281**	**-290**	**-278**	**-1,126**	**-290**	**-283**	**-288**
Other operating expenses	**-226**	**-224**	**-217**	**-256**	**-924**	**-218**	**-225**	**-216**
EBITDA (1)	**470**	**438**	**464**	**429**	**1,801**	**441**	**430**	**428**
Segment EBITDA margin (1)	**29.6%**	**27.2%**	**28.6%**	**26.1%**	**27.9%**	**27.8%**	**27.2%**	**27.3%**
Non recurring items	**0**	**-10**	**-1**	**-4**	**-15**	**0**	**0**	**1**
Ebitda after non-recurring items	**470**	**428**	**463**	**425**	**1,786**	**441**	**430**	**430**

(1) before non-recurring items

Group from reported to underlying

	Q112 Restated	Q113	Var in %	Q212 Restated	Q213	Var in %	Q312 Restated	Q313	Var in %
GROUP - REVENUE									
Reported	**1,588**	**1,586**	**-0.1%**	**1,611**	**1,583**	**-1.7%**	**1,620**	**1,568**	**-3.2%**
One-offs	0	-11		12	0		0	1	
Like-for-like	**1,588**	**1,575**	**-0.8%**	**1,623**	**1,583**	**-2.5%**	**1,620**	**1,569**	**-3.1%**
Regulation		24			30			16	
Underlying	**1,588**	**1,599**	**0.7%**	**1,623**	**1,612**	**-0.6%**	**1,620**	**1,585**	**-2.1%**
GROUP - EBITDA									
Reported	**470**	**441**	**-6.1%**	**438**	**430**	**-1.9%**	**464**	**428**	**-7.7%**
One-offs	0	-11		34	0		-2	-8	
Like-for-like	**470**	**430**	**-8.4%**	**472**	**430**	**-9.0%**	**462**	**421**	**-9.0%**
Regulation		15			20			7	
Underlying	**470**	**446**	**-5.2%**	**472**	**450**	**-4.7%**	**462**	**428**	**-7.4%**

One-offs: net impact provisions, the new Telco Law accounting adjustments in Q2'12, a capital gain realised on the sale of a technical building in Q1'13 and the Q3'13 (EBITDA-neutral) accounting reclassification
Regulation: includes impact from lower Mobile Termination and Roaming rates, and other regulatory impacts

Revenue evolution in percentages

	Q112	Q212	Q312	Q412	2012	Q113	Q213	Q313
GROUP								
Reported YoY variance	**0.3%**	**-0.1%**	**1.5%**	**1.7%**	**0.9%**	**-0.1%**	**-1.7%**	**-3.2%**
Like-for-like YoY variance	0.1%	0.8%	0.4%	0.7%	0.5%	-0.8%	-2.5%	-3.1%
Underlying YoY variance	1.0%	1.8%	2.7%	2.1%	1.9%	0.7%	-0.6%	-2.1%
CBU								
Reported YoY variance	**2.1%**	**-0.7%**	**2.8%**	**1.5%**	**1.4%**	**-4.2%**	**-1.5%**	**-6.5%**
Like-for-like YoY variance	0.5%	-0.8%	0.3%	-1.0%	-0.3%	-4.2%	-3.1%	-5.9%
Underlying YoY variance	1.7%	0.7%	2.8%	0.7%	1.5%	-3.1%	-1.8%	-4.7%
EBU								
Reported YoY variance	**-2.2%**	**-2.9%**	**-2.2%**	**-2.1%**	**-2.3%**	**-4.4%**	**-3.8%**	**-4.7%**
Like-for-like YoY variance	-1.0%	-0.3%	-2.5%	-2.4%	-1.5%	-4.4%	-4.2%	-4.7%
Underlying YoY variance	0.1%	0.8%	1.3%	-0.3%	0.4%	-1.5%	-0.7%	-3.1%
SDE&W								
Reported YoY variance	**-4.3%**	**-4.9%**	**-3.2%**	**-5.0%**	**-4.4%**	**-3.0%**	**-3.4%**	**-2.4%**
Like-for-like YoY variance	-5.1%	-6.1%	-4.5%	-6.3%	-5.5%	-3.0%	-3.4%	-2.4%
Underlying YoY variance	-4.3%	-4.9%	-3.3%	-5.0%	-4.4%	-1.8%	-1.7%	-1.9%
BICS								
Reported YoY variance	**2.6%**	**5.5%**	**5.7%**	**7.3%**	**5.3%**	**9.1%**	**0.9%**	**3.0%**

Like-for-like: i.e. excluding impact from M&A, the re-segmentation, the new Telco Law accounting adjustments, a capital gain realised on the sale of a technical building in Q1'13, the Q3'13 accounting reclassification and litigation settlement

Underlying: i.e. like-for-like excluding impact from regulatory measures

Group – Capex

(EUR million)	Q112	Q212	Q312	Q412	2012	Q113	Q213	Q313
Group Capex	**186**	**174**	**160**	**234**	**753**	**193**	**177**	**176**
Consumer Business Unit	61	33	30	40	164	48	30	26
Enterprise business unit	4	4	3	5	15	3	3	2
Service Delivery Engine & Wholesale	116	126	114	158	514	134	137	139
Staff&Support	5	8	8	19	40	2	5	7
International Carrier Services	1	3	5	12	20	6	2	3

CBU – Financials

(EUR million)	Q112	Q212	Q312	Q412	2012	Q113	Q213	Q313
			Restated					
Revenues	**577**	**575**	**587**	**581**	**2,321**	**553**	**567**	**549**
From Fixed	**274**	**270**	**274**	**277**	**1,096**	**279**	**281**	**282**
Voice	110	105	105	105	425	104	103	102
Data	85	84	85	85	339	87	89	90
TV	55	57	61	62	235	64	66	67
Terminals (excl. TV)	6	6	7	7	25	6	6	6
Scarlet	19	18	17	18	71	17	17	17
From Mobile	**281**	**282**	**292**	**278**	**1,133**	**255**	**262**	**250**
Voice	130	123	133	120	505	100	107	99
Data	97	102	98	100	398	97	98	95
Terminals (excl. TV)	27	29	32	28	116	29	25	25
Tango	27	28	28	30	114	29	32	32
Other	**22**	**23**	**22**	**25**	**92**	**19**	**24**	**17**
Costs of materials and charges to revenues	**-162**	**-182**	**-157**	**-166**	**-666**	**-149**	**-165**	**-139**
Personnel expenses and pensions	**-89**	**-87**	**-91**	**-87**	**-354**	**-88**	**-86**	**-88**
Other operating expenses	**-74**	**-73**	**-77**	**-86**	**-309**	**-68**	**-74**	**-65**
Segment result	**252**	**234**	**263**	**243**	**991**	**248**	**243**	**258**
Segment Contribution margin	**43.7%**	**40.6%**	**44.7%**	**41.8%**	**42.7%**	**44.9%**	**42.8%**	**46.9%**

CBU – Operationals

	Q112	Q212	Q312	Q412	2012	Q113	Q213	Q313
FROM FIXED								
Number of access channels (thousands)	**2,938**	**2,926**	**2,918**	**2,912**	**2,912**	**2,895**	**2,883**	**2,872**
Voice	1,780	1,758	1,737	1,718	1,718	1,693	1,673	1,653
Broadband	1,159	1,169	1,181	1,193	1,193	1,203	1,210	1,219
Traffic (millions of minutes)	**1,086**	**1,027**	**965**	**1,060**	**4,138**	**1,086**	**988**	**901**
National	828	754	703	768	3,053	787	696	639
Fixed to Mobile	164	179	170	187	701	190	184	164
International	94	93	92	104	383	110	108	98
TV (thousands)	**1,254**	**1,301**	**1,340**	**1,386**	**1,386**	**1,412**	**1,428**	**1,447**
TV - households	1,057	1,093	1,125	1,156	1,156	1,170	1,184	1,198
of which multiple settop boxes	196	209	216	230	230	242	245	249
ARPU (EUR)								
ARPU Voice	20.2	19.7	19.7	20.0	19.9	20.1	20.2	20.3
ARPU broadband	26.9	26.4	26.5	26.1	26.5	26.3	26.7	26.9
ARPU Belgacom TV	17.6	17.6	18.1	18.2	17.9	18.3	18.6	18.7
FROM MOBILE								
Number of active customers (thousands)	**3,805**	**3,811**	**3,748**	**3,643**	**3,643**	**3,561**	**3,572**	**3,560**
Prepaid	2,116	2,071	1,992	1,923	1,923	1,815	1,733	1,684
Postpaid	1,690	1,739	1,756	1,720	1,720	1,746	1,838	1,876
Annualized churn rate (blended - variance in p.p.)	**20.4%**	**19.9%**	**25.8%**	**36.0%**	**25.9%**	**33.3%**	**26.5%**	**26.1%**
Net ARPU (EUR)								
Prepaid	14.0	14.2	13.6	14.4	14.0	13.3	14.0	12.6
Postpaid	27.9	27.3	28.9	26.6	27.7	24.1	24.4	23.5
Blended	20.1	20.1	20.8	20.1	20.3	18.5	19.2	18.3
Blended voice	11.6	11.1	12.0	11.1	11.5	9.5	10.2	9.5
Blended data	8.5	9.0	8.7	9.0	8.8	9.0	9.1	8.8
UoU (units)	**377.9**	**391.7**	**357.5**	**389.9**	**379.1**	**375.3**	**384.4**	**348.6**
MoU (min)	**101.5**	**104.7**	**100.5**	**101.7**	**102.1**	**102.2**	**109.4**	**108.1**
SMS (units)	**279.8**	**291.3**	**262.1**	**294.2**	**281.7**	**279.8**	**283.0**	**249.2**

EBU – Financials

(EUR million)	Q112	Q212	Q312	Q412	2012	Q113	Q213	Q313
			Restated					
Revenue	**579**	**576**	**560**	**579**	**2,294**	**554**	**554**	**533**
From Fixed	408	409	398	418	1,633	406	406	391
Voice	124	120	118	119	481	118	117	114
Data	99	99	96	95	388	96	96	94
Terminals	18	18	18	18	72	18	18	17
ICT	167	172	167	186	692	174	175	166
From Mobile	166	162	158	155	640	143	144	137
Voice	106	102	100	96	403	88	88	83
Data	56	58	55	54	223	53	53	52
Terminals	3	3	3	5	14	2	2	2
Other	5	5	4	6	21	5	5	5
Costs of materials and charges to revenues	**-149**	**-157**	**-150**	**-163**	**-619**	**-148**	**-149**	**-146**
Personnel expenses and pensions	**-99**	**-102**	**-102**	**-100**	**-402**	**-107**	**-105**	**-104**
Other operating expenses	**-40**	**-39**	**-39**	**-41**	**-160**	**-38**	**-37**	**-38**
Segment result	**291**	**278**	**268**	**276**	**1,113**	**260**	**263**	**245**
Segment Contribution margin	**50.2%**	**48.3%**	**48.0%**	**47.6%**	**48.5%**	**47.0%**	**47.5%**	**45.9%**
Mobile Data - detail	56	58	55	54	223	53	53	52
			Adjusted*					
SMS	26	26	25	26	103	25	24	23
Advanced data	31	32	30	28	120	28	29	29

*The split between SMS and advanced Mobile Data has been adjusted due to a refinement in the allocation of data bundles. The 2012 results have been adjusted accordingly to keep a correct comparable basis.

EBU- Operationals

	Q112	Q212	Q312	Q412	2012	Q113	Q213	Q313
FROM FIXED								
Number of access channels (thousands)	**1,841**	**1,824**	**1,815**	**1,799**	**1,799**	**1,781**	**1,760**	**1,746**
Voice	1,394	1,379	1,370	1,356	1,356	1,338	1,318	1,305
Broadband	446	445	444	443	443	444	442	441
Traffic (millions of minutes)	**754**	**699**	**636**	**686**	**2,775**	**695**	**654**	**592**
National	502	459	416	451	1,828	457	422	382
Fixed to Mobile	167	161	147	160	635	161	156	140
International	84	79	73	75	311	77	76	69
ARPU (EUR)								
ARPU Voice	28.9	28.4	27.9	28.6	28.5	28.7	28.8	28.3
ARPU Broadband	39.5	39.0	39.1	38.8	39.1	39.0	39.3	39.5
FROM MOBILE								
Number of active customers (thousands)	**1,413**	**1,449**	**1,470**	**1,486**	**1,486**	**1,516**	**1,549**	**1,589**
Postpaid	1,413	1,449	1,470	1,486	1,486	1,516	1,549	1,589
Annualized churn rate (blended - variance in p.p.)	**11.7%**	**11.0%**	**10.8%**	**16.8%**	**12.7%**	**14.2%**	**13.6%**	**10.0%**
Net ARPU (EUR)								
Postpaid	38.7	37.2	35.5	33.9	36.3	31.5	30.8	28.8
Postpaid voice	25.3	23.7	22.9	21.6	23.3	19.7	19.2	17.8
Postpaid data	13.5	13.5	12.6	12.2	12.9	11.8	11.6	11.1
UoU (units)	**375.8**	**377.0**	**339.9**	**366.8**	**364.7**	**360.2**	**363.9**	**337.4**
MoU (min)	**327.8**	**326.6**	**293.3**	**314.3**	**315.4**	**310.2**	**315.8**	**290.9**
SMS (units)	**106.6**	**111.7**	**104.7**	**118.1**	**110.3**	**117.7**	**118.9**	**113.1**

SDE&W – Financials

(EUR million)	Q112	Q212	Q312	Q412	2012	Q113	Q213	Q313
			Restated					
Revenues	**78**	**76**	**75**	**76**	**304**	**75**	**74**	**73**
Costs of materials and charges to revenues	**-9**	**-9**	**-9**	**-10**	**-37**	**-11**	**-10**	**-10**
Personnel expenses and pensions	**-43**	**-43**	**-46**	**-43**	**-174**	**-45**	**-42**	**-44**
Other operating expenses	**-48**	**-50**	**-41**	**-48**	**-187**	**-50**	**-52**	**-51**
Segment result	**-23**	**-26**	**-21**	**-25**	**-94**	**-30**	**-31**	**-32**

SDE&W – Retail Operationals and MVNO customers

	Q112	Q212	Q312	Q412	2012	Q113	Q213	Q313
FROM FIXED								
Number of access channels (thousands)								
Voice (1)	12	11	11	11	11	10	10	10
Broadband (1)	1	1	1	1	1	1	1	1
FROM MOBILE								
Number of active Mobile customers (thousands)								
Retail (1)	8	9	8	8	8	8	7	9
MVNO	5	7	8	8	8	5	7	7

(1) i.e. Belgacom retail products sold via SDE&W (OLO's own usage and reselling)

S&S – Financials

(EUR million)	Q112	Q212	Q312	Q412	2012	Q113	Q213	Q313
			Restated					
Revenues	9	7	7	11	34	18	7	10
Costs of materials and charges to revenues	1	-1	0	-2	-2	0	0	0
Personnel expenses and pensions	-37	-38	-40	-38	-153	-40	-38	-40
Other operating expenses	-50	-50	-49	-67	-217	-50	-50	-50
Segment result	-78	-82	-81	-96	-338	-71	-82	-80

ICS – Financials

(EUR million)	Q112	Q212	Q312	Q412	2012	Q113	Q213	Q313
Revenues	382	409	424	430	1,645	417	413	437
Costs of materials and charges to revenues	-326	-347	-361	-367	-1,400	-355	-347	-370
Personnel expenses and pensions	-10	-10	-11	-11	-43	-11	-11	-12
Other operating expenses	-18	-17	-17	-20	-73	-16	-18	-17
Segment result	28	34	35	32	129	35	37	38
Segment EBITDA margin	7.3%	8.4%	8.3%	7.3%	7.8%	8.3%	8.9%	8.6%

ICS – Operationals

Volumes (in million)	Q112	Q212	Q312	Q412	2012	Q113	Q213	Q313
Voice	6,907	6,984	6,934	7,556	28,382	7,267	6,701	7,287
Non-Voice (SMS/MMS)	323	361	428	445	1,557	451	461	540

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 used as of 2013 are consistent with those applied in the 31 December 2012 consolidated financial statements, with the exception that the Group adopted the new standards, interpretations and revisions that became mandatory for the Belgacom Group on 1 January 2013. These had only very limited impact except for the adoption of the revision of IAS 19 (IAS 19R) on Employee Benefits. For more information see page 9.
The application of IFRS 13 (Fair Value Measurement) has not impacted the fair value measurements carried out by the Group. Some disclosures have been added or updated as required by IFRS 13 and Amendments to IAS 1 (Presentation of Items of Other Comprehensive income).
During the first nine months of 2013, the Belgacom Group did not acquire or dispose of any significant subsidiary, joint venture or affiliate. The Group does not make any significant judgments and estimates other than those mentioned here above or in the 31 December 2012 consolidated financial statements

Consolidated income statements

(EUR million)	3rd Quarter 2012 Restated	3rd Quarter 2013	Year-to-date 2012 Restated	Year-to-date 2013
Net revenue	1,611	1,556	4,787	4,690
Other operating income	9	12	31	46
TOTAL INCOME	**1,620**	**1,568**	**4,818**	**4,736**
Costs of materials and services related to revenue	-649	-636	-1,930	-1,918
Personnel expenses and pensions	-290	-288	-848	-860
Other operating expenses	-217	-216	-667	-659
Non-recurring expenses	-1	1	-11	1
TOTAL OPERATING EXPENSES before depreciation & amortization	**-1,157**	**-1,139**	**-3,457**	**-3,436**
OPERATING INCOME before depreciation & amortization	**463**	**430**	**1,361**	**1,301**
Depreciation and amortization	-185	-197	-554	-589
OPERATING INCOME	**278**	**232**	**807**	**712**
Finance income	3	4	10	13
Finance costs	-57	-31	-112	-85
Net finance costs	**-54**	**-27**	**-102**	**-72**
INCOME BEFORE TAXES	**224**	**205**	**704**	**640**
Tax expense	-34	-44	-147	-141
NET INCOME	**189**	**162**	**557**	**499**
Non-controlling interests	5	6	14	17
Net income (Group share)	184	156	544	482
Basic earnings per share	0.58 EUR	0.49 EUR	1.71 EUR	1.51 EUR
Diluted earnings per share	0.58 EUR	0.49 EUR	1.70 EUR	1.51 EUR
Weighted average number of ordinary shares	318,198,344	318,860,002	317,918,983	318,647,185
Weighted average number of ordinary shares for diluted earnings per share	319,147,779	319,033,923	318,829,755	318,871,476

Consolidated statements of other comprehensive income

(EUR million)	As of 30 September 2012 Restated	As of 30 September 2013
Net income	**557**	**499**
Other comprehensive income:		
Items that may be reclassified to profit and loss		
Gain/(loss) taken to equity	1	-5
Exchange differences on translation of foreign operations	0	-1
Total before related tax effects	**1**	**-5**
Related tax effects		
Gain/(loss) taken to equity	0	2
Income tax relating to items that may be reclassified	**0**	**2**
Items that may be reclassified to profit and loss, net of related tax effects	**1**	**-4**
Total comprehensive income	**558**	**495**
Attributable to:		
Equity holders of the parent	544	478
Non-controlling interests	14	17

Consolidated balance sheets

(EUR million)	As of 31 December 2012 Restated	As of 30 September 2013
ASSETS		
NON-CURRENT ASSETS	**6,192**	**6,079**
Goodwill	2,339	2,339
Intangible assets with finite useful life	1,097	1,039
Property, plant and equipment	2,467	2,480
Investments in associates	1	1
Other participating interests	7	6
Deferred income tax assets	147	121
Other non-current assets	134	93
CURRENT ASSETS	**2,051**	**2,045**
Inventories	133	161
Trade receivables	1,341	1,262
Current tax assets	151	133
Other current assets	141	195
Investments	83	61
Cash and cash equivalents	202	233
TOTAL ASSETS	**8,243**	**8,124**
LIABILITIES AND EQUITY		
EQUITY	**3,093**	**3,030**
Shareholders' equity	**2,881**	**2,839**
Issued capital	1,000	1,000
Treasury shares	-551	-533
Restricted reserve	100	100
Available for sale and hedge reserve	0	-3
Stock compensation	14	14
Retained earnings	2,317	2,261
Foreign currency translation	1	1
Non-controlling interests	**211**	**191**
NON-CURRENT LIABILITIES	**2,678**	**2,812**
Interest-bearing liabilities	1,761	1,966
Liability for pensions, other post-employment benefits and termination benefits	570	509
Provisions	203	202
Deferred income tax liabilities	143	132
Other non-current payables	1	3
CURRENT LIABILITIES	**2,472**	**2,282**
Interest-bearing liabilities	215	129
Trade payables	1,310	1,210
Tax payables	236	147
Other current payables	711	796
TOTAL LIABILITIES AND EQUITY	**8,243**	**8,124**

Consolidated cash flow statements

(EUR million)	3rd Quarter 2012 Restated	3rd Quarter 2013	Year-to-date 2012 Restated	Year-to-date 2013
Cash flow from operating activities				
Net income (group share)	184	156	544	482
Adjustments for:				
Non-controlling interests	5	6	14	17
Depreciation and amortization on intangible assets and property, plant and equipment	185	197	554	589
Increase of impairment on intangible assets and property, plant and equipment	1	0	2	1
Increase of provisions	14	-1	20	-1
Deferred tax expense	-21	2	4	16
Impairment on participating interests	25	0	25	1
Fair value adjustments on financial instruments	-1	-2	-3	-8
Loans amortization	3	1	4	4
Gain on disposal of property, plant and equipment	0	0	-2	-11
Other non-cash movements	2	1	7	0
Operating cash flow before working capital changes	**397**	**361**	**1,168**	**1,091**
Decrease / (increase) in inventories	11	-15	-16	-28
Decrease / (increase) in trade receivables	-10	67	-38	79
Decrease in current income tax assets	0	0	0	2
Decrease / (increase) in other current assets	18	-4	15	-38
Decrease in trade payables	-13	-50	-50	-100
Increase / (decrease) in income tax payables	-10	42	-26	-89
Increase in other current payables	57	66	115	88
Decrease in net liability for pensions, other post-employment benefits and termination benefits	-18	-19	-60	-61
Decrease in other non-current payables and provisions	-2	0	-6	0
Decrease / (increase) in working capital, net of acquisitions and disposals of subsidiaries	**34**	**87**	**-67**	**-148**
Net cash flow provided by operating activities	**431**	**448**	**1,101**	**943**
Cash flow from investing activities				
Cash paid for acquisitions of intangible assets and property, plant and equipment	-180	-176	-540	-546
Cash paid for acquisitions of other participating interests	0	0	-4	0
Cash paid for acquisition of consolidated companies, net of cash acquired	-3	0	-24	0
Cash received from sales of intangible assets and property, plant and equipment	0	1	4	13
Net cash received from other non-current assets	0	0	0	1
Net cash used in investing activities	**-183**	**-174**	**-563**	**-533**
Cash flow before financing activities	**248**	**274**	**537**	**410**
Cash flow from financing activities				
Dividends paid to shareholders	-3	-1	-540	-539
Dividends / capital paid to non-controlling interests	0	0	0	-38
Net sale of treasury shares	5	3	17	18
Sale of investments	0	0	15	22
Decrease of shareholders' equity	0	-1	-1	-5
Issuance of long term debt	-1	0	0	249
Repayment of long term debt	-1	0	-3	-3
Issuance / (repayment) of short term debt	-144	-262	21	-84
Net cash used in financing activities	**-143**	**-260**	**-492**	**-379**
Net increase of cash and cash equivalents	**105**	**14**	**45**	**31**
Cash and cash equivalents at 1 January			320	202
Cash and cash equivalents at 30 September			365	233

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	Non-controlling interests	Total Equity
Balance at 31 December 2011	**1,000**	**-570**	**100**	**0**	**2**	**13**	**2,532**	**3,078**	**225**	**3,303**
Initial application of new standard IAS 19R	**0**	**0**	**0**	**0**	**0**	**0**	**-75**	**-75**	**-1**	**-75**
Fair value changes in cash flow hedges - acquired during the year	*0*	*0*	*0*	*1*	*0*	*0*	*0*	*1*	*0*	*1*
Equity changes not recognised in the income statement	0	0	0	1	0	0	0	1	0	1
Net income	0	0	0	0	0	0	544	544	14	557
Total comprehensive income and expense	**0**	**0**	**0**	**1**	**0**	**0**	**544**	**544**	**14**	**558**
Dividends to shareholders (relating to 2011)	0	0	0	0	0	0	-534	-534	0	-534
Treasury shares										
Exercise of stock options	0	12	0	0	0	0	0	12	0	12
Sale of treasury shares under a discounted share purchase plan	0	6	0	0	0	0	-1	4	0	4
Stock options										
Stock options granted and accepted	0	0	0	0	0	1	0	1	0	1
Deferred stock compensation	0	0	0	0	0	-1	0	-1	0	-1
Amortization deferred stock compensation	0	0	0	0	0	2	0	2	0	2
Exercise of stock options	0	0	0	0	0	-1	1	0	0	0
Total transactions with equity holders	**0**	**17**	**0**	**0**	**0**	**0**	**-534**	**-516**	**0**	**-516**
Balance at 30 September 2012 - restated	**1,000**	**-553**	**100**	**1**	**2**	**14**	**2,467**	**3,031**	**238**	**3,269**
Balance at 31 December 2012	**1,000**	**-551**	**100**	**0**	**1**	**14**	**2,451**	**3,016**	**212**	**3,228**
Balance at 31 December 2012 - restated	**1,000**	**-551**	**100**	**0**	**1**	**14**	**2,317**	**2,881**	**211**	**3,093**
Fair value changes in cash flow hedges - acquired during the year	*0*	*0*	*0*	*-3*	*0*	*0*	*0*	***-3***	*0*	*-3*
Currency translation differences	*0*	*0*	*0*	*0*	*-1*	*0*	*0*	***-1***	*0*	*-1*
Equity changes not recognised in the income statement	0	0	0	-3	-1	0	0	**-4**	0	-4
Net income	0	0	0	0	0	0	482	**482**	17	499
Total comprehensive income and expense	**0**	**0**	**0**	**-3**	**-1**	**0**	**482**	**478**	**17**	**495**
Dividends to shareholders (relating to 2012)	0	0	0	0	0	0	-535	**-535**	0	-535
Dividends of subsidiaries to non-controlling interests	0	0	0	0	0	0	0	**0**	-38	-38
Treasury shares										
Exercise of stock options	0	12	0	0	0	0	-2	**10**	0	10
Sale of treasury shares under a discounted share purchase plan	0	6	0	0	0	0	-2	**4**	0	4
Stock options										
Amortization deferred stock compensation	0	0	0	0	0	1	0	**1**	0	1
Exercise of stock options	0	0	0	0	0	-2	2	**0**	0	0
Total transactions with equity holders	**0**	**18**	**0**	**0**	**0**	**0**	**-538**	**-520**	**-38**	**-558**
Balance at 30 September 2013	**1,000**	**-533**	**100**	**-3**	**1**	**14**	**2,261**	**2,839**	**191**	**3,030**

Segment reporting

Segment revenue and results

(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 2012 - restated						
Net revenue	1,723	1,703	181	6	1,174	-	4,787
Other operating income	13	6	2	9	1	-	31
Intersegment income	4	6	46	8	40	-104	-
TOTAL SEGMENT INCOME	**1,740**	**1,715**	**229**	**23**	**1,215**	**-104**	**4,818**
Costs of materials and services related to revenue	-501	-456	-27	0	-1,033	87	-1,930
Personnel expenses and pensions	-268	-303	-132	-115	-31	0	-848
Other operating expenses	-224	-119	-139	-150	-53	16	-667
TOTAL OPERATING EXPENSES before depreciation & amortization	**-992**	**-878**	**-298**	**-265**	**-1,117**	**104**	**-3,446**
TOTAL SEGMENT RESULT (1)	**748**	**838**	**-69**	**-242**	**97**	**-0**	**1,372**
Non-recurring expenses	-	-	-	-11	-	-	**-11**
OPERATING INCOME / (LOSS) before depreciation & amortization	**748**	**838**	**-69**	**-253**	**97**	**-0**	**1,361**
Depreciation and amortization	-101	-11	-328	-55	-60	0	-554
OPERATING INCOME / (LOSS)	**647**	**826**	**-397**	**-308**	**37**	**-0**	**807**
Finance expense (net)							-102
INCOME BEFORE TAXES							**704**
Tax expense							-147
NET INCOME							**557**
Non-controlling interests							14
Net income (Group share)							544

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

(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 2013						
Net revenue	1,652	1,631	169	5	1,233	-	4,690
Other operating income	15	6	3	21	1	-	46
Intersegment income	2	4	50	9	32	-97	-
TOTAL SEGMENT INCOME	**1,669**	**1,641**	**222**	**35**	**1,266**	**-97**	**4,736**
Costs of materials and services related to revenue	-452	-444	-30	0	-1,073	80	-1,918
Personnel expenses and pensions	-262	-316	-131	-118	-33	-	-860
Other operating expenses	-206	-113	-154	-151	-51	16	-659
TOTAL OPERATING EXPENSES before depreciation & amortization	**-921**	**-873**	**-315**	**-268**	**-1,157**	**97**	**-3,437**
TOTAL SEGMENT RESULT (1)	**749**	**768**	**-93**	**-233**	**109**	**-0**	**1,300**
Non-recurring expenses	-	-	-	1	-	-	**1**
OPERATING INCOME / (LOSS) before depreciation & amortization	**749**	**768**	**-93**	**-232**	**109**	**-0**	**1,301**
Depreciation and amortization	-124	-11	-344	-51	-60	0	-589
OPERATING INCOME / (LOSS)	**625**	**758**	**-437**	**-283**	**49**	**0**	**712**
Finance expense (net)							-72
INCOME BEFORE TAXES							**640**
Tax expense							-141
NET INCOME							**499**
Non-controlling interests							17
Net income (Group share)							482

(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 2012						
Capital expenditure	123	10	356	21	8	0	**520**

(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 2013						
Capital expenditure	103	8	410	15	10	0	**546**

Financial instruments

In conformity with IAS 34 §16 A (j) that requires the interim reporting to provide specific fair value disclosures, this **chapter discloses the following information:**

- The carrying amounts and fair values of the financial instruments at 30 September 2013;
- The categorization of the fair valued financial instruments within the fair value hierarchy;
- The fair valuation techniques used.

The Group's main financial instruments comprise unsubordinated debentures, trade receivables and trade payables. The Group has interest rate swaps (IRS) and interest rate and currency swaps (IRCS) to manage the exposure to interest rate risk and to foreign currency risk on its non-current interest bearing liabilities. The typical financial instruments used to hedge foreign currency risk are forward foreign exchange contracts and currency options.

Fair Value and Fair value Hierarchy

Set out below is a comparison of the carrying amounts and fair value of financial instruments as at 30 September 2013 and the fair value hierarchy:

As of 30 September (EUR million)	Category according to IAS 39 (1)	Carrying amount	Fair value	Level
ASSETS				
Non-current assets				
Other participating interests	AFS	6	6	
Other non-current assets				
Other derivatives	FVTPL	50	50	Level 2
Other financial assets	LaR	43	43	
Current assets				
Trade receivables	LaR	1,262	1,262	
Other current assets				
VAT and other receivables	N/A	74	74	
Other derivatives	FVTPL	1	1	Level 1
Investments	AFS	17	17	Level 1
Investments	HTM	43	43	
Cash and cash equivalents				
Short-term deposits	LaR	233	233	
LIABILITIES				
Non-current liabilities				
Interest-bearing liabilities				
Unsubordinated debentures not in a hedge relationship	OFL	1,920	2,075	Level 2
Leasing and similar obligations	OFL	2	2	
Other derivatives	FVTPL	44	44	Level 2
Non-interest-bearing liabilities				
Derivatives held-for-hedging	HeAc	3	3	Level 1
Other non-current payables	OFL	1	1	
Current liabilities				
Interest-bearing liabilities, current portion				
Unsubordinated debentures not in a hedge relationship	OFL	125	127	Level 2
Leasing and similar obligations	OFL	2	2	
Credit institutions	OFL	2	2	
Interest-bearing liabilities				
Trade payables	OFL	1,210	1,210	
Other current payables				
Derivatives held-for-hedging	HeAc	3	3	Level 1
Other derivatives	FVTPL	3	3	Level 1
V.A.T. and other amounts payable	N/A	419	419	

(1) The categories according to IAS 39 are the following :
AFS: Available-for-sale financial assets
HTM: Financial assets held-to-maturity
LaR: Loans and Receivables financial assets
FVTPL: Financial assets/liabilities at fair value through profit and loss
OFL: Other financial liabilities
Hedge activity
HeAc: Hedge accounting

The financial instruments were categorized according to principles that are consistent with those applied for the preparation of Note 32.5 of the 2012 Financial Statements.

No transfer between Levels occurred during the first nine months of 2013.

Valuation technique

The Group holds financial instruments classified in Level 1 or 2 only.

The valuation techniques for fair value measuring the Level 2 financial instruments are:

Other derivatives in Level 2

Other derivatives include the interest rate swaps (IRS) and interest rate and currency swaps (IRCS) the Group entered into to reduce the interest rate and currency fluctuations on some of its long-term debentures. The fair values of these instruments are determined by discounting the expected contractual cash flows using interest rate curves in the corresponding currencies and currency exchange rates, all observable on active markets.

Unsubordinated debentures

The unsubordinated debentures not in a hedge relationship are recognized at amortized costs. Their fair values, calculated for each debenture separately, were obtained by discounting the interest rates at which the Group could borrow at 30 September 2013 for similar debentures with the same remaining maturities.

Contingent liabilities to come

Compared to the Consolidated Financial Statements of the year 2012, no changes occurred during 2013 in the contingent liabilities except that:

- Mobistar launched on 3 May 2013 a claim for damages against Belgacom before the commercial court of Brussels for allegedly wrongful and/or abusive termination by Belgacom of negotiations with Mobistar on the conclusion of a commercial agreement on DSL based services. Belgacom contests Mobistar's claims entirely, particularly as Mobistar has publicly expressed at several occasions its interest for and its intention to obtain wholesale access from the cable operators. The claims are scheduled to be heard by the commercial court in the second half of 2014.
- For the Claims and legal proceedings part (p.48 of 2012 Consolidated financial statements) in the litigation related to the on-net tariffs, on 14 October 2013, the Court of Cassation has rejected the request in cassation of KPN Group Belgium/Base Company (KPN Group) and Mobistar (France Telecom Group) against the Court of Appeal of Brussels of 6 March 2012 ordering the replacement of two experts appointed in 2007 by the Commercial Court of Brussels.

On 17 October the Constitutional Court has rejected the annulment procedure lodged by Belgacom and the other mobile operators against the 15 March 2010 law imposing an additional fee for the extension of the 2G licenses. This additional fee was capitalized in 2010 and amortized over 5 years (p. 16 of 2012 Consolidated financial statements). The fee for the extension of the 2G license amounted to EUR 74.37 million per operator which Belgacom chose to pay in annual instalments. The decision has no negative impact on the Financial Statements of the Group. Belgacom's rights on the 2G spectrum are secured until 2021.

Others

There has been no material change to the information disclosed in the most recent annual consolidated financial statements in connection with related parties that would require disclosure under the Financial Reporting Framework

Definitions

Fixed Voice access channels: total Fixed Voice access channels containing PSTN, ISDN and IP lines. For EBU specifically, this also contains the number of Business Trunking lines.

Trunking lines: Business Trunking offers a solution for the integration of voice and data traffic on one single data network. At the same time, it allows communication with the traditional switched-voice network (PSTN/ISDN).

Broadband access channels: total Broadband access channels containing both ADSL and VDSL lines. For CBU specifically, this also contains the Belgian residential lines of Scarlet.

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, including activation fees, 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 as well as Machine-to-Machine (EBU). Active customers are customers who have made or received at least one call, sent or received at least one SMS message or made at least one data connection 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, divided by the number of months of that same period. This also includes MVNOs.

MoU (Minutes of Use): duration of all calls from or to Proximus (corrected for intra-network double count), per active voice customer, per month, also including free minutes included in mobile pricing plans and including MVNOs.

OLO: Other Licensed Operator

SMS: number of SMS messages sent or received (corrected for intra-network double count), per active customer per month, also including free SMSes included in mobile pricing plans and including MVNOs.

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

Financial Calendar

20 January 2014	Start of quiet period ahead of Q4 2013 results
28 February 2014	Announcement of Q4 2013 results
14 April 2014	Start of quiet period ahead of Q1 2014 results
16 April 2014	Annual General Shareholder meeting
09 May 2014	Announcement of Q1 2014 results
07 July 2014	Start of quiet period ahead of Q2 2014 results
01 August 2014	Announcement of Q2 2014 results
29 September 2014	Start of quiet period ahead of Q3 2014 results
24 October 2014	Announcement of Q3 2014 results

For further information

Investor relations

Nancy Goossens: +32 2 202 82 41
Ben Vandermeulen: +32 2 202 16 95
E-mail: investor.relations@belgacom.be

Press relations

Frédérique Verbiest: +32 2 202 99 26
Jan Margot: +32 2 202 85 01
Haroun Fenaux: +32 2 202 48 67
Belgacom website: www.belgacom.com