



> interim
report

Q1

2009

belgacom

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Highlights

- *Solid performance in first quarter 2009*
- *Full-year guidance 2009 reiterated*

- Resilient reported Group revenue of EUR 1,492 million, year-on-year growth of 1.5% including the contribution from acquisitions and divestments.
- Organically the Belgacom Group revenue grew 0.3% to EUR 1,452 million as result of growing business drivers and because of the continued strong performance of International Carrier Services.
- Belgacom reports a first quarter EBITDA of EUR 492 million, i.e. -5.1% year-on-year, with EBITDA margin of 33%.
- The mix of the revenue growth causes the sales related costs to increase. The cost savings as a result of the cost efficiency program launched at the start of 2009, will mitigate the pressure on direct margin resulting from the change in revenue mix.
- Clear positive impact from continuing headcount reduction programs, keeping personnel expenses flat year-over-year despite the 2008 salary indexation impact.
- EUR 135 million invested in the first quarter for a capex to revenue ratio of 9%.
- Free Cash Flow increased year-on-year by 30% to EUR 288 million.
- Sustained growing customer base:
 - Continued success for Belgacom TV with growth of 49,000 users in the first quarter 2009. Total TV customer base of 555,000 with ARPU per household growing on a yearly basis by 5.7% to EUR 20.4.
 - Belgacom has in total 1,487,000 Broadband customers, i.e. + 202,000 customers compared to March 2008 including Broadband customers from Scarlet. Belgacom added 22,000 broadband customers in the first quarter 2009
 - Belgacom's mobile customer base grew to 4,956,000 by end March 2009, i.e. +243,000 compared to one year ago, including a growth of 40,000 in the first quarter of 2009
 - Converged offers remain successful: CBU sold a record of 52,000 packs in the first quarter of 2009, leading to a total of 354,000 packs
- Full-year guidance for 2009 reiterated:

So far, the residential segment of the Belgacom Group did not experience a significant impact on its financial performance from the economic downturn. As expected, the enterprise business sees the impact mainly in the slowdown in mobile usage, and especially in roaming.

Belgacom reiterates its estimate for full-year 2009:

- Full year Group revenue decline of about -1%
- EBITDA margin between 32%-33%
- Capex levels will be managed between 10-11% of Group revenue

Key figures

Income Statement (EUR million)	Three months ended 31 March	
	2008	2009
Total revenue	1,469	1,492
EBITDA (1)	518	492
Depreciation and amortization	-184	-174
Operating income (EBIT)	335	318
Net finance revenue / (costs)	-22	-37
Income before taxes	312	281
Tax expense	-76	-69
Net income (Group share)	236	212

Cash flows and Capital Expenditures (EUR million)	Three months ended 31 March	
	2008	2009
Cash flows from operating activities	345	426
Capital expenditures	-128	-135
Cash flows from / (used in) other investing activities	5	-3
Free cash flow (2)	222	288
Cash flows used in financing activities	-160	-44
Net increase of cash and cash equivalents	62	244

Balance sheet (EUR million)	As of 31 March	
	2008	2009
Balance sheet total	7,362	8,004
Non-current assets	5,001	5,515
Investments, cash and cash equivalents	844	862
Shareholders' equity	2,610	2,484
Non-controlling interests	6	5
Liabilities for pensions, other post-employment benefits and termination benefits	809	752
Net financial position	-1,113	-1,572

Data per share	Three months ended 31 March	
	2008	2009
Basic earnings per share (EUR)	0.72	0.66
Diluted earnings per share (EUR)	0.72	0.66
Weighted average number of ordinary shares	329,053,743	320,337,034

Data on employees	Three months ended 31 March	
	2008	2009
Number of employees (full-time equivalents)	17,565	16,999
Average number of employees over the period	17,597	17,011
Total revenue per employee (EUR)	83,497	87,703
EBITDA (1) per employee (EUR)	29,453	28,928

(1) Earnings Before Interests, Taxes, Depreciation and Amortization.

(2) Cash flow before financing activities.

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

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

Strategic progress

Belgacom Group

Continued investment in high-quality network supporting organic growth and innovation

EUR 135 million invested, 9% of revenue

Throughout the first quarter of 2009, Belgacom continued its future proof network investments supporting organic growth, allowing for innovation & transformation and increasing customer satisfaction. In total Belgacom spent EUR 135 million capex, or 9% of the Group revenue.

Belgacom's fiber coverage in top 5 worldwide

Early investments in VDSL2 now yield high rankings in terms of fiber to the curb coverage. With no less than 68.7% of households covered, Belgacom finds itself among the top 5 worldwide. The coverage will be further expanded to the ambition level of 80% by mid-2011.

Solid TV customer acquisition within growing footprint

The provided capacity by VDSL2 of up to 20 Mbps easily allows customers to watch two HD-TV channels and surf on the internet at the same time. The increased VDSL2 coverage allowed the Belgacom TV footprint to be expanded to 87%. Belgacom is a challenger in a highly penetrated cable market and successfully continues to grow its TV customer base. By the end of March, Belgacom TV counted 555,000 subscribers, including 49,000 net adds in the first quarter.

3G coverage at 90.7%

Belgacom started to invest in 3G in 2004, subsequently upgrading this to HSDPA. The outdoor coverage therefore already reached 90.7% of the population at the end of March 2009.

"Move-to-All-IP" progressing

In 2008, Belgacom started the business transformation project "Move to All IP", entailing a full re-engineering of the network, IT systems and processes. This will allow Belgacom to deliver a continuously superior customer experience, offer an increasingly converged product portfolio and become more efficient as a company. So far, the capital invested in the MaIP-project amounts to EUR 17 million, of which EUR 6 million in the first quarter of 2009.

Convergence key to long-term success

Operating both a mobile and fixed network, Belgacom sees convergence as the key to long-term success and therefore continued to implement this strategy for both customer business units in the first quarter of 2009.

Bundled products remain successful. By end Q1 total of 354,000 packs sold

Pursuant to CBU's objective to move customers from "single-play" to "multi-play", the converged product offer was completed with new attractive Packs. In the first quarter, "Happy time One" and "Internet One" were launched. At present, customers can even have Fixed and Mobile Voice-Internet-TV in a single pack called "All in One" and be invoiced for this in one single bill.

In the first three months of 2009 Belgacom sold a record of 52,000 packs, bringing the total to 354,000 packs.

Explore sites growing >10% in Q109

Within the business segment convergent solutions are offered via the "Explore" platform, providing full end-to-end mobile and fixed solutions. Over the first quarter of 2009, the number of customer sites on the Explore-platform increased by more than 10% to a total of 28,000.

50% growth for SME convergent offer "Fusion"

An increasing number of SME customers are subscribing to "Fusion", a convergent offer. At the end of March 2009, this offer counted no fewer than 98,500 customers, representing a 50% increase over a three-month period.

EBU executing its strategy to become Belgium's preferred network-centric ICT provider and a reference in its European footprint

ICT growing yoy on a comparable basis

The focus on Belgium and the remaining 5 core Telindus International presences, put EBU in a stronger position to grow a profitable business. The divestment program, completed end of 2008, entails a loss in revenue compared to the first quarter of last year, but positively impacts the EBITDA level.

In a context of challenging economic conditions, the Belgacom ICT business grew 3% year-over-year on a comparable basis. This growth was mainly supported by the success of Data center services (housing/hosting) and a good result for the core countries of Telindus International.

As already highlighted in 2008, the ICT business is not immune to the economic downturn but the divestment program lowered the risk profile somewhat and the pre-emptive actions that were taken help to mitigate the impact.

Disciplined M&A strategy supporting non-organic growth and innovation

Taking part in growing mobile micro-payments business

In March 2009 Belgacom acquired a 40% stake in Tunz, a Belgian company specialized in mobile payments and holding a European e-money licence. This small acquisition fits in with Belgacom's innovation strategy to invest in the growing mobile payments market and to extend the mobile payment offering.

Belgacom is already active for some time in the mobile payments business through its cooperation with De Lijn (the Flemish public transport company) and the acquisition of Mobile-for, a company specialized in mobile parking.

Together with its partners, Belgacom launched a new brand "Pingping" for micro-mobile payments.

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

Strong volume growth despite global economic downturn

Belgacom ICS' sales and marketing initiatives focus primarily on capturing new opportunities within the mobile segment as prices for its traditional services remain under pressure. Belgacom ICS is expanding its business across the mobile value chain. In February 2009 the GSM Association (GSMA) entered into a strategic partnership with Belgacom ICS to extend its Mobile Money Transfer (MMT) Program.

In the first quarter of 2009, Belgacom ICS had a strong voice volume growth despite the global economic downturn. The continuing growth in the mobile segment especially in Africa, Asia and the Middle East remains the main contributor to Belgacom ICS' positive voice results, while traffic from VoIP providers is growing exponentially. Significant new customer acquisitions have further strengthened Belgacom ICS' leadership position in mobile data.

Financial report

Belgacom Group

Revenue

The Belgacom Group closed the first quarter of 2009 with a solid reported revenue of 1,492 million or a year-over-year growth of 1.5%. This includes the revenue contribution from the acquired companies Scarlet and Tango for a total amount of about EUR 40 million (net of inter-segment elimination¹) and a EUR 21 million revenue loss resulting from the Telindus International divestment program.

Organically² the Group revenue grew slightly by 0.3% or EUR 4 million compared to the first quarter of 2008, including an impact from regulation for an amount of EUR -21 million.

Within a challenging economic climate, Belgacom's underlying business realised a revenue growth based on the growing business drivers such as Belgacom TV and Mobile data, as well as on the continued growth in the Belgacom International Carrier Services, driven by the strong increase in voice transit volumes.

	Three months ended 31 March				Variance 2009/2008
	2008		2009		
	(EUR million)	(%)	(EUR million)	(%)	
Consumer Business Unit	548	37%	591	40%	7.9%
Enterprise Business Unit	675	46%	640	43%	-5.2%
Service Delivery Engine	110	7%	98	7%	-10.6%
Staff & Support	9	1%	7	0%	-30.3%
International Carrier Services	185	13%	217	15%	16.9%
Inter-segment eliminations	-59	-4%	-61	-4%	4.1%
Total	1,469	100%	1,492	100%	1.5%

Operating expenses before depreciation and amortization

(EUR million)	Three months ended 31 March			Variance 2009/2008
	2008	2009		
Costs of materials and charges to revenue	469	511	8.9%	
Personnel expenses and pensions	280	281	0.5%	
Other operating expenses	202	207	2.7%	
Total	951	1,000	5.1%	

The impact from the acquired companies on the **Cost of Materials and Charges** to revenue was offset by the positive impact from the divestment program. The remaining increase is mainly linked to the strong revenue increase of ICS at lower margins and sales driven costs within CBU.

Belgacom's ongoing headcount reduction leads to flat **personnel expenses** compared to the first quarter of last year, despite the year-over-year impact from 2008 related salary indexations.

End of March 2009 Belgacom had 16,999 FTEs or 566 FTEs less than a year ago. This is the result from continuing headcount reduction programs such as Tutorship and External mobility, the divestment program of Telindus International, and natural attrition. Part of the outflow was offset by additional FTEs coming from Scarlet and Tango.

In the first quarter of 2009 the headcount was reduced by 372 FTEs. This is mainly the result from 366 FTEs who left the company on 1 January 2009 in the restructuring program 'Tutorship'. The full impact of Tutorship for 2009 therefore falls in the first quarter.

Other operating expenses from Scarlet and Tango are the main drivers of the 2.7% increase compared to the first quarter of last year.

¹ Scarlet generated a total revenue of EUR 25 million within the CBU segment. However, as Scarlet is integrated in the Belgacom group, the wholesale revenue coming from Scarlet is eliminated at Group level.

² Excluding the impact from acquisitions and divestments

Operating income before depreciation and amortization (EBITDA)

The Belgacom Group reports a total EBITDA of EUR 492 million or a decrease of EUR 26 million or 5.1% compared to 2008. The EBITDA margin of the Group is 33% for the first quarter of 2009.

	Three months ended 31 March				Variance 2009/2008
	2008		2009		
	(EUR million)	(%)	(EUR million)	(%)	
Consumer Business Unit	287	55%	268	55%	-6.4%
Enterprise Business Unit	324	62%	306	62%	-5.5%
Service Delivery Engine	-20	-4%	-16	-3%	-
Staff & Support	-86	-17%	-84	-17%	2.1%
International Carrier Services	14	3%	19	4%	32.9%
Inter-segment eliminations	0	-0%	0	-0%	-
Total	518	100%	492	100%	-5.1%

Depreciation and amortization

Depreciation and amortization decreased from EUR 184 million in 2008 to EUR 174 million for 2009 driven by a lower asset base (SDE) and the divestments of the non-core Telindus subsidiaries (EBU).

This decrease was partially offset by higher depreciations in CBU resulting from the consolidation of Tango and Scarlet and the success of Belgacom TV (rental of settop boxes).

Net finance result

The year-over-year variance in the net finance result, going from EUR -22 million in 2008 to EUR -37 million in 2009, results from the new loans issued in the last quarter of 2008 for a nominal amount of EUR 500 million, lower interest revenues on deposits and from re-measurements to fair value of financial instruments.

Tax expense

Tax expenses amounted to EUR 69 million for 2009, representing a fairly stable effective tax rate of 24.5% compared to 2008. The effective tax rate is based on the application of general principles of Belgian tax law.

Net income (Group Share)

On a reported basis the net income of Belgacom Group is EUR 212 million for the first quarter of 2009. The lower EBITDA and financial result was partially offset by the favorable evolution of the depreciation and amortization and a lower tax expense.

Capital expenditure (Capex)

(EUR million)	Three months ended 31 March				Variance 2009/2008
	2008		2009		
	(EUR million)	(%)	(EUR million)	(%)	
Consumer Business Unit	10	8%	26	19%	156.5%
Enterprise Business Unit	7	5%	6	4%	-15.3%
Service Delivery Engine	105	82%	98	73%	-6.2%
Staff & Support	6	4%	3	2%	-55.5%
International Carrier Services	1	1%	2	2%	180.5%
Total	128	100%	135	100%	5.3%

Belgacom invested EUR 135 million in the first quarter of 2009, or 9% of the Group revenue.

In total, EUR 27 million was invested in Belgacom TV, including settop boxes and content included in the CBU capex; and the TV platform which is included in SDE.

The CBU invested amount includes the capex for Tango and Scarlet. The remaining variance compared to the first quarter of 2008 is mainly linked to contract renewals for TV content and capex related to rented settop boxes. SDE continued in the first quarter of 2009 network related investments such as Broadway (EUR 13 million) and 3G (EUR 4 million). In addition EUR 6 million was invested in the MaIP project.

Cash flows

(EUR million)	Three months ended 31 March	
	2008	2009
Cash flows from operating activities	345	426
Capital expenditures	-128	-135
Cash flows from / (used in) other investing activities	5	-3
Cash flow before financing activities or "free cash flow"	222	288
Cash flows used in financing activities	-160	-44
Net increase of cash and cash equivalents	62	244

The *cash flow from operating activities* increased from EUR 345 million in 2008 to EUR 426 million in 2009, with a favourable evolution of the working capital, mainly resulting from a timing difference in the income tax payment compared to last year

The *free cash flow* increased 30% to EUR 288 million in the first quarter of 2009 driven by the strong increase in operating cash flow.

The *cash flow used in financing activities* decreased by EUR 116 million compared to the first quarter of 2008 explained by the share buybacks in the first quarter of 2008.

Balance sheet and shareholders' equity

The *goodwill* remained flat at EUR 2,113 million compared to year-end 2008. *Intangible fixed assets and property, plant and equipment* decreased by EUR 41 million in 2009 as the depreciation and amortization exceeded the acquisitions.

The *shareholders' equity* increased from EUR 2,271 million at year-end 2008 to EUR 2,484 million in March 2009 reflecting the net income generated during the first quarter of 2009.

Belgacom continues to have a sound financial position. *The net financial debt* decreased by EUR 263 million for the first quarter of 2009 to an amount of EUR 1,572 million. The outstanding financial debt amounted to EUR 2.5 billion at the same date, most of it maturing in 2011 and 2016 except the floating rate note of EUR 300 million which will mature in November 2009.

Consumer Business Unit - CBU

- **Solid increase of reported revenue: +7.9%**
- **Organic revenue variance of -0.9%**
- **Revenue growth for TV , Mobile terminals, SMS and internet**
- **Nature of revenue growth driving cost of sales increase**

P&L Consumer Business Unit

(EUR million)	Three months ended 31 March		
	2008	2009	Variance 2009/2008
TOTAL SEGMENT REVENUE	548	591	7.9%
Costs of materials and charges to revenue	-124	-166	34.2%
Personnel expenses and pensions	-79	-89	11.8%
Other operating expenses	-58	-68	17.3%
TOTAL OPERATING EXPENSES before depreciation & amortization	-261	-323	23.6%
TOTAL SEGMENT RESULT (1)	287	268	-6.4%
<i>Segment contribution margin</i>	52%	45%	
OPERATING INCOME before depreciation & amortization	287	268	-6.4%
Depreciation and amortization	-21	-34	61.7%
OPERATING INCOME	265	234	-11.9%

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

CBU revenue

So far, the consumer business unit has not experienced any significant adverse impact on its financial performance from the weakening economic climate. However, consumers are increasingly looking for smart mobile spending which is reflected in the success of advantageous pricing plans including free minutes and/or free SMS.

CBU's reported revenue increased year-over-year by 7.9% or EUR 43 million. This includes a EUR 48 million contribution from Scarlet and Tango.

Excluding the impact from acquisitions, the organic revenue variance of CBU is EUR -5 million or -0.9% year-over-year, including a carry-over impact from MTR and Roaming regulation for a total amount of EUR -9 million.

CBU's underlying business is growing slightly (+0.8%), mainly driven by the continued growth of TV, an increase in mobile terminals, SMS and Internet revenue.

CBU operating expenses before depreciation and amortization

CBU operating expenses include EUR 37 million from Tango and Scarlet.

On a comparable basis, operating costs were 9.6% higher than last year, mainly driven by higher costs of sales, while remaining expenses were managed within the cost efficiency program.

The **cost of material and charges to revenue** increased 34.2% compared to the first quarter of 2008. The increase (EUR 22 million) was for a large part driven by Tango and Scarlet.

The remaining variance of EUR 20 million results from:

- higher Belgacom TV and mobile handsets sales impacting the terminal costs;
- higher commissions due to a change in the mix of sales channels;
- and, to a smaller extent, higher interconnection costs as a result of an increasing number of pricing plans that offer an unlimited number of free minutes and SMS.

The acquisition of Scarlet and Tango increased the headcount by 400 FTEs, impacting the **Personnel expenses**, which increased 11.8% compared to the same period of 2008. This also includes the effect from the 2008 related salary indexation.

Other operating expenses increased by 17.3% to EUR 68 million mainly as a result of the cost contribution of Tango and Scarlet.

CBU operating income before depreciation and amortization (EBITDA)

The nature of the increased CBU revenues caused Cost of Goods sold to increase as well, which resulted in a lower EBITDA of EUR 268 million. The contribution margin of 45.4% at the end of March 2009 is impacted by the lower margins generated by Tango and Scarlet and the increased costs of sales.

CBU detailed revenue & operating review

DETAILED REVENUES (EUR million)	Three months ended 31 March			
	2008	2009	Variance 2009/2008	Variance % 2009/2008
Revenues	548	591	43	7.9%
From Fixed	283	309	27	9.4%
Voice	153	144	-9	-5.8%
Data	76	79	3	3.9%
TV	18	29	11	60.1%
Terminals (excl. TV)	16	13	-3	-20.4%
Scarlet	0	25	25	-
Other	20	19	-1	-3.0%
From Mobile	265	282	17	6.3%
Voice	183	170	-12	-6.8%
Data	70	71	0	0.4%
Terminals	9	14	5	57.2%
Tango	0	23	23	-
Other	3	4	1	34.2%

For quarterly results, see page 20

The first quarter's **fixed voice revenue** has been impacted by the flow-through of the MTR regulation of 2008 in the fixed-to-mobile tariffs (EUR -3.6 million), the lower voice access line base and a change in product mix. The net line loss amounts to -43,000 lines which, although comparable to the same period of 2008, is an increase compared to previous quarters, driven by intensified competition. End of March 2009, CBU had 2,123,000 voice lines including 71,000 VoIP lines.

Belgacom decided to apply a commercial freeze on the residential VoIP-offer I-talk as of 1 April 2009.

Belgacom holds on to high quality standards and an optimal customer experience and therefore opts to re-launch the residential VoIP product on the new IMS based (IP Multimedia Subsystem) VoIP platform, which is part of the MaIP-project roadmap.

The Voice line erosion will be further managed through the successful flat rate offers for the fixed line as well as by the new converged packs including a fixed line.

The fixed voice ARPU increased year-on-year to EUR 21.7 driven by the price indexations in 2008. This increase is somewhat tempered by the regulation impact and lower retail tariffs for calls to Telenet and Versatel following lowered fixed termination rates as from the beginning of January 2009.

Fixed data revenues increased 3.9% to EUR 79 million in the first quarter of 2009. Fixed data includes the internet revenues generated by the Belgacom broadband customers. The internet revenue generated via the Scarlet brand is included in the total Scarlet revenue of EUR 25 million for the first 3 months of 2009. Including Scarlet, CBU added 20,000 new broadband customers in the first quarter of 2009. This is in line with last year as the net adds of 2008 were at an exceptional level due to the active migration of dial-up customers. As from 2009, the residential customers of Scarlet in Belgium are included in the number of broadband lines. This brings the total broadband base at the end of March 2009 at 1,042,000 lines. The broadband ARPU at the end of March 2009 amounted to EUR 28.6 or a year-over-year decline of 3.9% driven by the success of the packs including internet.

Belgacom TV continued its growing revenue trend with a year-over-year increase of 62% to EUR 30 million and it also contributes positively to the EBITDA.

The successful 2008 year-end promotion that was prolonged until end of January 2009 contributed to the growth by 49,000 subscribers in the first quarter, bringing the total number of TV subscribers to 555,000 at the end of March 2009.

The TV ARPU³ per household increased 5.7% to EUR 20.4 due to the success of on demand services and a lower impact of promotions on an increasing TV revenue base.

Mobile voice revenues including credits and discounts amounted to EUR 170 million or a decrease of -6.8% (EUR 12 million) compared to last year. The revenue remained under pressure due to carry-over impact of regulation on MTR and Roaming for an amount of EUR 5.6 million. In addition, the revenue is impacted by customers moving to more advantageous pricing plans.

During the first quarter of 2009, CBU added 10,000 new mobile customers versus 65,000 new customers last year. The high number of net adds of last year was mainly driven by new MVNO customers. The number of net adds for 2009 under the own brand is 14,000. The postpaid ratio evolved positively to 39.4% in the first quarter of 2009.

The decrease in mobile net voice ARPU to EUR 15.3 was driven by regulation and customers swapping to advantageous pricing plans.

Mobile data revenues slightly increased year-over-year to EUR 71 million. Advanced data revenues felt some pressure from the stricter rules for voting and gaming laid down by a Royal Decree (applicable as from 1 April 2008) to ensure greater price transparency towards the customer leading to a slight decline in ARPU from EUR 6.5 to EUR 6.3.

The number of SMS per user increased significantly mainly as the result of successful migrations to pricing plans offering free SMS. Excluding free SMS, the number of SMS/user still increased 16.0% (increasing from 58.9 SMS to 68.3 SMS). The SMS revenue increase offset the lower advanced data revenue.

The 'member gets member' campaigns had a significant impact on the 2009 first quarter results, increasing the **revenue from terminals** by 57% to EUR 14 million.

³ As from Q1 2009, TV ARPU is based on number of households instead of total number of subscriptions. Figures for 2008 have been restated accordingly.

OPERATIONALS	Three months ended 31 March			
	2008	2009	Variance 2009/2008	Variance % 2009/2008
FROM FIXED				
Number of access channels (thousands)	3,136	3,048	-88	-2.8%
PSTN	2,223	2,013	-210	-9.5%
ISDN	45	38	-6	-14.1%
IP	15	71	56	-
ADSL, VDSL ¹	854	1,042	180	21.0%
Traffic (millions of minutes)	1,263	1,230	-34	-2.7%
National	1,063	1,022	-41	-3.8%
Fixed to Mobile	101	105	4	3.8%
International	99	102	3	3.3%
TV (thousands)	349	555	206	59.0%
TV - households	313	486	173	55.3%
Of which TV-second stream users	37	70	33	90.5%
ARPU (EUR)				
ARPU Voice ²	21.5	21.7	0.2	0.8%
ARPU broadband ³	29.8	28.6	-1.2	-4.0%
ARPU Belgacom TV ⁴	19.3	20.4	1.1	5.7%
FROM MOBILE				
Number of active customers ⁵ (thousands)	3,648	3,787	139	3.8%
Prepaid	2,196	2,229	32	1.5%
Postpaid	1,364	1,451	87	6.3%
MVNO	87	107	20	23.0%
Annualized churn rate ⁶ (blended - variance in p.p.)	19.6%	19.6%		-
Net ARPU ⁷ (EUR)				
Prepaid	14.8	13.3	-1.5	-10.0%
Postpaid	38.8	35.3	-3.5	-9.0%
Blended	23.5	21.6	-1.9	-8.1%
Blended voice	17.0	15.3	-1.7	-10.1%
Blended data	6.5	6.3	-0.2	-3.0%
UoU ⁸ (units)	218.5	262.9	44.4	20.3%
MoU ⁹ (min)	119.3	107.9	-11.4	-9.6%
SMS ¹⁰ (units)	100.1	156.0	55.9	55.8%

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

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

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

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

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

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

(7) ARPU has been calculated on the basis of monthly averages for the period indicated.

Monthly net ARPU is equal to total mobile voice and mobile data revenues, divided by the average number of active mobile customers for that period.

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

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

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

Tango (activity in Luxembourg)

For the first quarter of 2009, Tango generated EUR 23 million revenues. Its total customer base end of March 2009 amounted to 245,000 mobile customers with a blended net mobile ARPU of EUR 24.1 per month.

	Three months ended 31 March
	2009
Revenue (in EUR mio)	23
Total active mobile customers (in '000)	245
Blended net ARPU (EUR/month)	24.1

Enterprise Business Unit - EBU

- Reported revenue includes impact from divestment
- Solid underlying business performance
- Lower operating cost
- Flat contribution margin

P&L Enterprise Business Unit

(EUR million)	Three months ended 31 March		
	2008	2009	Variance 2009/2008
TOTAL SEGMENT REVENUE	675	640	-5.2%
Costs of materials and charges to revenue	-212	-198	-6.2%
Personnel expenses and pensions	-101	-95	-5.3%
Other operating expenses	-40	-41	3.5%
TOTAL OPERATING EXPENSES before depreciation & amortization	-352	-335	-4.9%
TOTAL SEGMENT RESULT (1)	324	306	-5.5%
<i>Segment contribution margin</i>	<i>48%</i>	<i>48%</i>	
OPERATING INCOME before depreciation & amortization	324	306	-5.5%
Depreciation and amortization	-9	-7	-25.5%
OPERATING INCOME	314	299	-4.9%

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

EBU revenue

In an unfavorable economic climate, EBU managed to keep the **organic⁴ revenue variance to EUR -14 million or -2%**, including the carry-over impact from regulation for a total amount of EUR -10 million.

The first quarter of 2009 includes a solid performance in some of EBU's key areas such as mobile customer acquisition, mobile data subscriptions, data center services and the core countries from Telindus International.

However, as indicated in previous result communications, EBU is not immune to the economic crisis. The financial impact so far is mainly visible in Mobile Voice and Data roaming, as many customers introduced travel bans and reduce their mobile usage.

The ICT business of EBU grew organically by 3% year-over-year. ICT is nonetheless feeling pressure from the economic downturn as contract negotiations take longer and customers request to reopen existing contracts. To mitigate the impact on results, EBU's strategy is to enlarge its "share of wallet" and to increase the focus on working capital and cost of sales.

EBU operating expenses before depreciation and amortization

Favorable evolution of operating expenses with a year-on-year decline of 4.9%.

Costs of materials and charges to revenue declined by 6.2% compared to the first quarter of 2008 mainly driven by the positive impact from the divestment of non-core countries and a favorable impact from reduced MTRs (carry-over effect from 2008).

Other operating expenses in the first quarter of 2009 include a small restructuring cost linked to the sale of WIN.

Personnel expenses are 5.3% lower than for the same period of 2008 because of a lower headcount (-455 FTEs), more than offsetting the impact from salary indexation.

⁴ Excluding EUR -21 million revenue impact from divestments

EBU operating income before depreciation and amortization (EBITDA)

The EBITDA contribution margin is flat compared to the first quarter of 2008. Lower costs did not fully compensate the revenue loss in the first quarter of 2009, resulting in a lower EBITDA of EUR 306 million.

EBU detailed revenue & operating review

(EUR million)	Three months ended 31 March			
	2008	2009	Variance 2009/2008	Variance % 2009/2008
Revenue	675	640	-35	-5.2%
From Fixed	470	444	-26	-5.5%
Voice	157	148	-9	-5.8%
Data	101	101	0	-0.1%
ICT	187	171	-16	-8.5%
Terminals	18	19	0	0.6%
Other	7	6	-1	-14.5%
From Mobile	205	196	-9	-4.4%
Voice	159	146	-13	-8.1%
Data	39	43	4	10.8%
Terminals	5	4	-1	-24.6%
Other	2	3	1	49.4%

For quarterly results see page 20

EBU's reported year-over-year revenue variance of EUR -35 million includes a EUR -21 million impact from the divestment program of Telindus International.

The organic⁵ revenue variance from EBU's **fixed business**, was -1% versus the first quarter of 2008. This includes the carry-over from lowered fixed-to-mobile tariffs reduced the fixed voice revenue by EUR -6 million.

Year-over-year, the **fixed voice ARPU** is impacted by Fixed-to-Mobile tariff decreases. Compared to the previous three quarters, the fixed voice ARPU remains however fairly stable at EUR 31.3, supported by price indexations in 2008. In the first months of 2009, customers optimized their fixed lines installed base, leading to a higher fixed-line loss compared to previous quarters.

Overall revenue from **Fixed data** is flat compared to the first quarter of 2008. Fixed Data includes growing fixed internet revenue, which is offset by the net result from other fixed data products, driven by an ongoing migration from older technologies (Leased lines, ATM, Frame Relay) to advantageous Explore solutions.

The broadband customer base grew by 14,000 customers in one year, bringing the total EBU broadband customer base to 445,000. Broadband ARPU was kept fairly stable at EUR 40.1, notwithstanding the competitive environment. The enterprise broadband market, however, is becoming gradually saturated, thus slowing the growth in net adds to 2,000.

From an organic point of view, **ICT** revenues grew by 3% year-over-year. This is the result of growing revenue from data center services (e.g. Housing/Hosting) and increased revenue from Telindus International.

Revenue from Mobile was 4.5% lower than for the same period of last year, including a carry-over impact from mobile regulation for EUR 4 million.

The revenue was positively impacted by the growing mobile customer base, i.e. 105,000 more than a year ago. Mobile customer acquisition in the first quarter was very strong with 30,000 new customers added, resulting from a focused sales channel strategy and attractive promotions. The positive impact on revenues from the increased customer base was however tempered by a lower mobile usage per customer.

⁵ Excluding the impact from the divestment program

Revenue from **Mobile data** continued its upward trend, especially in Advanced Data. This is driven by a strong increase in subscriptions for Mobile internet and PDA, as well as growing push-email revenue. However, due to the economic crisis, the growth of Mobile Data Roaming slowed significantly.

OPERATIONALS	Three months ended 31 March			
	2008	2009	Variance	Variance %
	Q108	Q109	2009/2008	2009/2008
FROM FIXED				
Number of access channels (thousands)	2,000	1,974	-26	-1.3%
PSTN	693	664	-29	-4.1%
ISDN	874	854	-20	-2.3%
IP	2	11	9	-
ADSL, VDSL	431	445	14	3.2%
Traffic (millions of minutes)	969	901	-68	-7.0%
National	672	620	-52	-7.7%
Fixed to Mobile	183	176	-7	-3.8%
International	114	105	-9	-7.5%
ARPU (EUR)				
ARPU Voice ¹	32.7	31.3	-1.4	-4.3%
ARPU Broadband ²	40.4	40.1	-0.4	-0.9%
FROM MOBILE				
Number of active customers ³ (thousands)	1,065	1,170	104	9.8%
Pre-paid*	0	0		
Post-paid	1,065	1,170	104	9.8%
MVNO	0	0		
Annualized churn rate ⁴ (blended - variance in p.p.)	10.2%	10.7%		
Net ARPU ⁵ (EUR)				
Postpaid	62.6	54.5	-8.1	-13.0%
Postpaid voice	50.3	42.1	-8.2	-16.2%
Postpaid data	12.4	12.4	0.1	0.4%
UoU ⁶ (units)	397.2	397.2	0.0	0.0%
MoU ⁷ (min)	371.9	355.4	-16.5	-4.4%
SMS ⁸ (units)	52.0	66.7	14.7	28.3%

* Prepaid fully segmented as CBU

- (1) ARPU Voice is equal to total voice revenue, excluding activation and payphone-related revenue, divided by the average voice access channels for the period considered, divided by the number of months in that same period.
- (2) ARPU Broadband is equal to total ADSL revenue, divided by the average number of ADSL lines for the period considered, divided by the number of months in that same period.
- (3) Active customers are customers who have made or received at least one call or sent or received at least one SMS in the last three months.
- (4) Annualized churn is the total annualized number of SIM cards disconnected from the Belgacom Mobile network (including the total number of port-outs due to mobile number portability) during the given period, divided by the average number of customers for that same period.
- (5) ARPU has been calculated on the basis of monthly averages for the period indicated. Monthly net ARPU is equal to total mobile voice and mobile data revenues, divided by the average number of active mobile customers for that period.
- (6) UoU (Units of Use): voice minutes of use + SMS (where one SMS equals one minute) per active customer per month.
- (7) MoU (Minutes of Use): duration of all calls from or to Proximus, per active voice customer per month.
- (8) SMS: number of SMS per active customer per month.

Service Delivery Engine – SDE

P&L Service Delivery Engine

(EUR million)	Three months ended 31 March		
	2008	2009	Variance 2009/2008
TOTAL SEGMENT REVENUE	110	98	-10.6%
Costs of materials and charges to revenue	-29	-16	-45.9%
Personnel expenses and pensions	-54	-50	-7.2%
Other operating expenses	-46	-48	4.5%
TOTAL OPERATING EXPENSES before depreciation & amortization	-129	-114	-11.8%
TOTAL SEGMENT RESULT (1)	-20	-16	-
<i>Segment contribution margin</i>	<i>-18%</i>	<i>-16%</i>	
OPERATING LOSS before depreciation & amortization	-20	-16	-
Depreciation and amortization	-124	-107	-13.6%
OPERATING LOSS	-144	-124	-14.2%

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

SDE revenue

SDE revenues decreased year-over-year by EUR 12 million mainly driven by lower interconnection revenues and regulation impacts.

The first quarter 2009 revenue has been impacted by:

- lower interconnect revenues from Pay Services following the Royal Decree of 1 April 2008 on new rates and maximum calling time for pay services;
- lower transit traffic revenues to other operators;
- less Telindus wholesale revenues with other operators following the integration within Belgacom
- a regulation impact of EUR -3.5 million due to a 50% decrease in bitstream transport prices (November 2008) and the Brotsoll⁶ regulation on leased lines;
- a slight decline in mobile revenue following lower roaming-in volumes;
- an increase in data and capacity revenues driven by increased volumes in 2Mbits leased lines, which partially offsets the above mentioned unfavourable impacts

(EUR million)	Three months ended 31 March			
	2008	2009	Variance 2009/2008	Variance % 2009/2008
Revenues	110	98	-12	-10.6%
From Fixed	90	79	-11	-12.1%
From Mobile	20	19	-1	-3.8%

For quarterly results see page 20

SDE operating expenses before depreciation and amortization

SDE managed to keep its costs well under control, showing a year-over-year drop of 11.8%.

The favourable evolution of 45.9% in **Cost of material and charges to revenue** is driven by the decline in the low margin transit traffic, the decline in interconnection volumes from pay services and the lower Telindus wholesale revenues.

Personnel costs are 7.2% lower as the decrease in headcount (- 285 FTE) fully offset the increase in wages due to salary indexations.

⁶ Belgacom Reference Offer for Terminating Segments of Leased Lines

Staff & Support – S&S

P&L Staff and Support

(EUR million)	Three months ended 31 March		
	2008	2009	Variance 2009/2008
TOTAL SEGMENT REVENUE	9	7	-30.3%
Costs of materials and charges to revenue	-1	-0	-95.5%
Personnel expenses and pensions	-40	-41	1.4%
Other operating expenses	-55	-50	-8.5%
TOTAL OPERATING EXPENSES before depreciation & amortization	-96	-91	-4.9%
TOTAL SEGMENT RESULT (1)	-86	-84	-2.1%
<i>Segment contribution margin</i>	-	-	
OPERATING LOSS before depreciation & amortization	-86	-84	-2.1%
Depreciation and amortization	-24	-20	-18.5%
OPERATING LOSS	-111	-104	-5.7%

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

S&S revenue

The Staff and Support revenue decline of EUR 2 million compared to last year is explained by a one time gain booked in 2008.

S&S operating expenses before depreciation and amortization

The Staff and Support total operating expenses decreased 4.9% to EUR 91 million as a result from the emptied Proximus building. Renting costs and provisions related to emptying the Proximus 'Boreal' building are no longer applicable.

International Carrier Services - ICS

- Strong revenue growth continued
- Solidly increasing volumes
- Growing gross margin

P&L International Carrier Services

(EUR million)	Three months ended 31 March		
	2008	2009	Variance 2009/2008
TOTAL SEGMENT REVENUE	185	217	16.9%
Costs of materials and charges to revenue	-157	-184	17.2%
<i>Gross margin (1)</i>	28	33	14.9%
Personnel expenses and pensions	-5	-6	12.8%
Other operating expenses	-9	-8	-11.9%
TOTAL OPERATING EXPENSES before depreciation & amortization	-171	-198	15.5%
TOTAL SEGMENT RESULT (2)	14	19	32.9%
<i>Segment result margin</i>	8%	9%	
OPERATING INCOME before depreciation & amortization	14	19	32.9%
Depreciation and amortization	-5	-5	14.1%
OPERATING INCOME	9	13	42.2%

(1) Total segment revenue net of costs of materials and charges to revenue

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

ICS revenue

ICS continued its strong revenue growth in the first quarter of 2009. Year-over-year the ICS revenue increased by 17% to EUR 217 million driven by the strong volume growth of voice transit (Mobile, VoIP and Prepaid traffic – Premium Products) although this was partly offset by a lower average price per minute, and by the continued growth of mobile services (SMS, MMS and GPRS roaming) and high rate bandwidth products. The voice transit revenue has also been favourably impacted by the stronger USD and CHF.

(EUR million)	2008	2009	Variance 2009/2008	Variance % 2009/2008
Voice Direct Routing	58.6	55.6	-3.0	-5.1%
Voice Standard Products	19.3	23.7	4.4	23.1%
Voice Premium Products	92.2	120.4	28.2	30.6%
Non Voice	15.2	16.8	1.6	10.6%
Total revenues	185.3	216.5	31.2	16.9%

ICS detailed gross margin

(EUR million)	2008	2009	Variance 2009/2008	Variance % 2009/2008
Voice	17.3	20.3	3.0	17.1%
Non Voice	11.1	12.3	1.3	11.5%
Total Gross Margin	28.3	32.6	4.2	14.9%

ICS operating income before depreciation and amortization (EBITDA)

The gross margin has increased by 15% as a result of the strong volume growth in both voice and non-voice partly offset by a slight decline of the voice unit margin. The operating expenses show a year-over-year decline due to favorable exchange rate adjustments (mainly unrealized). As a result, the ICS EBITDA is showing an improvement of 33% to reach EUR 19 million with an EBITDA margin of 9%.

ICS operating review

(Voice volumes in billion of minutes)	2008	2009	Variance 2009/2008	Variance % 2009/2008
Voice Direct Routing	1.85	1.82	-0.03	-1.6%
Voice Standard Products	0.32	0.53	0.21	63.4%
Voice Premium Products	1.54	2.14	0.60	38.9%
Total	3.71	4.49	0.78	20.9%

BICS volumes included at 100%

For quarterly results see page 20

Quarterly results

Group - Financials

	Q108	Q208	Q308	Q408	2008	Q109
(EUR million)						
Group Revenues	1,469	1,485	1,473	1,551	5,978	1,492
Consumer Business Unit	548	553	560	593	2,253	591
Enterprise business unit	675	690	651	680	2,696	640
Service Delivery engine	110	103	102	99	415	98
Staff&Support	9	7	8	10	34	7
International Carrier Services	185	190	207	230	812	217
Intersegment eliminations	-59	-58	-54	-61	-232	-61
Costs of materials and charges to revenues	-469	-479	-487	-540	-1,975	-511
Personnel expenses and pensions	-280	-282	-281	-281	-1,124	-281
Other operating expenses	-202	-226	-202	-259	-890	-207
Segment result	518	498	503	471	1,990	492
Segment EBITDA margin*	35.3%	33.5%	34.1%	30.4%	33.3%	33.0%
Non recurring items	0	8	0	-93	-85	0
Ebitda	518	506	503	378	1,905	492

* before non-recurring items

Group - Capex

	Q108	Q208	Q308	Q408	2008	Q109
(EUR million)						
Group Capex	128	242	135	258	764	135
Consumer Business Unit	10	117	29	39	195	26
Enterprise business unit	7	3	3	6	19	6
Service Delivery engine	105	108	90	174	477	98
Staff&Support	6	12	9	27	54	3
International Carrier Services	1	2	3	13	19	2

CBU - Financials

	Q108	Q208	Q308	Q408	2008	Q109
(EUR million)						
Revenues	548	553	560	593	2,253	591
From Fixed	283	283	280	298	1,144	309
Voice	153	149	147	150	599	144
Data	76	80	78	80	313	79
TV	18	20	23	24	86	29
Terminals (excl. TV)	16	14	14	13	57	13
Scarlet	0	0	0	9	9	25
Other	20	19	19	22	80	19
From Mobile	265	270	279	295	1,110	282
Voice	183	185	180	176	723	170
Data	70	69	67	71	277	71
Terminals (excl. TV)	9	12	12	18	50	14
Tango	0	0	17	26	43	23
Other	3	4	4	5	16	4
Costs of materials and charges to revenues	-124	-127	-139	-164	-553	-166
Personnel expenses and pensions	-79	-80	-81	-85	-325	-89
Other operating expenses	-58	-71	-67	-86	-282	-68
Segment result	287	275	273	258	1,093	268
Segment Contribution margin	52.3%	49.8%	48.7%	43.6%	48.5%	45.4%

CBU – Operationals

	Q108	Q208	Q308	Q408	2008	Q109
FROM FIXED						
Number of access channels (thousands)	3,136	3,099	3,078	3,068	3,068	3,048
PSTN	2,223	2,176	2,125	2,071	2,071	2,013
ISDN	45	43	42	40	40	38
IP	15	21	35	54	54	71
ADSL, VDSL	854	859	876	902	902	1,042
Traffic (millions of minutes)	1,263	1,188	1,119	1,231	4,801	1,230
National	1,063	983	927	1,023	3,996	1,022
Fixed to Mobile	101	109	100	107	417	105
International	99	97	91	102	388	102
TV (thousands)	349	391	443	506	506	555
TV - households	313	350	389	441	441	486
of which second stream users	37	42	54	65	65	70
ARPU (EUR)						
ARPU Voice	21.5	21.3	21.3	22.2	21.6	21.7
ARPU broadband	29.8	31.0	29.7	29.7	30.0	28.6
ARPU Belgacom TV	19.3	19.6	20.2	18.5	19.4	20.4
FROM MOBILE						
Number of active customers (thousands)	3,648	3,672	3,705	3,777	3,777	3,787
Pre-paid	2,196	2,199	2,228	2,235	2,235	2,229
Post-paid	1,364	1,389	1,393	1,431	1,431	1,451
MVNO	87	84	84	111	111	107
Annualized churn rate (blended - variance in p.p.)	19.6%	19.2%	20.4%	18.8%	19.5%	19.6%
ARPU (EUR)						
Prepaid	24.2	22.5	21.4	22.9	22.8	22.0
Postpaid	40.8	40.3	39.8	39.2	40.0	37.3
Blended	30.0	28.9	28.1	28.7	28.9	27.5
Blended voice	20.7	19.5	18.8	18.6	19.4	17.5
Blended data	9.3	9.4	9.3	10.2	9.5	10.0
Net ARPU (EUR)						
Prepaid	14.8	14.9	13.9	14.0	14.4	13.3
Postpaid	38.8	37.9	37.0	36.6	37.6	35.3
Blended	23.5	23.5	22.5	22.4	23.0	21.6
Blended voice	17.0	17.2	16.4	16.0	16.6	15.3
Blended data	6.5	6.3	6.1	6.4	6.3	6.3
UoU (units)	218.5	224.6	214.4	244.8	225.8	262.9
MoU (min)	119.3	118.6	111.0	112.0	115.3	107.9
SMS (units)	100.1	106.9	104.3	133.7	111.4	156.0

EBU - Financials

	Q108	Q208	Q308	Q408	2008	Q109
(EUR million)						
Revenue	675	690	651	680	2,696	640
From Fixed	470	479	449	482	1,880	444
Voice	157	155	146	150	608	148
Data	101	103	101	103	408	101
ICT	187	194	176	199	756	171
Terminals	18	19	19	20	77	19
Other	7	8	7	10	32	6
From Mobile	205	211	202	198	816	196
Voice	159	164	153	148	624	146
Data	39	40	41	42	162	43
Terminals	5	5	5	5	20	4
Other	2	3	2	3	10	3
Costs of materials and charges to revenues	-212	-220	-198	-215	-844	-198
Personnel expenses and pensions	-101	-103	-102	-102	-408	-95
Other operating expenses	-40	-48	-41	-50	-178	-41
Segment result	324	320	310	313	1,266	306
Segment Contribution margin	47.9%	46.3%	47.6%	46.1%	47.0%	47.7%

EBU – Operational

	Q108	Q208	Q308	Q408	2008	Q109
FROM FIXED						
Number of access channels (thousands)	2,000	1,998	1,993	1,987	1,987	1,974
PSTN	693	687	682	674	674	664
ISDN	874	872	868	864	864	854
IP	2	2	4	7	7	11
ADSL, VDSL	431	436	439	443	443	445
Traffic (millions of minutes)	969	944	841	889	3,643	901
National	672	645	572	610	2,499	620
Fixed to Mobile	183	186	165	175	708	176
International	114	114	104	105	436	105
ARPU (EUR)						
ARPU Voice	32.7	32.2	30.4	31.6	31.7	31.3
ARPU Broadband	40.4	41.2	40.4	40.2	40.6	40.1
FROM MOBILE						
Number of active customers (thousands)	1,065	1,093	1,116	1,139	1,139	1,170
Pre-paid*	0	0	0	0	0	0
Post-paid	1,065	1,093	1,116	1,139	1,139	1,170
MVNO	0	0	0	0	0	0
Annualized churn rate (blended - variance in p.p.)	10.2%	9.4%	9.4%	11.4%	10.1%	10.7%
ARPU (EUR)						
Postpaid	69.3	69.7	65.0	64.3	67.0	60.8
Postpaid voice	55.9	56.2	51.5	50.2	53.4	47.1
Postpaid data	13.4	13.5	13.5	14.1	13.6	13.7
Net ARPU (EUR)						
Postpaid	62.6	62.9	58.8	56.1	60.0	54.5
Postpaid voice	50.3	50.6	46.3	43.7	47.6	42.1
Postpaid data	12.4	12.3	12.5	12.5	12.4	12.4
UoU (units)	397.2	411.0	372.7	397.2	394.8	397.2
MoU (min)	371.9	385.9	347.1	365.6	367.7	355.4
SMS (units)	52.0	53.8	53.1	62.2	55.4	66.7

* Prepaid fully segmented as CBU

SDE - Financials

	Q108	Q208	Q308	Q408	2008	Q109
(EUR million)						
Revenues	110	103	102	99	415	98
From Fixed	90	81	81	78	330	79
From Mobile	20	22	21	21	85	19
Costs of materials and charges to revenues	-29	-23	-21	-19	-93	-16
Personnel expenses and pensions	-54	-53	-52	-50	-209	-50
Other operating expenses	-46	-45	-41	-48	-179	-48
Segment result	-20	-18	-11	-18	-67	-16
Segment Contribution margin	-18.0%	-17.3%	-11.0%	-18.4%	-16.2%	-16.5%

S&S - Financials

	Q108	Q208	Q308	Q408	2008	Q109
(EUR million)						
Revenues	9	7	8	10	34	7
Costs of materials and charges to revenues	-1	-1	-1	-1	-3	0
Personnel expenses and pensions	-40	-41	-41	-39	-160	-41
Other operating expenses	-55	-59	-52	-71	-237	-50
Segment result	-86	-94	-86	-100	-366	-84

ICS - Financials

	Q108	Q208	Q308	Q408	2008	Q109
(EUR million)						
Revenues	185	190	207	230	812	217
Costs of materials and charges to revenues	-157	-160	-174	-195	-685	-184
Personnel expenses and pensions	-5	-5	-6	-5	-22	-6
Other operating expenses	-9	-10	-10	-12	-41	-8
Segment result	14	14	18	18	64	19
Segment EBITDA margin	7.6%	7.5%	8.5%	7.8%	7.9%	8.7%

ICS – Operationals

(Voice volumes in billion of minutes)	Q108	Q208	Q308	Q408	2008	Q109
Voice Direct Routing	1.85	1.82	1.80	1.86	7.33	1.82
Voice Standard Products	0.32	0.36	0.41	0.51	1.61	0.53
Voice Premium Products	1.54	1.67	1.93	2.15	7.30	2.14
Total	3.71	3.85	4.15	4.52	16.23	4.49

BICS volumes included at 100%

Interim Financial statements

Interim condensed consolidated financial statements.

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

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

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

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

Consolidated income statements

(EUR million)	Three months ended 31 March	
	2008	2009
Net revenue	1,453	1,475
Other operating revenue	16	17
TOTAL REVENUE	1,469	1,492
Costs of materials and charges to revenue	-469	-511
Personnel expenses and pensions	-280	-281
Other operating expenses	-202	-207
TOTAL OPERATING EXPENSES before depreciation & amortization	-951	-1,000
OPERATING INCOME before depreciation & amortization	518	492
Depreciation and amortization	-184	-174
OPERATING INCOME	335	318
Finance revenue	5	0
Finance costs	-28	-37
Net finance revenue / (costs)	-22	-37
INCOME BEFORE TAXES	312	281
Tax expense	-76	-69
NET INCOME	236	212
Non-controlling interests	0	0
Net income (Group share)	236	212
Basic earnings per share	0.72 EUR	0.66 EUR
Diluted earnings per share	0.72 EUR	0.66 EUR
Weighted average number of ordinary shares	329,053,743	320,337,034
Weighted average number of ordinary shares for diluted earnings per share	329,282,274	320,352,134

Consolidated statement of other comprehensive income

(EUR million)	Three months ended 31 March	
	2008	2009
Net income	236	212
Other comprehensive income:		
Available-for-sale investments:		
Valuation gain/(loss) taken to equity	-1	0
Exchange differences on translation of foreign operations	2	0
Other comprehensive income net of tax	1	0
Total comprehensive income	237	213
<u>Attributable to:</u>		
Equity holders of the parent	237	212

Consolidated balance sheets

(EUR million)	As of 31 December 2008	As of 31 March 2009
ASSETS		
NON-CURRENT ASSETS	5,564	5,515
Goodwill	2,111	2,113
Intangible assets with finite useful life	552	548
Property, plant and equipment	2,501	2,464
Enterprises accounted for under the equity method	0	2
Other participating interests	1	1
Deferred income tax assets	308	293
Pension assets	5	6
Other non-current assets	85	88
CURRENT ASSETS	2,218	2,489
Inventories	100	99
Trade receivables	1,205	1,199
Current income tax assets	144	141
Other current assets	151	187
Investments	53	53
Cash and cash equivalents	565	809
TOTAL ASSETS	7,782	8,004
LIABILITIES AND EQUITY		
EQUITY	2,276	2,490
Shareholders' equity	2,271	2,484
Issued capital	1,000	1,000
Treasury shares	-517	-517
Restricted reserve	100	100
Remeasurement to fair value	4	5
Stock compensation	6	7
Retained earnings	1,675	1,887
Foreign currency translation	3	3
Non-controlling interests	5	5
NON-CURRENT LIABILITIES	3,182	3,173
Interest-bearing liabilities	2,128	2,141
Liability for pensions, other post-employment benefits and termination benefits	777	752
Provisions	225	225
Deferred income tax liabilities	49	53
Other non-current payables	3	3
CURRENT LIABILITIES	2,323	2,341
Interest-bearing liabilities	393	365
Provisions for liabilities and charges	0	0
Trade payables	1,239	1,160
Income tax payables	165	208
Other current payables	527	608
TOTAL LIABILITIES AND EQUITY	7,782	8,004

Consolidated cash flow statements

(EUR million)	Three months ended 31 March	
	2008	2009
Cash flow from operating activities		
Net income (group share)	236	212
<u>Adjustments for:</u>		
Depreciation and amortization on intangible assets and property, plant and equipment	184	174
Increase of provisions	3	5
Deferred tax expense	16	19
Fair value adjustments on financial instruments	3	8
Loss on disposal of consolidated companies	-1	1
Gain on disposal of property, plant and equipment	-1	0
Other non-cash movements	1	1
Operating cash flow before working capital changes	440	420
Decrease in inventories	2	1
Decrease / (increase) in trade receivables	-13	5
Decrease / (increase) in current income tax assets	-1	2
Increase in other current assets	-39	-34
Decrease in trade payables	-73	-78
Increase / (decrease) in income tax payables	-14	43
Increase in other current payables	78	97
Decrease in net liability for pensions, other post-employment benefits and termination benefits	-21	-26
Decrease in other non-current payables and provisions	-13	-3
Decrease / (increase) in working capital, net of acquisitions and disposals of subsidiaries	-95	6
Net cash flow provided by operating activities	345	426
Cash flow from investing activities		
Purchase of intangible assets and property, plant and equipment	-128	-135
Cash paid for consolidated companies, net of cash acquired	-1	0
Cash received from / (paid for) sales of consolidated companies, net of cash disposed of	2	-3
Cash received from sales of intangible assets and property, plant and equipment	3	0
Cash received from sales of other participating interests and enterprises accounted for using the equity method	1	0
Net cash provided by / (used in) investing activities	-123	-139
Cash flow before financing activities	222	288
Cash flow from financing activities		
Dividends paid to shareholders	-18	-18
Net acquisition of treasury shares	-145	0
Sale of investments	2	0
Issuance of long term debt	1	1
Repayment of short term debt	0	-27
Net cash used in financing activities	-160	-44
Net increase of cash and cash equivalents	62	244
Cash and cash equivalents at 1 January	726	565
Cash and cash equivalents at 31 March	788	809

Consolidated statements of changes in equity

(EUR million)	Issued capital	Treasury shares	Restricted reserve	Remeasurement to fair value	Foreign currency translation	Stock Compensation	Retained Earnings	Share's Equity	Non-controlling interests	Total Equity
Balance at 31 December 2007	1,000	-178	100	4	2	5	1,586	2,520	6	2,525
<i>Fair value changes in available-for-sale investments</i>	0	0	0	-1	0	0	0	-1	0	-1
<i>Currency translation differences</i>	0	0	0	0	2	0	0	2	0	2
Equity changes not recognised in the income statement	0	0	0	-1	2	0	0	1	0	1
Net income	0	0	0	0	0	0	236	236	0	236
Total comprehensive income	0	0	0	-1	2	0	236	237	0	237
Treasury shares										
Exercise of stock options	0	7	0	0	0	0	-1	6	0	6
Acquisition of treasury shares	0	-152	0	0	0	0	0	-152	0	-152
Stock options										
Exercise of stock options	0	0	0	0	0	-1	1	0	0	0
Total transactions with equity holders	0	-145	0	0	0	-1	0	-146	0	-146
Balance at 31 March 2008	1,000	-322	100	3	4	5	1,822	2,610	6	2,616
Balance at 31 December 2008	1,000	-517	100	4	3	6	1,675	2,271	5	2,276
Net income	0	0	0	0	0	0	212	212	0	212
Total comprehensive income	0	0	0	0	0	0	212	212	0	213
Stock options										
Amortization deferred stock compensation	0	0	0	0	0	1	0	1	0	1
Total transactions with equity holders	0	0	0	0	0	1	0	1	0	1
Balance at 31 March 2009	1,000	-517	100	5	3	7	1,887	2,484	5	2,490

Contingent liabilities

No changes occurred during the first quarter of 2009 in the contingent liabilities mentioned in note 34 of the consolidated financial statements for the year ended on 31 December 2008.

Segment reporting

Segment revenue and results

Three months ended 31 March 2008							
(EUR million)	Consumer Business Unit	Enterprise Business Unit	Service Delivery Engine	Staff & Support	International Carrier Services	Inter-segment elimination	Total
Net revenue	530	660	90	1	172		1,453
Other operating revenue	4	2	3	6	(0)		16
Intersegment revenue	13	13	16	2	14	-59	
TOTAL SEGMENT REVENUE	548	675	110	9	185	-59	1,469
Costs of materials and charges to revenue	-124	-212	-29	-1	-157	52	-469
Personnel expenses and pensions	-79	-101	-54	-40	-5		-280
Other operating expenses	-58	-40	-46	-55	-9	6	-202
TOTAL OPERATING EXPENSES before depreciation & amortization	-261	-352	-129	-96	-171	59	-951
TOTAL SEGMENT RESULT (1)	287	324	-20	-86	14	-0.11	518
OPERATING INCOME / (LOSS) before depreciation & amortization	287	324	-20	-86	14	-0	518
Depreciation and amortization	-21	-9	-124	-24	-5	0	-184
OPERATING INCOME / (LOSS)	265	314	-144	-111	9	-0	335
Finance revenue (net)							-22
INCOME BEFORE TAXES							312
Tax expense							-76
NET INCOME							236
Non-controlling interests							0
<u>Net income (Group share)</u>							<u>236</u>

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

Three months ended 31 March 2009							
(EUR million)	Consumer Business Unit	Enterprise Business Unit	Service Delivery Engine	Staff & Support	International Carrier Services	Inter-segment elimination	Total
Net revenue	574	625	74	-0	203	0	1,475
Other operating revenue	4	6	3	4	0	0	17
Intersegment revenue	14	9	22	3	13	-61	0
TOTAL SEGMENT REVENUE	591	640	98	7	217	-61	1,492
Costs of materials and charges to revenue	-166	-198	-16	-0	-184	53	-511
Personnel expenses and pensions	-89	-95	-50	-41	-6	0	-281
Other operating expenses	-68	-41	-48	-50	-8	8	-207
TOTAL OPERATING EXPENSES before depreciation & amortization	-323	-335	-114	-91	-198	61	-1,000
TOTAL SEGMENT RESULT (1)	268	306	-16	-84	19	-0	492
OPERATING INCOME / (LOSS) before depreciation & amortization	268	306	-16	-84	19	-0	492
Depreciation and amortization	-34	-7	-107	-20	-5	0	-174
OPERATING INCOME / (LOSS)	234	299	-124	-104	13	0	318
Finance revenue (net)							-37
INCOME BEFORE TAXES							281
Tax expense							-69
NET INCOME							212
Non-controlling interests							0
<u>Net income (Group share)</u>							<u>212</u>

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

Segment assets

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

As of 31 March 2009							
(EUR million)	Consumer Business Unit	Enterprise Business Unit	Service Delivery Engine	Staff & Support	International Carrier Services	Unallocated	Total
Goodwill	1,028	1,085	-	-	-	-	2,113
Intangible assets and property, plant and equipment	276	51	1,959	668	61	-	3,015
Unallocated assets						2,876	2,876
Total assets	1,304	1,135	1,959	668	61	2,876	8,004

Other segment information

Three months ended 31 March 2008							
(EUR million)	Consumer Business Unit	Enterprise Business Unit	Service Delivery Engine	Staff & Support	International Carrier Services	Inter-segment elimination	Total
Capital expenditure	10	7	105	6	1		128

Three months ended 31 March 2009							
(EUR million)	Consumer Business Unit	Enterprise Business Unit	Service Delivery Engine	Staff & Support	International Carrier Services	Inter-segment elimination	Total
Capital expenditure	26	6	98	3	2		135

General information

Investor relations

Nancy Goossens +32 2 202 82 41

Ann Maes +32 2 202 26 18

E-mail: investor.relations@belgacom.be

Website: www.belgacom.com

Registered office information

Belgacom, Société Anonyme de droit public

Headquarters:

Bd du Roi Albert II, 27

B-1030 Brussels, Belgium

Tel.: + 32 2 202 41 11

VAT BE 202.239.951

Brussels Register of Legal Entities

Brussels Trade Registry 587.163

Date of constitution – Legal form

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