Belgacom,
two customer divisions,
one convergence strategy

ING Benelux Telco Day – 12 November 2008

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Consumer Business Unit - CBU

Michel Georgis – Executive Vice-President

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CBU in new customer oriented organisation structure

Belgacom Group

- Consumer Business Unit
- Enterprise Business Unit
- Service Delivery Engine
- Staff & Support
- ICS

Belgian Market

- *4.5 million households*
- *10.6 million inhabitants*

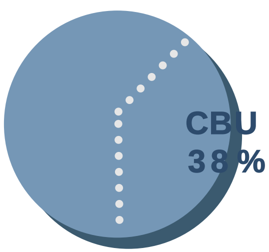
Luxemburg Market

- *172.000 households*
- *483.300 inhabitants*

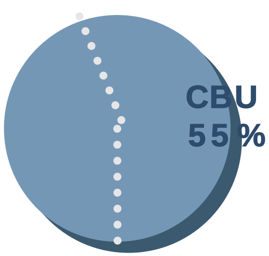
Products & Services

- *Fixed & Mobile* ***Voice***
- *Fixed & Mobile* ***Internet***
- *Fixed & Mobile* ***Digital TV (Belgium only)***

Revenues



EBITDA contribution[1]



[1] based on direct allocated costs.
Exl. IT, Network, Headquarter, support functions

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Operating in a tightening Belgian telecom market

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Consumer competitive landscape

Belgacom only player to offer all 6-play components in Belgium

= Leader
= Main Challenger
= Active player

	Voice – Fixed	Voice – Mobile	Broadband – Fixed	Broadband – Mobile	Digital TV – Fixed	Digital TV – Mobile
Market – Penetration	72%	103%[2]	47%[3]	Emerging market	28%	Emerging market
Market – Size (volume)[1]	3.3 mio[4]	9.1 mio	2.1 mio[4]		1.3 mio	
Competition – belgacom / proximus	Leader	Leader BEL	Leader BEL	Leader BEL		Leader
Competition – telenet			Leader FL		Leader FL	
Competition – VOO						
Competition – KPN / BASE / TELE2						
Competition – Mobistar						

[1] Based on official where available and company research/estimates
[2] Total penetration rate active cards (incl Enterprise) on population
[3] Consumer broadband connections ISPA on households
[4] Includes market SOHO customers, not pure Consumer

Your Life on demand

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Strategy & execution

Differentiation on superior service, product quality and innovation

Retention

- Address end-to-end customer experience
- Excel at growing and retaining our **valuable customers**

Growth

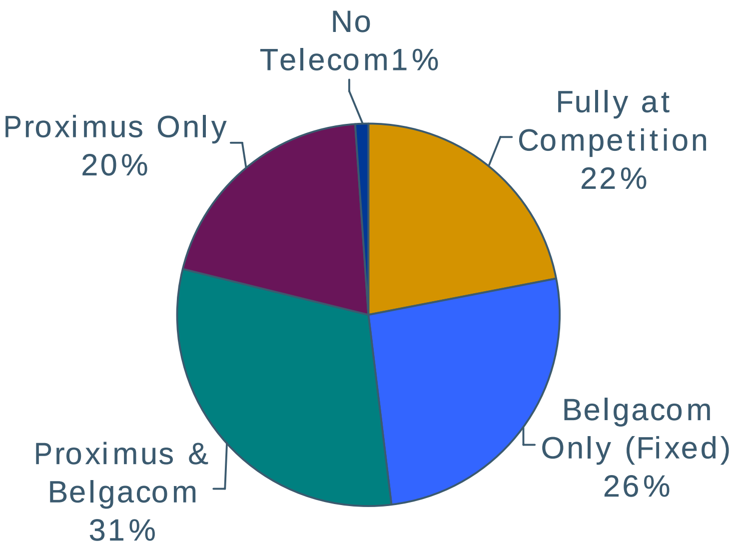
- Increase **cross-selling**, with bundling of products supported by **adapted multi-channel distribution** management

Innovation

- Deploy **innovative, convergent products and services**

Multiplay

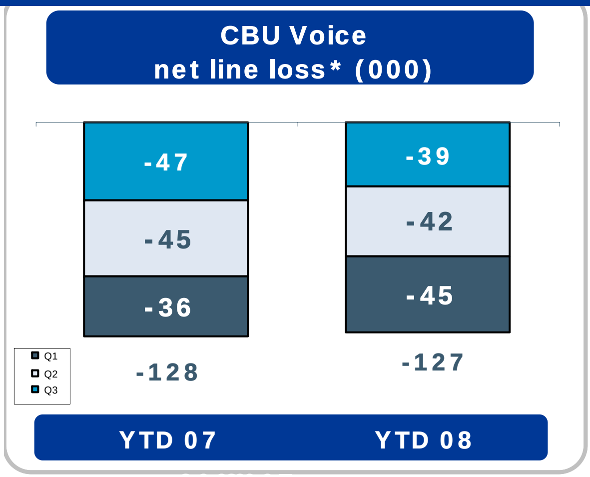
Belgacom proposes 6-play offer nationwide
voice, internet and TV on both mobile and fixed networks



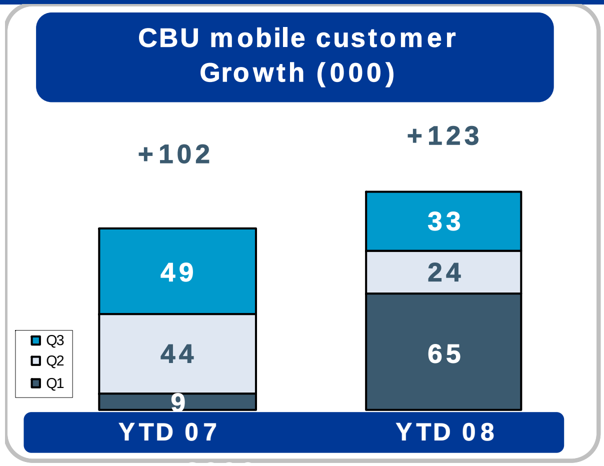
- CBU holds a relationship with ~80% of the Belgian households
- More than 50% of CBU customers are single play (fix or mobile), creating a large opportunity for cross-selling

Snapshot results YTD September 2008 - Operationals

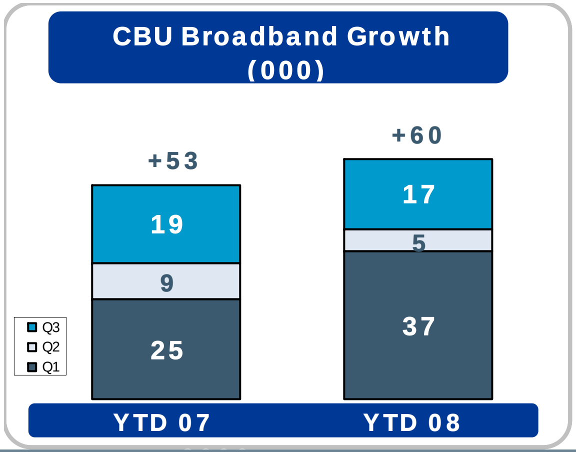
Stabilized net fixed line erosion



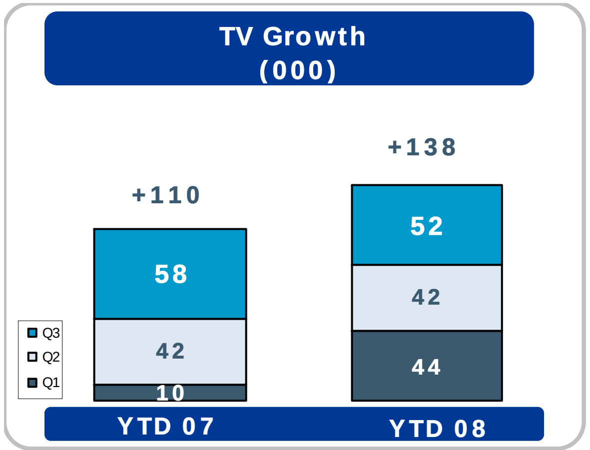
+123k mobile customers, total of 3.7m



+60k BB customers; total of 876k



+138k TV subscribers, total of 443k



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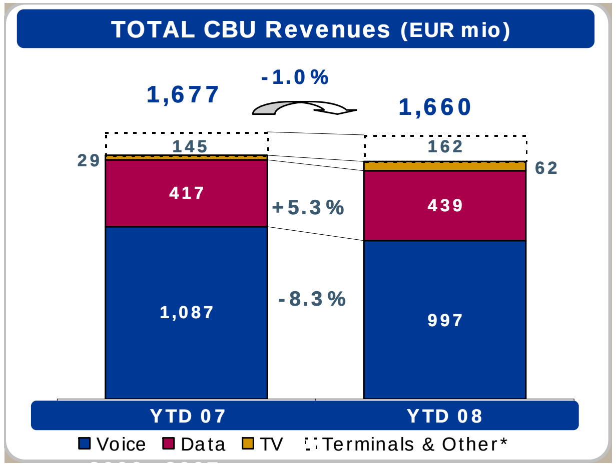
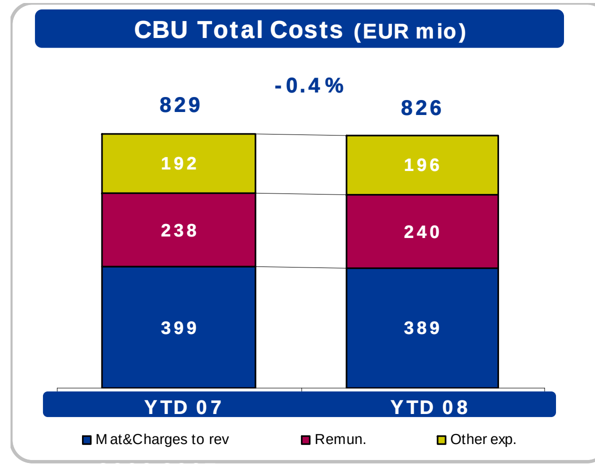
Snapshot results YTD September 2008 - Financials

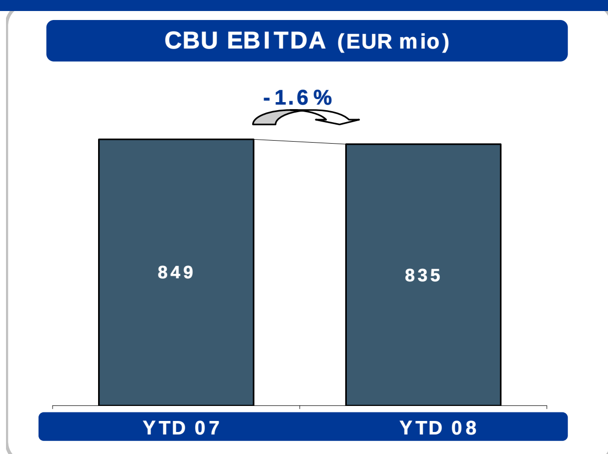
Revenue decline driven by regulation. Excluding, + 1.6% due to Tango, TV and data



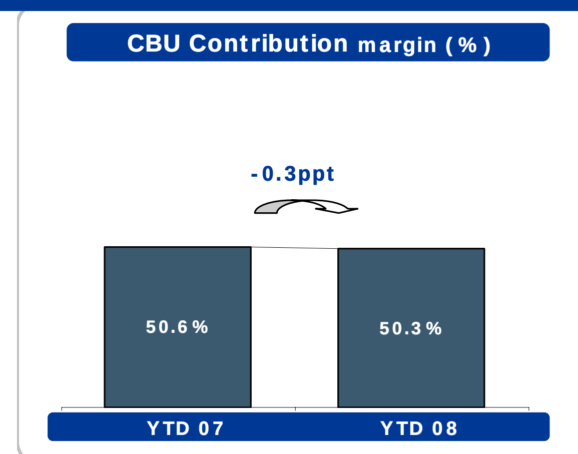
Costs under control



EBITDA decline driven by regulation pressure



Fairly flat contribution margin



Enterprise Business Unit - EBU

Michel de Coster – Executive Vice-President

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EBU in new customer oriented organisation structure

Belgacom Group

- Consumer Business Unit
- Enterprise Business Unit
- Service Delivery Engine
- Staff & Support
- ICS

Belgian Market

- ~ 20,000 holdings
- ~ 700,000 small & medium enterprises

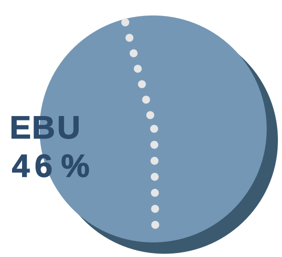
International Market

- Telindus international focus on 5 core countries: Netherlands, Luxembourg, France, Spain, UK

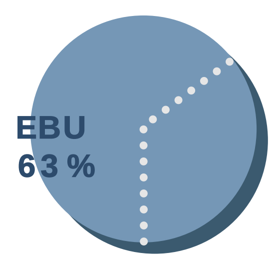
Products & Services

- Connectivity
- Mobile & Fixed Voice
- Mobile & Fixed Data
- Network services
- Datacenter services
- Unified communications
- Hosted applications
- Security

<u>Revenues</u>



<u>EBITDA contribution[1]</u>



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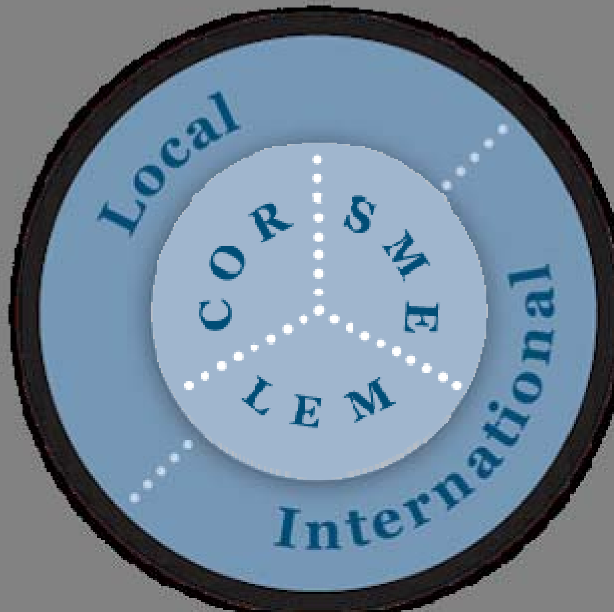
Exl. IT, Network, Headquarter, support functions..


Local
COR
SME
LEM
International

EBU strategy

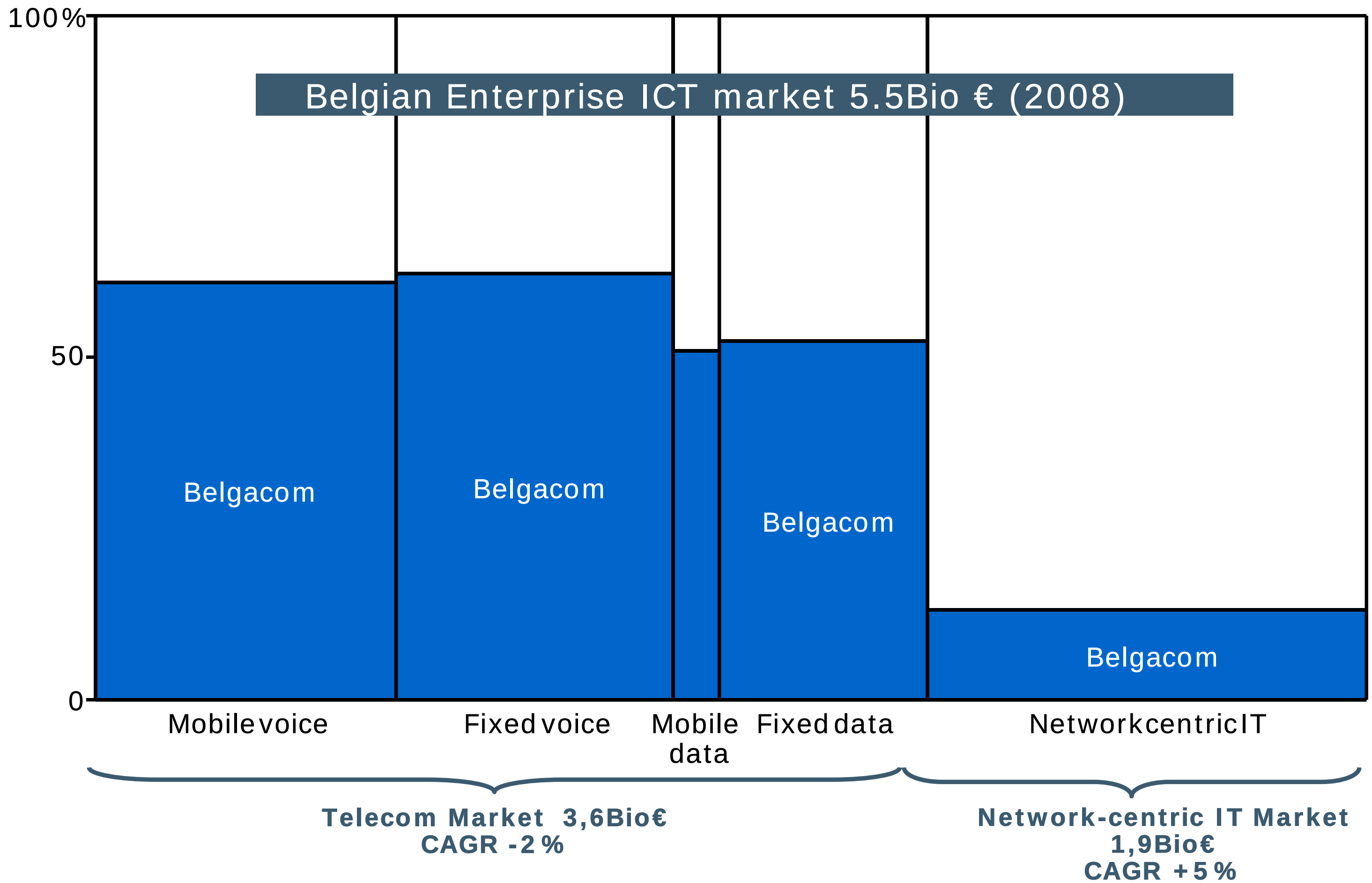
Belgacom aims to be the leading network centric ICT partner offering professional customers end-to-end managed solutions, and to be a reference in its European footprint

EBU's business model is based upon

- Collaboration
- Network centricity
- Platform technology
- Security
- Unified communication
- End-to-end solutions

EBU in Belgian ICT market

Belgacom has a strong position in declining domestic telecom market & takes position to capture growth in network-centric ICT



Source chart: Gartner and Belgacom analysis

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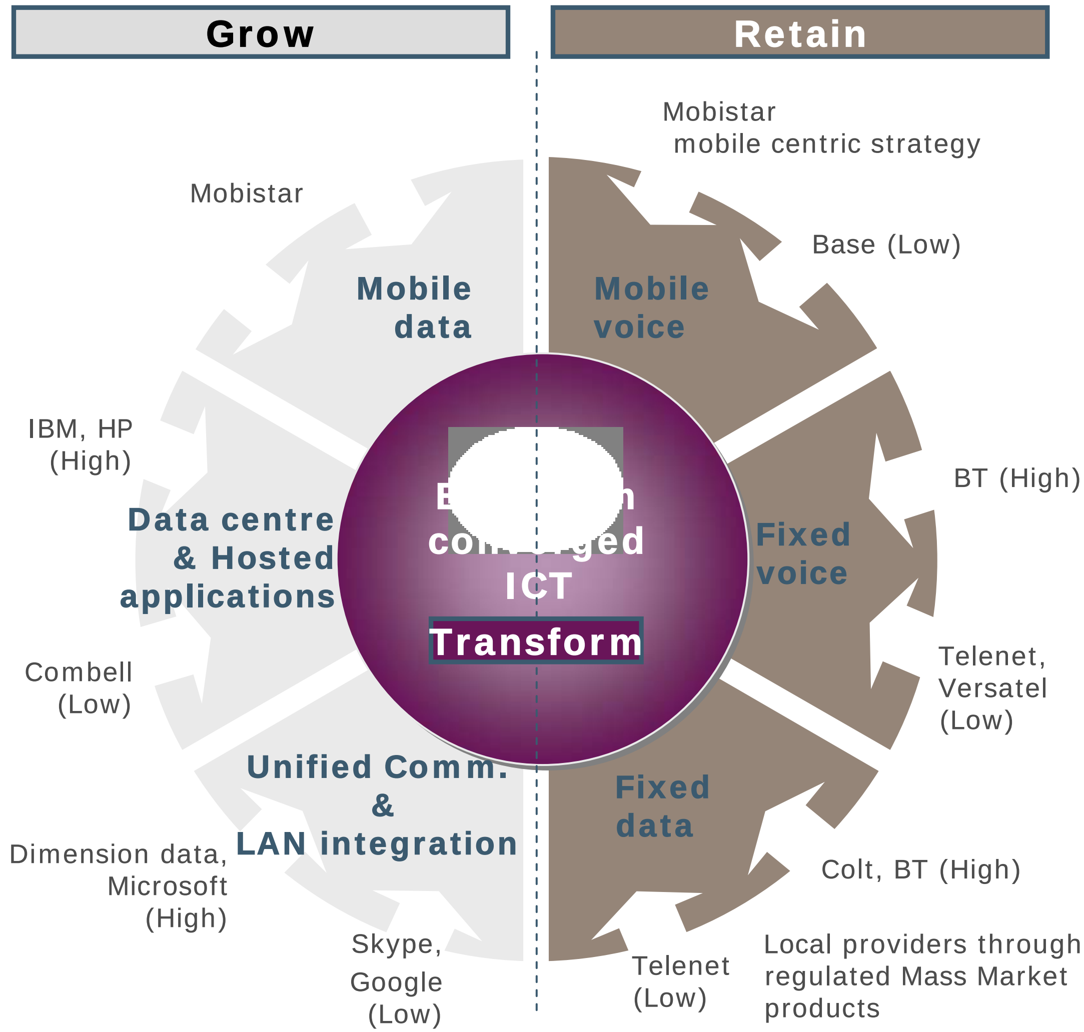
Differentiation on network-centric ICT to counter aggressive competitive attacks in each single domain



Transform into converged ICT

- Leverage **connectivity**
- Offer **end-to-end** integrated solutions
- Focus on "**managed services**"
- **Cost sharing** & **service quality**

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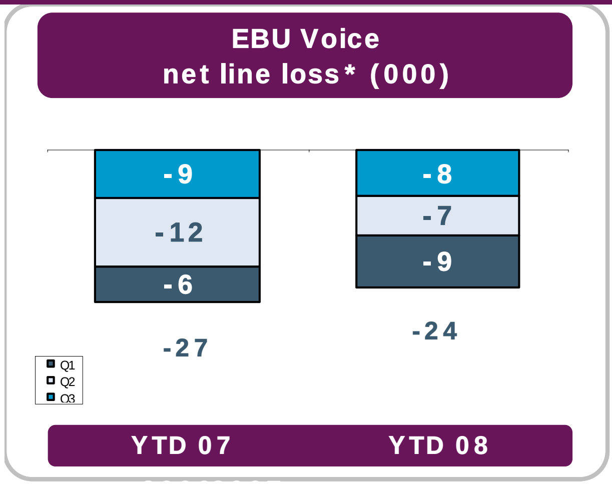
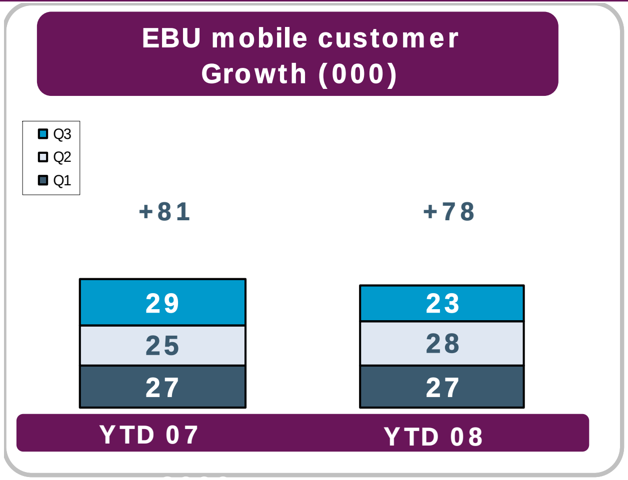
Snapshot results YTD September 2008 - Operationals

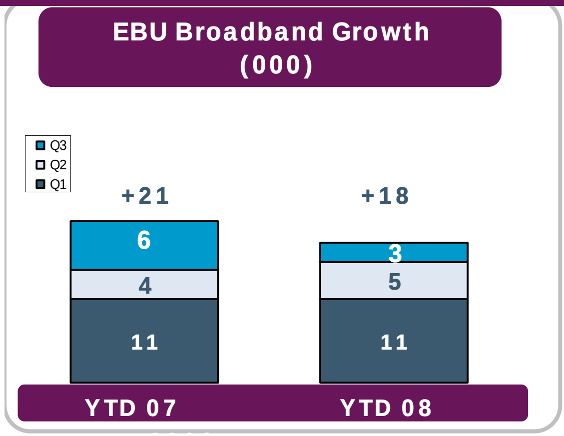
net fixed line erosion stable

+78k mobile customers, total of 1.1m





+18k BB lines, total of 439k



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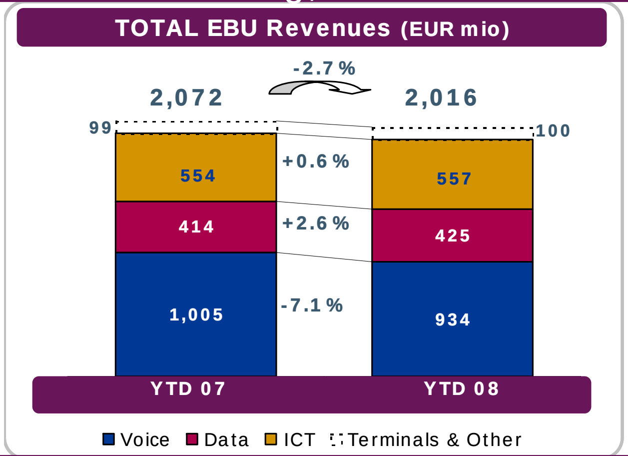
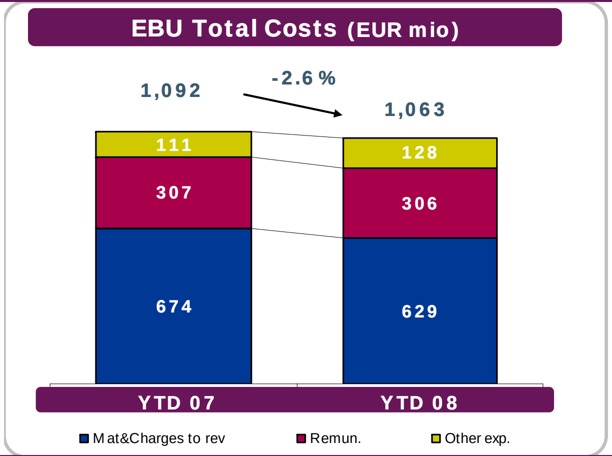
Snapshot results YTD September 2008 - Financials

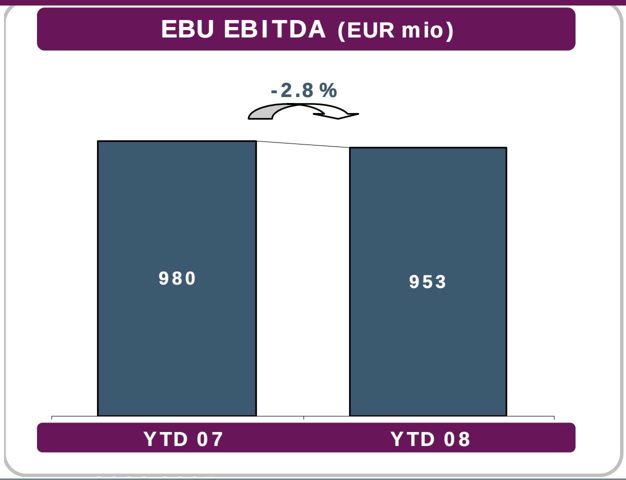
Revenue decrease due to regulation. Excluding, +0.3% YoY



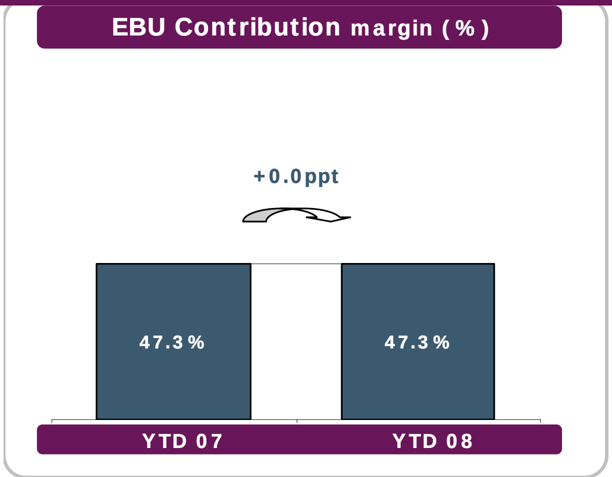
Costs under control



Revenue decline not offset by lower cost



Flat contribution margin



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Q&A