



**Investor &
Analyst Day**

belgacom

Agenda of the day

- 10:00 – 10:30 Registration & welcome coffee

- New Segment Reporting R. Stewart - CFO
 - Strategic rational new segmentation
 - 2007 financials in new structure
 - 2007 operationals in new structure
 - regulatory impacts in new structure
- Service Delivery Engine S. Alcott – EVP SDE
- Consumer Business Unit M. Georgis – EVP CBU
- Enterprise Business Unit S. Alcott – EVP a.i. EBU

12:00 – 13:15 Lunch break

- Q&A

15:00 – 16:00 Drinks



New Segment Reporting

Ray Stewart - CFO

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Strategic Rationale



In January 2006 Belgacom acquired Telindus

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In August 2006 Belgacom acquired Vodafone's 25% stake in Proximus



Belgacom has all assets in house to pursue its convergence strategy

2007: implementation of new customer-centric organisation

2008: new reporting structure aligned with customer-centric organisational structure

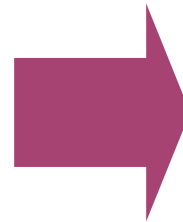
Evolution towards aligned brands

From

Three brands



Strong & powerful brands in their respective segments



To

One Master brand



Two Expert brands

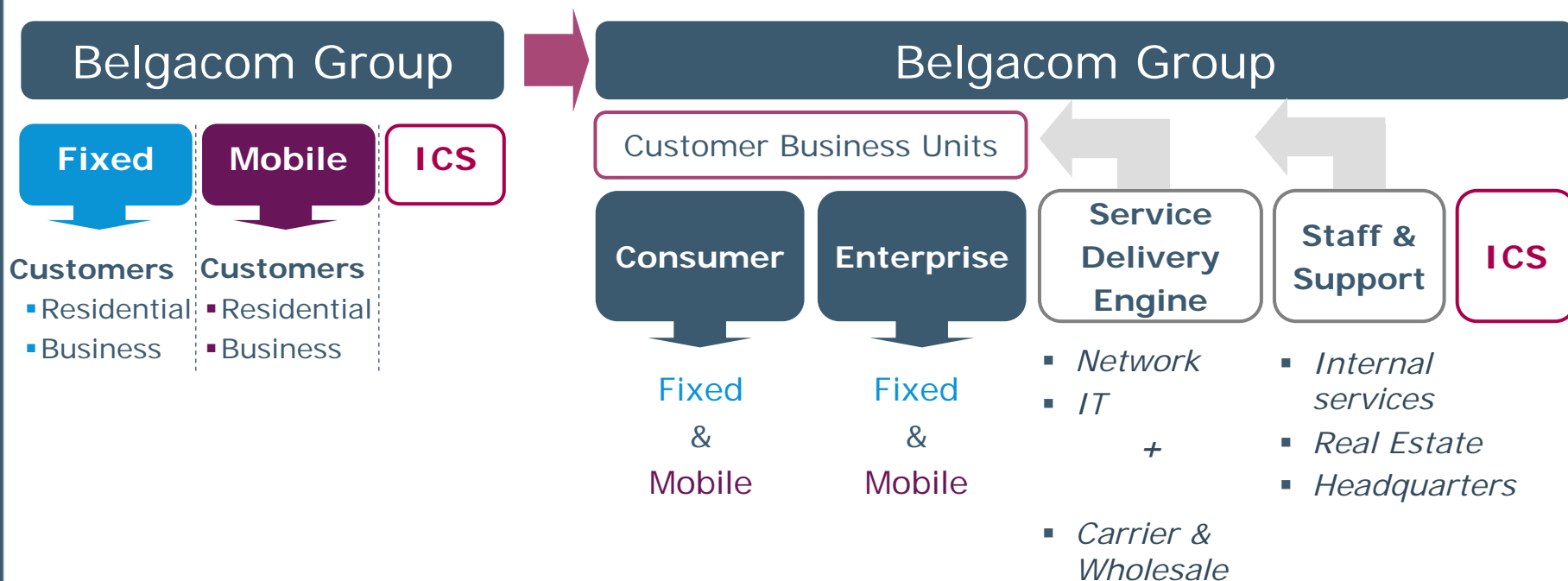
- complementary to the master brand
- transfer category leadership to the master brand



Unified formats

New organisation structure

From product-oriented --> to a customer-oriented organisation

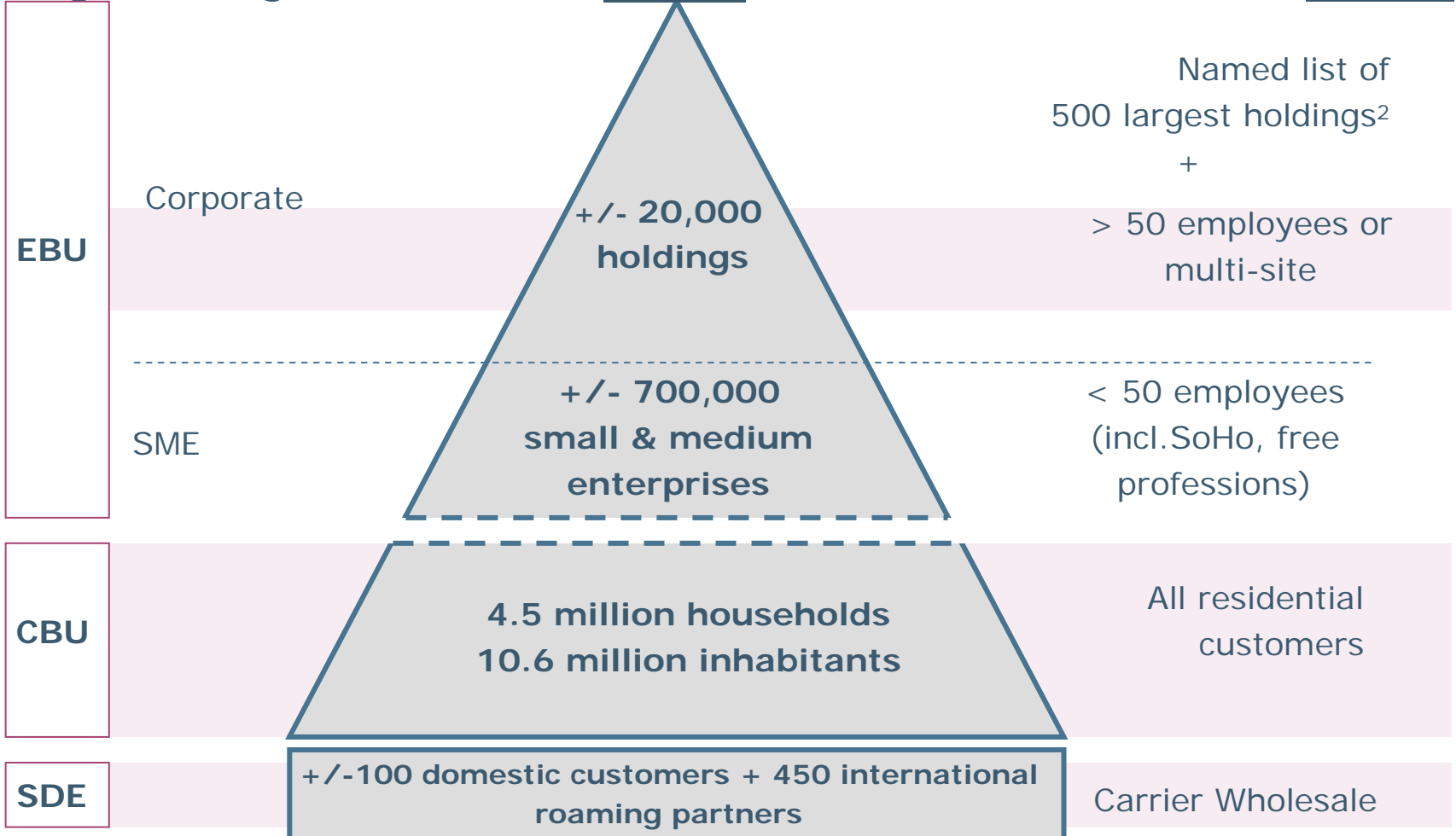


Customer segments within Belgacom

Belgacom segments

Market¹

criteria



1 Estimated numbers based on internal Belgacom business rules applied on EuroDB's total Business universe.

2 Representing about 4,000 entities. Including federal and regional government, NATO and EU.



2007 financials in new segment structure

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Revenue – New reporting segments

- Revenue follows the customer in new segmentation
- Belgacom TV, Directory Services and Mobile prepaid fully allocated to CBU

	CBU	EBU	SDE	S&S
FLS	Voice Access Voice Traffic Internet Terminals Belgacom TV Directory Serv.	Voice Access Voice Traffic Internet Terminals Data Connectivity ICT	Wholesale Other	Other (catering, capital gain on buildings, etc)
MCS	Voice Services* Data Services* Handsets MVNO Credits & Discounts	Voice Services* Data Services* Handsets Credits & Discounts	Roaming-in	Other (catering, renting, etc)

*including roaming-out

Costs – New reporting segments

CBU

Costs of material & charges to revenue

Operating Expenses

Customer care

Sales

Marketing & Product development

Customer operations (installation & repair)

Bad debt

EBU

Costs of material & charges to revenue

Operating Expenses

Customer care

Sales

Marketing & Product development

Customer operations (installation & repair)

ICT Service delivery

Bad debt

SDE

Costs of material & charges to revenue

Operating Expenses

IT related costs

(a.o. Maintenance & bodyshopping)

Network development & maintenance

Wholesale organisation

S&S


Operating Expenses

Real estate

Shared services (a.o. HR, Finance, logistics, purchase)

Headquarter functions (a.o. audit, Communication)

Revenue* - FY 2007 in million €

	CBU	EBU	SDE	S&S	ICS	Inter-segm.	Total
FLS	1,134	1,948	404	45	0	72	3,603
MCS	1,097	827	112	4	0	15	2,054
ICS	0	0	0	0	746	0	746
Inter. segm.	0	0	0	0	0	-339	-339
Total	2,231	2,775	516	49	746	-252	6,065

Total operating expenses* - FY 2007 in million €

- Excluding non-recurring expense of € 46 million

	CBU	EBU	SDE	S&S	ICS	Int. segm.	Total
FLS	-603	-1,167	-399	-323	0	1	-2,492
MCS	-529	-316	-130	-79	0	-87	-1,142
ICS	0	0	0	0	-692	0	-692
Int. segm.	0	0	0	0	0	338	338
Total	-1,133	-1,484	-529	-402	-692	251	-3,988

EBITDA* - FY 2007 in million €

- Excluding non-recurring expense of € 46 million

	CBU	EBU	SDE	S&S	ICS	Inter-segm.	Total
FLS	531	781	5	-278	0	73	1,112
MCS	568	510	-18	-75	0	-73	912
ICS	0	0	0	0	53	0	53
Inter-segm.	-	-	-	-	-	-	-
Total	1,098	1,291	-13	-354	53	0	2,077

Consumer Business Unit – overview FY 2007 results*

P&L 2007 in million €

Total CBU revenue	2,231
<i>Mat. & charges to revenue</i>	-540
<i>Personnel expenses & pensions</i>	-316
<i>Other operating expenses</i>	-277
Total operational costs	-1,133
Total CBU result	1,098
<i>CBU margin</i>	49.2%

Revenue detail 2007 in million €

TOTAL CBU	2,231
From fixed	1,134
<i>Voice</i>	654
<i>Data</i>	292
<i>TV</i>	43
<i>Terminals</i>	66
<i>Other</i>	80
From mobile	1,097
<i>Voice</i>	771
<i>Data</i>	270
<i>Terminals</i>	47
<i>Other</i>	9

Enterprise Business Unit – overview FY 2007 results*

P&L 2007 in million €

Total EBU revenue	2,775
<i>Mat. & charges to revenue</i>	-916
<i>Personnel expenses & pensions</i>	-407
<i>Other operating expenses</i>	-161
Total operational costs	-1,484
Total EBU result	1,291
<i>EBU margin</i>	46.5%

Revenue detail 2007 in million €

TOTAL EBU	2,775
From fixed	1,948
<i>Voice</i>	656
<i>Data</i>	422
<i>ICT</i>	767
<i>Terminals</i>	76
<i>Other</i>	27
From mobile	827
<i>Voice</i>	667
<i>Data</i>	130
<i>Terminals</i>	22
<i>Other</i>	8

New segments P&L* - FY 2007 in million €

OLD structure			
€ million	Rev.	Ebitda **	Margin
FLS	3,603	1,112	30.8%
MCS	2,054	912	44.4%
ICS	746	53	7.2%
Eliminations	-339	0	0
Group	6,065	2,077	34.2%



New structure			
€ Mio	Rev.	Ebitda **	Margin
CBU	2,231	1,098	49.3%
EBU	2,775	1,291	46.6%
SDE	516	-13	-
S&S	49	-354	-
ICS	746	53	7.2%
Eliminations	-252	0	-
Group	6,065	2,077	34.2%


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* New segment allocation might be subject to minor changes and is not audited.

** Excluding non-recurring expense of € 46 million

Capex* - FY 2007 in million €

- CBU capex is mainly TV content & settop boxes, sales channels
- EBU capex is mainly linked to ICT & data centers
- Staff & Support capex is mainly linked to real estate

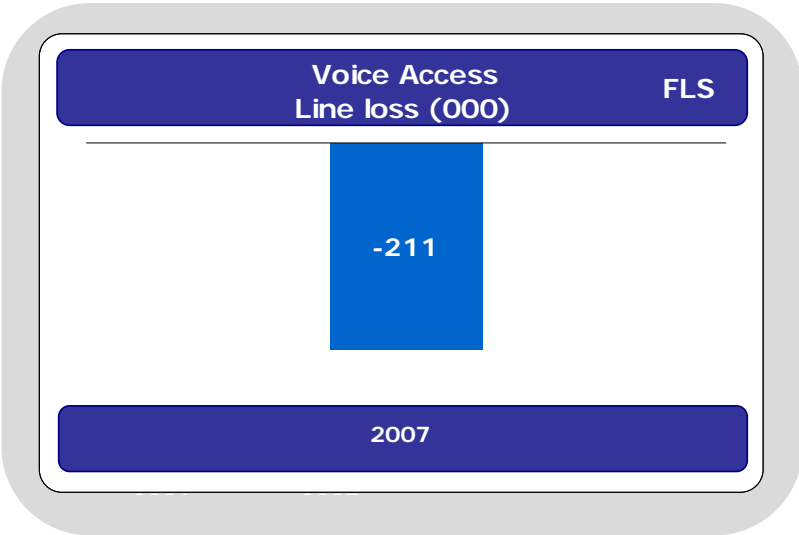
	CBU	EBU	SDE	S&S	ICS	Total
FLS	51	36	314	53	0	453
MCS	0	0	153	0	0	154
ICS	0	0	0	0	18	18
Total	51	36	467	53	18	625



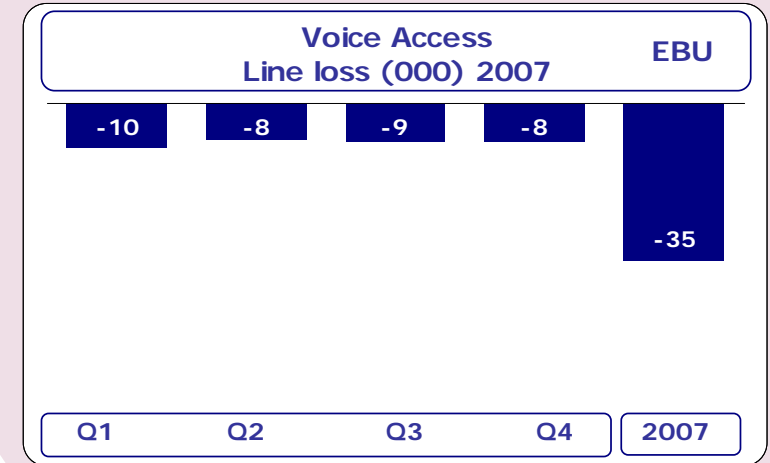
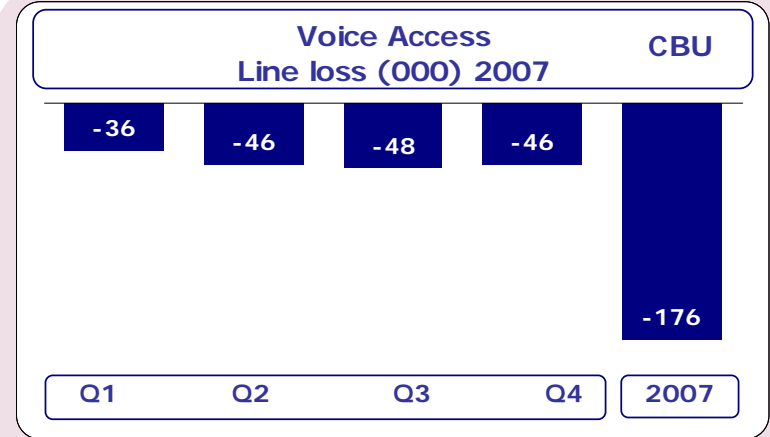
2007 operationals in new segment structure

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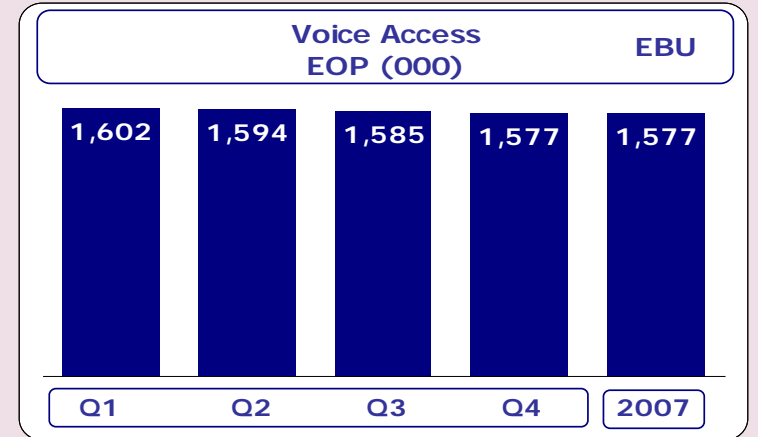
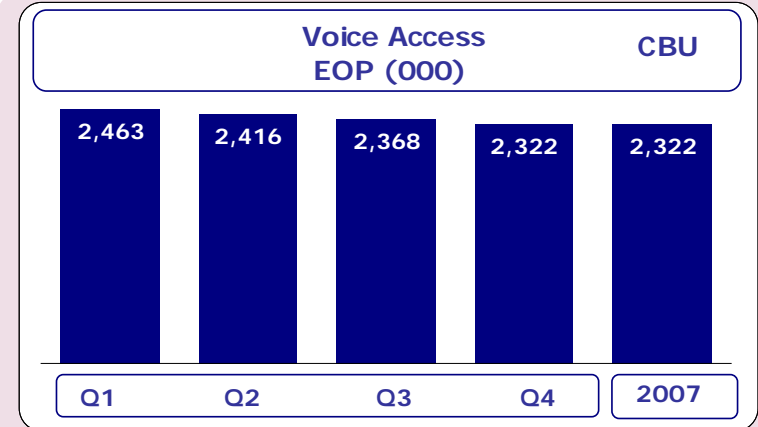
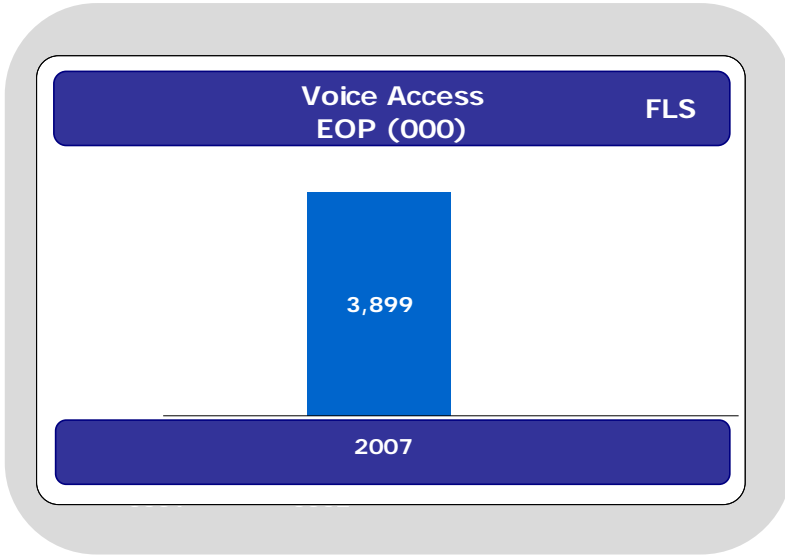
Voice Access Line loss (000) – split of FY 2007



- FLS Voice Access Line loss (PSTN+ISDN equilines) excluding Wholesale lines

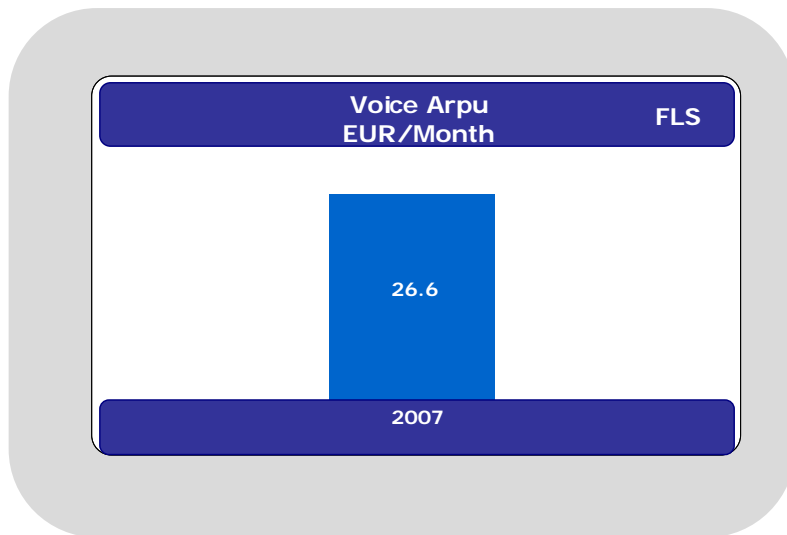


Total Voice Access Lines (000) – split of FY 2007

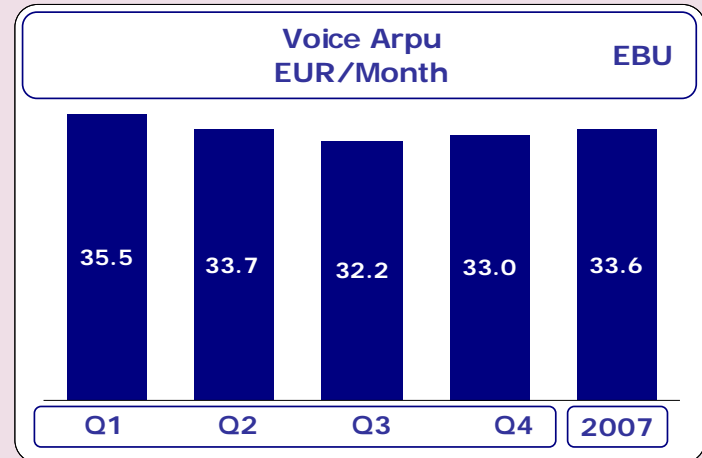
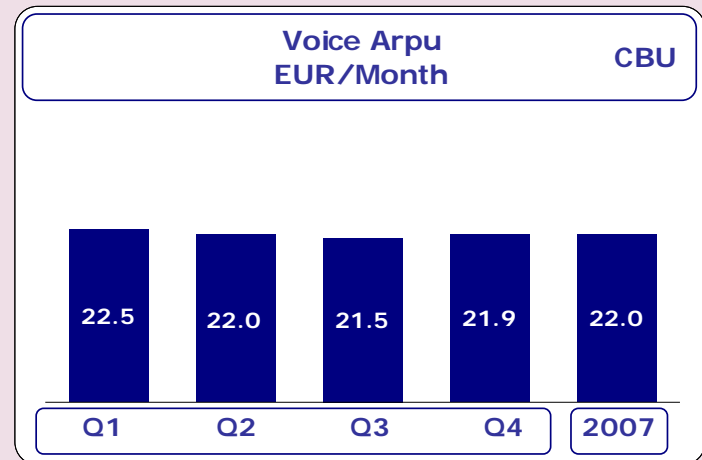


- FLS Voice Access Lines (PSTN+ISDN equilines) excluding Wholesale lines

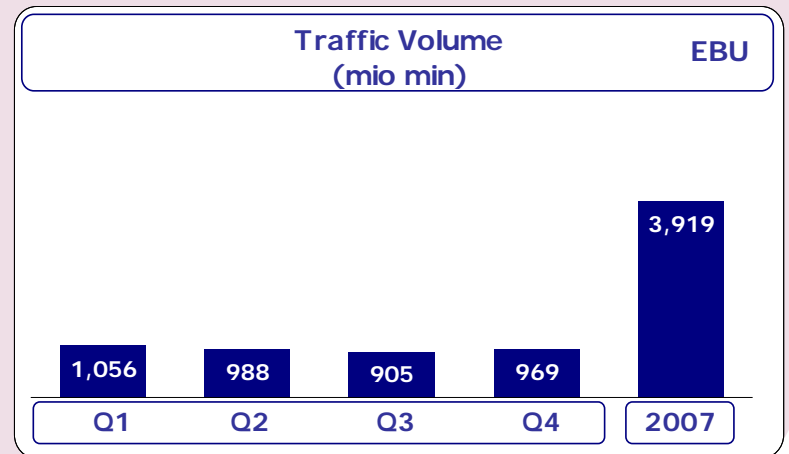
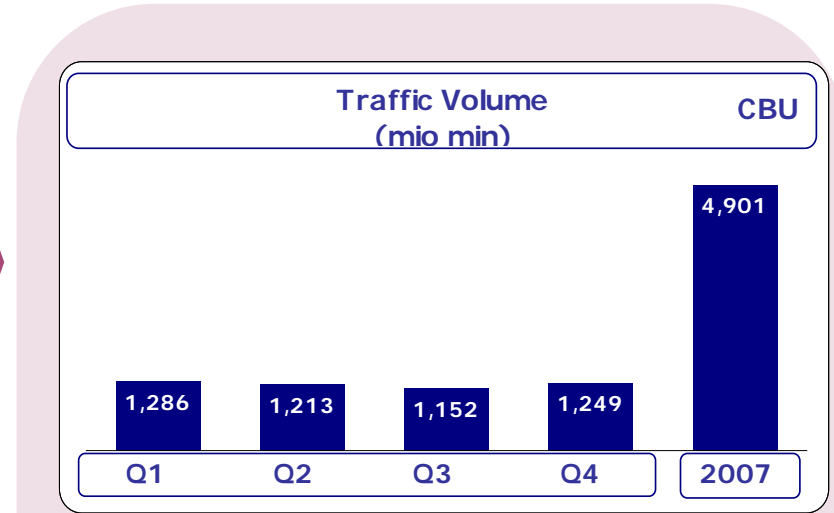
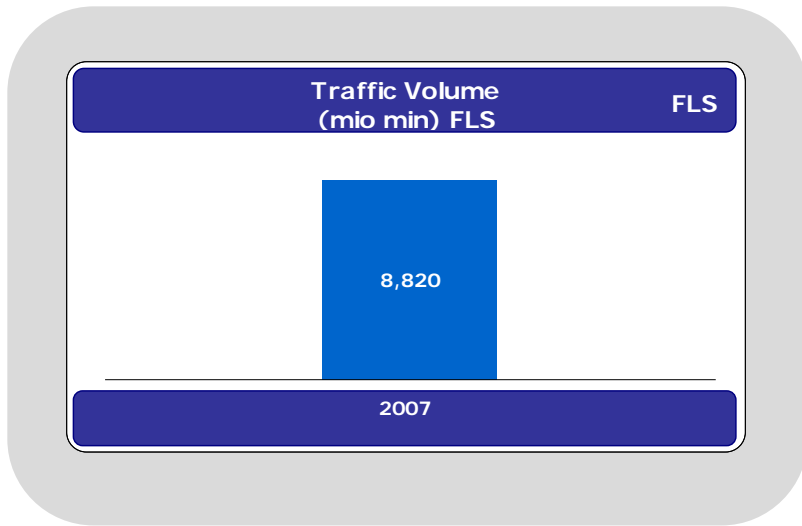
Voice ARPU/month in € – split of FY 2007



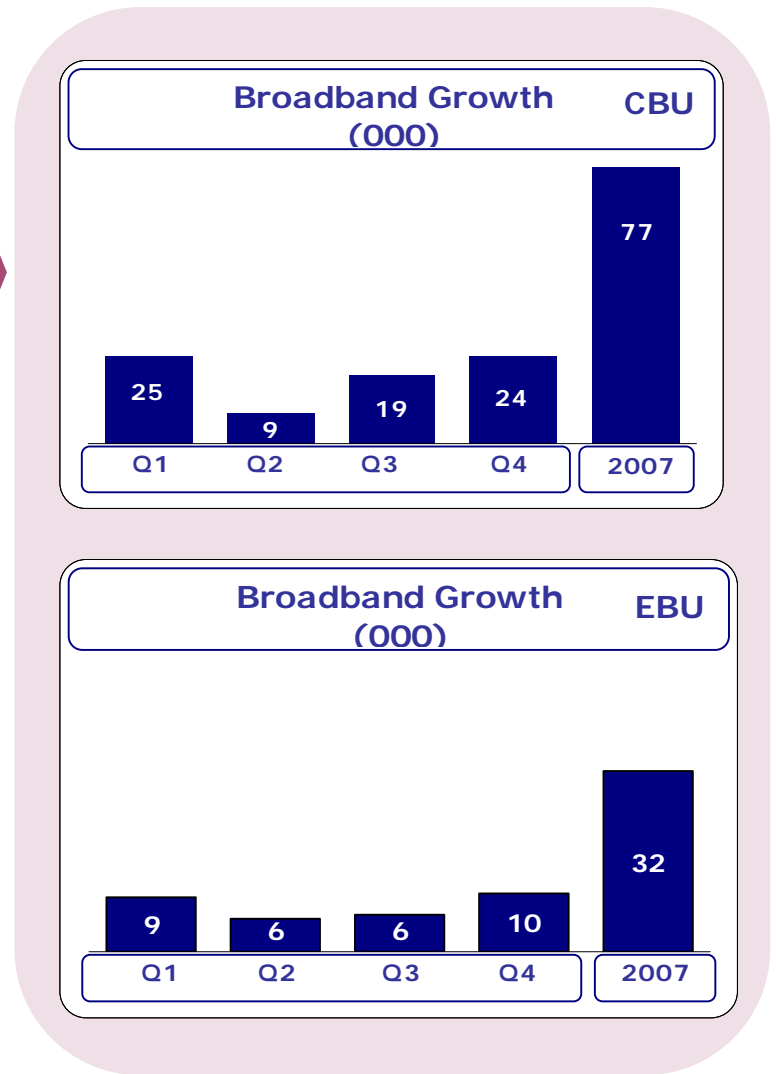
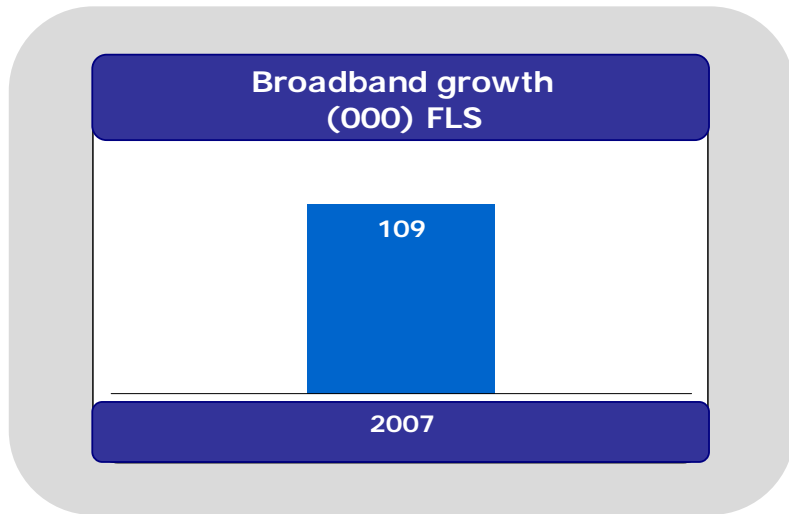
- FLS Voice ARPU/month excluding Wholesale lines



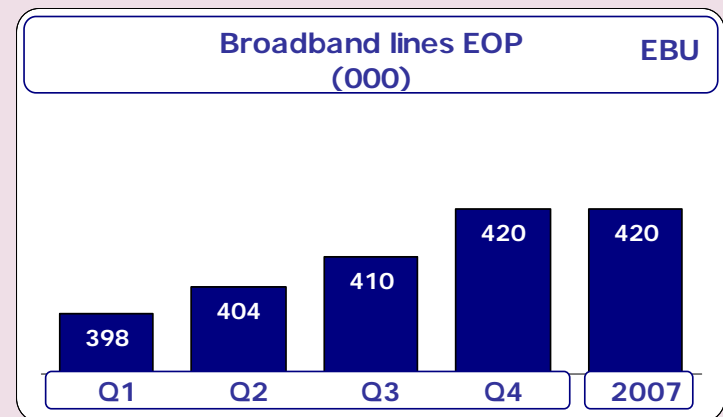
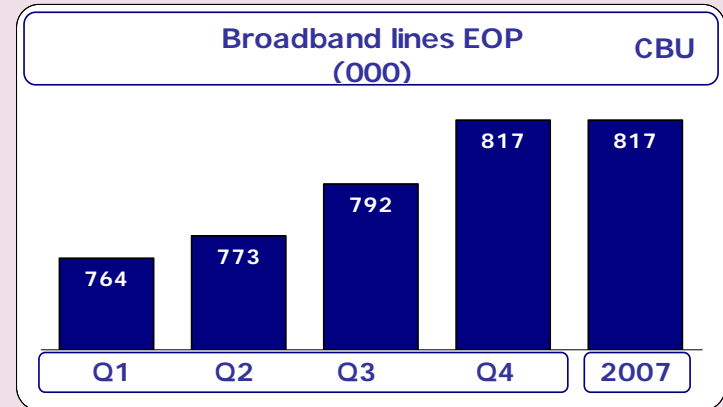
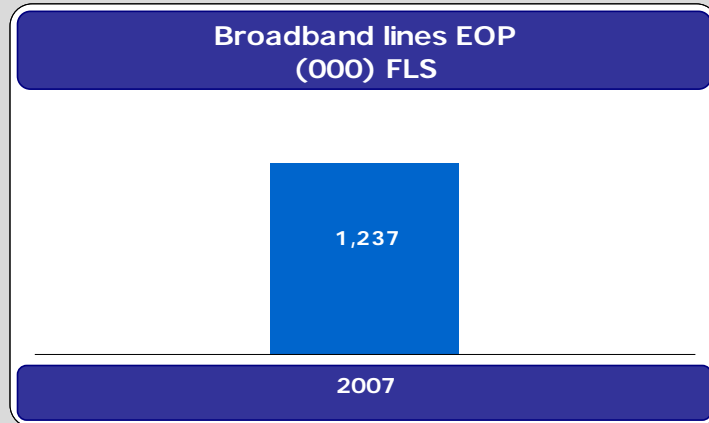
Voice Traffic Volume (Mio min) – split of FY 2007



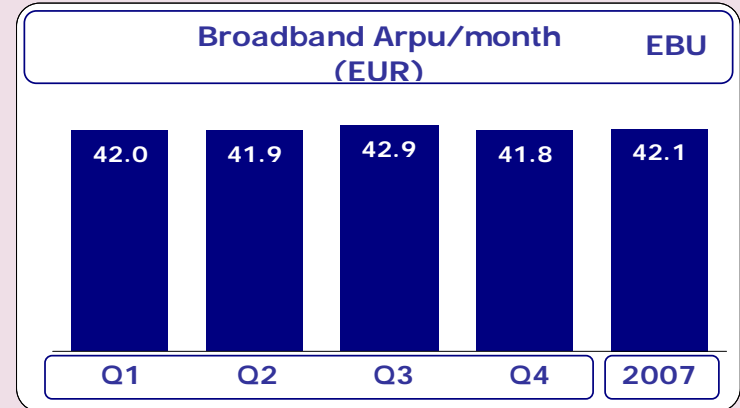
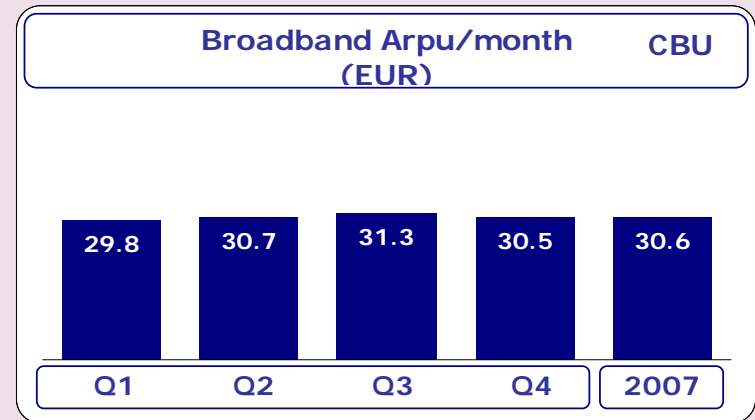
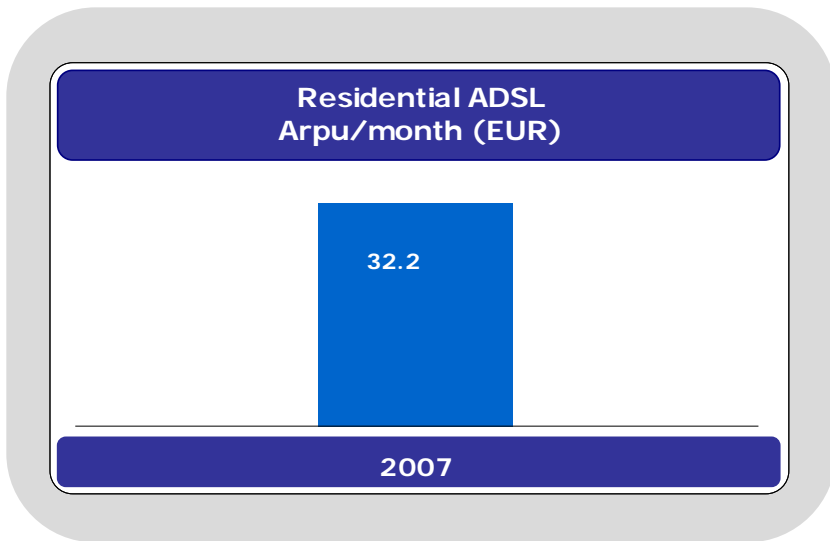
Broadband Growth (000) – split of FY 2007



Broadband Lines EOP (000) – split of FY 2007



FLS Broadband Arpu (EUR) – split of FY 2007



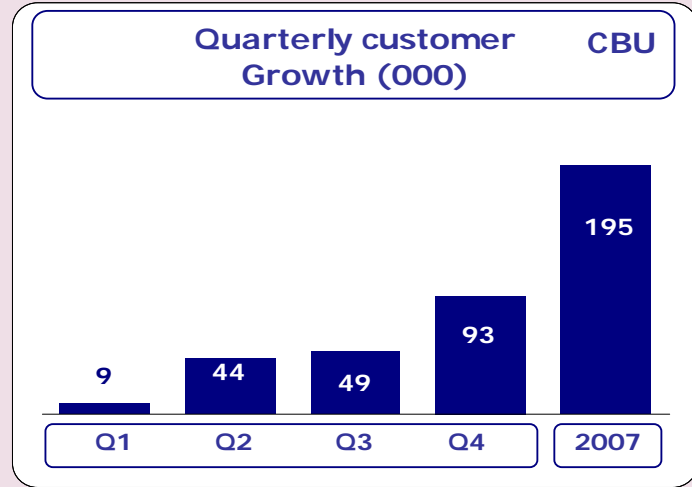
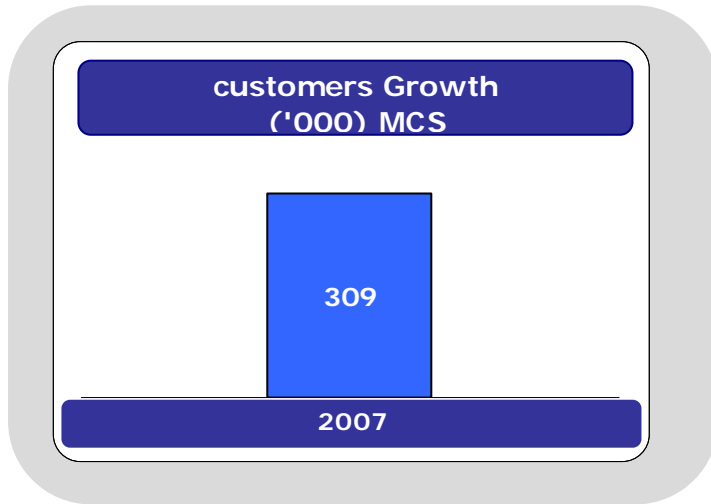
Old structure:

- Residential ADSL ARPU includes residential and low business customers

New structure:

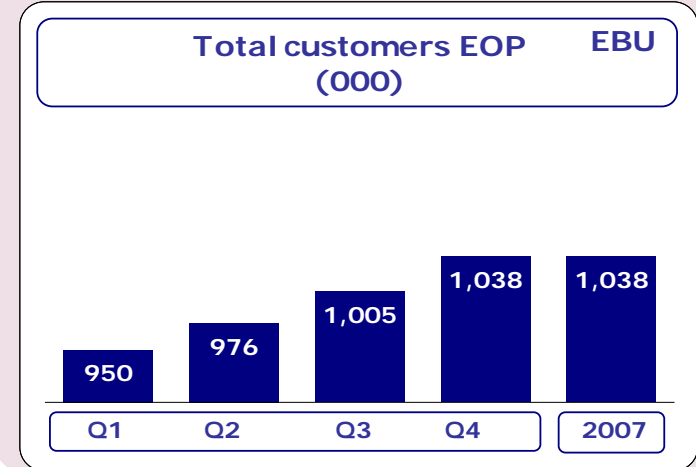
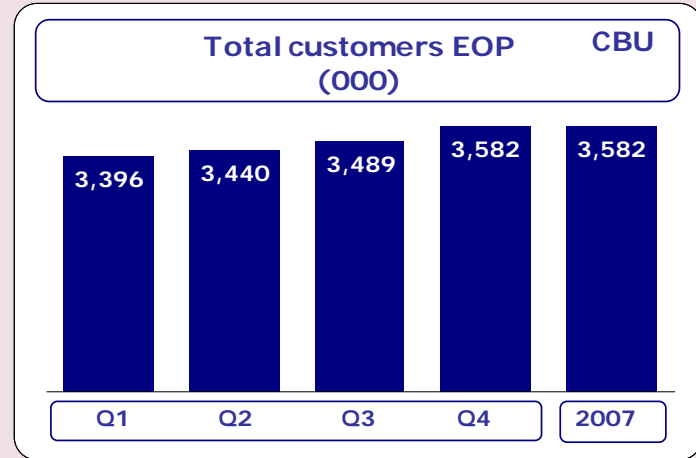
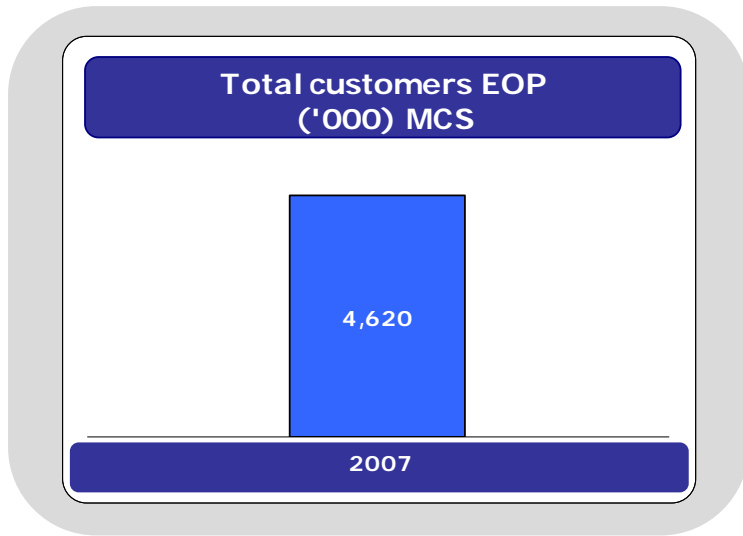
- CBU broadband ARPU includes only residential customers
- EBU ARPU includes all business & corporate customers

Mobile Customer Growth – split of FY 2007



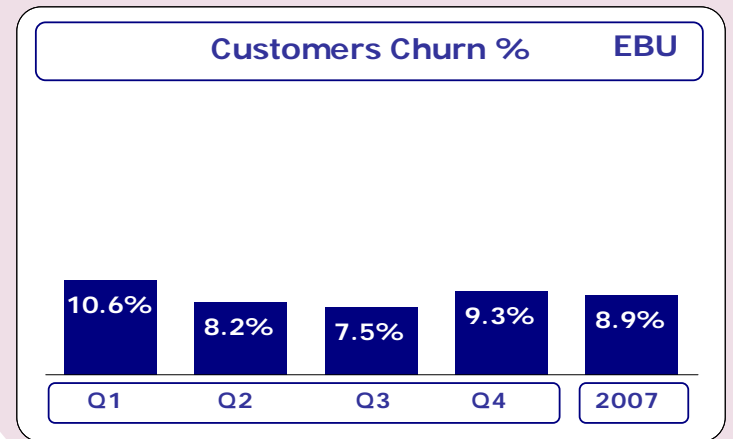
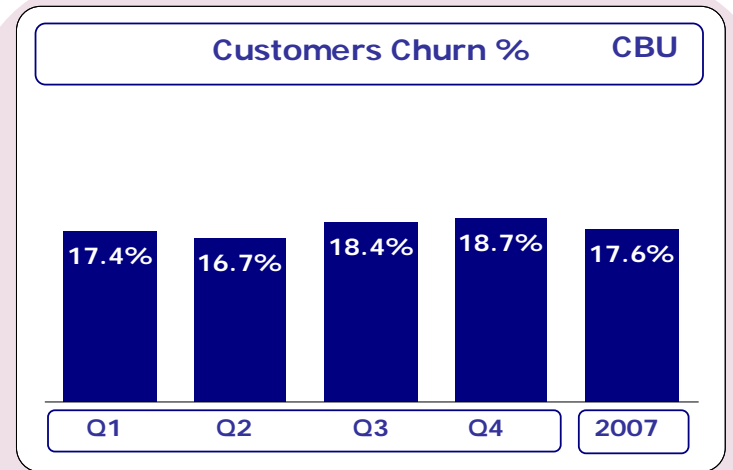
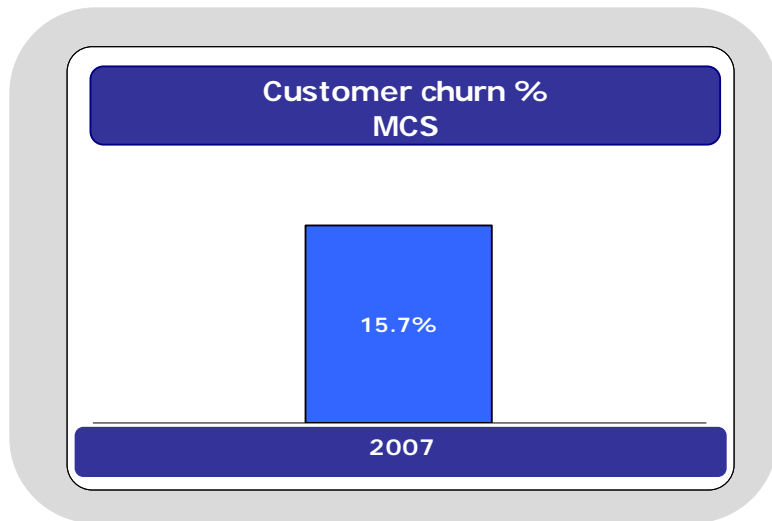
- EOP 3-month active subscribers

Mobile Customers – split of FY 2007



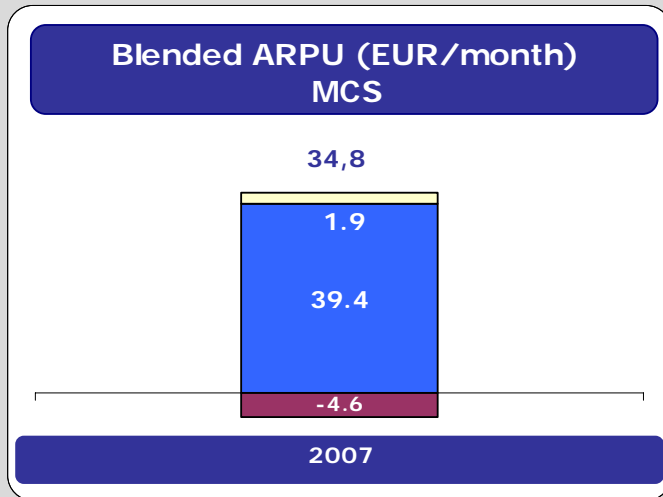
- EOP 3-month active subscribers
- Prepaid customers all segmented in CBU

Mobile Churn Rate – split of FY 2007

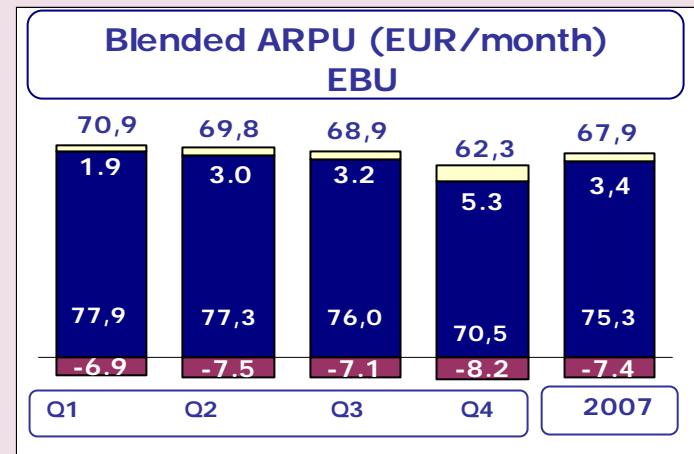
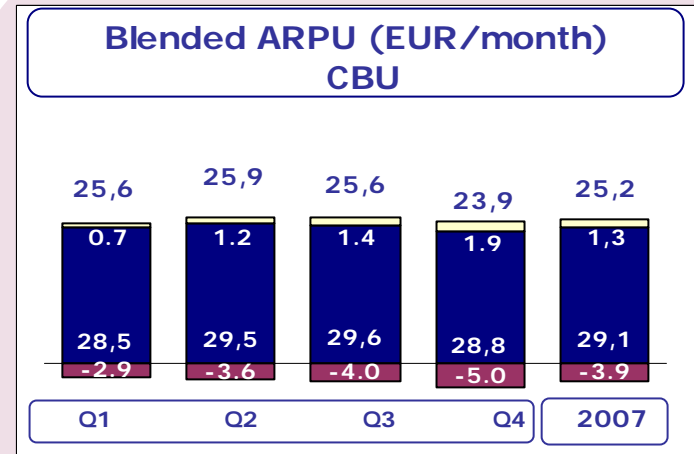


- Blended churn rate of registered SIM cards

Mobile – blended ARPUs – split of FY 2007



■ credits & discounts
 ■ Gross ARPUs
 ■ Regulation Impact
 Net ARPUs





Regulatory impacts

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Mobile regulation – impact per segment

Roaming: Impact per segment

2007 in mio €	Group	CBU	EBU	SDE
Revenue	-21	-4	-6	-11
EBITDA	-14	-3	0	-11

2008 in mio €	Group	CBU	EBU	SDE
Revenue	-83	-22	-49	-13
EBITDA	-73	-17	-43	-13

MTR: impact per segment

2007 in mio €	Group	CBU	EBU	SDE
Revenue	-80	-45	-30	-5
EBITDA	-30	-20	-8	-3

MTR – update for 2008 estimation

MTR rates excl. VAT and inflation

€ct	1 Nov'06	1 May '07	1 Feb '08 *	1 May '08 **	1 Jul '08 **
Proximus	10.13	8.09	8.02	7.48	6.56
Mobistar	12.75	10.16	8.84	9.38	8.21
Base	15.81	12.76	10.36	11.82	10.41
% change					
Proximus	-20.0%	-20.1%	-0.9%	-6.7%	-12.3%
Mobistar	-20.2%	-20.3%	-13.0%	+6.1%	-12.5%
Base	-19.3%	-19.3%	-18.8%	+14.1%	-11.9%
asymmetry					
Mobistar - Px	26%	26%	10%	25%	25%
Base - Px	56%	58%	29%	58%	59%

Estimated impact on Proximus revenue and EBITDA

2008 in mio €	Group	CBU	EBU	SDE	Assumptions
Revenue	-35	-20	-13	-1	<ul style="list-style-type: none"> 3 months actuals + 9 months estimated volumes No retroactive change of tariffs Jan-April '08 (subject to ongoing legal analysis)
EBITDA	-3	-3	1	-1	

* Suspended by the Court of Appeal (April 4th 2008)³²

** based on draft decision BIPT (April 11th 2008)

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