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Press release
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Regulated information

Financial information for the second quarter and first half of 2018

Orange Belgium's confirms its commercial success as a Bold Challenger

2018 guidance reiterated - New and strong forward-looking fundamentals (cable regulation, new MVNO)

- Growth in mobile contract customer additions has accelerated (+26k net adds in Q2), spurred by improved offers
  - Orange Belgium recorded a total of 2.36 million mobile contract customers at the end of the first half of 2018 thanks to an acceleration in customer net additions to 26 thousand in the second quarter of 2018, compared to 21 thousand in the second quarter of 2017. This solid performance was driven by Orange Belgium's bold and innovative offers, led by its unmatched Eagle Unlimited and convergent LOVE offers. Prepaid segment reached its best performance in the past 11 quarters (-6 thousand).
  - In the second quarter of 2018, Orange Belgium's mobile only contract ARPO stood at 21.3 euros, a slight decrease of 0.9 % year-on-year, explained by the last impact of the Roam-Like-at-Home regulation, partly mitigated by an increase of the underlying ARPO supported by a better customer mix. Orange Belgium continued to drive a positive rebalancing of its customer portfolio towards more mid- and high-end tariff plans. The launch of Orange Belgium's Eagle Unlimited offer and abundant data tariff plans drove an acceleration of the average mobile data usage per smartphone user in the first half of 2018, reaching 2.6 GB/month, increasing by 46 % year-to-date, almost double than in June last year.

- Continuing growth in convergent customer base (+14k net adds in 2Q 2018)
  - Orange Belgium added 14 thousand new convergent customers in the second quarter of 2018, compared to 15 thousand in the second quarter of 2017, bringing the total at 136 thousand. This performance has been achieved without promotions. Orange Belgium continued to lower its cable churn rate thanks to an improvement of its processes. Orange Belgium's convergent mobile customer base increased to 207 thousand at the end of June 2018, implying 1.5 SIM cards per cable household, and now represents 9 % of the mobile contract customer base. The B2C convergent ARPO increased by 2.4 % year-on-year to 73.7 euros in the second quarter of 2018 from 72.0 euros in the second quarter of 2017.

- Revenue growth (+3,1% in 2Q 2018) is further picking up, mainly thanks to the increase of retail service revenues
  - Revenues in the first half of 2018 reached 619.6 million euros from 607.4 million euros the previous year, despite MVNO revenues decreasing and the impact of EU roaming regulation. Revenue growth accelerated in the second quarter of 2018 to 3.1 % year-on-year (Q1 2018: +0.9 % yoy), thanks to a strong increase in retail service revenues, up 7.2 % year-on-year in the second quarter of 2018.
- Orange Belgium Group's adjusted EBITDA amounted to 66.7 and 127.3 million euros in the second quarter and first half of 2018, compared to the 78.1 and 146.5 million euros in the second quarter and first half of 2017 respectively. Growth in retail service revenues and efficient cost management were mitigated by the expected decline in MVNO (H1 2018: -22.6 million euros yoy) and EU-roaming revenues (H1 2018: -16.6 million euros). These headwinds should ease in the second half of 2018. The cable related EBITDA improved on a unitary basis in the first half of 2018, thanks to the implementation of several efficiency initiatives, and ahead of the improved regulatory wholesale conditions, though negative (H1 2018: -10.8 million euros vs.H1 2017: -9.8 million).
  - The organic cash flow amounted to 22.8 and 42.7 million euros in the second quarter and first half of 2018. Orange Belgium Group investments in the second quarter and first half of 2018 remained stable compared to last year. The net financial debt stood at 305.1 million euros at the end of the first half of 2018, resulting in a sound net financial debt / reported EBITDA ratio of 1.1x.

Orange Belgium Group's consolidated key figures	H1 2018	H1 2017	Variation	Q2 2018	Q2 2017	Variation
mobile contract customer base excl. M2M (Belgium)	2,355	2,272	+3.7 %	2,355	2,272	+3.7 %
ARPO mobile only contract (Belgium)				21.3	21.5	-0.9 %
convergent customer base (in '000, Belgium)	136	64	+111.1 %	136	64	+111.1 %
B2C convergent ARPO (Belgium)				73.7	72.0	+2.4 %
convergent mobile customer as % of mobile contract customer base (Belgium)	8.8 %	4.2 %		8.8 %	4.2 %	
Revenues (mio €)	619.6	607.4	+2.0 %	313.0	303.7	+3.1 %
Retail service revenues (mio €)	370.0	346.7	+6.7 %	188.8	176.1	+7.2 %
Adjusted EBITDA (mio €)	127.3	146.5	-13.1 %	66.7	78.1	-14.6 %
Adjusted EBITDA margin in % of revenues	20.5 %	24.1 %		21.3 %	25.7 %	
Net investment (mio €)	77.3	77.2	+0.1 %	45.5	45.0	+1.0 %
Organic cash flow	42.7	38.9	+9.7 %	22.8	24.7	-7.6 %
Net financial debt (mio €)	305.1	329.7	-7.5 %	305.1	329.7	-7.5 %

- Finalization of Broadband and TV distribution market analysis decision after approval of the European Commission
  - After a public consultation on the analysis of the broadband and TV distribution market in 2017, the CRC submitted its draft decision to the Belgian Competition Authority and subsequently to the European Commission early May 2018. One month later, the European Commission issued its comments letter and cleared the proposed wholesale regulation in Belgium. End of June 2018, the Belgian regulators finalized their decision, while taking the EC comments into account.
- Orange Belgium reiterates its financial guidance for the financial year 2018
  - Orange Belgium reiterates its financial guidance for 2018, pointing to a slight revenue growth and an adjusted EBITDA between 275 and 295 million euros under IFRS 15 accounting rules. The Orange Belgium Group expects its 2018 core investment (excluding all cable related investments) to remain stable compared to 2017.

Michaël Trabbia, Orange Belgium's Chief Executive Officer, commented:

"In the first half of 2018, in line with our Bold Challenger positioning, we demonstrated our ability to shake off the market's status quo to the benefit of our customers. The recent introduction of our Koala tariff plan, aimed at offering unlimited calls as well as a decent bucket of mobile data to most of the customers, and the earlier launch of the first fully unlimited mobile offer in Belgium, both supported by our leading 4G network, convinced more and more customers to choose Orange. Thanks to these disruptive offers we are strongly accelerating the data usage growth of our customers.

Regarding convergence, we continued to improve our processes efficiency, and our "Love" offers, with the introduction of Mobile Live TV at no extra cost and of a Fixed Phone option. Moreover, the recent final decision of the regulators regarding the Broadband and TV market analysis marked an important step towards a sustainable internet and TV offer with an improved quality of service and installation process. It will also allow us over time to address the untapped market for Internet-only offers.

Finally, we entered into a very promising partnership with Medialaan, the leading Flemish broadcaster, which includes a full MVNO agreement starting as from spring 2019."

Arnaud Castille, Chief Financial Officer, stated:

"Our commercial results and underlying financial results mark a strong first half of the year 2018. This demonstrates our focus on increasing our mobile contract and convergent customer base. It is also proof that we are capable of improving efficiency of our cable business, while driving innovation, digitalization and enhancing the overall customer experience. Nevertheless, this semester's year-on-year comparison was still impacted by the EU Roam-Like-at-Home regulation and the decline of MVNO revenues. In the second half of the year our underlying growth should be more visible as the gross EU roaming impact will be very limited and could even be compensated by the price-volume elasticity. In addition, the year-on-year evolution of the MVNO revenues should be relatively flat in the second semester of 2018.

We achieved two other important milestones: firstly we signed a 5-year wholesale partnership with Medialaan, the leading Flemish commercial broadcaster. As from spring 2019, Medialaan will transfer approximately 365,000 customers, currently hosted on the Base network, to our leading 4G network. Secondly, the Belgian regulator's decision for the TV and broadband market should allow us to benefit from more sustainable wholesale conditions. This should improve cable profitability and decrease churn even further. Since inception, cable churn rate reached its lowest level in the second quarter of 2018."

1. Key operational highlights

- **Orange Belgium reinforced its 'Bold Challenger' position with new customer focused offers**
  As a bold challenger in the Belgian telecom market, Orange Belgium has the ambition to do the extra mile for its clients. Orange Belgium wants to focus on what's essential for its customers, so that their Orange subscription provides them with everything they need. One of the first milestones was the launch of the Eagle unlimited tariff plan in February 2018. This first unlimited data offer in the Belgian market perfectly illustrated Orange Belgium's ambition to go further than competition in order to meet customers' needs. At the end of June 2018 Orange Belgium embraced its Bold Challenger position further by enriching and streamlining its range of mobile subscriptions: 1/ the new 'Koala' offer includes unlimited calls and SMS. It also has extra mobile data, which brings it up to 4 GB of data. Customers signing up for this new 'Koala' offer will pay 20 euros per month; 2/ the brand-new 'Cheetah' offer presents unlimited calls and SMS and 8 GB of mobile data for 30 euros per month; and 3/ for business customers Orange proposes the Shape Plus, which includes unlimited calls and SMS and 3 GB of mobile data for 20 euros per month.
- **Orange Belgium has also put the spotlight on the first fully unlimited convergent package in the market**
  Following the launch in February 2018 of the first unlimited mobile offer in Belgium, Eagle, which consists of unlimited calls, SMS and mobile data, Orange Belgium directed in the second quarter of 2018 its attention towards advertising the first fully unlimited convergent package (mobile, internet and TV) in the market. The Love Unlimited package can be obtained by adding internet and TV to Orange Belgium's Eagle or Eagle Premium offers. As such, customers can enjoy unlimited voice calls, SMS, mobile data and fixed internet and digital TV at the sharpest price on the market.
- **Orange Belgium expanded its Love offering with unlimited live TV via the Orange TV app and a Fixed Phone option**
  Orange Belgium is continuously investing to further improve its Love offer and to support its convergent positioning and growth. Orange Love customers can enjoy their favourite TV shows on their smartphone or tablet with the Orange TV app. After a successful testing period, Orange Belgium officially made mobile live TV available on the existing Orange TV app, at no additional cost for its convergent customers. The Fixed Phone option, which uses Voice over IP technology, perfectly corresponds to the peace of mind Orange wishes to offer its customers. For 10 euros per month, they have unlimited calls to fixed and mobile numbers in Belgium and to fixed numbers in 40 other countries. It also includes smart services such as voicemail, transferring calls to a mobile or fixed line and simultaneously setting up two calls. Love customers can add Fixed Phone to their existing Love package in any of Orange's 140 shops.
- **Orange Belgium extended its convergent services to all cable households in the SFR footprint**
  In April 2018, Orange Belgium made its convergent mobile, internet and TV offer Love also available to all cabled homes in the Brussels region, Wemmel, Drogenbos and in the 'botte du Hainaut' area. Close to 250,000 additional households were added. As such, Orange Belgium now covers all cabled Belgian households providing them with an excellent convergent offer at the best price.
- **Orange Belgium's loyalty program 'Orange Thank You' made every instance of customer engagement count**
  In a bid to reward customers for their loyalty, Orange Belgium invited Maître Gims, a famous French-speaking rapper, to perform an exclusive show for 6,400 Orange customers in Liège. This event was part of the 'Orange Thank You' loyalty program, which frequently surprises customers with a variety of gifts, such as extra mobile data, music, books, cinema tickets and events. In the past, a selection of loyal customers have been treated to performances by DJs Dimitri Vegas & Like Mike, Lady Gaga, Mika, Stan Van Samang, GOOSE and Hooverphonic. In 2017, more than 1 million customers redeemed an 'Orange Thank You' gift.
- **Finalization of Broadband and TV distribution market analysis decision after approval of the European Commission**
  After a public consultation on the analysis of the broadband and TV distribution market in 2017, the CRC which comprises the Belgian telecom regulator BIPT and the regional media regulators, submitted its draft decision to the Belgian Competition Authority and subsequently to the European Commission. The CRC concluded that Proximus, Telenet, Brutele and Nethys (Voo) continue to have dominant positions in their respective markets. The CRC has decided to open up of their respective networks using a cost-oriented wholesale pricing model. End of May 2018, the European Commission issued its comments letter and cleared the proposed wholesale regulation in Belgium. End of June 2018, the Belgian regulators finalized their decision, while taking the EC comments into account. The intermediary pricing decision will come into force at the beginning of August 2018. The process to get to the new cost-oriented model has started and the related market consultation is expected at the end of 2018 or early next year, in order to have a final implementation in the second half of 2019. The improvement in operational conditions, for instance related to the single installation and the non-discriminative behaviour of the cable operators, will progressively be implemented towards the end of 2018.
- **Orange Belgium and Medialaan signed a 5-year full MVNO agreement**
  Orange Belgium and Medialaan, the leading Flemish commercial broadcaster, have signed a wholesale partnership for 5 years for the mobile branch of Medialaan: Unleashed. This MVNO currently provides mobile services to residential customers under the Mobile Vikings and JIM Mobile brand. As from spring 2019, Unleashed will transfer the approximately 365 thousand customers of Mobile Vikings and JIM Mobile, currently hosted on the Telenet/Base network, to Orange Belgium's leading 4G network.

- **Orange Belgium was the first operator to launch a development kit and end-to-end commercial IoT services in Belgium**
  Orange Belgium introduced its Rapid Development Kit in the market and with 'Connected Things', it created the first commercial mobile IoT offer in the market for business customers. The new offer followed the launch of Orange Belgium's NB-IoT and LTE-M network last year. The Rapid Development Kit includes six-months free use of the Orange IoT network, a microcontroller, a radio module with an Orange SIM card and plug n' play sensors (that can measure temperature, air quality, geographical position…). After 6 months customers can opt for a prepaid or postpaid 'Connected Things' offer to maintain the connection via Orange's mobile IoT- technologies. Orange Belgium also launched the 'Orange Maker' service, which acts as an IoT Application Enabler, making it possible to connect hardware to Orange's IoT network. It organises access to connected devices and collected data, adds automation rules using a wizard to let connected devices interoperate with other devices and applications through a portal, as well as offering SIM management and support. In this way, Orange Belgium is leading the way for companies who are eager to develop a wide range of IoT solutions. Orange Belgium's M2M mobile customer base exceeded the milestone of 1 million connected devices at the end of the second quarter of 2018.
- **Orange Belgium and CommuniThings commercially launched the first smart-parking solution using NB-IoT technology**
  The "Shop & Drive" solution presented in Liège assists drivers to easily find available parking space, using a mobile application. Running on Orange Belgium's Mobile IoT network, the Smart Parking solution of CommuniThings introduces low-power wireless sensors and open-data applications. It is thus able to serve residents, retailers and municipalities. CommuniThings was one of the winning start-ups at the first season of Orange Fab BeLux, the accelerator program of the Orange Group that helps to further the growth of scale-ups that develop new products and innovative services in sectors such as Big Data, Artificial Intelligence and Internet of Things.
- **Orange Belgium will be nesting itself in The Beacon, a hub in the center of Antwerp focused on IoT**
  The Beacon is a hub which focuses on the key IoT domains of industry, logistics and smart city. The hub brings together leading technology corporations, flexible start-ups and scale-ups that seek to involve small IoT business development teams, experts in data platforms, cyber security, hardware, connectivity, big data, or cloud computing, in their activities. Amongst the other tenants of the Beacon are the partners of Antwerp's Capital of Things - the Port of Antwerp, the University of Antwerp and research centre IMEC - who are joined by technology federation Agoria.
- **Orange Belgium improved customers' experience by launching 'Voice over Wi-Fi' and 'Voice over 4G' technologies**
  Orange Belgium was the first operator in Belgium to activate both 'Voice over Wi-Fi' (VoWiFi) and 'Voice over 4G' (VoLTE) technologies in June 2018. Orange Belgium is also the only operator offering High Definition voice on all technologies (2G/3G/4G/VoWiFi). By adding VoWiFi and VoLTE technologies to its network, with its crystal-clear sound, extended coverage and a strongly reduced connection time, Orange Belgium has ensured a considerable improvement in the voice experience of its customers. 'Voice over Wi-Fi' and 'Voice over 4G' calls will be invoiced as normal voice calls. This technological innovation is part of Orange Belgium's strategy to focus on the improvement of Orange's network quality and its coverage inside buildings.
- **Stefan Slavnicu appointed Chief Technology Officer at Orange Belgium**
  Orange Belgium's Board of Directors has validated the nomination of Stefan Slavnicu as new Chief Technology Officer, starting September, 2018. His extensive experience with telecom technology and his knowledge will be of great value for Orange Belgium, particularly in regards to its IoT business and the road towards 5G. He will specifically focus on bringing the best network experience to Orange Belgium's customers through the newest technologies, developing a close collaboration with network partners and on bringing operational efficiency.
- **New spectrum allocation and renewal of existing spectrum planned in 2019**
  The Royal Decrees regarding the allocation of the 700, 1,400 and 3,400-3,800 MHz band and the renewal/reallocation conditions of the 900, 1,800 and 2,100 MHz bands are being finalised. The Royal Decrees for the licenses should be finalised in the third quarter of 2018 in order to prepare an auctioning of the spectrum in the first half of 2019.
- **Orange Luxembourg opened its second smart store**
  Orange Luxembourg has announced the opening of its second smart store in the country, located in the town of Howald. The new store format aims to create a more interactive shopping experience for customers, featuring dedicated areas for product testing. It also offers the operator's "Click and Collect" service, enabling shoppers to reserve a smartphone online and collect it in store two hours later. Customers have access to several universes. In the "Smart Security" universe they can discover remote surveillance solutions for their home; in the "House" universe they can find all fibre and TV solutions, while all the multimedia content can be found in the "Fun" universe. There is also a desk dedicated to advice and support. Orange Luxembourg has eleven retail stores and inaugurated the smart store format in October 2017, redesigning its retail space within the Opkorn commercial centre of Differdange.

2. Comments on the financial situation

2.1 Consolidated figures for the Orange Belgium Group

Orange Belgium group's consolidated key figures	H1 2018	H1 2017	Variation	Q2 2018	Q2 2017	Variation
Revenues (mio €)	619.6	607.4	+2.0 %	313.0	303.7	+3.1 %
Retail service revenues (mio €)	370.0	346.7	+6.7 %	188.8	176.1	+7.2 %
Adjusted EBITDA (mio €)	127.3	146.5	-13.1 %	66.7	78.1	-14.6 %
Adjusted EBITDA margin in % of revenues	20.5 %	24.1 %		21.3 %	25.7 %	
Reported EBITDA (mio €)	123.6	147.1	-16.0 %	64.4	78.8	-18.3 %
Reported EBITDA margin in % of revenues	19.9 %	24.2 %		20.6 %	25.9 %	
Consolidated net profit (mio €)	4.4	20.6	-78.5 %	4.8	13.3	-63.8 %
Net profit per ordinary share (€)	0.07	0.34	-78.4 %	0.08	0.22	-63.7 %
Net investment (mio €)	77.3	77.2	+0.1 %	45.5	45.0	+1.0 %
Net investment / Revenues	12.5 %	12.7 %		14.5 %	14.8 %	
Operational cash flow (mio €)	46.3	69.9	-33.7 %	18.9	33.8	-44.0 %
Organic cash flow (mio €)	42.7	38.9	+9.7 %	22.8	24.7	-7.6 %
Net financial debt (mio €)	305.1	329.7	-7.5 %	305.1	329.7	-7.5 %
Net financial debt / Reported EBITDA	1.1	1.0		1.1	1.0	

2.2 Consolidated statement of comprehensive income

Revenues

Revenues amounted to 313.0 and 619.6 million euros in the second quarter and first half of 2018, compared to 303.7 and 607.4 million euros in the second quarter and first half of 2017, an increase of 3.1 % and 2.0 % year-on-year. As in the first quarter of 2018, the second quarter of 2018 was also impacted significantly by the anticipated decline in MVNO revenues of 12.1 million euros and the 8.7 million euros gross impact of EU roaming regulation. The total impact for the first half of 2018 amounted to a decline of 22.6 million euros in MVNO revenues and a 16.6 million euros gross impact related to the EU roaming regulation.

Retail service revenues (which aggregates revenues from convergent services, mobile only services, fixed only services, IT & integration, but excludes wholesale MVNO and roaming revenues) amounted to 188.8 and 370.0 million euros in the second quarter and first half of 2018, compared to 176.1 and 346.7 million euros in the second quarter and first half of 2017. The growth in retail service revenues amounted to +7.2 % year-on-year in the second quarter of 2018, bringing the year-on-year growth rate in the first half of 2018 at +6.7 % year-on-year. This strong increase was mainly realized thanks to a robust increase in convergent revenues and a sound value management of the mobile business with a strong increase in contract customers (+94 thousand customers year-on-year).

Result of operating activities before depreciation and other expenses

The adjusted EBITDA of the Orange Belgium Group's was 66.7 and 127.3 million euros in the second quarter and first half of 2018, compared to 78.1 and 146.5 million euros in the second quarter and first half of 2017, a decrease of 14.6 % and 13.1 % year-on-year, respectively. The adjusted EBITDA margin amounted to 21.3 % and 20.5 % of revenues in the second quarter and first half of 2018 compared to 25.7 % and 24.1 % of revenues a year ago. Unsurprisingly, the adjusted EBITDA continued to suffer from the impact of lower MVNO revenues and EU roaming regulation. Both headwinds had a negative impact on the adjusted EBITDA of about 12.1 and 7.5 million euros in the second quarter of 2018 and of close to 22.6 and 14.7 million euros in the first half of 2018. In the second half of 2018 these headwinds should have eased largely.

The EBITDA contribution of the standalone cable business amounted to -5.0 and -10.8 million euros in the second quarter and first half of 2018, compared to -4.9 and -9.8 million euros in the second quarter and first half of 2017. The unitary cable EBITDA, while still in negative territory, improved considerably in the second quarter of 2018 thanks to the progressive industrialization of the cable business and the solid decline of the cable broadband and digital TV churn, which reached its lowest level since the commercial launch in 2016. Overall the churn level is still too high, and hence Orange Belgium continues to work on identifying and resolving the different factors for churn before the loss actually occurs. The recent finalization of the Broadband and TV distribution market analysis decision, including a vast improvement in the operational model, should allow the company to further drive down churn to reach sector averages in the coming years.

The total operational expenses amounted to 246.3 and 492.3 million euros in the second quarter and first half of 2018, compared to 225.6 and 460.9 million euros in the second quarter and first half of 2017. The analysis of the different expenses by nature provides the following overview:

- Direct costs amounted to 140.6 and 285.0 million euros in the second quarter and first half of 2018, compared to 128.0 and 258.6 million euros in the previous year, an increase of 9.9 % and 10.2 % year-on-year. The bulk of this increase is linked to the increase in convergent customers and the associated expenses for cable wholesale access connectivity and content rights. Other elements impacting the year-on-year evolution were higher roaming expenses following the implementation of Roam-Like-at-Home, which resulted in a significant increase in EU roaming volumes, in addition to higher customer equipment expenses in line with the higher equipment sales. Commission expenses decreased compared to last year thanks to the acquisition in 2017 of a number of indirect distribution channels.

- Labor costs amounted to 35.5 and 71.5 million euros in the second quarter and first half of 2018 compared to 32.7 and 66.6 million euros last year, +8.7 % and +7.4 % year-on-year. This was driven by the headcount increase following the acquisition of several distribution partners in 2017 and extra staffing related to customer service and sales activities.

- The indirect costs amounted to 70.2 and 135.8 million euros in the second quarter and first half of 2018, compared to 65.0 and 135.6 million euros in the same period last year, an increase of 8.0 % and 0.1 %. The increase in the second quarter was mainly due to higher commercial and IT & network expenses.

Reported EBITDA adjustments (in million €)	H1 2018	H1 2017	Variation	Q2 2018	Q2 2017	Variation
Adjusted EBITDA	127.3	146.5	-13.1 %	66.7	78.1	-14.6 %
Adjustments	-3.7	+0.5	Na	-2.3	+0.7	Na
- o/w other restructuring costs	-3.7	+0.5	Na	-2.3	+0.7	Na
- o/w other operating income	0.0	0.0	Na	0.0	0.0	Na
Reported EBITDA	123.6	147.1	-16.0 %	64.4	78.8	-18.3 %

The reported EBITDA of the Orange Belgium Group amounted to 64.4 and 123.6 million euros in the second quarter and first half of 2018 compared to 78.8 and 147.1 million euros the previous year. The reported EBITDA margin stood at 20.6 % and 19.9 % of revenues in the second quarter and first half of 2018, compared to 25.9 % and 24.2 % a year ago. The adjustments of the EBITDA amounted to -2.3 and -3.7 million euros in the second quarter and first half of 2018 and were mostly comprised of headcount related restructuring charges.

Depreciation and other expenses

Depreciation and other expenses remained stable in the second quarter and first half of 2018, reaching 57.9 and 115.6 million euros respectively, compared to 57.3 and 112.2 million euros in the corresponding periods in 2017.

Operating profit (EBIT)

In the second quarter and first half of 2018, Orange Belgium Group's operating profit amounted to 6.5 and 8.1 million euros, compared to 21.8 and 35.2 million euros in the second quarter and first half of 2017, a decrease of 69.9 % and 76.9 % year-on-year or 15.2 and 27.0 million euros. The decrease was largely attributable to the 14.4 and 23.5 million euro decrease in reported EBITDA. The operating profit margin in the second quarter and first half of 2018 stood at 2.1% and 1.3% of revenues.

Financial result

The financial result of the Orange Belgium Group stood at -1.2 and -2.4 million euros in the second quarter and first half of 2018. This is fairly stable compared to the previous year.

Taxes

The tax expense of the Orange Belgium Group amounted to 0.5 and 1.3 million euros in the second quarter and first half of 2018, compared to 7.3 and 12.2 million in the second quarter and first half of 2017. This implies an effective tax rate of 9.2 % and 23.2 % respectively, down from 35.4 % and 37.1 % a year ago.

Net profit

The consolidated net profit of the Orange Belgium Group amounted to 4.8 and 4.4 million euros in the second quarter and first half of 2018, compared to 13.3 and 20.6 million euros a year ago. Consequently, the net profit per share amounted to 0.08 and 0.07 euro in the second quarter and first half of 2018, compared to 0.22 and 0.34 euro in the same periods last year. The net result and net profit per share were seasonally impacted by a tougher comparable basis. This was triggered by the significantly lower MVNO revenues and the last significant impact of regulation on EU- retail roaming revenues.

2.3 Consolidated cash flow statement

The organic cash flow (which measures the cash flow provided by the operating activities, minus acquisitions of tangible and intangible assets, plus proceeds from disposals of tangible and intangible assets), amounted to 22.8 and 42.7 million euros in the second quarter and first half of 2018. When compared to 24.7 and 38.9 million euros a year ago, this presents a relatively stable evolution. This performance was achieved despite the considerable decrease in EBITDA, and thanks to a tight management of the working capital, less cash taxes and cash capex.

The operational cash flow, defined as reported EBITDA minus net investments, amounted to 18.9 and 46.3 million euros in the second quarter and first half of 2018 compared to 33.8 and 69.9 million euros in the second quarter and first half of 2017. Orange Belgium Group investments in the second quarter and first half of 2018 remained stable compared to last year. Cable capex declined by 26.1 % and 18.1 % year-on-year in the second quarter and first half of 2018, this can be explained by a different inventory build-up and an efficient capex management.

Summary consolidated cash flow statement (in million €)	H1 2018	H1 2017	Variation	Q2 2018	Q2 2017	Variation
Net cash provided by operating activities	129.3	143.9	-14.6	68.4	71.4	-2.9
Net cash used in investing activities	-90.8	-104.9	14.2	-48.1	-46.7	-1.4
Purchase of property, plant and equipment and intangible assets	-77.3	-77.2	-0.1	-45.5	-45.0	-0.5
Net cash used in financing activities	-33.0	-77.6	+44.6	-19.6	-23.3	+3.7
Net change in cash and cash equivalents	5.5	-38.7	+44.2	0.8	1.4	-0.6
Cash and cash equivalents – closing balance	18.5	12.8	+5.8	18.5	12.8	+5.8

Net cash provided by operating activities

The net cash provided by operating activities stood at 68.4 and 129.3 million euros in the second quarter and first half of 2018, compared to 71.4 and 143.9 million euros in the same period last year.

Net cash used in investing activities

The net cash used in investing activities amounted to -48.1 and -90.8 million euros in the second quarter and first half of 2018, compared to -46.7 and -104.9 million euros in the second quarter and first half of 2017. The purchase of property, equipment and intangible assets amounted to -45.5 and -77.3 million euros in the second quarter and first half of 2018, of which -10.8 and -21.3 million euros were cable-related capital expenditures.

Net cash used in financing

Finally, the net cash used in financing activities amounted to -19.6 and -33.0 million euros in the second quarter and first half of 2018, compared to -23.3 and -77.6 million euros in the second quarter and first half of 2017. This was primarily the result of a 30.0 million euros long term debt repayment, an increase of 27.7 million euros of bank overdrafts and the 30.0 million euros payment of the 2017 dividend.

2.4 Consolidated statement of financial position

The consolidated statement of financial position amounted to 1474.5 million euros on 30 June 2018, compared to 1,533.7 million euros at the end of June 2017 and 1,498.1 million euros at the end of 2017.

Summary consolidated statement of financial position (in million €)	H1 2018	FY 2017	Variation
Goodwill	67.0	66.4	0.6
Other intangible assets	294.7	304.0	-9.2
Property, plant and equipment	783.8	809.9	-26.1
Total assets	1,474.5	1,498.1	-23.6
Net financial debt	305.1	312.8	-7.7
Total equity	556.1	582.6	-26.5

Non-current assets decreased to 1,158.1 million euros at the end of June 2018, compared to 1,213.8 and 1,190.0 million euros at the end of June 2017 and the end of 2017. This decrease was largely driven by the depreciation of property, plant and equipment and of other intangible assets. Current assets increased to 316.4 million euros at the end of June 2018 from 308.1 million at the end of 2017. This was mainly due to higher prepaid expenses and cash and cash equivalents. Total equity decreased slightly in the course of the first quarter as a result of the 30.0 million euros dividend payment in May 2018 and amounted to 556.1 million euros at the end of the first half of 2018, compared to 582.6 million euros at the end of 2017. Non-current liabilities decreased considerably to 370.2 million euros at the end of June 2018 from 402.4 million euros at the end of 2017, a result of the lower outstanding end balance of the credit facility. Finally, current liabilities increased with 27.7 million euros to 548.2 million euros at the end of June 2018 from 513.1 million euros at the end of 2017. This variance stems from higher current financial liabilities, trade payables, operating taxes and levies payables, which are only partially compensated by lower current taxes payable and current fixed assets payable.

The net financial debt at the end of June 2018 stood at 305.1 million euros, compared to 329.9 million euros the previous year and 312.8 million euros at the end of 2017. The net financial debt/reported EBITDA ratio at the end of June 2018 amounted to 1.1x.

2.5 Activities of the Orange Belgium Group by segment

The following gives a breakdown of Orange Belgium Group's activities in greater detail:

2.5.1. Activities in Belgium

Operational Review

Key operating figures of Orange Belgium (in '000)	Q2 2018	Q2 2017	Variation
Convergent KPIs			
convergent customer base	136	64	+111.1 %
- B2C convergent customer base	123	59	+109.6 %
- B2B Convergent customer base	13	6	+127.0 %
quarterly ARPO (per month, in euros)			
- B2C convergent ARPO	73.7	72.0	
Mobile KPIs			
mobile customers (excl. MVNOs)	3,947	3,779	+4.4 %
- contract	3,372	3,130	+7.7 %
- M2M	1,017	859	+18.4 %
- excluding M2M	2,355	2,272	+3.7 %
- prepaid	575	649	-11.3 %
mobile customers (excl. MVNOs)	3,947	3,779	+4.4 %
- B2C convergent	180	89	+101.1 %
- mobile only and mobile B2B	3,767	3,690	+2.1 %
- M2M	1,017	859	+18.4 %
- excluding M2M	2,175	2,182	-0.3 %
- of which B2B convergent mobile	27	7	+293.7 %
- prepaid	575	649	-11.3 %
MVNO customers	25	1,930	-98.7 %
quarterly ARPO (per month, in euros)			
mobile only blended ARPO	18.4	18.1	1.4%
- mobile only contract ARPO	21.3	21.5	-0.9%
- mobile only prepaid ARPO	7.4	7.0	6.0%
Fixed KPIs			
number of lines	121	151	-19.9 %
broadband customers	141	78	+80.9 %
- FTTx and cable customers	136	64	+111.1 %
- xDSL	5	13	-62.8 %
- LTE for fixed and others	0	0	
internet features			
TV	136	64	+111.1 %

Convergent KPIs

The convergent customer base, i.e. customers that have subscribed to offers combining at least a fixed broadband connection and a mobile contract, is an important commercial indicator for Orange Belgium. Orange Belgium's growth momentum in convergence continued in the second quarter of 2018 with 14 thousand net additions, resulting in total convergent customer base of 136 thousand, of which 123 thousand were B2C customers and 13 thousand B2B customers. Overall the acquisitions were relatively soft in comparison with the previous quarter, mainly as a result of less promotional actions from Orange Belgium, while the established players continued with their promotional counteractions. On the positive side, convergent churn reached its lowest churn level since the launch of the convergent offer. This was realized thanks to a dedicated focus on quality throughout the entire customer journey. Compared to the end of June 2017, the convergent customer base offers increased by 71 thousand customers representing an increase of 111.1 % year-on-year.

The B2C mobile convergent customer base increased to 180 thousand at the end of the second quarter of 2018 from 163 thousand at the end of the previous quarter or from 89 thousand at the end of the second quarter of 2017. The B2C convergent ARPO increased to 73.9 euros from 71.9 euros in the previous quarter and 72.0 euros in the second quarter of 2017. This was realized thanks to a higher contribution of convergent revenues, positively impacted by less promotional discounts. The B2B mobile convergent customer base increased to 27 thousand at the end of the second quarter of 2018.

Mobile KPIs

Orange Belgium's mobile performance was very solid in the second quarter of 2018, with an increase of 90 thousand mobile customers in the previous quarter or an increase of 168 thousand compared to the end of the second quarter in 2017. Following the introduction of the new presentation of the KPIs, the mobile customer base can be analyzed from two perspectives: First on a contract vs. prepaid basis, or second on a convergent vs. non-convergent basis (mobile only). Considering the former, the contract customer base excluding M2M increased by 26 thousand in the second quarter of 2018, which implies an acceleration in net additions compared to last year. The M2M contract base increased by 71 thousand in the past quarter, once again surpassing the 1 million connected cards. Finally, the decrease of the prepaid customer base continued to slow with a decrease of only 6 thousand in the second quarter of 2018. In regard to the latter, the B2C mobile convergent customer base rose to 180 thousand customers at the end of the first quarter of 2018, an increase of 17 thousand. Orange Belgium succeeded to increase its mobile only contract customer base excl. M2M quarter-on-quarter in the second quarter of 2018, while the mobile only contract customer base excl. M2M declined in the first quarter of 2018 due to the transfer of customers to convergent offers.

The mobile only blended ARPO, which excludes all B2C mobile customers that are convergent, amounted to 18.4 euros in the second quarter of 2018, an increase of 1.4 % year-on-year. Similar to the first quarter of 2018, the portion of mobile only contract customers (excl. M2M) increased vs. the portion of mobile only prepaid customers. This resulted in a balance at the end of the second quarter of 2018 of 79% vs. 21% respectively. Given that the mobile only contract customers have a higher ARPO than prepaid customers, this positively impacted the blended mobile only ARPO.

The mobile only contract (excl. M2M) ARPO decreased to 21.3 euros in the second quarter of 2018 from 21.5 euros in the second quarter of 2017, a decrease of 0.9 % year-on-year. On the positive side, the prepaid ARPO however increased considerably to 7.4 euros in the second quarter of 2018 from 7.0 euros in the second quarter of 2017, an increase of 6.0 % year-on-year.

Orange Belgium succeeded in signing a new wholesale partnership with Medialaan, the leading Flemish commercial broadcaster, for 5 years. The approximately 365 thousand Medialaan customers, currently hosted on the Base network, will switch over to the Orange Belgium network as from spring 2019. However, in the meantime the MVNO customer base experienced an expected decline to 25 thousand at the end of the second quarter of 2018, a decline of 183 thousand MVNO customers in the second quarter of 2018.

Fixed KPIs

At the end of the second quarter of 2018, Orange Belgium had a total of 121 thousand fixed voice lines, compared to 125 and 151 thousand at the end of the previous quarter and the second quarter of 2017. The xDSL customer base, which mostly relates to legacy ADSL business which is not commercialized anymore, continued to decline. The VDSL customer base, related to the Shape & Fix offer for small and medium business accounts, has increased well in the second quarter and first half of 2018, albeit from a low starting point.

Financial Review

Key financial figures of Orange Belgium (in million euros)	H1 2018	H1 2017	Variation	Q2 2018	Q2 2017	Variation
Revenues	594.5	582.8	+2.0 %	299.3	289.1	+3.5 %
Retail service revenues	350.5	328.0	+6.9 %	178.6	166.4	+7.4 %
Convergent service revenues	44.9	18.5	+142.3 %	24.1	10.5	+129.9 %
Mobile only service revenues	287.0	289.8	-1.0 %	144.8	146.1	-0.9 %
Fixed only service revenues	16.4	18.0	-9.0 %	8.3	8.9	-6.2 %
IT & Integration service revenues	2.3	1.7	+33.4 %	1.4	0.9	+60.0 %
Equipment sales	51.3	45.8	+12.0 %	23.0	19.4	+18.4 %
Wholesale revenues	157.8	177.7	-11.2 %	81.7	88.5	-7.7 %
Other revenues	34.9	31.3	+11.4 %	16.0	14.7	+8.3 %
Adjusted EBITDA	125.5	144.6	-13.2 %	65.9	76.6	-14.0 %
Adjusted EBITDA / Revenues	21.1 %	24.8 %		22.0 %	26.5 %	
Reported EBITDA	121.8	145.1	-16.1 %	63.6	77.3	-17.7 %
Reported EBITDA /Revenues	20.5 %	24.9 %		21.2 %	26.7 %	

Orange Belgium's revenues in the second quarter and first half of 2018 amounted to 299.3 and 594.5 million euros, compared to 289.1 and 582.8 million euros in the second quarter and first half of 2017, an increase of 3.5 % and 2.0 % year-on-year, respectively. In view of the anticipated decline in MVNO revenues of 12.1 / 22.6 million euros and the 7.8 / 14.9 million euros gross impact of EU roaming regulation in Belgium in respectively the second quarter and first half of 2018, this revenue increase implies a very solid underlying growth. Adjusting for both elements, the increase in revenues would have been +11.2 % and +9.0 % year-on-year in the second quarter and first half of 2018.

After a solid first quarter of 2018 with a 6.3 % growth year-on-year, the growth in retail service revenues - which aggregates all B2C and B2B revenues from convergent services, mobile only services, fixed only services, IT & integration services - further accelerated in the second quarter of 2018 with an increase of 7.4 % year-on-year, resulting in 6.9 % increase in the first half of 2018. As such the retail service revenues in the second quarter and first half of 2018 amounted to 178.6 and 350.5 million euros from 166.4 and 328.0 million euros a year ago. This strong increase was driven by following elements:

- The convergent service revenues continued to grow strongly in the second quarter of 2018 with an increase of 129.9 % year-on-year, resulting in an increase of 142.3 % in the first half of 2018. This growth stems from the sustained uptake of customers opting for Orange Belgium's LOVE offer, resulting in both an increase of the cable broadband and digital TV customer base, as well as in an increase of convergent mobile customer. A significant portion of the new mobile customers were new mobile customers, while the remaining part were existing customers migrating from a mobile only offer to a convergent offer.
- The mobile only service revenues amounted to 144.8 and 287.0 million euros in the second quarter and first half of 2018, a decline of 0.9 % and 1.0 % year-on-year. The decline is firstly explained by lower mobile only contract customers in comparison to June 2017, as they progressively become convergent customers, and a slightly lower

mobile only contract ARPO due to less customer roaming revenues. Secondly, the decline can be explained by lower prepaid revenues following the continued decline in prepaid customers only partly compensated by the recent increase in prepaid ARPO.

- The fixed only service revenues amounted to 8.3 and 16.4 million euros in the second quarter and first half of 2018, a decline of 6.2 % and 9.0 % year-on-year. This is linked to the decrease of legacy residential ADSL fixed offers, which have not yet been fully compensated by the uptake of VDSL offers for the small- and mid-sized business accounts.

The equipment sales amounted to 23.0 and 51.3 million euros in the second quarter and first half of 2018. This marks a strong increase of 18.4 % and 12.0 % year-on-year, thanks to higher sales volumes and a product mix that was more focused on high end devices.

The wholesale revenues amounted to 81.7 and 157.8 million euros in the second quarter and first half of 2018, thus resulting in a decrease of 7.7 % and 11.2% year-on-year. This result was essentially the outcome of 1/ the expected 12.1 and 22.6 million euros lower MVNO revenues in the second quarter and first half of 2018, reaching a total of 10.2 and 22.7 million euros, which can be compared to the 22.3 and 45.2 million euros a year ago; 2/ 2.0 and 4.4 million euros lower incoming revenues from SMS traffic, 3/ an increase in visitor roaming, particularly in the second quarter of 2018.

Other revenues, which for a large part include equipment sales to brokers and dealers, were up 8.3 % and 11.4 % year-on-year in the second quarter and first half of 2018 for reasons similar to that of the increase in retail equipment sales.

The adjusted EBITDA for Orange Belgium came out at 65.9 and 125.5 million euros in the second quarter and first half of 2018, compared to 76.6 and 144.6 million euros in the second quarter and first half of 2017. The underlying adjusted EBITDA grew very strongly in the second quarter and first half of 2018, once taking into account the 12.1 and 22.6 million lower MVNO revenues and the 6.6 and 13.0 million gross impact of EU-roaming regulation that impacted the adjusted EBITDA in Belgium. The EBITDA contribution of the standalone cable business amounted to -5.0 and -10.8 million euros in the second quarter and first half of 2018, compared to -4.9 and -9.8 million euros in the second quarter and first half of 2017. Ahead of the improved regulatory wholesale conditions, the unitary cable EBITDA improved considerably in the second quarter of 2018, though was negative.

2.5.2. Activities in Luxembourg

Operational Review

Key operational figures of Orange Luxembourg (in '000)	Q2 2018	Q2 2017	Variation
Convergent KPIs			
convergent customer base	7	3	+167.7 %
- B2C convergent customer base	4	0	na
- B2B Convergent customer base	3	3	+21.4 %
Mobile KPIs			
mobile customers (excl. MVNOs)	193	178	+8.1 %
- contract	181	169	+7.7 %
- M2M	71	69	+2.9 %
- excluding M2M	111	100	+11.0 %
- prepaid	11	10	+15.4 %
mobile customers (excl. MVNOs)	193	178	+8.1 %
- B2C convergent	4	0	Na
- mobile only	189	178	+6.0 %
- M2M	71	69	+2.9 %
- excluding M2M	107	100	+7.2 %
- prepaid	11	10	+15.4 %
MVNO customers	2	2	+10.4 %
quarterly ARPO (per month, in euros)			
mobile only blended ARPO	27.6	29.1	-5.3%
- mobile only contract ARPO	29.9	30.8	-3.1%
- mobile only prepaid ARPO	6.3	10.4	-39.2%
Fixed KPIs			
number of lines	2	1	+231.8 %
broadband customers	12	10	+25.5 %
- FTTx and cable customers	7	0	Na
- xDSL	6	7	-24.4 %
- LTE for fixed and others	0	3	-100.0 %
internet features			
TV	4	3	+28.2 %

After a solid commercial first quarter, Orange Luxembourg delivered a fairly stable commercial second quarter on all convergent, mobile and fixed customer bases in 2018. On a year-on-year basis the realized performance remains relatively strong. Orange Luxembourg continues to focus specifically on reducing its churn. The implementation of the Roam-Like-at-Home regulation continued to impact the ARPOs of Orange Luxembourg significantly, as roaming traffic previously was paid for as out-of-bundle traffic, it is now an integral part of the national bundle and hence also priced as such. Moreover, the market remains competitive with a strong pressure on prices.

Financial Review

Key financial figures of Orange Luxembourg (in million euros)	H1 2018	H1 2017	Variation	Q2 2018	Q2 2017	Variation
Revenues	32.0	30.3	5.5 %	16.6	16.8	-0.7%
Retail service revenues	19.5	18.7	4.5 %	10.1	9.7	4.8%
Convergent service revenues	0.0	0.0		0.0	0.0	
Mobile only service revenues	16.0	16.0	0.4 %	8.3	8.2	1.5%
Fixed only service revenues	3.5	2.7	28.5 %	1.8	1.4	23.5%
IT & Integration service revenues	0.0	0.0		0.0	0.0	
Equipment sales	7.3	6.8	7.8 %	3.4	3.9	-11.6%
Wholesale revenues	4.8	3.8	24.8 %	2.8	2.2	30.9%
Other revenues	0.4	1.1	-59.4 %	0.3	1.1	-74.5%
Adjusted EBITDA	1.8	2.0	-6.7 %	0.8	1.5	-44.7%
Adjusted EBITDA / Revenues	5.7%	6.5%		5.0%	8.9%	
Reported EBITDA	1.8	2.0	-6.7 %	0.8	1.5	-44.7%
Reported EBITDA /Revenues	5.7%	6.5%		5.0%	8.9%	

After a very strong first quarter of 2018 (+13.2 % yoy), Orange Luxembourg experienced a slight decrease in revenues of 0.7 % year-on-year, reaching 16.6 million euros in the second quarter and 32.0 million euros in the first half of 2018. This can be compared to 16.8 and 30.3 million euros in the second quarter and first half of 2017. In spite of the small decrease in revenues, Orange Luxembourg second quarter's performance was satisfying with an increase in retail service revenues of 4.8 % year-on-year, which is a slight acceleration of the year-on-year growth compared to the first quarter (+4.2 % yoy). The gross impact of the EU-roaming regulation amounted to 0.9 and 1.6 million euros in the second quarter and first half of 2018.

The adjusted EBITDA amounted to 0.8 and 1.8 million euros in the second quarter and first half of 2018, compared to 1.5 and 2.0 million euros in the second quarter and first half of 2017.

3. Financial risks and risks management

No change has occurred in comparison to the information contained in the 2017 annual report (p.75-76 and p.114-115).

4. Significant events after the end of the second quarter and first half of 2018

No other significant events occurred after the end of the second quarter and first half of 2018.

5. Trends

Orange Belgium reiterates its 2018 financial guidance pointing to a slight increase in revenues and an adjusted EBITDA between 275 and 295 million euros. The Orange Belgium Group also expects its 2018 core investment (excluding all cable related investments) to remain stable compared to 2017.

6. Financial calendar

20-Jul-18	Financial results Q2 2018 (7:00 am CET) – Press release
20-Jul-18	Financial results Q2 2018 (2:00 pm CET) – Audio conference call/webcast
28-Sep-18	Start quiet period
24-Oct-18	Financial results Q3 2018 (7:00 am CET) – Press release
24-Oct-18	Financial results Q3 2018 (10:00 am CET) – Audio conference call

7. Conference call details

Date:	20 July 2018
Time:	2:00 pm (CET), 1:00 pm (UK), 8:00 am (US/NY)
Conference call & webcast:	http://orange.clients.telemak.com/hy2018/stage.php

Please aim to access the conference call ten minutes prior to the scheduled start time.

8. Shares

Share trading volumes and closing prices are based on trades made on NYSE Euronext Brussels.

	H1 2018	H1 2017	Q2 2018	Q2 2017
Trading of shares				
Average closing share price (€)	16.24	20,62	16.37	20.13
Average daily volume	69,125	65,889	65,994	73,040
Average daily value (€)	1,122,886	1,358,927	1,080,242	1,470,137
Shares and market values				
Total number of shares	60,014,414	60,014,414	60,014,414	60,014,414
Treasury shares	172,500	42,100	172,500	42,100
Closing price (€)	14.46	20.50	14.46	20.50
Market capitalization (€)	867,808,426	1,230,295,487	867,808,426	1,230,295,487

9. Quarterly results

Orange Belgium Group ('000)	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Convergent KPIs						
convergent customer base	143	128	108	84	67	53
- B2C convergent customer base	127	114	97	75	59	46
- B2B Convergent customer base	16	14	11	9	8	7
Mobile KPIs						
mobile customers (excl. MVNOs)	4,139	4,050	4,038	3,971	3,957	3,924
- contract	3,553	3,458	3,438	3,353	3,299	3,239
- M2M	1,087	1,019	1,015	964	927	891
- excluding M2M	2,466	2,439	2,423	2,389	2,372	2,348
- prepaid	586	592	600	618	659	685
mobile customers (excl. MVNOs)	4,139	4,050	4,038	3,971	3,957	3,924
- B2C convergent	184	167	141	109	89	65
- mobile only	3,956	3,884	3,897	3,863	3,868	3,859
- M2M	1,087	1,019	1,015	964	927	891
- excluding M2M	2,282	2,272	2,282	2,281	2,282	2,283
- prepaid	586	592	600	618	659	685
MVNO customers	27	210	525	1,069	1,933	1,999
Fixed KPIs						
number of lines	123	127	136	143	151	158
broadband customers	153	139	120	103	88	76
- FTTx and cable customers	143	128	108	82	64	50
- xDSL	11	11	12	19	21	24
- LTE for fixed and others	0	0	0	2	3	3
internet features						
TV	140	126	107	85	68	58

Orange Belgium ('000)	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Convergent KPIs						
convergent customer base	136	122	103	82	64	50
- B2C convergent customer base	123	110	94	75	59	46
- B2B Convergent customer base	13	11	9	7	6	4
quarterly ARPO (per month, in euros)						
- B2C convergent ARPO	73.7	71.9	70.5	72.8	72.0	na
Mobile KPIs						
mobile customers (excl. MVNOs)	3,947	3,857	3,855	3,790	3,779	3,759
- contract	3,372	3,275	3,265	3,182	3,130	3,083
- M2M	1,017	946	950	895	859	832
- excluding M2M	2,355	2,329	2,315	2,287	2,272	2,250
- prepaid	575	582	589	607	649	677
mobile customers (excl. MVNOs)	3,947	3,857	3,855	3,790	3,779	3,759
- B2C convergent	180	163	137	109	89	65
- mobile only	3,767	3,694	3,717	3,681	3,690	3,694
- M2M	1,017	946	950	895	859	832
- excluding M2M	2,175	2,166	2,178	2,179	2,182	2,185
'- of which B2B convergent mobile customers	27	24	19	14	7	9
- prepaid	575	582	589	607	649	677
MVNO customers	25	208	522	1,067	1,930	1,997
quarterly ARPO (per month, in euros)						
mobile only blended ARPO	18.4	18.1	18.2	18.6	18.1	17.6
- mobile only contract ARPO	21.3	21.1	21.2	21.9	21.5	21.0
- mobile only prepaid ARPO	7.4	7.0	7.7	7.2	7.0	6.8
Fixed KPIs						
number of lines	121	125	134	142	151	157
broadband customers	141	127	109	94	78	66
- FTTx and cable customers	136	122	103	82	64	50
- xDSL	5	5	6	12	13	17
- LTE for fixed and others	0	0	0	0	0	0
internet features						
TV	136	122	103	82	64	56

Orange Luxembourg ('000)	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Convergent KPIs						
convergent customer base	7	6	5	2	3	3
- B2C convergent customer base	4	4	4	0	0	0
- B2B Convergent customer base	3	3	2	2	3	3
Mobile KPIs						
mobile customers (excl. MVNOs)	193	194	183	181	178	165
- contract	181	183	173	171	169	157
- M2M	71	73	65	69	69	59
- excluding M2M	111	110	108	102	100	98
- prepaid	11	11	11	10	10	8
mobile customers (excl. MVNOs)	193	194	183	181	178	165
- B2C convergent	4	4	4	0	0	0
- mobile only	189	190	180	181	178	165
- M2M	71	73	65	69	69	59
- excluding M2M	107	106	104	102	100	98
- prepaid	11	11	11	10	10	8
MVNO customers	2	2	2	2	2	2
mobile only blended ARPO	27.6	26.2	27	27.5	29.1	28.5
- mobile only contract ARPO	29.9	28.2	29.1	29.4	30.8	29.4
- mobile only prepaid ARPO	6.3	6.2	6.7	7.8	10.4	16.6
Fixed KPIs						
number of lines	2	2	2	1	1	1
broadband customers	12	12	12	10	10	10
- FTTx and cable customers	7	6	5	0	0	0
- xDSL	6	6	6	8	7	7
- LTE for fixed and others	0	0	0	2	3	3
internet features						
TV	4	4	4	4	3	3

Orange Belgium Group's consolidated key figures	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Revenues (mio €)	313.0	306.6	325.4	313.5	303.7	303.8
Retail service revenues (mio €)	188.8	181.3	181.4	180.9	176.1	170.6
Adjusted EBITDA (mio €)	66.7	60.6	69.6	79.7	78.1	68.5
Adjusted EBITDA / Revenues	21.3 %	19.8 %	21.4 %	25.4 %	25.7 %	22.5 %
Reported EBITDA (mio €)	64.4	59.2	67.6	90.9	78.8	68.3
Reported EBITDA / Revenues	20.6 %	19.3 %	20.8 %	29.0 %	25.9 %	22.5 %
Consolidated net profit (mio €)	4.8	-0.4	-1.9	20.3	13.3	7.3
Net profit per ordinary share (€)	0.08	-0.01	-0.03	0.34	0.22	0.12
Net investment (mio €)	45.5	31.8	73.8	37.4	45.0	32.2
Net investment / Revenues	14.5 %	10.4 %	22.7 %	11.9 %	14.8 %	10.6 %
Operational cash flow (mio €)	18.9	27.4	-6.1	53.5	33.8	36.1
Organic cash flow (mio €)	22.8	19.9	-15.9	42.8	24.7	14.3
Net financial debt (mio €)	305.1	295.5	312.8	288.3	329.7	323.7

10. Glossary

Financial KPIs

revenues

revenues in line with the offer	Provide Group revenues split in convergent services, mobile only services, fixed only services, IT & integration services, wholesale, equipment sales and other revenues.
retail service revenues	Revenue aggregation of revenues from convergent services, mobile only services, fixed only services, IT & integration services.
convergent services	Revenues from B2C convergent offers (excluding equipment sales). A convergent offer is defined as an offer combining at least a broadband access (xDSL, FTTx, cable or Fixed-4G (fLTE) with cell-lock) and a mobile voice contract (excluding MVNOs). Convergent services revenues do not include incoming and visitor roaming revenues.
mobile only services	Revenues from mobile offers (excluding B2C convergent offers and equipment sales) and M2M connectivity, excluding incoming and visitors roaming revenues.
fixed only services	Revenues from fixed offers (excluding B2C convergent offers and equipment sales) including (i) fixed broadband, (ii) fixed narrowband, and (iii) data infrastructure, managed networks, and incoming phone calls to customer relations call centers.
IT & integration services	Revenues from collaborative services (consulting, integration, messaging, project management), application services (customer relationship management and infrastructure applications), hosting, cloud computing services, security services, video-conferencing and M2M services. It also includes equipment sales associated with the supply of these services.
wholesale	Revenues with third-party telecom operators for (i) mobile : incoming, visitor roaming, domestic mobile interconnection (i.e. network sharing and domestic roaming agreement) and MVNO, and for (ii) fixed carriers services.
equipment sales	Revenues from all mobile and fixed equipment sales, excluding (i) equipment sales associated with the supply of IT & Integration services, and (ii) equipment sales to dealers and brokers.
other revenues	Include (i) equipment sales to brokers and dealers, (ii) portal, on-line advertsing revenues, (iii) corporate transversal business line activities, and (iv) other miscellaneous revenues.

P&L elements

reported EBITDA / adjusted EBITDA	Reported EBITDA corresponds to the operating income before depreciation and amortization, before effects resulting from business combinations, before reclassification of cumulative translation adjustment from liquidated entities, before impairment of goodwill and fixed assets, and before share of profits (losses) of associates. Adjusted EBITDA (previously Restated EBITDA) corresponds to the reported EBITDA adjusted for the effects of significant litigation, specific labor expenses, review of the investments and business portfolio, restructuring costs and, where appropriate, other specific items.

cash flow elements

operating cash flow	Adjusted EBITDA minus CAPEX.
CAPEX	Capital expenditures on tangible and intangible assets excluding telecommunication licenses and excluding investments through financial leases.
licences & spectrum	Cash out related to acquisitions of licences and spectrum.
change in WCR	Change in net inventories, plus change in gross trade receivables, plus change in trade payables, plus change in other elements of WCR.
other operational items	Mainly offset of non cash items included in adjusted EBITDA, items not included in adjusted EBITDA but included in net cash provided by operating activities, and change in fixed asset payables.
net debt variation	Variation of net debt level.

net financial debt

net financial debt	Net financial debt as defined and used by Orange does not include Orange Bank activities, for which this concept is not relevant. It consists of (a) financial liabilities excluding operating payables (translated at the year-end closing rate) including derivative instruments (assets and liabilities), less (b) cash collateral paid, cash, cash equivalents and financial assets at fair value. Financial instruments designated as cash flow hedges and net investment hedges included in net financial debt are set up to hedge, among other, items that are not (future cash flows, net investment in foreign currencies). Effects on the hedge of these items are carried in equity. As a consequence, the “equity components related to unmatured hedging instruments” are added to gross financial debt to offset this temporary difference.

Operational KPIs

convergent

B2Cconvergent customer base	Number of B2C customers holding an offer combining at least a broadband access (xDSL, FTTx, cable or Fixed-4G (fLTE) with cell-lock) and a mobile voice contract (excluding MVNOs).
B2C convergent ARPO	Average quarterly Revenues Per Offer (ARPO) of convergent services are calculated by dividing (a) the revenues from convergent offers billed to the B2C customers (excluding equipment sales) over the past three months, by (b) the weighted average number of convergent offers over the same period. The weighted average number of convergent offers is the average of the monthly averages during the period in question. The monthly average is the arithmetic mean of the number of convergent offers at the start and end of the month. Convergent ARPO is expressed as monthly revenues per convergent offer.

mobile

mobile customer base (excl. MVNOs)	Number of customers with active simcard, including (i) M2M and (ii) business and internet everywhere (excluding MVNOs). Since 1Q 2018, customers of entities accounted for using the equity method are no longer counted in customer bases. Data for 2016 and 2017 have been restated accordingly.
contract	Customer with whom Orange has a formal contractual agreement with the customer billed on a monthly basis for access fees and any additional voice or data use.
prepaid	Customer with whom Orange has written contract with the customer paying in advance any data or voice use by purchasing vouchers in retail outlets for example.
M2M (machine-to-machine)	Exchange of information between machines that is established between the central control system (server) and any type of equipment, through one or several commmunication networks.
mobile B2C convergent customers	Number of mobile lines of B2C convergent customers.
mobile only customers	Number of mobile customers (see definition of this term) excluding mobile convergent customers (see definition of this term).
MVNO customers	Hosted MVNO customers on Orange networks.
mobile only ARPO (quarterly)	Average quarterly Revenues Per Offer (ARPO) of mobile only services are calculated by dividing (a) the revenues of mobile only services billed to the customers, generated over the past three months, by (b) the weighted average number of mobile only customers (excluding M2M customers) over the same period. The weighted average number of customers is the average of the monthly averages during the period in question. The monthly average is the arithmetic mean of the number of customers at the start and end of the month. Mobile only ARPO is expressed as monthly revenues per customer.

Fixed

number of lines (copper + FTTH)	Number of fixed lines operated by Orange. Since 1Q 2018, customers of entities accounted for under the equity method are no longer counted in customer bases. Data for 2016 and 2017 have been restated accordingly.
B2C broadband convergent customers	Number of B2C customers holding an offer combining at least a broadband access (xDSL, FTTx, cable or Fixed-4G (fLTE) with cell-lock) and a mobile voice contract (excluding MVNOs).
fixed broadband only customers	Number of fixed broadband customers excluding broadband convergent customers (see definition of this term).
fixed only broadband ARPO (quarterly)	Average quarterly Revenues Per Offer (ARPO) of fixed only broadband services (xDSL, FTTH, Fixed-4G (fLTE), satellite and Wimax) are calculated by dividing (a) the revenues from consumer fixed only broadband services over the past three months, by (b) the weighted average number of accesses over the same period. The weighted average number of accesses is the average of the monthly averages during the period in question. The monthly average is the arithmetic mean of the number of accesses at the start and end of the month. ARPO is expressed as monthly revenues per access.

Consolidation perimeter

The consolidation perimeter has not changed since 31 December 2017 and includes Orange Belgium S.A. (100 %), Orange Communications Luxembourg S.A. (100 %), Smart Services Network S.A. (100 %), IRISnet S.C.R.L. (accounted for by equity method - 28.16 %), Walcom S.A. (100 %), Walcom Business solutions S.A. (100 %), Walcom Liège S.A. (100 %), A3COM S.A. (100 %) and A&S Partners S.A. (100 %).

Rounding

Due to rounding, numbers presented may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

Interim condensed consolidated financial statements

Interim condensed consolidated statement of comprehensive income

Ref.	In million euro	30.06.2018	30.06.2017 Restated (*) (**)
	Retail service revenues	370.0	346.7
	Convergent service revenues	44.9	18.5
	Mobile only service revenues	303.0	305.7
	Fixed only service revenues	19.9	20.7
	IT & Integration Service	2.3	1.7
	Equipment sales	58.6	52.6
	Wholesale revenues	160.5	180.1
	Other revenues	30.5	28.1
	Revenues	619.6	607.4
	Purchase of material	-88.9	-76.3
	Other direct costs	-191.9	-178.1
	Impairment loss on trade & other receivables, including contract assets	-4.2	-4.2
	Direct costs	-285.0	-258.6
	Labor costs	-71.5	-66.6
	Commercial expenses	-19.0	-17.0
	Other IT & Network expenses	-44.8	-44.2
	Property expenses	-27.9	-27.5
	General expenses	-32.9	-33.8
	Other indirect income	9.4	7.6
	Other indirect costs	-20.5	-20.7
	Indirect costs	-135.8	-135.6
	Adjusted EBITDA	**127.3**	**146.6**
	Adjustments of EBITDA	-3.7	0.5
	o/w other restructuring costs(***)	-3.7	0.5
	Reported EBITDA	123.6	147.1
	Depreciation and amortization	-115.6	-112.2
	Share of profits (losses) of associates	0.1	0.3
	Operating Profit (EBIT)	8.1	35.2
	Financial result	-2.4	-2.4
	Financial costs	-2.4	-2.4
6	Tax expense	-1.3	-12.2
	Net profit of the period	4.4	20.6
	Profit attributable to equity holders of the parent	4.4	20.6
	CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME		
	Net profit for the period	4.4	20.6
	Other comprehensive income (cash flow hedging net of tax)	0.2	1.0
	Total comprehensive income for the period	4.6	21.6
	Part of the total comprehensive income attributable to equity holders of the parent	4.6	21.6
	Basic earnings per share (in EUR)	0.07	0.34
	Weighted average number of ordinary shares (excl. treasury shares)	59,841,914	59,972,314
	Diluted earnings per share (in EUR)	0.07	0.34
	Diluted weighted average number of ordinary shares (excl. treasury shares)	59,841,914	59,972,314

(*) The Group has initially applied IFRS 15 and 9 at 1 January 2018. The Group applied IFRS 15 retrospectively on 1 January 2016 under which comparative information is restated. (See also note 10.2).
(**) The presentation of the statement of comprehensive income has been aligned with the changed internal reporting format used by the parent company, changes are related to presentation of Revenues (See also note 1.2).
(***) Restructuring costs consist of contract termination costs and redundancy charges.

Interim condensed consolidated statement of financial position

Ref.	In million euro	30.06.2018	31.12.2017 Restated (*)
	ASSETS		
3	Goodwill	67.0	66.4
	Other intangible assets	294.7	304.0
	Property, plant and equipment	783.8	809.9
	Interests in associates and joint ventures	4.1	4.0
	Non-current financial assets	3.4	1.5
	Other non-current assets	1.4	0.7
	Deferred tax assets	3.5	3.5
	Total non-current assets	1,158.1	1,190.0
	Inventories	20.6	24.9
	Trade receivables	186.9	184.8
	Current financial assets	0.5	0.5
	Current derivatives assets	0.3	0.1
	Other current assets	1.6	2.7
	Operating taxes and levies receivables	1.3	1.4
	Current tax assets	2.8	0.0
	Prepaid expenses	21.5	11.0
10.2	Other Assets related to contracts with customers	62.3	69.8
4	Cash and cash equivalents	18.5	13.0
	Total current assets	316.4	308.1
	TOTAL ASSETS	1,474.5	1,498.1
	EQUITY AND LIABILITIES		
	Share capital	131.7	131.7
	Legal reserve	13.2	13.2
	Retained earnings (excl. Legal reserve)	414.2	440.2
	Treasury shares	-3.0	-2.5
5	Equity attributable to the owners of the parent	556.1	582.6
	Total equity	556.1	582.6
4	Non-current financial liabilities	289.7	319.6
	Non-current derivatives liabilities	3.0	3.0
	Non-current employee benefits	0.3	0.3
8	Non-current provisions for dismantling	66.9	65.9
8	Other non-current liabilities	2.3	2.8
	Deferred tax liabilities	8.0	10.8
	Total non-current liabilities	370.2	402.4
4	Current financial liabilities	33.8	6.1
	Current derivatives liabilities	0.4	0.1
	Current fixed assets payable	45.4	56.2
	Trade payables	249.5	224.3
	Current employee benefits	32.1	30.0
8	Current provisions for dismantling	0.8	1.0
	Current restructuring provisions	1.9	1.8
	Other current liabilities	2.2	12.7
	Operating taxes and levies payables	110.6	94.2
	Current tax payables	6.2	23.3
10.2	Liabilities related to contracts with customers	63.2	61.3
	Deferred income	2.3	2.2
	Total current liabilities	548.2	513.1
	TOTAL EQUITY AND LIABILITIES	1,474.5	1,498.1

(*) The Group has initially applied IFRS 15 and 9 at 1 January 2018. The Group applied IFRS 15 retrospectively on 1 January 2016 under which comparative information is restated. (See also note 10.2).

Interim condensed consolidated cash flow statement

Ref.	In million euro	30.06.2018	30.06.2017 Restated (*)
	OPERATING ACTIVITIES		
	Consolidated net income	4.4	20.6
	Adjustments to reconcile net income (loss) to cash generated from operations		
	Operating taxes and levies	21.3	15.0
	Gains (losses) on disposal	0.0	-0.1
	Depreciation, amortization and impairment	115.6	112.2
	Changes in provisions	-1.0	-4.3
	Impairment of goodwill	0.0	0.0
	Share of profits (losses) of associates and joint ventures	-0.1	-0.3
	Operational net foreign exchange and derivatives	0.1	0.1
	Finance costs, net	2.4	2.4
6	Income tax	1.3	12.2
	Impairment loss on trade and other receivables, including contract assets	4.2	4.2
	Changes in working capital requirements		
	Decrease (increase) in inventories, gross	4.2	10.0
	Decrease (increase) in trade receivables, gross	-7.5	-16.1
	Increase (decrease) in trade payables	25.2	27.5
	Changes in other assets and liabilities	-11.2	-4.8
	Change in other assets related to contracts with customers	7.5	8.2
	Change in liabilities related to contracts with customers	1.9	0.3
	Other net cash out		
	Operating taxes and levies paid	-12.9	-9.6
	Interest paid and interest rates effects on derivatives, net	-1.9	-2.0
6	Income tax paid	-24.2	-31.6
	Net cash provided by operating activities	129.3	143.9
	INVESTING ACTIVITIES		
	Purchases (sales) of property, plant and equipment and intangible assets		
	Purchases of property, plant and equipment and intangible assets	-77.3	-77.2
	Increase (decrease) in fixed assets payables	-9.3	-27.8
	Organic cash flow**	42.7	38.9
3	Cash paid for investments securities and acquired businesses, net of cash acquired	-4.2	0.0
	Proceeds from sale of investment securities and businesses, net of cash sold	0.0	0.1
	Decrease (increase) in securities and other financial assets	0.0	-0.1
	Net cash used in investing activities	-90.8	-104.9
	FINANCING ACTIVITIES		
	Long-term debt redemptions and repayments	-30.0	-60.0
	Increase (decrease) of bank overdrafts and short-term borrowings	27.7	13.0
	Purchase of treasury shares	-0.5	-0.6
	Others changes in ownership interests with no gain / loss of control	0.0	0.0
5	Dividends paid to owners of the parent company	-30.0	-30.0
	Net cash used in financing activities	-33.0	-77.6
	Net change in cash and cash equivalents	5.5	-38.7
	Cash and cash equivalents - opening balance	13.0	51.4
	o/w cash	8.7	4.1
	o/w cash equivalents	4.3	47.3
4	Cash change in cash and cash equivalents	5.5	-38.7
	Cash and cash equivalents - closing balance	18.5	12.8
	o/w cash	14.8	6.9
	o/w cash equivalents	3.7	5.9

(*) The Group has initially applied IFRS 15 and 9 at 1 January 2018. The Group applied IFRS 15 retrospectively on 1 January 2016 under which comparative information is restated. (See also note 10.2).

Interim condensed consolidated statement of changes in equity

In million euro	Share capital	Legal reserve	Retained earnings	Treasury shares	Total equity
Balance at 1 January 2017, as previously reported	131.7	13.2	387.8	-0.3	532.4
Adjustment on initial application of IFRS 15 (net of tax)			42.1		42.1
Restated balance as at 1 January 2017	131.7	13.2	429.9	-0.3	574.5
Restated net profit for the period			20.6		20.6
Restated other comprehensive income			1.0		1.0
Restated total comprehensive income for the period			21.6		21.6
Own Shares				-0.6	-0.6
Declared dividends			-30.0		-30.0
Restated balance as at 30 June 2017	131.7	13.2	421.5	-0.9	565.5

In million euro	Share capital	Legal reserve	Retained earnings	Treasury shares	Total equity
Balance at 1 January 2017, as previously reported	131.7	13.2	399.6	-2.5	542.0
Adjustment due to application of IFRS 15 (net of tax)			40.6		40.6
Restated balance as at 31 December 2017	131.7	13.2	440.2	-2.5	582.6
Adjustment on initial application of IFRS 9 (net of tax)			-0.7		-0.7
Adjusted balance at 1 January 2018	131.7	13.2	439.5	-2.5	581.9
Net profit for the period			4.4		4.4
Other comprehensive income			0.2		0.2
Total comprehensive income for the period			4.6		4.6
Own Shares				-0.5	-0.5
Declared dividends			-30.0		-30.0
Balance as at 30 June 2018	131.7	13.2	414.2	-3.0	556.1

Segment information

30.06.2018 in million euro	Orange Belgium	Orange Luxembourg	Interco elimination	Orange Belgium Group
Retail service revenues	350.5	19.5	0.0	370.0
Convergent service revenues	44.9	0.0	0.0	44.9
Mobile only service revenues	287.0	16.0	0.0	303.0
Fixed only service revenues	16.4	3.5	0.0	19.9
IT & Integration service revenues	2.3	0.0	0.0	2.3
Equipment sales	51.3	7.3	0.0	58.6
Wholesale revenues	157.8	4.8	-2.1	160.5
Other revenues	34.9	0.4	-4.8	30.5
Revenues	594.5	32.0	-7.0	619.6
Direct costs	-273.9	-18.0	7.0	-285.0
Labor costs	-66.6	-5.0	0.0	-71.5
Indirect costs	-128.6	-7.2	0.0	-135.8
Adjusted EBITDA	125.5	1.8	0.0	127.3
Reported EBITDA	121.8	1.8	0.0	123.6

30.06.2017 in million euro	Orange Belgium	Orange Luxembourg	Interco elimination	Orange Belgium Group
Retail service revenues	328.0	18.7	0.0	346.7
Convergent service revenues	18.5	0.0	0.0	18.5
Mobile only service revenues	289.8	16.0	0.0	305.7
Fixed only service revenues	18.0	2.7	0.0	20.7
IT & Integration service revenues	1.7	0.0	0.0	1.7
Equipment sales	45.8	6.8	0.0	52.6
Wholesale revenues	177.7	3.8	-1.5	180.1
Other revenues	31.3	1.1	-4.2	28.1
Revenues	582.8	30.3	-5.7	607.4
Direct costs	-248.1	-16.2	5.7	-258.6
Labor costs	-61.9	-4.7	0.0	-66.6
Indirect costs	-128.2	-7.5	0.0	-135.6
Adjusted EBITDA	144.6	2.0	0.0	146.6
Reported EBITDA	145.1	2.0	0.0	147.1

Notes to the interim condensed consolidated financial statements

Orange Belgium S.A. (the company's ultimate majority shareholder is Orange S.A) is one of the main actors on the telecommunications market in Belgium and Luxembourg. Orange Belgium is listed on the Brussels Stock Exchange (OBEL). As a convergent actor, the company provides mobile telecommunication, internet and TV services to residential clients, as well as innovative mobile and fixed line services to businesses and large corporates. Orange Belgium also acts as a wholesale operator, providing its partners with access to its infrastructure and service capacities. Orange Belgium's high-performance mobile network supports 2G, 3G, 4G and 4G+ technology and is the subject of on-going investments.

1. Basis of preparation of the financial statements

1.1. Statement of compliance

The interim condensed consolidated financial statements for the six months period ended 30 June 2018 have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU and were authorized for issue by the Board of Directors on 19 July 2018.

They should be read in conjunction with Orange Belgium's annual consolidated financial statements as at 31 December 2017 since they do not include all the information and disclosures required in the annual consolidated financial statements.

This is the first set of the Group's financial statements where IFRS 15 and IFRS 9 have been applied. Change to accounting policies are described in note 1.2 and note 10.2.

The interim condensed consolidated financial statements are presented in million euros except when otherwise indicated. The Group's functional and presentation currency is euro. Each entity applies this currency for its financial statements.

1.2. Accounting Policies

The accounting policies and methods of computation adopted in the preparation of the interim condensed consolidated financial statements have been modified compared to those followed in the preparation of the consolidated financial statements for the year ended 31 December 2017 and the interim condensed consolidated financial statements for the six month period ended 30 June 2017. More specifically, the presentation of the statement of comprehensive income has been aligned with the changed internal reporting format used by the parent company, using consistent accounting policies.

The changes are related to the Financial Statement caption "Total Revenues". Total Revenues is now split as follows:

(1) *Retail service revenues* and consists of **Convergent**, **Mobile only**, **Fixed only** and **IT & Integration service revenues**.

A **convergent (B2C) offer** is defined as an offer combining at least a broadband access and a mobile voice contract. **Mobile only** service revenues are revenues from mobile offers and M2M connectivity. **Fixed only revenues** includes (i) fixed broadband, (ii) fixed narrowband, and (iii) data infrastructure, managed networks, and incoming phone calls to customer relations call centers. **IT & Integration service revenues** are defined as Revenues from collaborative services, application services, hosting, cloud computing services, security services, video-conferencing and M2M services.

(2) **Equipment Sales**, is defined as revenues from all mobile and fixed equipment sales,

(3) **Wholesale revenues** are revenues with third-party telecom operators for (i) mobile : incoming, visitor roaming, domestic mobile interconnection and MVNO, and for (ii) fixed carriers services

(4) **Other revenues**, includes (i) equipment sales to brokers and dealers, (ii) portal, on-line advertsing revenues, (iii) corporate transversal business line activities, and (iv) other miscellaneous revenues.

The group has initially adopted IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments from 1 January 2018. A number of other new standards are effective from 1 January 2018 but they do not have a material effect on the Group's financial statements. Further reference is made to note 10.2 in this context.

1.3 Uses of estimates and judgment

In preparing the Group's interim condensed consolidated financial statements, Orange Belgium's management is required to make estimates insofar as many elements included in these consolidated financial statements cannot be measured with precision. The underlying assumptions used for the main estimates are similar to those described as of December 31, 2017.

The management revises these estimates if the underlying circumstances evolve or in light of new information or experience. Consequently, estimates made at June 30, 2018 may subsequently be changed.

The management also uses its judgment to define appropriate accounting policies to apply to certain transactions when the current IFRS standards and interpretations do not specifically deal with the related accounting issues.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements, except for new significant judgements and key sources of estimation uncertainty related to the application of IFRS 15 and IFRS 9, which are described in note 10.2

2. Consolidation perimeter

The consolidation perimeter has not changed since 31 December 2017 and includes Orange Belgium S.A. (100 %), Orange Communications Luxembourg S.A. (100 %), Smart Services Network S.A. (100 %), IRISnet S.C.R.L. (accounted for by equity method - 28.16 %), Walcom S.A. (100 %), Walcom Business solutions S.A. (100 %), Walcom Liège S.A. (100 %), A3COM S.A. (100 %) and A&S Partners S.A. (100 %).

Orange Belgium S.A. holds, directly or indirectly (e.g. through other subsidiaries, less than 20 percent of the voting power of Belgian Mobile Wallet S.A. and as such, Orange Belgium S.A. does not have significant influence. Moreover, generating surplus value is not the main purpose of the investment in Belgian Mobile ID SA. Consequently, Belgian Mobile Wallet S.A. is not be part of the consolidation perimeter and this participation is considered as an Available-For-Sale (AFS) financial asset and recognized at fair value.

3. Goodwill

In million euro	30.06.2018			31.12.2017		
	Acquisition Value	Accumulated impairment losses	**Net carrying amount**	Acquisition Value	Accumulated impairment losses	**Net carrying amount**
Orange Communications Luxembourg S.A.	68.7	-17.9	**50.9**	68.7	-17.9	**50.9**
Others	16.2	0.0	**16.2**	15.6	0.0	**15.6**
Total goodwill	84.9	-17.9	67.0	84.3	-17.9	66.4

Other goodwill corresponds to the goodwill of Mobistar Affiliate S.A., Mobistar Enterprise Services S.A. and A&S Partners S.A. and is fully allocated to the segment "Belgium". Due to the recalculation of the acquisition price for A&S Partners S.A. an additional amount of 0,6 million euros has been fully allocated to other goodwill for the segment "Belgium".

The goodwill of Orange Communications Luxembourg S.A. is fully allocated to the segment "Luxembourg". As at December 31, 2017 Orange Belgium SA accounted for an impairment loss of 17,9 million euros on the Orange Communication Luxembourg's goodwill.

As at 30 June 2018, there were no internal or external indicators that further impairment tests on the goodwill of Orange Communications Luxembourg S.A. should have been performed.

The management continues to pay attention to any indication that could require an anticipated review of the values. These tests are planned to be performed for the year-end closing. The impairment test for goodwill is based on value in use calculation.

The cash out of 4.2 million euros related to investments securities and acquired businesses, was due to the increase in participation in Belgian Mobile Wallet S.A. and a correction of the purchase price for A3Com S.A and A&S Partners S.A.

4. Cash and cash equivalents, financial liabilities

Cash and cash equivalents include cash on hand and cash deposits with a maximum term of 3 months. Bank and inter-company cash pooling overdrafts are classified as short-term financial liabilities. See cash flow schedule to explain the 7.7 million euros decrease of the net debt for the first half year.

In million euro	30.06.2018	31.12.2017
Cash and cash equivalents		
Cash	14.8	8.7
Cash Equivalents	3.7	4.3
Total cash and cash equivalents	18.5	13.0
Financial liabilities		
Intercompany short-term borrowing	27.6	6.1
Third parties short-term borrowing	6.2	0.0
Intercompany long-term borrowing	289.7	319.8
Total borrowings	323.6	325.8
Net debt	305.1	312.8

5. Shareholders' equity

Share capital

There has been no change in the capital of the company during the first six months of 2018.

	Share capital (in million euros)	Number of ordinary shares (in units)
As at 1 January 2018	131.7	60 014 414
As at 30 June 2018	131.7	60 014 414

All ordinary shares are fully paid and have a par value of 2.195 euros. As no changes occurred during the first six months of 2018, the par value is the same for 2018 and 2017.

Dividends

The Orange Belgium Group aims to balance the appropriate cash returns to equity holders with the requirement of maintaining a balanced and sound financial position, while leaving sufficient leeway to continue to invest in its convergent strategy and the build out of its network.

On 2 May 2018, the Annual General Meeting of shareholders has approved the payment of an gross ordinary dividend for the financial year 2017 of 0.50 euro (dividend has been paid on 16 May 2018). The gross ordinary dividend amounted to 30 million euros.

The Annual General Meeting of Shareholders approved on 3 May 2017 to distribute a gross ordinary dividend for the financial year 2016 of 0,50 euro per share. The gross ordinary dividend amounted to 30.0 million euro which has been paid on 15 May 2017.

At June 30, 2018, the Group held 172.500 treasury shares compared to 141,500 treasury shares as at 31 December 2017.

6. Income taxes

The major components of the tax expense are as follows:

In million euros	30.06.2018	30.06.2017
Current income tax	-4.3	-16.6
Deferred tax expense arising to the origination and reversal of temporary differences	3.0	4.4
Total tax expenses	-1.3	-12.2

The income taxes -calculated on the current year- decreased to 4,3 million euros in June 2018 compared to 16.6 million euros in June 2017. This reduction is in line with the drop in net operating profit (from 20,6 million euros in June 2017 to 4,4 million euros in June 2018) and the decrease in tax rate (from 33,99% to 29,58%).

7. Unrecognized contractual commitments

No major event has impacted the unrecognized contractual commitments described in the consolidated financial statements for 2017.

8. Current and non-current provisions

Outstanding litigations

In million euros	31.12.2017	Additions	Utilisations	Reversal	Other effect	30.06.2018
Provisions for litigations	4.6	0.0	-0.3	-0.7	0.0	3.6

Orange Belgium S.A. is engaged in various judicial procedures whereby third-party individuals or entities are claiming repair of damages they pretend to have incurred. Each litigation is evaluated on an individual basis in order to assess as to whether it is more likely than not that an outflow of resources will be necessary to settle the litigation and to ensure that the assumptions taken to measure the provisions are valid.

The outstanding claims are built up during the previous years and it can be reasonably assumed that they will be subject to a Court decision or solved by means of a common agreement within the following years.

Disputes

The information relating to disputes contained in the 2017 annual report and in the first quarter 2018 report has been modified as follows:

Euphony Benelux SA in bankruptcy: On 2 April 2015, Orange Belgium has been summoned by the receivers of the bankrupt company Euphony Benelux NV in order to appear before the Brussels Commercial Court at the hearing of 17 April 2015. The bankruptcy receivers claim that Orange Belgium would be condemned to pay a provisional amount of one (1) euro for overdue commissions and an eviction fee. In this context, the bankruptcy receivers claim that Orange Belgium would be condemned to submit all relevant documents in order to provide to the bankruptcy receivers the possibility to calculate the amounts claimed. By judgement of 17 April 2018, the claim of the bankruptcy receivers as to the eviction fee has been dismissed and as to the claim relating to the overdue commissions, an expert has been appointed. Orange Belgium has lodged an appeal against this judgement before the Brussels Court of Appeals. The introductory hearing will take place on 10 September 2018.

Access to Telenet's cable network - own channel : on May 30, 2018 the Commercial Court of Antwerp, rejected Orange Belgium's claims.

Access to Telenet's cable network - own internet profile: following the complaint with the regulators Telenet started to provide the requested "unlimited" own profile.

Social Tariffs: The Constitutional Court decided in 2016 that mobile services cannot qualify for social tariffs when supported by a system financed by the sector, implying a necessary review of the law. However, no indication regarding the possible way forward was available until recently. A consultation by the BIPT beginning 2018 regarding the draft law various dispositions indicates that there are no longer plans to impose elements regarding social tariff related obligations on mobile operators (see http://www.bipt.be/public/files/nl/22481/2018-04-11_Raadpleging.pdf).

Network sites dismantling provision

In million euros	31.12.2017	Additions	Utilisations	Other effect	30.06.2018
Provisions for dismantling	66.9	0.5	-0.1	0.3	67.6

The increase in dismantling provision of 0.7 million euros results from two effects.
The increase was due to the higher number of calculated sites (45 sites more; impact of 0.5 million euros) and an unwinding effect of 0,3 million euros; partially offset by less sites (11 sites dismantled, impact of -0,1 million euros). Although size and installation on site may slightly vary from site to site, the provision is calculated on an average dismantling cost which is based on the actual costs incurred in the past for similar activities. For 2018 this average cost is similar as the cost estimated in 2017 : 11.8 thousand euros per site.

9. Related parties

30.06.2018	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
Orange - Traffic and services	13.8	-14.9	0.0	0.0
Orange - Cash pool	0.0	0.0	0.0	20.8
Orange Affiliates - Traffic and services	4.3	-3.8	-4.6	0.9
Atlas Services Belgium – Loan	0.0	-1.2	0.0	289.7
Total	18.1	-19.9	-4.6	311.4

30.06.2017	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
Orange - Traffic and services	9.0	-8.7	0.0	0.0
Orange - Cash pool	0.0	-0.1	-8.1	8.6
Orange Affiliates - Traffic and services	4.5	-2.0	0.2	-8.1
Atlas Services Belgium – Loan	0.0	-1.5	0.0	329.2
Total	13.5	-12.2	-7.9	329.6

The terms and conditions applied to sales and purchases of traffic and services, to the centralized treasury management agreement, to the revolving credit facility agreements as well as to the interest-bearing loans and borrowings are determined at arm's length basis according to the normal market prices and conditions. There is no outstanding guarantee provided to or received from any related parties at the balance sheet date. No allowance for doubtful debtors on amounts owed by related parties is outstanding at the balance sheet date.

10. Other

10.1. Fair value levels of financial assets and liabilities

During the first half year of 2018, no significant event has occurred regarding the fair value of financial assets and liabilities.

10.2. New standards and interpretations applied since January 1, 2018.

Excepted as described below, the accounting policies applied in these interim financial statements are the same as those applied in Orange Belgium's consolidated financial statements as at and for the year ended 31 December 2017.

The changes in accounting policies are also expected to be reflected in Orange Belgium's consolidated financial statements as at and for the year ending 31 December 2018.

Orange Belgium has initially adopted IFRS 9 Financial instruments and IFRS 15 Revenue from Contracts with Customers as from 1 January 2018.

IFRS 9 : Financial instruments (effective as from January 1, 2018)

Orange Belgium has adopted IFRS 9 as of January 1, 2018. The Group did apply IFRS 9 with a prospective application without restatement of comparative periods 2016 and 2017.

IFRS 9 consists of three components : the classification and measurement of financial assets and financial liabilities, impairment of financial assets and hedge accounting.

For Orange Belgium, the effect of IFRS 9 was limited to the impairment of financial assets. IFRS 9 replaces the 'incurred loss' model in IAS39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. The group has elected to measure loss allowance at an amount equal to lifetime expected credit losses.

The effect on the Interim condensed consolidated statement of financial position due to the application of IFRS 9 is a decrease of the retained earnings with 1,0 million euros, fully counterbalanced with a decrease in trade receivables. Consequently, the deferred taxes were corrected with 0,3 million euros.

IFRS 15: Revenue from contracts with customers (effective as from January 1, 2018)

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations.

The Group applied IFRS 15 retrospectively on 1 January 2016, meaning the restatement of 2016 and 2017 reported comparative periods. For this first application, the Group did apply following practical expedients:

- Regarding the Financial information -related to periods before the first application date- Orange Belgium did not disclose the amount of the transaction price allocated to the remaining performance obligations and an explanation of when the entity expects to recognize that amount as revenue.
- No restatements have been calculated for contracts that began and ended in the same period.

The application of IFRS 15 on ongoing contracts as of January 1, 2016 (first comparative period) did increase the net equity with 42.1 million euros which mainly results from the recognition of contract assets.

IFRS 15 did introduce a way of accounting focused on :

- identification of contracts, customers and contract modifications;
- identification of distinct performance obligations (from supplier), reference price (standalone selling prices), discreet to the continuous follow-up of transfer of control to customers; and
- determination of the transaction price (customer contract price) and allocation of total contract revenue to each performance obligation.

The main effects of the new methodology introduced by the application of IFRS 15 compared to former principles used are :

- Before the application of IFRS 15 and more specifically for the bundled contracts (goods and services), the handsets sold were accounted independently of the future services, which was in general equal to the amount received from the customer. With IFRS 15 the contract's total revenue is reallocated to each element provided to the client, based on its standalone selling price. This change in accounting standard has mainly an effect on our bundled contract offers, including at least one element sold with a subsidy mechanism. Consequently, for these types of contracts, and compared to previously when the revenue recorded was equal to the billing, with IFRS 15 more equipment revenue will be recognized at the time of the handset sale and less service revenue will be recorded over the duration of the contract. However, over the contract period, the total revenue recognized remains the same. Due to this revenue allocation over time, an asset will be created at the moment of the handset sale and will be equal to the total contractual value minus the cash already received. Progressively with the invoicing of the service this asset will evolve to a customer receivable. IFRS 15 introduces thus a higher sensitivity of the total turnover to the sale of equipment and a certain seasonality effect between different quarters. Depending of the different markets, the effects of IFRS 15 on total revenues differs from revenues presented under IAS 18, related to the increase or decrease of the subsidized offers. Compared to IAS 18, IFRS 15 requires also new judgments and assumptions, notably for enforceable contract periods, total contract value and standalone selling prices.

- For our service offers requiring non generic equipment (Love offer requiring setup box /modem) IFRS 15 did not change our historical analysis : this kind of equipment is part of the network controlled by Orange and represents as such no distinct performance obligation (or rent).

  For our other service offers (not combined) to Consumers or Enterprises, the application of IFRS 15 did not require changes to our revenues, nor creation of assets or customer receivables or any other liabilities than those already reflected by IAS 18 and IAS 11.

The following tables summarizes the impacts of adopting IFRS 15 on the Group's consolidated financial statements:

Condensed statement of financial position December 31, 2017

In million euro	As previously reported	Adjustments	As restated
ASSETS			
Goodwill	66.4		66.4
Other intangible assets	304.0		304.0
Property, plant and equipment	809.9		809.9
Interests in associates and joint ventures	4.0		4.0
Non-current financial assets	1.5		1.5
Other non-current assets	0.7		0.7
Deferred tax assets	11.3	-7.8	3.5
Total non-current assets	**1,197.9**	**-7.8**	**1,190.0**
Inventories	24.9		24.9
Trade receivables	184.8		184.8
Current financial assets	0.5		0.5
Current derivatives assets	0.1		0.1
Other current assets	2.7		2.7
Operating taxes and levies receivables	1.4		1.4
Current tax assets	0.0		0.0
Prepaid expenses	11.0		11.0
Other Assets related to contracts with customers		69.8	69.8
Cash and cash equivalents	13.0		13.0
Total current assets	**238.4**	**69.8**	**308.1**
TOTAL ASSETS	**1,436.3**	**62.0**	**1,498.1**
EQUITY AND LIABILITIES			
Share capital	131.7		131.7
Legal reserve	13.2		13.2
Retained earnings (excl. Legal reserve)	399.6	40.6	440.2
Treasury shares	-2.5		-2.5
Equity attributable to the owners of the parent	**542.0**	**40.6**	**582.6**
Total equity	**542.0**	**40.6**	**582.6**
Non-current financial liabilities	319.6		319.6
Non-current derivatives liabilities	3.0		3.0
Non-current employee benefits	0.3		0.3
Non-current provisions for dismantling	65.9		65.9
Other non-current liabilities	2.8		2.8
Deferred tax liabilities	2.5	8.3	10.8
Total non-current liabilities	**394.1**	**8.3**	**402.4**
Current financial liabilities	6.1		6.1
Current derivatives liabilities	0.1		0.1
Current fixed assets payable	56.2		56.2
Trade payables	212.5	11.8	224.3
Current employee benefits	30.0		30.0
Current provisions for dismantling	1.0		1.0
Current restructuring provisions	1.8		1.8
Other current liabilities	12.7		12.7
Operating taxes and levies payables	94.2		94.2
Current tax payables	23.3		23.3
Liabilities related to contracts with customers		61.3	61.3
Deferred income	62.3	-60.1	2.2
Total current liabilities	**500.2**	**13.0**	**513.1**
TOTAL EQUITY AND LIABILITIES	**1,436.3**	**62.0**	**1,498.1**

Condensed consolidated statement of comprehensive income

In million euros	IAS 18 30.06.2017	IFRS15 30.06.2017	Variation	IAS 18 30.06.2018	IFRS15 30.06.2018	Variation
Retail service revenues						
Convergent service revenues	19.7	18.5	-1.2	47.7	44.9	-2.8
Mobile only service revenues	337.2	305.7	31.5	331.5	303.0	-28.5
Fixed only service revenues	20.7	20.7	0.0	19.9	19.9	0.0
IT & Integration Service	1.7	1.7	0.0	2.3	2.3	0.0
Equipment sales	29.8	52.6	22.8	32.4	58.6	26.2
Wholesale revenues	180.1	180.1	0.0	160.5	160.5	0.0
Other revenues	28.1	28.1	0.0	30.5	30.5	0.0
Revenue	617.2	607.4	-9.8	624.7	619.6	-5.1
Direct costs	-257.8	-258.6	-0.8	-284.8	-285.0	-0.2
Indirect costs	-202.2	-202.2	0.0	-207.3	-207.3	0.0
Adjusted EBITDA	157.2	146.6	-10.6	132.5	127.3	-5.3

Effects of IFRS 15 :

Net contract assets

In million euros	
Net contract assets	43.8
Costs of obtaining a contract	17.5
Costs to fulfill a contract	0.0
Total net contract assets at 30 June 2018	61.3

The timing of revenue recognition may differ from the timing of billing to our customers. Trade receivables presented in the Consolidated Statement of Financial Position represent an unconditional right to the counterparty, which means that the services or goods promised to the customer have already been provided to the customer. Contract assets are an entity's right to consideration for goods or services that have transferred.

Cost of obtaining a contract (commission)

In million euros	Costs of obtaining a contract (commission)
At 31 December 2017	19.6
New contracts	9.7
Amortization	-11.8
At 30 June 2018	17.5

Cost of obtaining a contract are mainly subscriber acquisition and retention costs (i.e. payment to retailers directly attributable to the contract, excluding subsidies), spread over the enforceable period.

10.3. Upcoming new standards and interpretations and which Orange Belgium did not early apply

From among these standards and interpretations, the standard that might affect the future consolidated financial statements is IFRS 16. This is the subject of a dedicated Orange Group project. A reliable estimate of the quantitative effects of this new standards is not possible yet, until this project has been completed.

IFRS 16: Leases (effective as from January 1, 2019)

This standard introduces provisions that significantly affect the financial reporting of the leases as well as the financial measures of the lessees.
At the delivery date of the right of use granted by the lessor, the lessees will account for all of their leases, as an asset against a financial liability as for a financial lease under IAS 17. In addition to the effect on the statement of financial position, the income statement (depreciation and interest expense instead of operating expense) and the statement of cash flows (interest expense will continue to affect the operating cash flows, investment cash flows will not be impacted, financing cash flows will be impacted by the repayment of the debt) will also be affected.
The financial reporting will be sensitive to:

- the judgment required in applying the new qualification criteria for a lease;
- the choice of whether to recognize certain capacity arrangements as intangible assets;

- the legislation and practices applicable to each jurisdiction or line of business with regard to the non-cancellable lease term granted by lessors and the combination of fixed and variable contractual payments;
- the policy used by each lessee when assessing the reasonably certain lease term;
- the simplified alternatives elected for a retrospective application.

The application of this standard will also affect the scope and the amount of the un-recognised contractual commitments. The group is currently in the process of analyzing the impact as of January 1, 2019. Orange Belgium considers being able to disclose the first quantitative effects of the standard during the last quarter of 2018.

The Group will apply IFRS 16 with a retrospective application on January 1, 2019, but with no restatement of comparative periods.

11. Subsequent events

No adjusting event arose between the balance sheet date and the date at which the interim condensed consolidated financial statements have been authorized for issue.

Declaration by the persons responsible

We, the undersigned, Michaël Trabbia, CEO, and Arnaud Castille, CFO, declare that to our knowledge:

a) the set of condensed financial statements drawn up in accordance with the prevailing accounting standards, gives a faithful image of the assets, financial situation and results of the issuer and the companies included within its consolidation;

b) the interim report contains a faithful presentation of the important events and major transactions between contracting parties which occurred during the first six months of the financial year, and their impact on the set of condensed financial statements, and a description of the main risks and uncertainties for the remaining months of the financial year.

Brussels, July 19, 2018

Michaël Trabbia CEO	Arnaud Castille CFO

Statutory auditor's report to the board of directors of Orange Belgium SA/NV on the review of the condensed consolidated interim financial information as at June 30, 2018 and for the six month period then ended

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Orange Belgium SA/NV as at June 30, 2018, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated cash flow statement and the interim condensed consolidated statement of changes in equity for the six-month period then ended, and notes to the interim financial information ("the condensed consolidated interim financial information"). The board of directors is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at June 30, 2018 and for the six-month period then ended is not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

Zaventem, July 19, 2018

KPMG Réviseurs d'Entreprises / Bedrijfsrevisoren
Statutory Auditor
represented by

Jos Briers
Réviseur d'Entreprises / Bedrijfsrevisor

Erik Clinck
Réviseur d'Entreprises / Bedrijfsrevisor

About Orange Belgium

Orange Belgium is one of the leading telecommunication operators on the Belgian market, with over 3 million customers, and in Luxembourg through its subsidiary Orange Luxembourg.

As a convergent actor, we provide mobile telecommunication services, internet and TV to private clients, as well as innovative mobile and fixed line services to businesses. Our high-performance mobile network supports 2G, 3G, 4G and 4G+ technology and is the subject of ongoing investments.

Orange Belgium is a subsidiary of the Orange Group, one of the leading European and African operators for mobile telephony and internet access, as well as one of the world leaders for telecommunication services to enterprises.

Orange Belgium is listed on the Brussels Stock Exchange (OBEL).
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