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Press release
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Regulated information

Financial information for the fourth quarter and full year 2019

Continuous dynamic in retail service revenues fuelling solid EBITDAaL growth

- Mobile postpaid customer base +4.5% yoy on quarterly net-adds of 31k
- Convergence customer base +43.5% yoy on quarterly net-adds of 25k
- Q4 Revenues[1]: +4.8% yoy / Retail service revenues[1]: +6.5% yoy
- Q4 EBITDAaL[1] +5.5% yoy

- Results of 2019 within the upper range of guidance
- Proposed dividend increase by €0.10 to €0.60 per share

Belgium Q4'19 operating highlights

- **Bold challenger positioning drives operating and financial performance**. Orange Belgium has been delivering consistent messages around improving value proposition, offering simple and generous tariffs, with no bad surprises and no price increase (which will continue in 2020).
- **Mobile postpaid customer base continues its steady growth** up to 2.6m (+4.5% yoy) with net-adds of 31k subscribers during the quarter despite sustained competition.
- **Record convergent net-adds since the launch of Love (+25k).** Gross adds increased thanks to Love Duo already representing 10% of the customer base. At the end of the quarter, convergent mobile subscribers represented 15.9% of mobile postpaid customers (Q4'18: 11.5%).
- **Mobile-only postpaid ARPO decreased slightly by 1.6% yoy** as a result of lower out-of-bundle revenues due to regulation on intra-EU calls. Increase in access revenues continues to mitigate remaining decrease in out-of-bundle revenues as a result of migration towards simple abundant tariff plans.
- **B2C convergent ARPO increased slightly by 1.6% yoy,** despite growing share of Love Duo with a lower retail price.

Orange Belgium: key operating figures

	Q4 2018	Q4 2019	change
Mobile postpaid customer base (in '000)	2,469	2,579	4.5%
Net adds (in '000)	*61*	*31*	*-49.8%*
Mobile only postpaid ARPO (€ per month)	20.8	20.4	-1.6%
Convergent customer base (in '000)	180	258	43.5%
Net adds (in '000)	*25*	*25*	*1.6%*
B2C convergent ARPO (€ per month)	75.5	76.7	1.6%
Convergent mobile customer as % mobile contract customer base	*11.5%*	*15.9%*	*445 bp*

Q4'19 consolidated financial highlights

- **Revenues reached €369.5m, +4.8% yoy[1]** mainly driven by higher retail service revenues (+6.5% yoy[1]) and equipment sales (+32.9% yoy), despite lower MVNO revenues (-€6.0m). Retail service revenues increase is supported by growing convergent service revenues (+47.7% yoy) and equipment sales growth as a result of successful end-of-year offers driving customer loyalty.
- **EBITDAaL increased by 5.5% yoy[1] to €79.6m** despite -€14.0m yoy effects (MVNO revenues, EU regulation, and brand fees). This strong performance was driven by higher retail service revenues, continuous improvements in the cable operations and cost efficiencies. The full-year EBITDAaL reached the upper range of the 2019 guidance at €300.1m with a margin improvement of 38bp. Orange Belgium started to benefit from its transformation plan, initiated in 2019 to improve its operational model.
- **Orange Belgium continues to improve its cable financials.** The business generated a positive EBITDAaL of €3.3m in Q4'19. The FY 2019 cable operating cash flow improved by €28.4m yoy but remains negative at -€31.7m.
- **FY 2019 eCapex remained stable** at €180.2m.
- **FY 2019 Operating cash flow increased by 13.2% yoy**, reducing net financial debt by €36.4m reaching €234.3m at 0.8x reported EBITDAaL.

Orange Belgium Group: key financial figures

in €m	reported Q4 2018	comparable[1] Q4 2018	Q4 2019	comparable change	reported change	reported FY 2018	comparable FY 2018	FY 2019	comparable change	reported change
Revenues	342.2	352.5	369.5	4.8%	8.0%	1,279.8	1,298.1	1,340.8	3.3%	4.8%
Retail service revenues	*199.3*	*209.2*	*222.8*	*6.5%*	*11.8%*	*768.4*	*786.3*	*857.3*	*9.0%*	*11.6%*
EBITDAaL		75.5	79.6	5.5%			285.6	300.1	5.1%	
margin as % of revenues		*21.4%*	*21.5%*	*14 bp*			*22.0%*	*22.4%*	*38 bp*	
eCapex		-69.2	-61.1	-11.7%			-179.7	-180.2	0.3%	
Operating cash flow[2]		6.3	18.6	194.2%			106.0	120.0	13.2%	
Net financial debt	264.3	270.7	234.3	-13.5%	-11.4%	264.3	270.7	234.3	-13.5%	-11.4%

1. Comparable base includes the impact from IFRS 16 implementation and BKM consolidation
2. Operating cash flow defined as EBITDAaL – eCapex

Michaël Trabbia, Chief Executive Officer, commented:

In 2019 we further built upon our Bold challenger positioning initiated in 2018, based on simple, generous and worry-free tariffs. We remained true to our promises towards our customers with no price increases, no bad surprises and no need to pay for unneeded services.

In the second quarter, we extended our unlimited data tariff plans for use throughout the EU and made MMS free of charge. In the third quarter we launched our Love Duo offer. Lastly, in the fourth quarter we boosted the data allowance of our Cheetah offer from 8GB to 15GB for the same price, and we reached an exclusive partnership for the launch of Google Nest in Belgium.

This positioning contributed to solid commercial results in 2019, despite more active competition in the second half of the year. Our convergent customer base increased by 43% yoy and now exceeds 250,000. Love Duo proved to meet a real customer expectation and was a key contributor to this success, as it already accounts for 10% of our convergent customer base, a few months after launch.

2019 saw other major structural achievements. The mobile access network sharing agreement with Proximus will allow us to improve customer experience, to decrease energy consumption and to be ready to accelerate 5G roll out, when the spectrum is allocated. We expect the joint venture to be put in place in the course of 2020, after the decision from the Belgian Competition Authority.

On the B2B market, the acquisition of BKM, a recognized UC&C Belgium player, will be a key asset to enable us to extend our offers and better meet to enterprises demand.

With those achievements and no more major headwinds ahead, we are confident in our ability to further drive substantial EBITDAaL growth in 2020.

Arnaud Castille, Chief Financial Officer, stated:

The realisations of the last quarter of 2019 have enabled us to achieve our ambitions both from a commercial and financial perspective.

From a financial perspective, both revenues and EBITDAaL continued to grow during this quarter. Despite headwinds, we were able to improve our EBITDAaL both in absolute and in relative terms in comparison to 2018 and to deliver an EBITDAaL in the upper range of our guidance for 2019. This is a result of our efforts to continuously improve our internal processes and increase efficiency. In addition to that, we have improved our cost generation in optimizing our working capital with a significant growth of our free cash flow. A year ago, we launched “Bold Inside”, our transformation plan, to simplify our offers and the way we work, to digitalize our customer journey and processes and to empower our people. This plan started to bear its fruits in 2019 and will continue in 2020.

In addition, our convergence activities have been EBITDAaL positive for the third consecutive quarter, with a positive result for the whole year for the first time since the launch of Love. We will keep working internally to drive operating efficiency as we strive to improve our cash flow for this business.

2019 dividend

The Board of Directors will propose an increase of the dividend to €0.60 per share for the 2019 financial year at the Annual General Meeting.

2020 outlook

Orange Belgium expects low-single digit revenue growth in 2020. The Company targets EBITDAaL of between €310m and €330m. Total eCapex is expected to remain stable excluding the RAN sharing agreement which will have a limited impact in 2020.

Contents

1. Key highlights

1.1 Operational highlights

- **Orange Belgium increases its data consumption in Cheetah offer without any price increase**
  Orange Belgium continues to provide peace of mind to its customers through increasing data abundance. As of November, the Cheetah offer increased from 8GB to 15GB for the same price of €30.

- **Orange Belgium announces a unique partnership with Google for the launch of the Google Nest Hub and Mini**
  Orange Belgium was Google's exclusive telecom partner in Belgium for the launch of its new smart devices and offered them to new and existing clients at a reduced price. For Orange Belgium, it is important to invest where it matters to customers: in its network, its offers, but also in new-generation devices that make customers' lives easier. And thanks to an exclusive telco partnership, Orange customers can buy the brand new Google devices at an exceptionally low price of €9 for the Mini and €49 for the Nest Hub.

- **Orange Belgium Wins Prestigious World Communication Awards for Best Customer Experience**
  For over two decades the World Communication Awards have recognised innovation and excellence in global telecoms and continue to be the most revered mark of achievement in the telecom industry. The Customer Experience award recognized Orange Belgium's successful engagement with Evolving Systems - for the continued management, enhancement and expansion of the "Orange Thank You" customer loyalty programme. With the "Orange Thank You" programme, the company can better understand its customer needs and preferences on an individual level, in line with its commitment to deliver an unmatched customer experience.

- **Orange Belgium and Proximus signed the agreement to establish their mobile access network sharing collaboration**
  On November 22, 2019, Orange Belgium and Proximus signed the final agreement with the purpose of establishing a joint venture on mobile access network sharing covering 2G, 3G, 4G and 5G technologies. The agreement is still subject to a challenge lodged by Telenet with the Competition Authority, which communicated on its decision on January 10, 2020. The decision provides for an additional 2-month period (until March 16) during which the BIPT can assess the agreement further. Meanwhile, the parties are allowed to take further preparatory measures.

- **Orange Belgium is the first to launch a 5G testing hub for business in Belgium: the Orange Industry 4.0 Campus in the port of Antwerp**
  Orange Belgium is the first in Belgium to activate a 5G testing hub for business. By creating an open innovation hub, Orange Belgium will start using the full potential of 5G technology together with industrial partners on real-life applications. The Port of Antwerp, the chemical company Borealis, the high-tech polymer manufacturer Covestro and Deloitte Belgium are the first wave of industrial partners to the Orange Industry 4.0 Campus.

  Thanks to the 5G testing network deployed on the campus, the partners will benefit from a dedicated connectivity and guaranteed quality of services required for industrial use. Orange Belgium chose the region around the port of Antwerp because of its industry and wide variety of testing options.

1.2 Regulatory highlights

- **Wholesale high quality access market review**
  On March 29, 2019, the BIPT published a draft analysis of the wholesale high-quality access (essentially leased lines). On December 17, 2019, the BIPT published a decision confirming the significant market power of Proximus on the wholesale high quality access market and maintaining its current obligations regarding access, transparency, non-discrimination and price control. Moreover, BIPT imposed on Proximus the new obligation to provide access to ducts containing its fibers. Reduced obligations apply in geographical areas where there is sufficient competition.

- **Revision of Broadband and TV distribution market analysis decisions**
  By its decision of September 4, 2019, the court of appeal rejected the cable operators' appeals against the market analysis decisions of June 2018. The cable operators may still appeal this decision at the Supreme Court.

  The BIPT's market analysis decision of 2018 set out a number of service and operational improvements, of which the single-installer approach and the possibility to offer fixed broadband without TV services. These improvements were implemented in July/August 2019.

  On July 5, 2019, the BIPT and media regulators published their draft decision on wholesale tariffs for access to cable networks. Concurrently, the regulators launched a national consultation that ended on September 6, 2019. Orange Belgium expressed its view that an improved wholesale tariff is required to allow sustainable competition in the fixed broadband market. The company is pleased that the regulators have confirmed their intention to establish true and fair competition in the Broadband and TV markets. To establish the "fair tariffs", implied by the June 2018 market analysis decision, the regulators have applied the "Cost +" methodology which should lead to wholesale prices more in line with the real infrastructure costs.

  The consultation closed on September 6th, 2019. Orange Belgium sent its comments, focusing on avoiding unjustified wholesale price increases and ensuring that the cost base for some cable operators is not overestimated. A final price decision is now expected in Q2 2020, according to the BIPT's draft workplan for 2020.

- **New spectrum allocation, renewal of existing spectrum attributions**
  The Royal Decrees regarding the allocation of the 700, 1400 and 3400-3800 MHz band and the renewal/reallocation conditions of the 900, 1800 and 2100 MHz bands were not finalised by the previous government. While regional governments were formed recently, an interim government remains in office until a federal government is formed.

End 2019, the BIPT launched a consultation regarding various spectrum related matters, such as the means for the BIPT to prolong the 900 MHz, 1800 MHz and 2100 MHz licenses beyond the current expiry date of March 2021, the proposal to increase the reserve price for the 3.6 GHz spectrum band, and the conditions for private 5G networks in the 3.8-4.2 GHz band.

At the moment, it is unlikely that an auction for any of the before-mentioned spectrum will be organised before 2021. Via a communication on January 31, 2020, the BIPT announced an exceptional procedure and call for candidates for the attribution of temporary licenses in the 3.6-3.8 GHz band. The licenses would expire at the start of the usage rights of the auctioned spectrum.

2. Comments on the financial situation

2.1 Consolidated figures for the Orange Belgium Group

Orange Belgium Group: consolidated P&L

in €m	reported Q4 2018	comparable Q4 2018	Q4 2019	comparable change	reported change	reported FY 2018	comparable FY 2018	FY 2019	comparable change	reported change
Revenues	342.2	352.5	369.5	4.8%	8.0%	1,279.8	1,298.1	1,340.8	3.3%	4.8%
Belgium	327.2	337.5	356.5	5.7%	9.0%	1,226.4	1,244.6	1,288.2	3.5%	5.0%
Luxembourg	19.0		19.4		1.9%	66.9		69.8		4.3%
Interco elimination	-4.0		-6.5					-17.2		
EBITDAaL		75.5	79.6	5.5%			285.6	300.1	5.1%	
Belgium		72.7	77.0	5.9%			279.4	292.0	4.5%	
Luxembourg		2.7	2.6	-4.0%			6.2	8.1	30.7%	
margin as % of revenues		*21.4%*	*21.5%*	*14 bp*			*22.0%*	*22.4%*	*38 bp*	
Adjusted EBITDA	77.4					286.1				
Belgium	74.7					279.9				
Luxembourg	2.7					6.2				
margin as % of revenues	*22.6%*					*22.4%*				

2.2 Consolidated statement of comprehensive income

Revenues

- Retail services revenues amounted to €222.8m, increasing by 6.5%. This solid performance was driven by the continuous growth in convergence (+47.7%). On a reported basis, IT & Integration services revenues increased due to the consolidation of BKM.
- Wholesale revenues declined 10.4% on expected lower MVNO revenues as well as lower interconnection revenues. MVNO revenues were €4.2m in the quarter versus €10.2m in the comparable period of last year. Interconnection revenues were impacted by lower SMS costs.

Orange Belgium Group: consolidated revenues

in €m	reported Q4 2018	comparable Q4 2018	Q4 2019	comparable change	reported change	reported FY 2018	comparable FY 2018	FY 2019	comparable change	reported change
Convergent service revenues	*32.7*	*32.7*	*48.2*	*47.7%*	*47.7%*	*106.3*	*106.3*	*171.6*	*61.5%*	*61.5%*
Mobile only service revenues	*154.4*	*154.4*	*150.5*	*-2.5%*	*-2.5%*	*616.2*	*616.2*	*613.6*	*-0.4%*	*-0.4%*
Fixed only service revenues	*11.1*	*11.8*	*13.5*	*14.7%*	*21.7%*	*41.3*	*42.5*	*50.5*	*18.9%*	*22.3%*
IT & Integration Services	*1.1*	*10.4*	*10.6*	*1.7%*	*845.6%*	*4.5*	*21.2*	*21.5*	*1.3%*	*377.2%*
Retail service revenues	199.3	209.2	222.8	6.5%	11.8%	768.4	786.3	857.3	9.0%	11.6%
Equipment sales	40.1	40.1	53.3	32.9%	32.9%	125.0	125.0	144.1	15.3%	15.3%
Wholesale revenues	85.6	85.6	76.6	-10.4%	-10.4%	329.2	329.2	288.9	-12.2%	-12.2%
Other revenues	17.3	17.6	16.8	-87.4%	-2.8%	57.2	57.6	50.5	-12.4%	-11.8%
Revenues	342.2	352.5	369.5	4.8%	8.0%	1,279.8	1,298.1	1,340.8	3.3%	4.8%

Result of operating activities before depreciation and other expenses

Result of operating activities before depreciation and other expenses

Q4'19 was characterised by several effects: lower MVNO revenues, EU regulation on intra-european calls and sms, and brand fees (from May 2019). Nevertheless, EBITDAaL grew 5.5% to €79.6m through a focus on continuous operational improvements and cost control. The cable operations in Belgium generated for the third consecutive quarter a positive EBITDAaL, amounting to €3.3m during the quarter on improved operational efficiency. The EBITDAaL margin increased by 14 bp to 21.5%.

Reconciliation from operating profit to EBITDAaL

in €m	Q4 2018[1]	Q4 2019	FY 2018[1]	FY 2019
Operating profit (EBIT)	12.5	10.9	43.2	44.7
Add back				
Share of profits (losses) of associates	0.0	-0.3	-0.3	-0.9
Impairment of fixed assets	0.0	2.1	0.0	2.3
Depreciation, amortization of other intangible assets and property, plant and equipment	62.0	62.2	235.7	243.4
Other restructuring costs[2]	2.9	4.8	7.6	10.7
IFRS 16 adjustments	-1.5		-0.9	
BKM adjustments	-0.4		0.4	
EBITDAaL	75.5	79.6	285.6	300.1
margin as % of revenues	*21.4%*	*21.5%*	*22.0%*	*22.4%*

1. The Group has initially applied IFRS 16 on 1 January 2019, using the modified retrospective approach. Under this approach, comparative information is not restated and the cumulative effect of initially applying IFRS 16 is recognized in retained earnings at the date of initial application.
2. Restructuring costs consist of contract termination costs and redundancy charges.

Total operating expenses increased by 4.6% on a comparable basis, amounting to €289.8m in Q4'19 vs €277.0m in the previous year. The following table provides an overview of the different expenses.

Operating costs

in €m	reported Q4 2018	comparable Q4 2018	Q4 2019	comparable change	reported change	reported FY 2018	comparable FY 2018	FY 2019	comparable change	reported change
Direct costs	-160.5	-166.1	-176.0	6.0%	9.7%	-593.0	-602.4	-614.3	2.0%	3.6%
Labor costs	-34.1	-37.5	-38.8	3.4%	13.9%	-139.5	-145.1	-148.2	2.1%	6.2%
Indirect costs including RouA and finance lease costs	-70.2	-73.4	-75.1	2.2%	6.9%	-261.1	-264.9	-278.2	5.0%	6.5%
	-264.8	-277.0	-289.8	4.6%	9.5%	-993.7	-1012.4	-1040.7	2.8%	4.7%

- **Direct costs** increased by 6.0% compared to Q4 2018 on a comparable basis mainly driven by customer equipment, customer access connectivity and contents partially offset by lower interconnection costs as well as less commissions paid to retail partners.
- **Labor costs** were €38.8m, increasing by 3.4% vs the same period of last year on a comparable basis, due to indexation and internalisation of distribution channels.
- **Indirect costs** grew by 2.2% compared to Q4 2018 on a comparable basis due to the payment €4.1m of brand fees in Belgium. To highlight the lower spend vs Q4'18 in IT and network, advertising and promotion as well as in customer service.
- **Restructuring costs** for the quarter increased to €4.8m.

Depreciation and amortization

Depreciation and amortization increased from €62.0m in Q4'18 to €62.2m in Q4'19.

Financial result

Net financial expenses of the quarter decreased in comparison to the previous year and amounted to €0.8m.

Taxes

The group reported a tax credit of €0.9m, for an effective tax rate of 9.3% due to tax return for 2018 accounted in Q4'19.

Income tax

€m	Q4 2018	Q4 2019
Current income tax	-2.2	3.0
Deferred tax expense	-0.8	-2.0
	-3.0	0.9

Net profit

Net profit for the quarter increased by 35.1% yoy to €11.0m.

2.3 Liquidity and capital resources

The Group uses Operating cash flow and Organic cash flow as the main metrics for analysing cash generation. Operating cash flow is defined as EBITDAaL less eCapex. Organic cash flow measures the net cash provided by operating activities less eCapex.

Operating cash flow increased from €8.4m to €18.6m in comparison to Q4'18, due to lower eCapex.

Operating cash flow

in €m	Q4 2018	Q4 2019	FY 2018	FY 2019
EBITDAaL		79.6		300.1
ECapex		-61.1		-180.2
Operating cash flow		18.6		120.0
Adjusted EBITDA	77.4		286.1	
Capex	-69.0		-179.4	
Operating cash flow	8.4		106.7	

Organic cash flow increased to €13.0m in Q4'19.

Reconciliation to organic cash flow

in €m	Q4 2018	Q4 2019	FY 2018	FY 2019
Net cash provided by operating activities	**35.9**	**67.1**	**261.4**	**339.7**
eCapex	-69.0	-61.1	-179.4	-180.2
Increase (decrease) in fixed assets payables	19.1	19.7	-1.4	-0.4
Repayment of lease liabilities	0.0	-12.8	0.0	-46.7
Organic cash flow	**-14.1**	**13.0**	**80.6**	**112.4**

Net debt was €234.3m at quarter-end. Gearing, as measured by the net debt/reported EBITDAaL ratio, resulted in 0.8x.

Net debt

€m, period ended	31.12.2018	31.12.2019
Cash & cash equivalents		
Cash	-6.7	-1.9
Cash equivalents	-19.9	-18.3
	-26.6	**-20.2**
Financial liabilities		
Intra-group long term loan	269.9	245.0
Intra-group short term loan	20.8	9.4
Third-party short term loan	-2.6	-1.7
Derivatives (net)	2.8	1.8
	290.9	**254.5**
Net debt	**264.3**	**234.3**
Net debt/Reported EBITDAaL	N/M	0.8
Net debt/Reported EBITDA	0.9	N/M

2.4 Activities of the Orange Belgium Group by segment

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

2.4.1. Orange Belgium

Operating review

During the last quarter of 2019, Orange Belgium's convergent customer base continued to grow with net-adds of 25k, resulting in 258k Love customers. B2C customers represent 90% of convergence subscriber base, totalling 231k customers. B2B convergent customers increased to 27k. The billing of set-up fees has not stunted demand for Orange's convergence products. An increasing number of postpaid mobile subscribers are becoming convergent, the proportion grew from 11.5% in Q4'18 to 15.9% at the end of 2019.

The B2C convergent ARPO increased by 1.6% to €76.7 due to set-up fees and additional options (mainly fixed line option).

Orange Belgium: convergent services operating figures (in '000s, unless otherwise indicated)

Convergent KPIs

	Q4 2018	Q4 2019	*change*		Q4 2018	Q4 2019
Convergent customer base				**Net-adds**		
B2C convergent customer base	162	231	*42.6%*	B2C convergent customer base	22	22
B2B convergent customer base	18	27	*51.8%*	B2B convergent customer base	3	3
	180	**258**	***43.5%***		**25**	**25**
ARPO (in € per month)						
B2C convergent	75.5	76.7	*1.6%*			

Orange Belgium ended the quarter with 2.6m mobile postpaid customers and net-adds of 31k.

Mobile-only Postpaid ARPO decreased by 1.6% yoy to €20.4 due to the regulation on intra-EU calls. The company continued to benefit from the migration towards simple abundant tariff plans which shrink out-of-bundle revenues while increasing access revenues.

Orange Belgium: mobile services operating figures (in '000s, unless otherwise indicated)

Mobile KPIs

	Q4 2018	Q4 2019	*change*		Q4 2018	Q4 2019
Mobile customers				**Net-adds**		
B2C convergent	244	352	*44.4%*	B2C convergent	34	33
B2B convergent	40	59	*48.8%*	B2B convergent	7	6
Mobile only	2,185	2,168	*-0.8%*	Mobile only	20	-9
Postpaid	2,469	2,579	*4.5%*	Postpaid	61	31
Prepaid	567	532	*-6.2%*	Prepaid	-10	-21
M2M	1,114	1,381	*24.0%*	M2M	58	75
	4,149	**4,491**	***8.2%***		**110**	**85**
MVNO customers	12	323			0	2
Mobile only ARPO (€ per month)						
Blended	**18.0**	**17.8**	***-1.0%***			
Postpaid (mobile-only)	20.8	20.4	*-1.6%*			
Prepaid	7.1	6.9	*-3.4%*			

Financial review

Revenues grew by 5.7% yoy to €356.5m on sustained retail services revenue growth in (+7.4% yoy) and in particular convergent service revenues. The latter increased by 47.7% yoy and highlights the attractiveness of the Love offer. Wholesale revenues decreased by 11.7% yoy due to lower MVNO revenues and lower interconnection revenues. MVNO revenues declined from €10.2m in Q4'18 to €4.2m in Q4'19. Equipment sales increased by 31.3% as a result of successful end-of- year offers.

Orange Belgium: key financial figures

in €m	reported Q4 2018	comparable Q4 2018	Q4 2019	comparable change	reported change	reported FY 2018	comparable FY 2018	FY 2019	comparable change	reported change
Convergent service revenues	32,7	32,7	48,2	*47,7%*	47,7%	106,3	106,3	171,6	*61,5%*	61,5%
Mobile only service revenues	145,8	145,8	143,0	*-1,9%*	-1,9%	583,3	583,3	579,6	*-0,6%*	-0,6%
Fixed only service revenues	8,9	9,5	11,2	*17,6%*	26,5%	33,6	34,7	41,6	*19,7%*	23,9%
IT & Integration services	1,1	10,4	10,6	*1,7%*	845,6%	4,5	21,2	21,5	*1,3%*	377,2%
Retail service revenues	188,4	198,4	213,1	*7,4%*	13,1%	727,6	745,5	814,3	*9,2%*	11,9%
Equipment sales	36,2	36,2	47,5	31,3%	31,3%	110,4	110,4	129,8	17,6%	17,6%
Wholesale revenues	83,0	83,0	73,3	-11,7%	-11,7%	322,6	322,6	279,9	-13,2%	-13,2%
Other revenues	19,6	20,0	22,7	13,6%	15,8%	65,7	66,1	64,2	-2,8%	-2,3%
Revenues	327,2	337,5	356,5	5,7%	9,0%	1.226,4	1.244,6	1.288,2	3,5%	5,0%
EBITDAaL		72,7	77,0	5,9%			279,4	292,0	4,5%	
margin as % of revenues		*22,2%*	*21,6%*	-64 bp			*22,5%*	*22,7%*	22 bp	
Adjusted EBITDA	74,7					279,9				
margin as % of revenues	*22,8%*					*22,8%*				

EBITDAaL grew by 5.9% to €77.0m despite lower MVNO revenues. The improvement was driven by higher retail service revenues, sustained efficiencies as well as continuous improvements in the cable operations. The latter generated a positive EBITDAaL of €3.3m during the quarter on improved operational efficiency and increased ARPO.

2.4.2. Orange Communications Luxembourg

Operating review

Orange Luxembourg delivered good EoY commercial results, especially on handsets, accessories and on its BeUnlimited offer, despite communication efforts of other providers. In addition, operators continue to heavily discount broadband plans.

At the end of the quarter, Orange Luxembourg's mobile subscriber base grew 3.3% to 199k in comparison to Q4'18.

Orange Communications Luxembourg: mobile services operating figures (in '000s, unless otherwise indicated)

Mobile KPIs

	Q4 2018	Q4 2019	change		Q4 2018	Q4 2019
Mobile customers				**Net-adds**		
Postpaid	110	114	*3.9%*	Postpaid	-1	1
Prepaid	12	14	*9.9%*	Prepaid	0	-1
M2M	71	71	*1.1%*	M2M	-1	1
Mobile customers	**193**	**199**	***3.3%***		**1**	**0**
MVNO customers	2	3	13.7%		0	0

Financial review

Q4 revenues increased by 1.9% yoy to €19.4m mainly because of higher equipment revenues, and with 4.3% FY 2019 to reach €69.8m

EBITDAaL Q4 decreased by 4.0% yoy to €2.6m but increase by 30.7% FY 2019 to reach €8.1m.

Orange Communications Luxembourg: key financial figures

in €m	reported Q4 2018	comparable Q4 2018	Q4 2019	comparable change	reported change	reported FY 2018	comparable FY 2018	FY 2019	comparable change	reported change
Mobile only service revenues	8.6		7.5		-13.7%	33.0		34.0		3.1%
Fixed only service revenues	2.2		2.3		2.3%	7.8		9.0		15.3%
Retail service revenues	10.8		9.7		-10.5%	40.7		43.0		5.4%
Equipment sales	3.9		5.8		47.4%	14.6		14.3		-1.8%
Wholesale revenues	3.8		3.9		2.5%	10.7		12.3		15.1%
Other revenues	0.5		0.0		-99.8%	0.9		0.2		-75.7%
Revenues	19.0		19.4		1.9%	66.9		69.8		4.3%
EBITDAaL		2.7	2.6	-4.0%			6.2	8.1	30.7%	
margin as % of revenues		*14.4%*	*13.6%*	-84 bp			*9.3%*	*11.6%*	235 bp	
Adjusted EBITDA	2.7					6.2				
margin as % of revenues	*14.4%*					*9.3%*				

3. Financial risks and risk management

There were no changes to the information disclosed on p.73-74 and p.116-117 in the 2018 annual report.

4. Disputes

Telecom masts

Since 1997, certain municipalities and four provinces have adopted local taxes, on an annual basis, on pylons, masts or antennas erected within their boundaries. Orange Belgium continues to file fiscal objections against each tax assessment notice received concerning these taxes. These taxes are currently being contested in Civil Courts (Courts of First Instance - Tax Chamber and Courts of Appeal).

On 22 December 2016, the three mobile operators concluded an agreement in principle with the Walloon government on the issue of taxing mobile infrastructure in the Walloon region for the period 2016-2019 and agreed to settle the dispute on the Walloon regional taxes for 2014.

Over a 4 year period (2016-2019), Orange Belgium commits to pay €16.1m and to invest €20m on incremental telecom infrastructure in the Walloon region. In return, the Walloon Region commits to: i) no longer levy taxes on telecom infrastructure; ii) implement a legislative, regulatory and administrative framework designed to facilitate the deployment of such infrastructure; and iii) discourage municipalities and provinces from taxing telecom infrastructure. In 2018 and 2019, several Walloon municipalities and provinces levied taxes on telecom infrastructure.

The operators are entitled to deduct such local taxes levied in 2016-2019 by Walloon municipalities or provinces from the 2019 settlement and investment amounts.

Regulation of broadband and TV-distribution

Mid-2011 the telecom and media regulators decided to impose access obligations on the cable operators, i.e. the resale of analogue TV, the access to digital TV platform and the resale of broadband in combination with TV. The cable operators attacked these decisions before the Court of appeal of Brussels (now: the Marketcourt) which dismissed these appeals. In December 2015 Telenet and Coditel/AIESH launched a cassation appeal against these judgments. Coditel/AIESH's appeal was rejected in April 2017. On 26 April 2018 the Supreme Court rejected Telenet's appeal and confirmed definitively the 2011 decision.

On 29 June 2018 the telecom and media regulators (CRC) adopted new decisions on the broadband and broadcast markets which maintain the access obligations on the historical operators of fixed networks, among which the cable operators, Telenet, Nethys and Brutélé. The decisions imply additional obligations compared to the ones imposed in the 2011 decision and foresee a reduction of the applicable wholesale charges. Telenet attacked the observations of the EC on the draft decision before the General Court of the European Union. The cable operators also attacked the market analysis decisions before the Marketcourt of Brussels. Orange Belgium intervenes in the national proceedings to support the CRC decisions. On 3 October 2018 the Marketcourt delivered an intermediary judgment deciding to put the national proceedings on hold until the judgment of the European Court while reserving its decision on maintaining or suspending the decisions in the intermediate period. A few weeks later Telenet withdrew the appeal at EU level. On 30 January 2019 the Marketcourt rejected the claim of Telenet, Nethys and Brutélé to suspend the decisions during the intermediate period. The appeal on the merits was also rejected by the Marketcourt on September 4th 2019.

It cannot be excluded yet that one of the cable operators will introduce an appeal against the judgment of the Marketcourt at the Supreme Court.

Access to Coditel Brabant (Telenet) 's cable network

After Orange Belgium paid the provision for the cable wholesale access set-up fees, Coditel Brabant (Telenet) failed to provide such access within the regulatory 6-month period. This, in combination with the lack of progress on the development of an effective wholesale service, prompted Orange Belgium to initiate legal action against Coditel/Telenet for breach of its regulatory obligations end of December 2016. Taking the implementation of a technical solution was still ongoing beginning 2018, the proceedings were put on hold. The case is reactivated and Telenet is to submit briefs by early March 2020.

Access to Telenet's cable network – own channel

Based on the decisions on regulated access to the cable networks Orange Belgium is entitled to offer "own channels" to its retail TV customers, i.e. channels that are not commercially offered by the cable operators. While VOO provided such own channel (Eleven Sports 3) on its network, Telenet refused to offer such access at reasonable conditions. Beginning 2018, Orange Belgium initiated proceedings against Telenet for breach of its regulatory obligations before the Commercial Court of Antwerp. On 30 May 2018 the Commercial Court of Antwerp dismissed Orange Belgium's claim.

Orange Belgium appealed this judgment. On April 11, 2019 the Court of appeal found Telenet in breach of its regulatory obligations as well as guilty of abusing its dominant position. The Court ordered Telenet to provide reasonable conditions within one month subject to penalty payment of 2500€/day afterwards. Telenet appealed the decision of the Court of Appeal at the Supreme Court. Orange Belgium issued a claim of 250.000€ (total amount of the penalty) against Telenet for non-compliance with the decision of the Court of Appeal. This claim is attacked by Telenet with the attachment judge. The pleadings take place on April 9th, 2020.

Access to Telenet's cable network – own internet profile

Under the regulation of the access to the cable networks alternative operators have the right to commercialize internet profiles that are not commercialized by the regulated cable operator ("own internet profiles"), i.e. an internet profile with different upload/download speeds and/or volumes than the internet speeds and/or volumes offered by the cable operator to its own retail clients. Despite several requests made by Orange Belgium to Telenet since 2015, Telenet refused to grant such own profile until May 2018. In view of the damages incurred by Orange Belgium linked to the refusals, Orange Belgium filed a formal complaint against Telenet with the regulator in February 2018. On 22 October 2018 the regulator published its decision finding Telenet in breach with its regulatory obligation for not providing a own profile to Orange Belgium. Orange Belgium sent a formal notice to Telenet in January 2019 requesting a compensation for the damages incurred. Facing the refusal of Telenet to pay damages, Orange Belgium introduced a damage claim before the Enterprise Court. The pleadings took place on January 17th 2020. The Enterprise Court's judgment is expected by the middle of February 2020.

Lycamobile

On 19 February 2016, Lycamobile Belgium Limited and Lycamobile BVBA initiated legal proceedings against Orange Belgium (previously Mobistar) before the Brussels Commercial Court claiming damages for the alleged belated commercial launch of Lycamobile's 4G services. The case was heard on 10 March 2017. By judgement on 12 May 2017, the Brussels Commercial Court dismissed the claim and ordered Lycamobile to pay Orange Belgium €18,000 as compensation for procedural costs. The judgement was served on 3 July 2017 and Lycamobile paid the full amount. On 11 August 2017, Lycamobile filed an appeal before the Brussels Court of Appeal. An introductory hearing took place on 21 September 2017 and a calendar for the filing of trial briefs was set. Parties have exchanged trial briefs. No pleading date has been set.

Euphony Benelux NV in bankruptcy

On 2 April 2015, Orange Belgium was summoned by the receivers of Euphony Benelux NV to a hearing on 17 April 2015 at the Brussels Commercial Court. The bankruptcy receivers claim that Orange Belgium should pay a provisional amount of one (1) euro for overdue commissions as well as an eviction fee. In this context, the bankruptcy receivers claim that Orange Belgium should submit all relevant documents to allow the bankruptcy receivers to calculate the amounts claimed.

On 17 April 2018, the Court dismissed the claim relating to the eviction fee and appointed an expert for the claim relating to the overdue commissions. Orange Belgium has filed an appeal at the Brussels Court of Appeals. An introductory hearing took place and the Court of Appeals has set a calendar for the filing of trial briefs. Parties have exchanged trial briefs. No pleading date has been set.

Fixed Termination Rates (FTR) – 3Starsnet

On November 20, 2018, the BIPT adopted a new FTR decision. 3Starsnet attempted to get the decision annulled via the Market Court but this was rejected. 3Starsnet has turned to the Supreme Court to get the decisions of the Market Court annulled. Orange Belgium intervenes in the procedures to defend the BIPT position.

5. Significant event after the end of the fourth quarter of 2019

- The Belgian Competition Authority has decided to suspend until 16 March 2020 the execution of the mobile network sharing agreement in order to grant additional time to BIPT to assess the latest changes on the provisions of the agreement and to ascertain that the commitments taken are adhered to. During this period of time, Orange Belgium and Proximus are still authorized to initiate preparatory measures. The Belgium Competition Authority acknowledges the benefits of the agreement and rejects the request from Telenet to suspend the cooperation until a final decision on the merits. In parallel, the investigation on the merits of the case started.

6. Shareholder remuneration

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 building out of its network and other growth opportunities.

Considering the financial and commercial performance of 2019 and the mid-term outlook, the Board of Directors will propose the Annual General Meeting of Shareholders on 6 May 2020 to distribute a gross ordinary dividend for the financial year 2019 of 0.60 euro per share. If approved, the payment of the gross ordinary dividend of 0.60 euro will be done on 14 May 2020 (ex-dividend date 12 May 2020; record date 13 May 2020).

7. Outlook

Orange Belgium expects low-single digit revenue growth in 2020 taking into account further uptake on its postpaid and convergent customer base.

For 2020, the Company expects EBITDAaL between €310m and €330m. This range takes into account:

- a smaller amount of headwinds in comparison to last year,
- first year during which the Company will pay the Orange branding fee throughout the year,
- first complete year that Medialaan will be in the Company's network,
- new cable wholesale regulation put in place in Q3
- savings with our Bold Inside program

In addition, total eCapex is expected to remain stable in comparison to last year, excluding the RAN sharing agreement.

8. 2020 Financial calendar

02 April	Start of quiet period
23 April	Financial results Q1 2020 (7:00 am CET) – Press release
23 April	Financial results Q1 2020 (10:00 am CET) – Audio conference call
06 May	Annual General Meeting of Shareholders
03 July	Start of quiet period
24 July	Financial results Q2 2020 (7:00 am CET) – Press release
24 July	Financial results Q2 2020 (2:00 pm CET) – Audio conference call
02 October	Start of quiet period
23 October	Financial results Q3 2020 (7:00 am CET) – Press release
23 October	Financial results Q3 2020 (10:00 am CET) – Audio conference call

This is a preliminary agenda and is subject to changes

9. Conference call details

Date:	6 February 2020
Time:	14:00 (CET), 13:00 (UK), 08:00 (US/NY)
Conference call:	Orange Belgium FY 2019 results

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

10. Shares

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

	Q4 2018	Q4 2019
Trading of shares		
Average closing share price (€)	15.71	19.43
Average daily volume	70,111	46,697
Average daily value traded (€ m)	1.10	0.91
Shares and market values		
Total number of shares (m)	60.01	60.01
Treasury shares (k)	- 238	- 27
Closing price (€)	17.24	20.70
Market capitalization (€ m)	1,034.6	1,242.3

11. Consolidated financial statements

Consolidated statement of comprehensive income

in €m	31.12.2018*	31.12.2019
Convergent service revenues	*106.3*	*171.6*
Mobile only service revenues	*616.2*	*613.6*
Fixed only service revenues	*41.3*	*50.5*
IT & Integration Service	*4.5*	*21.5*
Retail service revenues	*768.4*	*857.3*
Equipment sales	*125.0*	*144.1*
Wholesale revenues	*329.2*	*288.9*
Other revenues	*57.2*	*50.5*
Revenues	**1,279.8**	**1,340.8**
Purchase of material	-187.4	-201.4
Other direct costs	-399.3	-408.5
Impairment loss on trade and other receivables, including contract assets	-6.3	-4.4
Direct costs	**-593.0**	**-614.3**
Labor costs	**-139.5**	**-148.2**
Commercial expenses	-45.5	-43.8
Other IT & Network expenses	-90.8	-88.8
Property expenses	-56.9	-12.7
General expenses	-66.1	-57.9
Other indirect income	19.6	23.8
Other indirect costs	-21.4	-49.4
Amortization of right-of-use of leased assets	0.0	-49.3
Indirect costs	**-261.1**	**-278.2**
Other restructuring costs**	-7.6	-10.7
Depreciation and amortization of other intangible assets and property, plant and equipment	-235.7	-243.4
Impairment of fixed assets	0.0	-2.3
Share of profits (losses) of associates	0.3	0.9
Operating profit (EBIT)	**43.2**	**44.7**
Net financial income (expense)	-4.9	-4.1
Profit (loss) before taxation (PBT)	**38.3**	**40.7**
Tax expense	-5.9	-6.7
Net profit (loss) for the period * **	**32.4**	**34.0**
Weighted average number of ordinary shares (excl. treasury shares)	59,848,037	59,972,759
Diluted weighted average number of ordinary shares (excl. treasury shares)	59,848,037	59,972,759
Basic earnings per share (in €)	**0.54**	**0.57**
Diluted earnings per share (in €)	**0.54**	**0.57**
Net profit (loss) for the period	**32.4**	**34.0**
Other comprehensive income (cash flow hedging net of tax)	-0.4	1.0
Total comprehensive income for the period	**32.0**	**35.0**
Part of the total comprehensive income attributable to equity holders of the parent	**32.0**	**35.0**

*The Group has initially applied IFRS 16 on 1 January 2019, using the modified retrospective approach. Under this approach, comparative information is not restated and the cumulative effect of initially applying IFRS 16 is recognized in retained earnings at the date of initial application.
**Restructuring costs consist of contract termination costs and redundancy charges.
***Since there are no discontinued operations, the net profit or loss of the period corresponds to the result of continued operations.

Consolidated statement of financial position

in €m	31.12.18*	31.12.19
ASSETS		
Non-current assets		
Goodwill	67.0	118.7
Other intangible assets	285.3	258.6
Property, plant and equipment	772.3	747.6
Rights of use of leased assets	0.0	297.3
Interests in associates and joint ventures	4.4	5.3
Financial assets	2.5	3.1
Other assets	1.4	0.6
Deferred tax assets	3.3	2.6
	1,136.2	1,433.8
Current assets		
Inventories	27.7	32.0
Trade receivables	194.3	224.8
Financial assets	0.4	0.4
Derivatives assets	0.2	0.5
Other assets	2.7	5.2
Operating taxes and levies receivables	1.9	0.5
Current tax assets	0.1	1.5
Prepaid expenses	11.4	14.0
Other assets related to contracts with customers	61.8	64.8
Cash and cash equivalents	26.6	20.2
	326.9	363.9
Assets	1,463.2	1,797.7
EQUITY AND LIABILITIES		
Equity attributable to the owners of the parent		
Share capital	131.7	131.7
Legal reserve	13.2	13.2
Retained earnings (excl. legal reserve)	442.2	447.4
Treasury shares	0.0	-0.2
	587.1	592.1
Non-current liabilities		
Financial liabilities	269.9	245.0
Lease liabilities	0.0	244.6
Derivatives liabilities	2.8	0.8
Employee benefits	0.1	0.0
Provisions for dismantling	63.2	75.3
Other liabilities	1.9	2.6
Deferred tax liabilities	8.1	7.5
	346.0	575.9
Current liabilities		
Financial liabilities	20.8	9.4
Lease liabilities	0.0	51.7
Derivatives liabilities	0.2	1.5
Fixed assets payable	53.3	52.9
Trade payables	266.6	314.0
Employee benefits	30.8	35.8
Provisions for dismantling	1.2	2.1
Restructuring provisions	3.0	1.9
Other liabilities	3.5	10.4
Operating taxes and levies payables	85.6	78.7
Current tax payables	3.1	3.5
Liabilities related to contracts with customers	59.4	65.7
Deferred income	2.3	2.0
	530.0	629.6
Equity and Liabilities	1,463.2	1,797.7

*The Group has initially applied IFRS 16 on 1 January 2019, using the modified retrospective approach. Under this approach, comparative information is not restated and the cumulative effect of initially applying IFRS 16 is recognized in retained earnings at the date of initial application.

Consolidated cash flow statement

in €m	31.12.2018*	31.12.2019
Operating activities		
Consolidated Net Profit	**32.4**	**34.0**
Adjustments to reconcile net profit (loss) to cash generated from operations		
Income tax expense	5.9	6.7
Finance expenses, net	4.9	4.1
Share of profits (losses) of associates and joint ventures	-0.3	-0.9
Impairment of non-current assets	0.0	2.3
Depreciation, amortization and impairment of other intangible assets and property, plant and equipment	235.7	243.4
Amortization of right-of-use assets	0.0	49.3
Gains (losses) on disposal	0.0	-1.6
Operating taxes and levies	16.4	14.7
Changes in provisions	-1.0	-1.9
Operational net foreign exchange and derivatives	0.1	0.1
Share-based compensation	0.7	0.4
Impairment on trade and other receivables, including contract assets	6.3	4.4
	268.7	**321.0**
Changes in working capital requirements		
Decrease (increase) in inventories, gross	-3.0	0.0
Decrease (increase) in trade receivables, gross	-17.1	-27.5
Increase (decrease) in trade payables	42.3	42.3
Changes in other assets and liabilities	-9.8	2.1
Change in other assets related to contracts with customers	8.0	-3.0
Change in liabilities related to contracts with customers	-1.8	3.9
	18.5	**17.8**
Other net cash out		
Operating taxes and levies paid	-25.5	-20.4
Interest paid and interest rates effects on derivatives, net	-3.7	-3.6
Income tax paid	-29.0	-9.1
	-58.2	**-33.1**
Net cash provided by operating activities	**261.4**	**339.7**
Investing activities		
Purchase of property, plant and equipment and intangible assets	-179.4	-180.2
Increase (decrease) in fixed assets payables	-1.4	-0.4
Cash paid for investments securities and acquired businesses, net of cash acquired	-4.2	-35.1
Decrease (increase) in securities and other financial assets	0.1	0.0
Net cash used in investing activities	**-184.9**	**-215.7**
Financing activities		
Long-term debt redemptions and repayments	-50.1	-31.7
Increase (decrease) of bank overdrafts and short-term borrowings	14.8	-21.8
Repayment of lease liabilities	0.0	-46.7
Purchase of treasury shares	2.5	-0.2
Dividends paid to owners of the parent company	-30.0	-30.0
Net cash used in financing activities	**-62.8**	**-130.4**
Net change in cash and cash equivalents	**13.6**	**-6.4**
Cash and cash equivalents		
Opening balance	13.0	26.6
Closing balance	26.6	20.2

*The Group has initially applied IFRS 16 on 1 January 2019, using the modified retrospective approach. Under this approach, comparative information is not restated and the cumulative effect of initially applying IFRS 16 is recognized in retained earnings at the date of initial application.

Consolidated statement of changes in equity

in €m	Share capital	Legal reserve	Retained earnings	Treasury shares	Total equity
Balance at 31 December 2018*, as previously reported	**131.7**	**13.2**	**442.2**		**587.1**
Adjustment on initial application of IFRS 16 (net of tax)			-0.2		-0.2
Adjusted balance at 1 January 2019	**131.7**	**13.2**	**442.0**		**586.9**
Net profit for the period			34.0		34.0
Other comprehensive income			1.0		1.0
Total comprehensive income for the period			**35.0**		**35.0**
Treasury shares				-0.2	-0.2
Share-based compensation			0.4		0.4
Declared dividends			-30.0		-30.0
Balance as at 31 December 2019	**131.7**	**13.2**	**447.4**	**-0.2**	**592.1**

in €m	Share capital	Legal reserve	Retained earnings	Treasury shares	Total equity
Balance at 31 December 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
Balance as at 31 December 2017	**131.7**	**13.2**	**440.2**	**-2.5**	**582.6**
Adjustment due to 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			32.4		32.4
Other comprehensive income			-0.4		-0.4
Total comprehensive income for the period			**32.0**		**32.0**
Treasury shares				2.5	2.5
Share-based compensation			0.7		0.7
Declared dividends			-30.0		-30.0
Balance as at 31 December 2018	**131.7**	**13.2**	**442.2**		**587.1**

*The Group has initially applied IFRS 16 on 1 January 2019, using the modified retrospective approach. Under this approach, comparative information is not restated and the cumulative effect of initially applying IFRS 16 is recognized in retained earnings at the date of initial application.
**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.

Segment information

in €m, twelve months ended 31 December 2019	Orange Belgium	Orange Luxembourg	Intra-group elimination	Group
Convergent service revenues	171.6	0.0	0.0	171.6
Mobile only service revenues	579.6	34.0	0.0	613.6
Fixed only service revenues	41.6	9.0	0.0	50.5
IT & Integration service revenues	21.5	0.0	0.0	21.5
Retail service revenues	814.3	43.0	0.0	857.3
Equipment sales	129.8	14.3	0.0	144.1
Wholesale revenues, of which	279.9	12.3	-3.3	288.9
Incoming & Roaming Visitor	251.4	11.1	-3.3	259.3
Other revenues	64.2	0.2	-14.0	50.5
Revenues	**1,288.2**	**69.8**	**-17.2**	**1,340.8**
Direct costs	-594.9	-36.6	17.2	-614.3
Labor costs	-139.2	-9.0	0.0	-148.2
Indirect costs, of which	-262.1	-16.1	0.0	-278.2
Operational taxes and fees	-12.4	-2.3	0.0	-14.7
Amortization of right-of-use of leased assets	-45.1	-4.2	0.0	-49.3
Other restructuring costs	-10.7	0.0	0.0	-10.7
Depreciation, amortization of other intangible assets and property, plant and equipment	-235.6	-7.8	0.0	-243.4
Impairment of fixed assets	-2.3	0.0	0.0	-2.3
Share of profits (losses) of associates	0.9	0.0	0.0	0.9
Operating profit (EBIT)	**44.4**	**0.4**	**0.0**	**44.7**
Net financial income (expense)	-4.3	0.2	0.0	-4.1
Profit before taxation (PBT)	**40.1**	**0.6**	**0.0**	**40.7**
Tax expense	-5.9	-0.8	0.0	-6.7
Net profit for the period	**34.2**	**-0.2**	**0.0**	**34.0**

in €m, twelve months ended 31 December 2018	Orange Belgium	Orange Luxembourg	Intra-group elimination	Group
Convergent service revenues	106.3	0.0	0.0	106.3
Mobile only service revenues	583.3	33.0	0.0	616.2
Fixed only service revenues	33.6	7.8	0.0	41.3
IT & Integration Service revenues	4.5	0.0	0.0	4.5
Retail service revenues	727.6	40.7	0.0	768.4
Equipment sales	110.4	14.6	0.0	125.0
Wholesale revenues, of which	322.6	10.7	-4.1	329.2
Incoming & Roaming Visitor	258.6	9.5	-4.1	264.0
Other revenues	65.7	0.9	-9.4	57.2
Revenues	**1,226.4**	**66.9**	**-13.5**	**1,279.8**
Direct costs	-570.2	-36.3	13.5	-593.0
Labor costs	-129.8	-9.8	0.0	-139.5
Indirect costs, of which	-246.5	-14.6	0.0	-261.1
Operational taxes and fees	*-14.1*	*-2.3*	*0.0*	*-16.4*
Other restructuring costs	-7.6	0.0	0.0	-7.6
Depreciation, amortization of other intangible assets and property, plant and equipment	-228.4	-7.3	0.0	-235.7
Share of profits (losses) of associates	0.3	0.0	0.0	0.3
Operating profit (EBIT)	**44.2**	**-1.1**	**0.0**	**43.2**
Net financial income (expense)	-4.9	0.0	0.0	-4.9
Profit before taxation (PBT)	**39.3**	**-1.1**	**0.0**	**38.3**
Tax expense	-5.8	0.0	0.0	-5.9
Net profit for the period	**33.5**	**-1.1**	**0.0**	**32.4**

12. Statutory auditor's procedures

The statutory auditor, KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises, represented by Alexis Palm has confirmed that the audit procedures, which have been substantially completed, have not revealed any material misstatement in the accounting information included in the Company's annual announcement.

13. 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: Mobile Virtual Network Operator). 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 advertising revenues, (iii) corporate transversal business line activities, and (iv) other miscellaneous revenues.

Profit & Loss

Data on a comparable basis	Data based on comparable accounting principles, scope of consolidation and exchange rates are presented for previous periods. The transition from data on an historical basis to data on a comparable basis consists of keeping the results for the period ended and then restating the results for the corresponding period of the preceding year for the purpose of presenting, over comparable periods, financial data with comparable accounting principles, scope of consolidation and exchange rate. The method used is to apply to the data of the corresponding period of the preceding year, the accounting principles and scope of consolidation for the period just ended as well as the average exchange rate used for the income statement for the period ended. Changes in data on a comparable basis reflect organic business changes. Data on a comparable basis is not a financial aggregate as defined by IFRS and may not be comparable to similarly-named indicators used by other companies.
EBITDAaL (since 1 January 2019)	EBITDA after lease is not a financial measure as defined by IFRS. It corresponds to the net profit before: taxes; net interest expense; share of profit/losses from associates; impairment of goodwill and fixed assets; effects resulting from business combinations; reclassification of cumulative translation adjustment from liquidated entities; depreciation and amortization; the effects of significant litigation, specific labor expenses; review of the investments and business portfolio, restructuring costs.
reported EBITDA (prior to 31 December 2018)	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 (prior to 31 December 2018)	Adjusted EBITDA (previously Restated EBITDA) corresponds to the reported EBITDA adjusted before 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 statement

Operating cash flow	EBITDAaL minus eCapex since 1 January 2019. Prior to 31 December 2018 it was defined as Adjusted EBITDA minus Capex.
Organic cash flow	Organic cash flows correspond to net cash provided by operating activities decreased by capex/eCapex and the repayment of lease liabilities, increased by proceeds from sale of property, plant and equipment and intangible assets and adjusted for the payments for acquisition of telecommunications licences.
eCapex (since 1 January 2019)	Economic Capex is not a financial measure as defined by IFRS. It corresponds to capital expenditures on tangible and intangible assets excluding telecommunication licenses and excluding investments through financial leases less proceeds from the disposal of fixed and intangible assets.
Capex (prior to 31 December 2018)	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.

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).
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 communication 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.
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 changed on 31 July 2019 with the acquisition of Upsize S.A. (holding company of BKM NV). The consolidation perimeter 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 %), A&S Partners S.A. (100 %), Upsize S.A. (100%), BKM NV 100% and CC@PS NV 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.

About Orange Belgium

Orange Belgium is one of the leading telecommunication operators in Belgium and in Luxembourg through its subsidiary Orange Communications Luxembourg.

As a convergent player, 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 Orange Group, one of the world's leading telecommunications operators with a presence in 27 countries. Orange is also a leading provider of global IT and telecommunication services to multinational companies, under the brand Orange Business Services

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

More information on: corporate.orange.be, www.orange.be or follow us on Twitter: @pressOrangeBe.

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