



Press release

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KPN Group Belgium/BASE launches HSPA services by end of 2009

Competitive wireless internet offers to allow use of e.g. netbooks

Brussels – KPN Group Belgium which, among its other activities, runs the BASE brand in Belgium, announced today that it intends to introduce 3G HSPA services on the Belgian market by the end of 2009. This will be done through the BASE network, as part of the BASE brand's "smart follower strategy", i.e. investing solely in those technologies for which there is a demand in the Belgian market. 3G HSPA will be systematically rolled out further in line with the increasing demand for mobile data services on the consumer and SOHO-SME market. Commercially, BASE's strategy will focus on developing mobile internet products into real alternatives for the current (fixed) internet offers, and offering them at a very attractive price setting.

Currently, KPN Group Belgium/BASE already offers 3G services. These services enable fast mobile internet nationally via the EDGE technology at the most attractive tariffs in Belgium. By the end of 2009, KPN Group Belgium/BASE will complement the EDGE technology with the introduction of the 3G HSPA technology, which will result in even greater ease of use for the end-user. BASE intends to offer these services at the lowest price to consumers and SOHO-SME-customers, particularly focusing on internet users.

3G strategy to allow netbook tariff offer

The introduction of 3G HSPA is part of the challenger strategy that KPN Group Belgium/BASE is also applying to the rollout of its network. The initial focus was to fully roll out the 2G-2,5G network, which has enabled KPN Group Belgium/BASE to reach its objective of rolling out the best network in Belgium, as confirmed by objective testing conducted by Netcheck GmbH (Germany, available on request). BASE invested significantly in 3G HSPA since 2007 and is now ready for the next (commercial) phase. By deploying a smart follower strategy, BASE is in the position to bring the latest and best currently available 3G technology to the market ultimately providing the best wireless internet experience for consumer. This allows to offer a very competitive "best buy" mobile internet service to support the use of new mobile devices such as e.g. netbooks from Nokia (in national media this week) or the Amazon Kindle, BASE as a brand wants to claim that market in Belgium, comparable to the challenger initiatives in countries like Austria, which made mobile internet boom and changed the whole market in favor of the end-users. The Challenger in the Austrian market, co-member of KPN Group Belgium/BASE in the Mobile Challengers (www.mobilechallengers.eu), has pressured the Austrian incumbent operator. As a result the Austrian market has show very high take-up of mobile internet, low attractive pricing and impressive growth in subscriber take-up. The service in Belgium will be launched regionally as to ensure customer satisfaction.

As for 3G services, KPN Group Belgium/BASE achieved national coverage many years ago, via the EDGE technology. Until now, the EDGE technology was more than sufficient to meet the needs for mobile data and internet in the consumer and SOHO-SME markets. Only in the corporate market was there a need for higher bandwidth. However, since this market was full and is still closed to KPN Group Belgium/BASE as a result of the proven abuse of dominance by Belgacom Mobile (ruling of the Competition Council of 26 May 2009), this did not warrant until now extensive investment in alternative 3G technologies. Now that current trends, including the growing use of smartphones or netbooks (and laptops), seem to indicate that mobile data and internet will also ultimately break through on the consumer and SOHO-SME markets, complementing EDGE with the 3G HSPA technology is the next logical step.

Strategic vision of the BIPT re: mobile data

Despite the launch of 3G HSPA, the KPN Group Belgium/BASE mobile data strategy will continue focusing on the consumer and SOHO-SME markets. The reason is that, in spite of the decision of the Competition Council, Proximus is continuing with its contested practices on the corporate market, with the result that this market remains closed to a greater degree than ever. On this point, KPN Group Belgium has asked the BIPT, following the Competition Council decision, to take the necessary action to facilitate true competition, both for 2G and 3G services. Although for the time being the BIPT has not yet formally responded to this request, considering the importance for the entire telecoms sector, KPN Group Belgium/BASE is confident that the BIPT will be quick to divulge its action plan on this matter.

KPN Group Belgium n.v./s.a. is a 100% subsidiary of KPN Mobiel N.V., the mobile division of Koninklijke KPN N.V. KPN offers mobile voice and data services in Germany (E-Plus), Belgium (BASE) and the Netherlands (KPN, Hi and Telfort). At the end of 2008, KPN Group Belgium had 732 employees (BASE + ALLO telecom), and a customer market share of approx. 24%. In 2008 KPN Group Belgium achieved an annual turnover of €647 million. The company has its head office in Brussels and positions itself as an innovator in products and services via a segmented approach. KPN Group Belgium markets the brands BASE, Ortel, Ay Yildiz, Chiama and Zoniq, and Tele2 as a separate entity.

For more information contact:

KPN Group Belgium, Bart Vandesompele

E-mail: bart.vandesompele@kpngroup.be