



Press release
27 October 2009

KPN Group Belgium continues to drive profitable market share growth

- Total revenue and other income for KPN's Belgian activities up 4.7 %
- Profitable growth: EBITDA up 12% in Belgium, driven by mobile activities
- Service revenues KPN Group Belgium up 7.7%
- Customer base up 73,000 to 3.56 million
- Service revenue market share above 17%
- Agreement with Mobistar to jointly expand network infrastructure

Brussels, 27 October 2009 – KPN Group Belgium publishes today its results for the third quarter 2009. Revenues and other income for Belgium are up 4.7% Q3 2009 compared to Q3 2008, from € 191 million to € 200 million. EBITDA in Belgium was up 12% at €65 million with a margin of 32.5%, up from 30.4% a year ago. KPN Group Belgium's service revenues are up 7.7% in Q3 2009. Customer base increased by 73,000 in Q3 2009, including 96,000 one-off churn in wholesale prepaid.

Financial details

KPN Group Belgium generated service revenues of €167 million in Q3 2009, up 7.7% compared to Q3 2008 (€155 million). This higher service revenue is due to the increase of subscription fees and traffic related revenues. The service revenue market share grew to over 17% (KPN Management estimates). This quarter is the 6th consecutive quarter of year-of-year service revenue growth. Belgium shows an EBITDA up 12% and an EBITDA margin of 32.5%.

Operational highlights

In the third quarter, KPN Group Belgium totalled 3,560,000 customers adding another 73,000 customers to its client base. The prepaid customer base was negatively impacted by a one-off churn on the wholesale customer base (96,000). The increase in acquisition is linked to the successful launch of the new BASE product portfolio (end of April), and expanding position in Soho/SME.

Partnerships and regionalization boost revenue

The recent partnership signed with RTL-TVi in Belgium to launch the ALLO RTL brand, again proves that the cornerstone of partnerships in our mobile strategy, brings revenue to KPN Group Belgium. Bart Vandesompele, spokesperson for KPN Group Belgium comments that it is "a combination of increased regionalisation, the higher impact of ALLO telecom and an excellent execution that has led to an increase in KPN Group Belgium's profitable growth, also in until recently underdeveloped regions."

Network developments

Next to the confirmed good quality of the network and the coverage, KPN Group Belgium finalised an agreement with Mobistar on 8 October to jointly expand their mobile telecommunication networks. The agreement will allow the operators to acquire and build new sites in a concerted way, with a positive impact on network coverage in view of new environmental standards. The agreement will result in a more rapid deployment of mobile telecommunication networks and better services for customers.

Legal claims against Belgacom

In a preliminary report of 2 October 2009 on the on-net case for the consumer market (introduced in

June 2003), the court experts have concluded that Proximus has abused its dominant position for the period until end 2004 in combining low on-net rates and high termination rates, thereby locking its customers in on the Proximus network. For the period 1999-2004, this abuse has resulted in damages of € 824 million for KPN Group Belgium and of € 357 million for Mobistar. In May 2009, Belgacom was already fined € 66,3 million for the same reasons by the Belgian Competition Authorities.

On 30 September 2009, the Belgian Competition Services issued a statement of objections against Belgacom. The Services consider that through its 'Happy Time' retail tariff that it launched in 2005, Belgacom abused its dominant position on the fixed retail market via a price squeeze. This case will now be submitted to the Competition Council which is expected to take a final decision in the first half of 2010.

KPN Group Belgium nv/sa is a 100% subsidiary of Koninklijke KPN N.V. KPN offers mobile voice and data services in Germany (E-Plus and its sister brands), Belgium (BASE and its sister brands) and the Netherlands (KPN, Hi and Telfort). At the end of September 2009, KPN Group Belgium had 718 employees. In 2008, KPN Group Belgium had a yearly turnover of 647 million euro and a market share in number of mobile customers of ca. 24%. The company's headquarters are in Brussels; it positions itself as an innovator in products and services via a segmented, multibranded approach. KPN Group Belgium commercializes the brands BASE, Ay Yildiz, Simyo, Zoniq and BASE business.

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