Press release
Embargo until July 24, 2019 at 7:00 am
Regulated information

Financial information for the second quarter of 2019 and first half of 2019

4th consecutive quarter of near double-digit growth in retail service revenues

- Mobile postpaid customer base grew 6.8% yoy on quarterly net-adds of 26k
- Convergence customer base increased 58.8% yoy on quarterly net-adds of 16k
- Revenues: +1.9% yoy for the quarter / Retail service revenues:+9.6% yoy for the quarter
- EBITDAaL +18.2% yoy for the quarter (H1'19 : +7.4% yoy, +4.2% excluding seasonality effect)

Belgium Q2'19 operating highlights

- **Bold challenger positioning is driving operating and financial performance**. Orange Belgium has been drilling consistent messages around delivering better value proposition, simple tariffs (generous data and voice allowance), no bad surprises and no price increases. That bold positioning is being increasingly anchored in the consumers' brand perception.
- **Mobile postpaid continues its growth trajectory**. The mobile postpaid customer base grew 6.8% yoy to 2.5m with net-adds of 26k subscribers during the quarter. An increasing number of subscribers continue to opt for higher tariff plans
- **16k convergent net-adds.** Orange Belgium reached 216k Love customers, just prior to the launch of Love Duo. The convergent mobile subscriber base represents 13.6% of mobile postpaid customers (Q1'19: 12.7%).
- **Mobile only postpaid ARPO decreased by 3.2% yoy.** Regulation on intra-EU calls as well as continuous migration towards simple abundant tariff plans continued to drive out-of-bundle revenues lower – in line with Orange Belgium's commitment to "no bad surprises". The decrease in out-of-bundle revenues was partially offset by growing access revenues. **B2C convergent ARPO increased 4.1% yoy**, driven by the absence of discounts, revenues from set-up fees and fixed line option.

Orange Belgium: key operating figures

	Q2 2018	Q2 2019	change
Mobile postpaid customer base (in '000)	2,355	2,516	6.8%
Net adds (in '000)	*26*	*26*	*1.1%*
Mobile only postpaid ARPO (€ per month)	21.3	20.6	-3.2%
Convergent customer base (in '000)	136	216	58.8%
Net adds (in '000)	*14*	*16*	*10.9%*
B2C convergent ARPO (€ per month)	73.7	76.8	4.1%
Convergent mobile customer as % mobile contract customer base	*8.8%*	*13.6%*	*481 bp*

Q2'19 consolidated financial highlights

- **Revenues increased by 1.9% yoy** to €318.9m thanks to sustained strong growth (+9.6%) in retail service revenues, offsetting lower MVNO revenues while Medialaan completed its migration towards Orange Belgium's network in June.
- **EBITDAaL increased by 18.2% yoy to €78.9m despite lower MVNO revenues.** The drivers were: higher retail service revenues; cost control; cable operations improvement; and a €4m tailwind from the seasonality in advertising and IT spend.
- **eCapex decreased 5.6% to €42.9m.**
- **Operating cash flow increased to €36.0m** on improved profitability. Net financial debt amounted to €248.8m.
- **Cable operations continue to improve.** Cable generated a positive EBITDAaL of €1.3m in H1'19 thanks to continuous effort on operational efficiency. H1'19 cable operating cash flow remains negative (-€22.0m) on eCapex of €23.3m.
- **2019 financial guidance reiterated.** Orange Belgium Group expects slight revenue growth, EBITDAaL of €285m-€305m and stable eCapex.

Orange Belgium Group: key financial figures

in €m	reported Q2 2018	comparable Q2 2018	Q2 2019	comparable change	reported change	reported H1 2018	comparable H1 2018	H1 2019	comparable change	reported change
Revenues	313.0		318.9		1.9%	619.6		637.1		2.8%
Retail service revenues	*188.8*		*207.0*		*9.6%*	*370.0*		*412.6*		*11.5%*
EBITDAaL		66.7	78.9	18.2%			127.5	136.9	7.4%	
margin as % of revenues		*21.3%*	*24.7%*	*342bp*			*20.6%*	*21.5%*	*91 bp*	
eCapex		-45.5	-42.9	-5.6%			-77.3	-79.8	3.3%	
Operating cash flow[1]		21.2	36.0	69.3%			50.2	57.1	13.7%	
Adjusted EBITDA	66.7					127.3				
margin as % of revenues	*21.3%*					*20.5%*				
Capex	-45.5					-77.3				
Operating cash flow[2]	21.2					50.0				
Net financial debt	305.1		248.8			305.1		248.8		

1 Operating cash flow defined as EBITDAaL – eCapex
2 Operating cash flow defined as Adjusted EBITDA –Capex

Michaël Trabbia, Chief Executive Officer, commented:

As a Bold challenger, we must remain true to our customer promise for simple, generous and worry-free tariffs. We are against bad surprises, be it unjustified price increases or unreasonable out-of-bundle fees. This quarter, we pushed this customer promise further by making MMS free of charge and by extending our unlimited data tariff plans for use throughout the EU.

This consistent positioning drove a significant change in Orange's brand's perception in Belgium. In an active competitive environment, this translated into steady commercial results, both on mobile and convergence as well as sustained strong retail service revenues growth.

Going one step further, we launched our long awaited Love Duo offer (mobile + unlimited broadband), designed for the cord-cutters who don't want to be forced to pay for a service they don't use.

Finally, the recently announced radio access network sharing agreement will help us improve network quality and accelerate 5G roll-out. This operational transaction will allow us to maintain our focus on real differentiation areas for our customers while preserving an effective competitive environment.

Arnaud Castille, Chief Financial Officer, stated:

The highlights of the second quarter were once again steady commercial and financial results. This demonstrates that our commercial focus on granting our clients simple and worry-free offers is bearing its fruits since we launched our unlimited offers last year.

I am pleased to report a fourth consecutive quarter of near double-digit growth in retail service revenues. The latter was mainly driven by convergent services as well as continued growth in our core mobile business. We continued to manage our operating expenses, thus growing EBITDAaL despite lower MVNO revenues.

We recently received the competition authority's approval of the acquisition of BKM. We expect to finalize the transaction imminently. This acquisition will allow us to enhance our B2B offering and grow our presence in the ICT and connectivity markets.

We confirm our guidance for 2019. We are committed to delivering excellent customer service in order to maintain the commercial momentum. We remain extremely focused on extracting operational efficiencies.

1. Key highlights

1.1 Operational highlights

- **Orange Belgium is continuously offering greater value to customers**
  During the quarter, Orange Belgium introduced several features at nil cost to customers. Firstly, the company became the only Belgian operator to include MMS allowance in retail postpaid tariff plans. Additionally, Eagle customers also benefit from unlimited voice and data across the European Union. Lastly, Orange Belgium added more than 20 channels to its Orange TV app, available in both French and Dutch: Orange customers have access to over 40 TV channels on the Orange TV app.

- **Medialaan completed the migration of its customers towards Orange Belgium's network in June**
  Orange Belgium welcomed 268k Medialaan customers who can now surf, call and text via the leading 4G network. This is the start of a 5-year wholesale partnership.

- **Orange Belgium announced the acquisition of BKM to strengthen its B2B activity**
  Orange Belgium announced an agreement to acquire Upsize NV and its subsidiaries BKM NV and CC@PS for an enterprise value of €52.4m. This acquisition will serve to extend Orange Belgium's B2B offering and meet B2B customers growing demand for a single connectivity and ICT provider. On July 2 2019, the Belgian Competition Authority cleared the transaction without conditions. The acquisition is expected to be finalized at the end of July.

- **Orange Belgium reinforces its smart-mobility activities through an equity investment in the scale-up CommuniThings**
  Orange Belgium invests directly into one of its Orange-Fab scale-ups, CommuniThings, and embarks on a commercial partnership to market state-of-the-art smart parking solutions. Orange Belgium, Finance.Brussels and Essex Innovation invested €3 million.

  In line with Orange's support of IoT solutions over its IoT networks, the investment will be combined with a long-term partnership to commercialize CommuniThings' smart parking solutions across Belgium. In addition, the investment will serve CommuniThings' global expansion efforts as it spearheads the roll-out of its platform over IoT networks.

- **Orange Belgium invites tech scale-ups to enter third Orange Fab season to realise their growth ambitions**
  Orange Fab, Orange's exclusive international accelerator network, kicks off its third edition in Belgium and Luxembourg. The objectives of this program is to foster excellence through mentorship between the start-ups and the Orange Belgium and Luxembourg Business Units, to boost their business development, to launch partnerships, and to further their international growth with the backing of the international presence of Orange.

  This year, the following two start-ups were selected to take part in the third Orange Fab BeLux season:
  - Condugo, which has developed an innovative energy management platform for large industrial companies,
  - Ovinto, which optimises freight transport with a hardware and software solution based on big data and predictive analysis.

- **Fluvius inaugurated its first fibre optic local exchange in Genk**
  Fluvius inaugurated its first fibre optic local exchange in the Central North district of Genk. A local exchange brings together all the fibre optic cables from homes in the area and acts as a kind of "wall outlet" to which all providers can connect to. The installation and configuration of this local exchange is in its final preparatory stages before the services can be provided to customers. 4,500 Genk homes are eligible for a connection.

- **Orange Luxemburg launched its unlimited data plan**
  Orange Luxembourg expanded its postpaid mobile range with two new tariff plans which offer unlimited data calls/texts. This is the first step to position itself as a Bold challenger in Luxembourg.

1.2 Regulatory highlights

- **Wholesale high quality access market review**
  On March 29 2019, the BIPT published a draft analysis of wholesale high-quality access (essentially leased lines). The draft decision finds that Proximus continues to have significant market power in this market. As a result, the draft decision seeks to impose remedies on Proximus. Such remedies include the provision of access at fair and non-discriminatory prices to active high quality access (on fibre and copper) and passive local fibre infrastructure. The access remedies are modulated in function of the specific geographical competitive situation. All players were given the opportunity to provide feedback before May 10 2019. A decision is expected at the end of the year.

- **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. Given the lack of progress in the formation of a new government, it appears unlikely that an auction for any of the aforementioned

spectrum will be organised within the next 12 months. As a consequence, the attribution of 5G spectrum and the renewal of the 900-1800 and 2100 MHz spectrum may be delayed towards H2 2020.

- **Electromagnetic fields standards in Brussels - update**
  The Brussels Government postponed the adoption of the Ordinance to increase electromagnetic fields standards, which is necessary to enable 5G deployment in Brussels.

2. Comments on the financial situation

2.1 Consolidated figures for the Orange Belgium Group

Orange Belgium Group: consolidated P&L

in €m	reported Q2 2018	comparable Q2 2018	Q2 2019	comparable change	reported change	reported H1 2018	comparable H1 2018	H1 2019	comparable change	reported change
Revenues	313.0		318.9		1.9%	619.6		637.1		2.8%
Belgium	299.3		306.2		2.3%	594.5		611.7		2.9%
Luxembourg	16.6		16.3		-1.9%	32.0		32.5		1.6%
Interco elimination	-2.9		-3.6		23.0%	-7.0		-7.1		1.6%
EBITDAaL		66.7	78.9	18.2%			127.5	136.9	7.4%	
Belgium		65.9	76.8	16.5%			125.7	133.2	6.0%	
Luxembourg		0.8	2.1	161.6%			1.8	3.7	107.1%	
margin as % of revenues		*21.3%*	*24.7%*	*342 bp*			*20.6%*	*21.5%*	*91 bp*	
Adjusted EBITDA	66.7					127.3				
Belgium	65.9					125.5				
Luxembourg	0.8					1.8				
margin as % of revenues	*21.3%*					*20.5%*				

2.2 Consolidated statement of comprehensive income

Revenues

- Retail services revenues increased 9.6% to €207.0m. This solid performance was driven by the continuous growth in convergence.
- Wholesale revenues declined 13.0% on expected lower MVNO revenues as well as lower interconnection revenues. MVNO revenues were €2.9m in the quarter versus €10.3m in the comparable period of last year. Interconnection revenues were impacted by lower SMS costs.

Orange Belgium Group: consolidated revenues

in €m	Q2 2018	Q2 2019	*change*	H1 2018	H12019	*change*
Convergent services	24.1	41.0	*69.9%*	44.9	79.1	*76.2%*
Mobile only services	153.1	153.3	*0.1%*	303.0	307.7	*1.5%*
Fixed only services	10.1	11.4	*12.6%*	19.9	23.6	*18.6%*
IT & Integration Services	1.4	1.3	*-8.1%*	2.3	2.3	*2.6%*
Retail services	188.8	207.0	*9.6%*	370.0	412.6	*11.5%*
Equipment sales	26.4	29.9	*13.1%*	58.6	61.2	*4.5%*
Wholesale	83.1	72.3	*-13.0%*	160.5	139.1	*-13.3%*
Other revenues	14.7	9.7	*-33.8%*	30.5	24.1	*-20.9%*
Revenues	313.0	318.9	*1.9%*	619.6	637.1	*2.8%*

Result of operating activities before depreciation and other expenses

EBITDAaL achieved during the quarter was €78.9m increasing 18.2%, despite lower MVNO revenues of €7.4m. Cable operations in Belgium generated a positive EBITDAaL of €1.3m for H1'19 on continuously improved operational efficiency.

Reconciliation from operating profit to EBITDaAL

in €m	Q2 2018*	Q2 2019	H1 2018*	H1 2019
Operating profit (EBIT)	**6.6**	**19.5**	**8.1**	**12.1**
Add back				
Share of profits (losses) of associates	0.0	0.0	-0.1	-0.1
Impairment of fixed assets	0.0	0.0	0.0	0.0
Depreciation, amortization of other intangible assets and property, plant and equipment	57.9	59.5	115.6	120.3
Other restructuring costs**	2.3	-0.1	3.7	4.6
EBITDAaL	**66.7**	**78.9**	**127.3**	**136.9**
margin as % of revenues	*21.3%*	*24.7%*	*20.6%*	*21.5%*

(*) 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.

Control of direct and indirect costs, which decreased 1.6% and 7.0% respectively, contributed also to the increase in EBITDAaL. EBITDAaL margin was 24.7%, 342 bp higher than in Q2'18.

Total operating expenses, including the IFRS 16 adjustments, reached €240.0m in Q2'19 (-2.5%) compared to €246.3m in the previous year. The following table provides an overview of the different expenses.

Operating costs

in €m	Q2 2018	Q2 2019	change	H1 2018	H1 2019	change
Directs costs	-140.6	-138.4	-1.6%	-285.0	-283.7	-0.4%
Labor costs	-35.5	-36.4	2.5%	-71.5	-73.2	2.3%
Indirect costs including RouA and finance lease costs	-70.2	-65.3	-7.0%	-135.8	-143.2	5.5%
of which RouA and finance lease costs		-12.4			-23.3	
	-246.3	**-240.0**	**-2.5%**	**-492.3**	**-500.2**	**1.6%**

- **Direct costs** decreased by 1.6% due to lower customer equipment and interconnection costs as well as less commissions paid to retail partners.
- **Labor costs** were €36.4m, a slight increase of 2.5% due to wage indexation.
- **Indirect costs** decreased by -7.0%. This was the result of cost control as well as a €4m tailwind from the seasonality in advertizing, IT and network spend. In May 2019, the Company started paying branding fees to Orange SA: the expense for the quarter amounted to €2.3m.
- **Restructuring costs** for the quarter decreased to €0.1m.

Non-recurring items

in €m	Q2 2018	Q2 2019	change	H1 2018	H1 2019	change
Restructuring costs	-2.3	0.1	-103.1%	-3.7	-4.6	22.8%
Other operating income	0.0	0.0	-100.0%	0.0	0.0	-100.0%
	-2.3	**0.1**	**-103.1%**	**-3.7**	**-4.6**	**23.8%**

Depreciation and amortization

Depreciation and amortization increased from €57.9m in Q2'18 to €59.5m in Q2'19.

Financial result

Net financial expenses of the quarter were comparable to the previous year and amounted to €1.1m.

Taxes

The group reported a tax expense of €1.6m, for an effective tax rate of 8.6% for Q2'19.

Net profit

The consolidated net profit was €16.8m for Q2'19, +246.6% yoy. Higher revenues as well as EBITDAaL, lower restructuring costs and higher depreciation charges contributed to a higher profit compared to Q2'18.

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, plus proceeds from the disposal of tangible and intangible assets.

Operating cash flow increased from €21.2m to €36.0m due to higher EBITDAaL and lower eCapex.

Operating cash flow

in €m	Q2 2018	Q2 2019	H1 2018	H1 2019
EBITDAaL		78.9		136.9
eCapex		-42.9		-79.8
Operating cash flow		36.0		57.1
Adjusted EBITDA	66.7		127.3	
Capex	-45.5		-77.3	
Operating cash flow	21.2		50.0	

Organic cash flow increased from €22.8m to €34.8m in Q2'19.

Reconciliation to organic cash flow

in €m	Q2 2018	Q2 2019	H1 2018	H1 2019
Net cash provided by operating activities	68.4	81.1	129.2	164.8
eCapex	-45.5	-42.9	-77.3	-79.8
Increase (decrease) in fixed assets payables	-0.1	7.9	-9.3	-15.6
Disposal of property, plant and equipment and intangible assets	0.0	0.0	0.0	0.0
Repayment of lease liabilities	0.0	-11.2	0.0	-22.1
Organic cash flow	22.8	34.8	42.7	47.3

Net debt amounted to €248.8m, lower than the €264.3m observed in Q4'18. Gearing, as measured by the net debt/EBITDAaL ratio, decreased to 0.8x.

Net debt

€m, period ended	31.12.2018	30.06.2019
Cash & cash equivalents		
Cash	-6.7	-14.7
Cash equivalents	-19.9	-16.7
	-26.6	**-31.4**
Financial liabilities		
Intra-group long term loan	269.9	279.8
Intra-group short term loan	18.3	0.2
Third-party short term loan	2.5	0.0
Derivatives (net)	0.1	0.1
	290.9	**280.2**
Net debt	**264.3**	**248.8**
Net debt/EBITDAaL	N/M	0.8x
Net debt/adjusted EBITDA	0.9x	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

Convergent services

Orange Belgium's customer base continued to grow as it added 16k new subscribers, resulting in 216k Love customers at the end of Q2'19. B2C customers represent 90% of convergence subscriber base. On the B2B mobile convergent segment, the customer base increased to 22k. The B2C convergent ARPO increase of 4.1% yoy to €76.8. This was the result of the absence of discounts, set-up fees and additional fixed line option.

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

	Q2 2018	Q2 2019	*change*		Q2 2018	Q2 2019
Convergent customer base				Net-adds		
B2C convergent customer base	123	194	*57.5%*	B2C convergent customer base	13	14
B2B convergent customer base	13	22	*71.3%*	B2B convergent customer base	1	2
	136	**216**	***58.8%***		**14**	**16**
ARPO (in € per month)						
B2C convergent	73.7	76.8	*4.1%*			

In Q2'19, Orange Belgium added 22k B2C mobile convergent customers, reaching at the end of the period 294k. The proportion of postpaid mobile subscribers that are convergent have continuously been increasing over time and today it is 13.6%.

Mobile services

The postpaid customer base continued with its steady growth as it added 26k new customers, reaching at the end of Q2'19 2.5m postpaid customers, number achieved even with the migration out of our network of about 7.2k SIM cards of a B2B customer.

Postpaid mobile ARPO decreased by 3.2% to €20.6. The increase in access revenues did not fully compensate the decrease of out of bundle. Since Q3'18, out-of-bundle revenues have been steadily decreasing as customers continue to opt for unlimited mobile offers.

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

	Q2 2018	Q2 2019	*change*		Q2 2018	Q2 2019
Mobile customers				Net-adds		
B2C convergent	180	294	*63.9%*	B2C convergent	17	22
B2B convergent	27	47	*76.0%*	B2B convergent	3	3
Mobile only	2,148	2,174	*1.2%*	Mobile only	6	1
Postpaid	2,355	2,516	*6.8%*	Postpaid	26	26
Prepaid	575	557	*-3.2%*	Prepaid	-6	-4
M2M	1,017	1,238	*21.8%*	M2M	71	77
	3,947	**4,311**	***9.2%***			
MVNO customers	25	277	*1011.1%*			
Mobile only ARPO (€ per month)						
Blended	**18.4**	**17.9**	***-2.6%***			
Postpaid (mobile-only)	21.3	20.6	*-3.2%*			
Prepaid	7.4	7.1	*-4.4%*			

Financial review

The company reported revenues of €306.2m, a 2.3% increase, on sustained growth in retail services (+9.8% yoy). Taking a closer look at the retail service revenues, the increase of 69.9% of the convergent service revenues proves the continuous attractiveness of the Love offer.

Wholesale revenues decreased 13.4% due to lower MVNO revenues (€2.9m in Q2'19 versus €10.3m Q2'18) and lower interconnection revenues (mainly less SMS). Medialaan completed the migration of its customer towards Orange Belgium's network in June 2019.

Orange Belgium: key financial figures

in €m	reported Q2 2018	comparable Q2 2018	Q2 2019	comparable change	reported change	reported H1 2018	comparable H1 2018	H1 2019	comparable change	reported change
Convergent service revenues	24.1		41.0		69.9%	44.9		79.1		76.2%
Mobile only service revenues	144.8		144.7		-0.1%	287.0		290.2		1.1%
Fixed only service revenues	8.3		9.2		10.3%	16.4		19.1		16.3%
IT & Integration service revenues	1.4		1.3		-8.1%	2.3		2.3		2.6%
Retail service revenues	178.6		196.1		9.8%	350.5		390.6		11.4%
Equipment sales	23.0		27.0		17.3%	51.3		56.0		9.1%
Wholesale revenues	81.7		70.7		-13.4%	157.8		136.0		-13.9%
Other revenues	16.0		12.3		-22.7%	34.9		29.1		-16.5%
Revenues	299.3		306.2		2.3%	594.5		611.7		2.9%
EBITDAaL		65.9	76.8	16.5%			125.7	133.2	6.0%	
margin as % of revenues		*22.0%*	*25.1%*	305 bp			*21.1%*	*21.8%*	63 bp	
Adjusted EBITDA	65.9					125.5				
margin as % of revenues	*22.0%*					*21.1%*				

EBITDAaL grew 16.5% to €76.8m despite lower MVNO revenues. The improvement was mainly due to: higher retail service revenues; cost efficiencies and a €4m tailwind from the seasonality in advertising and IT spend.

2.4.2. Orange Communications Luxembourg

Operating review

Orange Luxembourg improved its postpaid mobile offering with two new tariff plans: BeUnlimited and MoveUnlimited. Both plans offer unlimited data and domestic calls/texts. This marks a first step to establish itself as a Bold challenger in Luxembourg.

Orange Luxembourg increased its mobile subscriber base to 196k. Blended mobile ARPO amounted to €26.3, a decrease of 4.8%.

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

	Q2 2018	Q2 2019	change		Q2 2018	Q2 2019
Mobile customers				**Net-adds**		
B2C convergent (excl. mobile broadband)	4	5		B2C convergent (excl. mobile broadband)	0	0
Mobile only	107	107	0.3%	Mobile only	1	1
Postpaid	111	112	1.0%	Postpaid	1	1
Prepaid	11	13	18.9%	Prepaid	0	0
M2M	71	71	0.2%	M2M	-3	1
	193	**196**	**1.8%**			
MVNO customers	2	3	10.9%			
Mobile only ARPO (€ per month)						
Blended	**27.6**	**26.3**	**-4.8%**			
Postpaid	29.9	28.9	-3.4%			
Prepaid	6.3	5.7	-9.3%			

Financial review

Revenues decreased 1.9% to €16.3m. However, retail service revenues increased 7.1% to €10.8m as a growing customer base and better sales mix in the consumer segment drove an increase in mobile and fixed service revenues. Wholesale revenues were impacted by lower incoming revenues from messaging.

EBITDAaL increased from €0.8m to €2.1m. Direct costs decreased 10.3% on lower equipment costs. Indirect costs declined 34.0% due to lower spend in IT and network as well as advertising.

Orange Communications Luxembourg: key financial figures

in €m	reported Q2 2018	comparable Q2 2018	Q2 2019	comparable change	reported change	reported H1 2018	comparable H1 2018	H1 2019	comparable change	reported change
Mobile only service revenues	8.3		8.6		3.6%	16.0		17.5		9.4%
Fixed only service revenues	1.8		2.2		23.3%	3.5		4.5		29.6%
Retail service revenues	10.1		10.8		7.1%	19.5		22.0		13.0%
Equipment sales	3.4		2.9		-15.5%	7.3		5.3		-27.5%
Wholesale revenues	2.8		2.6		-8.1%	4.8		5.0		4.1%
Other revenues	0.3		0.0		-100.0%	0.4		0.2		-50.3%
Revenues	16.6		16.3		-1.9%	32.0		32.5		1.6%
EBITDAaL		0.8	2.1	161.6%			1.8	3.7	107.1%	
margin as % of revenues		*4.8%*	*12.8%*	*801 bp*			*5.6%*	*11.5%*	584 bp	
Adjusted EBITDA	0.8					1.8				
margin as % of revenues	*5.0%*					*5.7%*				

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. Significant subsequent events

- **Orange Belgium launches Love Duo, the mobile and fixed internet pack intended for cord-cutters**
  Love Duo is Orange Belgium's 2P offer which allows consumers to combine a mobile postpaid plan with an unlimited fixed broadband connection. Most Orange mobile customers will pay an additional €34 per month for the broadband connection whereas an Eagle customer will pay an additional €24 per month.

- **Proximus and Orange Belgium join forces to develop the mobile access network of the future**
  Both operators signed a term sheet on July 11 2019 to finalize a mobile access network sharing agreement by year-end. The objective is to meet customers' increasing demand for mobile network quality and deeper indoor coverage. The agreement will also allow a faster and more comprehensive 5G roll-out in Belgium. While sharing their mobile access networks, both companies will continue to have full control over their own spectrum assets.

- **Revision of Broadband and TV distribution market analysis decisions – update**
  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 consultation ending on 6 September 2019. Orange Belgium 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. Orange Belgium's response will focus on avoiding unjustified annual wholesale price increases and ensuring that the cost base for some cable operators is not overestimated.

- **The Belgian Competition Authority cleared Orange Belgium's acquisition of Upsize NV**
  On July 2 2019, the Belgium Competition Authority announced it cleared without conditions Orange Belgium's acquisition of Upsize NV. Orange Belgium expects to finalize the transaction at the end of July.

5. Outlook

Based on Q2'19 results, Orange Belgium reiterates the financial outlook provided in February. Orange Belgium expects slight growth in revenues in 2019 taking into account further uptake on its postpaid and convergent customer base.

For 2019, the Company expects an EBITDAaL (under IFRS16) between €285m and €305m. This range takes into account headwinds such as the decrease in MVNO revenues, the international call impact due to the new regulation and the payment of the Orange branding fee as from May. Lastly, total eCapex is expected to remain stable.

6. 2019 Financial calendar

24 July	Financial results Q2 2019 (7:00 am CET) – Press release
24 July	Financial results Q2 2019 (2:00 pm CET) – Audio conference call/webcast
1 October	Start of quiet period
23 October	Financial results Q3 2019 (7:00 am CET) – Press release
23 October	Financial results Q3 2019 (10:00 am CET) – Audio conference call

7. Conference call details

Date:	24 July 2019
Time:	2:00 pm (CET), 1:00 pm (UK), 8:00 am (US/NY)
Conference call:	Orange Belgium Q2 19 results

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.

	Q2 2018	Q2 2019
Trading of shares		
Average closing share price (€)	16.36	18.08
Average daily volume	65,534	44,535
Average daily value traded (€ m)	1.10	0.80
Shares and market values		
Total number of shares (m)	60.01	60.01
Treasury shares (k)	0.17	0.26
Closing price (€)	14.46	17.44
Market capitalization (€ m)	867.8	1,046.7

9. 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 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 excluding financial leases; 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 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 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 has not changed since 31 December 2018 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

in €m, six months ended	Notes	30.06.2018*	30.06.2019
Convergent service revenues		44.9	79.1
Mobile only service revenues		303.0	307.7
Fixed only service revenues		19.9	23.6
IT & Integration Service		2.3	2.3
Retail service revenues		370.0	412.6
Equipment sales		58.6	61.2
Wholesale revenues		160.5	139.1
Other revenues		30.5	24.1
Revenues		**619.6**	**637.1**
Purchase of material		-88.9	-86.1
Other direct costs		-191.9	-195.7
Impairment loss on trade and other receivables, including contract assets		-4.2	-1.9
Direct costs		**-285.0**	**-283.7**
Labor costs		**-71.5**	**-73.2**
Commercial expenses		-19.0	-17.6
Other IT & Network expenses		-44.8	-44.0
Property expenses		-27.9	-8.0
General expenses		-32.9	-25.9
Other indirect income		9.4	13.7
Other indirect costs		-20.5	-38.9
Indirect costs		**-135.8**	**-120.6**
Other restructuring costs**		-3.7	-4.6
Depreciation and amortization of other intangible assets and property, plant and equipment		-115.6	-120.3
Amortization of right-of-use of leased assets		0.0	-22.6
Share of profits (losses) of associates		0.1	0.1
Operating profit (EBIT)		**8.1**	**12.1**
Net financial income (expense)		-2.4	-2.2
Profit before taxation (PBT)		**5.8**	**9.9**
Tax expense	6	-1.3	-1.4
Net profit for the period		**4.4**	**8.5**
Weighted average number of ordinary shares (excl. treasury shares)		59,841,914	59,988,414
Diluted weighted average number of ordinary shares (excl. treasury shares)		59,841,914	59,988,414
Basic earnings per share (in €)		**0.07**	**0.14**
Diluted earnings per share (in €)		**0.07**	**0.14**

(*) 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.

Interim condensed consolidated statement of comprehensive income

in €m, six months ended	Notes	30.06.2018*	30.06.2019
Net profit for the period		**4.4**	**8.5**
Other comprehensive income (cash flow hedging net of tax)		0.2	0.0
Total comprehensive income for the period		**4.6**	**8.5**
Part of the total comprehensive income attributable to equity holders of the parent		**4.6**	**8.5**

(*) 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.

Interim condensed consolidated statement of financial position

in €m	Notes	31.12.2018*	30.06.2019
ASSETS			
Non-current assets			
Goodwill	3	67.0	67.0
Other intangible assets		285.3	267.8
Property, plant and equipment		772.3	747.3
Rights of use of leased assets	1.4	0.0	283.6
Interests in associates and joint ventures		4.4	4.4
Financial assets		2.5	3.9
Other assets		1.4	1.4
Deferred tax assets		3.3	3.5
		1,136.2	1,379.0
Current assets			
Inventories		27.7	20.3
Trade receivables		194.3	201.1
Financial assets		0.4	0.4
Derivatives assets		0.2	0.4
Other assets		2.7	4.6
Operating taxes and levies receivables		1.9	1.8
Current tax assets		0.1	5.0
Prepaid expenses		11.4	24.2
Other assets related to contracts with customers		61.8	57.2
Cash and cash equivalents	4	26.6	31.4
		326.9	346.2
Assets		1,463.2	1,725.2

(*) 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.

in €m	Notes	31.12.2018*	30.06.2019
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	420.7
Treasury shares		0.0	-0.5
	5	587.1	565.1
Non-current liabilities			
Financial liabilities	4	269.9	279.8
Lease liabilities	1.4	0.0	236.1
Derivatives liabilities		2.8	2.8
Employee benefits		0.1	0.1
Provisions for dismantling	8	63.2	62.8
Other liabilities	8	1.9	1.9
Deferred tax liabilities		8.1	6.8
		346.0	590.3
Current liabilities			
Financial liabilities	4	20.8	0.2
Lease liabilities	1.4	0.0	45.4
Derivatives liabilities		0.2	0.4
Fixed assets payable		53.3	37.7
Trade payables		266.6	276.5
Employee benefits		30.8	32.9
Provisions for dismantling	8	1.2	0.9
Restructuring provisions		3.0	3.3
Other liabilities		3.5	2.3
Operating taxes and levies payables		85.6	105.1
Current tax payables		3.1	3.7
Liabilities related to contracts with customers		59.4	58.9
Deferred income		2.3	2.5
		530.0	569.8
Equity and Liabilities		1,463.2	1,725.2

(*) 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.

Interim condensed consolidated cash flow statement

in €m, six months ended	Notes	30.06.2018*	30.06.2019
Operating activities			
Consolidated net profit		**4.4**	**8.5**
Adjustments to reconcile net profit (loss) to cash generated from operations			
Income tax expense	6	1.3	1.4
Finance expenses, net		2.4	2.2
Share of profits (losses) of associates and joint ventures		-0.1	-0.1
Depreciation, amortization and impairment of other intangible assets and property, plant and equipment		115.6	120.3
Amortization of right-of-use assets		0.0	22.6
Gains (losses) on disposal		0.0	0.0
Operating taxes and levies		21.3	21.6
Changes in provisions		-1.0	-0.5
Operational net foreign exchange and derivatives		0.1	0.1
Share-based compensation		0.0	0.1
Impairment on trade and other receivables, including contract assets		4.2	1.9
		143.8	**169.7**
Changes in working capital requirements			
Decrease (increase) in inventories, gross		4.2	7.6
Decrease (increase) in trade receivables, gross		-7.5	-9.2
Increase (decrease) in trade payables		25.2	10.0
Changes in other assets and liabilities		-11.2	-5.5
Change in other assets related to contracts with customers		7.5	4.6
Change in liabilities related to contracts with customers		1.9	-0.5
		20.1	**7.0**
Other net cash out			
Operating taxes and levies paid		-12.9	-10.5
Interest paid and interest rates effects on derivatives, net		-1.9	-2.4
Income tax paid	6	-24.2	-7.5
		-39.1	**-20.4**
Net cash provided by operating activities		**129.2**	**164.8**
Investing activities			
Purchase of property, plant and equipment and intangible assets		-77.3	-79.8
Increase (decrease) in fixed assets payables		-9.3	-15.6
Cash paid for investments securities and acquired businesses, net of cash acquired		-4.2	-1.3
Net cash used in investing activities		**-90.8**	**-96.7**
Financing activities			
Long-term debt redemptions and repayments		-30.0	10.0
Increase (decrease) of bank overdrafts and short-term borrowings		27.5	-20.8
Repayment of lease liabilities		0.0	-22.1
Purchase of treasury shares		-0.5	-0.5
Dividends paid to owners of the parent company	5	-30.0	-30.0
Net cash used in financing activities		**-33.0**	**-63.4**
Net change in cash and cash equivalents		**5.4**	**4.7**
Cash and cash equivalents	4		
Opening balance		13.0	26.6
Closing balance		18.5	31.4

(*) 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.

Interim condensed 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**	**0.0**	**587.1**
Adjustment on initial application of IFRS 16 (net of tax)	0.0	0.0	-0.2	0.0	-0.2
Adjusted balance at 1 January 2019	**131.7**	**13.2**	**442.0**	**0.0**	**586.9**
Net profit for the period	0.0	0.0	8.5	0.0	8.5
Other comprehensive income	0.0	0.0	0.0	0.0	0.0
Total comprehensive income for the period	**0.0**	**0.0**	**8.5**	**0.0**	**8.5**
Treasury shares	0.0	0.0	0.0	-0.5	-0.5
Share-based compensation	0.0	0.0	0.1	0.0	0.1
Declared dividends	0.0	0.0	-30.0	0.0	-30.0
Balance as at 30 June 2019	**131.7**	**13.2**	**420.7**	**-0.5**	**565.1**

(*) 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.

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)	0.0	0.0	40.6	0.0	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)	0.0	0.0	-0.7	0.0	-0.7
Adjusted balance at 1 January 2018	**131.7**	**13.2**	**439.5**	**-2.5**	**581.9**
Net profit for the period	0.0	0.0	4.4	0.0	4.4
Other comprehensive income	0.0	0.0	0.2	0.0	0.2
Total comprehensive income for the period	**0.0**	**0.0**	**4.6**	**0.0**	**4.6**
Treasury shares	0.0	0.0	0.0	-0.5	-0.5
Declared dividends	0.0	0.0	-30.0	0.0	-30.0
Balance as at 30 June 2018	**131.7**	**13.2**	**414.2**	**-3.0**	**556.1**

Segmental information

in €m, six months ended 30 June 2019	Orange Belgium	Orange Luxembourg	Intra-group elimination	Group
Convergent service revenues	79.1	0.0	0.0	79.1
Mobile only service revenues	290.2	17.5	0.0	307.7
Fixed only service revenues	19.1	4.5	0.0	23.6
IT & Integration service revenues	2.3	0.0	0.0	2.3
Retail service revenues	390.6	22.0	0.0	412.6
Equipment sales	56.0	5.3	0.0	61.2
Wholesale revenues, of which	136.0	5.0	-1.8	139.1
Incoming & Roaming Visitor	*123.6*	*4.5*	*-1.8*	*126.2*
Other revenues	29.1	0.2	-5.2	24.1
Revenues	**611.7**	**32.5**	**-7.1**	**637.1**
Direct costs	-274.4	-16.4	7.1	-283.7
Labor costs	-68.7	-4.5	0.0	-73.2
Indirect costs, of which	-114.8	-5.8	0.0	-120.6
Operational taxes and fees	*-20.4*	*-1.2*	*0.0*	*-21.6*
Other restructuring costs	-4.6	0.0	0.0	-4.6
Depreciation and amortization of other intangible assets and property, plant and equipment	-116.6	-3.7	0.0	-120.3
Amortization of right-of-use of leased assets	-20.6	-2.0	0.0	-22.6
Share of profits (losses) of associates	0.1	0.0	0.0	0.1
Operating profit (EBIT)	**12.1**	**0.0**	**0.0**	**12.1**
Net financial income (expense)	-2.3	0.1	0.0	-2.2
Profit before taxation (PBT)	**9.8**	**0.1**	**0.0**	**9.9**
Tax expense	-1.6	0.2	0.0	-1.4
Net profit of the period	**8.2**	**0.3**	**0.0**	**8.5**

in €m, six months ended 30 June 2018	Orange Belgium	Orange Luxembourg	Intra-group elimination	Group
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
Retail service revenues	350.5	19.5	0.0	370.0
Equipment sales	51.3	7.3	0.0	58.6
Wholesale revenues, of which	157.8	4.8	-2.1	160.5
Incoming & Roaming Visitor	*125.0*	*4.2*	*-2.1*	*127.1*
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, of which	-128.6	-7.2	0.0	-135.8
Operational taxes and fees	*-20.2*	*-1.1*	*0.0*	*-21.3*
Other restructuring costs	-3.7	0.0	0.0	-3.7
Depreciation and amortization of other intangible assets and property, plant and equipment	-112.1	-3.4	0.0	-115.6
Share of profits (losses) of associates	0.1	0.0	0.0	0.1
Operating profit (EBIT)	**9.7**	**-1.6**	**0.0**	**8.1**
Net financial income (expense)	-2.4	0.1	0.0	-2.4
Profit before taxation (PBT)	**7.3**	**-1.5**	**0.0**	**5.8**
Tax expense	-1.6	0.2	0.0	-1.3
Net profit of the period	**5.7**	**-1.3**	**0.0**	**4.4**

Notes to the interim condensed consolidated financial statements

Orange Belgium SA (a subsidiary of Orange SA) is one of the leading telecommunication operators in the Belgian market, with over 4m customers, and in Luxembourg through its subsidiary Orange Communications Luxembourg. Orange Belgium is listed on Euronext Brussels.

The company is a convergent operator which 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 is also a wholesale operator, providing partners access to its infrastructure and service capabilities. 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 2019 were 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 23 July 2019.

This report should be read in conjunction with Orange Belgium's annual consolidated financial statements for the year ended 31 December 2018.

This is the first set of the Group's financial statements where IFRS 16 is applied. Change to accounting policies are described in note 1.4.

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

1.2. Accounting Policies

Except for the adoption of IFRS 16 Leases (as discussed in 1.4), the accounting policies and methods of computation adopted in the preparation of the interim condensed consolidated financial statements as at and for the six months period ended 30 June 2019 have remained unchanged compared to those followed in the preparation of the consolidated financial statements for the year ended 31 December 2018. They should be read in conjunction with Orange Belgium's annual consolidated financial statements as at 31 December 2018 since they do not include all the information and disclosures required in the annual consolidated financial statements.

1.3. Uses of estimates and judgment

In the preparation of 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 in the annual report for the year ended December 31, 2018.

Management revises these estimates if the underlying circumstances evolve or in light of new information or experience. Consequently, estimates made at June 30, 2019 may subsequently be changed.

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 16, which is described in note 1.4.

1.4. New accounting standards

The new standard, IFRS 16 "Leases", is of mandatory application since January 1, 2019.

The main impacts of the new methodology introduced by IFRS 16, compared with previously applied principles, concern the accounting of leases by lessees. IFRS 16, which defines a lease as a contract that conveys, to the lessee, the right to control the use of an identified asset, significantly changes the recognition of these contracts in the financial statements.

Firstly, the standard introduces a single lessee model for the recognition of leases, comprising the recognition in assets of a right-of-use asset, and in liabilities of a lease liability equal to the present value of future lease payments. The distinction between finance leases and operating leases under the former standard, IAS 17, is removed and replaced with this new model from January 1, 2019.

In addition to impacting the presentation of the consolidated statement of financial position, the consolidated income statement is also impacted. The current operating expense is replaced by a depreciation charge and interest. In the consolidated statement of cash flows, interest continues to be recorded in operating flows. Investment flows are not modified, while the repayment of the lease liability impacts financing flows.

Lease recognition rules for lessors are unchanged compared with IAS 17.

Orange Belgium has defined four major asset categories for leases:

- Land and buildings: these contracts mainly concern commercial or service activity leases, as well as leases of technical buildings (leases of space or entire buildings depending on the circumstances) for "fixed activities".
- Networks and terminals: these contracts mainly concern the lease of land for mobile sites, certain "*TowerCos*" contracts for mobile activities and local loop access contracts where Orange is the lessee or lessor depending on the country.
- IT equipment: this asset category primarily comprises leases of routers and servers in datacenters.
- Other: this asset category primarily comprises leases of vehicles and technical equipment.

Orange Belgium elected to adopt the simplified retrospective method for first-time application and applies the following authorized practical expedients:

- Exclusion of leases with a residual term expiring within 12 months of the application date. This provision is applied for all contracts, including those with a tacit renewal clause at the transition date. In applying this provision, the Group calls on its judgment and experience gained in previous fiscal years to determine whether it is reasonably certain to exercise an option, taking account of relevant facts and circumstances.
- Exclusion of leases of assets with a value when new of less than €5,000.
- Exclusion of initial direct costs from the measurement of the right-of-use asset at the date of first-time application.
- The identical classification of asset and liability balances for finance leases identified under IAS 17 in right-of-use assets and lease liabilities as authorized by the standard.
- The inclusion in the opening balance sheet of provisions for onerous contracts measured as of December 31, 2018 pursuant to IAS 37, as an alternative to impairment testing of right-of-use assets in the opening balance sheet.

Orange Belgium applied a weighted average incremental borrowing rate for its leases and related lease liabilities, based on the residual duration of leases at the transition date.

In the first-half of 2019, a certain number of questions were submitted to the standard setter seeking to clarify interpretation of the standard. The IASB and IFRIC have not yet published all their conclusions on these issues and the Group continues to monitor ongoing discussions. At the date of preparation of these half-year financial statements, the Group's accounting positions and the means implemented with regard to these issues were as follows:

- The enforceable term of open-ended leases with a notice period of less than or equal to 12 months may be longer than the notice period, depending on the lease circumstances. The Group notably takes account of the application of more than insignificant penalties in the event of exit. The Group considers in particular the economic importance of the leased asset when determining this enforceable period.
- Orange Belgium has analyzed all specific cases of leases for which non-removable leasehold improvements were undertaken on the leased assets and considered that there were no economic benefits leading to a reassessment of the initial enforceable lease term.

Orange Belgium has chosen to apply IFRS 16 prospectively and accordingly the 2017 and 2018 comparative periods have not been restated.

This option leads to the recognition of the cumulative impact of the restatements required by the standard in equity as of 1 January 2019 and is reflected by a decrease in consolidated reserves of €0.2m

Impact on the consolidated financial statements

Adoption of IFRS 16 affected the statement of financial position as at 1 January 2019 as follows:

€m	31.12.2018	Impact of IFRS 16	01.01.2019
ASSETS			
Non-current assets			
Goodwill	67.0	0.0	67.0
Other intangible assets	285.3	0.0	285.3
Property, plant and equipment	772.3	-1.2	771.1
Right-of-use of leased assets	0.0	296.2	296.2
Interests in associates and joint ventures	4.4	0.0	4.4
Financial assets	2.5	0.0	2.5
Other assets	1.4	0.0	1.4
Deferred tax assets	3.3	0.0	3.3
	1,136.2	295.0	1,431.3
Current assets			
Inventories	27.7	0.0	27.7
Trade receivables	194.3	0.0	194.3
Financial assets	0.4	0.0	0.4
Derivatives assets	0.2	0.0	0.2
Other assets	2.7	0.0	2.7
Operating taxes and levies receivables	1.9	0.0	1.9
Current tax assets	0.1	0.0	0.1
Prepaid expenses	11.4	-0.7	10.6
Other assets related to contracts with customers	61.8	0.0	61.8
Cash and cash equivalents	26.6	0.0	26.6
	326.9	-0.7	326.2
	1,463.2	294.3	1,757.5
EQUITY AND LIABILITIES			
Equity attributable to the owners of the parent			
Share capital	131.7	0.0	131.7
Legal reserve	13.2	0.0	13.2
Retained earnings (excl. Legal reserve)	442.2	-0.2	442.1
	587.1	-0.2	587.0
Non-current liabilities			
Financial liabilities	269.9	0.0	269.9
Lease liabilities	0.0	246.7	246.7
Derivatives liabilities	2.8	0.0	2.8
Employee benefits	0.1	0.0	0.1
Provisions for dismantling	63.2	0.0	63.2
Other liabilities	1.9	0.0	1.9
Deferred tax liabilities	8.1	0.2	8.3
	346.0	246.9	592.9
Current liabilities			
Financial liabilities	20.8	0.0	20.8
Lease liabilities	0.0	47.6	47.6
Derivatives liabilities	0.2	0.0	0.2
Fixed assets payable	53.3	0.0	53.3
Trade payables	266.6	0.0	266.6
Employee benefits	30.8	0.0	30.8
Provisions for dismantling	1.2	0.0	1.2
Restructuring provisions	3.0	0.0	3.0
Other liabilities	3.5	0.0	3.5
Operating taxes and levies payables	85.6	0.0	85.6
Tax payables	3.1	0.0	3.1
Liabilities related to contracts with customers	59.4	0.0	59.4
Deferred income	2.3	0.0	2.3
	530.0	47.6	577.6
	1,463.2	294.3	1,757.5

2. Consolidation perimeter

The consolidation perimeter includes IRISnet SCRL (accounted for by equity method - 28.16 %) and the following wholly-owned companies: Orange Belgium SA, Orange Communications Luxembourg SA, Smart Services Network SA, Walcom SA, Walcom Business solutions SA, Walcom Liège SA, A3COM SA and A&S Partners SA.

In April 2019, Orange Belgium led the series B funding of CommuniThings through a €1.3m investment (for a stake of 10.45%).

During the same month, Orange Belgium signed an agreement to acquire Upsize NV and its subsidiaries BKM NV and CC@PS for an enterprise value of €52.4m. In July 2019, the competition authority cleared the transaction. Orange Belgium expects to finalize the acquisition during the third quarter.

Orange Belgium holds, directly or indirectly (e.g. through other subsidiaries) less than 20 percent of the voting power of Belgian Mobile Wallet and CommuniThings. As such, Orange Belgium does not have significant influence. Moreover, generating surplus value is not the main purpose of these two investments.

3. Goodwill

There were no changes in goodwill during the six month ended 30 June 2019. As at 30 June 2019, there were no internal or external indicators that further impairment tests on the goodwill of Orange Communications Luxembourg SA. should be performed.

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.

Goodwill related to Mobistar Affiliate SA, Mobistar Enterprise Services SA and A&S Partners S.A. are fully allocated to the Belgium segment. Goodwill related to Orange Communications Luxembourg SA is fully allocated to the Luxembourg segment.

€m	31.12.2018	30.06.2019
Acquisition value		
Orange Communications Luxembourg SA	68.7	68.7
Mobistar Affiliate SA	10.6	10.6
Mobistar Enterprise Services SA	0.8	0.8
A&S Partners SA	4.8	4.8
	84.9	**84.9**
Accumulated impairments		
Orange Communications Luxembourg SA	-17.9	-17.9
Mobistar Affiliate SA	0.0	0.0
Mobistar Enterprise Services SA	0.0	0.0
A&S Partners SA	0.0	0.0
	-17.9	**-17.9**
Net book value		
Orange Communications Luxembourg SA	50.9	50.9
Mobistar Affiliate SA	10.6	10.6
Mobistar Enterprise Services SA	0.8	0.8
A&S Partners SA	4.8	4.8
	67.0	**67.0**

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. The cashflow statement provides an explanation to the €15.5m decrease in net debt for the first half of 2019.

€m	31.12.2018	30.06.2019
Cash & cash equivalents		
Cash	-6.7	-14.7
Cash equivalents	-19.9	-16.7
	-26.6	**-31.4**
Financial liabilities		
Intra-group long term loan	269.9	279.8
Intra-group short term loan	18.3	0.2
Third-party short term loan	2.5	0.0
Derivatives (net)	0.1	0.1
	290.9	**280.2**
Net debt	**264.3**	**248.8**

5. Shareholders' equity

During the first half of 2019, there were no changes to the share capital.

All ordinary shares are fully paid and have a par value of €2.195.

Share capital €m	31.12.2018	30.06.2019
Beginning of period	**131.7**	**131.7**
Issuance	0.0	0.0
Cancellation	0.0	0.0
End of period	**131.7**	**131.7**

# of ordinary shares	31.12.2018	30.06.2019
Beginning of period	**60,014,414**	**60,014,414**
Issuance	0	0
Cancellation	0	0
End of period	**60,014,414**	**60,014,414**

On 2 May 2019, the Annual General Meeting of shareholders approved the payment of an gross ordinary dividend of €0.50 for the 2018 financial year. The gross ordinary dividend amounted to €30m and was paid on 16 May 2019.

The Annual General Meeting of Shareholders approved on 2 May 2018 to distribute a gross ordinary dividend for the 2017 financial year of €0,50 per share. The gross ordinary dividend amounted to €30m and was paid on 16 May 2018.

As at 30 June 2019, Orange Belgium held 26,000 treasury shares whereas the Company did not hold any treasury shares as at 31 December 2018.

6. Income taxes

Income taxes – calculated on the current year local results – decreased to €3.0m in the first half of 2019 compared to €4.3m in the first half of 2018. This decline is in line with lower profit before taxes in Belgium (€2m) and higher tax deductions (€1.9m) compared to the first half of 2018. This effect has been offset by the movement in deferred taxes.

The following table shows the major components of income tax expense.

€m	30.06.2018	30.06.2019
Current	-4.3	-3.0
Deferred tax expense arising to the origination and reversal of temporary differences	3.0	1.6
	-1.3	**-1.4**

7. Unrecognized contractual commitments

Except for the initial application of IFRS 16, no major event impacted the unrecognized contractual commitments described in the consolidated financial statements for 2018.

8. Current and non-current provisions

Provisions for outstanding litigation

Orange Belgium is a party 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.

Provisions for litigation

€m	30.06.2019
Balance at 31 December 2018	**3.2**
Addition	0.2
Utilization	-0.2
Reversal	-0.2
Other	0.0
Balance at 30 June 2019	**3.0**

Provisions for network site dismantling

Provisions for network site dismantling decreased by €0.8m. The decrease was due to lower average dismantling cost but partially offset by more 52 additional sites.

During the first half of 2019, the average dismantling cost per site was €11.3k against €11.6k in the first half of 2018.

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.

Provision for network site dismantling

€m	30.06.2019
Balance at 31 December 2018	**64.5**
Addition	0.0
Utilization	-0.4
Reversal	0.0
Other	-0.4
Balance at 30 June 2019	**63.7**

9. 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, several Walloon municipalities and provinces levied taxes on telecom infrastructure.

The operators will be 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

In the context of the appeal by the cable operators against the market analysis decisions of June 2018, and following the calendar fixed by the Court of appeal in the first quarter of 2019, briefs have been exchanged and pleadings have taken place in May and June. Judgment is expected in the beginning of September 2019.

Access to Telenet's cable network – own channel

With respect to the dispute where Orange Belgium considered that Telenet was not willing to provide reasonable conditions for the supply of an "own channel" as imposed by the cable network regulation : on 11 April 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. Negotiations with Telenet are ongoing.

Access to Telenet's cable network – own internet profile

On 7 March 2019 Orange Belgium initiated legal proceedings before the Enterprise Court against Telenet and claimed damages for the non-provision of an "own internet profile" by Telenet. Briefs between parties have been exchanged in Q2 2019. Pleadings are now foreseen at the end of 2019 – early 2020.

Fixed termination rates (FTR)

In the legal attack launched by 3StarsNet against the BIPT decision of 20 November 2018 on wholesale tariffs for call termination on fixed public telephone networks (FTR) the Court of Appeal rejected 3StarsNet's suspension and annulment's request, respectively in March and June 2019.

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.

10. Related parties

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.

€m, 6 months ended	30.06.2018	30.06.2019
Sales of goods	18.1	19.9
Purchase of goods	-19.9	-23.5

€m	30.06.2018	30.06.2019
Receivables	4.6	3.1
Payables	21.8	10.7
Financial liabilities	289.7	279.8

11. Subsequent events

Proximus and Orange Belgium join forces to develop the mobile access network of the future

Both operators signed a term sheet on July 11 2019 to finalize a mobile access network sharing agreement by year-end. The objective is to meet customers' increasing demand for mobile network quality and deeper indoor coverage. The agreement will also allow a faster and more comprehensive 5G roll-out in Belgium. While sharing their mobile access networks, both companies will continue to have full control over their own spectrum assets.

Revision of Broadband and TV distribution market analysis decisions – update

On July 5 2019 the BIPT and Belgian media regulators published their draft decision on wholesale tariffs for access to cable networks. The objective of these draft decisions is to promote competition allowing alternative operators to pay a fair tariff to use these networks.

Orange Belgium acknowledges the proposal to determine the wholesale tariff for access to cable network based on a new methodology. The company hails the regulators' extremely detailed and qualitative work. The publication introduces a number of new parameters relative to tariffs which require thorough analysis.

The BIPT launched a consultation (ending on September 6 2019) on a draft decision regarding the future wholesale charges of cable operators.

Orange Belgium will submit a detailed response. A final decision is expected in Q4 2019.

The Belgian Competition Authority cleared Orange Belgium's acquisition of Upsize NV

On July 2 2019, the Belgium Competition Authority announced it cleared without conditions Orange Belgium's acquisition of Upsize NV. Orange Belgium expects to finalize the transaction at the end of July.

12. Other

12.1 Fair value levels of financial assets and liabilities

During the first half of 2019, no significant events has occurred regarding the fair value of financial assets and liabilities.

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 consolidated financial statements drawn up in accordance with IAS 34 “Interim Financial Reporting”, 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 consolidated financial statements, and a description of the main risks and uncertainties for the remaining months of the financial year.

Brussels, 23 July 2019

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, 2019 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, 2019, 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, 2019 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 23, 2019

KPMG Réviseurs d'Entreprises / Bedrijfsrevisoren
Statutory Auditor
represented by

Jos Briers

Réviseur d'Entreprises / Bedrijfsrevisor

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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