JOINT PRESS RELEASE

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

Brussels, July 11th, 2019 – Dominique Leroy, CEO of Proximus and Michaël Trabbia, CEO of Orange Belgium, have signed a term sheet today to reach a mobile access network sharing agreement* by the end of the year. The aim of such an agreement is to enable both companies to meet the increasing customer demand for mobile network quality and deeper indoor coverage. It will also allow a faster and more comprehensive 5G roll-out in Belgium. The objective is to bring relevant benefits for end-users, enterprises and society in general while preserving a sound and effective competitive environment.

Mobile access network sharing: better networks and quality of service while keeping strong differentiation

Mobile access network sharing is implemented by many operators worldwide and in Europe. By sharing parts of the mobile network access infrastructure, operators can increase the efficiency of network operations and ensure sustainable investments in new network technologies. Mobile access network sharing between Proximus and Orange Belgium will allow a faster and more comprehensive 5G roll-out in Belgium, covering also the 2G, 3G and 4G technologies. The shared network will improve coverage, with the consolidated number of mobile sites expected to be about 20% higher compared to each operator's current stand-alone radio access network.

While sharing their mobile access networks, both companies will continue to have full control over their own spectrum assets and operate their core networks independently to ensure a service and customer experience differentiation.

Benefits for the customers and the environment

The main benefits for end-users and society will be the improvement of the overall mobile experience thanks to a wider outdoor coverage, deeper indoor coverage and a faster 5G roll-out.

Network sharing also generates important environmental benefits as it reduces the number of antenna sites, leading to less visual burden, and decreases the total energy consumption by approximately 20%, which is equivalent to the consumption of 10.000 households in Belgium.

It will also enable both companies to realize operational cost efficiencies allowing them to sustain the growing investment needs in network capacity, driven by continued exponential data growth, while also accelerating 5G roll-out and improving service quality.

Creation of a joint venture, while competing independently on services and prices

Subject to the final agreement, the shared mobile access network will be planned, built and operated by a new 50-50 owned joint venture, in line with common practices in several other EU markets.

Proximus and Orange Belgium will continue to commercialize their products and services independently and compete at retail, enterprise and wholesale levels.
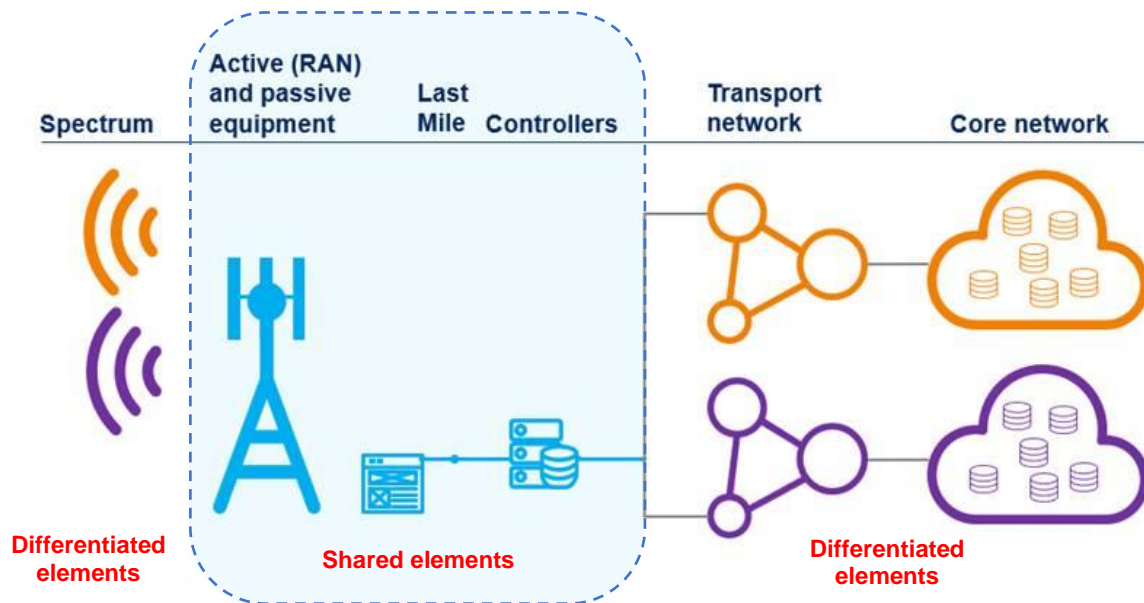
Next steps in the coming months

In the following months, dedicated teams from both operators will further define in more detail all modalities, including the organizational model of the new joint venture, to reach a final network sharing agreement by the end of the year. The purpose is to start the preparatory work in the first quarter of 2020.

Dominique Leroy, CEO of Proximus: "The signing of the term sheet is an important step in reaching a final mobile access network sharing agreement between Proximus and Orange Belgium. It will allow us to embark on a faster and broader 5G roll-out while improving mobile network capacity and coverage to the benefit of our customers and while keeping a strong and differentiated customer experience. It will help us to realize operational cost efficiencies that will enable us to sustain future networks roll-out and fuel digital investments."

Michaël Trabbia, CEO of Orange Belgium: "Mobile access network sharing is a trend in Europe which benefits consumers, as it enables more efficient investments to cope with the increasing data consumption. The timing of this mobile access network sharing agreement is important as it will allow us to accelerate 5G roll-out, while bringing significant environmental benefits by reducing the combined energy consumption by 20%."

* Characteristics of a shared mobile network

Characteristics of a shared mobile network in which core networks and spectrum are managed independently:

- Freedom to deploy non-shared ("unilateral") sites and/or capacity into the network at the lowest level of capillarity;
- At site level, freedom to set data and voice quality parameters to deploy spectrum bands and technology layers;
- End-to-end service offering differentiation in consumer, enterprise and wholesale businesses;
- Complete separation of usage and user data and full freedom to set independent policies to enhance the network performance, security and automation.