



Annual Report 2015

proximus

Homepage



#WeAreProximus

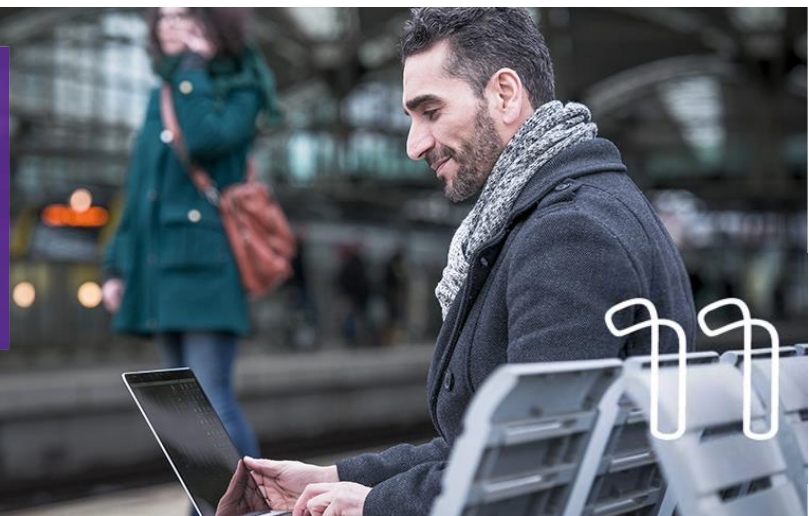
We are a telecommunications & ICT company operating in the Belgian and international markets, providing services to the residential, enterprise and public markets.

In 2015, we changed our name from Belgacom to Proximus as a symbol of how we're transforming our company and making it grow sustainably.



Market dynamics

A highly competitive and regulated environment as well as an accelerating digital evolution force Telcos to reinvent themselves to benefit from new opportunities and to protect themselves against core business disruption.



Fit for Growth

Our Fit for Growth strategy, which we launched in 2014, changes us from a technology-based player to a company focusing on the full customer experience. Our new culture, which puts customers at the heart of everything we do, is the starting and central point of this new strategy.

19

Investing in seamless networks & agile IT

Consumers & businesses are more than ever connected, expecting to be able to access & share any content, anytime, anywhere and on any device. That's why we keep investing in our convergent networks and IT which form the bedrock to deliver on our brand promise.

26

Investing in convergent services & innovation

On top of our connectivity services we develop innovative solutions which add value for both consumers and businesses, helping them live better and work smarter.

33



Transforming Proximus : customer experience & simplification

Putting our customers at the heart of everything we do, means letting them manage their products and services how and when they want through our state-of-the-art digital platforms, as well as helping them with expert advice through our many physical touch points.

42



Developing our people

People are our most important asset. That's why we're accelerating our cultural change which aims to stimulate a growth mind-set and a winning culture as the foundations for sustainable growth.

47



International

The Proximus Group counts multiple subsidiaries who are active in neighbouring countries or on a global level.

52

Corporate social responsibility

We are committed to being a responsible partner in society. That's why we're addressing key societal issues such as climate change and education.



57

Governance

Our Board of Directors is presided over by our Chairman, Stefaan De Clerck, and our Executive Committee by our CEO, Dominique Leroy.



60

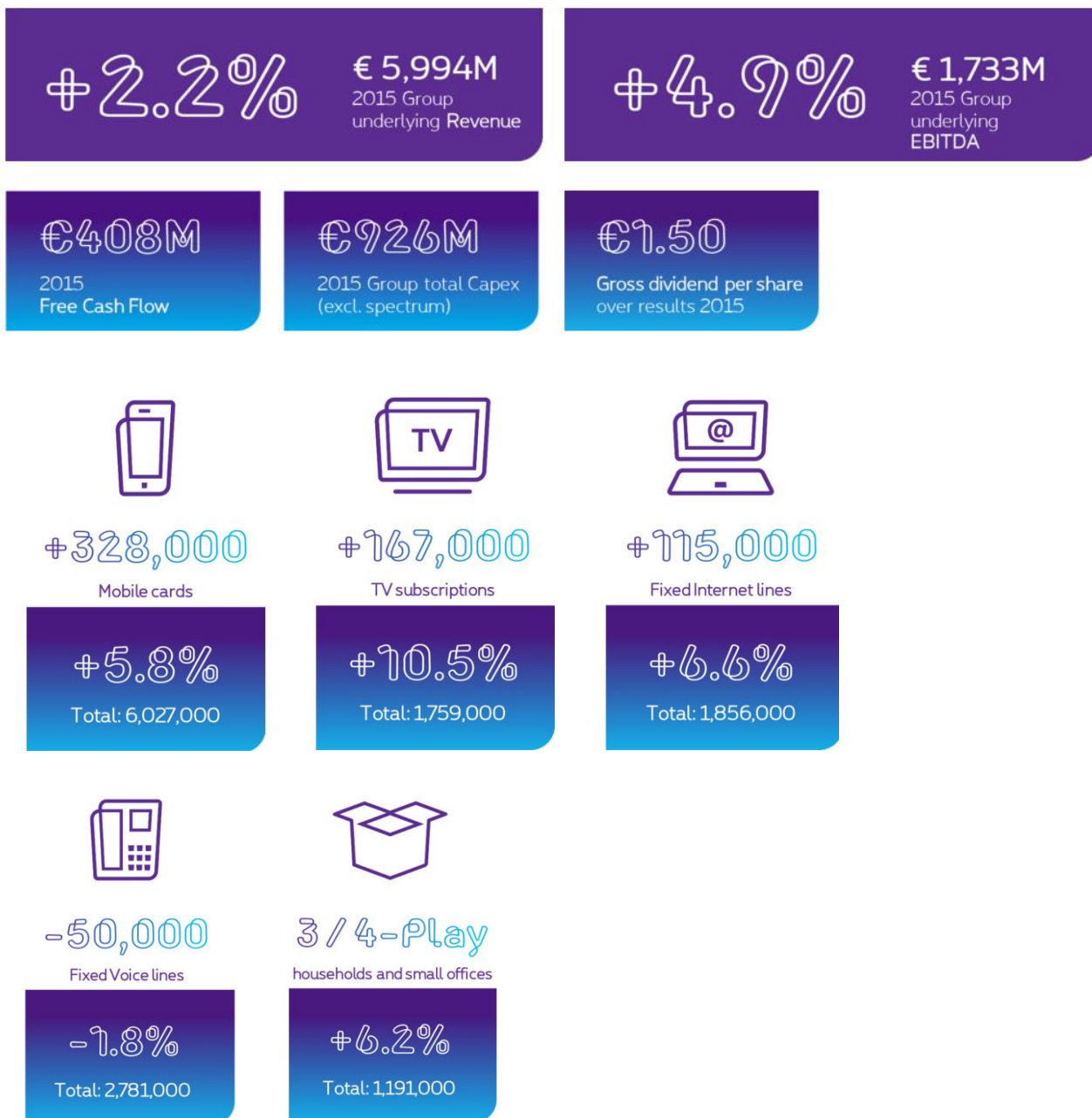
Financial Information

2015 was a remarkable year as we delivered – one year earlier than foreseen – on our promise to bring the company back to growth by 2016.



67

Key figures 2015



Network quality

4G
Proximus

98.8%

4G outdoor coverage

4G
Proximus

93.4%

4G indoor coverage



22.8 Mbps

Average download speed on 4G-capable device

4G+
Proximus

225 Mbps

4G+ enabling mobile download speeds up to 225 Mbps



Wifi Hotspots

1.3M

Smart Wi-Fi Hotspots



IoT

First to launch the LoRa™ network for IoT in Belgium



80%

Of industry zonings in Belgium access to Fiber To The Business



100 Mbps

Fixed Internet speed for 1 in 3 customers through Vectoring



NETFLIX

Number #1 in Belgium on the Netflix ISP Speed Index.

Customer experience



+18.4%

Customer satisfaction in the professional market



+19%

Customer satisfaction in the residential market



640,000

Active MyProximus customers



46%

Of our customers use e-billing



85%

Of installations done by technician



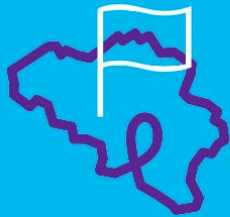
#WeAreProximus

In 2015, we changed our name from Belgacom to Proximus as a symbol of how we're transforming our company and making it grow sustainably.

From Belgacom to Proximus

In 2014 we launched our new commercial Proximus brand which was very positively received by our employees, customers and other stakeholders. That's why, in 2015 – much sooner than foreseen – we completed the rebranding by also changing the company name to Proximus.

To celebrate this historical moment, we raised the Proximus flag over our headquarters after it had toured 18 buildings throughout the country and was signed by thousands of employees.



The flag toured **18** Proximus buildings throughout the country and was signed by **thousands** of employees



5,000

More than 5,000 employees watched the **Youtube live stream** of the flag-raising and shared their impressions on social media



#WeAreProximus was **#1 trending** topic on **Twitter**

Our profile

Proximus is a telecommunications & ICT company operating in the Belgian and international markets, providing services to the residential, enterprise and public markets.

We are the leading provider of telephony, internet, television and network-based ICT services in **Belgium** through our Proximus and Scarlet brands. Our high-quality interconnected fixed and mobile networks offer access anywhere and anytime to digital services and data, as well as to a broad offering of multimedia content. We are investing in future-proof networks and innovative solutions, creating the foundations for sustainable growth.

We are active in **Luxembourg** through our affiliates Telindus Luxembourg for ICT and Tango for telecommunications. In the **Netherlands** we also offer ICT services through Telindus Netherland. BICS is our affiliate responsible for our **international** carrier services.

We put the customer at the heart of everything we do. Our aim is to deliver the best customer experience and to simplify the customer journey by offering accessible and easy-to-use solutions.

We aim to contribute to the economic, social and environmental development of the society in which we operate.

Our affiliates



Proximus

Best quality and service with a full choice of features, bringing customers instantly close to what matters.

In 1994, Belgacom Mobile was the first operator to launch mobile telephony services based on GSM technology in Belgium, under the brand Proximus. Now, more than twenty years later, the Proximus Group provides fixed and mobile voice, Internet, digital television and ICT services. We are the leading provider in Belgium of comprehensive, competitive telecommunication offers and a trusted partner for very high quality convergent solutions.

Scarlet

The no-frills offering for customers looking for the best price.

Scarlet makes telecom accessible to price-sensitive customers thanks to a simple range of no-frills telephony, mobile, internet and TV offers at low prices. Scarlet is complementary to the other brands of the Proximus Group.

Tango

Tango is the brand under which the Proximus Group markets its activities on the Luxembourg market, offering fixed, mobile, and convergent services. Since the brand's launch in 1998, Tango has been a resounding success and became Luxembourg's second mobile operator.



Telindus

Telindus is responsible for the Proximus Group's ICT activities in the Netherlands and Luxembourg with a focus on corporate and institutional customers. Since its foundation in 1969, the company has constantly evolved: originally a technology provider, it is today a trusted sourcing and solutions integrator/partner. In 2010, the company was fully integrated into the Proximus Group.



BICS

Best-in-class international wholesale solutions for voice and mobile data service providers worldwide.

The Proximus Group placed its international carrier activities under the brand BICS. This joint venture of Proximus, Swisscom and MTN has recently deployed its next generation networks which give it unprecedented flexibility.



Market dynamics

In a fast-changing world, Telcos have to reinvent themselves to anticipate future opportunities and threats.

Strong market position

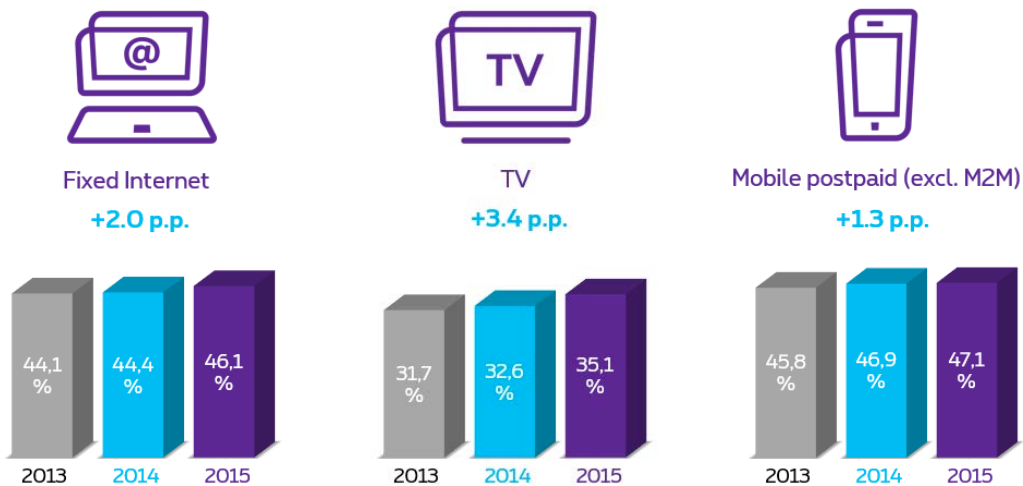
An important driver of the growth we achieved in 2015 is our strong market position. Thanks to many initiatives taken to improve our customer experience we were able to strengthen our market position further. Proximus' market share for Fixed Internet lines, TV subscriptions and Mobile postpaid cards (excl. M2M) increased by 2.0 p.p., 3.4 p.p. and 1.3 p.p. respectively.

We ambition to defend and further grow our market position. Therefore, it is key to successfully anticipate future market dynamics and be ready for the challenges and opportunities in a fast-changing world as described in the chapter below.

Risk Management Report

For more information on market developments, also read our 2015 Risk Management Report.

» [Download the pdf](#)



A changing world

Year after year, customers keep on demanding more, better, faster. They want to be connected whenever, wherever, on any device.



Where's the market heading: Accelerated Digital Market Evolution

Since a few years, “traditional telecommunications” companies have had to start a process of deep and **radical transformation towards ICT**, together with the drastic opening of their local/regional horizon towards a global perspective.

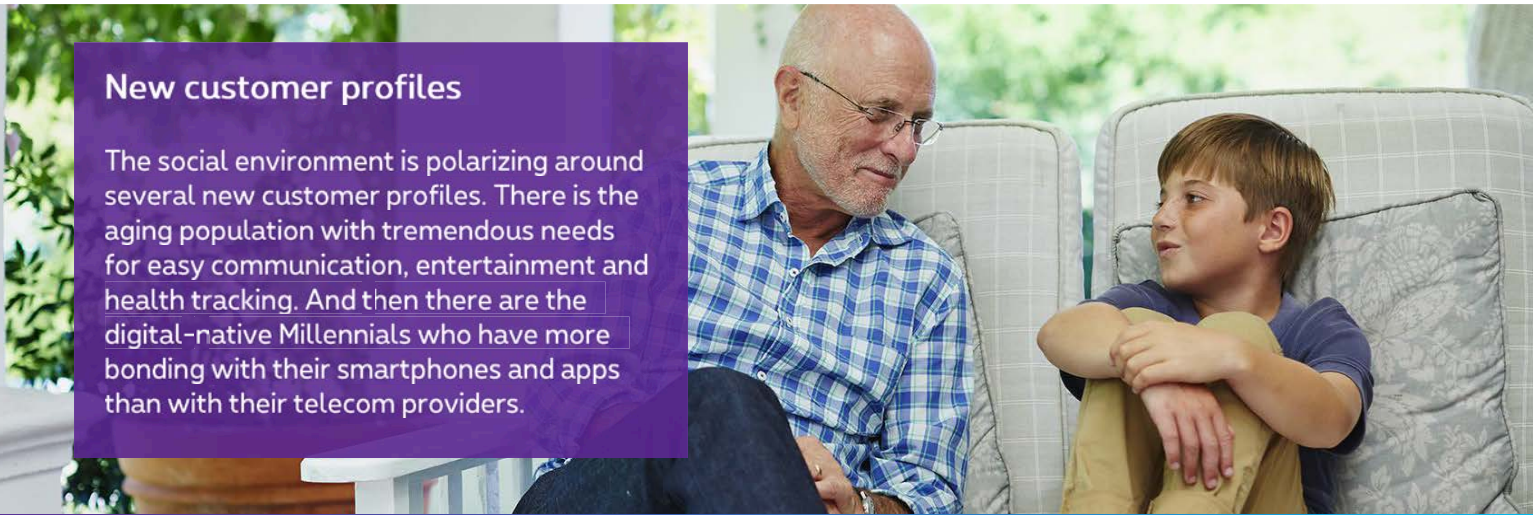
Despite some recent positive signs throughout the industry, the **digital disruption is accelerating**, forcing Telcos to reinvent themselves to benefit from new opportunities and to protect themselves against core business disruption.

Year after year, **customers** keep on demanding more, better, faster and cheaper services:

- Higher bandwidth and capacity;
- Multi-device über-connectivity whenever and wherever;
- Intuitive usage;
- Peace of mind on the cost to use.

The social environment is polarizing around several **new customer profiles**:

- By 2030, 30% of Western population will be older than 65 years old with tremendous needs for easy communication, entertainment and health tracking.
- “Generation Z” – kids born after the Millennium – should be the industry’s main inspiration source. They are digital-native, mobile-centric, real time-demanding, non-linear consumers. They are connectivity addicts. Yet they have more bonding with their smartphones, apps and content than with their telecom providers.



New customer profiles

The social environment is polarizing around several new customer profiles. There is the aging population with tremendous needs for easy communication, entertainment and health tracking. And then there are the digital-native Millennials who have more bonding with their smartphones and apps than with their telecom providers.

The evolution of telecommunications towards ICT leads Telcos to seek for cyber security, digital and IT **talents**. The latter are more and more essential to support this transformation but they are scarce and expensive.

Software and apps will rule the world and business models will completely evolve. The **Over-The-Top revolution** is unfolding with scale, platforms and eco-systems becoming increasingly important. Last year has seen main OTTs diversifying in additional domains, focusing on fulfilling the expectations of the Telcos' ever more demanding customers.

The latest evolutions give substance to the Voice and linear TV cannibalization phenomena, the loss of call control, and the risk of Telco disintermediation. These applications get traction because they respond to the trend of the rising visual aspect of communication: people communicate more and more with emoticons, pictures, videos.

Driven by the OTT application convenience, new experience standards are emerging. Telcos need to invest in **excellent user experience and agility** as customers expect simple value propositions with easy and digital customer experience, more personalization, and seamless omni-channel experience as standard (with stores remaining key).

Agility



Technology and software replacement cycles are becoming shorter, calling for Telcos to be much more agile.



Networks have to become more intelligent and flexible. Telcos have to turn to next-generation disruptive technologies: centralization of network control & programmability (Software Defined Network, SDN) and relocation of network functions from dedicated appliances to generic servers (Network Functions Virtualization, NFV), or alternative access technologies (Small Cells, Wi-Fi off-loading) in order to drive traffic absorption, hyper-connectivity and new revenue opportunities.

Yet investments must be cautiously assessed: consumers give more and more importance to ubiquitous Wi-Fi while the latter impacts Telcos' (future) ability to monetize mobile network investment. Typical technology replacement cycles in telecommunications used to be 15 years (lifetime equipment in years and quarterly releases), but they are now shrinking to 4 years in IT and even less in the software world. This calls for Telcos to become much more agile and improve the return on their investments via better go-to-market.

Roam-Like-At-Home

As from June 2017, Roam-Like-At-Home will be implemented in the EU zone with the obligation to charge retail roaming within the EU at domestic retail price.

Regulatory context

Proximus operates in a highly regulated environment. We continue to call for a lighter regulatory regime with less complex and more to-the-point rules which incentivize and reward investments and innovation in digital infrastructure and services, and we plead for a regulatory level playing field applying to all actors, providing equal services to end users.



International roaming

The EU roaming rates have been regulated since 2007. The last reduction of these rates under the Roaming III Regulation of 2012 entered into force on 1 July 2014, with negative impact on roaming revenues in 2015.

Looking forward, the EU enacted the so-called '**Roam-Like-At-Home**' measure under the Telecoms Single Market Regulation of 25 November 2015. This new measure will have some adverse impact on Proximus' revenues and EBITDA going forward. We however expect some positive elasticity effect as roaming consumption will likely increase as prices go down.

As from June 2017, provided that the legislative act on the wholesale roaming review is applicable on this date, Roam-Like-At-Home will be implemented in the EU zone with the obligation to charge retail roaming within the EU at domestic retail price, except for the consumption beyond the “Fair Use Policy” to be defined by December 2016 by the European Commission. During the transitory period from April 2016 until June 2017, operators will be able to apply a surcharge up to the current regulated wholesale rates.

2

Net neutrality

‘Net neutrality’ represents the idea that equivalent types of traffic shall be treated equally when providing internet access services. The Telecoms Single Market Regulation fixed this principle into EU law and laid down new rules for net neutrality, **prohibiting the blocking or throttling of online content, applications and services**, which will apply as from 30 April 2016. It also mandates the regulators to monitor the situation, enforce the new rules and set minimum quality of service requirements. It also obliges Member States to set rules on effective, proportionate and dissuasive penalties.

3

Mobile and fixed termination rates

The termination rates are the fees that fixed and mobile operators pay to other fixed and mobile operators to terminate a call on their network.

In Belgium the last **Mobile Termination rates (MTR)** cut, based on BIPT’s decision of June 2010, was applied on 1 January 2013 with rates set at 1.18 €ct/min (incl. inflation) for the three mobile operators. The BIPT is developing a new cost model to set future MTR for the period 2016–2018 and consulted the market about this during the third quarter of 2015. A final decision is expected in the course of 2016. As Belgian MTR are already at the lower side of European MTR, Proximus considers that a further erosion would be inappropriate as it would increase unbalance versus other European countries and the rest of the world.

In Luxembourg, final MTR of the three mobile operators (EPT, Tango and Orange) was set by the regulator at 0.97 €cts/min as from 1 April 2015. Tango appealed this decision.

The Fixec termination rates (FTR) were set by the BIPT on 26 November 2008 for the period 2008–2010 and no new decision has been adopted so far. In 2015, FTR were also analyzed by BIPT with potential impact going forward. A final decision is expected in the course of 2016. Proximus considers that BIPT should allow the fixed operators to receive a fair retribution for calls ending on their networks.

4

Consumer protection rules

Since 2012, the Telecom Minister has strengthened different aspects of the Belgian consumer protection rules (cf. the 2012 measure facilitating the termination of fixed-term contracts).

In 2015, the BIPT consulted the sector about the “Easy Switch” project which will allow customers to **switch operator more easily for fixed services** thanks a.o. to a harmonized switching process with a one stop procedure, avoiding service interruption and double billing.

The Telecom Minister mandated the BIPT to facilitate a multi-operator agreement on the technical and operational details with 1 March 2016 as deadline. Proximus supports the “Easy Switch” project.

This year, the BIPT also furthered **transparency about network availability in Belgium** with its “Atlas” project, publishing mobile internet coverage maps in July and November. Publication of aggregated fixed maps is foreseen in 2016. Proximus strongly encourages the addition of customer experience quality parameters to the one-sided coverage parameter.

5

Cable & Broadband regulation

By decisions of 12 November 2014 and 13 May 2015, the Brussels Appeal Court confirmed the 2011 regulatory decision to open up the networks of the **cable operators** (Telenet, Nethys, Brutélé, Coditel and AIESH) to competitors. These decisions give Proximus the right to request a full regulated access to their networks.

In 2015, the **regulated wholesale prices** (for analogue TV, digital TV and Broadband) of the cable operators were reviewed. The new prices were formally approved by the regulators on 19 February 2016. They will enter into force on 1 May. Proximus considers that any wholesale pricing should respect the principle of a fair remuneration of the access network.

6

Upcoming review of the EU Telecom Package

On the positive side, the EU authorities are reviewing the EU Telecom Package to see if it meets current and future market challenges. Important key elements under review are the regulatory answer to the necessity of **incentives for investments** in faster digital networks and the creation of a **level playing field** between all actors in the digital economy.

Regulatory Framework

Read the complete 2015 Regulatory Framework

➤ [Download the pdf](#)

Competitive landscape

Proximus is facing competition in its core business from **3 highly penetrated cable operators**: Telenet (Flanders and 1/3 of Brussels), VOO (Wallonia and 1/3 of Brussels), and Numéricable (1/3 of Brussels and small part of Hainaut).

These players operate capillary broadband networks which are driving strong competition at **infrastructure level**.

Fixed markets for digital TV and Internet are slowly growing, and the fixed voice market is stable. The **Mobile** market has gone through several disruption waves over the last years (increased competition and regulatory impacts). Positively impacted by the increasing smartphone penetration and boost in mobile data usage, it finally stabilized and entered a recovery phase in 2015. Both post-paid and subscription service are growing further at the expense of prepaid.

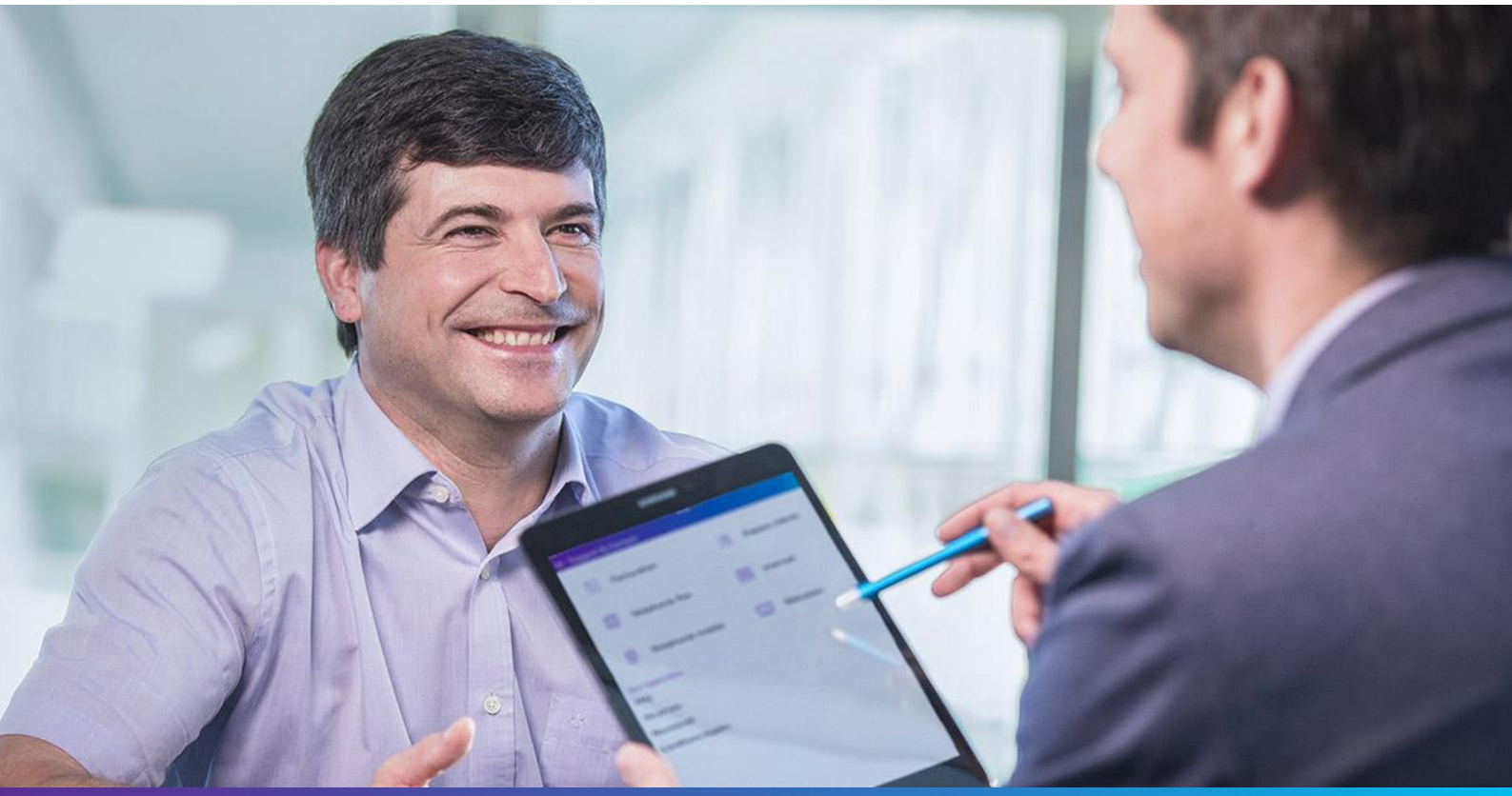
Future developments

In 2016, the **acquisition of Base by Telenet** could further increase competition on the market. After completion of this deal, Mobistar will lose its current Telenet MVNO customers, potentially triggering a re-positioning on the market.

Competition in the **ICT segment** is even more fragmented. Next to its main Telco-centric competitors, Proximus also competes with niche IT service providers as well as internationally oriented competitors focusing on multinational customers. These players include Orange, BT, Verizon and Colt, along with network and system integrators such as Dimension Data, Cegeka, HP and Getronics.

On an **international** level, the usage and adoption rate of OTT services is increasing, thanks to rising smartphone penetration, quality and availability of mobile connectivity and mobile data usage, with gradual impact on Telco core revenues.

Also, the final approval for the launch of **wholesale cable offers** will likely see an increase in new convergent offers with the announced re-entry of Mobistar on the triple-play market.



Our Fit for Growth strategy

Our strategy puts the customer at the heart of everything we do because this is the only way to sustain our growth.

BB *Our sense of purpose is to constantly keep people connected to the world so they can live better and work smarter. This is our reason for existence. We can only be meaningful to our customers if we offer them solutions that make their life easier and that enable them to work in a more efficient and effective way.* **DD**

Our brand promise

We translated our sense of purpose into our brand promise “Proximus brings you instantly close to what matters”, an attractive and easily understandable statement of what we offer to customers. We deliver this brand promise by providing excellent quality and service to the customer in everything we do through:

- › Our integrated network with the best quality
- › The best multi-channel accessibility
- › Our user-friendly solutions
- › Our proactive advice



Our Fit for Growth strategy

2015 was a remarkable year as we delivered – one year earlier than foreseen – on our promise to bring the company back to growth by 2016. The focus is now to further sustain this growth in a fast-changing world.

Our Fit for Growth strategy, which we launched in 2014, changes us from a technology-based player to a company focusing on the full customer experience. Our new culture, which puts customers and their needs at the heart of everything we do, is the starting and central point of this new strategy.

With our Fit for Growth strategy we transform our company and invest & innovate to reverse the trend of the last few years to secure the future of the company and to contribute to the economy.

We will continue our Fit for Growth strategy to sustain the positive trend we’ve established, adding new focus points to anticipate the evolution of the fast-moving digital world we operate in.

Fit for Growth in 2015

2015 was a remarkable year as we delivered – one year earlier than foreseen – on our promise to bring the company back to growth by 2016.

We grew our core underlying revenue and Group underlying EBITDA. We strengthened our market position and significantly increased our market shares in Broadband, TV and Mobile postpaid.

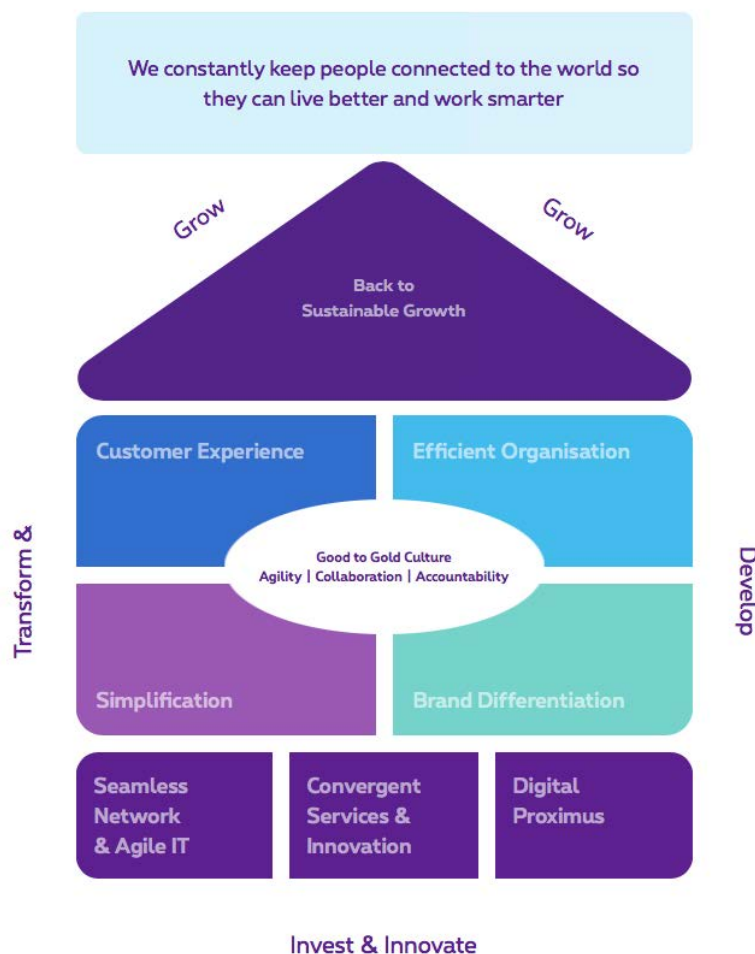
We further invested in our Fixed and Mobile networks and launched our LoRaTM network for the Internet of Things.

We reinvented the Proximus TV experience and reinforced our Telco-ICT position by further developing innovative solutions in the domains of IoT, big data, enabling company, new way of working, and security.

We accelerated our company transformation, achieving our targets for customer experience and simplification.

We furthered our agile mindset throughout the company with the next steps in our Good-to-Gold culture

The focus is now to further sustain this growth in a fast-changing world.



Investment & Innovation

Achieving our key strategic priorities of improving customer experience, reducing costs and becoming more efficient, requires investments in key areas such as our seamless networks & agile IT, convergent services & innovation, and the accelerated digitization of our company. These investments will enable us to increase market share and to create growth by delivering innovative solutions and best quality service. The customer is the driver behind every investment we make.



Seamless Network & Agile IT

Our network investments are aimed at ensuring our position as the best convergent end-to-end service operator, enabling us to offer customers the best experience with the latest available technology. To achieve this key differentiation, our investment focus is in future-proof and agile networks.

We continue to listen to our customers' needs and offer customized solutions. By simplifying the processes behind our solutions, projects are easier to implement and more cost efficient.



Convergent Services & Innovation

When developing attractive convergent and secure solutions that our customers expect, we want to concentrate even more on bringing innovative solutions which have added value for our customers: meaningful innovation to make them live better and work smarter.



Digital Proximus

Our digital-native customer base is increasing year over year and is demanding for new digital capabilities in the interactions they have with us, always comparing us to best-in-class digital players. That's why digitization will be a key enabler to increase our efficiency and to contain our costs.

Transformation & Development

In line with our Fit for Growth strategy, aimed at becoming more efficient, agile and customer-centric, we identified five strategic transformation pillars: Customer Experience, Simplification, Efficient Organization, Brand Differentiation and Good-to-Gold Culture. Together, these pillars form a comprehensive approach of our transformation process, allowing us to concentrate our initiatives in the areas where they will be most effective in realizing our strategy for growth.



Customer Experience

Focusing on the end-to-end customer journey to deliver a best-in-class experience means being close to the customer in all areas: finding information, buying our solutions, getting the products & services installed and activated, using our solutions, receiving a simple invoice and having easy access to effective customer support. At every contact, we aim to ensure that customers feel they have our full attention.



Simplification

We're moving towards a simplified solutions portfolio, slimming down our legacy catalogue and offering pro-active pack migrations to future-proof, easy-to-use solutions that offer more advantages for business and retail customers. This is supported by the acceleration of digital transformation tools, systems and platforms improving the customer journey as well as our internal efficiency and cost reduction.



Efficient Organization

The restructuring of our organization is designed to make us more customer-centric. In 2015 we further optimized the structure of our business units to increase end-to-end accountability, and we improved operational excellence and synergy to foster innovation and growth and to help manage our workforce costs. Overall, our simpler, leaner organization concentrates on a policy of having the right people in the right place, thanks to increased mobility and flexibility, fostering faster decision-making, and optimizing our processes and costs through insourcing and more efficient task management.



Brand differentiation

The new single commercial brand Proximus allows us to deliver a strong brand promise 'Always close to what matters'. With this promise, we commit to bringing our customers closer to what is important to them, enabling them to constantly stay connected to the world so they can live better and work smarter. This is what makes the Proximus brand different – a service guarantee backed up by the best quality network and offering best-in-class, easy-to-use solutions.

Besides the Proximus brand that stands for quality and service, we also continue the further development of Scarlet as our cost-conscious brand.



Good to Gold culture

People make the difference in a successful, growing company. Our team leaders' development is an essential part of the Good to Gold company culture which aims to reinforce our values of Collaboration, Accountability and Agility throughout the company.

2016

Our 2016 outlook

In 2015 we transformed Proximus and achieved our growth ambition one year ahead of plan, thanks to our customer centricity, the simplification of our operations and a new winning culture.

We will continue this journey in 2016 by focusing on gaining market share in our Consumer business, by accelerating our digital transformation, and by moving our customers to the latest technology. In the Enterprise area our focus will be on accelerating the Fibre To The Business rollout, providing our business customers with the best connectivity for our convergent IT-Telco solutions, and enabling new ways of working, cloud-based solutions & infrastructure and secured business continuity.

We will evolve our ways of working to further enhance our customer service by improving the customer journey (including an omni-channel approach) as well as the user interfaces of our various services and applications.

We will further prepare our network to cope with the ever-increasing demand from our customers for capacity and speed, both in wireline and wireless, by pushing fiber further into the network, finalizing the Vectoring rollout, and further optimizing the 4G indoor coverage. We will also finalize the rollout of our LoRaTM network for the Internet of Things together with the commercialization of end-to-end IoT solutions. Read more about our investments in convergent services and innovation

We will grasp the innovation potential of big data analytics, targeted advertising, and new cyber security services, and open our assets to partners and developer communities.

We will reduce our cost structure by further simplifying our operations & portfolio, and by re-inventing ourselves towards an agile and collaborative organization.

We will leverage the international potential of BICS in the domain of data and messaging services, reinforcing our presence in all geographies and benefiting from the OTT growth opportunity.

Our people are our key asset and we will continue to invest in their personal development and the shaping of our new winning culture, enhancing our values of collaboration, agility and accountability.

For 2016, we aim for continued sustainable revenue and EBITDA growth through the execution of our Fit-for-Growth strategy. We expect to end the year 2016 with slightly growing Core underlying revenue and Group EBITDA, in spite of BICS' high comparable base, the Roam-Like-At-Home regulation and a new, tougher competitive landscape in Belgium. To sustain long-term growth, we decided to raise investments in the fixed network, focusing especially on Fiber to the Business. We therefore anticipate the 2016 capex level to be around EUR 950 million. In line with our previously announced 2014 to 2016 commitment, we expect to return a total gross dividend per share of €1.50 over the year 2016.



Investing in seamless networks & agile IT

We keep investing in our convergent networks because they are the bedrock to deliver on our brand promise.

The best experience where it matters

To keep growing in a highly competitive market, it is crucial for us to deliver on our brand promise to our customers, and to continuously differentiate ourselves. Our high-quality, high-capacity network forms the bedrock for this.

Consumers & businesses are more than ever connected, generating growing amounts of data while increasingly expecting to be able to **access & share any content, anytime, anywhere and on any device**. It is our mission to make sure our customers have the best experience by enabling best-suitable technologies to serve their present needs, and by continuously strengthening and extending our core assets.

Proximus continues upgrading its network infrastructure in industrial zonings with **fiber**. At the same time, we invest heavily in converging all of our networks. We're evolving towards a complete **agnostic network** where we fully integrate all of our networks (fixed – mobile – Wi-Fi - LoRa). It's the best basis upon which we can guarantee the required 'always on' connectivity in the new digital economy. We bring the best experience where it matters, independent of technology.

As such, Proximus invested EUR 926 million (excl. spectrum) in 2015 – of which a major part in networks & IT – to deliver on our brand promise "Always Close to what matters."

Continued investments

We invested EUR 926 million (excl. spectrum) in 2015 – of which a major part in networks & IT – to deliver on our brand promise "Always Close to what matters".

A reliable and increasingly fast Fixed network

Year after year, the consumption of data is growing while expectations with regard to quality of experience are increasing with the rise of new types of usage and services. That's why investments in the Fixed network remain key to us.

In the Residential and Small Enterprise market, Proximus continued to deploy its **Fiber To The Curb (FTTC)** network to enable VDSL2 technology, covering 90% of Belgian households at the end of 2015.

Bandwidths were further increased using **Vectoring technology**, a technology which cancels the crosstalk in copper cables, resulting in a significant higher bit rate. As a result, speeds of 100 Mbps at video-grade quality are now available to 1 in 3 customers. We are also researching new technologies that allow the increase of download speed over existing copper pairs on short loops (a solution based on 35 MHz standards).

In addition, Proximus has been deploying **Fiber To The Home (FTTH)** by default in new residential zonings throughout Belgium in 2015. We've also started researching the deployment of fiber closer to homes by re-using the last meters of the existing copper pair or existing coax cable (a solution based on G.Fast standards).

With regards to the Medium Enterprise and Corporate market, Proximus rolled out dedicated fiber or **Fiber To The Business (FTTB)** to 80% of the industrial zonings in Belgium, offering secure, reliable high speed solutions to corporate and medium enterprises.

1 Tbps

Super-channel

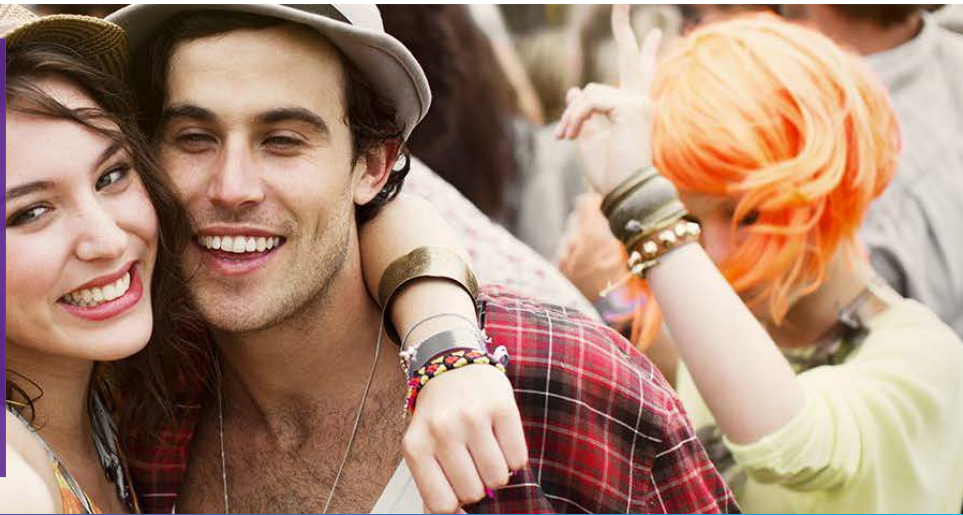
In order to stay ahead of capacity demand, our optical backbone needs to evolve as well. In that framework Proximus and Huawei successfully completed a joint trial in the backbone of Proximus, resulting in speeds over an optical signal, also called super-channel, of up to one Terabit per second (Tbps). This speed corresponds with the transmission of 33 HD films in a single second!

Proximus invested in the start-up **Tessares**, a UCL spin-off, which develops technology based on the Multipath TCP standard, to **combine the capacity of mobile and fixed networks** for more bandwidth, higher reliability and greater security. The co-developed solution was successfully tested on the Proximus network and received the title '*highly commended*' at the Broadband World Forum Awards in the category 'Greatest Advancement in the field of Fixed Mobile Convergence'.



Best mobile experience

In 2015, we brought the best overall mobile experience across 2G, 3G and 4G. We further extended our 4G outdoor and indoor coverage and were the **first operator in Belgium to roll out 4G+ technology** in 20 cities, enabling mobile data speeds of up to 225 Mbps.



A fast and high-quality Mobile network

In 2015, Proximus further invested in the quality of its network, allowing it to bring **the best overall mobile experience across 2G, 3G and 4G technologies**. Proximus offers a high quality voice experience, reaching less than 0.5% dropped calls – one of the best results among operators in Europe.

With regards to broadband experience, Proximus **further extended its 4G outdoor and indoor coverage**, reaching respectively 98,8% and 93,4% by end of 2015, and is delivering the **best mobile download experience in the market** with an average download speed of 22.8 Mbps on a 4G-capable device. Proximus was the **first operator in Belgium to rollout out 4G+ technology** in 20 cities, enabling mobile data speeds of up to 225 Mbps.

Next to that, Proximus gave special attention to further improving its mobile coverage inside buildings, on highways, in tunnels and public places, to meet the changing expectations of customers.

Moreover, to allow Fixed Internet customers to enjoy the best mobile experience in every room of their home or office, Proximus launched the **Mobile Coverage Extender**: a simple plug & play solution based on Femto-Cell technology to optimize mobile indoor experience where needed.

To provide the best experience to Proximus customers when on the move, a **secure Smart Wi-Fi** solution was released which allows automatic switching between cellular 3G/4G network and one of our 1.3 million Proximus (and 16 million worldwide) Wi-Fi Hotspots.

Always close during the Summer Festivals!

Every year, Proximus provides its mobile network quality at over 220 large-scale events throughout Belgium, either reinforcing the existing infrastructure or installing additional high-capacity mobile base stations. From Graspop to Pukkelpop and Rock Werchter, no efforts were spared to keep our customers close to what matters to them. They enjoyed a fantastic music experience while sharing their pictures and videos.

All this comes down to
29,1 TB of data
Which is the equivalent of
202.083 hours of music



5G and innovative ICT at the Campus of the future

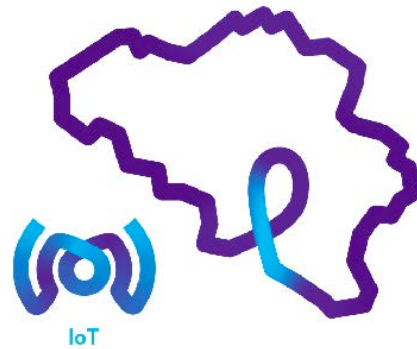
The VUB and ULB universities in Brussels are aiming to create a campus of the future by developing an innovative, visionary concept, housing their Science and Engineering faculties on a single campus in Brussels. Proximus and Huawei will deploy innovative ICT infrastructure on these campuses. Next-generation wireless technology, such as 5G connectivity for the Learning and Innovation Center, will be a key part of this collaborative effort. The center will be among the first 5G applications in Belgium.



An innovative LoRa™ network for the Internet of Things

As first operator in Belgium, Proximus deployed a network for the **Internet of Things (IoT)** in major cities. In 2016, this network will be further deployed across urban areas in Belgium and in Luxembourg.

The **LoRa™ network** is a cost-efficient solution designed to support **short messages over long distances with very low power**, allowing long sensor battery-life. LoRa™ technology is also highly secure thanks to standard encryption of all communications, which is a unique differentiator.



Proximus offers all the applications for managing the sensors, processing the data into usable information, and managing its connectivity, and also joined the **LoRa™ Alliance** which guarantees interoperability between telecom operators.



To boost the wave of innovation from the Internet of Things, **Proximus is developing an ecosystem in collaboration with various partners.**

It encourages companies and developers to develop new services and applications that make use of the LoRa™ network. Through co-creation – by pooling the strengths of the different players – Proximus wants to nurture solutions & applications that have added value for businesses and end-users.

Migrating customers to the latest solution

Migrating customers to the latest solutions not only gives them a better experience, it also allows us to phase out legacy equipment, free up technical buildings and reduce operational costs.



Increased efficiency and reduced costs through simplification of our networks & platforms

Proximus further pursued the simplification of its networks and the replacement of legacy technologies.

Outphasing of legacy voice equipment allowed us to migrate no less than 1.75Mio classical telephone lines to a more **future-proof IP-based solution** in 2015. Through simplification, Proximus aims to bring its customers a better experience while freeing up technical buildings and reducing operational costs. Our ambition is to deliver all services on single IP-based technology over time.

With regard to legacy broadband technologies, Proximus continued to migrate **legacy ADSL technology to VDSL for a better customer experience**.

Increased agility of our IT platforms

In 2015, Proximus deployed a set of ICT building blocks to **enable faster and more efficient delivery of ICT solutions** to our enterprise customers.

Workplace as a Service has been introduced as a single solution that provides communication, collaboration, desktop and security services to enterprises. With our New Way of Working solutions, we also **opened up our core IT platforms for third party development**. This allows businesses and their partners to develop functionalities they really need, building on top of Proximus assets.

Proximus.be and the MyProximus app became the center of our customer interactions, including sales, repair, servicing and billing. Our customers now enjoy a compelling online experience where they can book an appointment with one of our technicians, reload their prepaid card, exchange their loyalty points, ask for help on the new community platform, or find the answers to their questions in an intuitive support section.

Tools that are used by our own employees for **sales, ordering, provisioning, and billing** have also been enhanced, as such improving customer experience when interacting with our channels.

Carrier & Wholesale

The Carrier & Wholesale Solutions division of Proximus delivers **telecom solutions to both Belgian and international operators in Belgium**, including connectivity services and broadband access (DSL).

The dynamics of the telecom and wholesale market remains volatile, marked by various take-overs and mergers. Within this dynamic wholesale market, Proximus aims to **broaden its horizon and is looking beyond its current business models** for the Carrier & Wholesale division. Assets will systematically be embedded in a larger context.

Some important accomplishments in this area are the capacity deals for mobile backhauling, the worldwide roll-cut of a 4G roaming network in more than 60 countries, and the further growth of carrier billing through new partnerships.



Investing in convergent services & innovation

On top of our connectivity services we develop innovative solutions which help our customers to live better and work smarter.

2015, the year we reinvented Proximus TV

We launched a completely new Proximus TV interface which is a real feat of user-friendliness. Based on the extensive study of user feedback, we developed an experience that works **seamlessly on TV, computer, tablet or smartphone**. The new Proximus TV experience brings together the best of live television, content recorded by the customer as well as an on-demand catalogue with content to be purchased or subscribed to (cf. Netflix).

The experience is identical on all screens and allows customers to seamlessly move from one device to another. They can continue watching their content when switching from e.g. their smartphone to their tv, and they can even record or buy content on one device and watch it on another device.



Deployment of the new Proximus TV interface

The new Proximus TV interface became commercially available for new customers in the last quarter of 2015. At that time we started the gradual migration of customers having the most recent decoder (V5 or V5 Compact). For customers who have an older type of decoder (V3), we work together with bpost to deliver the latest decoder to them at home. This massive proactive migration of 400.000 old decoders should be rounded off by the summer of 2016. From that moment, all our customers will be able to enjoy the new TV experience.



SwipeBox

In 2015 we also launched the SwipeBox, an innovative solution for "swiping" photos, videos and music to the TV screen via a smartphone or tablet. Whether they are home videos on a smartphone, a photo from Facebook, music from a web radio or holiday snaps stored in the Proximus Cloud, the SwipeBox is ideal for quickly sharing them with friends and family on the TV screen.



Sports all around

We offer an international sports offer via 11, 11+ and All Foot. We also added sports channels Eleven and Eleven Sports, which give access to multiple European football competitions as well as other international sports leagues.



Rich entertainment

A rich entertainment offer makes the Proximus TV experience complete. We offer an extensive and continuously updated **Video on Demand** catalogue with more than 800 movies and series, and a **Movies & Series Pass** with more than 2,000 movies and series episodes every year. We are the only Belgian operator to directly integrate **Netflix** into the Proximus TV interface which makes the experience a lot easier for our customers.

Thanks to the deal with Eleven Sports Network we offer **an international sports offer** via our paying options 11, 11+ and All Foot. We added two new sports channels called Eleven and Eleven Sports, which gives sports fans access to multiple European football competitions, the American National Football League (NFL), International tennis (ATP 250), basketball, cycling, volleyball and Formula E.

Proximus is #1 in the Netflix ISP Speed Index

Since July, Proximus has been at the top of the Netflix ISP Speed Index, meaning we offer the highest download speed in Belgium and rank amongst the world's top operators for Netflix streaming. It's a fine example of all our efforts and investments to provide the customer with an excellent user experience for Proximus TV.

NETFLIX



We also concluded a national cooperation agreement for **Wanagogo**, the digital offering of Studio 100. Proximus TV customers will have exclusive access to this offering not just at home, but also on the go. Children can play, watch, or read in a completely secure, advertisement-free environment, wherever and whenever they want, online or offline.



Scarlet welcomes Snow customers

Following the termination of the SNOW tv product line by Base, our subsidiary Scarlet welcomed many of their customers with a very attractive offer: they received free installation, kept their device setup with just a replacement of the tv decoder, and enjoyed a seamless transition of service without interruption.

In 2015, Scarlet also launched the cheapest prepaid offer in Belgium at only EUR 8 per recharge.

scarlet Trio[™]
TV - Internet - Vaste lijn

**GOEDKOPER
TV KIJKEN
SURFEN EN BELLEN**

Targeted advertising

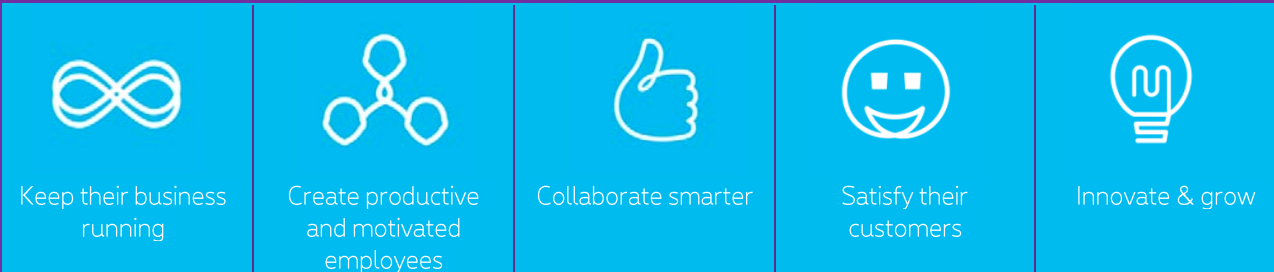
We launched a pilot project for targeted advertising together with advertising sales agency Transfer and Dobbitt TV, the well-known Do-It-Yourself (DIY) channel. Our Proximus TV customers in West-Flanders received access to a local version of Dobbitt TV which showed them targeted ads for local DIY businesses. We will assess the possibility to roll it out nationally.



Bridging connectivity and ICT

5 value propositions for the enterprise customer

We centered our offer for enterprise customers around 5 value propositions, making the offer as close as possible to the customer's business needs. We focus on helping businesses to:



The fact we have solutions in both the Telco and IT universe is an important differentiator which allows us to go beyond mere connectivity. We leverage our IT capabilities to deliver end-to-end solutions including datacenter services and security, ensuring best-in-class business continuity and high availability Service Level Agreements.



Bringing Portima's core business to our datacenters

For Portima we started putting in place a service solution which includes housing, hosting, database management (with Infosys), datacenter connectivity and the global management of their business-critical application. Thanks to our expertise in both ICT and connectivity we are ideally placed to manage the complexity of this project.

Ensuring business continuity at ING

To ensure business continuity for ING and to prepare their bank agencies for the future, we upgraded the connections to their 2 headquarters and installed fiber in more than 250 branches. We also manage ING's core infrastructure inside their own datacenter. This goes far beyond normal maintenance services, including service management, life cycle services, network optimization services (in collaboration with Cisco), as well as services to ensure optimal uptime.



Enabling company

This is one of the main drivers of our innovation ambitions. We're opening Proximus as well as third-party assets to an ecosystem of partners to boost the development of "Proximus inside" solutions. It is our ambition to install central platforms for onboarding and servicing, as well as broker upstream and downstream partners like IoT and big data players, app developers and Independent Software Vendors.

With our **open API for carrier** billing we allow partners to sell digital goods and have them billed on the Proximus invoice without the need of a credit card. Currently, Proximus customers can have their purchases on the Google Android store directly billed on their Proximus invoice.

Credit card companies can perform a location check of the credit card owners' telephone via our **Location Based Services** asset in case they suspect a fraudulent (online) transaction. By doing so, they reduce their risk of fraudulent transactions and offer a better security to the credit card owner in case of online identity or physical card theft.

Internet of Things

Complementing our existing Machine-to-Machine portfolio, our LoRaTM network is specifically designed to provide objects such as buildings, machines, cars and household appliances with low power sensors and connect them to the Internet. Through the LoRa network, objects exchange information about their condition and environment so our customers can monitor, operate or control them remotely. This only enables companies to not just innovate faster and run their processes more efficiently, but also to develop new products and services for their customers. The Internet of Things is undoubtedly one of the most promising economic developments and we already completed a number of concrete projects which show its value.



VIAPASS (Road User Charging)

Proximus teamed up with Satellic to build the VIAPASS tolling solution - the Belgian road user charging project - aiming to reduce pollution, improve mobility and increase tax income. As from 2016, trucks will be subject to distance-based road charging in function of vehicle characteristics, time and place. Proximus delivers IT & communications services, and installed 800.000 m2m simcards in 2015.



Big data

We are developing our capabilities in **near real-time data analytics**. There is much intelligence to be found on our mobile networks and this can help our customers make better informed decisions.

Some interesting applications can be found in the **Smart City** concept, where we combine our capabilities in order to positively impact the quality of life of citizens in cities and towns. Smart mobility includes parking management and management of traffic flows to reduce traffic jams and optimize transport. There's pedestrian traffic analysis for tourism and events, dynamic information boards and city advertising.



For **the city of Namur** we started a project to analyze who enters and leaves their city. We provide consolidated anonymous data detailing who (region, Belgium, international) visited the city when. This enables Namur to make the best decisions for its mobility policies.



To prepare its future 'Be Alert Service' which alerts the Belgian population via sms in case of emergency, the **Federal Government** called on Proximus to provide location tracking and deliver user insights to fine-tune the application.



The city of Bruges used our services to get insights on the large inflow of summer tourists much faster and more precise than ever before.



We helped the **Antwerp Road Works** (Wegen en Verkeer Antwerpen) by analyzing the number of vehicles passing by road counters near the city, giving them insights on where to invest in new infrastructure and do maintenance.

Efficient & productive

Our 'New Way of Working' solutions are all about helping organizations become more efficient and productive.



New way of working

Under the 'New Way of Working' umbrella we bundle cloud and network solutions that increase efficiency and productivity by giving organizations remote access to their applications and data.

We implemented **WorkPlace as a Service** (WPaaS), a secure virtual workplace that is available anytime and anywhere, for the Flemish Government and are now opening up the platform to other organizations in the public and private sectors.

For large & mid-sized companies we created **Engage Packs**: an all-in-one solution combining the rental of a smartphone, tablet or laptop and related services (insurance, configuration, centralized management and support) for a fixed monthly fee. Our '**One Company Number**' solutions allow customers to manage both their professional and personal numbers on the same device through a smartphone application.

Proximus SME in the Cloud

For our medium and small businesses we developed 'Proximus SME in the Cloud' giving employees access to their data and applications anytime, anywhere from any device. Customers receive a scalable package with **Microsoft Office, antivirus, unlimited storage space & computing power, and other optional applications.**

Everything is hosted in our secure data center so customers don't have to invest in hard- or software and they only pay for what they use.



Security

Proximus refocuses its security portfolio to **answer new threats** that emerge from new technologies. We're no longer only connecting people but we're connecting every 'thing'. This implies new security risks that require a specific approach. Our innovation focuses on the development of new solutions that will ensure the security of the Internet of Things.

All of this is supported by our EUR 46 million (2014-2017) **investments in best-in-class IT security**. This year we focused on our Cyber Defense Center to strengthen our existing Security Operations Center and further build our cyber security capabilities.

We also continued to play a key role in the **Cyber Security Coalition**, the Belgian cross-sector cyber capability-building initiative, which attracted numerous new members and now enters its second year. This year, the Coalition organized multiple experience-sharing sessions, launched a nation-wide awareness campaign on safe passwords and published the Cyber Security Incident Management Guide to help companies put in place a cyber-incident response plan.



Transforming Proximus: customer experience & simplification

Our ambition is to put the customer at the heart of everything we do to make our Always Close promise ever-more tangible. In 2014 we laid the foundations; in 2015 we stepped up our efforts. Our constant focus on customer experience is paying off, as we were able to deliver growth one year ahead of plan.

Customer interaction

Putting our customers at the heart of everything we do, means giving them the means to manage their products and services how and when they want through our state-of-the-art digital platforms, but also offering them expert-level service through our many physical touch points.

Complaint handling

We are radically changing the way we handle complaints. Each complaint is now handled end-to-end by a single employee who has full accountability for the outcome. The number of complaints has dropped and customer satisfaction has risen more than 18.4% in the professional and 19% in the residential market.

Accessibility of our different channels

We extended the opening hours of our TV repair center to 7/7 until midnight. We also have the largest intervention window of technicians in Belgium: from 8:00 a.m. to 8:00 p.m. on weekdays and from 8:00 a.m. to 4:30 p.m. on Saturdays, without additional cost for the customer.

Full installation by technician

In 2015, we reduced the number of installation methods from 4 to 2, drastically simplifying the process and improving the customer journey. 85% of installations were “Full Installs”, meaning a technician does all the necessary installations and checks, thereby getting customers started first time right and increasing customer satisfaction.



Frontline attitude development

In 2015, we anchored the new brand values within our customer-facing teams to improve the interaction with our customers. Customer feedback shows they really notice the change when contacting our service centers.

Simpler & transparent confirmation letters

We simplified and digitized our confirmation letters to customers. This allowed us to reduce the number of letters sent by 63%.

00 The number of complaints has dropped and customer satisfaction has risen more than 18.4% in the professional and 19% in the residential market. **00**

Keep your business running

In a hyper-connected world, continuous availability becomes more key than ever for businesses. In the past years we have been able to maintain a service availability of 99,99 %. For our business customers we guarantee Same Day Repair and offer them temporary Mobile access free of charge in case of connectivity issues on their Fixed internet. We also offer Managed Disaster Recovery as a Service (DRaaS), a secure hybrid cloud solution for business continuity which helps them to keep their core assets available at all time.

ISO 9001

Proximus' enterprise business unit received a re-certification of its ISO 9001 label, which confirms our passion for customer experience in a standardized and objective way. In addition, several departments received the ISO 27001 label, underpinning Proximus' focus on cyber security.



640,000 MyProximus customers

We currently have 640,000 active customers of MyProximus, an increase of about 15% versus 2014. Via the MyProximus app and website customers can simply manage all their products and services, keep an eye on their usage and obtain personal advice based on the products they have in their portfolio. Nine out of 10 customers say they are very satisfied with MyProximus.

Digital interaction

We continue developing our self-service approach to offer customers the possibility to interact with Proximus when and where it suits them best. This also creates efficiencies for Proximus, involving structural inflow reduction for basic interactions such as requests for address changes and bill duplicates.

In 2015 we completely revamped our Proximus.be to a fully customer-centric website.

MyProximus, via the web or the app, enables customers to easily and simply manage all their products and services, keep an eye on their usage and obtain personal advice based on the products they have in their portfolio. In the blink of an eye, they have an overview of all their solutions and subscriptions, for both fixed and mobile. Customers actively using MyProximus are less inclined to contact our contact center for questions, resulting in a drastic reduction of incoming calls and cost.

We currently have 640,000 active customers of MyProximus, an increase of about 15% versus 2014. Nine out of 10 customers say they are very satisfied with MyProximus.



E-billing

In MyProximus, our residential customers can receive and pay their bills electronically: through SMS, email or directly via e-banking. Today about half of our residential customers (1,3 million) have already chosen this solution, resulting in a considerable reduction of paper waste. Our business customers and their employees can now also switch to the simple, user-friendly and ecological e-bill. Everyone wins with the e-bill: there's less administration and errors, more control and flexibility.

E-appointment and e-care card

When a technician visits a customer's home or office for an installation or a repair, the customer is informed by email. If needed, he can (re)book an appointment when it suits him through an easy-to-use application.

During the technician's visit, the customer immediately signs a digital overview of all installation costs. This way the billing is more transparent and Proximus receives fewer complaints.

46%

Today about half of our residential customers have already chosen e-billing, resulting in a considerable reduction of paper waste

Omni-channel approach

When interacting with us, our customers use multiple of our channels at different moments. We want to make sure we follow them no matter the channel they use, and allow them to continue where they left off. For instance, if a professional customer has been browsing our website Proximus.be for a while, we will proactively propose a chat session so we can better help the customer find what he needs.

proximus



Simplifying to offer the best user experience

More than 2.5 million customers were proactively moved to the latest technology. These proactive migrations allow customers to enhance their Proximus experience and to easily benefit from new services, such as Netflix, Cloud and other future solutions.

Portfolio simplification

Bringing customers to the latest solutions allows Proximus to drastically simplify its portfolio, which enables us to further clean the legacy technology in IT and focus our investments in developing convergent solutions.

This simplification operation has several upsides for our employees, especially in the frontline. For the sales teams, a simple portfolio is easier to master and easier to explain to the customer. This gives our sales force more oxygen and time to spend with the customer in their interactions.

Less products means less complexity in the systems, resulting in less manual interventions in the back office teams. More automated processes guarantee at the same time a more hassle-free experience for the customer: a simpler invoice, less complaints.

Simplifying our portfolio enables us to structurally reduce costs: less energy costs, less maintenance required, less manual interventions at the customer premises and a reduced number of complaints.

Network simplification

Proximus invests in simplifying its networks, ensuring that customers can be moved to a future-proof solution. For instance, the massive move of customers from legacy networks, such as PSTN and ATM, to IP-based technology enabled us to power off approx. 475 switches in the network. This operation resulted in the selling of four buildings in 2015, next to the 12 buildings already sold in previous years.



Developing our people

We keep investing in our most important asset – our people - to create a growth mind-set and a winning culture.

 <p>14,000</p> <p>We have about 14,000 employees at Group level</p>	 <p>€27Mio</p> <p>We invested €27 million in the development of our people</p>	 <p>911</p> <p>We hired 396 new colleagues and 911 employees changed jobs inside the company</p>	 <p>31.1%</p> <p>Total workforce cost in 2015, targeting 28% by end 2018</p>	<p>Agility Collaboration Accountability</p> <p>Our company values guiding us in all we do</p>
-------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------

Accelerating cultural change

Why the shift?

In rebranding Proximus from Belgacom, we wanted to make a fresh start with all our staff's energy, talent and innovation. Our new CEO Dominique Leroy accelerated the company's cultural change to drive sustainable growth and stimulate a growth mind-set in a winning culture. We kick-started our cultural change in 2013-2014 but really shifted to a higher gear in 2015.

Fit for Growth Strategy

We're developing a corporate culture in which all our leaders set the example – from the Executive Committee to the operational teams. A culture where employees feel accountable for their own work, dare to take risks and learn from mistakes, and where they can continuously develop their skills and talents.

Good to Gold

To ensure the success of our Fit for Growth Strategy, we defined three company values that strongly support the corporate culture we strive for: collaboration, agility and accountability. Those values represent the change in culture that will make us "gold" instead of merely "good".



One common language

With those objectives in mind, our team leaders took part in multiple Good to Gold development sessions. During those workshops, they acquired a shared set of insights - a common language used throughout the company - that helps them coach their teams to become 'gold'.

Coaching & Feedback

Building on this common language, we launched the Coaching & Feedback development track, which helps our team leaders move from a managing to a coaching role. We started with our customer-facing team leaders because we are convinced that their teams have a good idea how to better help customers, and we want our leaders to coach them so they themselves take the initiative. This approach will fully unlock the potential of our employees.



The ratio of "total workforce costs to turnover" has dropped by 1% compared to last year.



Sharpening organizational efficiency

New organizational structure

We continued on the path of stepping up organizational efficiency as a key way to ensure growth. Last year we put together the main building blocks of this new organization, such as the creation of a dedicated Customer Operations unit. This year we optimized the organizational structure within all the business units, always in close collaboration with our social partners.

The aim is to maximize our employees' talents to achieve our company objectives. Proximus has a long history of carrying out reorganizations in a people-friendly manner. Where possible, we have offered employees a new, more permanent function. Where necessary, we've organized suitable training courses.

Internal mobility

To better leverage our employees' talents, we have focused on internal mobility, especially across business units, divisions and departments. This has a positive effect on agility, collaboration, and personal motivation. This year, 911 employees transferred to new positions within Proximus.

Control total workforce costs

If we want to continue investing and growing in the future, we need to keep our total workforce costs under control. That's why, together with our social partners, we are always looking for new ways to optimize our staff-related costs.

We're on the right track. The ratio of "total workforce costs to turnover" has dropped by 1% compared to last year, which means a decrease from 32.2% to 31.1%. To be in line with market standards we have to continue our efforts to become a high-performing organization.



Proximus Corporate University

In 2015, we invested €27 million in the development of our people. Our own Proximus Corporate University focused on supporting the cultural change and our growth mindset with Good to Gold and Coaching & Feed

Developing our people

Our development programs organized by our own Proximus Corporate University (PCU) have evolved to meet the strategic needs of our business units and our company as a whole. In 2015, development was focused on supporting the cultural change and our growth mindset with Good to Gold and Coaching & Feedback sessions. We also added a focus on Cyber Security and Innovation.

Innovation

Innovation is a crucial element in our Fit for Growth Strategy. In 2015, we started a development track for our top managers which aims to inspire them on new products & services, new ways of working, and to stimulate a fresh mind-set. The development track involves sending people for shorter and longer periods of time to Silicon Valley and European innovation hubs to work on specific learning assignments. The aim is to embed a culture of acquiring new perspectives and partnering with other innovative players.

Proximus Trainees

At Proximus we value young talent. That is why we continue hiring Master graduates - 23 of them in 2015. They started with a one-month field experience where they got to know the entire company: from customer-facing teams to supply chain management to Finance & HR. After this first experience, they completed 3 strategic missions in different business units allowing them to acquire a more in-depth knowledge in certain domains.



Listening to our employees

Our annual employee survey is a key driver for our cultural change program which aims to foster a growth mind-set within our company. This year's survey participation rate was 76% of all employees, a 2% increase vs last year.

Higher than average in key areas

Scores on all three key indicators pillars - Engagement, Strategic Alignment and Agility – have improved (on comparable questions) and are higher than average for the telecom sector. We continue our efforts to improve these results as to realize our ambition of becoming a high performing organization.

Performance and feedback culture

We will continue our efforts to install a continuous Coaching & Feedback culture by developing our team leaders and by using our new performance management process & philosophy Drive for Personal Growth as a lever.

Our priority areas

- › **Agility at team level:** Better planning future changes at team level, fixing problems and increasing employees' empowerment.
- › **Customer Orientation:** Strengthen the customer focus of all employees, including in non-customer facing divisions by working on customer orientation & mind-set, and by improving processes & tools.
- › **Transversal Collaboration:** Strengthen collaboration cross company through transversal projects & programs and improving end-to-end involvement & accountability



International

The Proximus Group counts multiple subsidiaries who are active in neighboring countries or on a global level.

BICS

Proximus owns 57% of BICS, a joint venture with Swisscom and MTN. BICS is a recognized leader in the global wholesale communications market, a top voice carrier and the global leader in mobile data services. We answer the needs of any communications service provider worldwide and our best-in-class wholesale solutions meet the existing and future requirements of the global communications industry.

BICS is headquartered in Brussels with regional offices in Bern, Dubai, Madrid, New York, San Francisco and Singapore.

We also have a satellite office in Beijing and local representation in Accra, Cape Town, Miami, Montevideo, Nairobi and Toronto.

Our team continuously strives to provide our customers with the highest level of quality, reliability and interoperability, enabling them to maximize their end-user value.



BICS established the world's first fully end-to-end VoLTE international call and enabled 4G data roaming sessions with more than 150 operators worldwide.



Expanding our global reach

BICS kept its grip on the **leadership position in the international communications market** in 2015, as a top voice carrier and the absolute global leader in mobile data services with a broad range of solutions.

We further reinforced our business with existing customers, while **developing new business with leading players from key focus segments and regions** (Over-The-Top, Mobile Virtual Network Operators, Americas, Asia).

We furthered our complete **offering for OTTs and MVNOs**, from connectivity and messaging-to-voice and value-added services.

We continue to develop **one-stop-shop solutions** to maintain our competitive edge on the carrier market. Our service strategy builds on our full-suite services by adding features, enhancing the existing offering with value-added services, and meeting the needs of the changing ecosystem.

BICS remains a **pioneer in next-generation communications**, achieving a number of industry firsts in this domain.

Milestones 2015

BICS established the world's first fully end-to-end VoLTE (Voice over LTE) international call between South Korean operator SK Telecom and Proximus. Customers get next-generation enhanced voice services via IPX (Internet Package Exchange) networks of BICS and SK Telink, the international carrier services division of SK Telecom.

BICS enabled 4G data roaming sessions with more than 150 operators worldwide. The rapid increase in operators deploying LTE roaming expands service to 75 countries.

LTE roaming exploded with triple-digit monthly growth through BICS' market-leading IPX network. The company experienced 500% growth in traffic in 2015 compared to 2014.

BICS was awarded "Best LTE Roaming Product" at the LTE Asia Awards.

BICS expanded with a new point of presence in Kenya.

BICS has extended the **A2P (Application-to-Person)** messaging solution to non-traditional players to provide them with direct access to one of the world's leading carrier-grade messaging services at the best available market rate.

With **FraudGuard**, BICS helped its operator partner networks save millions of euros in revenue, blocking more than 500 million fraudulent calls. Using its crowdsourcing model, FraudGuard identifies up to 100 new threats per day, enabling operators to lead the fight against telecom fraud.

BICS launched **RouteFlex**, an automated business continuity and optimization solution to meet the demand for enhanced connectivity in Africa. The dynamic IP satellite solution revolutionizes coverage on the continent.



Telindus Luxembourg

In 2015, Proximus reinforced its stake in Telindus Luxembourg through the acquisition of Arcelor Mittal's minority stake, increasing ownership from 65% to 100%.

Telindus Luxembourg is the Proximus Group's ICT branch and – through Telindus Telecom – enterprise operator in Luxembourg providing services to private and public-sector companies. Its areas of expertise include enterprise networks and connectivity (national and international), datacenters, systems, storage, security, collaboration, applications and mobility.

Milestones 2015

For one of the biggest Belgian banks, Telindus successfully designed and implemented a **secure network infrastructure** with high bandwidth to leverage banking applications and collaboration services.

Furthermore Telindus Luxembourg furthered its successful **collaboration with most key financial institutes and grew steadily in the cloud computing** market, converting more and more SMEs to cloud solutions.

Telindus strengthened its governance model with the **ISO 27 001 certification**.

Finally, the company was rewarded for its expertise and received a **series of industry awards** such as “Managed Services provider of the Year” by ITone, “Best Business Impact provided by Cloud Services” by Eurocloud and “Partner of the Year 2015” in Luxembourg by Cisco.



Telindus Netherlands

Telindus Netherlands is the independent expert and supplier in the field of access, connectivity and data center solutions in combination with security, multi-vendor support and managed services. IT demands are becoming more and more complex and comprehensive requiring knowledge of the complete IT chain. Because individual components like the datacenter, connectivity and access layer continue to integrate further, these cannot be seen separately anymore. Telindus Netherlands’ knowledge and expertise in the field of end to end infrastructure solutions seamlessly matches this. With these solutions the organization focuses on guaranteeing optimal and safe access to the complete infrastructure and maximum availability: everywhere, from every place.

Telindus Netherlands has strategic partnerships with major virtualization, networking, storage, backup, telecommunications and security vendors. In addition, the organization has its own training institute and an advanced demo center where the latest technologies are demonstrated live.

Milestones 2015

Telindus Netherlands remains one of the **key European reference partners for Optical Services** and received a series of **EMEA International Partner awards** from our optical partners. We were first to achieve the Ciena Advanced Technical Support Status worldwide.

Telindus Netherlands received **multiple recognitions and awards**: Cloud Builder of the year by Cisco, the Infinera Metro Partner Award for 'Top Regional Partner EMEA', Cisco ACI ATP partner and NetApp FlexPod Partner of the Year for the NEMEA region

Telindus Netherlands **further increased its market share in managed services** and continued building on its strong and **solid market position in the Public, Healthcare and Finance segments** by implementing large projects throughout 2015.



Tango

Tango is the brand under which the Proximus Group markets its activities on the Luxembourg market, offering fixed, mobile, and convergent services. Since the brand's launch in 1998, Tango has been a resounding success and become Luxembourg's second mobile operator.

Milestones 2015

Tango launched an innovative solution to improve their customer experience. When in the shop, customers can now directly **sign their contract electronically** on an iPad instead of having to wait for paper contracts.

In January, Tango launched **'Tango Freeborders'** - a true 'Roam-Like-At-Home' tariff plan for Luxembourg, France, Belgium and Germany.



Corporate social responsibility

We're committed to helping address key societal issues such as global warming by structurally embedding CSR in everything we do.

Our strategy

Our Corporate Social Responsibility strategy is based on three pillars – **Green, Education, Communities** – and we do it with commitment and passion. We also encourage our suppliers and subcontractors to do their part in applying CSR standards in their own activities.

Green: beating the targets

At a critical time when countries and companies are making commitments to cutting greenhouse gas emissions, Proximus is meeting and surpassing its own. This year we hit our own target of cutting CO₂ emissions 70% by 2020 – **five years sooner than planned**.

That's one of the reasons we received, for the third year in a row, the **CDP Climate Leadership Award** for our efforts to fight climate change. This makes us one of the seven best-performing telecom companies in the world and the only Belgian company receiving this award in 2015.



How did we do it? How do we go further?

Our fleet of vehicles is 20% cleaner than the Belgian average. As a company with 14,000 employees it also has considerable impact when they choose green mobility plans, favoring public transport. We'll continue to encourage this and we'll also make our fleet even more energy-efficient.

We reduced energy consumption for the seventh consecutive year thanks to efficiency projects in our data centers, networks, office buildings and transport.

New commitments

Our next objective is to reduce carbon emissions 30% by 2025 and to become carbon-neutral as of 2016 by compensating the carbon emissions we cannot reduce.

Ahead of the COP21 Climate Conference in Paris in December 2015, Proximus also signed three public commitments of the "Road to Paris" campaign:

- Set a science-based emissions reduction goalpost: a greenhouse gas reduction target aimed at keeping the average global temperature below 2°C.
- Secure 100% of our electricity from renewable sources.
- Report climate change information in mainstream financial reports to encourage greener investment.

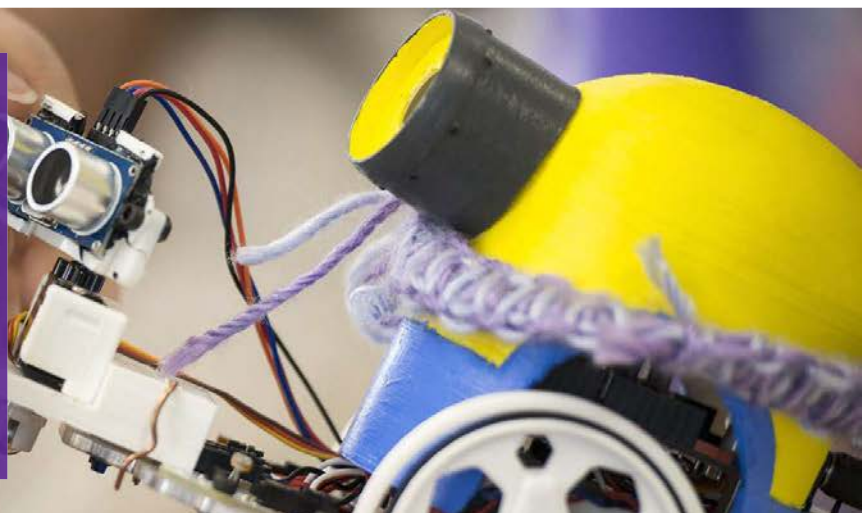
Recycling old phones

We also actively encourage our customers to reduce their impact on the environment, more specifically by helping them recycle their old phones. In 2015, together with our partner GoodPlanet, we educated more than 130,000 kids in more than 520 schools who together recycled more than 72,000 phones.



Digitalent

With the first Digitalent pilot project in Antwerp, the Proximus Foundation offered young jobseekers age 18 to 25 eight-week workshops that bridge their traditional schooling with vocational training offered by the regional employment offices. Six months after the pilot project, five participants found a job, five participants continued with other training, and two were still in the orientation phase.



Education & Skill-building

The Proximus Foundation's mission, supporting young jobseekers by means of new technologies, aims to give youth a better shot at their dreams. One of its initiatives is the **Digitalent** project which helps fill the skills gap in our economy with concrete, workshop-based training.

Like the name implies, the project catapults young talent digitally. This year the Proximus Foundation launched the first pilot of its Digitalent project in Antwerp, targeting **young jobseekers age 18 to 25**, no skills necessary. It bridges their traditional schooling - which they often leave without a diploma - with vocational training offered by the regional employment offices.

Digitalent offers a different dynamic to that found in a normal school environment: **eight-week** workshops which are mainly practical, in which theory is immediately applied in concrete mini-

This knowledge in itself might not yet be enough to secure a job. But it will enable them to opt for vocational training through the regional employment office or go back to school if they discover a passion for new technologies.

The project ends by presenting the participants' achievements, awarding certificates and setting up regular meetings with employment offices to help in job placement or further training. Meanwhile, the Proximus Foundation tracks the participants' progress for 18 months.

The first Digitalent project this year was a success, with the young people developing innovative projects, learning to work in teams and developing digital skills. Six months after the pilot project, five participants found a job, five participants continued with other training, and two were still in the orientation phase.

projects. In addition to the workshops, they develop their talents and entrepreneurial spirit one day per week with the NGO YouthStart. With a regional employment office, they learn presentation techniques, how to write a CV and motivation letter.

Based on these positive results, the Proximus Foundation widened the project to Liège, Brussels and again in Antwerp in the latter part of 2015. In 2016 we plan to train at least 100 more young jobseekers with 9 workshops across Belgium.

Bednet & Take Off

Proximus partners with Bednet and Take Off to keep children coping with long-term diseases or recovering from serious injuries connected with their classmates and to keep up their scholastic activity, preventing them from dropping out. More than 450 children participated in the schoolyear 2014-2015 and we're aiming to increase the number of Bednet projects to 600 by June 2016.



Communities

Proximus aims to help improve the lives of **children coping with long-term diseases or recovering from serious injuries** that keep them out of primary or secondary schools for an extended period. We do this by working with the organizations Bednet and Take Off. These initiatives answer to two of our strategic pillars: communities and education.

The aim is to break the solitude of the children by **connecting them with their classmates and to keep up their scholastic activity**, preventing them from dropping out. Bednet and Take Off do this by equipping them with a laptop and webcam at home or in the hospital, and by installing a camera with screen in the classroom. Proximus takes care of the broadband connections between the two so they can connect.

Thanks to **Bednet**, more than 1,400 sick children from over 800 Brussels and Flemish schools were connected. Nine out of 10 children using Bednet proceed with their friends to the next grade. During the 2014-2015 school year we helped 389 children.

With **Take Off** we've helped more than 400 children from 221 schools and 14 hospitals since 2006. During the 2014-2015 school year 67 children participated in the program.

In September 2015, Synchronous Online Learning has become a civil right in Flanders. For that reason, our commitment to Bednet projects will increase to 600 children by June 2016.

Full CSR Report 2015

The full CSR Report will soon be available on

➤ <http://annualreport.proximus.com>



Governance

Meet our Board of Directors and our Executive Committee

Our governance model

At Proximus the bylaws are strongly influenced by the specific legal status of the company. As a limited liability company under public law, Proximus is in the first instance governed by the Law of 21 March 1991 on autonomous public sector enterprises ("the 1991 Law"). For matters not explicitly regulated by the 1991 Law, Proximus is governed by Belgian Company Code. The key features of Proximus' governance model are:

- » a Board of Directors, which defines Proximus' general policy & strategy and supervises operational management;
- » the creation by the Board of Directors, within its structure, of an Audit & Compliance Committee, a Nomination & Remuneration Committee, and a Strategic & Business Development Committee;
- » a Chief Executive Officer (CEO) who takes primary responsibility and ownership for operational management (including, but not limited to, day-to-day management);
- » an Executive Committee which assists the CEO in the exercise of her duties.

In December 2015, a new law was adopted by the Belgian Parliament with the purpose of modernizing the 1991 Law, especially by the relaxation of certain organizational constraints in order to create a level playing field with competing companies, by aligning the corporate governance to the normal rules for listed companies in Belgium and by defining the framework for the government to decrease their participation below 50 %.

At the next General Shareholders meeting the Board will propose a number of changes to the bylaws in order to incorporate the amendments made to the 1991 Law.

Board of Directors

As provided for in the 1991 law, the Board of Directors is composed of:

- » (1) members appointed by the Belgian State in proportion to its shareholding,
- » (2) with the remaining seats appointed by a separate vote among the other shareholders.

Today, the Board is composed of 14 members. Seven directors are appointed by the Belgian State, the other seven are independent as per 526ter of the Belgian Company Code and the Belgian Corporate Governance Code.



Dominique Leroy



Stefaan De Clerck (1)



Karel De Gucht (1)



Pierre Demuelenaere (2)



Martin De Prycker (2)



Carine Doutrelepont (2)



Martine Durez (1)



Guido J.M. Demuyne (2)



Laurent Levaux (1)



Isabelle Santens (1)



Agnès Touraine (2)



Catherine Vandendorpe (2)



Lutgart Van den Berghe (2)



Paul Van de Perre (1)

Governance report

Read more about the Board of Directors in the 2015 Governance report.

» [Download the pdf](#)

Directors' remuneration in 2015

The principles governing the remuneration policy of the Directors were established by the General Shareholders' Meeting of 2004.

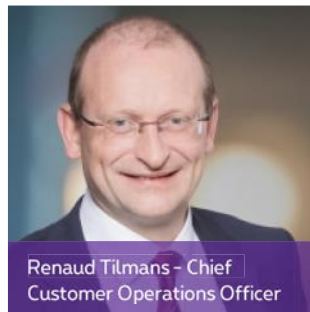
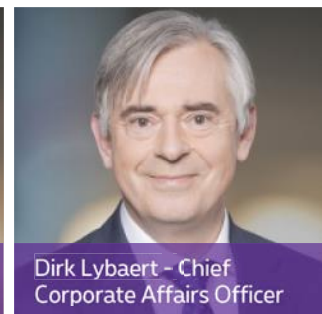
	Chairman of the Board of Directors	CEO	Members
Annual fixed compensation	50,000	0	25,000
Attendance fee per attended meeting of the Board of Directors	10,000	0	5,000
Indemnity for communication costs	4,000	0	2,000
	Chairman of the Advisory Committees	CEO	Members of the Advisory Committees
Attendance fee per attended meeting of the Advisory Committees	5,000	0	2,500

Remuneration report

Read more about the Directors' remuneration in the 2015 Remuneration report.

[» Download the pdf](#)

The Executive Committee



The members of the Executive Committee are appointed by the Board of Directors at the proposal of the CEO, after consultation of the Nomination & Remuneration Committee. The powers of the Executive Committee are determined by the CEO. The Executive Committee's role is to assist the CEO in the exercise of her duties.

Governance report

Read more about the Executive Committee in the 2015 Governance report.

➤ [Download the pdf](#)

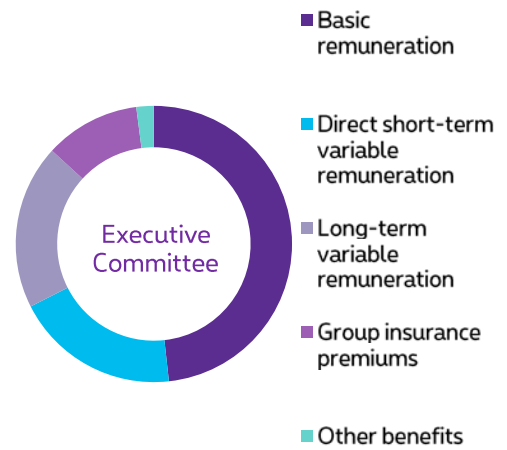
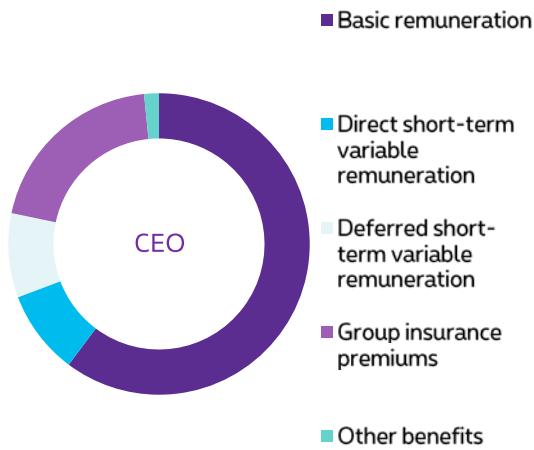
Remuneration of the Executive Committee in 2015

Our company has a balanced executive remuneration policy which rewards executives competitively and at rates which are attractive in the market, aligning the interests of management and shareholders. We want to attract and retain high performing top executives for our Executive Committee and for our senior management. We want to reward clear role models, who have a commitment to high performance and to our Group values.

The Nomination & Remuneration Committee sets the remuneration policy for top executives and submits to the Board of Directors for approval

recommendations on the individual packages for the CEO and for the other members of the Executive Committee. These are regularly verified by benchmarking executive pay against both the BEL 20 companies (financial sector excluded) and a set of peer companies in the European Telecommunications and ICT sector.

The executive remuneration policy is built upon fixed components, being the basic remuneration, the retirement and post-employment benefits and other benefits, and variable performance based components, being the short-term variable remuneration and the long-term variable remuneration.



Remuneration report

Read more about the Executive Committee's remuneration in the 2015 Remuneration report

➤ [Download the pdf](#)



Financial information

2015 was a remarkable year as we delivered – one year earlier than foreseen – on our promise to bring the company back to growth.



We have closed a successful year in which we achieved our growth ambition one year ahead of plan. We transformed Proximus into a growing company, thanks to our customer focus and the strong commitment of our employees. The many initiatives taken for the benefit of our customers in terms of improving our networks, simplifying our operations, enhancing the customer experience and enriching our products and solutions, resulted in a continued solid growth of our customer base in 2015.

For 2016, we aim for continued sustainable revenue and EBITDA growth through the execution of our Fit-for-Growth strategy. We expect to end the year 2016 with slightly growing Core underlying revenue and Group EBITDA, in spite of BICS' high comparable base, the Roam-Like-At-Home regulation and a new, tougher competitive landscape in Belgium.

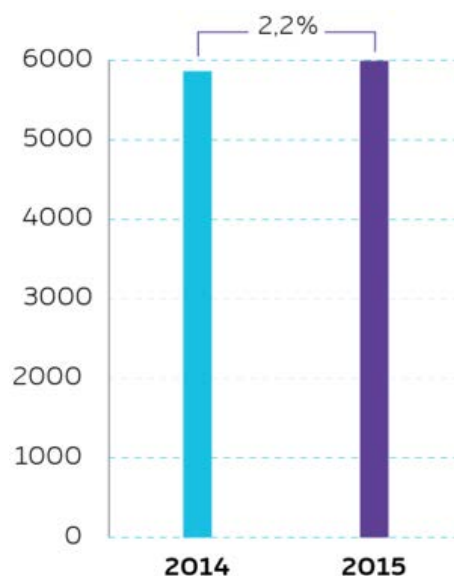
To sustain long-term growth, we decided to raise investments in the fixed network, focusing especially on Fiber to the Business. We therefore anticipate the 2016 capex level to be around EUR 950 million. In line with our previously announced 2014 to 2016 commitment, we expect to return a total gross dividend per share of €1.50 over the year 2016.

Revenue

Proximus Group ended the year 2015 with total underlying revenue of EUR 5,994, 2.2% up from the prior year. This excludes the impact from incidentals, which had especially a favorable impact on the 2014 revenue.

The positive evolution of the Group underlying revenue resulted from both Proximus' core operations as well as from BICS, Proximus' International Carrier business unit.

For full-year 2015, the Proximus Core revenue totaled EUR 4,379 million, a 2.1% improvement from 2014. The revenue growth was for a large part driven by Proximus' Consumer Business Unit (CBU), which posted 3.0% underlying revenue growth for 2015. This was driven by solid revenue from Fixed products through a growing customer base for Fixed Internet and TV, as well as by the growing revenue from Mobile services. Proximus benefitted from its great efforts on customer centricity and its convergence strategy. By offering customers multi-play products it increased the loyalty and value of its customer base. Proximus' Luxembourgish subsidiary Tango too closed a solid year, growing its revenue in 2015 by 11.1%.



The above favorable trends of Proximus' Core revenue was partly offset by a 8.9% decrease in Wholesale revenue, mainly due to an ongoing decrease in volumes from the traditional wholesale business, accelerated by the outphasing of "Snow" following the decision of Base to stop their Fixed triple-play offer. The larger part of the former Snow customers opted however for Scarlet in the first-half of 2015. Therefore, the resulting reduction in Wholesale lines was largely compensated for through Proximus retail offer.

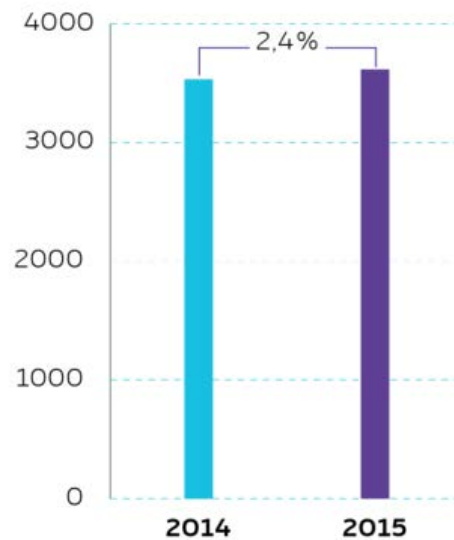
Proximus' Enterprise business unit (EBU) saw its revenue increasing by 2.1% to a total of EUR 1,338 million. Especially revenue from Mobile services enhanced from the prior year, adding 5.6% on a growing customer base and favorable ARPU trend, while the underlying ICT revenue was up by 2.3%.

BICS generated in 2015 total revenue of EUR 1,616 million, 2.5% more than for the prior year. Continuously growing revenue from non-voice and a positive USD currency impact more than offset the pressure on Voice revenue due to lower volumes.

Direct Margin

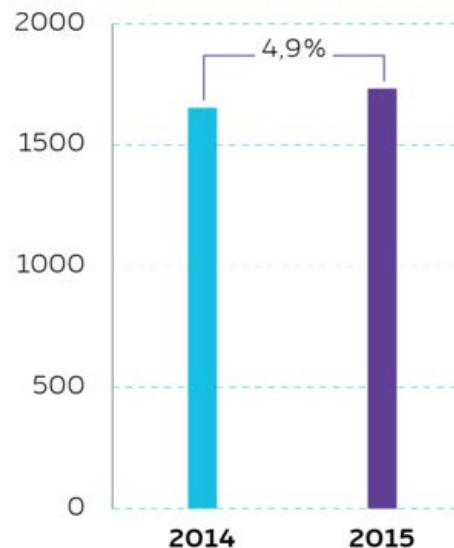
The 2015 underlying Direct Margin of Proximus Group totaled EUR 3,617 million, a 2.4% increase from the prior year. This favorable evolution was driven by both the Core operations of Proximus and by BICS. With the increase in Core revenue mainly resulting from higher margin Fixed and Mobile services, the Direct Margin of the Core business improved by 1.6% versus the prior year to reach EUR 3,340 million.

In addition, BICS' Direct Margin for 2015 totaled a strong EUR 278 million, 13.3% above that of the previous year, resulting from both a favorable variance for Voice and non-Voice.



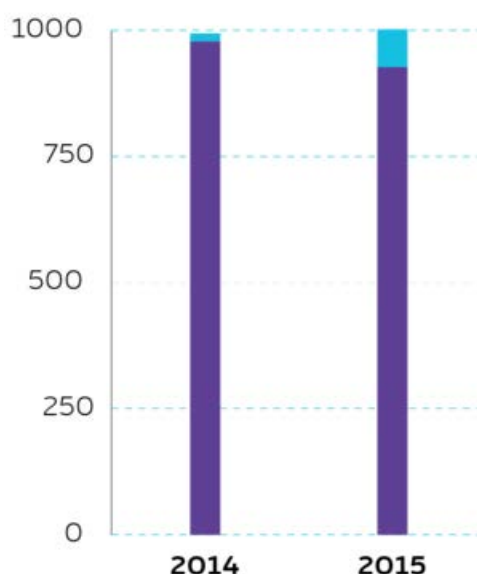
EBITDA

Net of incidentals, the Proximus Group posted for 2015 underlying EBITDA of EUR 1,733 million, an increase 4.9% compared to 2014. The Core operations of Proximus grew EBITDA by 3.6% to a total of EUR 1,573 million. Especially the Consumer segment closed a strong 2015, posting a 3.5% growth in its segment result. The Enterprise Business Unit too closed the year 2015 on a positive note, growing its Segment Result by 2.2%. BICS closed a very strong 2015, with its Segment Result totaling EUR 160 million, 19.1% above that of the previous year.



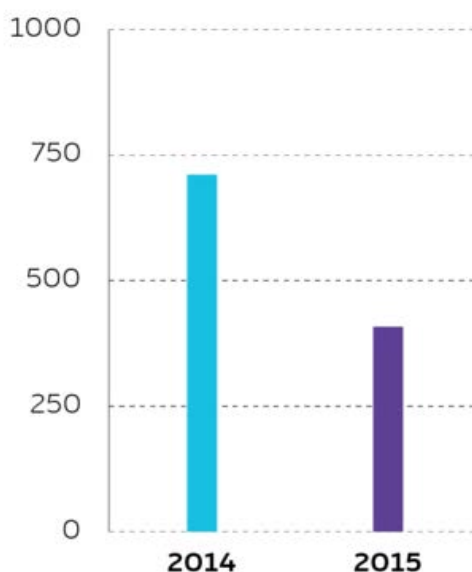
Capex

The invested amount over the year 2015 was EUR 926 million for the Proximus Group, or EUR 1,002 million including EUR 75 million Capex for the renewal of the 900Mhz/1800Mhz spectrum. This compares to EUR 978 million for 2014, excluding EUR 16 million spectrum Capex, yet including the three-year broadcasting rights of Belgian Jupiler Pro league football capitalized in 2014.



Free Cash Flow

Over the full-year 2015, the Free Cash Flow of Proximus Group totaled EUR 408 million. This compares to a Free Cash Flow of EUR 711 million generated in 2014. Year-on-Year, the positive impact from the higher underlying EBITDA was more than offset by less cash received from the sale of consolidated companies and buildings, the payment of a litigation settlement the acquisition of non-controlling interests, higher cash used for working capital and higher cash paid for Capex.



10 year key figures

Download the Financial report to view the full key figures.

➤ [Download the pdf](#)

The Proximus share and dividend

Proximus share performance

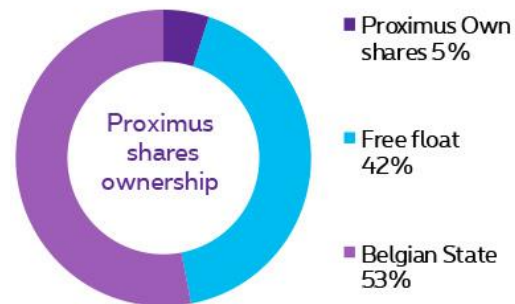
In 2015, the Telecom Sector (SXKP) delivered 24% more return than the wider European index (SXXP). After an impressive 2014 during which the Proximus share increased by 40%, the year 2015 was closed at a fairly stable EUR 30.0, 0.3% lower versus a year ago. This compares to a 13% increase for the BEL-20, and a gain of 8% for the SXKP and 7% for the SXXP.

In 2015, market performance was volatile driven by macro-economic challenges in Greece and then in China, heavy M&A activity in the industry with ongoing rumors of Liberty/Vodafone and other structuring deals, including the end of the Danish consolidation due to the EU commission heavy remedies. The market volatility was further fuelled by a potential stronger competitive environment in Belgium with the acquisition of Base by Telenet, the announcement of Mobistar's entry in the fixed market, and adverse regulatory news with the EU decision to impose Roam-Like-At-Home.

Proximus share ownership

Proximus' main shareholder is the Belgian Government, owning 53.51% of the company's shares. Proximus itself held 4.74% of its own shares end-2015. The free float represented 41.75%.

Of the shares in free float, about 20% are held by retail investors and the remainder essentially by institutional shareholders. Proximus' main institutional shareholders are located in the United States and the United Kingdom followed by Benelux and Germany.



The Proximus share

For more detailed information, download the complete Proximus share pdf here.

➤ [Download the pdf](#)

Shareholder return policy

Proximus commits to an attractive shareholder remuneration policy by returning, in principle, most of its annual free cash flow to its shareholders.

The return of free cash flow either through dividends or share buybacks will be reviewed on an annual basis in order to keep strategic financial flexibility for future growth, organically or via selective M&A, with a clear focus on value creation. This also includes confirming appropriate levels of distributable reserves.

The shareholder remuneration policy is based on a number of assumptions regarding future business and market evolutions, and may be subject to change in case of unforeseen risks or events outside the company's control.

Shareholder return from the financial year 2015

On 25 February 2016, the Board of Directors decided to propose an ordinary dividend of EUR 1.00 per share to the Annual Shareholder Meeting of 20 April 2016. As a result, Proximus expects a dividend of EUR 1.50 gross per share for the 2015 full-year results. After approval by the Annual Shareholder Meeting, the normal dividend will be paid on 29 April 2016, with record date on 28 April 2016 and ex-dividend date on 27 April 2016.

This brings the total declared dividend over the result of 2015 to EUR 490 million.

Furthermore, Proximus' Board of Directors intends to continue to award Proximus' shareholders with an attractive and sustainable dividend. Therefore the Board of Directors reaffirmed its intention to pay out a stable yearly dividend of EUR 1.50 per share (interim dividend of EUR 0.50 and ordinary dividend of EUR 1.00) for the next year to come, provided Proximus' financial performance is in line with its expectations.