

**Belgacom**  
**Presenter: Didier Bellens**  
**Friday 7<sup>th</sup> November 2008**  
**13h00 GMT**

Operator: Please stand by, this is Premiere Global Services, we're about to begin. Good afternoon ladies and gentlemen and welcome to today's Belgacom 2008 Q3 Results Conference Call. For your information today's conference is being recorded. At this time I would like to turn the call over to your host today, Mr. Didier Bellens. Please go ahead sir.

Didier Bellens: Thank you very much, welcome to our conference call on our results of this nine months 2008. As usual some colleagues of the management committee have joined me and we will all be happy to answer your questions once the Q&A line is open. I'm sure you all have gone through our press release and the presentation so I'm not going to run you through our results in detail again. I believe it's fair to state that we held up fairly seeing the difficult market conditions we are operating in. Despite a highly competitive market we managed to grow our customer base. Our financial result is still highly impacted by regulations which largely explains the year over year revenue decrease, however the impact of roaming on the year over year variance will almost fully disappear in the fourth quarter. This brings me to our outlook for the end of this year for which we expect the total group revenue to decline by about 2% while we expect that our EBITDA margin will stay in the region of 33-34%. The Belgacom group CAPEX is still expected to be around 11% of revenue by the end of this year – this excludes the renewal of the soccer broadcasting rights of course.

With this I think that it will be a better use of everybody's time if we just start now with the Q&A, so operator, can you please open the line for the questions.

Operator: Thank you sir. Ladies and gentlemen, the question and answer session will be conducted electronically. If you would like to ask a question please press \*1 on your telephone keypad. Please ensure the mute function on your telephone is switched off to allow your signal to reach our equipment. We will take questions in the order received and we will take as many as time permits. If you find that your question has been answered you may remove yourself from the queue by pressing \*2. Again please press \*1 to ask a question. Once you have asked your question please mute your phone on your side to avoid any undue sound interference.

Our first question today will come from Ulrich Rathe with Dresdner Kleinwort. Please go ahead.

Ulrich Rathe: Thank you, two questions on mobile please, one on mobile data revenue growth. That was a bit weak this quarter I suppose compared with the trends we have seen previously. You are commenting in the report that this is down to messaging but it's a bit difficult to analyse because I think you are consolidating Tango in there as well now. Could you just comment on the underlying trends, the composition, also how we should think about that into 2009? The second question is with regard to the usage growth in mobile where growth in earlier quarters has now turned into a decline certainly in CBU. I was just wondering why is that? Is that just an effect from multiple SIMs or is there an underlying reason why usage growth is slowing down at this point? Thank you.

Didier Bellens: Thank you very much, so for the first question maybe Ray.

Ray Stewart: Just so I understand, when you said the mobile data and then you talked about Tango because most of our mobile data is in the EBU side and Tango is consolidated in CBU, so Tango is not in there. When you look at the mobile data for EBU it's without Tango so you shouldn't try to adjust. Michel can handle CBU I guess.

Didier Bellens: The second question Michel?

Michel Georgis: Yes, for the second question it's a combination of course of different things. Like Didier mentioned earlier we have of course a huge impact in our CBU mobile numbers by the impact of the regulation and I think that it's in total roughly €35 million for both roaming and MTR decrease. Now in terms of usage it's clear that what we see in the third quarter is a slight decrease of the minutes of use, roughly 5-6%. We see that a certain number of our customers consume a little bit less than in the past and the arrival of a certain number of new mobile customers, they consume less minutes also than in the past.

Ulrich Rathe: Ok. Could I just ask a clarification question? So Tango is not in the mobile data revenues, but still the mobile data revenue growth both in EBU and CBU deteriorated significant compared to trends that we have seen in the past so I was just wondering what are the drivers of this particular effect and how should we think about that going forward?

Ray Stewart: This is Ray Stewart, I'll try again. Basically what we did see in the third quarter on the mobile side for sure I'd say both probably on voice and data, in the early part of the third quarter so let's say July-August we saw some weakness, not sure what caused it year over year because we do have some seasonality in there but September clearly saw at the end of the quarter both CBU and in EBU it came back I would say on prior trends, so it's not like it's on a downward spiral.

Ulrich Rathe: Thank you.

Operator: Your next question today will come from Bertrand Kuentzler with ING. Please go ahead.

Bertrand Kuentzler: Yes, a small question please regarding HSDPA CAPEX. In your statement you said that 3G CAPEX including the HSDPA upgrades would actually end up €430 million to this date. I'd like to ask you how much it would cost to double the network capacity over your entire

coverage footprint if that's possible. The second question maybe on Telindus as you're still in the process of selling some non-core assets, could we possibly hope for some margin improvements for 2009?

Didier Bellens: For the 3G and HSDPA that was Scott and Telindus will be for Michel De Coster.

Scott Alcott: When looking at HSDPA and UPA understand that the numbers you threw around related to the 430 million. That's not HSDPA UPA, that's the cumulative spend to get to our 90% coverage of 3G and it includes the remote deployment of HSDPA UPA which we've just begun. I think you're also aware that we have across more than 2,500 sites HSDPA included in that at the 1.8 megabit speed. What we're going to do in the first quarter is we're going to be rolling on HSUPA and the only thing we've said about our future CAPEX plans is that we're going to keep the CAPEX rate flat as we continue to expand the capacity that we need. When we speak about capacity remember there's two issues. We've got the coverage at 90% on 3G and we already have full deployment of HSDPA at 1.8 megabits. What we need to do is monitor what is going on with the customer demand and upgrade the core capacity for additional bit rate on HSDPA only and that's relatively small. I'm not going to give forecasts of what it would take to double that part of capacity as we don't break out our CAPEX spend to that level but let's keep in perspective that that can be done quickly and relatively inexpensively compared to the full 3G build.

Ray Stewart: This is Ray Stewart, just to qualify what we said on the CAPEX going forward, it's not flat per se but that we felt the CAPEX ratio would stay around 11-12% of revenues just to be clear.

Operator: We'll move to a question from Bart Jooris with Fortis, please go ahead.

Michel De Coster: There was a second question on ICT, the divestments were in Q3 in Germany, we will divest eight remaining countries and focus on six major countries which is Belgium of course, Netherlands, France, Luxembourg, Spain and the UK; and going forward the focus will

also be on a set of limited products and services for these six remaining countries so answering completely your question. Taking into account the recession it is very difficult to make statements about '09 so I won't make them.

Bertrand Kuentzler: Ok, thank you.

Operator: We'll move now to Bart Jooris of Fortis, please go ahead.

Bart Jooris: Yes, hello, good afternoon, Bart Jooris at Fortis. Four questions from my side, first of all Telenet is talking to every party regarding an agreement on MVNO. Could you elaborate your viewpoint on that because you are also with the main parties? Second of all coming back on the closing of some Telindus countries, you mentioned some losses in 4Q. Could you give us an idea how high these losses are? Third and fourth are a little bit connected, still no mentioning of an interim dividend in the press release. Could you give us your view? Do we have to expect something later or – and that is of course my fourth question – is there some acquisition in sight for the moment?

Didier Bellens: Ok, fine. I think I'll have to work this time. Let's start first with Ray on the Telindus countries and the potential losses. Ray?

Ray Stewart: It's hard to say right now because we're in some negotiations that's going to depend on the countries in terms of what we could either sell it for or if we can close it down, what the costs might be. So it's really hard to say right now to give you a number. The only thing I'd tell you, I think it's in the tens of millions, it's not in the hundreds of millions or anything like that. That's the answer I can give you right now.

Bart Jooris: Ok.

Didier Bellens: The Telenet question and MNVO, indeed we do have negotiations with Telenet and two other players also. Our position is very simple. We are very open to work with Telenet and to negotiate on an MVNO which means to open our network, but of course there is a condition and it seems to us it's a fair condition. You know we've been working hard to get what we call a level playing field and to have access to their networks so we just stated that if they want to have access to our network and we are ready for that we should have also access to their network, so we've sent them the message very clearly, yes, we do agree to discuss MVNO subject to the fact that they open their networks to Belgacom and that would be let's say a positive side for a telco and broadband in Belgium. We are still expecting their final answer on this point. Regarding the interim dividend I don't remember we did say something in the press release...

Bart Jooris: You didn't say anything, that's why I'm asking.

Didier Bellens: Fine, it's just a personal question which is ok by the way. Interim dividend, you know first every year we are paying an interim dividend and of course it's subject to board approval and I tell you that every year at the same period of the year, so we at the level of the management committee, we are going to the board...I don't know when but before year end by definition and indeed based on what we see in terms of evolution of the business we'll go to propose an interim dividend. We also know that the major shareholder of the company is interested in dividend, it's also a statement I'm making every year to you which means that at this level there is no conflict of interest at least and so let's say I cannot guarantee of course, I tell you that every year but it is reasonable to expect something. So I can say that without going to jail, right?

Bart Jooris: Sure.

Didier Bellens: Ok, excellent. The next point is your question on M&A, it's amazing to see that now after the crisis a lot of people are much less interested in international M&A. Having said that we are going on looking at what's going on in the same countries where we had some contacts in the

past and of course what we see are still two phenomena. The first one, the prices have dropped dramatically which is very good news and that means that our strategy of being disciplined has been definitely a very good strategy and we are very proud of that, so that's the first element. That doesn't mean we should always say "No. No, we are never going to do something". You will see that I have been consistent, Ray has been also consistent. If we find the right opportunity creating value for the shareholders we may be interested if that make sense on top of that, we may be interested in making an investment. Of course in the present circumstances even if we still had a very strong balance sheet I would say we know that we have to be very cautious. We are never going to do a deal without having the financing of the deal so let's be very clear about that. I know that unfortunately some companies have made huge deals without having the financing and they have disappeared – we are never going to do that. So our intention is to be consistent with what we have done in the past, to be very disciplined but in the circumstances we'll see maybe in the future we'll have a great opportunity and in these circumstances we'll move. Having said that we are never going to contemplate let's say something which is huge, it's rather small deals that we can contemplate taking into account the financial situation in the world and the capacity of the banks to lend money. So I think that's the fair view of the situation today. We have not decided yet to close our M&A shop.

Bart Jooris: Ok, thank you very much.

Operator: Our next question today will come from Will Milner with Arete Research. Please go ahead.

Will Milner: Thanks a lot, good afternoon. I'm just digging into the regional split of your business, what percentage of your TV and broadband net adds come from Wallonia? Sort of linked to this have you seen or do you expect to see an increase in pricing pressure in Wallonia as VOO integrates the regional cable operators, and if you don't why don't you? Thanks.

Didier Bellens: Ok, maybe Ray you take the first one, I'll try at least the second one.

Ray Stewart: We don't break out in minute detail regional splits for lots of different reasons, we just don't. Sometimes I think we try to help people understand cumulative market shares that we have by region but we don't get into quarter by quarter net adds broken down.

Didier Bellens: Do you have a further question for Ray?

Will Milner: I wasn't actually after the quarter by quarter breakdown, it was just a rough idea what proportion will own it of course?

Ray Stewart: The cumulative market share which we've given before on broadband, but the rest of it, we really don't get into region by region splits.

Didier Bellens: It's sometimes difficult to say when you speak about the north and the south where you put Brussels. I don't know if it's politically correct. Regarding your question on the impact of the cable operators in the south, it was clear in our view that in the south the cable operators would cooperate one way or another way and would be consolidated one way or the other way and you may surely remember that in the past we said there are different ways and the way they are flowing is probably let's say the most conservative way. Yes, they are merging but they have basically no cash to expand and to invest in the network. They still have to reorganise their management team to put in place let's say all the sales, marketing teams so there's still a lot to be done. They could have done it differently by selling let's say the cable operators to an international player and that could have been more aggressive in the south. But the way they are doing it is differently which is let's say in terms of competition probably better for Belgacom, so we know that it can happen. What we've done during the last years is still our strategy, we are investing not just in the north of the country but also in the south of the country which means that when we talk about acquisition or retention programmes, we do it in the country itself and we



don't separate north and south, I'm just saying in the north we have Telenet so we have to invest against Telenet. For me my position has been always a very simple and easy position. In the south today they are weak which means it's easy to get customers and we have to get the customers when it's easy to get them, then in the north we have to fight against Telenet. We should also be very present in the south and to invest in the south. That's what we have done in the last years and it is also our future. Up to now we have not seen anything having a major impact on our margins, on our revenues, whatever in the south.

Will Milner: Ok, but is your internal expectation that over the next 12-24 months they get their act together and it gets tougher?

Didier Bellens: I meet them sometimes, when I talk to them even if you ask the question the answer is they don't know if they are together or not today, so I cannot answer the question. You should put the question to them. Honestly when I look at the market, when I look at the market shares and the research, I don't have the impression that they have a major impact and they will have to invest massively in their network and then they will have to invest massively in the people. And that will be really the most challenging issue for them because in the south of Belgium the influence of politicians is huge there at the cable operators and that will create a lot of difficulties for the company in my view.

Will Milner: That's really helpful, thanks.

Didier Bellens: Next question.

Operator: We'll move now to Guillaume Tastet with Oddo. Please go ahead.

Guillaume Tastet: Thank you, good afternoon. Four questions please. The first one I wanted to know what is your reaction regarding the letter penned by the European Commission wanting the

pricing in the fixed line to decrease? Secondly I wanted to know if you can give us a little bit more detail on the €50 million provisions you planned for Q4. I think you're talking about more employee restructurings. Should we forecast more departures in 2009? Thirdly can you give us an idea of the sales you realise in regulated lease lines, lastly just a position on mobile growth, if I understand correctly for Q4 we should forecast a growth in line with what we saw in H1 since the slowdown of Q3 was mainly in July and August, right?

Didier Bellens: The communication was very bad so personally I'm not sure whether I understood the question. Who wants to take the question and try to answer? We have a long relationship with Vivian Redding and what she's claiming basically is that some of our prices are high and higher than in other European countries, fine. So in the letter I've sent to Vivian Redding and I don't know how this letter became public I've expressed two elements. The first one is that in Belgium if we compare with Belgian operators, cable or OLO's, based on analysis we are very often the cheapest operator and we have let's say the best solution. So that's the number one analysis and it's completely independent. Number two when we do compare our prices in Belgium with prices in other European countries there again let's say we are very well positioned compared with our peers, maybe not always the best but at least the first half or the first quarter in terms of pricing. So we are not so expensive. I understand that Vivian Redding is looking at the official tariff and she doesn't look at the tariff by the consumer, so one very good example, you know the 'Happy Time' tariff, between 60-65% of our customers use Happy Time. This is the cheapest tariff but if she refers to the official tariff we are more expensive. My letter was just to say "listen, you have to listen to what is used by the consumer, what are all the offers rather than just take the official tariff", so that's basically the point. So I sent the letter, there were two exhibits. One was the exhibit made by "Test Achat" and the other one the full analysis about prices across Europe prepared by the European Commission where they show themselves that we are in a very good position. On top of that when you talk about prices it's very difficult to compare things in Europe. In Belgium especially in the south people are listening a lot to French television and the offers there and are sometimes indeed attracted by the prices of some of the packages, but

there you have to figure that these prices are limited to some cities and if you are living in the countryside you don't have access to that. My position is a very clear one, it's clear that in Brussels, Antwerp and Liege we can have also very attractive price and then we change the pricing in the countryside and in the smaller cities, but no interest in listening to that. So that's the first thing. The second thing is that the VAT is different from one country to another country and VAT is higher in Belgium than in France. The difference is really a material difference when people compare prices between France and Belgium. So our old prices are really in line or even lower than the prices developed by either European incumbents or peers in Belgium.

Ray Stewart: I'll try the second question. I think you asked about the non-recurring and whether you needed to adjust for the number of people leaving. Basically we're anticipating the recurring that was mentioned in the press release, we're anticipating that maybe another additional 150 employees next year might leave Belgacom under the external mobility project. Now I don't know what you have in your model so you have to decide on that whether you need to adjust something or not, but part of the non-recurring we talked about will be that we're anticipating to have another 150 employees leave the company next year under the External Mobility project.

Guillaume Tastet: Thanks.

Didier Bellens: What was the last question? He has a question for Scott.

Scott Alcott: Ok, I'm sorry, the sound quality wasn't great. We think there might have been a question about regulated pricing on leased lines specifically the Brotsoll regulation, so just to make sure everyone's on the same discussion there was a decision in the BIPT about the regulated rates of leased lines in the country just in September and it was a 50% reduction in the regulated pricing which in fact impacts not just the regulated portfolio but it has a chain reaction on the commercial portfolio as well. This is drafted to be implemented January 1<sup>st</sup> next year, there's opportunities for

comments and changes on it still but it is something that we'll discuss at year end related to what happens for next year but it will have no impact on the results for this year or the outlook.

Guillaume Tastet:       Actually my question was if you can give us an idea of the sales you realised in regulated LL and maybe a potential impact in 2009 from that regulation please?

Nancy Goossens:       Sorry Guillaume, can you please repeat? We didn't really understand your question.

Guillaume Tastet:       My question was actually if you can give us an idea of the sales you realised in regulated LL so we can get an idea of the impact of this regulation please?

Scott Alcott:       We're going to have to come back to you because it's across all divisions. We sell lines in the retail division, we sell them of course in the wholesale as well. He will come back to you with a full breakdown including the regulated impact going forward. Thanks.

Guillaume Tastet:       OK, thanks.

Operator:       We'll move now to Luis Prota with Morgan Stanley. Please go ahead.

Luis Prota:       Yes, I have two questions. The first one is a follow-up on M&A, following your comments Didier in the past you were mentioning...I think it was mid-September when you were mentioning €4-5 billion as a potential room for investment that you had, so on the back of your comments today can we assume that this range is lower and that probably you wouldn't have access to that kind of amount of money and if so what could be more or less the kind of maximum amount that you would be thinking of spending or investing. The second question is on the wholesale leased line regulation. How much revenues are coming from this regulated wholesale leased line? I'm

just trying to figure out what's going to be the impact from the 50% tariff cut from January? Thank you.

Didier Bellens: Ok, thank you for the questions. The wholesale revenue, I think it's the same question as the previous one and Nancy is coming back to you with the answer. The first question on the M&A, of course you know the 4-5, Ray never liked to talk about a figure there because it really depends on what you may buy, the profitability and that's absolutely obvious and secondly the possibility to get a loan from the bank or not. But the message was really number one we do have a strong balance sheet, we still have a very strong balance sheet; number two, yes, we can borrow money. Today we would definitely not go for 4-5 billion because we are not crazy and we are as you know very disciplined; and number three the values of the assets decreased dramatically when we look at let's say the same areas where we were looking in the past. There is one thing for sure, we don't talk about transformational deals. You'll remember you heard about potential mergers between equals and all these kind of things, no, we don't talk about this kind of element. We are just talking about small additions like for instance what we've done in Luxembourg with Tango where we've invested roughly 200 million in Tango and I do believe that makes a lot of sense. Like the Scarlet deal we've discussed already I don't remember how many months ago and we should have announced probably today if we can buy or not Scarlet, it should be today that the court is deciding about competition law and then if it's positive for us that means that we are going to finalise that in the next few weeks. That's what we are talking about but not something really major. Then of course we are going on looking at the potential reinforcement of our activities of BICs, the Belgacom International Carrier business where this business is doing extremely well. I know we don't talk a lot about the business but it's by the way doing well and again for the nine first months we are very pleased with the developments. So the 4-5 billion, don't take it as for granted that we are going to spend 4-5 billion. Of course we are not going to spend 4-5 billion, it's a small amount of money we can afford and we are not going to have any financing problems with that.

Luis Prota: OK, thank you very much.

Didier Bellens: Thank you.

Operator: We'll move now to Dimitri Kallianiotis with Citi. Please go ahead.

Dimitri Kallianiotis: Hello. Just coming back on the question regarding the Commission putting a little bit more pressure on you regarding your price increase, are you getting any feedback from your own regulator and do you think you will be able again to increase prices next year as you've done this year if inflation remains quite high? Also mobile termination, when do you expect to hear an announcement from your regulator and what are your expectations in terms of costs. Just one question, in terms of tax rates, what sort of expectation do you have for this year? It seems that tax rates continue to be much lower than expectations, so what sort of price should we go for this year and any views on more medium term tax rates that we should be using?  
Thank you.

Didier Bellens: So I'll take the first one, the commission. I think it was more a kind of statement about our prices compared with other prices and of course we are doing a lot of lobbying in Belgium at the level of Belgium explaining let's say what our price is compared with other countries and that they need to have a global view. Also people need to treat Belgacom fairly and that let's say the statement of the Commission was not a fair statement.  
Regarding the tax rates, Ray?

Ray Stewart: Yes, I've told people that probably this year they should expect around 24-25% and that's pretty much still in line with what I would look forward to and next year if you put around 25% in your model I can't think of any dramatic changes in the tax laws that's going to change that, so if you use 25% that's probably a realistic number.

Didier Bellens: Ok, the third question was linked to regulation again and question of MTR. It's fair to say that there again we are doing a lot of lobbying. As you know the European Commission told the Belgian regulator that MTR had to be adjusted and that we have to see in Belgium the same terminating rate for Mobistar and Belgacom, that's number one and at a 10-15% difference between Belgacom and Base. That was reasonable for us, we consider that as acceptable and there was a path to go to these results. Now the Belgian regulator agreed to do that and they proposed to act following the result of the European Commission. The way they've introduced the changes has been attacked by Base so it went to court and the regulator has been asked to justify the changes, that's basically the full story. Now what we've done is very easy, we went to see the government and we said "listen, even if the regulator is independent because they're independent, your duty is to be sure that we have professionals there and that they can indeed reflect the decision they have taken into the papers to be sure that we can apply that because the impact is huge and so we've been asking also to review the path to put in place the changes because we've lost one year. So normally they should take a decision next year, probably the second half of next year so that's basically what we take into account but we are going on discussing with the state on this point just telling them it should be done because we have also some argument at a certain stage to go to the court about that. So that's where we stand. We think that we are going to get it but it takes some time, but next year we should have it.

Dimitri Kallianiotis: Ok, just to come back on the fixed line, did you expect to be able to increase again prices next year or do you think now it will be more difficult with pressure from the Commission?

Didier Bellens: Ray?

Ray Stewart: I think for us increasing prices has always been more an issue of competition, not the Commission because we're not even close to any regulated price caps on the products where we

raise prices, so it's not really a Commission issue, it's more of a competition issue. So we'll just have to wait and see what we think the situation is next year and make a decision then.

Didier Bellens: The question of the Commission is a very special one because indeed let's say our prices are not regulated, we have no limit if we want to increase our prices which means that in my view that's not completely the issue. The issue of the Commission is more to look at our official prices compared with some other prices in other countries and test the basis for them to say that when they look at Europe at their level they think we are expensive. Having said that this year we've increased our prices and nobody has complained. Last year as far as I remember we've increased also our prices, nobody has complained and the point is competition in Belgium, ok?

Dimitri Kallianiotis: Thank you.

Operator: We'll move now to James Britton of Nomura. Please go ahead.

James Britton: Thanks very much, just one question really. On broadband ARPUs in both consumer and enterprise, the ARPU figures seem to have come under a bit of pressure this quarter so I just wanted to find out how we make sense of that when they were flat year on year at least in the last quarter, is it due to promotions? Is it due to more broadband plans now falling within bundles and should we expect this pressure to remain in place going forward?

Didier Bellens: We'll let Michel start with the consumer.

Michel Georgis: Yes, we see indeed a small decrease in the broadband ARPU for the consumer side. It's mainly driven by the packs where we have of course a certain number of promotions. If you make the comparison between the ARPU in Q2 2008 there we had an exceptional correction that explains partly the drop in the ARPU because otherwise it's roughly a slight decrease and no more than that.



Ray Stewart: Because if you look at it it's pretty much equal to what we had in the first quarter.

James Britton: And on the enterprise side?

Michel Georgis: It's basically the same. It has to do with the promotion basically so I don't think it's something that is really worrying. Q3 has been with regards to broadband not the best quarter so I think we should look into this in Q4. It's basically promotions.

James Britton: So the trend should improve everything else being equal...

Michel Georgis: I don't think I said that. I said we just have to look in Q4 and see what the trend is.

James Britton: Ok, so we're not sure. Thank you.

Operator: We'll move to Stanislas Coquebert with Exane BNP Paribas. Please go ahead.

Stanislas Coquebert: Hello, good afternoon. I've got three questions, the first question is on mobile contracts in the CBU division. Can you give more colour on whether the level was as high as Mobistar for example in Q3? My second question is on Belgacom TV's strong performance, is that sustainable or is that due to some kind of promotion or offer? My third question is on line losses, is that related in any way with the release of 'Monster Pack' by Mobistar and is this level going to be roughly the same in the full year '09? Thank you very much.

Didier Bellens: Maybe Michel you'll take the question on Belgacom TV.

Michel Georgis: I would say that the results for the third quarter are quite good. I would say that's also why we showed the numbers with the second stream users where you see that in the third

quarter there is also a certain increase of the second streams linked also to the further rollout of the VDSL2, that increased capacity and visibility the take up of the second stream but otherwise we continue to be very successful and fully in line, still a little bit above the guidance we gave and we will of course see this type of trend probably also in Q4 in terms of second stream. Can you repeat the question regarding mobile data?

Stanislas Coquebert: Yes, the question is on mobile contract net adds in CBU's this quarter.

Michel Georgis: Ok. First of all you have to see that there is an increase of the numbers of net adds total prepaid and post paid because we move from a 24k in the second quarter to 33k in the third quarter. The good news also is that those net adds are coming from our own Proximus brand. Now maybe an explanation regarding the split of the figures between the net adds postpaid and prepaid because you see in Q3 quite a drastic decrease of the post paid which mainly explains the fact that we introduced in Q2 a product called 'Automatic Reloads' that was launched. In fact the definition of that product: it's a customer that signed a contract with a fixed term contract and commit the effort where prepaid cards are reloaded for a fixed amount of €10, €15, €25 or €50 and that we report in prepaid. You would have for example totally different figures if we would report them in post paid and in fact the Auto Reload is a customer with an invoice, that's the main explanation. We need also to make sure that our churn was under control because you saw in the third quarter an increase of our churn and we see in the months of August and September already a good decreasing trend in the churn so a positive effect of this measure of Auto Reload and we are pleased with that.

Didier Bellens: Ok, thank you.

Operator: Our next question today will come from Emmanuel De Feydeau with Natixis. Please go ahead.

Emmanuel De Feydeau: Good afternoon, two questions if I may, first on the guidance. You said last July during the conference call that the new updated guidance is excluding Tango and today you are saying that it is including Tango so could you just confirm that you changed your mind? The second on ICT revenues, in Q3 there is a decrease of 2.8% compared to a flat business in Q2 and more increasing in Q1. Shall we expect an acceleration of the decrease in the coming quarters? Last question on the minutes of use in the mobile activity, just following up a former question. You said that existing customers are consuming less minutes than formerly. Could you confirm this and could you say whether it was only during the summer or both summer and September and whether you expect to have similar trends in the coming quarters. Thank you.

Didier Bellens: Thank you, guidance will be for Ray, ICT for Michel and mobile for Michel Georgis.

Ray Stewart: Number one we try to provide guidance at a very high level for you, not us. I have to tell you this business is so volatile right now, to try to forecast it down to like 1/10<sup>th</sup> of 1% is impossible. So what we have said earlier when we didn't have Tango, when we announced at the half year results Tango was not in our numbers so when we were talking about guidance it was excluding Tango. Now Tango is part of the company so anything we talk about naturally it's going to have it in there and I'm not going to revise guidance on 1/10<sup>th</sup> or another three tenths or four tenths of a percent. We said earlier that the revenues would be down around 2%, not exactly 2%, we said around and we're continuing with that. For people that want to try to get it to the 10<sup>th</sup> of a percent on guidance I'm afraid it's just not going to be there. But the trends are positive with what we see let's say in the latter part of the quarter as I said earlier. Michel will talk to you in a minute on the MoUs but clearly the summer was a little weaker than what we saw in September and we think the stronger tendency will continue. So now we'll talk about the ICT.

Michel De Coster: Yes, with regards to your question on the acceleration of the decrease in ICT, it has to do with the non-core countries and so while we are divesting the non-core countries where we have seen a drop in the revenues throughout the year things should be sorted out by the end

of Q4 and so I think the acceleration of the decrease will be flattened out in Q4 as we expect of course growth in the core countries due to following the focus on the specific portfolios.

Emmanuel De Feydeau: Just on this issue could you split ICT revenues between core and non-core?

Michel De Coster: We haven't disclosed it before so I don't think we disclose that kind of information.

Ray Stewart: What we will do is once we let's say have finished the disposals of the non-core we will tell you exactly how much revenue that represented in our 2008 numbers.

Emmanuel De Feydeau: Ok, thank you.

Michel Georgis: Your question regarding usage and MoU, first of all it's maybe also important to mention that despite a lot of tariff plans in SMS we continue to have a nice growth even if we normalise our SMS traffic with the free ones. Regarding MoU, indeed we had a little bit of a weak start of Q3 but again we saw in September more promising numbers in terms of usage and mainly for the post paid customers.

Nancy Goossens: Any more questions?

Operator: Our final question today will come from Lang Messer with Goldman Sachs. Please go ahead.

Lang Messer: Hi, just a fairly straightforward question from me on the buyback if you could please. I'm just wondering whether or not we can expect to see the same run rate of the buyback continue into the end of the year and into next year up to the approved amount?

Ray Stewart: We see the run rate pretty much continuing along the lines that we've announced in the press release.

Lang Messer: Ok, thank you very much.

Nancy Goossens: Any more questions?

Operator: As we have no further questions at this time I'd like to turn the call back over to you for any additional or closing remarks.

Didier Bellens: I would like to thank you and next time I think we have the road show for the end of the year. Thank you, goodbye.

Operator: Ladies and gentlemen, that will conclude today's conference call. Thank you for your participation, you may now disconnect.