

belgacom

Quarterly Results

P&L Belgacom Group

	Q108	Q208	Q308	Q408	2008	Q109
(EUR million)						
Revenues	1,469	1,485	1,473	1,551	5,978	1,492
Consumer Business Unit	548	553	560	593	2,253	591
Enterprise business unit	675	690	651	680	2,696	640
Service Delivery engine	110	103	102	99	415	98
Staff&Support	9	7	8	10	34	7
International Carrier Services	185	190	207	230	812	217
<i>Intersegment eliminations</i>	-59	-58	-54	-61	-232	-61
Costs of materials and charges to revenues	-469	-479	-487	-540	-1,975	-511
Consumer Business Unit	-124	-127	-139	-164	-553	-166
Enterprise business unit	-212	-220	-198	-215	-844	-198
Service Delivery engine	-29	-23	-21	-19	-93	-16
Staff&Support	-1	-1	-1	-1	-3	0
International Carrier Services	-157	-160	-174	-195	-685	-184
<i>Intersegment eliminations</i>	52	52	46	54	204	53
Personnel expenses and pensions	-280	-282	-281	-281	-1,124	-281
Consumer Business Unit	-79	-80	-81	-85	-325	-89
Enterprise business unit	-101	-103	-102	-102	-408	-95
Service Delivery engine	-54	-53	-52	-50	-209	-50
Staff&Support	-40	-41	-41	-39	-160	-41
International Carrier Services	-5	-5	-6	-5	-22	-6
<i>Intersegment eliminations</i>	0	0	0	0	0	0
Other operating expenses	-202	-226	-202	-259	-890	-207
Consumer Business Unit	-58	-71	-67	-86	-282	-68
Enterprise business unit	-40	-48	-41	-50	-178	-41
Service Delivery engine	-46	-45	-41	-48	-179	-48
Staff&Support	-55	-59	-52	-71	-237	-50
International Carrier Services	-9	-10	-10	-12	-41	-8
<i>Intersegment eliminations</i>	6	6	8	7	28	8
Segment result	518	498	503	471	1,990	492
Consumer Business Unit	287	275	273	258	1,093	268
Enterprise business unit	324	320	310	313	1,266	306
Service Delivery engine	-20	-18	-11	-18	-67	-16
Staff&Support	-86	-94	-86	-100	-366	-84
International Carrier Services	14	14	18	18	64	19
<i>Intersegment eliminations</i>	0	0	0	0	0	0
Segment EBITDA margin*	35.3%	33.5%	34.1%	30.4%	33.3%	33.0%
Consumer Business Unit	52.3%	49.8%	48.7%	43.6%	48.5%	45.4%
Enterprise business unit	47.9%	46.3%	47.6%	46.1%	47.0%	47.7%
Service Delivery engine	-18.0%	-17.3%	-11.0%	-18.4%	-16.2%	-16.5%
Staff&Support	-	-	-	-	-	-
International Carrier Services	7.6%	7.5%	8.5%	7.8%	7.9%	8.7%
<i>Intersegment eliminations</i>	-	-	-	-	-	-
Non recurring items	0	8	0	-93	-85	0
Ebitda	518	506	503	378	1,905	492

* before non-recurring items

P&L Consumer Business Unit (CBU)

	Q108	Q208	Q308	Q408	2008	Q109
(EUR million)						
Revenues	548	553	560	593	2,253	591
<u>From Fixed</u>	<u>283</u>	<u>283</u>	<u>280</u>	<u>298</u>	<u>1,144</u>	<u>309</u>
Voice	153	149	147	150	599	144
Data	76	80	78	80	313	79
TV	18	20	23	24	86	29
Terminals (excl. TV)	16	14	14	13	57	13
Scarlet	0	0	0	9	9	25
Other	20	19	19	22	80	19
<u>From Mobile</u>	<u>265</u>	<u>270</u>	<u>279</u>	<u>295</u>	<u>1,110</u>	<u>282</u>
Voice	183	185	180	176	723	170
Data	70	69	67	71	277	71
Terminals (excl. TV)	9	12	12	18	50	14
Tango	0	0	17	26	43	23
Other	3	4	4	5	16	4
Costs of materials and charges to revenues	-124	-127	-139	-164	-553	-166
Personnel expenses and pensions	-79	-80	-81	-85	-325	-89
Other operating expenses	-58	-71	-67	-86	-282	-68
Segment result	287	275	273	258	1,093	268
Segment Contribution margin	52.3%	49.8%	48.7%	43.6%	48.5%	45.4%

Operational Consumer Business Unit (CBU)

	Q108	Q208	Q308	Q408	2008	Q109
FROM FIXED						
Number of access channels (thousands)	3,136	3,099	3,078	3,068	3,068	3,048
PSTN	2,223	2,176	2,125	2,071	2,071	2,013
ISDN	45	43	42	40	40	38
IP	15	21	35	54	54	71
ADSL, VDSL	854	859	876	902	902	1,042
Traffic (millions of minutes)	1,263	1,188	1,119	1,231	4,801	1,230
National	1,063	983	927	1,023	3,996	1,022
Fixed to Mobile	101	109	100	107	417	105
International	99	97	91	102	388	102
TV (thousands)	349	391	443	506	506	555
TV - households	313	350	389	441	441	486
of which second stream users	37	42	54	65	65	70
ARPU (EUR)						
ARPU Voice	21.5	21.3	21.3	22.2	21.6	21.7
ARPU broadband	29.8	31.0	29.7	29.7	30.0	28.6
ARPU Belgacom TV	19.3	19.6	20.2	18.5	19.4	20.4
FROM MOBILE						
Number of active customers (thousands)	3,648	3,672	3,705	3,777	3,777	3,787
Pre-paid	2,196	2,199	2,228	2,235	2,235	2,229
Post-paid	1,364	1,389	1,393	1,431	1,431	1,451
MVNO	87	84	84	111	111	107
Annualized churn rate (blended - variance in p.p.)*	19.6%	19.2%	20.4%	18.8%	19.5%	19.6%
ARPU (EUR)**						
Prepaid	24.2	22.5	21.4	22.9	22.8	22.0
Postpaid	40.8	40.3	39.8	39.2	40.0	37.3
Blended	30.0	28.9	28.1	28.7	28.9	27.5
Blended voice	20.7	19.5	18.8	18.6	19.4	17.5
Blended data	9.3	9.4	9.3	10.2	9.5	10.0
Net ARPU (EUR)**						
Prepaid	14.8	14.9	13.9	14.0	14.4	13.3
Postpaid	38.8	37.9	37.0	36.6	37.6	35.3
Blended	23.5	23.5	22.5	22.4	23.0	21.6
Blended voice	17.0	17.2	16.4	16.0	16.6	15.3
Blended data	6.5	6.3	6.1	6.4	6.3	6.3
UoU (units)	218.5	224.6	214.4	244.8	225.8	262.9
MoU (min)	119.3	118.6	111.0	112.0	115.3	107.9
SMS (units)	100.1	106.9	104.3	133.7	111.4	156.0

* Annualized churn is the total annualized number of retail SIM cards (postpaid + prepaid) disconnected from the Belgacom Mobile network (including the total number of port-outs due to mobile number portability) during the given period, divided by the average number of retail customers for that period.

** MVNO included

P&L Enterprise Business Unit (EBU)

	Q108	Q208	Q308	Q408	2008	Q109
(EUR million)						
Revenue	675	690	651	680	2,696	640
<u>From Fixed</u>	<u>470</u>	<u>479</u>	<u>449</u>	<u>482</u>	<u>1,880</u>	<u>444</u>
Voice	157	155	146	150	608	148
Data	101	103	101	103	408	101
ICT	187	194	176	199	756	171
Terminals	18	19	19	20	77	19
Other	7	8	7	10	32	6
<u>From Mobile</u>	<u>205</u>	<u>211</u>	<u>202</u>	<u>198</u>	<u>816</u>	<u>196</u>
Voice	159	164	153	148	624	146
Data	39	40	41	42	162	43
Terminals	5	5	5	5	20	4
Other	2	3	2	3	10	3
Costs of materials and charges to revenues	-212	-220	-198	-215	-844	-198
Personnel expenses and pensions	-101	-103	-102	-102	-408	-95
Other operating expenses	-40	-48	-41	-50	-178	-41
Segment result	324	320	310	313	1,266	306
Segment Contribution margin	47.9%	46.3%	47.6%	46.1%	47.0%	47.7%

Operational Enterprise Business Unit (EBU)

	Q108	Q208	Q308	Q408	2008	Q109
FROM FIXED						
Number of access channels (thousands)	2,000	1,998	1,993	1,987	1,987	1,974
PSTN	693	687	682	674	674	664
ISDN	874	872	868	864	864	854
IP	2	2	4	7	7	11
ADSL, VDSL	431	436	439	443	443	445
Traffic (millions of minutes)	969	944	841	889	3,643	901
National	672	645	572	610	2,499	620
Fixed to Mobile	183	186	165	175	708	176
International	114	114	104	105	436	105
ARPU (EUR)						
ARPU Voice	32.7	32.2	30.4	31.6	31.7	31.3
ARPU Broadband	40.4	41.2	40.4	40.2	40.6	40.1
FROM MOBILE						
Number of active customers (thousands)	1,065	1,093	1,116	1,139	1,139	1,170
Pre-paid*	0	0	0	0	0	0
Post-paid	1,065	1,093	1,116	1,139	1,139	1,170
MVNO	0	0	0	0	0	0
Annualized churn rate (blended - variance in p.p.)	10.2%	9.4%	9.4%	11.4%	10.1%	10.7%
ARPU (EUR)						
Postpaid	69.3	69.7	65.0	64.3	67.0	60.8
Postpaid voice	55.9	56.2	51.5	50.2	53.4	47.1
Postpaid data	13.4	13.5	13.5	14.1	13.6	13.7
Net ARPU (EUR)						
Postpaid	62.6	62.9	58.8	56.1	60.0	54.5
Postpaid voice	50.3	50.6	46.3	43.7	47.6	42.1
Postpaid data	12.4	12.3	12.5	12.5	12.4	12.4
UoU (units)	397.2	411.0	372.7	397.2	394.8	397.2
MoU (min)	371.9	385.9	347.1	365.6	367.7	355.4
SMS (units)	52.0	53.8	53.1	62.2	55.4	66.7

* Prepaid fully segmented as CBU

P&L Service Delivery Engine (SDE)

	Q108	Q208	Q308	Q408	2008	Q109
(EUR million)						
Revenues	110	103	102	99	415	98
<u>From Fixed</u>	<u>90</u>	<u>81</u>	<u>81</u>	<u>78</u>	<u>330</u>	<u>79</u>
<u>From Mobile</u>	<u>20</u>	<u>22</u>	<u>21</u>	<u>21</u>	<u>85</u>	<u>19</u>
Costs of materials and charges to revenues	-29	-23	-21	-19	-93	-16
Personnel expenses and pensions	-54	-53	-52	-50	-209	-50
Other operating expenses	-46	-45	-41	-48	-179	-48
Segment result	-20	-18	-11	-18	-67	-16
Segment Contribution margin	-18.0%	-17.3%	-11.0%	-18.4%	-16.2%	-16.5%

P&L Staff & Support (S&S)

	Q108	Q208	Q308	Q408	2008	Q109
(EUR million)						
Revenues	9	7	8	10	34	7
Costs of materials and charges to revenues	-1	-1	-1	-1	-3	0
Personnel expenses and pensions	-40	-41	-41	-39	-160	-41
Other operating expenses	-55	-59	-52	-71	-237	-50
Segment result	-86	-94	-86	-100	-366	-84

P&L International Carrier Services (ICS)

	Q108	Q208	Q308	Q408	2008	Q109
(EUR million)						
Revenues	185	190	207	230	812	217
Costs of materials and charges to revenues	-157	-160	-174	-195	-685	-184
Personnel expenses and pensions	-5	-5	-6	-5	-22	-6
Other operating expenses	-9	-10	-10	-12	-41	-8
Segment result	14	14	18	18	64	19
Segment EBITDA margin	7.6%	7.5%	8.5%	7.8%	7.9%	8.7%

Operational International Carrier Services (ICS)

	Q108	Q208	Q308	Q408	2008	Q109
(Voice volumes in billion of minutes)						
Voice Direct Routing	1.85	1.82	1.80	1.86	7.33	1.82
Voice Standard Products	0.32	0.36	0.41	0.51	1.61	0.53
Voice Premium Products	1.54	1.67	1.93	2.15	7.30	2.14
Total	3.71	3.85	4.15	4.52	16.23	4.49

BICS volumes included at 100%