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Operator: Good afternoon ladies and gentlemen, and welcome to the Proximus webcast conference. The presentation can be viewed via the web link provided in the invitation and on the Proximus investor relations website. The presentation will be followed by Q&A. We would like to remind you that all questions will be taken over the phone. For your information this conference is being recorded and will be published on the Proximus website.

At this time, I would like to turn the call over to Ms Dominique Leroy, CEO of Proximus. Please go ahead.

Dominique Leroy: Okay. Good afternoon ladies and gentlemen. Welcome to our web conference on our 2017 results. We, myself and my colleagues, will be happy to answer all your questions later on but, for once, before that we will give ourselves some highlights on the results. We will go through some key highlights on the Proximus domestic, some highlights on BICS and then on Proximus Group.

So let me start with the domestic. First on the revenue side, I think we are very pleased to be able to come with a 1.1% growth in our domestic revenue versus our “nearly stable” guidance, so we are a bit ahead of our guidance, and you can also see here on the graph that this growth has been realised through the growth of most of our key products, being ICT TV, fixed data, mobile postpaid, wholesale and business services, off – more than offsetting the decline in prepaid and fixed voice.

If we look at our two main products, broadband and TV, they are the two important revenue drivers for the company, and you see here the market share for our two brands, Proximus and Scarlet. For internet we grew our customer base, again, by more than 3% over the past year, meaning we added a net number of 62,000 customers in 2017. Also, in the last quarter, we achieved good net adds with 17,000 internet customers added, and we achieved the highest internet customer growth in the market despite quite a severe promotions of our competitors. So we were able to increase, again, the market share of our internet products.

Also, on TV, we realised a significant growth, close to 5%, with an additional 71,000 customers. And there, again, you can see that we are winning market share, up to 36.8%. I think this didn't happen just by accident. We had a lot of hard work in continuously upgrading our fixed network; putting our customer on the latest technology; making sure we could also be resilient to the market in the low end with Scarlet; and, of course, last but not least, offer rich content offer across all three main pillars, being music, sport, and entertainment where we have been adding significant content to our Proximus brands by, as you see them here on the slide, Netflix was there, but Studio 100 is now available in the north and the southern part of Belgium, the north is from January. You have probably seen that we have also announced the carrying of BeTV. This is, of course, as from March this year, but I take the opportunity to highlight it as it's an important premium content HBO and Canal+ content that we will now be able to offer our customer in the south.

On sport you have seen we have been able to renew it for three more years, our Jupiler League rights. Also, the full exclusivity on the Champions Leagues next to euro sports, and a lot of other sports offered through our partnership with 11 Sport. And on music, we have Radioline but we also very recently announced an agreement with Stingray which is an important music channel which will enhance our offer in music.

If we now go to the mobile, we see that we have ended the year positively with a revenue up 1.3% for our mobile postpays, although we had quite some headwind with the Roam-like-at-Home regulations. So you see the drivers of that, it's mainly growing customer base where we have added 145,000 Postpaid cards in 2017, our growth of nearly 4%. We did some changes in our prices as from 1st August, offering customer more data but also slightly reviewing our pricing with €1 or €2 open bundle that helped to keep the value. We, of course, also changed some promotional activities and we were able to have more acquisition on the mid and high tier prices plan. And you see as well that the churn remained under control, certainly on the Enterprise market, but also on the consumer market despite low contract and heavy competition.

If we zoom in in the Roam-like-at-Home, you see that the Roam-like-at-Home cost us money but also had some positives, because it increased the number of data users that did roaming, almost double the number of data users, and that they also used way more data per user, 2.5 increase there. So in total, we had way more traffic from data roaming than we had before the Roam-like-at-Home changes.

Also, for the first time, perhaps a bit more zoom in and split on the realisation of Scarlet and Proximus. So you see here that our convergent offer continues to work well, and that with our Tuttimus and Bizz All-in we were able to add 360,000 customers in 2017. We continue to improve the customer mix with more customers on our 4-P offers generated a higher revenue per households while our churn for those 4-P customer is typically low around 3%.

Scarlet, on its own, is doing well in the low-end markets, and you see here that we have reached a 5.8% internet market share with Scarlet on the internet market. So, Scarlet is taking a very big chunk of the low end segment.

If we then look at Enterprise, we see that we have been quite successful in increasing our revenue, driven also by ICT. The business segment grew globally 1.7% and ICT grew by almost 10% on the year. So, the convergence on the Enterprise combining mobile fixed and ICT is a very important driver to maintain, and even grow further, our Enterprise revenue where you see that ICT now representing 38% of the Enterprise revenue.

If we then look at growth area we see that also there we have been able to continue to growth in the areas of the future like security, like Internet of Things, like data analytics and then, of course, the further roll out of fibre in the – fibre to the business will help us in the future to manage the transition towards more digital solutions and new ways of working for Enterprises.

Also, perhaps, to highlight that since March 2016 we have successfully integrated BeMobile, which is a unique – which has a unique position in the market of smart mobility, offering expertise to increase the accessibility of cities; manage and optimise traffic flows through service such as mobility monitoring, dynamic traffic control and electronic ticketing for parking services.

If we then look at the mobile service revenue on the Enterprise segment, although it was impacted by the Roam-like-at-Home we still see a quite good profile with increasing number of voice cards increasing by more than 5%. Also, a strong performance in the machine-to-machine where, I must say, that we keep our leadership in machine-to-machine in the country and the number of users of mobile data which has also significantly increased over the last three years. And this, also, while containing erosion on some more legacy products like our voice and some legacy data we are seeing. Also for the first time, we give you here quite some transparency of the portion of our fixe data solutions that are still, what we call, the legacy, but you see that it's now only 13% of our total revenue, so we have been able to manage that quiet well, I think, over the last year. The same is true for voice where there is, of course, a steady decline, but this decline is also well controlled by the EBU colleagues.

That all ends up into an underlying EBITDA growth on the domestic barometer of 2%. And this includes heavy net roaming impact of 41 million, and if you would take that out you would see a 4.5% domestic EBITDA growth for 2017 which is, I think, quite a strong performance in the current competitive context of the Belgium market. This EBITDA growth has been helped by ongoing control and efforts on our domestic expenses where, so far, we have been able to reduce our cost base by a net amount of 114 million over the past two years. So we are well on track to meet our ambition to reach a net cost reduction of 150 million by 2019.

The lower cost base was supported by the decrease in headcounts. This is largely driven by the early leave plan ahead of requirement which still runs until 2020. To realise this net savings of 114 million we had to reduce the cost base by over 200 million. We – you also see here that half of this gross saving has been reinvested to fuel the growth in the company. Mainly growth in ICT domain; growth in improving the customer satisfaction of our customer for migration to latest technology and Happy House visit; further

investments in the fibre roll out and the hiring of new skills to support our innovation; and also of course in indexation of salary and electricity prices.

So you can ask where did we reduce our cost bases, and here we are trying to give you some explanation. So, the first element is a lot of effort we have done to simplify our network. And you see that we have been able to power down completely all our switches by end 2017, meaning that we have been able to save costs on power and on maintenance. We've also then been able to sell buildings, which also results in savings and also in capital gains. So we will, of course, continue to do network transformation and further empty buildings which will help us to continue to decrease costs in that field over the years to come.

The same is true in our distribution channels where we have been able to get cost efficiency by reducing our footprints in our distribution network and, in parallel, encouraging customer to use more digital channels. There, in that field, you see that we have really been able to increase significantly the e-interactions with our customer by having more customers active on the MyProximus app or web, by interacting with chat bots and by increasing our e-sales share via the website, as a few example of our digital transformation.

Also, we have been able to acquire and continuously acquire new customer base while lowering the expenses of advertising and marketing thanks to our: one, the merger to Proximus, but also to a better management of our advertising and marketing cost by focusing more on the right messages and the right channels.

So after two years of important savings, we're still confident that we will be able to continue to drive gross cost savings through further companywide transformation. And we are planning annual gross cost savings in the range of 75 to 80 million for the coming three years.

So further, also, a few highlights on some elements where the company is really putting a lot of energy on, which is the further transformation of the company in three important domains: the digital transformation, the IT transformation, and the further the network transformation.

So if we look at the digital, we see that we want to really further decrease the calls – the volumes in our call centre by increasing the interactivity through e-interactivity with our customers and by improving productivity with, for instance, a very great focus on first time right and new IT system that allows 360° views on our customer. We count also on more digital customer interactions, for instance the Proximus Forum, which is a kind of self-help tool which is already adopted by a few 100,000 of customers and is showing a strong increase.

Also important is to really use better our data and advanced analytics to further decrease costs but also increase customer revenues. So, we see that data inventory can delivery tremendous business value when we turn it into meaningful data catalogue. We have, for instance, a collaboration with real impact analytics where we bridge network and market data and we really then have the tool for us to do smart CapEx and user-friendly apps for network deployment decisions. We use predictive analytics and model factory to build a lot of models, historically mainly in the region of the CRM area where we have predictive and prescriptive models, but more and more in use cases in the operational efficiency and throughout detection. We also more and more have, in terms of competency, on deep learning where we use big data technology, graphical processing units and data finding using Python open source where we really start exploring new data analytics where we are exploring the power of neural networks, and that we think that will also help us to drive better customer upsell, cross-sell, and reduction of churn as well as better operational efficiency.

If I look now at the network transformation, we see quite a big transformation ahead of us. You all know that we have started to deploy the fibre, fibre to the home and fibre to the businesses. We have started to roll out in seven cities and 72 industrial zones in 2017. We plan to further do 17 cities and communes in the coming two years. We are also continuing to accelerate the upgrades of our mobile network, where we will build new sites mainly along railways and some more rural area, but we will also deploy 4.5G over

a few thousands of sites in the next year to make sure that we can keep up with the capacity and the speed demand of our customer. For 5G, we will do tests in 2018 and while we roll out fibre we will also install extra small cells so that they are backhauled with fibre.

And last, but not least, in the second half of this year we start with the big upgrade of our transport network where we will start the upgrade of 800 nodes with new cards. This will allow us to cope with the expected steep increase in peak traffic where you see here that we plan to upgrade interfaces from 10 to 100 gigabits per seconds to cope with that increasing traffic growth on our core network.

On the IT transformation, three big buckets, the first one is to finalise the fully convergent IT stack for market services, where we have a completely new stack for all our fixed and mobile and converged product. We have also started a new green field IT system for the Enterprise customers, and we have done several proof of concepts on process automation that we will further roll out in this year.

Also, new – two new technologies will be introduced in terms of network functions, virtualisation and software defined network where it will enable us to lower cost to serve; reduce the time to market; and enabling us to come with new offerings. It is, of course, triggering a large evolution in the telecom industry, and this will normally result in considerable Opex saving as you can see here, 14% of opex savings on the second bracket and up to 36% on the third one. Of course, we will do that as we renew the technology and as we renew systems into new systems and you see here already a few new projects that we will start in 2018. So, we are certainly doing quite a lot on our networks.

And as also important driver for potential further cost reductions, it's everything we do in process automation, in natural language processing but also some tests like testing drones to improve and reduce the cost of maintenance of our mobile network and potentially helping our field technicians through the use of augmented reality.

So you can see a lot that has been done but still a lot that we can do and that's why we are quite confident that we can continue our current strategy of growing our revenue, decreasing our cost, and proving a slight growth of EBITDA that help us to fund the one billion CapEx that we plan to invest in 2018.

Right now, a few words on BICS, because very often BICS is not that well known, and I take the opportunity and also the opportunity of the TeleSign acquisition to highlight some elements on our international carrier service subsidiary. First of all, the direct margin of BICS is mainly driven by the contribution of the non-voice products. You can see here that already back in 2014 we have been able to generate more direct margin from non-voice products that are growing versus the voice products which are eroding but are still generating a strong cash flow.

If I zoom in on the non-voice direct margin we see that the growth is driven mainly by an increase in the usage of messaging where it used to be very much person to person messages, we see now a strong increase of application to person messages, and those ones are showing a steep growth, and this growth will be further accelerated by the contribution of TeleSign, which we consolidated in BICS since November 2017.

If we look at the voice, the voice market is eroding and, of course, this is also reflected in the financials of BICS. Although BICS keeps a top position in the voice market you see that the voice market are decreasing since end users turn more and more to alternative means of communication. The impact of the revenue decline was, however, contained on direct margin. And even more important from a cash perspective, the voice business still provides a strong contribution thanks to the scale that BICS has built over the year and also the very good operating leverage and competencies that BICS has in the domain of voice.

If you look at the overall EBITDA, EBITDA of BICS has been a bit under pressure over the last two year, while knowing that 2015 was a very high year with exceptional good results for BICS. The change in revenue mix and some investments in growth and the currency impact have reduced the EBITDA of

BICS, as shown on the graph. But you can see as well that BICS is a very CapEx-light business, and that it is still generating a very substantial amount of cash flow contribution to the group.

One word on TeleSign. I mean, TeleSign answers to three strategic domains where we want BICS to expand. It's first expanding its customer base; offering additional solutions; and thirdly driving geographic expansion. If we look at TeleSign, we have a customer base at TeleSign which is very complimentary to the one of BICS. TeleSign has more than 500 digital companies as customer, including 20 of the top 25 internet brands like Microsoft, Facebook, Google, Netflix. With TeleSign, BICS also acquires expertise in security solutions. The account security platform of TeleSign is trusted by the world's largest brands to prevent online fraud. And a third, BICS also accelerates its growth ambition in the A2P market, and this is visible in the non-voice volumes of BICS. And TeleSign is a US based company and, in that sense, it reinforces BICS in a geography like Americas where it is currently less present.

If we look at what BICS and TeleSign can bring together, together we create the first end-to-end communication platform as a service or, as we call it, a CPaaS provider. TeleSign is now best positioned because it integrates both the software and the global carrier grade network. There are no other players currently that benefit from a full owned global network infrastructure, combined with an extensive reach of the mobile community. This offers a strong differentiator and enabled BICS to demonstrate from a strong competitive edge and advance into the future of cloud communications. So more synergies will be created over the years and will allow BICS to further increase its market share in the United States. So, so far, we are quite happy with the TeleSign acquisition and although it's early day we can only confirm that it is delivering the results in line with expectations.

So last word on the group, if we look at our results 2017, we delivered well in line with our guidance with the domestic underlying revenue growth of 1.1%; and the group underlying EBITDA growth of 1.5%; and a CapEx which is one billion and one billion 92 and if you then include the football broadcasting rights of the Jupiler Pro League and the Champion's Leagues which were not included into the guidance.

If we then go to the outlook or 2018, there we see that we plan to deliver nearly stable domestic underlying revenue; a slight growth on the group underlying EBITDA; and a CapEx which will be around one billion and we will distribute €1.5 dividend in 2017. And we plan as well to continue to distribute €1.5 in 2018 and 2019 according to our current plan.

So with that, quickly – as quickly as I could, so the first part which is the introduction, and I hope it gave you a bit more flavour about the results 2017 but also the path forward and some highlights on the BICS. I think we should now hand over to questions. Thank you very much.

Operator: Thank you. Ladies and gentlemen, we will now begin our Q&A session. If you wish to ask a question, please press the code 01 on your telephone keypad and you will enter the queue. After you are announced please ask your question. We kindly ask you to not use microphones or headsets when asking your question. If your question has been answered, you can remove yourself from the queue by dialling 02. So, once again, please dial 01 to ask a question.

We have a first question from Roshan Ranjit, Deutsche Bank. Please go ahead.

Roshan Ranjit: Questions – two questions please. Firstly, I just wanted to get a sense of any initial impacts you may have had from the price increases which you put through up at the beginning of the year. I ask this question because, I mean, typically all competitors in the market to put through price increase. At the same time, I think this year you guys have been the only one to put through thus far. So any colour there would be good.

And secondly, I think in the coming weeks, we should be getting some initial feedback in the fixed market review. I just want to get your latest thoughts on mutual access points and any potential areas Proximus has identified where – that you will be keen to maybe get access to the coaxial cable network. Thank you.

Dominique Leroy: I will give a first go. I think on your price increase, I mean, we have done two reviews of the price. One was last year in 2017 in the summer where we offer our customers significantly more data buckets, and we linked that with a slight increase of €1 or €2 of our mobile prices.

And we have done a price increase beginning of this year, mainly on old fixed products for mainly also to try to push migration of customers towards our new products. And I think those two price increases has passed well into the market and were understood by the customer as a way to either give them more data or a way to bring them to more convergent products, where I think they contain more value for the customers.

Concerning the market review, we have given all the comments on the market review beginning of – end of last – sorry, end of last year. Since then, we have had some meetings with BIPT to clarify some element of our position. And today, we are just waiting for the BIPT to issue their new draft market analysis, which will be filed towards Europe. And we think the draft will be made public around – after Easter. Access on coax, to be honest this is something we have no clear view on today. But according to all the legal cases we had before, normally we should have access to coax for the small part of the network, so what they call reasonable access. So we have no current view on that. We will see in the new draft if that is – if that's still in there. But it will anyhow be a reasonable access, so it will not be a game changer for us. It could just be used to complement some of our network, where we already have 94% VDSL coverage. So where we have our own VDSL coverage, I don't think we would need to use coax. So we are talking here about a very relatively small coverage of the population where we could use it.

Roshan Ranjit: And just on that point, I assume that's quite a uniform coverage nationwide on that 94%?

Dominique Leroy: Yes. I mean it's in detail, more in the rural area. But also, at the end of our copper loops we don't have VDSL coverage. There we are looking currently in different technologies, which are either ultra-vectoring, as we call it, or new routes that could be the routes with microwave connection back hold.

So there are also, for us, alternatives to bring VDSL or high internet speed further down our network. Also in rural area, we are currently testing what we call fixed mobile bonding, where we have done some tests on some communes in Wallonia with some very good results. So we are also, from all sides, looking at further technical solutions to bring further high-speed Internet coverage on the places where we currently do not have VDSL coverage.

Roshan Ranjit: Great, thank you.

Nancy Goossens: Do we have next question, please?

Operator: We have Ulrich Rathe from Jefferies. Please go ahead.

Ulrich Rathe: Thank you. I would have two questions, one is on the ICT growth within Enterprise. First of all, that obviously was quite strong in the quarter, it was accelerating further with the third quarter; if one looks at it also overtime it looks like a relatively steady acceleration. I was just wondering, is there a pattern here? And or is it sort of just volatility? I'm just trying to find out where this is heading and what the drivers of this are at a high level.

And then really the second question is still related to that, if I look at your outlook for almost stable revenues, could you sort of just comment on the general composition here in terms of what you think device revenues would do within that, what these ICT revenues would do, and then what the extra service revenues would do to that? I mean, I understand you would probably not guide for it, but just sort of give us a general picture where that downdraft on revenues comes from, if that's really service revenues or it's, for example, device revenues that you expect to come down in 2019. Thank you.

Bart Van Den Meersche: This is Bart. So for your first question on the ICT growth, its indeed we have a strong growth in ICT in Q4 and also over the year, the Q4 is exceptionally strong. So we had a record

revenue year in Q4. As I have said at the previous occasions, ICT is, of course, a more volatile business than the Telco business. So in ICT, you have basically three components; you have the products, you have the onetime services, and you have recurring services. That makes that the business is more volatile than the Telco business.

At the same time Q4 traditionally is a strong quarter because very often, customers in Q4, they still have a budget that they use. So the year budget that helps also. But that is basically – so it's not something you can extrapolate and you have seen that in previous quarters. As such, of course, we continue to invest in ICT. We continue to invest in our solutions. As it was mentioned by Dominique, you've seen that we have reinforced our solutions in security for instance. We are reinforcing our solutions in mobility, we are reinforcing our solutions in IoT, analytics. And so it's clearly that it remains a growth area for us.

Sandrine Dufour: Okay. So as far as – Sandrine speaking. On your questions on the revenue outlook for 2018, I would say that we'd expect roughly the similar trend which was there in 2017 in terms of where the growth is coming from and in terms of where we have erosion and pressure on the legacy products. But what I would like to add maybe, and we've been giving some transparency on this in the Q4 report, is also the impact from roaming in 2018, which actually, on revenue, is going to be a bit different than what we had in 2017. It's – you know that Proximus and Belgium have been so far the net receiver, meaning that there was more data consumed from Europe than we've seen in Belgium. And what we start to see with the elasticity effect of Roam-Like-At-Home is that, with some geographies, this trend is reversing, and we see more data consumed by Belgium customers in Europe.

So our focus has shifted to more minimize our costs rather than, so far, maximize our revenue. So all the benefits we could see in 2017 from capturing high growth in roaming revenue is going to change in 2018. And we expect that this will put a drag on our 2018 revenue. So I think you should have this in mind when looking at our guidance. And we've given you our assumptions on the negative impact that roaming may have in 2018. Of course, this comes with a series of assumptions, depending upon volume elasticity. But you can see that we expect that it could have a negative impact on revenue of €39 million this year, which is much higher than negative impact it had on revenue in 2017.

Ulrich Rathe: That's very clear. Thank you very much.

Operator: We have Nicolas Cote-Colisson from HSBC. Please go ahead.

Nicolas Cote-Colisson: Thank you. Hello, I'll start with the cost saving plan. Sorry, I'm not sure I've completely understood the €75 million to €80 million OpEx cut in the next three years. Is that gross savings? And does it mean that the €150 million will be exceeded in 2019? Also, the non-labour cost contribution was a main driver for OpEx cuts in 2017, which was not the case in 2016. So my question, I guess, is whether it is labour or non-labour cost that will drive the savings in 2018 and 2019. Thank you.

Sandrine Dufour: So Nicolas, Sandrine speaking. On the indication we're giving for 2018 and beyond, it's certainly a gross saving that we are focusing on in the tune of €75 million to €80 million. And the ambition we gave of delivering €150 million is a net cost reduction between 2015 and 2019. And over 2017, we did decrease the net OpEx by €55 million.

Now as to what's coming next, we explained where we are reinvesting in our costs, and that's the difference between the gross and the net. And as you know, workforce, non-workforce – the workforce cost reduction is fuelled largely by our early leave plan, reduction of FTE. But there are also elements of wage indexation in Belgium, which is increasing, as well in our cost structure, and there's a bit of a change in, I would say, the pension cost in Proximus also that has a negative impact on our workforce cost for the years to come. So it will largely come from non-workforce where we continue to put the effort which were described to you in the forms of digitisation, simplification and the various transformation that Dominique has just described.

What I would like to add is that the conversion from gross to net that we've been seeing in 2016/2017 will be less important in the years to come. And what I would also like to emphasize is that when we grow in

the ICT business, that comes with increasing our workforce because it's a people-intensive business. And that, of course, in the end, is contributing positively to our EBITDA. There's a bit less operating leverage in the ICT business, but that's part of the difference between our gross and net OpEx reduction as well.

Nicolas Cote-Colisson: Okay. That's very good. Thank you, Sandrine. May I ask just a quick follow-up question on EBU and ARPUs? The broadband ARPU was up in Q4. Is that kind of new trend, or is it a one-off? And same thing on the mobile ARPU for EBU at minus 3.2% in Q4. Is that assumption of a pricing pressure when you sign a big contract? Or is that something that will not improve in the coming quarters?

Bart Van Den Meersche: This is Bart. Can you please repeat the first question? I didn't get it right.

Nicolas Cote-Colisson: Yes. On the broadband ARPU for EBU, it was up in Q4, I think. I was just wondering if it was a new trend because it was a bit of a contrast to the previous quarters.

Bart Van Den Meersche: Okay. So first of all, in terms of the broadband ARPU, it is – as we say, we always have a combination of, one, we have the legacy products that we're out phasing as has been explained by Dominique; and at the same time, we have the uptake of the fibre, the new rollouts. So it's a combination that is – that we have going on for the time being. But it's difficult to give really a trend in that one. If you look into the mobile ARPU, there, it has been driven negatively by the roaming, and that will continue. At the same time, we have an uptake in data consumption and we hope to continue that way also in that sense. So those are – in both those ARPUs, you have a positive and a negative trend that is balancing each other.

Nicolas Cote-Colisson: Okay. That's very clear. Thank you very much.

Bart Van Den Meersche: You're welcome.

Operator: Thank you. We have Lawrence Sugarman from UBS. Go ahead.

Lawrence Sugarman: Thank you and good afternoon. Firstly, can I just follow-up on Ulrich's earlier question on the Enterprise space, where you broke out the three components of growth. Could you just give a little bit of colour as to whether on the recurring service side, you are seeing a substantial acceleration as the year has progressed, and indeed, what proportion of the growth elements should we think about as that being part of the overall growth within ICT?

And secondly, just on the consumer side, clearly, you're doing very well in a competitive sense over the last quarter. And what I just wanted to understand, has there been anything in the market that indicates that we should think that that competitive advantage has changed into Q1?

Bart Van Den Meersche: Okay, this is Bart for your first question. So on IT, as I mentioned, there is – indeed, one part is one-time services. It's one-time, it's one-time services and products and then you have recurring services. If you would take 2017, you could say by large, it's about 50% recurring and 50% one-time, I mean, just an average. But even that is volatile, I mean, it's not something that you can take as a rule, but I mean I just gave you that figure for 2017, as I said, it's 50% recurring, 50% non-recurring.

Lawrence Sugarman: Thank you.

Guillaume Boutin: It's Guillaume for the consumer question on the very good performance of Internet. Indeed, we achieved a very good performance last quarter on the growth of our broadband customer base. I think what we achieved the best market of the market, of the vision market on that front. And we can really explain that for – by three reasons. First, I think we did a fairly good execution of our Christmas campaign. Second, we have a better churn on last year on the broadband, internet customer base, which is very good as well and also the good performance of the Scarlet brands on the low-end of the market.

I think that there is no reason why these trends should evolve in Q1. And we are continuing on very good grounds on the first weeks of the year.

And maybe a few words on the mobile as well, where we already achieved a nice growth over the last quarter, even if it's a little bit more soft than the previous year, mainly explained by the fact that the conversion from prepaid to postpaid has slowed down a little bit in Q4. So we have to look at the broader market. You have to look at the total number of counts to really understand what happened on the mobile markets in last quarter.

But there, again, we had very strong wind of the year, investing growth on promotion, conversions and joint offerings to keep with the competition and to make sure that we can maintain the level of performance of volumes and value on the market. And we are quite satisfied with the level of growth that we are producing on the postpaid and broadband markets in last year, and we continue to do so next year.

Lawrence Sugarman: Thank you very much.

Operator: Thank you. Our next question is from Paul Sidney from Credit Suisse. Please go ahead.

Paul Sidney: Yes, thank you very much. Good afternoon. I just have a couple of questions as well please. Again, just sort of focusing on Enterprise, you clearly are doing significantly better than your European peers. And I just wondered is Proximus doing anything different in the Enterprise space, either on execution, products or process, which explains the outperformance versus your European peers. And many of whom are really struggling, I mean, the Enterprise sector, or was just the Belgian Enterprise market as a whole in telecoms market is better or more resilient?

And then the second question, in the upcoming regulatory review, I'm sure you'll be looking extremely closely on what the review says about FTTP in terms of access and regulation. I was just wondering, is there a line that if the regulator crosses that you will perhaps scale back your FTTP plans i.e. if the regulation's too onerous, would you consider scaling back your ambitions in FTTP? Thanks.

Bart Van Den Meersche: This is Bart. So we are indeed very glad and proud that we have very good results in EBU. And if you compare us with the European peers, I also see that we're doing actually better than most of them. And so we have a clear intention to continue to do so.

Now, is there something different? There must be something different. But is there a silver bullet? I don't think there's a silver bullet. I mean, it's a lot of things that we're doing that we're convinced of that it's the right thing to differentiate ourselves from our competition, and that makes that we are where we are and that we stay where we are.

And there are so many things like – I mean, of course, customer-centricity and everything that we do, putting the customer at the centre of everything that we do. And I know it's easily said, but it's really something that we do. We have a voice of the customer advisory boards, with representative customers from corporate market, the middle markets, where we explain our roadmaps, where we explain all the things that we plan to do to make sure that it's in line with our expectations.

Of course, we continue to work on our network leadership. We have the best facilities in the market. In the Enterprise market, business continuity is still the most important requirement, and we can say that we have those best SLAs.

We have, I believe, the best customer reach because we have our account coverage, which is unique on the Belgian market. We're playing convergence fully as well fixed mobile, as well as data, but also convergence, Telco, ICT, and more and more now that we have a digital transformation, I think we have the most in Cloud. This is really paying off.

We have been investing in innovation areas for two reasons: one is to create new revenue sources, but also to be more relevant to our customers, as Dominique explained, so that is paying up. So we're doing in IoT what we're doing in data analytics, what we're doing in security, what we're doing in unified communications. All of those elements are very important. We also try to anticipate as much as possible. I have been telling you that – I mean, in fixed voice, there is an erosion, yes. But we try to anticipate, and we have a project, Phoenix, where we bring our customers from the traditional fixed voice to solutions like Skype for business, but in a very structured and organised way. And of course, we have ICT, we have been investing in ICT, and we have been investing in end-to-end solutions.

So, as I said, a lot of elements that play there, and we are convinced that we work on the right topics and that we have to do all those different elements to stay where we are.

Dominique Leroy: Okay. So Dominique on the regulation. To be honest, it's – as I said, it's too early to take any sense on what will be the outcome of the revised market analysis. I think for the time being, we are continuing to roll out our topology and our fibre plan as it was foreseen. Of course, depending on the results of the market analysis, we could, of course, adjust our plan downwards if we don't have the same return on investments as initially planned, or if we have better – not liaised to the regulation, but liaised more to the market uptake if we also see that we get better results from the market uptake, we could even go further and faster with fibre.

So we have a plan, but that plan is not carved in stone. That plan will be adaptive, flexible in function of the return on investments we will have on fibre, and the main element that we will use to scale up or down our fibre investment will be really the return on investments we will get from it. But concerning the regulation, it is now really too early to give you any indication because we are waiting for the review and market analysis of the BIPT for after Easter, so I could comment that in the next results highlights.

Paul Sidney: Could I just have a quick follow-up, please? What was the thing which most concerned you about the original – or sorry, the first draft that we saw last summer regarding FTTP?

Dominique Leroy: I think one of the elements where we have had the most comments on the report was to make sure that we could secure a topology, which was rollout topology for fibre, which was very much a full deployment of passive network up to the premise, which, for us, was a way to deploy fibre with the lowest cost of deployment and the lowest cost of operating costs. And I think that's where we have put most of the explanation about why we had chosen such topology. But we will, of course, have to see what the regulator will decide concerning that in the new report.

Paul Sidney: That's great. Thank you very much.

Operator: Thank you. We have Stefaan Genoe from Degroof Petercam. Please go ahead.

Stefaan Genoe: Yes, thank you. Stefaan Genoe from Degroof Petercam. Two questions, follow-up on the fibre investments. There has been a lot of focus on the accelerated data growth also both – also on fixed with Netflix, et cetera, you've been mentioning that in particular. You are also indicating that you could revise CapEx on fibre depending on the regulatory. Related to the data growth, have you so far seen data growth in line with your strategic plan that you have announced at the end of 2016 or have you seen changes in data usage behaviour of customers, which could change your CapEx plans on fibre going forward? That's the first.

And then second, particularly on B2B. Could you give some more flavour on the competitive environment in the north of Belgium and the south of Belgium? Is there – do you see a particular difference? Thank you.

Geert Standaert: Hi, this is Geert for the first question. With respect to the data growth, in fact, what we see and notice is perfectly in line with the projections that we have made. First, on mobile data, we had anticipated a growth rate of about 70%, and we are nearly to the 70% in reality. On the fixed side, we said also that our traffic would double every two years, and there, we see we are perfectly in line. So all

the investments we're making at the access network sites on mobile or fixed, but as well on our core network are tuned to that growth.

Stefaan Genoe: Okay, thank you.

Bart Van Den Meersche: This is Bart for your question on B2B, and is there a difference in competitive environment in the north and the south. I have to say, it's evolving. You know that, for instance, if you – and it depends also whether we talk Telco or ICT. And again, we try to differentiate by converging the two, so that's very important. But if you would split Telco and IT, of course, in Telco, you have the traditional players. Telenet was initially focused and only present in the Flemish, on the north part of the country. So with the acquisition of BASE, of course, they have now also a national network, a mobile network. And for the fixed, they try to work quite often with VOO. So it's not much different than the south, where you have VOO working sometimes with Telenet and where you have then Orange and Orange is also more national. Quite honestly, we don't have that much of a difference in between the north and the south.

Stefaan Genoe: Okay. Thank you.

Operator: Thank you. We have Matthijs Van Leijenhorst from Kepler Cheuvreux. Please go ahead.

Matthijs Van Leijenhorst: Yes. Good afternoon. Two questions from my side. The first one is, listening to the presentation, it appears that you see an acceleration in the take-up of Scarlet, am I right? And do you also see your customer base spinning down from the high-end Proximus brand to the low-end brand, Scarlet? That's the first question.

And the second one is during the last call, you were quite bullish on this new TV offer, which has started as of 1st January, especially for kids, I believe. And the main idea was to reinforce your competitive position among family households, especially in Flanders, if I'm right. So since we are already in 2nd March, do you have any data points on that?

Guillaume Boutin: Okay. Guillaume speaking. On the Scarlet brand, I won't give you a very specific numbers. But there is such need to be – to have within the Proximus portfolio, the best brand for the entry-level of the markets and the better brands with Scarlet and the best brand for the high end of the market with the Proximus. And so far we are very pleased with the way we are pushing to the market those two brands. With very good traction of Scarlet, as I said earlier, especially on the cost gains but also on the churn. And we see very good improvement on both cost gain and churn rates at Scarlet. I think it's going to continue in the future.

Regarding the new TV offers, it's really too early in the year to comment on those numbers, but we are certainly building very nice offerings around content and the passion points of our customers, which is very key to the future of our growth strategy for Proximus.

Matthijs Van Leijenhorst: Okay. Just one follow-up on the Scarlet. Is it fair to say that you – through the year, that you see a clear acceleration in the take-up of Scarlet?

Guillaume Boutin: The question, maybe around the spinning down of Scarlet is so far, no impact. We are managing to grow the value of the Proximus customer base and fairly manage the value of Scarlet base as well. So we are not afraid of these two brands in terms of impact of ARPU.

Matthijs Van Leijenhorst: Okay. Great. Thanks a lot.

Operator: Thank you. We have Michael Bishop from Goldman Sachs. Please go ahead.

Michael Bishop: Yes. Hi, good afternoon. I have three questions, please. One is actually a follow-up on the last question, and that was just pointing out I think on your chart that the triple-play average per unique household ARPU fell by €2.03 year-on-year. And so I was just trying to tie that together with the

comments so far on Scarlet. Is there is anything else going on apart from the uptake of Scarlet maybe being a bit higher that's driving that triple-play ARPU decline? Because you have raised some pricing as well.

And the second question was related to TeleSign. I was wondering if you could give us what the potential EBITDA contribution will be overall. And then in 2018 I noticed you had €70 million of revenues in the fourth quarter. And is that included in the EBITDA guidance for next year?

And then the – sorry, the third question was just following up on the cost cutting answer earlier. I was just getting slightly confused that I couldn't get back on the slides, as to it seems like you've done €150 million net, give or take, already. And then you're guiding to another €70 million, €80 million gross in 2019 and 2020. So could you just fill us in terms of what are you expecting gross in net in 2018 and then net in 2019 and net in 2020, just to tie those two bits of guidance together? Thanks very much.

Guillaume Boutin: So Guillaume. On the first question on the 3P average revenue per home decline, it's not at all linked to Scarlet. It's rather linked to the effort we put on our customer base to migrate those customers into a 4P play. So it's just the results or the migration of the 3P customers to a 4P Proximus homes. And just to come back on the Scarlet impact, they still represent a very few amount of the total gross additions that we are making at the Proximus Group level. So no worries on that.

Sandrine Dufour: Okay, on TeleSign, a very small contribution from the two months in 2017. We will not provide detailed guidance because TeleSign and BICS are going to work more and together delivering synergies. So on a standalone basis, it's not something that we will necessarily track. It's really merging or at least working together with the same customers and integration, but it's certainly included in the guidance that we gave.

And as for your cost cutting, so the guidance of €150 million net reduction starting in 2015, in 2016 and 2017 we decreased our net OpEx by €114 million. And so what's left to deliver €150 million is €36 million for 2018 and 2019. And as I said, we will not give more in terms of net OpEx reduction because as a component of that, which is like – tied to the ICT growth ambition, which is also having an impact, which can be variable depending on the pace of growth of ICT. So that's where we are.

Michael Bishop: Thanks. That's all very clear.

Operator: Thank you. We have Ulrich Rathe from Jefferies. Please go ahead.

Ulrich Rathe: Yes. Thanks for taking me up again. Just some more clarification questions to be honest. The first one is in your guidance, do you make assumptions about wage indexation in 2018? Or does it look as if there is no indexation? I'm not entirely sure about that.

And the second question would be, I don't think it's been asked before, but the Enterprise Mobile device revenues were rather strong in the fourth quarter. It's really a bit of an outlier, I think, sort of up 60% or so 56% year-on-year. What is that? I mean, I'm not even asking whether it is going to continue, I'm just asking what sort of drove that to this extraordinary level? Thank you.

Sandrine Dufour: So on your first question, in terms of wage indexation, we have the impact of the one which took place in July 2017, which had an impact on six months of the year. And as for 2018, we think there could be one at the end of the year, so very limited impact on the full year. But as you know, it can move depending on the basket of prices of certain goods in Belgium. So as for now, it's an assumption – the assumption we've been taking is that there's very little impact for our 2018 guidance.

Bart Van Den Meersche: This is Bart for your second question on Enterprise Mobile device. The results in the fourth quarter, they were indeed substantially up. But this is also, I would say, a volatile business, a little bit like ICT, because here we're talking large customer projects that are rolled out. So indeed in Q4, we had a number of important deals with large customers, where we included mobile devices that have been installed and delivered in Q4.

Ulrich Rathe: So what is – just to clarify, what is that? Is that essentially just a batch of iPhones that you sort of have sold together with standing up on new large customer? Or how do I think about?

Bart Van Den Meersche: Yes, indeed. It's mainly smartphones.

Ulrich Rathe: All right. Thank you very much.

Nancy Goossens: Do we have any follow-up questions?

Operator: We do. Yes, we have Ghazi Usman from Berenberg. Please go ahead.

Ghazi Usman: Hello, thanks for taking the question. I've got one question for you. Just on the Enterprise – actually two on Enterprise. I remember kind of a year, maybe 1.5 years ago, there was some concern that Orange Belgium would be left with a lot of capacity freed up after the Telenet customers have migrated on to the network. And there's fear around what they might do with that capacity, particularly in Enterprise. I was just wondering if you had any thoughts or are you seeing any aggression from them in the Enterprise space on kind of mobile? That was the first question.

The second question was, again, looking at maybe KPN, I mean, they went through this process of simplification of IT in Enterprise, but it resulted in – I mean the first thing we saw is accelerated legacy revenue declines linked to those legacy platforms before the cost savings started to kick in. And you said that you signed a deal with Infosys in December to accelerate the IT simplification in Enterprise. So I'm just wondering – I mean, in Enterprise, do we – should we expect an acceleration in the legacy revenue decline before the cost savings start to kick in? Or is this a different situation? Thank you.

Bart Van Den Meersche: So this is Bart speaking. Your first question on Orange, it is so that by Telenet doing the deal with BASE, that they lost quite a substantial part of their customer base. Indeed, we expected some increased competitive pressure, but not only in Enterprise. I mean, it was in Consumer and in Enterprise. In Enterprise, we see – I must say we are confronted with increasing competitive pressure. Each time the analyst calls with either Telenet or Orange, they confirm that they target the Enterprise market. That's why, as I said, we are trying to anticipate as much as possible and differentiating ourselves, not only on one element or on one price, but having all those elements that I was referring to before and working on end-to-end solutions instead of going into a price battle. And it works because customers, they appreciate the value that we are generating.

In terms of your question towards KPN and simplification of IT, what we are doing in Enterprise is a full business transformation project that includes IT. But it's more than IT in the sense that we try to optimise what we say – I mean, the project is EXCITE, where we try to excite our customer in every touch point that they have with us, be it in the commercial part, in the ordering part, in the provisioning part, the servicing part, the billing part and so on. And that is what the project with Infosys is referring to. Are we going to see the impact of that very fast? I mean, it's going to be a gradual, phased impact because this project is a project that runs until 2020, so it's a multi-year project.

Ghazi Usman: Great. Thank you very much.

Bart Van Den Meersche: You're welcome.

Operator: Thank you. We have no other questions for the moment.

Nancy Goossens: Okay. Thank you. I think we can end the call with this then. So, thank you very much for joining us. I hope you found this session very interesting. Should anybody have any follow-up questions, you can obviously call the Investor Relations team. Thank you.

Operator: Thank you. Ladies and gentlemen this concludes today's web conference. Thank you all for your participation. You may now disconnect.