Telenet 2016 Capital Markets Day

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John Porter: Good afternoon, everyone. I'm John Porter. I want to thank you all for coming out today for our first Capital Markets day in, I am told, five years, predated me. But a very timely one, because I doubt many people have stood up and tried to articulate the opportunity of fixed mobile convergent M&A and consumer and business strategy. We are -- as usual, Telenet is somewhat in the vanguard in this area, but I am sure that, by the end of today, that you will have a lot more clarity. You will have a lot more confidence in the management team, and you will be as excited about the journey and the business model that we are undertaking as we are. So, thank you very much for your time.

And what we will have as a format is we will have, I think, six -- seven, including myself -- presentations. There will be a couple of breaks for Q&A on -- from the previous presenters, and then we'll have a final Q&A at the end for general questions about anything you might like to clear up at the end of our presentations.

Since we will probably be making more forward-looking statements in one day than we've made in the last five years put together, I would strongly suggest that you spend a little time on the Safe Harbor statement. I'm sure you all know it well, but we will certainly -- this is about looking forward. It's not about we are -- we will be disaggregating and providing more clarity on the numbers, on our starting position as we put these companies together, but really essentially is about really helping you understand and build your models on the opportunity that's ahead in the fixed mobile convergence space, and for our business specifically.

This is the way the day's going to go. We've allotted three hours. And I must say I am delighted and very specifically keen to get members of our leadership team, our management -- senior leadership team in front of you today to talk about their specific part of the business. Many of you get to see me at least a couple times a year talking about the business, and so this is an opportunity to really -- to meet and build confidence in the team overall.

I have to say I've been in cable for 35 years. Just to put it in perspective, I did my first few budgets on an adding machine that -- with tape spewing out the back of it. And we sent our bills out with punch cards. That was 1981, and I'm still hanging around. But, fortunately today, I have the best management team that I have ever worked with by a long shot. I'm very proud of them, and I think, as we go through and we tick off where Telenet is in its evolution, in its journey, and you see the critical thinking and the work and the sort cold, hard -- ability to see the cold, hard light of day through these presentations on where we're taking this business, you will also join with me in believing this is one of the great management teams in our industry.

So, to start out, a brief introduction from myself. As the expression goes, the ancient Chinese curse, we do live in interesting times. There is an enormous amount happening in our industry, and there's an enormous amount happening every day. This is what happens in 60 seconds on the Internet. And I think the real takeaway from this is not just the explosion of data and applications, but no matter what you believe about which one of these applications or entertainment services, or portals, or whether apps are dead or not, or this or that or the other, there's one thing -- there's one thing that's for certain, that these applications which are being embraced by consumer and enterprise require extraordinary access networks, access networks that are not static, that are growing, that are dynamic, providing more features and functionality, and importantly, more capacity and more bandwidth. And that's exactly what we're here to talk to you about today.

The other thing that I think I take away from this slide is that fixed mobile convergence is not an affectation of our industry. It's not something that happens because we can do M&A deals between mobile companies and fixed companies. It's happening because consumers are demanding it. More and more of these applications and this connectivity is happening in the mobile space. Everybody knows that. The big hitters like Facebook, et cetera, are evolving their whole business plans away from the fixed arena and into the wireless arena.

That doesn't mean that fixed is any less critical. Our average customer in fixed uses 62 gigabytes per month. Our average customer in wireless is still only using one. So, fixed is still the backbone, and will be the backbone, of the future. But, wireless is an essential component of providing the customer experience that people are looking for.

It's the same in Belgium. In fact, Belgium is probably our leadership position. Because we have had some of the best networks in Europe in Belgium for some time, we have quite a bit of usage on an average basis. Our customer, Telenet customers, use over 100 megabits of speed -- have an average speed of over 100 megabits per second. But, the things that -- speed and availability, great Wi-Fi networks, and great mobile networks, do is they drive usage. They drive applications.

So, as you can see from some of the stats up here, over half of Flemish households have tablets. SmartPhone penetration has gone from 35% when I got here -- when I got to Belgium in 2013 to around 65% today. There are -- the average household has over four devices in each household. So, Belgium is no exception. And importantly, it's a great and dynamic market to deliver these types of services. Belgians have voted with their feet for quality and for reliability in their networks, and we intend to continue to deliver at that level.

I think Telenet is ideally positioned to deliver against this promise for consumers, and against the dynamics of the marketplace. We have an outstanding track record in delivering disruptive products to the market. If you look back in our history just over 10 years, in 2005 we were the first to offer digital television in the region. We were the first to offer -- to sign up to an

MVNO. We really revolutionized the mobile market with the launch of King and Kong. And we continue in that vein today.

We also have had a great tradition of outstanding customer service. It is a serious differentiator in Northern Europe, I can assure you, to provide an amazing customer experience. We've grabbed ahold of that, and we're going to maintain that, and we'll talk about that a little bit more today.

We were the first to proactively visit our customers to ensure that their Wi-Fi was working to their satisfaction in every room in the house, that they had all their passwords, that they knew how to use all the services that they were paying for, something which has raised NPS on each household that we visit by over 40 points.

We're also pioneers in technology. We have launched award-winning apps, most recently with Yelo TV, which received the best app of the year award in Belgium, but also arguably we have the best sports app in the country, with PlaySports. And we've innovated around our network. We were some of the first to go with the home spot and hotspot architecture. We have one of the densest Wi-Fi mesh networks in Europe. And we have kept up with the pace of growth in data consumption through an aggressive node-splitting strategy, which has now households per node down to below 500, and customers per node to around 350. And of course, as part of Liberty Global, we've also been very innovative around our financing, our balance sheet delivering real value for shareholders and enabling transformative transactions, like the Interkabel transaction, where we picked up another 30% of our territory through a capital leasing structure, or, of course, the most recent BASE transaction.

Not only have we innovated and done smart things, but we've translated that innovation into financial returns. We have compounded -- these are compounded annual growth rates over the last three to four years. we are a market leader in -- when Triple Play was it, was what everybody was hurtling towards, we have grown to -- we have almost -- we have over 60% of our digital customer base in 3P packages, or over a million 3P bundles. We are, once again, arguably one of the most successful MVNOs in Europe with over a million mobile customers, almost virtually all high-value, post-paid customers. And we've been able to continue to grow our fixed ARPU with customers opting in to our services and not by just jacking up rates. This has translated into what I think our shareholders have come to expect, which is very strong mid-single digit growth of just under 7% in both revenues and EBITDA, demonstrating that we're getting real operating leverage into our business model, as well.

So, how do we keep up, and how do we continue to deliver for our shareholders, for our customers, and all of our stakeholder employees the way we have over the last several years? Well, we're doing it, and we're going to explain how we're going -- doing it over the next hour or two.

But, our vision is all about 2020. It's all about moving our capabilities and blending these businesses together, and blending these customer experiences together so -- to deliver one single customer value proposition. For us, it means being the leading converged connected entertainment and business solutions provider in Belgium. That is a 2020 vision. There's a lot that has to happen to make that so. But, I can tell you we've already kicked off the journey. The integration is going fabulously under Patrick Vincent's leadership. And we're on the road. So, we're very excited about it.

That vision is underpinned by essentially five pillars. And these pillars are built on a foundation of looking at our business through the customers' eyes. They're built on the foundation of customer experience. Leading in converged and connected entertainment and unlocking the potential of business solutions is all about using our technology, our capacity, our innovation to deliver the customer experience that people are willing to pay for and stick with. We've got a great track record there. We have almost the lowest churn I believe that I know of in our industry in Europe. So, I think we certainly have the potential to continue with our eyes on the customer to deliver a market-leading experience.

Secondly, again, is to build an integrated network. We already have two networks. What we want to do is take two networks become one network. We want it to become one network because we think about the network in terms of what it does for customers. And what do customers want? They want to be connected 24-by-seven. They want an end-to-end experience. They don't want their experience to vary between their fixed and their mobile. They don't want to have to keep score on their mobile and not keep score on their fixed. They want to have an end-to-end exceptional experience. And by bringing these networks together and thinking about them as one -- and when you think about it, they are blending here. There's wireless components to fixed network. There's fixed components to the wireless network.

So, what can fixed bring to wireless? Back haul, fiber, all kinds of things. What can wireless bring to the other way? More sophistication on radio technology, Wi-Fi, more spectrum, et cetera. So, bringing -- you think about bringing these things together as one, and Micha's going to talk about that, as well.

The integration of BASE is something we have to get right. We bought well. We bought BASE at 4.5 times post-2020 synergies. That's a great buy, and we bought it with almost all debt. So, we were very happy with the acquisition. Now we have to get it right. What has it done for us? Obviously it's created a great platform that we can blend together with our fixed offering, but it's also extended our footprint nationwide. We were a very Flemish-centered company operating only within our footprint, and built our whole ecosystem around that. We now have a vision into where we're going, and ultimately securing profitable growth, which of course we will talk about with Birgit, but we will -- that is, of course, ultimately the objective at the end of the day, is to deliver the sustainable growth profile that you're used to.

Now, let me talk about these a little bit more in detail. Lead in converged and connected entertainment is really -- these are the three fundamental principles of that idea. First of all, superior connectivity. We will continue to lead in technology. We will continue to have the fastest Internet. We will continue to have the most capacity, and we will continue to have the highest quality service Internet in terms of up-time, reliability, et cetera, with very, very deep fiber penetration. Right now the fundamental proposition has been, and will continue to be, we begin where the copper operators end. So, we're building a one-gig network which will obviously, over the next few years, keep us well ahead of the other substantial 4P operator in the market.

Inspiring entertainment. This is a key USP for us. We can maintain our lead in this area, and we can keep video churn and broadband churn down to an absolute minimum because we provide an extraordinary experience on the television. Television is our DNA as a cable company, and we have to get it right, and we do get it right, and we will get it right. We have invested. It doesn't come cheap, and we have invested in our positioning in TV. We have the first Pay TV rights for almost all of the global studios. We have strategic relationships obviously through our ownership in De Vijver Media, but we have strategic relationships also with the public broadcaster around sport. And we're a leader in local entertainment, and actually originating entertainment ourselves with our launch of our first original scripted drama in the beginning of May called Chaussee D'Amour.

But, the other thing we do is what we call amazing experiences, and that's where I'm talking about the customer service. These three things are clear USPs for Telenet in competition in the marketplace, and it's already delivering results for us. You can see 21% of our total customer base is in 4P, and 30% of our digital TV customers take a Pay TV product from us. These are the kind of numbers that you would expect out of pure pay TV players. I mean, cable companies don't do 30% attachment rates of EUR10 to EUR15, and in our sports products EUR15. Our Play More -- our premium SBAD (ph) product's EUR25, and Play, which competes we think favorably with Netflix but with more localness, is EUR10. So, great ARPUs, and a 30% attachment rate. That's what the Skys of the world do. That's not what the, necessarily, cable companies do. So, we're very well positioned there.

Business solutions, we've had a great enterprise business under Martine's leadership, delivering great growth, both customers and revenue. But, we're still a small player in Belgium. We have -- this is the fixed market, EUR1.4 billion. We have a 15% market share, and we are far and away the second largest provider to the enterprise market in Belgium. In mobile, between us and BASE, we have 12% market share, and we are the third largest challenger in that area. So, you might say, geez, you're not exactly hitting it out of the park there. But, the fact of the matter is, that's a great opportunity for us. There's a huge amount of growth, and now that we have the base and fixed together, as

Martine will explain, we tick all the boxes, and we can compete very favorably with Proximus.

Building of the network, it's not a small job. We have -- we're about a third of the way through investing and building a over-1-gig network, and it's going to be fantastic. It could also -- there are elements of this extending our fiber footprint, fitting our fiber into business parks and things like that, that will make this a network that is much better -- easier to monetize. And then, the mobile network, we're going to be building a -- we're going to upgrade a network that will be competitive at the very top end of the market. We can't have customers going from the best fixed line service to the maybe second or maybe third, in some cases, mobile network. They have to be two great networks with offering seamless experience between them.

The integration of BASE, I've already mentioned the customer experience end-to-end. Obviously BASE's biggest driver of this transaction, moving from renter economics to owner economics for over one million customers. That's delivering an extraordinary amount of value for us. Extending it to our nationwide footprint, and the complementary capabilities between the two networks is really coming together through the integration process, which Patrick will talk about a little bit later.

So, in summary, we are, we think, really well positioned with this acquisition with the work that we're doing to secure profitable growth for quite some time to come. Now, obviously we have a year in 2016 while we have to digest this acquisition. We have to get through a lot of dynamics of the mobile market in a period in which we acquired it. We have to assimilate some regulatory headwinds, which are impacting our P&L in the mobile business, both at Telenet and BASE, for that matter.

One thing I can assure is that Birgit will deconstruct this for you so that you have an extraordinary amount of clarity about what that really means by the time you walk out of here in a couple of hours. But, we will invest, and our investments will pay off. So, we are looking at upgrading our 2020 cost synergies from EUR150 million to EUR220 million, so that's a sustainable run rate, synergies of EUR220 million. We have through this transaction optimized our balance sheet. As I said, the acquisition was done primarily with debt. We're sitting at four times right now, and very comfortable there. And obviously as you know, the Company and its directors are committed to not having a lazy balance sheet. Whether it's through accretive acquisitions or trying to return capital to shareholders, we will, in all likelihood, maintaining these levels of leverage and delivering value to shareholders through one or two of those ways.

And the outlook that Birgit will elaborate on about what we're committing to today is to grow our operating cash flow over the 2015-2018 timetable by 5% to 7% with real momentum coming out of 2018, by the way, but we felt that this was the right period in which to give a forecast. It's the same period Liberty Global gave a forecast. And we are very, very -- the management team is absolutely committed to this.

Now, I really firmly believe this transaction in BASE not only has put us in a position to maintain this sustainable growth profile that our shareholders have come to enjoy, but also de-risks that on the down side. If we were sitting in the market and we were just a fix provider in Flanders, I would be more concerned.

In addition to de-risking the down side, I think it really creates opportunities on the upside that we haven't valued yet. So, to stimulate some of your thinking about that, I'm going to hand it over to Dieter Nieuwdorp, who is our Senior Vice President of Strategy and Business Development. And Dieter has really been an architect of this transaction, both strategically and from an M&A standpoint, and also from the standpoint of getting it through the European Commission. And based on what's happening at the European Commission with mobile acquisitions, it may be the last one that ever happens. So, he may be able to put that on his resume. So, Dieter, you want to take it from there?

Dieter Nieuwdorp: Yes. Thank you, John. Thanks. Hi, good afternoon, everyone. So, well, hopefully it's not the last deal we'll be -- the people get through the European Union in general, but we'll see about that.

So, we're not only working on these core strengths that John just explained, we're actually also looking at adjacent markets, so opportunities, new business opportunities in adjacent markets, which are actually each of them building on our core strengths.

And let me give you a couple of examples of things we are looking at. Think this will not surprise you, the Internet of Things. We see a huge opportunity in this one. It is an enormous market, as you know. Well, you know the explosive growth of connected devices. Studies say between 30, 35 billion connected devices by 2019. Obviously Belgium will not be an exception. And we think we can claim a lot of value from that market. So, in the value chain of the IoT, here you see that 15% is around connectivity. Clearly we have our position there, certainly with the BASE acquisition, also once 5G and so on is coming.

But, we want to take more of 15% in that market, and actually all these other core strengths, the service delivery capability we have (inaudible) will allow us to take more than just the connectivity part in this market. We have already announced an agreement with -- around the Sickfox (ph) Network, which is a low power, wide area network typically made for IoT applications, but it's just one step, of course, in our IoT strategy. And you will hear more about that actually, with some very concrete examples in the coming quarters.

Then, a second one which we are particularly excited about this one, is advanced advertising. We have invested in capabilities -- technology capabilities that will allow us to deliver targeted ads to our set-top boxes, and at the same time in the back half (ph), we have delivered -- we've invested heavily in Big Data analytics capabilities, which will actually allow us to leverage data from 1.5 million set-top boxes to deliver valuable insights, of course, to all players in the media vertical and beyond, actually. And you can imagine that broadcasters, advertisers, media agencies (inaudible) are particularly keen to have this kind of data, which of course provide very huge monetization opportunities. So, this is only if you look at the TV advertising markets, in Belgium this is a -- or in Flanders (ph) even it's a EUR1 billion growth markets. I mean, if you can grow this market, this way we will be doing this in an ecosystem. This is not with zero sum game. This is growing the pie and taking your fair share of it, but these are big markets where you see opportunities.

Then, a third one is OTT opportunities. John already mentioned that we have developed some great products. We have our Yelo apps, our second screen app. We have our Play Sports app. Currently we're only offering those to our existing fixed customers. But, since they're so successful, we're actually looking into ways to offering those either to our mobile customers, of which we acquired quite a substantial number with the BASE acquisition, or even to our non-customers who are certainly are interested in our sports offer, or particular entertainment offers. So, we're also looking into that one.

Then, we have new entertainment offers, or services that we can develop. John also said that we actually next week are premiering our first own produced fiction series, which is a very high quality series, and clearly we've actually already been approached directly by international players wanting to -- which are very interested in acquiring these rights. And Telenet Kickstart is the name of our startup project, so we are supporting local startups, not so much from a seed capital and venture capital point of view to get an immediate return on investments, but more from another aspect where we do get a lot of value, which is return on culture. We have our people working very closely with these startups, so any startups get a lot of know-how, which otherwise they would not have access to from our people and senior engineers, and so on. But at the same time, of course, they bring a lot of startup know-how and the real innovation spirit into Telenet. So, this is really a very successful cooperation in the startup arena.

In B2B, the value-added services, a very important growth market. Of course, we are already delivering hosting and security. We're growing in the security market with double digits every year. But, we have -- we are thinking and creating a whole suite of other services that will add to our basic connectivity offer to our business clients, where we see great opportunities.

And lastly, as an example, we have more, but this one is also a very important one, the wholesale opportunities. We have mobile wholesale opportunities. BASE is clearly the leading mobile wholesaler in Belgium, and is very successful in that. It's also very trusted. It's the most trusted MVNO partner or wholesale partner in Belgium. And of course we will build on that strength, and together with our fixed network, we think we can do great things on this sphere (ph). But also, as I mentioned, we can think about the content wholesale. We do things like direct operator billing, where basically it's much more advanced than the other players. So, there are great opportunities in the wholesale arena, as well.

And of course, both in our core business and in all these adjacent opportunities, we are maximally leveraging our great relationship with Liberty Global, our majority shareholder. So, although we're a standalone company, we do benefit greatly from our cooperation with Liberty, both in terms of innovation, so target advertising and new developments of the next-generation set-top box. All these items we do of course in very close cooperation with our majority shareholder, but also on the synergies level, of course, there's best practice sharing, know-how sharing, but we have also direct synergies in global procurements, in treasury financing, all these items of course, and we greatly benefit from this relation.

And of course, you may have known about the new growth phase that Liberty is entering into, the Liberty Go program. And of course, we will clearly also benefit from all the initiatives taken at that level.

So, let me now hand it over to Jeroen Bronselaer, who is our Head of Residential Markets, so he's responsible for product development and go-to-markets for connectivity, entertainment, and he will tell you why we want to lead in connected converged entertainment.

Jeroen Bronselaer: Thank you, Dieter. So indeed, leading converged connected entertainment, we believe we are already there. I'll tell you a little bit about how we got there and what are we going to do to stay there. But on the why, why do we think this is such a beautiful position to be in in this complex and changing world, leading in connected converged entertainment means you can open up a world of possibilities for your clients, right? You can really make a difference.

And if our clients explore this new world through our offers, our connectivity, our network, our services, when they have fun, we have fun, right? When they have fun, our smile actually gets bigger. We believe this is a beautiful position to be in. We are there, and we are absolutely going to do our utmost best to stay there.

Now, how are we going to do that? In everything we do, we live by four customer promises. These are our four commandments. These are our four commandments. Moses had 10, we have four, so we're a very humble company. The four commandments, let me take you through them. Simple. We make things simple. We have simple products. We were the ones to cut through the mobile tariff jungle in Belgium and come up with two simple tariff plans -- sorry, King and Kong. We did the same on fixed connectivity with Whop and Whoppa. We did the same in entertainment, and we think this is very important, important driver of our success.

The second commandment, the second customer promise, is transparent, transparency. It goes with the simple product, right? There is no hidden -- there are no hidden surprises. There is no small print behind the simple proposition. We are honest. We are fair. We are transparent. We took away all of the fixed terms, right? You buy our product, and after one month, if you don't like it, you can just go away. That's what we mean with transparency.

Customer is king. I will be talking a lot about customer experience today, later on, but the main one big element I would like to point out here is we treat all our customers the same, right? All our customers are important, new or existing. Of course, if you have an installed base of two million customers like us, that is an important principle to live by. Give you an example. If we do an (inaudible) for new customers, if you are an existing customer, you will get the same discount. If we give all new customers two months of entertainment for free, we give it at that moment to all our customers, as well. This is the principle we live by, and this is what we think is very, very important.

And then, the last one is future-proof. Now, future-proof, it actually goes with the two first ones. If you want to make your product simple, if you want to be transparent, you also don't want to bring new products, like, every six months to the market, right? You want these products to stay with your customer for a while. They have to involve with them. They have to be future-proof. This can be in typically your speeds. It can be in your downloads, but it can also be in your features, and that is absolutely what we have been doing, both in Whop-Whoppa, both in King-Kong, both in Play and Play More. We add things. It's an evolution. It's not -- that's no longer big revolutions and evolutions. And we've maintained this product for three-two-one years now, and they will go for us with a wow (ph), which again makes the world a lot simple, more transparent, to have people know what they are going to get with us.

All of this, as John says, we do on three activities - superior connectivity, inspiring entertainment, and amazing experience. John has already given you some numbers. We've been doing it for a while now. We've built the solid base. We've added the Triple Play. We've grown our entertainment customer base with almost 50%. We did -- we visited 150,000 homes last year to give them really a free, amazing experience install, which I will be talking to a bit more. But, this is backward-looking. Today is a forward-looking day, so let me explain how we will maintain our leadership, how we will continue to lead in these areas.

Superior connectivity. John has already said it's all about fixed-mobile convergence. These worlds are coming together. And if you look at the market today, we think -- we estimate that the entire market -- there's 24% 4P convergence, or converged penetration today. We at Telenet in our two million households, on our -- with our one million mobile customers, we're at 21%. Now, you could say, okay, yes, 21%, you're just below average. That doesn't seem very good. Well, don't forget, we've been in the mobile market really only for a few years, and it was only with King and Kong, which is a launch of two to three years ago that really did our step-up. So, it's -- in three years, we almost got to market average on the 4P penetration, and of course with an addition like BASE, we think there's a lot of headroom there, and we can actually move this up a lot faster in the future.

To do that, it is very important, we think, to move beyond combinations, right? A lot of what you hear about 4Play is actually like you do the classic Triple Play combination. You take a mobile product, and you give people a discount. That's not what it's about, right? The world is changing, and people really want this into a combined product. You're going to have to come up with something. We will come up with something, yes? I'm not going to tell you when we will come up with something and with what, but the principle is that it feels like one product.

We think it has to have some characteristics, seamless and everywhere. It will not surprise you. Little anecdote. I had the pleasure of being with 15-year-olds -- sorry, 50 15-year-olds on a holiday as a guide to them, and I saw their faces when we told them that, in the little mountain village, the answers to the question "Where is the Wi-Fi," the answer was, "There is no Wi-Fi." The second question is, "When is the Wi-Fi coming?" Answer was, "Not for the next two to three years, if we can believe the mayor of this town." The expression in their faces, it's the first time I've seen it. I do this every year. This was the first time. These 15-year-olds are the first generation that was -- they were appalled. They were amazed. They were -- it's a sense of unbelief. For them it is everywhere. It is seamless. It has to be there. It's part of their world. So, (inaudible) product, it has to feel like that, right?

Of course, it's not the 15-year-olds that we're selling our product to. The other things like peace of mind, we want to care for the households. We're going to give the entire household, the mom, the dad, and everybody in the household enough peace of mind, and we will bring good value, right? That's always something that we do. We bring good value for good money.

And to do that, it is also very important to have end-to-end control, and that is a step that we took with the BASE acquisition, right, because you cannot build this kind of a proposition, you cannot be this one world -- you cannot bring this one world customer value proposition to life if you are not in full control. Now, full control, it happens at several levels. You need full control of your network, right? It's going to be big investments. Micha's going to talk about this, and you want to be able to do these investments, to time these investments, and to tailor these investments to where the customer is, to what the customer needs, and to where it brings most value.

And of course, by owning both the fixed and the mobile network, and by owning all the data, and by owning the big data capabilities like Dieter has explained, we are in a position to really say where. And Micha will review these numbers, but we're going to do almost 3,000 upgrades. We're going to do almost 1,000 new builds, and we will be able to tailor these. These will happen where they matter most and where they bring most value to our customers.

Now, that is the network side. On the product side, you want to be in full control of what you bring to the market. It's a fast-moving market. Remember, I told you, we want our products to be future-proof. So, you don't want to depend on somebody to tell you, yes, but this technology, or this feature, it's going to be built in a year, in six months, in one and a half years. You don't want that. In Belgium, the time between the first operator introducing 4G and the last operator introducing 4G was quite large. You don't want that to happen. And if you own both the fixed and the mobile network, you are in full control. You can drive this.

Of course, it will take money. Of course, it will take investments, as Micha will talk about, but we will be in control, and we will build the proposition we want at the time we want it. It will be simple. It will be transparent, and it will be future-proof, of course.

Now, last, you want to be in full control of the customer relationship. And I know here it says the marketing capabilities, but it's actually customer relationship. You want to -- absolutely want to know what that customer is doing. You want to be on top of all the data. You want to be on top of all the service. Everything that happens in that network, in that interaction with the customer, you want to know, and you want to be able to act upon it as good as you can, as soon as you can. And I also think that now we will be in a position to do this end-to-end phasing, right, and to respond faster than ever and better than ever to whatever our customer will need, and our customer will do, in that combined network of ours. Now, if we do that, this can bring huge value to Telenet.

John already mentioned that. I'll mention that as well, the 21% of 4P customers. Here you see a bit of a split on our 1P/2P/3P customers and the mobile penetration we have on these bases. And you can see that today our biggest amount of mobile penetration we have done on the Triple Play, so we've actually created most 4P customers, over 40%, and on the one-play and -- the traditional one-play and two-play, we're actually a lot lower.

Now, this gives a lot of headroom. This still gives a lot of headroom. We have around -- between 50% and 60% of our customers are sitting in Triple Play, and 40% of those have a mobile. This gives us room to move, as always, 1P and 2P up to 3P, but it gives us in these three categories still a lot of headroom to sell them a mobile subscription, right? And again, by acquiring BASE, I do think that we have bought new capabilities, better capabilities, new possibilities to drive up this penetration a lot higher and to bring that 21% I was talking about, or to surpass that market average.

And if we do that, where is the value? Well, if you look at our market, there is absolutely a big churn reduction. The more you move into the -- the more Ps you add, the lower the churn gets, and it can be up to 10 times lower. And this is not -- do not interpret this as your traditional chain. Do not -- it's only that step between the traditional 3P and then adding mobile. If you add -- what we see in our market is, if you take a 2P player, let's say Internet and DTV, and you add mobile, it already reduces churn. If you take DTV fixed, you add mobile, it also reduces churn. Vice-versa. If it's a 1P mobile and you add a TV product, maybe over the top it will also reduce churn. So, it's all about taking these customer segments, right, and upgrade -- bringing it into either a bigger P, either adding the mobile penetration.

And of course, the more you go into the product layers, the more product you take from us, the higher the ARPU. And today we see the average difference between your traditional 1P client and our 4P clients is a sixfold. So, if you look at this picture with the gray area, and if you look at the right side with the reduced churns and the value that could be gotten from these customers, you do understand that there is a lot of potential there.

But, it's not all about the superior connectivity, right? This is for sure super-important. There's a lot of value there. We have to build that network. We are in control now. We have to bring this new proposition to light. But, we want to go beyond. There's two things we will add, and the first thing, as John said, we want to add the inspiring entertainment. Now, why? Just that TV is our source, right? That's where we started. That's our foundation. But, even on connectivity, it's all about entertainment. Entertainment is everything people do with that connectivity.

These are some numbers I'm sure you've all seen them on how online video is moving up, and it's already the biggest part of the fixed network usage, and it's going to be the same on the mobile. But, online video equals entertainment. Look at where Facebook (inaudible) where Google's going. It's all about social videos. It's about entertaining video. So, entertainment does matter. People who like entertainment will like their broadband connectivity, will like the person who supplies them.

So, we said we want to take a position in this entertainment world, right? We want to make a difference. We do not want to be an aggregator, bringing products. We want to do more. Now, doing more means three things, we think. Yes, it is about the great content offer, for sure. You want it to be broad. You want to have the best content. You probably want some things exclusive, as we did. John mentioned the deals with the majors. We've got the deal with HBO going. We've got the exclusive sports rights. So, that's all there, and we really want to make sure we have the content.

But, you have to go beyond, right? You have to go beyond, and that's where we make the difference with a lot of players, because the first one, maybe, it's just only aggregation. The difference is in the two next slots. You have to build the best viewing experience possible. It is in the apps, as John mentioned, our Yelo Play app, which is actually our TV, or second screen viewing app, was voted Best App in 2015. We've worked really hard on this. We've built an editorial team to feed into this Yelo app, and we already recruited an editorial team to feed to this Yelo app. We did the same in our Play Sports, and we also upped our production value in every entertainment product we make. We've invested in studios, in talent, in new camera angles for sports, in a new (inaudible) channel for our premium, in new presenters. We really want to take it to the next level.

And then, last but not least, what you cannot forget, entertainment is all about emotion. And sometimes people in my -- in the product connectivity, and get angry when I say this. When you talk about superior connectivity, a megabyte is a megabyte, but when you talk about entertainment, a movie is never a movie. Every movie is different. That means something different for people. So, you have a great chance to create engagement, right? You create emotion around an entertainment, and you also have to be active about it. And that's what we call creating engagement in interaction.

I'll give you an example. I don't know if you know the format "The Mole" (ph). It's something that ran on to Vid (ph), one of the channels we bought with the De Vijver Media. It's a huge success for the channel. It's an international success format, as well, that they invented. We built an app around that, right, together with the channel, and the app had 600,000 visitors. The program had one million viewers. That means that we took 60% of the traditional viewers, brought them online, and they engaged with us on finding who. It's all about a group of people going on an adventure, and there's on traitor, right, The Mole. And we engage with these 600,000 people on find out who the mole is. These are extra tips. You can -- yes, and they're interacting with (inaudible) with the app during an entire week running up to the next episode.

You will also see that our investment in De Vijver Media that we did, right, is paying off in all of these areas. We have -- through DeVijver, we have made a deal with a production house that is in DeVijver, which is Woestijnvis. It's the best and biggest production house in Flanders. We have bought an entire catalog, and we've added that to our Asphalt offer, which gives it a very strong local flavor, which really differentiated from any other Asphalt service that is out there. It's the best library content you can get.

We've been building on these guy's sports production experience to make Play Sports better. Woestijnvis has also been a year-long partner of Belgian soccer, and we've used their talent, their production team, to make our products better, and then I just explained The Mole. So, also on this acquisition, you already see the synergies, and you also already see the cross-organizational operations coming to life.

Now, this pays off. We've increased our entertainment base. And in times where probably the competition on entertainment is more fierce than ever with everything that is happening over the top, this is a great achievement. We've doubled our penetration of advanced video products, so everything that is Asphalt related, let's say products of the future. And where we had 30 products in 2013, and again you will recognize this simplification, we now have three.

Its play, as John mentioned, at EUR10, which kind of competes on the Netflix, but is a lot more. It has repeat -- replay in there. It has channels in there. So, it ended as an Asphalt catalog. We have a premium service which is called Play More, and we have a premium sports service, which is called Play Sports. And each of these three are doing great, are growing great, and are driving up the entertainment penetration in our base to, as John mentioned, 30% and up.

And it also pays off in the customer relations, right? It's not just people taking these products. We have an NPS uplift and a promotor score uplift of almost 20 points on people taking entertainment. And it's not only that they like their products better, their entertainment products. It's not only that they like their TV product better, so that they like the advanced or DTV platform better. They actually like Telenet better. They are a happier Telenet customer. They do plus 19% on the NPS for Telenet. So, this really proves that, when you provide people this inspiring entertainment, it reflects on you, right? They reward you for this. You build a relationship with this customer.

And it's not only about building relationship. We're also in it for the money, at little bit at least. This increases stickiness. This reduces churn. We see up at 30% of churn in -- a reduction in churn intent for people who take entertainment packages. So, you can really see the value in that, bring more people up to the entertainment, drive down the churn, create a bigger loyal customer base. So, that's actually what we want to do.

Now, I would like to show you a little movie -- it's two minutes -- on something that we did in the engagement area, right? I talked a lot -- well, a little bit, but -- and a lot -- about the -- how we create engagement. This is something that we did for our sports product. It's called "The Fan Plan," and we reached out to the entire Flemish community, and we said, listen, dear fans of a sports team. If you have a great idea, right, to do something for your team, to be a supporter, to be a fan, to do something exceptional, send it to us, and we will do our best to make that dream come true. And I dare you to find a traditional telco cable operator that would go as far as this.

I hope you get the movie. It's Flemish, sorry, but I think that a little bit of this magic will spill over. What you see is we chose a little rugby team somewhere in a small Flemish village that didn't have a stadium, and they always -- they were laughed at, and they really wanted to -- for one time to be taken serious by all the other teams. So, we really built them a stadium. We made a TV program out of it. And this is just a two-minute reflection of the journey, let's say.

(Begin video)

Announcer: (Speaking in foreign language) Hello, everybody. My name's Nick, and today I'm going to teach you a Haka. (Speaking in foreign language.)

(End Video)

Jeroen Bronselaer: So, again, I hope you got it. If there are any parents in the room with little children playing sports, when the little guy says, "And it has my name on it and everything," my heart breaks, right? This is great. This is engagement. This is what you want to do to bring inspiring entertainment, and to really make people yours.

We do another thing. We deliver the superior connectivity. We deliver this inspiring entertainment, but we make sure that, in delivering that, we provide customers with an amazing experience, right, an amazing customer experience. Why? Well, this picture says it all, because it's just super-important, right? These people -- this picture shows you how much people want service today, how much they expect, and how vocal they can be when they do not get the right service. So, it's absolutely crucial to get this one right.

Now, to get to an amazing customer experience, to deliver amazing customer service, again, we think you need to work on three things. Yes, it's developing service propositions, service propositions which provide this experience to the customers. And this is where our Helemaal Mee Tournee comes in. Our Helemaal Mee Tournee is a tour we do of all our customer homes, not all at once, of course. We ask people to apply at one side, and on the other side we try to identify, again through the Big Data intelligence we have, which customers are maybe most unhappy, or need the most a visit of a technician. It is a fully free visit of a technician, and it has the promise, we will set everything right, right? We will make sure that all your products work optimally, and we add on top of that, we guide you, we explain you what you can do with your product, and how it -- and how you can get the most out of it.

Secondly, we try to inspire our customers to use them. The customers we don't visit, we try to send message through, of course, the electronic mail, the direct mailing. When they call in, we will give them little tips on, say, "Sir, we have seen that you haven't used the Yelo app for a while today. Maybe you should try it. You can download it there and there." We have developed a system of personalized videos that we sent out to 160,000 customers in 2015 with an entire personalized movie on these are the products you have, and this is how you can use them.

And last but not least, we really want to reward our customers, right? We want to surprise them. And this is not about giving them discounts when they call you. This is about adding a personal touch to whatever you do. Now, a little example on that one, and it's really true-to-life example. Few months ago, old lady, old lady has to go to the hospital for, like, three months. She has to go long treatment. And her son says, I am going to cancel her subscriptions, right? Now, the lady is a customer of Telenet for fixed, and a customer of another provider for -- another for some of her other telco services. So, the son calls both. And at the other operator, he actually is charged a fee to disconnect the services for three months. He gets an invoice. We disconnected him for free. Not only that, we sent the lady a bouquet of flowers and a handwritten card from the care agent that said, "I heard about your treatment, dear lady. I hope you will be fine, and quick recovery. Hope to see you soon again as a Telenet customer."

Now, that was -- this was in national newspapers. You do understand that this makes a huge difference in how customers perceive us, right? All of this -- we put the numbers behind it. It's not anecdotal. We visited 150,000 households in 2015. We are going to do 300,000 in 2016. We have an average NPS uplift of 43 points every visit we do. This is very significant, and pay us uplift, right?

We've done the personalized videos. We identified 160,000 customers that weren't using their products enough, could have been any product, DTV, the Yelo app, our Triiing app for Voiceover IP. And for the customers, we contacted -- we doubled their transactional NPS on the products we were targeting. So, if we said the Yelo app, we really on average doubled the NPS they gave on the products we were targeting and we were trying to get them to use more. And in the end, we surprised 140,000 customers with the handwritten cards, with bouquets of flowers, with movie tickets, with all of these little gestures, and there's an average four to eight points NPS uplift after the contact. So, all of this really creates an amazing customer experience. All of this adds up to a higher level of NPS, and we firmly believe that Net Promotor Score, or higher net promoter score, does deliver value in the end.

It also delivers value for our brand -- it's my last slide -- really proud of this one. It's a study, an independent Ipsos study that came out very recently identifying the most influential brands in Belgium. We ranked fourth there, and we moved up one place. We were fifth. Very good company also as you can see there, international company. We had some local players. But, we especially are proud of the three values we score highest on. We are absolutely trusted by people. Again, it's the simple, and it's the transparency. People trust us. We say -- we do what we say. We say what we do. They know we will deliver the quality. They know there will be no surprises.

The engagement on two, very proud of that. This is where you see the inspiring entertainment coming in. This is where you see the amazing customer experience coming in. This is where people engage with your brand. This is where people feel close to your brand, right? And of course, presence, local presence, which we hope to turn to a Belgian presence through the BASE acquisition. We are a part of their lives, again, a very good position to be in.

So, I believe we have everything we need in residential market space to lead in connected convergent entertainment also in the future. Hope you get what we're doing here. Hope I've convinced you that this is an excellent plan. Now, it's not only in residential that we have great things going on. We also have this -- we have great plans and great things going on in the B2B area, and Martine will tell you everything about that. Thank you.

Martine Tempels: Thank you, Jeroen. So, are you still okay? Because I think I need a rest, so -- break. So, after my part of the presentation, we will take a short break, some questions, and we do have some coffee, and then the second part will start.

So, good afternoon, everybody. So, let's talk now about business market. Before we go into what we do in the market, let's go to the value of the market. And John explained that already. These are numbers of the BIPT, which is (inaudible), and it's a national market. So, the market is EUR2.4 billion. More than half is fixed, EUR1.4 billion, and EUR1 billion is mobile.

Now, what is remarkable -- and that's very different in our area. Of course, a self-employed, small office-home office, your small and medium enterprises. But, in Belgium, 80% of the value of the market is with small enterprises with less than 250 employees. Now, if you compare that, for instance, to this country, half -- so 50% is enterprise market. Now, this is good for us, because this is a sweet spot in the market for us, and that's where we mainly play in.

Now, we have a very healthy portfolio in that market, and combined with BASE, it's about EUR450 million. 60%, or more than 60%, actually 65%, is based on fixed connectivity, and then 30% is mobile. And in that fixed connectivity, we have half of it on Internet and data. Now, for those who knows quite well the B2B market, we don't have a lot of legacy in there. We don't have a lot of (inaudible) in there. We don't have wholesale voice in there. So that is very good starting point, going forward, because from a technology point of view, you don't have a lot of headwinds.

Now, we were growing over the last couple of years quite well, 8% last year. And half of this growth comes from acquisitions, and half from -- and cross-selling. What does that mean? That we have a lot of 1P customers which might be an (inaudible) TV client, or who do have an Internet residential product, and we upsell them with business packs, 2P, 3P, for instance (inaudible). And in our portfolio, we still have 42% customers who do have 1P and 2P. So, this is room for improvement of opportunity, I would say.

Now, when we look, we built up a decent portfolio over the SO/HO, SME (ph), and large enterprise. We are playing in all the fields. And with the BASE acquisition, we completed our portfolio very well there, a good play mainly in that SME area, and they started about one and a half, two years ago, and they're now quite successful with some enterprise deals. So, both of us together have a starting point with opportunity of growth.

So, what's the thing? Our major challenge is the flux in the market, because businesses, of course, they need connectivity. But, once they are connected, you have a kind of brand lock-in. So, our challenge is to create flux in the market. And in order to create flux in the market, you really need to understand what the needs are of these businesses. And let's move, look -- sorry -- to a small movie what is happening in the business market.

(Begin video)

Announcer: Digital is becoming the new normal. The way we do business is rapidly changing. Companies and business owners know that, to keep up with the pace in a changing world, they have to adapt, as well. Not drastically, though. Not every business has to become a Silicon Valley hot shop. Small changes can already make a major difference. But, every entrepreneur has to ask himself what their company should look like in a digital world, and they should start doing so today. It all begins with the best infrastructure, and that's where we come in. We at Telenet Business will keep investing in the best performing network and in simpler (ph) and faster connectivity.

But, what's a good network without good business ideas? How can we help create more business for our clients?

(End video)

Martine Tempels: The digital economy is really disruptive for our customer, and digital is not an option anymore. It's a must-have. You must be visible on the Internet. And still only 30% -- let me turn it the other way -- 30% of the small businesses in Belgium are not present with a website. And even more we have learned -- we did a study last year -- it was not conducted by us -- that one out of two bankruptcies of small retailers is related to bad Internet usage. This is bad for our economy. And also, one out of two Belgians, and that has increased dramatically, are buying now on the Internet, but only 14% of the revenue goes to Belgium companies. So, this is a challenge, and still the GDP is expected to grow from 3% to 6% through the usage of Internet.

So, this is the challenge, and this is what we will need to help our customers address. So, our promise to our businesses, the better your business will be, the bigger our smile will get. And we support that with three design principles which we use in the product design, in the service design, and the process design, because everything brings it to the (inaudible).

And the first one is simplicity. And it's not simple because who talked -- it needs to be simple. No, in B2B, it's not simple. We aim for simplicity, because even the largest company gets, and it spend the other (ph) 50 (inaudible). It is more complex, because the needs are more complex. But, we aim that experience is more simple. It's a simplicity around what we bring. And let me give you some examples.

A couple of weeks ago, we launched B2B, SO/HO mobile product, and it is a 2-by-2 product, two products for domestic workers, and two products for international road warriors. And businesses know exactly -- if they have a domestic business, or if they do travel a lot, and others who hands this Office 365, every business needs it. But, you need to be almost an IT technicians to install it. So, we made an on-boarding toolkit, and the customer can even call us to help them installing and getting through the process. So, it's all about experience using the product. And I can go on and go on, report about the examples.

Now then, do more. It's the second design principle. And if you speak about more, you can think more speed, and that's an aspect of it. But actually, it's doing more, you get more. It's as simple as that. And a very nice example is the Helemaal Mee Tournee. We do it for businesses. And we don't point -- finger-point to other supplier, because you have that a lot, and businesses get sick of it. But, we go there. We give advice. Your LAN needs improvement, or Wi-Fi is not working properly, and we advise them, and they embrace this advice. And it's a great, great thing for businesses.

And then, last but not least, partnership. And partnership is the way how you interact with your customer. A customer wants to feel treated as an individual, and time is money in B2B. So, you need to help them fast, help them (inaudible) through their question, whatever it is. And an example there is the A-Desk. So, if you call us, you can choose your favorite advisor who understands your business, and if that advisor is busy, we will call back within the hour. That's just the promise we have.

So, these design principles, we use them in our product, in our process, in everything what we do. And it's more behavior than something else, because basically it's not only about products. It's about everything together.

Now, one thing is, of course, having those design principle. A second thing is what does the customer himself think about it. And in the B2B market, this is a very prestigious market. Analysis conducted by Whitelane -- it was previously named Morgan Chambers (ph). Probably you know it better under that name. And over the last five years, we were in the top five, and that's good. But, last year, we came out first, and far above, let's say, our colleagues in the market, which are here and here. And the others are not even on it.

And if you see the points of differentiation which brought us there, and also (inaudible) mentioned it, it's trustworthy, innovative, delivery capabilities, how we install, and change management. It's really pain points. And I can't disclose the (inaudible). This one I had to ask permission to the company conducting the research to do it. But, if you ask them, they can give you the details underlaying in the study.

So, last but not least, all of this, you also need to have a good investment strategy, and investments we are doing, and John pointed it out already, and Micha will explain later also about it, it's you need to have a network to be able to connect the businesses. And the black spots are actually the industry zones in which businesses are based, and we are not connected in there. So, we don't have a network, and we have a plan by 2019 to connect 6,600 additional sites, and it will give us a coverage in B2B zones by 80%. Of course, that's a good opportunity also to grow your business.

This results in a compound annual growth rate over the next couple of years into 2018 by 8%, 9%, so it's a high single digit growth rate we will realize there, and it's a very profitable one, because we leverage mainly our core assets, which is the network.

Thank you. And now we will have the break, and we can have a first round of questions, because you might be dying to ask us some questions.

John Porter: Yes. (Inaudible) in here, obviously these guys own the top line revenue end-to-end in our business. And so, before we move on to the engine room, if you will, we thought we'd give you a chance to ask some questions about revenue.

Unidentified Participant: Okay, we need an arbitrator (inaudible). Okay, go ahead.

Stefaan Genoe: Yes, thank you, Stefaan Genoe from the Degroof Petercam. When I saw the previous presentation, actually, you talked a lot about inspiring and entertainment, product quality, et cetera, service. If you look at Proximus, for example, they also talk about differentiation, price differentiation with Scarlet. We don't see it here. Does it mean that you believe your customers will be that sticky having the high service, or do you believe , if the customers who do not want to pay for the service, you are happy to retain them as a wholesale customer?

John Porter: Jeroen?

Jeroen Bronselaer: Well, it absolutely doesn't mean that we don't care for all of our customers, by the way. I mean, it's for sure, too, that Telenet has had a tradition of adding -- of let's say providing good value for good money, and we think we are excellent in there. And I think we actually compare very well with Proximus. Yes, Scarlet is a price -- more price fighter (ph) brand. It absolutely focuses on another segment of customers.

Now, if you're being honest about that, I think that with BASE we have acquired a brand that actually plays in that same region. So, I think we have all options available. We have Telenet, which is maybe more for the real value-seeking customer. We have BASE, which is maybe -- could be positioned a little bit more for the price-sensitive customer. And indeed, you make a very good point. There is, of course, wholesale out there for which, if there would be players out there that will play the price element, we still get some revenue also. In these three scenarios, we actually have the -- kind of the -- at least we can manage to the three.

John Porter: And I'd also point out that Scarlet and Snow and Movie Star have been playing in the cheap and cheerful end of the market for quite some time. It's not that we don't -- we're not active. We have 2P customers. We have 1P customers. In fact, we have several hundred thousand 1P customers. It's just that we try to lead customers to the value end of the market.

So, our belief is that the cheap and cheerful segment is not a large one, and that the value -- amount of value added, say -- if you, say, want to compare television to television for a price. But, if you have to add in best Wi-Fi network, Yelo TV, best app in Belgium, only channel that gives you eight sports channels, the only SBAD offering, domestic SBAD offering of any significance whatsoever. So, when you add in all those other things, people are opting in the value end of the market. Cheap and cheerful end has chipped away in a very small space for quite some time. That's not to say we won't play there. And of course, as Jeroen points out, it gives -- BASE gives us some interesting opportunities there, the BASE brand, but we'll see where that goes. Yes?

Vikram Karnany: Yes, Vikram Karnany from UBS. I've got questions. Firstly, in terms of your statement earlier today when you talked about adverse impact of cable regulation, if you would clarify a bit more in terms of what do you mean by that, and have you seen any sort of impact from Mobistar launch so far? And are you worried in terms of future regulation it can move to cost-plus, going forward? And is your business prepared for that?

And secondly, in terms of your base of convergence strategy, I was interested to know your thoughts around how do you move around both Wallonia and Flanders? Would the base be different in both those two regions around convergence? Thanks.

John Porter: Well, first of all, I was referring -- my comment on regulatory headwinds was more on mobile, so it's more that in terms of roaming, there's some real value destruction there in terms of the single market roaming to the tune of about $18 million between BASE and Telenet. So, it is significant.

In terms of the fixed access regime, as you can probably see -- you'll see from our first quarter results, there hasn't been any significant impact from Mobistar in accessing our network. I mean, I think we can take the presumption that they're waiting for their brand to change to Orange to really go above the line and take it above the line. But -- so, we're going to take a wait-and-see on that.

But, suffice it to say gives us more time to really do the kind of things that Jeroen talks about to keep our customers on-side. We haven't seen any increase in churn, and we've seen very little impact on sales.

And then, the second question was--?

Vikram Karnany: --BASE of convergence.

John Porter: Yes. I mean, that's kind of a commercial discussion, which I would steer away from, to tell you the truth. But, we wouldn't be up here talking about it with the granularity that we are if we haven't -- we weren't really far down the road in terms of getting out there with a converged offering.

So, as Jeroen points out, it's all about going post-bundle. The bundle was yesterday's news, and the people (inaudible) still talking about the bundle. But, for us, we're going post-bundle. It's all about the customer value proposition. And now we have a lot of tools in our kit bag to deliver on that customer value proposition, and we're going to try to do it quickly as we can.

The person with the microphone gets to pick who goes next.

Paul Sidney: Thank you. It's Paul Sidney, Credit Suisse. Maybe a bit of a follow-up question to the previous one. How long will it take to get the BASE network to where you want it, and will you hold off from launching converged products until you get it where you want it?

John Porter: Well, the answer is no. We're not going to wait, because we have full access to Mobistar's network today. And while we don't have the margin we'd like to have on each and every customer, but we will. Micha's going to go into some detail on how long it will take, but I'll give you the headlines. It's 18 months to upgrade 2,800 sites, and then it's three, four years to add on additional 800 to 1,000 new sites to densify the network to a level that we think will be needed in the post-2020 era of 5G and everything else. So -- but there'll be significant improvements in the network in the -- with the upgrade of the existing transmission sites.

Paul Sidney? Thank you.

Emmanuel Carlier: Mal Carlier, ING. Three questions. First of all, on the synergies that you have guided, could you maybe provide some more details on the timing so we know that you expect to be at 100% by 2020, but I think -- yes, I would like to know the phasing. Same for the integration costs.

And then, on the synergies as well, is that just OpEx and CapEx, or does that include sales synergies, as well? Thank you.

John Porter: Well, Patrick and Birgit are going to answer those questions in a lot more detail than I can without having the numbers sitting behind me. You want to answer it now?

Patrick Vincent: Yes, I can answer it with (inaudible). So, you will see that we will have the majority of integration costs the first two years, and then you will see the synergy coming up in the third year. So, that's a little bit what you will see in (inaudible) as we represent in a few minutes now.

Martine Tempel: If you answer now, don't leave afterwards.

John Porter: Yes. So, we are going to have another Q&A after these guys, and so there'll be plenty of time to address that in some detail. Birgit?

David Wright: Thank you. It's David Wright from Bank of America. Just on the B2B side, you mentioned the 8% to 9% revenue growth. Could you give us an indication -- I would assume that EBITDA would run a little ahead of that as you build scale. Is that the reasonable assumption?

Martine Tempel: It's a reasonable assumption, although room to scale up, we also need to invest in the channel, because we have been, let's say, small in B2B, and we have to align really on the solution channel to an omni-channel, and then we will (inaudible). And because we leverage that great network we have in daytimes, let alone the night-time, so it's really a very good leverage of our core assets.

David Wright: I see. But, I guess that we're thinking the business mix, and you guys have guided, given the (inaudible). Does it feel like B2B's a bit better than that, and consumers may be a little bit lower than that (inaudible)?

Martine Tempel: Oh, but I don't think (inaudible) -- we don't disclose that detail on the merchant--.

Unidentified Participant: --We don't disclose the detail that (inaudible). I mean, B2B does have a higher margin. That's about what I can say.

David Wright: All right, thank you.

Unidentified Participant: Yes, so I'll try (ph) -- I got the answer you've made, John, earlier. You mentioned the benefit of moving national for BASE on the mobile side, and also the interest of blending (inaudible) business and customer's expense. So, I still don't understand how you can reconcile that with your regional coverage in fixed broadband. So, if you can expand a bit more, would you be ready to seal some wholesale deals with your partners on the other side?

John Porter: We're ruling nothing out at this stage. Suffice it to say that we -- as we said at the beginning, the vision is to be Belgium's leading connected converged entertainment company. The alternatives for us are regulated access, commercial access, M&A, 5G, wireless replication of the broadband experience to the home. And we're ruling out none of those options when it comes to the remainder of Brussels (ph) and overbuild. We're ruling out none of those options.

Unidentified Participant: Okay, I understand this. Now, in terms of M&A, what kind of timeframe could we think of for the other part of the country to be available for sale? It seems to be a very long process. So, is that part of the list, to make sure that you haven't fall on (ph) any option, or is that a credible option, let's say, in the three, four year's time?

John Porter: Well, you have obviously two fixed line operators - Numericable, which is part of Altice, or SFR, as they're called now, and Vu. I think Vu is very tightly wound in the politico-industrial complex of Wallonia and Brussels. That could change. Policies could change. The industrial pressures could change.

But, we have a good partnership with Vu. I mean, I will say that we do a lot of things with them today. We have a big commercial -- we have a lot of commercial arrangements on the MVNO. We have the commercial arrangements on B2B, the commercial arrangements on programming, sport, et cetera. So, we're not going to just steamroll over Vu. That's not our inclination. Our inclination is to try to figure out something smart to do with them.

And at the end of the day, there are alternatives like the Interkabel deal, where we do a capital lease-back with the network, things like that. There are things that we can do. We will explore them and try to do them. But, nothing succeeds like buying the cable system next door. So, we're always open to that idea.

Unidentified Participant: Thank you.

John Porter: Okay. Excellent. If you'd like to get some air for--.

Unidentified Participant: --Yes, we have 10 minutes.

John Porter: 10 minutes, and we will be blocking the exits. You're not allowed to go down the stairs or anything like that, so--.

Unidentified Participant: --3:35--.

John Porter: --Unless you smoke, and you promise to come back. (Break.)

Yeah, guys? So, we're going to now -- I hope you got plenty of oxygen and caffeine, because we're going to be moving from the bright and shiny stuff into the engine room a bit. I'm just teasing these guys, actually, because I find the whole technology to be extremely exciting and sexy, and transformation and finance. But, we have three more presenters in this segment, starting with Micha Berger.

Micha is definitely one of the real technology leaders. Of course, he's our main guy at Telnet, but within Liberty Global as well, and probably the number one person in mobile in Telnet -- in Liberty Global as well as obviously all the fixed-line experience and product experience he's had over the last decade or more with our company. So, I'll hand it over to you, Micha.

Micha Berger: Thank you, John. Good afternoon. So, I won't introduce myself, John did that already. But, I will try to give a little bit of insight and introduction about what we're going to do on our networks -- and when I say networks, I mean fixed mobile, but how fixed and mobile converge together. I'll give a little bit of insight on how we want to be the leading network, converge network in Belgium, and how we're going to get there.

You've heard from my colleagues about our aspiration about the product, about our customer value proposition, how we want to position our products in the future. This, of course, requires a strong foundation below it which depends on the network quality. You heard that from the residential, from Jeroen, you heard it on the B2B side from our team.

When we talk about networks, and the challenges we have on the network for serving such a high quality service, we talk about robustness. We talk about mobility. We talk about seamless movement between one network to another network. We talk about uptime, we talk about quality, we talk about data usage, capacity, all these things that drive and that make sure that we need to take into account when we build networks now and also in the future.

And we do it not only for the residential market, but also for the B2B market, and these are very two different markets. But, in the end, the performance and the uptime and the support is almost identical between them. They are very high demanding markets, both of them.

So, when we take a look at the customer value proposition and the services, but we also -- and what we want to get out of the desired services in the future, we also look at the trends and the behavior of the customers, and what is changing around us. That also drives a lot of what we need to do on the networks in order to make them robust and strong enough for the future.

A couple of items I would like to highlight, here. First of all, a very important one, and you've heard this maybe before a bit in the other presentations but I would like to make it a bit more concrete. More devices in the home. This is a trend that we see growing month-by-month, year-by-year, amount of devices in the home, connected devices, is growing tremendously. Only just end of last year, we did a measurement -- a third of our customers, a third of households, had more than seven connected devices in the home.   These are not only mobile phones, they are not only laptops. These are just devices you did not think, you did not expect, that would be connected in the past. Today, they have some level of connectivity, they need to communicate with the outside world. Very important growth area.

Mobile data, we know -- mobile data growth is growing stronger and stronger. CAGRs are increasing year-on-year, I'll show a bit more about that afterwards. Also, drives more need, more robustness from the networks. Video -- video is the key driver for data traffic on the networks going forward. You'll see that in every research you read.

But, it's a bit more complex than that, because also the quality of the video -- not only the amount, but the quality, is deriving the data volumes that we will need to carry on our networks. And, even customers are not even aware always about the data, the video quality that they accept or that they receive, because it's really coming from the cloud. The cloud will determine your speed, your capability, and will transfer the video based on the resolution that it can actually provide. So, you will see SD, but you can easily get HD quality, 4K, 2K quality which is already available in the market, again, a driver for growth of data on our networks.

An interesting area, whoever was at the Mobile World Congress would see a very interesting trend of the virtual reality/augmented reality/hologramic type of services that are coming out. It sounds science fiction, but it is here. It is absolutely here, and these things, these services, drive huge amounts of data requirements, data needs. You can easily see services going up to 10 megabits per second of video, 20 megabits per second of video, of high-quality for virtual reality services coming our way.

Jeroen spoke about Internet of Things. Internet of Things is a service, is a very interesting future for us as a business. From a network perspective, it demands a different type of characteristic from our networks. It is not so traditional like we know it today. It will require us to build networks that are actually, have a higher penetration, deeper indoor, latency is a very important thing and I will show it in a moment -- but actually, type of connecting different devices as Internet of Things, or connected cars, require different ways of our networks to behave. Low latency will be very critical. Devices that consume low power, long battery life, are things that we will see coming into the future that are critical for the success of IoT.

So, all these services actually bring different trends, that when we look in the market, not only in Belgium but also all around us, we see different trends on different types of services.

If we go, if we look at broadband volumes, data volumes, consumption throughout the years, we see a significant growth. Today, John mentioned we see about 62 gigabytes of traffic coming from each household on average. By the year 2019, we see it growing towards 250 gigabytes of traffic per household.

On the speed side, we believe that speed is a very important factor. With the gross in devices, amount of devices out there, the need for data and capacity, speed will be a very big differentiator. Today, we see around 200 megabits per second that we provide to our customers, and the growth of speed is going to go beyond towards the gigabytes and the gigabytes per second in 2018 and 2019.

On mobile, volume is also going to grow. If we see now, about 1 gigabyte of traffic on mobile users, it will absolutely grow by significant factors up until 5 or 6 gigabytes we believe, on mobile devices, mobile users only, by the year 2019.

Latency, I mentioned before. It is something we don't pay too much attention now in our networks, both mobile and fixed. It is important for us. We understand the need. But when you talk about Internet of Things, mobile network latency, for driving cars, connected devices that are going to become crucial for day-to-day operations, need to go down towards the 1 millisecond which is a very high demanding network.

Well, up until today, we've been very busy. Busy to upgrade the networks and to be sure that we are able to predict and to be ready for these trends coming up. Okay? We were not standing still and we invested heavily in the HFC networks to be able to be the leading fixed provider in Flanders, and you can see it. Our average speeds on cable are above 110 megabit per second in Flanders. This is thanks to great investments in the past, but not only great investments, but also great capability of maintaining and supporting the networks on a daily basis.

Now, it doesn't end there. We understand that speed is important, as I said before, and if we're today at 100-plus megabit per second, our ambitions to growing speed are actually going to get to around the 1 gigabit per second, as I showed in the previous graph, what we believe that will be absolutely the customer needs by the year 2019 and 2020. It is important to mention that every time we provide speeds in the market, we provide it for all. We give it all customers, are able to get access to the desired -- to the speeds we offer, no matter how close or how far you are from any distribution point that we provide. So, when we say, "speeds between 200, 300, 400, and up to 1 gigabit per second," we mention that we provide it to all customers on an equal basis.

So, how can we actually do this? How can we actually meet these desires of the network? How can we actually cater for this in terms of the speeds and the amount of data that will be consumed? The good thing is that -- the beauty about HFC and cable networks is that actually, we have quite a flexible way of catering for either capacity or increase of speeds. What do I mean?

When we look at the future markets, when we try to predict what is needed or based on what we see in terms of trends in the market, we can try to predict years ahead and say, okay, we might need more capacity or we might desire more speeds. The beauty of the network is that actually by splitting nodes, if you take a fiber node which is our distribution point, and you split it, you can actually split them out of households that are served from that fiber node, and therefore you can actually double the capacity immediately. Therefore, you can grow in the capacity.

If we see a trend about speeds, which we do, and we feel we need to add more speeds for all customers, we can actually go in this direction and we can increase the spectrum, adding more frequency, adding additional spectrum to our network. That is an important flexibility that we have for determining and for making sure that the upgrades that we do are utmost the cost effective that we can. We can either decide on one dimension or the other or both, if needed; but the cost-effectiveness of the network upgrade is tremendous, based on the fact that we have this flexibility.

Now, when we take a look at these trends and what is desired of the upgrades of the network, we actually can split it into two main categories: the brown field, and the green field. In the brown field, we are actually in the process now of a very large network upgrade. We are -- it's called the Grote Netwerf. I'm sure you heard about it. It's a very large investment. We announced it a couple of years ago, and actually, we are investing on replacing all the passive and active components in our HFC network in order to move our network from the 600 megahertz up until the 1 gigahertz spectrum.

Now, why did I say it's the most cost-effective way? Because as you can see, in a brown field, to take your existing medium and to upgrade the passive and active components is a much more cost-effective way than actually, let's say for example, putting fiber in a brown field area. Okay? But -- I will say but -- fiber is not something we don't believe in. We believe in fiber. In fact, the majority of our network is actually consisting of fiber. Our axis, our last miles, are coax.

In green field, today we see a situation where deploying fiber in the ground in new build, in new locations, is actually almost as cost-effective as putting down a full coax plant, which is interesting because then we could actually decide based on a case-by-case basis, if we want to deploy either a fiber cable there or a coax cable there. And, there could be good reasons for one or the other. But, the cost-effectiveness now actually allows us to make that decision in a very flexible way.

I want to say one -- I want to talk about the Grote Netwerf in two minutes, okay? What we are doing there, is a very interesting upgrade. We are upgrading our entire plant from 600 megahertz, that is now the current spectrum that we are at, to a 1 gigahertz but actually, a 1.2 gigahertz-capable network. We are replacing all our passive and active components in order to increase -- and here, it's illustrated by lanes -- but actually, it's increasing the amount of frequencies that this network can carry. And therefore, the more frequencies, the more frequencies you combine, the more capacity you get. But actually, the more speed you can get, also for use now with DOCSIS 3.0, but also very important for the use of the new technologies that will come out such as DOCSIS 3.1.

New technologies and the ability to either split nodes or to increase the spectrum will allow a very strong future of the coax network providing both speeds and capacity.

Just last year, we showed we were at about 52 towns and cities across Flanders that we rolled out the upgrade. We already are at almost 200 and above, towns and cities, representing a very large part of the network, I must say. The program is going very well. It's running at full speed now, and we are strongly on track to complete it on time which is very important for our future capacity and speed demands.

It doesn't end there, and our ambitions are still very strong. And, any opportunity that we see in upgrading or -- sorry, in connecting new build or new homes, we have a strong ambition and a strong appetite to do that. In the consumer area, we see 30,000 new homes added onto, into the Flanders footprint every year, and therefore with no doubt, we connect them. And, as I said, now we have a distinction between a coax connection or a fiber connection if we wish to do so.

On the business side, Martine already stole that glory and she said, absolutely, we are now connecting the -- we have a program called Nexus and we are connecting additional business parts, additional business sites, concluding with about 6,600 additional businesses that we can add as prospects into our ongoing B2B business. Very important, and this is something we take into account and we follow very closely on every new build that is added in Flanders.

Mobile. Let's have a look at mobile, for a moment. Of course, no news about BASE and what we acquired there, but I want to give you a bit of a taste of what we've seen and what we're now planning to do with the BASE network going forward.

In this picture, you can see, as it's illustrated, looking at 2G and 3G bands and the coverage and customer experience, which I'll talk about in a moment, you can actually see that we're doing pretty well there. We're doing very well. We have not so many white spots, not so many blind spots in terms of coverage. 2G, 3G coverage I think is very good, and we're fine.

On 4G, that's where you see more white spots. You see more blind spots. That is one of the challenges that I would like to show you and to explain how we're going to tackle them in the next slide.

From the latest measurements that we see, and some of them are public measurements, we can actually clarify and say again that on voice, we see that customer experience is quite good. Also, on many of the mobile data aspects we are doing very well. The challenges we still have are mainly on the LTE domain, and when I say in the LTE domain, to be more specific, on the LTE indoor and deep indoor coverage. That is where we need to put the focus. That is what we need to tackle now in order to increase and to improve the customer experience, and I will explain also of course for the synergies that we see forthcoming.

What does this mean for us? It means that we're going to focus now on the upgrade of the network, to improve the indoor and deep indoor LTE coverage by increasing and upgrading the radio access network and our ambition and our aim, to be very clear, is to be the state-of-the-art mobile network in Belgium. We have, our ambitions have grown. We've seen -- John mentioned it very well. We have state-of-the-art leading network on fixed. We need and we want to have the state-of-the-art leading network on mobile in order to have the best customer experience when looking, when customers use one or the other network, there should be no difference and the customers should feel no difference.

How are we going to do it? A couple of numbers that will represent how the upgrade will happen. We have about 2,800 sites. 2,800 macro sites, today. Those macro sites, we need to modernize. We need to upgrade them. We need to replace some components. We need to upgrade them with new technology in order for them to become state-of-the-art new technology that is also future-proof, from our perspective.

Just by this upgrade, just by this modernization, we will be able in 18 months to make a leapfrog and to be -- to improve our LTE deep indoor coverage and to be at par with what we see today. That is a very short time. We are already prepared for this. We are already making sure that all the teams are going to be ready to run, and in 18 months we believe we can actually do this. An additional aspect is not only by upgrading the 2,800 sites, but actually also by building out new sites. We see that compared to our competition, we have less macro sites in competition. Therefore, we need for better coverage, better capacity reasons, we need to add the amount of sites and that's, we assume, between 800 and 1,000 sites will be built across the country.

We plan to invest EUR250 million on top of the running investments that BASE currently have in order to achieve this desired state-of-the-art network.

What are we going to do with this network? Obviously, the network build is there for creating the future, if our future products, for making sure that our customer experience is the ultimate best customer experience, and also of course for making sure that we achieve our significant synergies that we've signed up to. How do we do it? We have a couple of tools that we use in order to be able to do it in a smart way. The migration of the customers is, from Mobistar network to the BASE network is the biggest synergy that we are, that we are tackling and that we need to achieve.

How do we do it? We look at synergy costs, meaning that, how much do we spend on the MVA now in terms of data? SMS usage? Voice usage? We look at that as one factor. We have tools such as our full MVNO which we have today already, connected to the Mobistar network. But, actually now, we can already start steering customers from our core onto the base network in trials. We're doing it already in trials, and we see that we can move customers from the Mobistar network onto the BASE network. And actually, we can do it in a seamless way, in a smart way, where we can identify groups of customers that are relevant to be moved at the right time, and at the right time is very important.

It's also based on not only the network upgrade itself, there are things that we can -- there are movements that we can do during the network upgrade, and we do not need to wait until the final network upgrade in order to move the customers. We will do it in a smart, step-by-step approach, that will follow the network upgrade in some cases, and then we can move the customers using as I said, the tool of the steering.

Nevertheless, the network upgrade itself is not the end and our ambitions to be the strongest state-of-the-art network in Belgium will also be seen as, we will also continue to chase it with the newest technology that is out there. So, already today we see carrier aggregation, we have carrier aggregation capabilities. But further, we're going to develop it on additional aggregation of additional spectrum that will allow us to go into even further speeds capabilities just in the very near future.

MIMO development -- MIMO beaming that you can actually achieve better speeds also is dependent also on the development of new technology on the base stations, new technologies on the antennas, but also new technology on the handsets. But, we will see that coming, and we're also looking into this. Small cells, also very important development in the mobile market, will allow us to achieve better coverage in more dense areas, but also to achieve, to provide better capacity and speeds for our customers again in smaller dense areas. And of course, the well-known 5G, we are actively talking to our vendors. We're preparing, I would say, the ground for the future 5G. In the network upgrade that we're doing, we're taking into account and we can talk about it maybe in the future a bit more.

So, the synergies between fixed and mobile actually allow us to bring the best of both worlds together, okay? And especially, if you can have full access to the fixed network, on managing the fixed network, and if you have full access to the mobile network you can get very interesting significant network synergies. And

I'll talk about network synergies in a moment, and two examples, and there are many other examples.

One example is the backhauling. We are now -- we have access now to understand where the BASE stations of BASE are, and what are the leased lines that they're actually using for backhauling. We actually see that we can reach 5% of their BASE stations and we can bring fiber. We have fiber close enough to those BASE stations just to big, and be able to backhaul all the data from the BASE stations in a very cost-efficient way. Of course, backhauling is a very important element when you take a look at customer experience on mobile. It is one of the weakest points of the chain, and the fact that if we can have fiber to these locations, we'll improve the customer experience significantly.

Another part, another interesting way of looking at the convergence and the synergies between the networks, is looking at the combination between license and unlicensed spectrum. We have a very interesting footprint of Wi-Fi. We have now, a great footprint of mobile license spectrum. And, combining these two together in some situations -- and these are also developments you see in the market -- can provide great speeds and great customer experience.

It also represents very nice synergies and customer experience on the services themselves. If you take a look, for example, on Triing, one of our voice-over-Wi-Fi services we provide, the fact that we can now have -- we have access now to the Wi-Fi side of it but also to the mobile, to the mobile spectrum side of it, you can actually manage the service in the optimal way where customers will be able to move from one network to another network in a seamless way with a voice call. That is not so simple to do without actually having full access to both networks.

This, on Triing, is one example. That's our voice-over-Wi-Fi service that we have active today, and we will continue to develop it even further throughout the year.

EAP SIM is also another example. When you say EAP SIM you usually think that you can only go onto the Wi-Fi, use only on Wi-Fi networks. But here, with smart steering, based on services and detection of what services are important to the customer, you can actually steer the customer and the services to the best network that is available around him, and the fact that we have access to these networks is a very strong part of our proposition that we will be able to provide.

So, before I jump into that, before -- to conclude, I've explained a bit about how our technology is going to evolve, how we will cater for the future services with our network, both for mobile, both for fixed, on the residential and on the B2B side. And, how can we bring this all together to provide the best customer experience for the customer value propositions that the marketing on the residential and B2B side need to provide into the market. Was thinking how to summarize this, because it's a big message, and it's a lot of data in a very short time. So, I thought, and I think, as a crowd that for sure can acknowledge this and can absorb it, we found this secret formula that we share with you today. And we say that if you have the best of the fixed network -- which of course we have -- and you add the state-of-the-art mobile network that we are now getting to, if you multiply that by the fixed mobile benefits on the network side, but also for the customer itself, actually we can come up with the best offer, and the best customer value proposition today and also in the future.

So, thank you for that, that was my short part. I would like to call Patrick to come to the stage now. Patrick is the Chief Transformation Officer. He's responsible for all the transformation that we're doing now, and he keeps us very straight and in line in all the transformation processes. So, Patrick?

Patrick Vincent: Thank you, Micha. A good afternoon, everybody, and just two presentations to go. It's a long day for everybody, but what I will do is present to you a little bit what we are doing on the integration part of base. But before starting, what I would like to tell you is that being for more than 12 years at Telenet, I have seen a lot of things happening at Telenet. A lot of great things. But what I think today and what we are doing is a big game changer, and I see a lot of excitement. And not just at Telenet, but also on the BASE side, and that's unbelievably important when we do an integration like this one

And then, before starting my presentation, I would like to show you a video that we have used during the tunnels (ph) that we have done just after the closing of BASE, where that we have invited all the employees of BASE and Telenet, presenting what we will do together. So, take a look.

(Begin video)

Announcer: Many of the world's most splendid cities started out as two separate settlements, at either side of the same river. Think of London, Paris, Rome, Prague, and of course, Budapest. The same river that separated Buda and Pest, brought them together with one unifying factor: a bridge. And that's exactly where we stand today. On a bridge, built by teams from both Telenet and BASE over the past few months.

This is our common construction. Now, the ribbon is cut. We are discovering what we have in common, and what is different. First of all, mobile needs a vast array of antennas. Cable relies on a ground-based network. One network serves people on the go, the other people at home, each using different devices, and that is precisely what makes us complementary.

There's a lot we have to offer each other. The bridge is now open for traffic, for a mutual flow of know-how, experience, and resources. We will invest substantially in a stronger, faster common network. Together, we'll create the best of both worlds at the benefit of everyone. We will provide all of our customers the most seamless connected experience they've ever had.

This is a story of exchange, of mutual reinforcement. This is a story of building something new. From now on, we're focused on our future together, because together we are stronger than apart. Let's cross the bridge to build a common future.

(End video)

Patrick Vincent: And just when you look at the last video picture, you saw a B. It goes -- the project name of this indication is BI. What we have used, and in fact what we are doing now since the closing is really building a bridge, and we are doing a lot together to accelerate, of course, all the things that we want to do, and I will show you and tell you how that we will do that.

But before doing that, I would like to introduce you to BASE, and what we have seen, and also to highlight some of the key strength and also key assets at BASE side.

The first one is usually the most important one, is that yes, they are a mobile-only player in Belgium, and they have a lot of expertise, since 70 years in Belgium. The second element is that they have an unbelievable strong challenger mindset. They have really this mentality, and when you look at the management team of BASE, and also all the people, they have really defended their position, their third position in the Belgian market for many years like that. And by the way, some example, they were the first to remove the contract duration in 2012. And they were also the first to react, remember, on key (inaudible) of Telenet with the Bomb Tariff plans, the B-9, B-15, B-39

The third element is of course, they have their own network nationwide, which will be an unbelievable additional assets for Telenet in the future.

The brand positioning, there was a question in the previous session, is, we see the brand positioning as a very complementary position to that of Telenet. Why? Because first, we have also prepaids. They have a lot of wholesale business. But the BASE brand, when we look at the customers, they attract a lot of young customers. Looking also at their spending, and where that we believe that we will be able to leverage on this position, to extend the coverage on the market and eventually to attract those people also in the non-migrating to FMC proposition in the future.

And then last but not least, they have an unbelievable extended experience in retail, and more specifically when you look at the stores, they have more than 100 owned stores and a very large dealer network. So, looking at all those elements, of course we see that there is a lot of value, additional value that can be created to get a (inaudible).

When we look at Telenet, the first element and already mentioned by Micha, we know we are convinced, we have a superior product. No discussion about that. The second element, probably, we have built the last 15 years, the strongest brand in the cable industry in Europe, and we are very proud about that. The third element is that when we look at all the decision that we take, it's always with the mindset, customer experience. We need to look at the customer experience before we take a decision, and when we take a decision it will be taking to calm (ph) the customers. And there, we see that the perception that our customers have is very clear. We are a high-quality partner for our customers. And what we were missing a little bit in the past is exactly what we are doing in a couple of years.

It's building an emotional relationship with those customers, by adding entertainment, and I think Jeroen told you about that, John, and I just can dare emphasize this, that it is unbelievable important for the future and also, for the loyalty of our customers.

And then, last but not least, I think it's all about people. When you look at the DNA of the people of Telenet, they are probably the best in class in execution. For many years we deliver, we do it, we do what we say, and we say what we do. And in fact, at the end, this is all happening with the clear spirit of innovation.

So, what does it mean for the future? Yeah, it looks bright, because combining two companies like those two, first we will be in control of our own destiny, having our own of course fixed and mobile network. Secondly, we will create and enable a network agnostic end-to-end customer experience. Then, we will have of course, a nationwide footprint, and as already mentioned by John, we have a very clear vision for 2020.

And last but not least, is bringing people together with very clear additional and complementary capabilities, and we will use those capabilities in both companies to create additional value. But, I will come back on this later on.

Now, what we have done since we made the deal, first, we started working immediately after the day we signed the deal. Together with different people, during 9 months, we have done a lot of preparation and now after closing, we see that we evolve very rapidly. But, also that we see a lot of energy, a lot of commitment to the people, and motivation, to go through this exercise as soon as possible.

And so, having done that, we were able to take some key decisions in this early phase. The first one is that we will keep BASE as a challenger brand, but the Telenet brand we will keep as the leading fixed-mobile conversions brand in the future. The second element is that we took already the decision to go for the operating model of Telenet. What does it mean concretely, for instance, is that the senior leadership of Telenet has been chosen for the future and to build this new company. And we will integrate BASE in the senior leadership structure in the future, but keeping the brand of Telenet and the brand of BASE as a complementary brand of course.

And then another one decision that we took, is that we will have a dedicated team focusing on the strategy of the south, but also on all the operations, and we will learn from each other and also using the marketing capabilities of Telenet to improve the brand positioning of BASE. Because, one of the learning that we had during this phase is that obviously, the marketing machine of Telenet and all the capabilities that we have is really an added value also for BASE.

And then last but not least, indeed we are implementing best practices that you are sharing together, and one of the example as we speak, we use the best-in-class retention capabilities of Telenet to use them in all the operation of BASE already today.

So, future looks bright, and that's one of the reason why that after that we have decide indeed to increase the investment from EUR240 million to EUR300 million, we have decided to revise indeed the synergy from EUR150 million to EUR220 million. When we look at the more in detail, is that 70% of those synergy are synergy related to MVNO, the cost of goods sold. And then when we look at those numbers, what we see of course is that it's unbelievable important that we will own this network of BASE and these key assets of course of this integration, because it's crucial for our future. We need to be able to answer the demand of our customers. We need to be in the lead. We don't need to relate and to be dependent from a third partner for that.

And when we look at the evolution of the data, and Micha told us a little bit about that in a few minutes ago, we see that it's really increasing exponentially. And when we do in our model with a very conservative model that we have, we see that the COGS in general would increase by 30% year-after-year. So, it means that it's very clear when you look at the synergy, the total synergy of EUR220 million, and looking at the part of the COGS per definition, it means also that a lot of synergy also will be done of course in the OpEx.

So, to summarize, it's clear that BASE is really a big step forward for Telenet in the future, and to pursue our vision for 2020. And we see there, six important elements in this integration.

The first one is, indeed I repeat, we will control our own destiny and we will have a full network, mobile and fixed. Yes, we will have a network-agnostic end-to-end customer experience. Customer experience, and I repeat it, and I repeat it again and again, this is what will make the difference in the future from us and the other operators.

We will go indeed from a margin erosion to a sustainable model, as just explained. We will have a national footprint, so finally -- and I can guarantee you for me personally, and it's just an anecdote, but as the only French-speaking guy at Telenet, I'm very happy to do this deal because finally I will be able to work also in the south of this country.

We have complementary capabilities. We are best in class, in a lot of domains, at Telenet but also at BASE, and we will combine those capabilities.

And last but not least, I just tell you, we have ambitious but realistic ambition and targets for synergy for the future.

So, BASE is a key element indeed for Telenet for the future to become, and to challenge the market again, and to start a new life for the company. So, having said that, I would like to invite now, our CFO and CPO -- CFO probably, you know the acronym as Chief Financial Officer, but CPO is what I call Birgit, the Chief Perfectionist Officer. And why? Because she's unbelievable perfectionist in numbers, as you will see, but also look at her. You will understand me.

Birgit Conix: Thank you, Patrick. Wow, what an introduction!

Oh? Okay. So, welcome and especially to this last part of the capital markets. It has been a long presentation, so bear with me. I'm going to walk you through the numbers, and I will start giving a flavor of what it means, adding BASE to the Telenet numbers in 2015 because that requires some explanation. I will walk you through the results of the first quarter. I will also talk to you about the outlook for 2016, and I will give -- but John already gave it away -- the actually three-year outlook for our OCF.

So, first of all, this slide which you have received this morning as well. So, on the revenue side, so we go from the EUR1.808 billion adding -- or actually correcting for a change in revenue recognition, this is just a one-time accounting treatment. We add the contribution of BASE. And this is a ten-and-a-half months that we will be adding to the 2015 numbers in order to compare it with 2016. And then, this element is something to be taken into account, when you actually consolidate two companies you have intercompany eliminations. Just to clarify what is our -- this is mainly interconnect and backhaul, but mainly interconnect, that you do need to deduct from the revenues.

And then, you have the impact, the remedy impact of our deal with MEDIALAAN. This is the impact, if you would correct like-for-like with the impact of 2016, but of course in '17 and '18 there are further impacts from the deal with MEDIALAAN.

And then, we come to our new number. This is the pro forma 2015, and that's EUR2.364 billion.

Then, if we do the same with adjusted EBITDA, you see the EUR944 million, roughly, that you recognize from 2015, you add EUR149 million for BASE and then you also have a remedy impact, and you get to the EUR1.088 billion. So, the EUR1.088 billion is an important number, which is so Telenet plus ten-and-a-half months of BASE.

Now, when you look at the margin, you see clearly that we go from 52.2% to 46%. This is because we're adding a mobile business, which obviously this is part of the strategy, and as John said, securing profitable growth. We will drive this margin higher to margins that you're used to from Telenet.

If we then move into the first quarter operationals, you see that we had a great quarter, so the Telenet standalone business is really doing very well, as for the previous years. And, the advanced fixed services here, they added 24,600 new subs, and when you look at the triple play net additions, we added 14,700 net adds in the first quarter of 2016. When you then look at the share of our 3P, so this is currently then standing at 51% of the total fixed portfolio, and you look at the ARPU it goes from 50% to 52.3%, namely an increase of 4.6% versus the same quarter in 2015. So, this is great results on the fixed business.

And then, we look at mobile. So, for the first time, we will also add BASE. This is six weeks of BASE that we add over here, and you see the Telenet 20,000 net adds, so also great performance for the first quarter 2016. And then you see the 1,800 added for BASE, so when you then look at the split year this gives you a picture of what the share for instance of the BASE prepaid, so it's basically one-third, and then two-thirds will be post-paid. And then, we get to a total number of mobile subscribers of 3 million from the 1 million that we had Telenet standalone.

We then look at the revenue picture. Here, you see the as-reported number, so growing 24%, but then when we correct that as I just said with the 2015 numbers, then for the first quarter we grow with 5% to EUR552.5 million.

When you look at the composition of the growth, it's a very diverse growth, and solid growth. You see that for video, broadband and fixed-line telephony, so the cable subscription revenue, we grew it 4%. When you look at the mobile telephony, we're growing with 4% here, but if you look at it from a Telenet standalone perspective that would be a 7% growth, and business services growing at 9%, and that other includes the new handset financing part and is also growing.

Then when we take a look at the expenses, and here we changed versus how we showed it in the past, because we thought this was a better -- we are firstly, also aligning with our majority shareholder, Liberty Global, because then it's easier to follow. But also, it gives us more transparency, or it gives you more transparency in the numbers.

So, the one that jumps out here is sales and marketing, but it is just also a timing effect, and it's the first quarter where we had specific campaigns that were launched. So, you'll see that smoothing out throughout the rest of the year. Then, here you see outsourced labor and professional services, that's where you see the integration costs that we obviously also have this year, we had them last year, we also have them in 2016. They will be more or less the same number. And then, the direct cost, mainly content increases, and we offset that on other lines in the business.

Then, adjusted EBITDA, so you've seen it also from release. So, if we immediately go to the rebased number, then you see that we have -- so, a 2.2% growth. But, if you would correct for the integration costs then this would double, and would be more around 4%.

Then, in terms of our profitability profile, you see that on the right-hand side, but I already talked about that. This is because we are integrating BASE, and our aim is to get that higher in the longer run.

Then, our capital expenditures. So here, what you see is, this is still a Belgian foot, and here we see the addition also of the UK Premier League, which we have exclusively for the next three seasons. So, that's why you see that increase here, and if you look at the remainder part, which is the yellow part, that increase is due to our programs. So, the Grote Netwerf -- -- oh, now I'm saying it in English, the Grote Netwerf, which is our network investment program, and also because we're adding the base CapEx.

Then here, this is our free cash flow picture. So now, let me immediately explain what this means. So, this is a minus EUR70 million, but it's mostly driven by a couple of really large one-time hits that we have to our cash flow. The first one is related to a very favorable settlement that we did in 2015, it's a longer-term contract, but where we had a -- for which we would have a cash-out this quarter. So, that's what you see here, that's the EUR23.5 million. And then, we also need to add, that's also a one-timer, so the ticking fees related to the BASE acquisition, so that as well will come out of this one. And then, in addition, we also have an impact of integrating BASE also on our working capital, and then we also have the higher cash interest expenses, because of increased debt. And then lastly, we pay EUR10 million more off a cash taxes in the first quarter, and that is what explains this left-hand chart.

Now, just to reassure you, we anticipate our free cash flow to be very solid by the end of the year, so this is just the first quarter, and we -- I'll talk about it later because we guide for a pretty decent number.

Then, on our net leverage ratio, so here you see that we are 4 times currently from the 3.4 times before, due to the BASE acquisition, and then cash interest expense, you see that it's growing with 17.5%. But, if you deduct from that the ticking fees, then we will be growing with 8%.

Now then, this is our debt profile. You know it. We've done some very favorable refinancing, and so we're able to decrease our average costs of debt from 5.8% in 2014 to 4.4% at the end of 2015. And here you see, the average tenor of 7 years, so this is a very good picture on our debt.

So now, to pause on this really important page for 2016, so as John said, it's a pivotal year. So, this is the rebase from which we start our journey, the 2020 journey that John and also the rest of the team alluded to. So, now we just need to integrate the BASE numbers, and I'm going to explain to you what actually you see.

So, the revenue growth up to 2%, from the 5% that you see for the first quarter. So, why is that? So, there's a couple of factors. So, firstly, there is the addition of the BASE business obviously, that we will have for the coming three quarters. Well, we already have one-and-a-half months, but then the rest of the quarters. And, we'll add also the prepaids. So in prepaids, you see that there is a negative trend, and also in the branded reseller. So, that is already one factor. Then, thirdly there is the remedy impact, also in 2016, so that you have to add, and then there are the regulatory impacts. Roaming is a big one. To many of you, we already talked about that, and discussed that. So, that's also an impact, and also the wholesale, so regulatory wholesale also kicks in. So, that is why you see that we guide up to 2%, so that's the explanation.

And then, for adjusted EBITDA, so it's mainly broadly the same factors with roaming being a big one of course, because it drops straight to the bottom line -- but also the integration costs there. So, you can imagine, we are -- as also Patrick said -- we are executing very well. So, when we intend to continue doing that, and for that we also have integration costs in 2016 which are around the same number as '15.

Then, when we look at accrued capital expenditures, we are around 23%, but that also includes integration CapEx. If you would exclude that, then we would be around 20% of revenue.

Then on the free cash flow side, so here, you see that we still deliver solid free cash flow of EUR175 million to EUR200 million. That is what we guide for.

So, if you then go back to the five pillars, and this is an important slide, and when we look at what we are talking about here for the finance section, then the secure profitable growth is clearly a very important pillar in this set of five. And now, when you think of it and the team also explained it, how successful we were in the past years, and we still continue to be. So, with that success, we actually arrived to more than 1 million subscribers under an MVNO contract.

So, and you heard, you listened to all of the innovations and all the things that we are planning to do, so you can already imagine that in that situation you do not -- it's better to actually own your own network and to move away from the uncertainty with buying at a valuable cost and then actually selling at the fixed price to the customer. So, this is actually for all of us like a great acquisition, but surely also to secure the portable growth, and also it's the right timing because we still have two years ahead until the MVNO expires, and that's also what Micha explained. So, it's actually great timing, a great situation to be in, and that's also why we feel comfortable to guide towards a 2015-18 CAGR of between 5% and 7%.

So with that, I hope that -- because actually, you were talking about the commandments. So, I hope that with this presentation we were transparent, and that's also what our IR team aspires to be, as much as we can of course. And I would like to end with that it's definitely future-proof plan, so thank you for listening.

John Porter: Okay. So, we're going to move to Q&A, and anything's fair game at this point. Once again, take your pick.

Daniel Morris: Thanks. Daniel Morris from Barclays. I've got three questions, actually. Can I just start by trying to bridge the gap between the old and the new synergy guidance, the 150 to the 220? I think in your original guidance, you said about 70% was MVNO costs, and I think it's still about 70. So, does that now represent about 50 million of that bridge, and is the rest of the 20 it's maybe some of these backhaul costs and things you've obviously explained today? So, that was the first question.

The second was on Mobistar and Cable Economics. You know, one of the things that struck me about their product is it looks like it's a lot more sensible for them to take customers from cable than from PSDN, both for the kind of logistical reasons around the switching of the technology, but also the strong economic reasons, because of the one-off costs of connecting, reconnecting the cable line. Is that something, if they're very successful, would you consider changing that fee structure at all? Have you got the flexibility to do that?

And the final question actually is for Micha on the MVNOs versus MNOs, and really thinking more broadly, at cable operators maybe within the wider group. You've obviously had the experience of the MVNO and the MNO, you're obviously convinced by the MNO. Are there other markets where that might not be the case, or do you think it's inevitable that the whole industry moves to this consolidated model?

John Porter: Okay. The first one.

Birgit Conix: Yeah, so on the synergy question, so obviously, we now are a bit -- I mean, we're already a year ahead since the first calculations. So, and data does move, so we do have recalculated everything according to the new data usage. That is one, and so we do believe that it's still around 70% of the total and then the rest also moved, because we do see further opportunities also in for instance, other costs like in the BASE costs, and Patrick can further comment on that. But, so, it's all the range.

John Porter: Patrick, do you want to say where G&A, retail, etc.?

Patrick Vincent: For the other synergies, I think it's a little -- we can say it's a little bit everywhere. So, we see synergy in the marketing costs, we see synergy in the (inaudible) and IT, in the OpEx, in all the systems and platforms that we will sync. We see of course, synergy in the stores, in the retail footprint. We see a lot of synergy in procurement as well, looking at the spending cube and also looking together with LG. So, that's the reason why that we have revised this guidance.

John Porter: Yeah, and on the Mobistar, yeah, you're right. Currently, they're charging 120 or something like that as a one-time fee, if you come from a non-cable home. That's their decision. So, they can change it tomorrow. Many of the homes in our (inaudible) customers probably already had cable and NIUs on them. So, there may be no reason for them to charge.

I mean, a lot of this whole cable access thing is TBD, to be determined. So, I think you can see that in our forecast, and in the three-year forecast -- in both the one-year forecast and the three-year forecast, it's significant. I mean, it's an issue that we are taking very seriously, but is it particularly material to our results? Obviously, we get the offset of actually getting, having the wholesale business. As Dieter showed, we don't dislike the wholesale business. There are other wholesale businesses. We will probably even grow the wholesale category, because we're going to be set up to do wholesale and everything else.

So, from a net-net standpoint, we stick to our knitting and we'll see where it goes. But, so far, we're not hitting the panic button.

Micha Berger: And maybe, you had a question for me. I think the answer is that there's actually no one size that fits all in this question, okay? And that, I think the key to point to it -- I think the one thing that is, I would say mutual into many countries when you look at mobile, is really the convergence between mobile and fixed. And those proposition to the customers, we really feel that it's valid no matter which market you are in. The economics play differently between different countries. So, you could argue that in some places, a light MVNO might be a proper economic solution which you would go for. And in other markets, you would go for a full MVNO and then you have a bit more of, I would say, control on your destiny, so to say. And then other markets like here, where obviously the economics plate -- play for it in this one, that buying an M&L makes a lot of sense for us based on our missions and our current situation of the MVNO. Okay?

Andrew Hogley: Hi, Andrew Hogley from Mirabaud. Just going back to, it was slide 79 in the deck where you're talking about the costs of the MVNO going up 30%

compounding over four years, doesn't that essentially -- or what you're kind of saying, the -- essentially the MVNO model, your profitability on the way it was structured and the contract, would have deteriorated very badly with the data growth? You're paying for data on a per-megabyte basis, essentially, and that's why the synergy number has increased?

And secondly, not familiar with the term, "ticking fees." Can you just explicit as to what those are?

John Porter: Yeah, I'll answer the first one. Well, in addition to the fact that compounding at 30% per year essentially wipes out our margin over a three-year period, we don't have a deal. We didn't have a deal with Mobistar past 2017. And commercially -- there's no obligation to negotiate a commercial MVNO deal on any mobile operator, except for Telenet because we have a regulated MVNO access that was part of the remedies of getting this deal done, with JIM Mobile and MEDIALAAN.

So, uncertainty of renewal is also a factor, in addition to compounding growth rates and the fact that the retail market has essentially -- is essentially moving, making it increasingly difficult for all mobile network operators to maintain caps, out of bundle service charges, and per-megabit fees. So like I said, buying by the drink and selling by the barrel, is a dead-end street at some point. Literally. For your liver.

So yeah, you're correct. But, so the other thing to add to it is renewal risk, which who knows?

Andrew Hogley: And the ticking fees?

Birgit Conix: Yeah, so ticking fees, to state in very simple words, is actually the fees between the time that the debt was raised between the -- and the time that we actually used the debt to pay for the BASE acquisition. And then, on the COGS, so you're right, that is -- but we have to say that we were very successful under the MVNO model, until now. So, that has to be set, but it's a difference when you have a million, or over a million subscribers, or customers, instead of when you're building up and actually building your actually space in the mobile market.

Guy Petty: Thanks, yeah, it's Guy Petty from Macquarie. Just a couple of quick questions. Just so I wanted to understand your branding strategy. I was interested in the chart where you split the country into your existing footprint and then the new BASE footprint. Just so I get this right, am I understanding that you're going to have the BASE challenger brand in the bottom, your own Telenet brand in your existing footprint, but also the BASE challenger in the box? So, I don't quite understand where you're going to get all these savings and marketing synergies from when you're going to basically have sort of three different propositions floating around. So, that's one question.

Secondly, when you compete with your competitors, I know it's early days for Mobistar, newly-named Orange, but they expect to have a nationwide offer in place by the end of 2016. So, they're going to be nationwide mobile, nationwide wholesale cable. Belgacom Proximus is nationwide, you're regional in a large part of your footprint, in a large part of your value. So, isn't that a -- don't you suffer from dis-economies when you're competing with these guys who therefore can have better nationwide benefits? So, I'm interested in that sort of marketing side, and where the savings come from. Thank you.

John Porter: Well first of all, on a national basis, we have essentially the same share as Proximus. They have national footprint, we have regional footprint, we have about the same share. Mobistar is not even anywhere close in terms of driving scale into their fixed business, and (inaudible) anywhere close to being able to drive the scale into the fixed business that we have.

In terms of the brand, I think we're describing to you the sort of near-term future of the brands. So, clearly in the south, until we figure out what step 2, step 3, step 4 are in the south, we're maintaining the base brand. The base brand has a value of being a mobile for everybody value proposition. Not everybody wants an FMC solution.

In the north, the FMC solution is going to be predominant. We're not going to spend probably a lot of money in the north promoting a mobile-only strategy because we have footprint everywhere, so why would we? The other thing is, is that we're not ascribing in the total scheme of EUR220 million in synergies, we're not ascribing a huge amount of synergies to above-the-line marketing costs.

So, we have a retail network. It's densified by putting 111 BASE stores together with 35 Telenet stores, and an indirect network of over 200 dealers. There will be real synergies in real scale into making sense of that, but I'm not overly-concerned with in the medium term having a flanker brand of a value mobile proposition under Telenet.

And in terms of the national scale, I mean, we're already the same size as Proximus, even in our own footprint. So, I think we've got plenty of scale.

Unidentified Participant: I have three questions, all to Micha, this is (inaudible) the network. You highlighted that you have a path to increase speed and capacity through nosebleeds (ph) and increased spectrum. If you can also touch (inaudible) some numbers, how much it would cost you for the nosebleed (ph) and how much it would cost to increase spectrum?

The second is on the -- you're also reliant on -- for the 1-gig on DOCSIS 3.1. Now, could you also give some empirical evidence that it's been rolled out somewhere, or are we still talking about lab? I know there are some significant modulation issues with DOCSIS 3.1 and I want to know how they're going to be tackled.

The third is, okay, on the issue of north-south, and the mobile positioning, you clearly highlight backhauling, it's key. Now, in the south of the country you don't have any backhauling, or at least you cannot own it. Your key competitor, Proximus, has. Now, your customers are mobile, so I'm sure that even when you sell convergent product to the north, and they go to the south, probably going with an inferior mobile quality if backhauling, as you said, is very important. So, how are you going to fix that particular issue?

And the fourth one, it's a clarification. You show a chart where you basically show that the average consumption or speed for your customer is 114 megabits. Now, that implies that you sell 90% of the product you sell is on 100 and only 10% of your customers are 200. Or, is the fact that a number of the 200 megabit packages actually don't deliver 200?

Micha Berger: Okay. So, I need to remember the questions, first of all, so I might need some help remembering. So, on the first one, on the upgrade, right? And the spectrum and the cost upgrade. So, I want to start, and I'll give some general -- I mean, more high-level numbers, because I'm not going to go into the cost for a split of fiber node specifically. Again, it requires more information and it's not a one-number that is exactly replicated across different fiber nodes. But, when we take a look at our project, De Grote Netwerf, okay, we invest EUR500 million over a period of five years in the network to increase both capacity and spectrum. Okay? This does not only cater for only the 1 gigahertz replacement of the fixed, of the passive and active components, but it's actually a whole project about uplifting the network from a capacity perspective. So, also including some fiber node splits in there, for reducing -- for increasing let's say the capacity per segment, specific segment, where they're needed. But actually, and also, for catering, about replacing physically the components that are limiting our network to 600 megahertz, and now bring them to the 1.2 gig.

So, the overall number, over the five-year period, which is there to cater for the growth of data during this period, but also for the significant growth that we foresee afterwards, is EUR500 million in investment that we foresee in five years, and this was announced already two years ago if I'm not mistaken. So, that's the first part.

Second question was related to DOCSIS 3.1? Yeah. So, DOCSIS 3.1, it is an evolution but it is a real evolution of DOCSIS, okay? This is something that cable labs have been working on very strongly. It has already become a standard, I would say, and it is in the testing. You are right to say that it's in lab testing, but it's quite advanced lab testing. And we, together with the Liberty family, which is where we actually can get the scale of making a difference in the industry as the Liberty group itself, but also, we very much enjoy and we can take advantage of that -- we get - we are quite frontrunners in this area, and we are already talking to vendors about 3.1 DOCSIS capabilities in the future CPEs.

Okay, but also on the CMTS side, we are ready -- are working with the vendors together, I would say, and even in a joint way to work and to be able to be sure that we secure the timelines of DOCSIS 3.1 and in terms of timelines, a little bit -- I mean, this year for sure, we're going to do lab tests, and we're going to continue with doing even, potentially even some field tests. And next year, we will already see DOCSIS 3.1 activities in the field.

The magnitude of it, I won't talk about now, but this year for sure is test phase, and next year already I would say is a more realistic phase of DOCSIS 3.1.

John Porter: And then I'll answer the third one.

Micha Berger: Backhauling?

John Porter: Yeah. There's an enormous, and I mean enormous, amount of commercial fiber capacity in the south of the country. Overcapacity. Of course, you've got VOO, you've got the train guys -- we could have bought, what was it, 200 kilometers or 200-some-odd kilometers of fiber for not much a few months ago, and we passed on it because there's so much commercial capacity in the south, we have no concern about it.

Unidentified Participant: But is that fiber where you want to be? Close to your BASE stations? Because we know there is a lot of fiber everywhere on the long distance, but is it where you want to be, or you have to build?

Micha Berger: So, I mean, that's always a challenge. You're right, where you put a BASE station, it can be in the middle of the forest and you don't always have fiber in the middle of the forest. But, like we saw in 75% of the cases in Flanders, we can actually find a connection that is close enough, and it makes a business case sense to do it. In the south of the country, we do have other options for backhauling. It does not mean that this is going to be interior backhauling compared to the north. It might be a different commercial model. We will work with different providers. There are other providers in the south. If it's VOO, if it's EuroFibre, if it's -- we also lease lines from the competition, sometimes. We do work in that sense, and we bring the best capabilities in terms of backhauling that we can do.

Of course, if we had our own network it would make much more sense, just like it makes sense in the north. It will not be inferior to the north in the sense of backhauling. That will not be the limitation of the service.

Unidentified Participant: The last one is the 114, how to read it?

Micha Berger: the what?

Unidentified Participant: The 114, the average.

Micha Berger: Yeah, so maybe Jeroen can help me out in the sales side, in the amount of -- so, the 114 is measured on fixed, we're talking about. Okay? A fixed connection to -- this is not Wi-Fi, that's how these things are measured, in benchmarks. And the 114 megabits, megabits per second, Jeroen, maybe you can say something on the sales, on the ratios we sell between --

Jeroen Bronselaer: So when we sell the (inaudible) I think in our basic net subscribers are probably in there. We still also have a considerable amount of our customers that are at 30 megabits per second. That's our entry-level product. That's at around 30%, and I think that then, not going to be in (inaudible), but the rest divides quite equally and I do think that that gets you to an average that is much closer to the 114. They're just looking at the two products.

Micha Berger: But our (inaudible) specs are higher above it, which are of course driving the entire average speed higher.

Jeroen Bronselaer: Around 30% of 30, and then take the --

Micha Berger: 100 and 100 and divide it by half and you're about there, I think?

Jeroen Bronselaer: Yeah. And maybe just to add, because you said something about the 200 megabits, and that does not imply that you would not achieve the speeds. Actually, we see in the customer experience, in our measurements, that customers are achieving very close to their SLA speed based on what we promised them. So, that comment on the end is not accurate. They reach -- they're very close to the speed that we offer.

Unidentified Participant: (inaudible)

John Porter: No, no -- like --

Unidentified Participant: (inaudible) so just to say 30%'s around --

Micha Berger: Around 30% is on the entry-level program.

Unidentified Participant: (inaudible)

Micha Berger: It's split between the 100 and 200. Roughly.

Paul Sydney: Thank you. Paul Sydney, Credit Suisse. Just two questions, please. Does the medium-term EBITDA guidance assume that Telenet puts through price increases in both early 2017 and early 2018? And secondly, is it possible to quantify the EBITDA drag in 2016 from the remedy effect from the BASE acquisition? Thank you.

John Porter: First of all, I'm not going to answer the first question, because it's too commercial. I mean, I think historically, history is the only guide you're going to get on what our rate increase policy is. But you can answer the second question.

Birgit Conix: Yeah? Okay. Okay. So, our deal, with MEDIALAAN, is actually it depends also on when was JIM Mobile and Mobile Vikings will move to a full MVNO, entirely for both actually, for Mobile Vikings it will already be a full MVNO. But, we still handle the interconnect, for instance, the revenue, etc. So, that one, once everything is moved and that is probably more towards 2017, so actually, you can assume around the same as what you saw before on the slides, let's leave it at that. On 2015. As an impact.

Paul Sydney: And sorry, how much was that?

Brigit Conix: Well, you can -- it's around -- yeah. Can I give those details? But it's on a slide? Oh, it's on a slide? Okay. It's around let's say EUR5 million to EUR6 million in 2016, on OCF and on revenue, it's a bit -- it's less, it's like around EUR3 million to EUR4 million. So, that'll be about the same. But once these elements of the contact changed, then there is a big revenue impact, but without an OCF impact, actually.

Paul Sydney: Thank you very much.

John Porter: Now come on, be kind to the people in the front of the room, they're not getting any attention at all.

Mary Pollack: Thanks. Mary Pollack, CreditSights. Another one for Micha. Your slide on the cost between fiber-to-the-home and coax for the last mile was an interesting one. Most people aren't agnostic about those two technologies. Could you say what the advantages and disadvantages are, when you think about that investment to both technologies? And my second question is on the balance sheet. Your leverage is at 4 times, your parent still runs at a higher leverage, you have a lot of room under your incurrent and you're definitely not ruling out M&A. How should we think about your leverage targets going forward? Thanks.

John Porter: I'll answer that one while Micha thinks about the first one. Our leverage targets have always been about a half a turn to a full turn below Liberty Global's. I think it's a scale issue for us, and so, as you saw before the transaction we were at 3.4, and on the pro forma we're at -- you know, now we're at 4. So, we haven't tended to push the envelope as much as Liberty Global, though, in the normal course. However, to -- there are only so many transactions to do in Belgium, and if one of those presented themselves we could probably talk ourselves into going a little higher. We also maybe, we have the independent Chairman of Telenet with us today, Bert De Graeve, who may -- you may also ask questions of. He may also tell me I'm completely wrong on the answer I just gave on that one. But, that's my point of view, anyway. So, Micha?

Micha Berger: Yeah, we -- on purpose, I distinguished between green field and brown field, okay? And I think that's the key answer to your question. DOCSIS, HFC, has a very, very long future in front of us. I mean, that is obviously the most cost-effective way to upgrade the networks, and to achieve speeds that are as good as fiber. The mean, itself, of the distribution, does not make a huge difference, and it's really about the cost-effectiveness of how we can serve our customers in the best quality, based on which -- on what distribution method.

What happened, I think, in fiber in the past years, is that the maturity of fiber to be able to serve RF-over-glass solutions, which is something that is very relevant for us because we want to convert at the last position point to the -- within the home, we will convert the light into RF and continue with an RF signal within the home. That is the main difference.

The challenges on that technology, you see a lot of work from the vendors that have picked it up and to make it also cost-effective, but also to bring it to the level that actually you can say it's the same as the services you provide today over coax. Okay?

So, the advantages, as such, are not user experience service advantages, but there are some advantages when you want on amplifying signals across the network and technical activities that might in some cases also drive lower costs of operations. That would be one of the triggers. But absolutely, the most cost-effective way to do it now is to upgrade, of course, our brown field with our coax plan. Okay?

Frank Knowles: Frank Knowles, from New Street Research. One question on the network, and one financial. Just on the BASE network, could you comment a bit on spectrum capacity you have and the spread of that spectrum across different frequencies? And is that sufficient, relative to the competition, or do you think you will need to be looking to increase your spectrum holdings at the time?

And then, the second question, also on that, also just in your addition of sites in the sort of second phase of expansion. I remember a few years back, one of the reasons you didn't build an MNO was difficulty in getting hold of new sites and permissions, and so on. Is that going to be easier or harder, the second time around?

Micha Berger: Okay. To your first question, that's an easy one. We are almost identical with this -- if you take a look at the spectrum, and the amount of megahertz that are provided for an operator in Belgium, it is quite identical. Okay? So, we all hold 800, 900, 1800, 2100, and also 26 gigahertz frequencies, and actually from a capacity perspective we see that currently fits our needs. So, we don't see any downside on that side, and it's good frequencies. Okay? Whoever -- I mean, you understand that using 800 frequencies, and this is going to be part of our ambitions of course to use the lower frequencies to get the higher coverage in the short period of time, especially around LTE. Yeah?

So, from a spectrum perspective, we're nowhere inferior to the others. In the future of course, this is a capacity exercise, yeah? What we do, what my team does, I would say in a large proportion of the time we try to anticipate capacity needs in the future, and I try to show it in my slides, both for fixed and both -- and also from a mobile. Spectrum is, of course, one of the ways where we will need -- where we need to see if we need that capacity. We of course will act upon it based on the spectrum auctions that will be coming up in Belgium, so that's on the spectrum side.

On the buildout, I think there are two points, there. First of all, there are challenges in building new sites in Belgium. There's no secret around that. And also, the challenge is that it's not consistent around the different space in Belgium. For example, in Brussels, permits to build, they take way too long. Okay? And the south, in the south of the country, to get permits to build islands, there are taxes on these islands which don't help us at all to make decisions where to build, and how quickly to go. That is one of the challenges that we see when building such a network. Okay? There are too many valuables that we need to take into account.

On the other hand, and I think Patrick mentioned very well, we tapped into a very, very high quality company as base with very good people there that know the business very well. That's a very nice match with our capabilities on the fixed side, because we know also how to apply for permits, and to do a lot of civil works and build on the fixed side. And, we get also the expertise on the mobile side, how to do the infrastructure, how to tap into the infrastructure sharing between the companies which is regulated, and how to go and look for additional sites would make sense.

So, we took those challenges into account, and that's why you see probably that the period of building additional sites is a bit longer than the modernization of just replacing equipment in existing sites.

Frank Knowles: Thank you. Sorry, just on the financial one, which I forgot to add on, just to clarify, Birgit, in terms of the 2016 sort of integration costs, did I hear you right that we should essentially sort of annualize what we saw in the first quarter as a drag from integration expenses?

Birgit Conix: Yeah, you can actually take reference of the 2015 integration costs. So, that was let's say around EUR10 million. That's what you --

Frank Knowles: So, similar sort of leverage?

Birgit Conix: Yeah, similar.

John Porter: EUR10 million per year.

Birgit Conix: Yeah, and then after that of course, in '17, we just (inaudible).

Louis Citroen: Hello, Louis Citroen from Arete Research. I had three questions. The first one is on the -- what you mentioned at some point, of trying to switch Mobistar, some Telenet customers from their Mobistar network to the BASE network, and the fact that you could in certain areas move them early. Is that something you're allowed to do from a contractual perspective with the agreement you have with Mobistar? Could the transition happen a little bit earlier?

And yeah, the --

John Porter: Let's get that one out of the way.

Louis Citroen: Okay.

John Porter: Yes.

Louis Citroen: Yeah, and the other questions were on the extra costs, which you have -- you will have to spend so the bump from EUR240 million to EUR300 million, could you elaborate on what led to this increase in the costs? And then, maybe one small follow-up on that one, which is, when you look today at the Mobistar market cap, which is around 1.2, their net debt which is 400 million, their overall EV is 1.6 billion which with a premium, would have made 1.8, 1.9 billion of valuation. Are there any -- would you have done things differently if you had known the amount of spend you would have had to invest in the networks, looking back on the transactions that you picked between those two networks? Thank you very much.

John Porter: Only if Stefan or Sheridan (ph) does something differently, which is decide that he wanted to sell, which is not the case. And if we had started this process in two years or 18 months later, the window would be shut. So, timing is critical, and of course, in the Mobistar situation you actually lose synergies because you're losing the money that we were paying Mobistar. So, I don't know that we would have gotten a four-and-a-half-times after 2020 synergies multiple in a transaction with Mobistar. It would have been significantly higher. And by the way, the premium would have been through the roof because you had a complex capital structure with controlling shareholder and independents and everything else.

So, timing is everything, and we are delighted to be in control today, early 2016, and as you can see with that, we believe a highly-developed model and roadmap for the future where we think we'll be able to stay ahead of the competition.

Matthijs Van Leijenhorst: Yes, hi, this is Matthijs Van Leijenhorst, with Kepler Chevreux. Two quick ones. Can -- Birgit, can you give some color on what actually happened with working capital, year-on-year? Because it was down 80 million, I believe. What was the cause of that? Secondly, where we're talking about the BASE customer base, because I was wondering, how many people actually live still in Wallonie? No, I mean --.

John Porter: --Good question!

Matthijs Van Leijenhorst: I mean of the -- you've got 3 million customers, I believe, so how many of those 3 million actually live in Wallonie? Because that basically limits the upsell potential, the cross-sell potential. That's why I'm wondering.

Birgit Conix: So, first on the working capital, because you're referring to the earnings release. So, first of all, the EUR23.5 million that I said, like, was a one-off, remember? So, that is already one. Then, you also have the ticking fees which we discussed, that is another one. Then we have like a hit on working capital due to the BASE acquisition.

Matthijs Van Leijenhorst: What do you mean by that?

Birgit Conix: Ah, so yeah. So, that is -- it's basically just when you acquire them, and like, there is just a difference in timing between the payments and the receivables at the time of acquisition.

Matthijs Van Leijenhorst: It's purely a timing issue?

Birgit Conix: Excuse me?

Matthijs Van Leijenhorst: It's purely a timing issue?

Birgit Conix: It's actually, yeah, a timing issue of the acquisition, let's put it that way.

Matthijs Van Leijenhorst: Okay. Any amount of customers in Wallonie?

Patrick Vincent: We don't disclaim any details. The only thing that I can tell you is first, yes, there are still people in Wallonie. The second one is that if you look at Belgium in general, 60/40, take a little bit the same kind of proportion in the mobile, in the mobile customer base.

Matthijs Van Leijenhorst: Okay, and a quick follow up on -- during the presentation, there was a number, 41% of the households actually takes four play, am I right?

Micha Berger: Of our triple play?

John Porter: Triple play customers.

Micha Berger: So, people who already take triple play, 41% of them also takes a mobile subscription with us --

Matthijs Van Leijenhorst: Do you include the BASE customers there?

Micha Berger: They're not included there in that number.

Matthijs Van Leijenhorst: Can you give a number on that? How many people actually in Flanders?

Micha Berger: No, I'm not going to disclose that.

Patrick Vincent: The only thing that we can tell you, is that based on the assumption that we had and the numbers that we have seen, is there are less common customers than what we had expected. So, giving us a possibility to have much more cross-sell than what we listed. Okay?

Matthijs Van Leijenhorst: Okay, and just a final one, on the network upgrade. Is it possible for Mobistar, can they -- is it subject to negotiations, if they want to use also the higher speeds? Or, if you upgrade the network to 1 gigabyte or so? Or, can they automatically use it on a wholesale basis?

Micha Berger: The wholesale is regulated, so I think it's in the wholesale regulation what they're entitled to get.

Matthijs Van Leijenhorst: But it's not capped to a certain speed or so?

Micha Berger: No. I don't know exactly the regulation around it, but I think that the regulation allows to follow our speeds to some extent, in a clear process that is defined.

John Porter: It's reviewed periodically. So obviously, there's more costs to us, it's retail minus, but there's lots of moving parts in terms of what's getting minused, and etc., etc. Somebody else asked about cost-plus. I mean, we don't -- it's not cost-plus. And if it was cost-plus then it would get a lot more expensive, because we're putting a lot of money into this network. So.

Matthijs Van Leijenhorst: Okay. Great, thanks.

David Wright: It's David again from Bank of America. Just on counting, if I could just chase up -- it's probably fairly simple but we have been caught out by a couple of mergers. Outside of inter-company costs, is EUR100 million at BASE, EUR100 million EBITDA at Telenet? That's my first question. Or, is there any accounting subtlety? And I mention this because a couple of deals in the past, the EBITDA that we originally modeled wasn't the EBITDA that ended up coming in.

Birgit Conix: You mean purely on BASE?

David Wright: Your accounting standards, essentially.

Birgit Conix: Oh, in terms of -- no, in terms of accounting changes, this was not such a big amount. You can also see from the slide, now. When for instance, when we include BASE, you saw on the slide of 2015 where we included the OCF of BASE. When you compare that OCF of BASE with the OCF that maybe has been published earlier, there the difference are like big one-offs like settlements, etc., that we do need to take out to rebase so (inaudible).

David Wright: I see, but there's no capitalization, changes in accounts?

John Porter: There's no policy. There's no diversion of policy.

Birgit Conix: A minor -- minor.

John Porter: It's always reconciled --

Birgit Conix: Yeah. There is a bit of accounting, but it's like maybe roughly like EUR10 million, or a max EUR10 million.

David Wright: Okay, that's clear, and then my second question. I'm pretty sure, none of you guys are from BASE, right?

John Porter: Nope.

Birgit Conix: No.

David Wright: Is that an obvious question to ask? As in, you're merging with BASE, and there's not a single representative --

John Porter: We're merging with BASE. We're a substantially larger company. Fixed is a bit more complex than mobile, so it's natural that their senior leaders, in the case where they wanted to continue to play, and we wanted them to continue to play, got pushed down to the n-2 level. So, we have a few of them. We have one of them, is working for, now moving back to Holland and working for Inge Smidts at Liberty Global. One of them has repatriated, was a sicondie (ph) from KPN. And so, it's a bit of a mixed bag, but at the end of the day, you know, this management team is very high-performing. That's why I want to get them all out here today. And the base management team was capable, but they're operating in a different sphere, and in order to have confidence in this FMC strategy which this management team had been working on for a year, and they hadn't been working on at all, I'm backing these guys.

David Wright: That's great. Thanks.

John Porter: Uh-huh.

Emmanuel Carlier: Emmanuel Carlier (ph), ING. Three quick questions. First of all, on the CapEx, could you provide a kind of normalized CapEx after all these investments are done in the network? Secondly, on the EBITDA guidance 2018, how much synergies are included of the EUR220 million? And thirdly, on the pylon tax (inaudible), what is taken into account on the 2016 guidance? Thank you.

Birgit Conix: Mm-hmm, okay. So, maybe on the pylon taxes, on the -- in the '16 guidance, the pylon taxes are not included because they typically -- under IFRS they're taken in January. So, that's not included, it's like EUR16 -- I mean EUR17 million or so. So, but when you -- so no, in 2016 it's not included. Right?

John Porter: But it's accrued.

Birgit Conix: Yeah.

John Porter: To the tune of about EUR17 million.

Birgit Conix: Yeah.

John Porter: For the year.

Birgit Conix: But, I was just thinking about, because when you then look at 2015, that's why I'm hesitating to answer. Because also, when you do the math for 2015, and because this includes ten-and-a-half months of BASE, and when you look at '18 and also the guidance that we give here, that's 12 months. So there, I -- because now, it's really important that I discuss that, as well.

First, one-and-a-half months, since they were not included you have to add like EUR3 million to the EUR1.088 billion that you see, then becomes EUR1.091 billion. That's an important factor, and it's only EUR3 million because you have the pylon taxes in January. You see? So, that's for your --

John Porter: You might want to -- you can follow up on that one.

Birgit Conix: For your model.

John Porter: CapEx?

Birgit Conix: Yeah, and then on the CapEx, so '16, '17, '18, important years still for integration and CapEx. So then as of '19, you will see the levels back to normal, and then of course we are foreseeing lots of efficiencies, as well. So then, that would be more, like let's say around '19 and then going down further.

Emmanuel Carlier: And what would be the normalized rate? Could you give that kind of (inaudible) --?

Birgit Conix: --So -- yeah, so actually, maybe another way to look at it is, when you take out the integration CapEx then we're running toward those years like at the 20% or 19%, and then typically like a mobile business has a lower percent of -- to revenue in CapEx. So, these -- do take that into account as well, because that's been a substantial part of CapEx.

John Porter: Yep. Let me just point out that we have a really good investor relations team who will be available, Rob Goyens and Thomas Deschepper, who are going to be available for a more granular follow-up, particularly on models and these kind of things. I think we've got time for two more questions, and I would encourage you to keep them macro. Is it macro?

Unidentified Participant: (Inaudible.) Steve Malkin -- probably questions that Investor Relations probably wouldn't answer, put it that way.

John Porter: Okay.

Unidentified Participant: You may not either. Steve Malkin (ph) from Arite (ph). Split contract, you had a benefit obviously from handset financing in the smaller MVNO base. Is that something you anticipate rolling into the base operations over the next two or three years? And, how should we think about the EBITDA benefits that might accrue from rolling out split contracts into BASE?

And related to that, management incentive from your management remuneration. Your parent company, I think, is almost exclusively based on 6% to 8% OCF growth. Should we assume that your remuneration is based around that target predominantly, or are there any other major factors just to think about, the way you guys get paid in the next couple of years?

John Porter: To clarify on remuneration, we are all incented 100% on Telenet equity. None of us are incented at all on Liberty Global equity, nor do we own any. I don't own any, never have, in 24 years of working with the Company. Some very good All Star equity down in Australia, if any of you own that, but that went well.

So, we're all completely levered to this three-year plan, and super-focused on it, and super-focused on delivering the best possible results across as we've already presented to you. And, on the handset financing --

Unidentified Participant: So just EBITDA, is EBITDA growth the biggest part of your remuneration or are there other --

John Porter: Yes. Yeah. Well, we have an annual remuneration package which includes, it's very simple. It just includes revenue, OCF in equal proportions, and NPS. That's our annual plan. And then, we're all purely on an equity basis levered to this plan between three and five years.

And then on the handset financing, we -- yeah, the accounting of all that I guess Birgit can explain.

Birgit Conix: So, on the handset, so BASE also has a handset financing model, they do that with the company so it's already in place.

Unidentified Participant: The numbers include that--.

Birgit Conix: --Yeah, yeah, so they -- they--.

Unidentified Participant: --We don't (inaudible) benefits?

Birgit Conix: As far -- I'm not going to quantify, but they do have a handset financing model, same type in place at BASE. They also have a subsidy model, but also a handset financing one.

Ruben Devos: Yes, Ruben Devos from KVC Securities. I have the honor to be last, so hopefully I'm -- all discussions will be short. Two small questions, basically. The first on content, there has been a lot to do about content cost inflation, particularly in the field of new scripted drama series, live sports rights, and this is primarily reflected in your first quarter results with the extension of the UK and the Belgian Soccer rights. So, basically, also this morning you made some interesting comments on the fact that you would be willing to work together with content providers, which is sort of a new development. So, would you just re-articulate sort of your content strategy, in terms of internally-produced content? Your -- also, your live sports right, and of course, new script, new scripted drama series?

And then the second question, related to your KPIs -- I mean, it's a big (inaudible) related, but still -- it was throughout 2015, your -- the rate of growth actually moderated in terms of subscriber, subscriber growth rates. You've also had in terms of churn in the first quarter, across the fixed subscriber base, it went up. This is a bit strange, I'd say, because you know, in the first quarter of 2015 there was a lot of fuss that you've increased the downloads by 45%, and then actually anyhow you were able to grow your subscriber base while actually now in the first quarter of 2016 you've actually seen churn going up. So, I was just wondering, if there's sort of a new reality now with lower subscriber growth rates going forward, and what has been the cause of the higher churn?

Jeroen Bronselaer: Do I take entertainment first, or--.

John Porter: --All of it.

Jeroen Bronselaer: Entertainment -- all of it? On the entertainment, on the question, I mean, own scripted drama, American series, and let's split it into general entertainment and sports. Right? We think that you know, the three things we have to do -- providing great content. American scripted dramas are a part of that great content, so for sure we want to do deals on that one. And the own scripted drama is for us, a way of -- it's an easier way of doing the -- both the great content offer, and the engagement. Because if you own the piece of common (ph) you can also much more control the entire engagement cycle. What we will do with (inaudible) and how we will engage with our customers on this new title, how they will see it. So, I think it will be absolutely a part of the bundle of content that we will be bringing to our customers.

And then, on the churn comment, I do think we'll -- do still think we are very much best-in-class in churn. But, indeed I also noticed, that like last year was a little bit lower, a little bit lower first quarter than this quarter. We're diving into it. But it's also, you know, it's--.

John Porter: --(inaudible) TV.

Jeroen Bronselaer: Ah, it's the (inaudible) TV thing, ah, sorry.

John Porter: Yeah. We had a situation where we had -- okay, so we didn't have a -- it wasn't our network, we had a license to serve Willoue Salambert (ph), KVC, you know what I'm talking about? They had an analog cable offering, and we had the digital overlay. There was an auction, and Altice ended up bidding about 20 times EBITDA and believe it or not, beat us out for those rights. So, we have exited gracefully, but those additional disconnects are more than compensating for that discrepancy. So, you don't have to dig in any more.

Jeroen Bronselaer: Why didn't nobody tell me? Why didn't anybody tell me about this? I've been worrying at it for weeks, now.

John Porter: So yeah, that's the short answer. But I don't -- in terms of moderation, yes, is also -- look. Mobistar is going to be successful to one degree or another, we don't know, but let's have a look. It's -- there have been, as I said, other challengers in the market. As you just found out, we never talk about it, but we have a 30-meg cheap and cheerful offer. We don't promote it. We don't go below the line with it. We're not exactly just standing here waiting to get steamrolled by Mobistar. So, we'll see how that all goes.

And, Proximus is doing a better job. I don't know where their numbers come from, because they don't -- I don't think they come substantially from our footprint. Because yes, we're down, but we're down sort of -- in our fix we're down like 15,000 RGUs from Q1 '15 to Q1 '16. So, it's not like the wheels are coming off, or anything. So.

So, as you can see, we're quietly confident going into the future. We think we've really laid out a fantastic plan. We've been thinking about it a long time. It's -- you know, as I said before, it gets us in the zone where our shareholders have come to expect in terms of value creation, sustainability, de-risking the model, and we'll continue to try to deliver information to you, transparently, clearly, and hopefully keep everybody on board.

So, it's an interesting time. It's a complex time. I wouldn't say 100% of the market understands what we're doing. We're the first cab off the rank (ph) for FMC, we're the first company to stand up to you and say, "We have a five-year plan to make this business, the telecommunications of the future." We're the first company to do that, and give you this level of granularity into what FMC really, really means.

So, cut us some slack there. We'll continue to let you know if we get any smarter along the way. And you know, we're going to do what we say, say what we do. Thanks for coming.