

ANNUAL  
Report  
2011



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# HIGHLIGHTS

## in 2011

### 4 MARCH **Mobistar brings Facebook and Twitter to television screens**

Mobistar is the first provider of digital television in Belgium to transform television sets into sharing tools. In other words: you no longer need a PC to react via Facebook, Twitter, Picasa and Flickr while watching television, as viewers are now doing to an increasing extent.

### 4 APRIL **Red Bull MOBILE is launched in Belgium in partnership with Mobistar**

Red Bull MOBILE has chosen as its partner Mobistar, the pioneer of prepaid cards in Europe. Thanks to this co-marketing agreement, Mobistar has broadened its prepaid offer and is addressing new sectors.

### 27 MAY **Mobistar launches a “quadruple play” offer**

By adding mobile telephony to its Starpack offer, which already included digital TV, unlimited Internet and unlimited fixed telephony, Mobistar launches a very comprehensive and competitive “quadruple play” solution.

### 22 JUNE **VT4 Mobile is launched**

The VT4 television channel and Mobistar launch the VT4 Mobile GSM offer. The Flemish channel has collaborated with Mobistar to create a single pricing plan, made to measure for its viewers. Via this co-marketing agreement, Mobistar has broadened its target group and strengthened its position in the highly competitive prepaid sector.

### 23 JUNE **The “E-safety Charter” is signed**

In common accord with Child Focus and major Internet actors, Mobistar signs the “E-safety Charter”, a self-regulatory document devoted to the on-line protection of children and adolescents.

### 30 JUNE **A single mobile Internet subscription for use on several devices at once**

Mobistar innovates by launching Internet Everywhere Multi, a subscription that allows users to share the same data package between several devices: smartphones, tablets and laptop PCs. This is a first on the Belgian residential market.



**7 JULY**  
**A major contract with the Flemish public authorities**

Mobistar signs the third extension of its contract to provide telecommunications services to Flemish agencies and ministries. The contract covers fixed and mobile telecommunications services (13,000 SIM cards) and runs for 7 years.

**22 AUGUST**  
**A BlackBerry offer for prepaid cards is launched**

By launching a prepaid BlackBerry package starting at 7 euros, Mobistar sought to enable the largest possible number of people, and not just professionals, to use this device. The chat function, in particular, has been massively successful with young users.

**27 AUGUST**  
**Mobistar celebrates its 15<sup>th</sup> birthday**

From its beginnings in 1996, Mobistar now has in excess of 4.1 million customers. To celebrate this important anniversary, Mobistar sent a bottle of Champagne to over 4,500 customers who have been with us since the outset.

**30 SEPTEMBER**  
**Commercialisation of iPad 2 in Belgium**

Mobistar was the first Belgian operator to commercialise the second generation of this revolutionary device by Apple.

**27 OCTOBER**  
**Visual Voice Mail is launched**

This service functions rather like the management of e-mails and revolutionises the way you consult your vocal messages.

**28 OCTOBER**  
**Introduction of iPhone 4S in Belgium**

For this launch, all the Mobistar Centers opened their doors at 8 a.m. and a special event was held the evening before at the head office of Mobistar in Evere, where sales began at midnight.

**21 NOVEMBER**  
**Contract with Colruyt**

Colruyt, via the Mobistar network, sells a prepaid card with which the customer pays for usage only. Thanks to this partnership, Mobistar has increased its market share in the prepaid card sector.

**28 NOVEMBER**  
**Acquisition of a 4G licence**

Mobistar positions itself to absorb the enormous growth expected in mobile data and responds in an optimal manner to the changing needs of its customers, who are increasingly using mobile consultation of videos.

**8 DECEMBRE**  
**One out of every two Mobistar workers is teleworking**

A pioneer in telework, Mobistar took part in the second National Telework Day on 8 December. One out of every two team members regularly works from home.

# Letter from the CHAIRMAN



*"During 2012, Mobistar will continue investing in a high performance mobile network."*

## An extremely competitive market context

2011 was a year marked by an extremely competitive market context and tightening regulatory pressures. Despite this, we have achieved all the objectives we set ourselves a year ago. The constructive attitude shared by all the team members and the Executive Committee has contributed to this result, and I would like to thank them personally and on behalf of the Board of Directors.

This year, our CEO Benoit Scheen was invited to join the Executive Committee of our parent company France Télécom-Orange. I would like to congratulate Benoit on this promotion, which is an acknowledgement of his excellent management and also a great point of pride for Mobistar. I would now like to welcome his successor, Jean Marc Harion, who took over this post in December 2011. Jean Marc is a real expert in the telecommunications sector, and he is strongly motivated by the development of Mobistar and its human capital.

In 2011 we celebrated 15 years of our company's existence. This anniversary belongs to our customers above all, and I would like to thank them. You are increasingly numerous and increasingly loyal: there were 4,204,656 active customers in mobile telephony in 2011, which is 4.1 % more than in 2010. We appreciate this fidelity: in 2011 we invested heavily in our customers' satisfaction by increasing our staff to the tune of 140 extra employees. In June, we signed the customer service charter and we are committed to the continuing improvement of our customer service in 2012.

In 2011, Mobistar achieved its objectives. The Board of Directors will propose paying an ordinary dividend of 2.90 euros per share and an extraordinary dividend of 0.80 euros per share and will submit this motion for approval at the General Shareholders' Meeting on 2 May 2012.

In a telecommunications market that is undergoing widespread transformation, Mobistar will mobilise all its skills and all its energy to satisfy its clients in all sectors. Our objective is to become a benchmark enterprise in this sector in Belgium.

This intention is mirrored in our strategic investment priorities for 2012:

- strengthen our mobile networks to increase the volume and quality of our voice and data services;
- develop the convergence of our services to allow our clients mobile access to them wherever they may be.

Despite a challenging economic context forecast for 2012, Mobistar thus confirms its intention to continue investing in order to strengthen its position in the telecommunications market.

A handwritten signature in black ink, which appears to read 'Jan Steyaert'.

Jan Steyaert  
Chairman of the Board of Directors

# Letter from the CEO

*"Mobistar reaffirms its priorities  
for 2012: mobile networks,  
convergence of services and  
service to our customers."*

## Customer relations: the guiding principle for our actions in 2011

First, I would like to tell you how proud I am to have become part of Mobistar, one of the jewels of the France Télécom-Orange Group and of BEL 20. I was born in Brussels, and I have observed just how much Mobistar has contributed to improving general access to mobile telephony in Brussels, and how it has managed to create a sustainable dynamic in this sector.

With over 4.2 million clients as at 31 December, Mobistar aims to be customers' first choice of operator in Belgium, capable of giving each individual mobile access from anywhere to the full range of services: voice, internet or television, personal, professional, family or community services, and so on.

This vision explains the extent of the investments Mobistar will continue to make in 2012. These will serve, firstly, to strengthen and renovate our mobile network and to increase the supply and quality of our voice and data services, using the new frequencies we acquired in 2011. Secondly, they will enable us to develop new service platforms that we can use to deliver these services to our customers through all available forms of access. Finally, they will allow us to continue improving the satisfaction of our customers in order to become a benchmark enterprise in this domain in Belgium.

These are all important elements that generate ongoing change and contribute to the transformation of Mobistar, a process begun two years ago. Despite some shocks felt in the market, throughout 2011 Mobistar showed that it was an enterprise that could adapt quickly and develop a proactive approach. The true guiding principle of our actions in 2011 was our customer relations, and this will continue to be a dominant feature of our approach in 2012. We are committed to meeting our customers' expectations on the telephone, via internet and in our Mobistar Centers, offering them products and services that are adapted to their needs, as well as the means to easily control and monitor their usage.

Environmental and corporate social responsibility give meaning to the action of Mobistar, which affirms its commitment via a series of initiatives that aim to favour communication between people. Our commitment to help integrate autistic people via the Participate! association is part of this approach, as is the opportunity given to our team members to pursue voluntary actions with our support.

This corporate social responsibility is expressed at every level of the enterprise and in every domain of our activities. Mobistar's commitments to its team members, to its customers, to society and to the environment are the four pillars of our corporate social responsibility policy. For the second consecutive year, this policy is the subject of a detailed section in the present annual report. Indirectly, it is also shown in the efforts made by Mobistar to attract and retain new talents.



A word now about Orange Communications Luxembourg S.A. and its remarkable performance: in 2011, its turnover increased by 19%. Orange Communications Luxembourg S.A. has launched fixed telephony, has celebrated the signing of its 100,000th customer and has opened a "flagship store" in the Luxembourg city centre.

In a particularly competitive market context and despite the impact of regulations which have reduced our revenue by 74 million euros, the Mobistar Group has achieved all the objectives it had set itself for 2011. Its total consolidated turnover for 2011 was practically unchanged compared to 2010, amounting to 1,658 million euros. Its EBITDA margin, amounting to 530 million euros, and our consolidated net result of 221 million euros, correspond to the forecasts and objectives the Group had set itself.

Even more importantly, Mobistar has shown that it has become a complete telecommunications operator, as is shown by the structure of its revenues. For the first year, mobile data, fixed lines and television represent half of Mobistar's turnover for services in Belgium.

The world of telecommunications is developing rapidly and is undergoing major transformation, both from the legislator and as a result of the difficult economic situation. The decisions by the IBPT (Institut belge des services postaux et des télécommunications – Belgian Institute of Postal and Telecommunications Services) concerning opening up cable and the VDSL network as announced in 2011, aim to apply to the fixed telephony and television market the same rules of transparency and healthy competition as those which operate in the mobile market in Belgium. These regulatory developments represent an opportunity for Mobistar and will have a positive influence on the development of our Mobistar TV and Broadband internet offers.

Despite a poor forecast for the economic context in 2012, we confirm our intention to continue investing in order to strengthen our position on the telecommunications market and to establish Mobistar more than ever as the preferred choice of operator for all Belgians.

Jean Marc Harion  
Chief Executive Officer







# The constantly changing world of TELECOMMUNICATIONS

A major feature of 2011 was the breakthrough of smartphones and digital tablets. In response to this craze, telecommunications operators are proposing more and more mobile services and convergent offers. Spurred on by Europe on the federal or regional levels, the regulatory framework is in turn becoming increasingly sophisticated

## An increasingly competitive context

### The mobile market remains extremely promising

Unexpectedly, in a market that seemed to have reached maturity, 2011 featured a slight increase in the penetration of SIM cards in Belgium, from 111 % to 113 % in one year. This growth does not come from classical mobile telephony (voice and SMS) but rather, from mobile data communication. Belgium is now catching up with its neighbouring countries in this domain.

### Bundling is not taking off

Belgium permitted bundled sales in 2010 and it was widely practised by telecommunications operators in 2011. Mobistar maintained its choice not to follow this path, considering that this manner of selling was not in line with its core business and did not meet customers' intrinsic interests.

### A year of consolidation for convergence

In both the private and business markets, convergent offers have become an essential element of telecommunications operators' marketing strategy. Quadruple play offers (fixed and mobile telephone, internet, television) are combined and multiplied to offer ever greater possibilities. By adding mobile telephony to its Starpack offer, which already included digital television, unlimited Internet and unlimited fixed telephony, Mobistar launched an extremely comprehensive and competitive "quadruple play" solution in May 2011.

## The great breakthrough of digital tablets

The sales of smartphones and tablets really took off in 2011. More than one quarter of mobile telephones sold in Belgium are smartphones, while digital tablets have made a breakthrough with the general public: it is estimated that there were 300,000 in the hands of Belgian users at the end of 2011, compared to only 75,000 at the end of 2010. These two trends go hand in hand. According to a study conducted by Nielsen in the United States of America, 90 % of iPad owners also own a smartphone and 99 % of them also own a portable computer. We should not forget that portable game consoles and electronic books, for example, are also part of the panoply of connected devices.

In order to surf on all these terminals, users had to take out as many subscriptions, with all the costs and complications that entailed. To better meet their needs, at the end of June Mobistar initiated Internet Everywhere Multi, a mobile subscription to be used on several devices at once. This was a first on the Belgian residential market.

### Digital television

The switch from analogue to digital television maintained its pace in 2011, although a large slice of the Belgian population, some 40 %, still have analogue television.

As regards content, the operator Telenet won direct broadcasting rights for Belgian football. This content has value in terms of public relations, but Mobistar has maintained its strategy not to follow this path.

## **The regulatory framework develops further**

### **Renewal of the 2G licence**

A Belgian law passed on 15 March 2010 introduced the possibility of establishing a fee for the renewal of 2G licences. It was stated that this fee would amount to around 15 million euros for a five year period. Mobistar, Belgacom Mobile and KPN Group Belgium appealed against this law to the Constitutional Court.

In June 2011 the Court decided to submit a certain number of questions to the European Court of Justice concerning the possibility for member States to establish such fees. A decision should be made towards the end of 2012.

### **Fourth UMTS operator**

Telenet/Tecteo Bidco was the only candidate to apply for a fourth UMTS licence. This was granted at the end of July 2011 for a 2.1 GHz spectrum. The consortium also chose to use the extra option to broaden its frequencies of 900 MHz and 1800 MHz.

### **Licences for 4G networks**

Five applications were received for 4G licences in the 2.6 GHz frequency bands. Four of these were granted to Mobistar, Belgacom, KPN Group Belgium and BUCG respectively. Mobistar paid the minimum price (20.02 million euros) for a licence of 2x20 MHz running for 15 years. The 4G licences enter into effect on 1 July 2012.

### **Mobile network termination rates (MTR)**

In its decision of 29 June 2010, the IBPT (Institut Belge des services Postaux et des Telecommunications – Belgian Institute of Postal and Telecommunications Services) established a new table of rates for the period from 2010 to 2013 on the basis of the long term incremental costs. In concrete terms, the rates will be gradually reduced to a symmetrical level of 1.08 eurocents per minute as from 1 January 2013. KPN Group Belgium and Mobistar filed an application for the suspension and annulment of this decision to the Court of Appeal. The application for suspension was rejected in February 2011. A decision concerning annulment is expected towards the middle of 2012.

### **The European regulation on roaming services**

In 2011 new reductions in rates for roaming services came into effect, both for the retail market (voice and SMS) and for the wholesale market (voice, SMS and data), in compliance with the European regulation.

In December 2010 the European Commission initiated a consultation process for the revision of the regulations on roaming services in order to strengthen competition on this market. This new regulation should come into effect towards the middle of 2012. Extra reductions in rates and structural measures are planned.

### **Regulations on broadband and cable connections**

In July 2011 the IBPT completed its analysis of the broadband markets. The main revelation is that Belgacom must

open up its own network to an offer of alternative television (multicast). At the same time, the four media regulators (IBPT, CSA, Medienrat and VRM) decided to impose access and resale obligations on cable operators. Cable operators must their network to alternative operators for analogue and digital television and also for broadband internet.

All the parties concerned, the cable operators and Belgacom, appealed against these decisions. If there is a suspension, it can be expected in mid- 2012.

### **Abuse of dominant position by the Belgacom group**

In May 2007, the Commercial Court of Brussels handed down a judgment confirming the dominant position of Belgacom Mobile between 1999 and 2004, and appointing experts with an assignment to determine any abuses and to calculate the loss sustained by Mobistar and KPN Group Belgium. A second intermediary report issued in December 2010 confirmed the abuses and increased the estimated damages to € 1.84 billion for Mobistar and KPN Group Belgium together. Although Belgacom's request for the experts to be recused was initially not approved, it later obtained a suspension of the experts' work while its request for recusal is considered on appeal. In January 2012, Belgacom has filed an appeal against the initial judgment of the Commercial Court of Brussels. Early March 2012, the Court of Appeal decided that the Belgacom's request to have the experts replaced was valid. As a consequence the parties (and the Court if there is no agreement between the parties) will have to decide on the new experts to be appointed.

In another case for abuse of dominant position identified during the years 2004 and 2005, the Competition Council fined Belgacom Mobile € 66 million in May 2009. The decision was appealed by Mobistar requesting the court to include additional abuses (loyalty discounts and on-net/off-net discrimination) to the one withheld. Mobistar also referred the matter to the Commercial Court, seeking damages for the prejudice sustained. The damage claim proceedings before the Commercial Court are on hold until the adoption of a final decision on the abuses in appeal.

Finally, Mobistar, acting jointly with KPN Group Belgium, filed a complaint with the European Commission against Belgacom for abuse of dominant position on the broadband market in April 2009. In the course of 2010 this complaint was withdrawn and introduced instead before the Belgian Competition Council. The investigation is ongoing. Lastly, Mobistar – together with KPN Group Belgium – filed a complaint on 22 March 2010 with the Belgian Competition Council against Belgacom for abuse of dominant position in the broadband market. This investigation is still ongoing.

### **The law on preferential rates**

On 27 January 2011, the Constitutional Court decided to annul a certain number of articles of the law of 25 April 2007 concerning financial compensation related to the provision of preferential rates. In the framework of the transposition of European telecommunications directives (the "telecoms package"), a new method of calculating this indemnity is expected to be defined.



LUC BOEKE, Competitive Intelligence Manager :

*"Our flagship remains connectivity, as we showed once again at the end of June by launching a mobile subscription to be used with several devices at once. It was the first time this had been offered on the Belgian market."*

**The new legislation and the transposition of the European telecoms package**

During 2011 new obligations came into effect, mainly regarding usage (concerning, for example, the rules governing billing, establishing an ethical committee, and SMS subscription services). Self-regulation initiatives have been established, especially regarding the protection of children using Internet, and customer service. Lastly, compulsory emergency services access via SMS has also been introduced (coming into effect in 2012).

The transposition of the European telecoms package of December 2009 is under way. New obligations concerning consumer protection, particularly in terms of contractual obligations, are expected.

**New emission standards for electromagnetic waves**

In 2011 the regulations in the three Regions were stabilised.

At the end of 2009 in the Brussels-Capital Region, the government published two implementation orders for the

ruling of March 2007, which set the cumulative standard of a maximum of 3 volts/metre for all emission sources, with the exception of radio and television signals. Mobistar introduced a first batch of applications for environmental permits (for sites with a total of over 120 watts) on 31 August. These applications are still being considered by Brussels Environment. Applications for environmental permits for the other sites must be made before the end of August 2012. To respect the power limit of 3 volts per metre and to compensate for the reduced coverage, Mobistar has set up around one hundred new sites in Brussels.

In Wallonia, the decree of 3 April 2009 imposes a field of maximum 3 volts per metre per antenna, per type of technology and per operator. Antenna locations are subject to an environmental declaration. All the technical files for Mobistar's antennas have been submitted to the Walloon control body, the ISSeP.

In mid-November, Flanders opted for a combination of the former federal standard of 20.6 volts per metre applicable to combined sources (radio, television, Astrid, etc.) and of 3 volts per metre per antenna (according to the frequency). All sites must be made compliant by December 2012.





## The Mobistar **STRATEGY:** confidence in action

In 2011 Mobistar solidly confirmed its position as a convergent operator, particularly by enriching its TV platform with new contents and functions. Mobile data communication and the Machine-to-Machine sector are very promising markets. The number of customers continues to grow, particularly thanks to a series of co-marketing agreements signed during the year.

### **Consolidation of our convergence policy**

During 2011, Mobistar confirmed its position as a convergent operator, in both the residential and the professional markets.

After the launch of Mobistar TV in 2010, new innovative functions were added in 2011, enabling us to offer a multi-screen TV platform that is distinct from our competitors. With free access to Facebook and Twitter on the television screens, a viewer no longer needs a PC in order to participate via social networks when watching a programme. He can also use his smart phone as a remote control device. This service already existed for iPhone and iPad. The contents on offer have been considerably enhanced, with over 250 television and radio channels accessible as well as a new on-demand video service, launched at the end of August.

In 2011 the Mobistar teams were working to speed up the activation procedure.

### **A very promising ecosystem**

In an increasingly saturated market (in Belgium, the penetration level for mobile telephony is 113 %), heavily constrained by regulations and with new arrivals appearing frequently, Mobistar continues to keep its promises to over 4 million mobile telephony clients. This number of customers increased even more in 2011 (+3.9 % in one year), with a steadily growing proportion of subscribers.

For the future, Mobistar is confident that mobile data communication and digital television will be sources of growth. 2011 saw a major increase in new forms of communication, particularly via digital tablets and smart phones.

The Machine-to-Machine (MaTma) sector is also growing rapidly. With a market share of over 70 %, Mobistar is the Belgian market leader in this field. In 2011 Mobistar more than doubled the number of SIM cards activated and greatly increased the number of signed cards. There are a number of promising large-scale projects, particularly the European project eCall: this system, which automatically transfers emergency calls from a motorist in distress to the alarm centre, will become obligatory for installation into new vehicles from 2015.

OLIVIER YSEWIJN, Chief Strategy Officer:

*"The new forms of communication  
- digital tablets, smart phones, etc. -  
represent a very promising ecosystem  
for telecom operators."*



## High added-value partnerships

In 2011 Mobistar continued its strategy of high added value partnerships. In April, a co-marketing agreement with Red Bull Mobile enabled Mobistar to strengthen its position in the very competitive sector of prepaid offers, while increasing its penetration in the 15-29 age range. In the same vein, a co-marketing agreement was initiated at the beginning of July with the VT4 television channel. Finally, at the end of November, Mobistar announced it had signed a contract with Colruyt for the sale of simple and transparent prepaid cards, with which the client pays for usage only.

## The pioneer spirit continues with the 4G licence

By acquiring the 4G licence in November, Mobistar has confirmed its positioning strategy in mobile communication. This licence is valid for 15 years as from 1 July 2012 and covers a block of 20 MHz duplex frequencies in the 2.6 GHz band. 4G, also called LTE (Long Term Evolution), offers users extremely fast transfer speeds.

Mobistar has also continued to invest in its transmission network and now possesses a fully upgraded and very robust network. In 2012 these developments will make it possible to offer customers an unparalleled high-speed data network experience. In the future, Mobistar will continue to invest in order to best meet its clients' developing needs as they increasingly use the mobile network to transfer data or to view films and videos.

## Mobistar's ambitions for 2015

Mobistar's parent company, the France Télécom-Orange group, has started work on the project called Conquêtes 2015 ("Conquests 2015"). Mobistar has interpreted this project in terms of its own objectives. For 2015, Mobistar has the following ambitions:

- to be recognised by its clients as their trusted partner, capable of offering personalised telecom solutions;
- to be perceived by the labour market and its team members as the best ICT employer;
- to be seen by the community as an important contributor to sustainable development and environmental protection.





# BRAND and marketing STRATEGY: become a "love-brand"

Mobistar set three main objectives for 2011: securing revenue from traditional market sectors, strengthening its image as a convergent actor and focussing on the customer experience.

STEPHANE BEAUDUIN, Chief Marketing Office:

*"Mobistar and technology  
are not at the centre of life,  
but they facilitate it."*

Mobistar's strategy for 2011 meant its marketing promise needed to be broadened. Based on a brand known mainly for its offer in individual mobile telephony, emphasis was placed on its image as a strongly family-oriented convergent actor. The flagship of this communication was Starpack (the quadruple play offer). The emotional register of the "Love-Work-Play" universe has constantly remained central to the brand.

## The Theatre of Life

We translated this strategy into the concept of the "Theatre of Life". In the various facets of life – love, work and play - men in black come on stage and discreetly assist the family members to do things, in the background, to make their dreams come true. Mobistar and technology are not at the centre of life, but they facilitate it.

The campaign was shown on television, as well as in shops, on social networks and on a number of other media, with 360° pervasiveness. As a result, over 50 % of Belgians now consider that Mobistar is a convergent operator.

## Spotlight on customers

In the business market, the emphasis remains on "convergence of talents" via our offer of convergent solutions, called "YOUR BUSINESS & Mobistar". This platform puts the spotlight on a certain number of business customers, via case studies and visual spots on the web and in the professional press.

## Customer experience at the fore

In a relatively saturated market, in 2011 Mobistar also highlighted its after-sales service and customer experience. The outlets were at the centre of this message. The new interiors installed in the Mobistar Centers helped to turn them into real customer experience centres, places where the customer can find solutions to his telecommunications needs. For example, each customer is offered a personalisation service when buying a new smartphone so that he can start using it immediately (configuring his mail or downloading an application). This repositioning of the outlets was supported by a training programme for all 450 sales agents.

It should be noted that the marketing efforts went well beyond the simple offer of "products". Here are just a few examples: Mobistar Insurance, covering mobile phones against theft and damage; activation advice by phone; the Travel Data Daily service for travellers wishing to use their smartphone only occasionally and moderately when abroad; and the "selfcare" function that gives the customer access to a complete overview of his mobile telephone usage, thereby allowing him greater control over his budget.

## The brand : Orange Communications Luxembourg S.A.

Two years after the rebranding of Orange in Luxembourg, the results have been extremely positive in terms of enhanced awareness, with a resulting increase in our market share in 2011.

Our mobile data communication network has once again become much more powerful, and promises further improvement in 2012.

# DISTRIBUTION, more than ever multichannel

In 2011 Mobistar confirmed its multichannel distribution strategy. Alongside reorganised Mobistar Centers and “corners” in some department stores, Mobistar’s project entails placing Internet in an increasingly central position within its distribution system. In the business market, Mobistar strengthened its position during 2011 as a convergent actor for businesses.

PAUL BAECK, Chief Commercial Officer:

*"Our project is to place the Internet at the heart of our distribution system."*

On 28 October 2011 Mobistar became the first Belgian operator to introduce iPhone 4S. With the success of iPhone, which remains very considerable, the sale of mobile devices and mobile services in general has been at the heart of the various distribution channels throughout the year.

For the whole of 2011, 800,000 terminals were sold.

## The Mobistar Centers complete their transformation

By the end of 2011 the chain of Mobistar Centers had a total of 165 outlets, including 49 owned outlets and 116 agents. The new Mobistar Center interior programme was started in 2010 and continued throughout 2011. It will be completed in 2012.

These new interiors aim to transform the shops into real customer experience support centres, favouring a segmentation of the products that best correspond to users’ needs and allowing them to test a series of devices. In 2012 Mobistar will continue to differentiate its outlets by initiating the new “Care” range of products.

To support this repositioning of retail outlets, 70 new jobs have been created along with a major 16-week training programme for 450 members of the sales staff.

## Online sales continue to grow

Online sales continue their rapid growth. Over 10 % of commercial services are now provided via the Internet. Our site [www.mobistar.be](http://www.mobistar.be) receives an average of 3 million visitors every month.

Mobistar’s strategy for the coming years is to place the Internet at the heart of its distribution system: customers will find an increasingly diverse range of services online.

## “Corners” develop further

Mobistar top-up cards are on sale in 6,000 independent outlets. Mobistar also has a presence via the “corners” set up in a number of chain stores such as Media Markt, Makro and Saturn. At present, there are 26 such “corners”, benefiting from the presence of Mobistar advisors who can guide customers throughout the range.

Mobistar also maintains close relationships with retailers such as The Phone House, Kréfel and Vanden Borre. In both the residential and business markets, Mobistar maintains a close relationship with Euphony and its network of independent consultants.

## An actor important to businesses

In the business market, the MES (formerly KPN Business Belgium) teams completed their integration into the Mobistar teams in 2011. The prime objective of this new sales organisation in the business market is to strengthen relations with clients and to facilitate all technical procedures.

In July 2011 Mobistar signed the third extension of its contract to supply telecommunications services to all the Flemish agencies and ministries. The contract covers fixed and mobile telecommunications services (with 13,000 SIM cards) and runs for 7 years. During 2011 other major contracts were signed. These agreements strengthen Mobistar’s position as a convergent actor in the telecommunications market for businesses and major corporations.

The sale of products for the SoHo sector (Small office – Home office) is also continuing to develop. It hinges on dedicated teams, like the “Experts Points” set up in about fifty Mobistar Centers.





# Customer SERVICE a priority objective

In 2011 Mobistar's Customer Service continued setting up structural measures in order to make life easier for our 4 million customers. This was set as a priority objective during 2011 and the thorough work has produced positive results.

## A specific plan: the Happy Customer Program

A specific plan, called the Happy Customer Program, was established at the beginning of 2011 in order to structure Mobistar's action towards customers.

Mobistar's priority objective is to offer customers a quality service, by solving their problems as rapidly and as effectively as possible, taking their remarks into account in order to improve our products and services, and by enabling customers to contact Mobistar when they wish to do so, using the means of their choice.

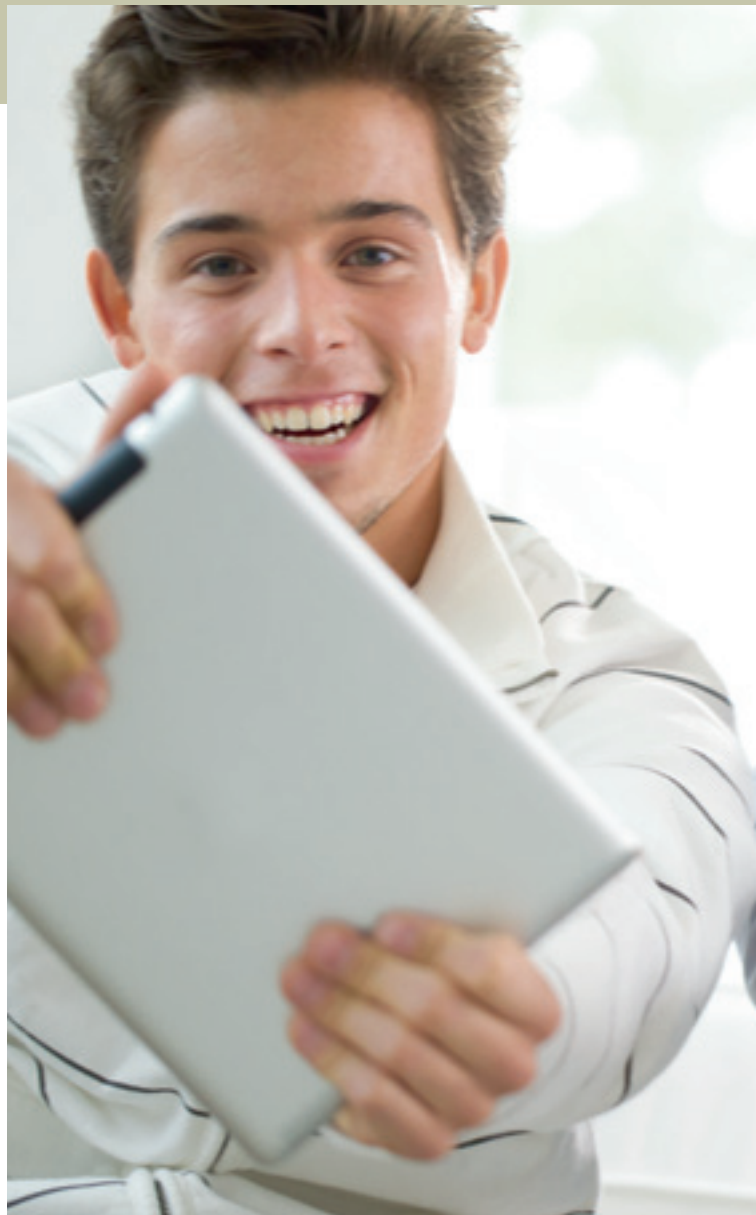
In particular, our customer focus has led to a reinforcement of the contact centre teams (employing 73 internal team members and strengthening external partnerships). We conducted detailed analyses in order to identify recurrent problems and the means to correct them rapidly and effectively. Close attention was given to the nature of the complaints received.

During 2011, the Mobistar contact centres received 3,788,626 calls, made 287,116 calls and sent 551,237 letters, faxes or e-mails.

## Customer experience is measured

Customer experience is measured in concrete terms using the Net Promoter Score, which is a loyalty score and also an organisational discipline. The score is obtained by asking customers the following very simple question: "How likely are you to recommend Mobistar to a friend or colleague?" Replies are scores between 0 and 10, with 10 meaning "very likely" and 0 meaning "definitely not".

Mobistar aims to achieve an NPS of 30 %, which would place it above the entire European telecommunications industry. A customer will recommend a company only if he has been fully satisfied with it for a long time. The NPS gives an indication of a customer's satisfaction ever since he became a customer and thus constitutes the sum of his various experiences as a customer over time. In the context of the greater impact of social networks, a customer's recommendation is often worth more than numerous publicity or marketing campaigns.



## Customers' voices are essential

Various initiatives have been taken in order to take better into account the "customers' voices", for instance establishing a Webcare team devoted specially to dialogue with customers on the social networks, as well as creating a single entry point for e-mails sent by residential customers.

CRISTINA ZANCHI, Chief Customer Experience & Loyalty Officer:  
*"A customer who calls us is giving us an opportunity to solve his problem. We must seize this opportunity."*



## Positive results

The detailed work conducted in 2011 has borne positive outcomes. Here are some examples:

- The service level for calls – the percentage of calls taken within 30 seconds – has improved in all teams.

- The written request backlog has been reduced from 43,000 to 18,000.
- The percentage of calls not taken has been reduced from 41 % to 6 %.
- Sales campaigns via telephone have generated contracts worth 183 million euros.
- The first time resolution rate – the number of cases solved during the first contact – now stands at 92 %.

## Continuing to anticipate customers' needs and expectations

The various actions established during 2011 anticipate the Customer Friendliness Charter that Mobistar has signed in association with other major Belgian enterprises. Amongst other points, the signatories of this Charter, which came into effect on 1 January 2012, undertake to reply to 90 % of calls within 2 minutes. This benchmark is already being met by Mobistar, which has set itself the ambitious goal of answering 80 % of calls within 30 seconds.

If customers have to wait longer, Mobistar gives them the option of recording a message, promising to call back no later than the end of the next working day. In every case, customers can already leave a message after waiting 2 minutes.

## Transparent communication

Efforts are also being made to ensure contractual information is communicated transparently and customers have access to Mobistar's contact details on all documents and bills as well as on the internet.

Revamping of customer service for professional customers is also on the agenda, incorporating better procedures in order to respond to the wishes of this demanding market. It is also planned that in 2012, a new interactive voice server will be implemented and a new retention approach developed to respond to the future new law that will allow customers to cancel their contract after 6 months without termination fees.

All these actions conducted in 2011 should be seen as a first step towards excellence towards customers. They will be intensified and expanded during 2012.

# The RESIDENTIAL MARKET, simpler and more flexible

Smartphones, tablets, laptop PCs... the range of online devices is growing all the time. Mobistar intends extending these benefits to as many people as possible. Our commitment is to put the devices on the market at affordable prices, initiate innovative pricing schemes and offer functions that will allow clients to keep control over their budget.



## **The prepaid sector: complete overhaul of the Tempo offer**

In 2011 we greatly simplified the rechargeable cards offer. We revised the visual identity of Tempo for this product, which is now available in "Talk" and "Text" versions, corresponding to the different types of users (predominantly telephone or predominantly SMS).

Our TempoMusic product has developed into TempoTribe which allows the client to send an unlimited number of SMS messages and to surf on Facebook, Netlog and Twitter. To increase customer loyalty, we conducted an extensive promotional campaign on TempoPlay, giving the opportunity to win gifts and bonuses at each top-up.

Furthermore, Mobistar has joined with various partners to create offers aimed at specific sectors of the public: RedBull Mobile was launched on 4 April, targeting young people in the 15 to 29 age range; and VT4 Mobile, intended for families, has been available since 1 July. These joint-marketing actions enable Mobistar to broaden its targets and strengthen its position in the very competitive prepaid sector.

## **An increasing proportion of subscriptions**

In general mobile telephony operators are seeing a slight decrease of the prepaid sector year by year in favour of

subscriptions. Mobistar's marketing strategy, which includes customer loyalty actions in the prepaid sector, is proving well suited to take full advantage of this development. The proportion of mobile telephony subscriptions increased from 63.6 % at the end of 2010 to 66.3 % by the end of 2011.

The Mobistar Circle option was launched in 2010. This allows members of the same circle (family and close acquaintances) to call and send each other SMS messages almost without limits. It has been very successful. The MyUnlimited pricing plan was launched in November for 90 euros a month and was also extremely well received.

In 2012 the commercial approach will adapt to the new legislation which allows clients to cancel their contract after 6 months instead of 24 months.

## **Mobistar offers affordable mobile internet connection**

Mobistar has continued its commitment to provide more affordable access to mobile multimedia services. Mobile internet maintained its growth in 2011: there were 140,296 mobile internet clients across all formulas at the end of 2011, representing an increase of 25.5 % in one year.

With the launch of the Internet Everywhere Multi option at the end of June 2011, Mobistar now allows users to surf on any device with a single subscription. This innovative offer at 15 euros a month is the only one of its kind on the Bel-





LAURENT DE HAUWERE, Director Device & Care Marketing :

*"We were the first to launch shared data packages.  
These are as great a revolution on the telecommunications scene,  
as prepaid cards were in the past."*

gian market and is a response to the increase in terminals: laptop PCs, tablets, GSM, smartphones, etc.

In August 2011 Mobistar also launched a prepaid BlackBerry formula at 7 euros. The underlying idea is to allow access to this terminal to the broadest possible public, and not only professional clients. The "chat" function, in particular, has been enormously successful with young users in various European countries. It would have been a pity for Belgium to be excluded from this movement.

## The smartphone breakthrough

2011 was the year of the smartphone breakthrough. Mobistar was the first to market smartphones in Belgium for a price below 100 euros. Mobistar wanted not only to make purchase of the device more affordable, but it also sought to reassure users by introducing the "self-care" function in December 2011. This allows the customer to see a complete overview of the mobile telephony usage and gives him better control over his budget. Many people are still very hesitant with regard to the cost of mobile internet connection.

True to its pioneering character, Mobistar was the first operator to introduce iPad 2 in Belgium, on 30 September, and iPhone 4S on 28 October. For 2011, sales of devices amounted to 800,000 items. This was achieved without recourse to the system of tie-in sales, which is extensively used by certain telecommunications operators.

## Family convergence

In 2011 we also launched "quadruple play" on 28 May. Starpack 4 now includes mobile telephony along with digital television, unlimited internet access and fixed telephony. Our clients adhered quite rapidly to this new offer, confirming Mobistar in its strategy as a convergent actor.

A feature of Starpack 4 is its suitability for families, since it allows the incorporation of up to 4 SIM cards, with a 20 % reduction of the subscription charge for each one.

## Enrichment of the television offer

The Mobistar TV offer was extended in 2011 to include access to over 250 television and radio channels and a new on-demand video service, launched at the end of August. Innovative functions were added, including free access to Facebook and Twitter on the television screen.

Two very handy accessories are available: the power plug, which allows connection via the electrical grid (cables are no longer needed), and Cubsat to hide the satellite antenna, which is an attractive solution for residents of heritage buildings, for instance. The Mobistar TV decoder consumes also less electricity than its competitors.

# The BUSINESS MARKET is increasingly important for Mobistar

In 2011 Mobistar consolidated its position in the business market. The main challenge in this sector is the rapid growth in the transmission of mobile data. Mobistar has also laid the solid groundwork to meet the needs of the rapidly expanding Machine-to-Machine solutions market.

RUDY VERCAMMEN ,

Director Business Marketing:

*"Mobistar was the first operator in Belgium to offer BlackBerry, and then iPhone and iPad. We shall continue to lead the way in mobility."*

## A consolidated position

The transfer of the teams of Mobistar Enterprise Services (MES, formerly KPN Belgium Business) continued in 2011. Numerous major clients, such as SD Worx and BNP Paribas Fortis, have renewed their contracts, enabling Mobistar to consolidate its position in the business market.

2011 also confirmed the market's expectations for convergent solutions. Mobistar has continued building its business strategy on this trend, which always begins with the telecommunications needs of each enterprise. The task of Mobistar is to help its customers to manage their business, not to supply them with a particular technology at all costs. This vision is encapsulated in the slogan "YOUR ENTERPRISE & Mobistar". In this slogan, Mobistar comes second, behind the "&". The customer comes first.

In the SoHo sector (Small office – Home office), Mobistar has launched Mobile Pro, a special offer to help clients benefit more from convergence by moving to made-to-measure solutions. The SoHo service is made up of dedicated teams, like the "Experts Points" introduced in about fifty shops. A new "appointment-making" service enables these business clients to visit the shop at the time that suit them best.

## A unique portfolio of mobile applications

2011 also saw a continuing trend of rapid growth in the volume of mobile data transmission in enterprises. Mobistar has developed a unique portfolio of applications based on devices such as tablets, laptops, notebooks and smart phones. Two points should be emphasised: BlackBerry devices continue to be much appreciated on the market, while they are greatly boosted by the breakthrough of iPhones and iPads.



Mobistar is in a strong position to grow in this mobile environment, which is characterised by a high level of convergence of these devices. Thanks to its investments, Mobistar now has an excellent data network, plenty of know-how, pricing plans, etc., in order to integrate these devices as part of a high-level user experience. Our position was confirmed in November 2011 by acquiring the 4G licence.

### **The Machine-to-Machine market explodes**

Since May 2009, Mobistar in Belgium has been host to the International M2M Center (IMC), the France Télécom-Orange Group's MaTma skills-centre for global offers. IMC has come to dominate the MaTma market thanks to the know-how of its teams, working in close collaboration with the MaTma team from the Enterprise Line of Business and the sales teams from Mobistar, Orange Business Services and the Group. In 2011 the IMC reach a basis of over 417,000 SIM cards (250,000 cards at the beginning of 2011) and multiplied by ten the number of signed cards, reaching a figure of over 1.5 million cards.

### **Clear leader in the Belgian market**

Mobistar is the unrivalled leader in the Belgian M2M market with over 70 % market share. We have capitalised on existing partnerships such as Atos Worldline (electronic payment) and Transics (international specialist in truck fleet management). With the latter partner, Mobistar supported an application for trucks, a sector of the market that was not previously covered. Mobistar has also signed other major contracts like one with Coca-Cola to equip beverage dispensers.

Internationally, Mobistar has signed very promising contracts in several European and North American countries, including one contract for 600,000 cards in Switzerland and another with SITA, the world leader in telecommunications and IT solutions for the air transport industry.

### **Visibility and international recognition**

In 2011 Mobistar participated actively in around thirty congresses, forums or workshops, concentrating particularly on the automobile sector. A contract for a pilot programme in Europe and the United States was signed with a major automobile manufacturer. Mobistar has also become a partner in a pilot project for induction-charging electric car batteries in Belgium.

### **Outlook**

In 2011 Mobistar laid firm foundations in order to respond to the future needs of a rapidly expanding market: improving procedures and setting up the infrastructure required to simultaneously and rapidly activate a large number of M2M SIM cards, increasing staff numbers, entering into partnerships with new sales channels, etc.

# An increasingly powerful NETWORK

PASCAL KOSTER,

Chief Technology Officer:

*"Our technical choices allow us to develop easily towards 4G. We are ready to offer our customers the best network for innovative services."*

In 2011 Mobistar began a full overhaul of its mobile network. The new equipment allows for better coverage and consumes less energy. After acquiring the 4G licence in November, Mobistar is ready to respond to the upsurge in mobile Internet. The modernisation of the IT infrastructure has continued and the core sites have now been regrouped and modernised.

## A fully modernised network

In 2011 Mobistar began to renew its second generation mobile network (2G network). This updating started successfully at the beginning of the year on the Luxembourg network and consequently the decision was taken to extend it to the entire Belgian network, starting in September. A total of 497 antennas were replaced by Mobistar during 2011 and the rest will follow in 2012 and during the first half of 2013.

The new material consumes less energy and allows for better coverage. Furthermore, it is future-oriented, since it allows simple progression towards 3G and 4G. Mobistar also worked to extend its 3G network considerably in 2011. At the end of the year, 3G/HSDPA coverage reached 97 % of the population.

Overall, the Mobistar telecommunications network possessed 5,483 sites (antennas) at the end of 2011. 730 of these sites were shared with other operators. These sites correspond to 16,449 cells.

## Acquisition of a 4G licence

Mobistar acquired a 4G licence in November 2011. This licence is valid for 15 years, starting on 1 July 2012. 4G, also known as LTE (Long Term Evolution), offers users much faster transmission speeds and a shorter reaction time, thereby considerably improving the user experience. Using a portable device (such as a netbook, laptop, smartphone or tablet), it will be possible to obtain a very high speed Internet connection, equivalent to a fixed line.

The LTE tests conducted in 2011 by Mobistar both in Belgium and Luxembourg were able to achieve download speeds that were 10 times those of the present high speed mobile network. In 2012 Mobistar will be capable of enhancing its customers' experience to reach previously inaccessible levels by opening the LTE network on the 1800 MHz and 2.6 GHz frequency bands.

This development will allow Mobistar to cope with the expected growth in its customers' mobile service use.



## Reliable partnerships

In 2011 Mobistar renewed its partnership with Ericsson for the management of the network. This arrangement made it possible to successfully continue efforts to optimise network stability and to reduce the time required to react in the case of accidents.

In 2011 Mobistar also renewed its network measurement and control tools. These new installations give a better view of the customers' parameters. By visualising problems on an individual basis, Mobistar can make fast and appropriate interventions.

This year, Mobistar and KPN Group Belgium also intensified their collaboration involving the acquisition and construction of new sites for their respective mobile telecommunications networks.



## Major progress in the high speed mobile sector

Mobistar continued investing in 2011 in order to meet its customers' changing needs with the best possible response. Our customers are increasingly making use of the mobile network to transfer data or to consult films and videos.

For this purpose, the Need4Speed programme was launched, with the aim of providing customers with faster downloading speeds of 100 megabits per second (Mbps), which can be increased to 200 Mbps in coming years. The objective for 2012 is for 90 % of 3G/4G sites to be equipped with Need4Speed, corresponding to a total of 800 urban sites.



## A network core fully equipped for the future

In 2011 Mobistar continued to homogenise and modernise its network core in order to enhance service to customers.

The new VoIP/IMS platform by Huawei was tested and installed in 2011. It will be progressively rolled out in 2012. This new generation platform will make it possible to develop new and innovative services, particularly in the Machine-to-Machine sphere, but also for LTE network management. The entire LTE network core is now operational. Further tests and the installation of new customer managing functions will continue in 2012, for commercial launch in 2013.

## Modernised core sites

After various technical steps taken in 2010, Mobistar finalised its core site grouping strategy in 2011. The Bordet (Evere), Liege and Luxconnect sites have now been modernised and secured, and the transfer of telecommunication and IT equipment has been completed.

The modernisation of the secondary core sites – including those taken over by Mobistar Enterprise Services – continued during 2011 and will be completed in 2012.

## An innovative way to manage voice messages

In early 2011, customers in Luxembourg acquired access to a function that revolutionises the way they consult their vocal messages. Thanks to the installation of the Visual Voice Mail service platform, these customers can now access the list of all their messages and manage them like e-mails.

After the success of this new service in Luxembourg, it was extended to Belgian customers at the end of October 2011 at the gradual rate of transfer of 100,000 customers per day over 40 days, all without any disturbance to the network. Mobistar is the first Belgian mobile operator to launch this innovation.

## A renewed transmission network

In 2011 Mobistar continued renewing its transmission network nationally, in Belgium and Luxembourg, and also regionally.

The new generation radio-relay network has grown further and has been upgraded at the same time into an IP network in order to enhance high speed mobile services considerably.

Mobistar has also begun massively connecting its own sites with fibre optics. 150 sites were connected at the end of 2011. 400 more sites will be connected in 2012, reaching a total of 800 connected sites in 2013.

## Oxygen 2011: a new generation billing system

Modernisation of the IT infrastructure (the Oxygen 2011 project) continued during 2011 with the installation of the Comverse solution in Luxembourg at the beginning of 2011. This centralised database allows “new generation” billing for mobile and fixed customers, for both subscription and prepaid options.

# HUMAN RESOURCES:

## aiming to be the “best ICT employer”

One feature of 2011 was our dynamic recruitment policy. Our ambition is that Mobistar will be recognised as the “best ICT employer” by 2015. The actions conducted throughout the year are part of this initiative.

### A dynamic recruitment policy

On 31 December 2011, Mobistar had 1,794 employees. One feature of 2011 was our dynamic recruitment policy. 140 new team members joined the staff of Mobistar, mainly to strengthen the residential customer service teams and to allow us to open new outlets. This customer service will continue to be a priority in 2012.

As an employer, Mobistar is establishing a strategy to attract and retain talented staff members. Our ambition is that Mobistar will be recognised as the “best ICT employer” by 2015.

Our action plans concern the following areas:

- the work environment,
- skills development,
- corporate social responsibility,
- communication with the labour market,
- talent recognition within the enterprise.

Each of these areas made significant progress during 2011.

### Optimising the new work environment

The Mobistar teams moved into the Sirius building in 2010. In this building, a new work environment has been developed and is gradually being mastered. The “flex desk” principle, involving shared desks, is applied to 85 % of the team members, excluding the call centre. In order to optimise this model, trial arrangements were made in 2011 by installing a series of test areas on one floor in Sirius (meetings, telephone calls, quiet areas, library corner, etc.). Based on feedback from the team members, these arrangements will be rolled out on a larger scale during 2012. The participatory approach will be given pride of place.

Telework is an important focus in new ways of working. Mobistar has been promoting it actively with its employees ever since 2008. At the end of 2011, some 920 employees

(out of a total of 1,100 team members who are not in direct contact with our customers) made use of telework, either contractually or occasionally. On 8 December 2011, Mobistar took part in National Telework Day. An internal promotion campaign was conducted to encourage team members to take part in this event.

### Developing new skills

The implementation of new infrastructures, particularly the change of IT platform (the Oxygen 2011 project), showed that team members at Mobistar needed to develop new technical and organisational skills. In response to these new challenges, the human resources management department has developed skill centres and designed a complete training plan.

The total amount of training hours has grown by 40 % compared with 2010. Our objective is to have two days of training per person, per year. This indicator has already been reached by 75 % of the team members in 2011. A training plan will be made mandatory for management in 2012 in order to optimise the new equipment as rapidly and efficiently as possible.

### Strengthening corporate social responsibility

En 2011, Mobistar continued structuring its corporate social responsibility (CSR) approach. Our strategy for this is based on four pillars: employees, customers, society and the environment. The actions devised for each of these pillars are transversal and are assessed via performance indicators.

From a human resources point of view, gender diversity was emphasised. Mobistar’s objective is to reach a 65 %: 35 % ratio of men to women at every level of the corporate hierarchy by 2015.



PAUL-MARIE DESSART, Secretary General :

*"Our corporate social responsibility approach is transversal. We want the team members themselves to drive the actions being developed."*

The organisation of the Antarctic ICE Challenge during 2011 also mobilised the human resources team. This initiative allowed team members to initiate projects linked to CSR in the areas of mobility, healthier lifestyles or the environment. The aim was to mobilise the greatest number of colleagues in each of these projects, and this strengthened the cohesion of the teams and also mixed the hierarchical levels. The Challenge made it possible for each of the team members to take a fresh look at the structure and the organisation of the enterprise. Certain projects developed within this framework, particularly volunteering (allowing those team members who so desired to take part in volunteering initiatives during their work time), will be continued in 2012.

## Attracting new talent

Communication with the labour market was intensified during 2011. Mobistar expressed its stance in an "Employer Value Proposition", summarising what the enterprise offers to new recruits and what is expected in return. Mobistar's values are clearly communicated in a lively and dynamic manner. This work will allow Mobistar to enhance its appeal in the labour market during 2012.

Mobistar has also participated in a number of initiatives. Some were of internal origin (such as the "stress" study conducted in March 2011), while others were of external origin, for example the Gender European Equality Award, which it won, or the brand-quality study on the largest enterprises in Belgium conducted by Randstad, in which Mobistar came 5th place in terms of public awareness. Participation in these projects provides an opportunity to identify the strengths and weaknesses of the enterprise and to define what needs to be improved.

## Recognising talent within the enterprise

An internal recognition programme was instituted in 2011. It includes financial and non-financial elements. Every month, the team members are also invited to nominate colleagues for their team attitude. The way we welcome new team members continues to be a focus in the enterprise.

## A new Chief Executive Officer

The general management of Orange Communications Luxembourg S.A., led by Patrick Ittah since 15 November 2010, has not undergone major changes during 2011.

In July, the Executive Committee of Mobistar was unfortunately faced with the unexpected death of Hendrik Fostier, the Chief Business Transformation Officer.

On 27 July 2011, Benoit Scheen, Mobistar's Chief Executive Officer over the last four years, was appointed European Executive Director of France Télécom-Orange. He is the first Belgian to become a member of the Executive Committee of the French group. The choice was based on Benoit Scheen's extensive experience in the IT and telecommunications sector, his successful management, his commitment and his motivation.

Werner De Laet, the Chief Financial Officer, stepped in from 1 September until 1 December 2011, when the new CEO, Jean Marc Harion, took over. The Board of Directors of Mobistar was impressed by Jean Marc Harion's vision. He has had broad experience within the France Télécom-Orange group in the development of multimedia services, in launching technological innovations and in improving distribution channels.







# CORPORATE RESPONSIBILITY

## at Mobistar

Last year we decided to keep you regularly informed of our progress in corporate responsibility. On that occasion we promised to publish a CSR report each year. Here, already, is number 2 in the series.

With Mobistar, CSR is not the preserve of a few leaders. We want to encourage maximum involvement of all employees. It is through them that CSR can thrive and develop. This explains why a major effort was dedicated to internal communication in 2011. However, Mobistar's commitments and actions also concern our customers, society and the environment. These 4 pillars – our employees, our customers, society and the environment – constitute the bases of our CSR strategy. Our achievements in each of these 4 pillars are covered in this report.

The same pioneering spirit that has always been a feature of Mobistar underlies our CSR commitments. For example, goal of reducing our carbon dioxide emissions by 50% by 2020. This ambitious objective cannot be achieved in a single day. However, it allows us to structure our approach, just like all our other goals detailed in the pages of this report. We wish you enjoyable reading!

*We want to encourage maximum  
involvement of all employees*

The summary table on the following page gives a rapid overview of the CSR framework at Mobistar. For the sake of brevity, it has been necessary to be selective. The most outstanding facts are listed under "Results for 2011". A fully detailed list of achievements is provided in the pages that follow.

PILLAR

COMMITMENT

EMPLOYEES

Allowing team members to work in a stimulating environment, to receive recognition for their contribution and to develop their potential.

WORKING ENVIRONMENT

Developing a working environment that stimulates inspiration. Promoting effective collaboration between employees and a serene state of mind

TRAINING AND PERSONAL DEVELOPMENT

Allowing employees to develop their potential

HEALTH AND WELL-BEING AT WORK

Guaranteeing a good balance between the employees' private and professional lives. Fighting stress

TELEWORK

Allowing employees flexibility and mobility (adapting working hours + reduction of carbon emissions)

DIVERSITY

Promoting diversity and equity among team members

CUSTOMERS

Offering quality service, security and transparency

PROTECTION OF MINORS

Protecting children and adolescents from access to certain inappropriate contents

DATA PROTECTION

Respecting the law and private life

DIALOGUE WITH CUSTOMERS

Listening to customers and being able to respond positively to their expectations

SOCIETY

Promoting social and digital inclusion

THE PARTICIPATE! ASSOCIATION

Improving the quality of life for people with autism and for their families by developing and making available tools promoting the integration of these people and helping to render them autonomous

VOLUNTARY WORK

Allowing team members to make a social commitment by doing voluntary work

ACTIONS OF SOLIDARITY

Making available to those who need them infrastructures and equipment, particularly IT equipment

ETHICS

Guaranteeing the ethical and responsible functioning of our purchasing procedures and of our relations with suppliers

ENVIRONMENT

Reducing our impact on the environment

CARBONE FOOTPRINT

Reducing our carbon dioxide emissions

ENERGY

Reducing consumption of gas and electricity and making use of green and renewable sources of energy

MOBILITY

Reducing the environmental impact of team members travelling between their home and their workplace

WASTE

Reducing our environmental impact by promoting reuse and then recycling waste

PAPER

Reducing the use of paper, optimising recycling of it and using certified paper

RECYCLING MOBILE PHONES

Collecting, recycling and allowing reuse of used mobile phones

MACHINE-TO-MACHINE

Reducing the negative impact on the environment and promoting long distance management of machines, thereby avoiding travelling and transportation

OBJECTIVE	PROGRESS IN 2011
To be recognised as the best ICT employer in Belgium by 2015	Pilot phase to optimise the flex desk system in order to generalise it in 2012
100 % of the team members to receive 2 days of training per year by 2015	75 % of team members have received 2 days of training
To be recognised as the best ICT employer in Belgium by 2015	331 team members vaccinated against influenza, 283 visits to the doctor, 832 participants in relaxation activities, 148 of team members' children with Mobikids during the holidays
100 % of team members (those who are not in contact with customers) by 2015	920 team members teleworking out of a possible 1,100
Proportion of 35 % of women and 65 % of men at every company level by 2015	Obtaining the Gender European Equality Standard label
Choosing each year 3 concrete points to work on	Signing the "E-safety" charter
Guaranteeing the confidentiality of data relating to customers, suppliers and employees	Making a report on data protection
Letting customers contact Mobistar whenever and however they wish	Signing the "Customer Friendliness" charter
Reaching 100 % of Belgian families affected by autism	Organisation of the congress entitled Let's Talk about Autism on 1 October with over 600 participants
Offering 50 days of voluntary work to various associations during 2012	Partnership with Human Business: an IT platform centralising offers and demand for voluntary work
Supplying 100 % of used IT equipment to the Close the Gap association	390 used computers given to the Close the Gap association
Enhancing 100 % of team members' awareness of this subject and giving them training in it	Establishing 2 e-learning training modules, to be followed by all team members in 2012
Reducing our carbon footprint by 50 % by 2020	Having the carbon report conducted by CO2logic
Reducing our energy consumption by 15 % by 2020	Saving of 587,000 euros achieved in 2011 thanks to the actions conducted
Cars ordered in 2015 will emit a maximum of 115g of carbon dioxide per km Reaching 370 users of public transport by the end of 2012	The new cars emit a maximum of 121g of carbon dioxide per km 344 team members are using public transport
Obtaining the "Ecodynamic Enterprise" label	Starting selective collection of PMC in all offices
Implementing an environment without paper	Consumption of paper in the offices down by 4.5 % Electronic billing up by 13 %
Recycling 30 % of mobile phones sold in the Mobistar Centers by 2015	55,000 mobile phones collected, 97 % new life rate
1 million cards installed in 2012	Over 600,000 SIM cards installed



# CSR AT MOBISTAR: involving, not imposing

## **Steering and indicators: a clear framework for CSR**

Mobistar's CSR strategy is actively supported by our CEO and the Executive Committee. The latter includes two active "sponsors": the Chief Strategy Officer and the Secretary General. A team of around twenty people, headed up by a Business Transformation Director and a CSR Senior Expert, manages corporate and environmental projects and forms the CSR Committee. Those in charge and the two sponsors meet each month. In 2011, the CSR Committee held three meetings. Developments in CSR policy are presented each quarter to the Executive Committee.

Mobistar's CSR strategy rests on four pillars: the employees, the customers, society and the environment. The

actions developed for each of these points are transversal and they are evaluated via performance indicators. These key indicators are fed to a database that is kept up-to-date and hosted by the France Télécom group. This software solution makes it possible to collect data, to compose reports and to steer CSR policy.

## **The essential role of internal communication**

CSR is not the preserve of a few leaders. We want to encourage maximum involvement of our 1,790 team members. In order to promote this mobilisation and to ensure CSR is experienced from within, internal communication was a focal point in 2011.





AN VAN RIE:

*"A special word for my 'ICE Challenges' colleagues: you were there with me! Being there, I understood what it means to have a hot meal, to be able to take refuge from the cold and the wind. Having seen the beauty and the force of our planet, I am more convinced than ever before of the need to protect it".*

## How CSR "lives" in Mobistar

The "Move Green" project, put forward by An Van Rie, was selected as the winner by the jury of the ICE Challenge. An's aim was to encourage Mobistar employees to get on their bikes more often and cycle to work. As the winner, An was able to accompany Dixie Dansercoer and Sam Deltour to the Russian Antarctic base at the beginning of November for the departure of their Antarctic ICE expedition, for which Mobistar is the strategic partner. This entirely CO<sub>2</sub>-free expedition established a distance record by covering over 5,000 kilometres in 80 days across the South Pole using a kite and wind energy alone.

Internal communication operations around CSR were intensified in 2011:

- **Creating a "CSR wall"** in a strategic position in the Sirius building, as a reminder of Mobistar's CSR commitments and objectives
- **Regular publication of online articles on Insight**, Mobistar's intranet. In 2011, 78 "news" items dealt with a CSR subject. 47 of these were in relation to the ICE Challenge
- **Communication campaigns** to support actions in relation to Mobility Week, the Week for Waste Reduction and National Telework Day
- **Creating a permanent mini CSR site** on the intranet to explain to team members Mobistar's ambitions in this domain
- **Presence in the electronic magazine** for internal communication, e-together, which devotes several articles to CSR subjects in each issue. In 2011 there were three issues of e-together
- **CSR presentation when welcoming new team members.** In 2011 there were 6 information sessions
- **CSR projects presented at 2 "Lunch & Learn" sessions**, which are occasions for colleagues to speak to other colleagues
- **Three of the 4 "Happy to gather" sessions in 2011**, which are convivial events, were devoted to the ICE Challenge.

## Exchange of good practices

Mobistar has been a member of Business & Society ever since 2007. This network brings together enterprises around questions of social responsibility.

Business & Society offers its members a platform for the development of knowledge and good practices, which allows them to learn from each other and to include more CSR in their activities.

In 2011 Mobistar helped the network to develop its expertise by organising a number of workshops and participating in its managing committee.

In particular, a feature of this year was a major awareness campaign conducted in connection with the ICE Challenge. This internal Challenge allowed team members to initiate projects connected with CSR, whether in relation to mobility, healthier lifestyles, or the environment. Our aim was to involve as many colleagues as possible in each of these projects. This strengthened the cohesion of the teams and between departments. From a total of 35 projects submitted, 11 were chosen by the ICE Challenge jury and 9 were carried out. This dynamism was echoed to an enormous degree in the internal modes of communication throughout the year, and CSR really started to "live".

Certain projects developed in the framework of the Challenge, in particular Move Green, Mobicents and recycling<sup>1</sup>, will continue in 2012.

(1) Move Green aims to enhance Mobistar employees' awareness of the advantages of coming to work by bicycle. Mobicents involves collecting coins to support the Thermos Operation, which provides meals for the homeless during the winter. Recycling was introduced throughout the Sirius building, sustained by a major awareness campaign.



# EMPLOYEES

## WORKING ENVIRONMENT

The Mobistar teams have progressively adapted to their new working environment in the Sirius building, which they moved to in 2010. The “flex desk” principle of shared desks involves 85 % of the team members, excluding the call centre.

### Achievements in 2011

In order to optimise the “flex desk” model, pilot schemes were organised in 2011, installing several test areas on one floor of the Sirius building (meeting area, telephone calls, quiet area, library corner, etc.). This pilot phase involves around 300 team members. It is based on a consultation process involving the in-depth participation of two groups of 15 people.

### Projects for 2012

Based on feedback from the experience of team members, the adaptation will be continued more extensively in 2012. A participative approach will also be emphasized.

## TRAINING AND VOCATIONAL DEVELOPMENT

Training is an important tool to motivate and involve team members. Similarly, internal career mobility opportunities represent an essential and attractive element that Mobistar intends working on over the coming years.

### Achievements in 2011

- The total volume of training hours has increased by 40 % compared to 2010. The content of the training is technical (75 %) or general (25 %).
- In order to measure its strengths and weaknesses as an employer in an objective manner, Mobistar participated

in a series of initiatives in 2011, some of which were of internal origin (the “stress” study conducted in March 2011), while others were external such as the Gender European Equality Award (report in February 2011, see page 37), which it won; and the study on the brand quality of the biggest enterprises in Belgium conducted by Randstad in summer 2011, in which Mobistar was placed in 5th position in terms of public awareness.

### Projects for 2012

The objective is to reach two days of training per person, per year. This benchmark was already achieved for 75 % of team members in 2011. Generally speaking, efforts made by Mobistar in the domains of training, vocational development, availability of flexible working hours, telework, work-life balance, etc., derive from its ambition to become the “Best ICT employer” in 2015 (see page 26).

## HEALTH AND WELL-BEING AT WORK

Mobistar believes it has a responsibility to provide various services and information with regard to health. Preserving work-life balance is also one of Mobistar’s strong commitments.

### Achievements in 2011

- In the domain of health, various services and information are offered. For example, 331 team members were vaccinated against the flu in 2011, 283 benefited from a medical consultation and 34 participated in an information session on fighting tobacco addiction.
- The Sirius canteen, run by Sodexo (1,000 meals per day), was awarded the “Smiley” label in 2011 by the Federal Agency for Food Security (Agence fédérale pour la sécurité alimentaire - AFSCA). This award is attributed for three years to kitchens that have established a credible system for hygiene, food security and traceability. Since May 2011, Mobistar has also taken part in the “Vegetarian Thursdays” movement sponsored by EVA (Ethical Vegetarian Alternative).



- Mobistar makes a series of services available to its team members: dry cleaning, ironing, banking, insurance and health insurance services, sale of flowers and bread, take-away meals, etc.
- Activities for team members' children are organised during 6 weeks of the school holidays. In 2011, this service, known as Mobikids, welcomed 148 children from the families of 101 team members. On average, 65 children per day participated in play and creative activities organised by professional instructors.
- To help control stress, various relaxation activities are offered, including tai chi, Pilates, relaxation therapy, zumba and rhythmic dancing. 832 team members took part in these activities in 2011.

## Projects for 2012

In 2012 Mobistar will continue to offer various services and information with regard to health, for instance by organising sessions to combat tobacco addiction, and heart check-ups. Particular attention and surveillance is given to work-life balance.

## TELEWORK

The "flex desk" policy, which became general after the move to the new Sirius building in 2010, is combined with a proactive telework policy. Thanks to this double dynamic, Mobistar has been able to reduce the area needed for its activities by 10,000 sq. m.

Mobistar also intends offering its team members a better work-life balance by giving them the freedom to choose where and when they will work. What is more, telework contributes to better mobility and this in turn to a greener environment: Mobistar reduces its carbon dioxide emissions by 3.3 % every day thanks to its teleworkers.

## Achievements in 2011

- Mobistar has been actively promoting telework for its employees since 2008. In late 2011, 920 employees (out of a possible total of 1,100 team members who are not in direct contact with customers) took advantage of telework, either contractually or occasionally.
- On 8 December 2011 Mobistar participated in the national Telework Day. An internal promotional campaign was undertaken to encourage team members to participate.

## Projects for 2012

- A push towards telework will continue at all levels of the company. This new way of working must now become part of Mobistar culture.
- In order to achieve optimal integration, training sessions on the use of new communication tools (knowledge sharing, instant messaging, video conferencing, etc.) will be offered again in 2012.
- The objective is that by 2015, 100 % of those team members who can telework should do so regularly.





# DIVERSITY

Mobistar is committed to improving age and gender diversity. The objective is to achieve a ratio of 65 %-35 % men to women at every level of the company in 2015, and to continue to develop its attractiveness to young talent. A “diversity” work group of about ten people meets every 2 months to help advance projects along these lines.

## Achievements in 2011

- The France Télécom-Orange group, which includes Mobistar, has taken the initiative to submit an application to obtain the “Gender Equality European Standard<sup>2</sup>” (GEES). In February, Mobistar was audited on 6 criteria:
- 1. measures aimed at improving work-life balance
- 2. ‘employee practices’
- 3. social dialogue on gender equality
- 4. specific initiatives with regard to gender equality
- 5. awareness and/or training by the HR department and managers
- 6. initiatives to promote diversity in job descriptions and / or corporate levels

The first three criteria received an excellent evaluation, particularly on account of the initiatives in favour of telework and flexible working hours, as well as the Mobikids organisation. As a result, this first participation resulted in the Standard being awarded in July.

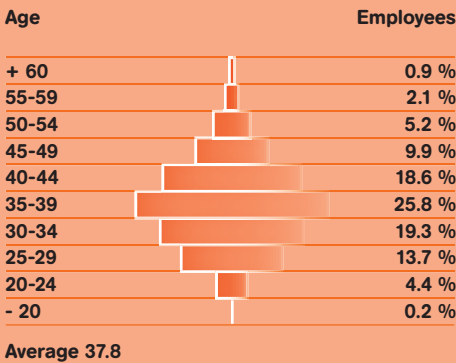
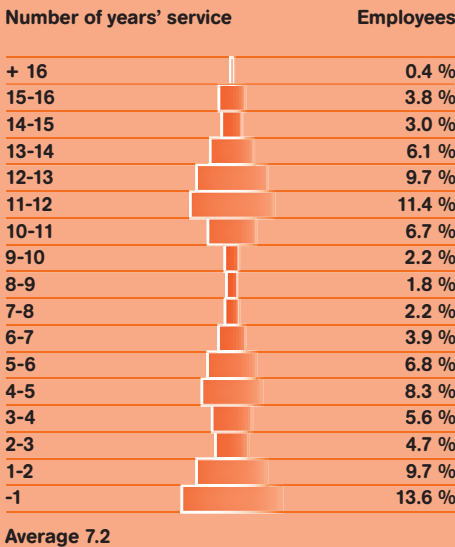
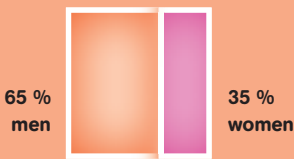
- Mobistar also supported various events, such as the Forum Jump for active women or the AXA Wo\_Men@Work prize, which aims to recognize pioneers in workplace equality.

- As regards age diversity, efforts were made in 2011 to have a better presence on the labour market and thereby to recruit more young members of staff. Mobistar defined its positioning in an “Employer Value Proposition” which gives a concise account of what the enterprise offers new recruits and of what it expects in return. In this text, Mobistar’s values are clearly expressed in a lively and engaging manner.
- Ever since 1999, Mobistar has entrusted several “back office” activities to Entra, a sheltered work company that creates jobs for people with handicaps. This company has over 700 workers at present, around 10% of whom are directly involved in this partnership with Mobistar.

## Projects for 2012

- For Mobistar, the GEES Standard represents initial recognition of its ambitions towards gender diversity. A new inspection will be conducted in late 2012. The scores must be not just maintained, but improved.
- A partnership with HEC Liège and the SEIN research centre (Sociaal Economisch Instituut – Social and Economic Institute) of Hasselt University is beginning. This partnership will run for four academic years and will involve establishing a Chair for diversity management. This is the first Chair in Belgium devoted to diversity from the viewpoint of management.

The GEES is a European standard for workplace equality between men and women. Create by the Arborus Fund, this label has the objective of creating a common culture throughout Europe to promote equality between men and women in the workplace.



# CUSTOMERS



# PROTECTION OF MINORS

According to Child Focus, 93 % of Belgians aged between 9 and 16 years are regularly online and spend a great deal of time using the internet: on average one hour a day during the week and double that amount of time during the weekend and holidays. 83 % of young people aged 13 to 14 years have a page on a social networking site. The growing offer in mobile telecommunications devices further increases this trend.

While it is important for children and adolescents to discover mobile telephony and the internet along with the innovative services that go with them, this group of users is nonetheless vulnerable and must therefore be protected using a specific approach.

## Achievements in 2011

- On 23 June, at the initiative of Child Focus, Mobistar, together with other major actors in the internet industry, signed the “E-safety Charter” dedicated to online protection of children and adolescents.
- Mobistar offers parents who request it, the option of blocking access to premium services (competitions via SMS, 0900 numbers, etc.).

## Projects for 2012

The “E-safety Charter” is not an end in itself. Rather, it represents the point of departure for joint actions. Under the auspices of Child Focus, the signatories will choose various points for concrete action each year and will work on these points.

# DATA PROTECTION

Data protection concerns data belonging to customers, providers and employees, particularly their sensitive or personal data. The objectives are to guarantee the integrity and confidentiality of these data while ensuring their availability when necessary, in respect of the current legislation and of the private lives of those concerned.

## Achievements in 2011

Under the auspices of the “data protection” work group established in 2010, a detailed report was drawn up during 2011. This report made it possible to define a precise plan of action, including procedures, methods and tools.

An internal awareness campaign was conducted.

## Projects for 2012

The awareness campaign will continue. In 2012 it will focus on the specific features of each department.

# CUSTOMER FOCUS

Ensuring the transparency, safety and quality of telecommunications products and services is a priority for Mobistar.

## Achievements in 2011

In 2011 major efforts were made to move towards the transparent communication of information on contracts and providing customers with contact details for Mobistar, on all documents, bills and on internet.

- Clear indication of the date of the beginning and end of the contract.
- Easily accessible documents: our offers and our terms and conditions should always be available online.
- Indication in all our communications with our customers of all the ways in which they can contact our customer service (telephone numbers, web addresses, opening hours).

- In order to preserve customers from unpleasant surprises after surfing on their mobile devices when abroad, Mobistar launched the Travel Data Daily service on 28 March, a solution allowing travellers to control their bills.
- Mobistar signed the ‘Customer Friendliness Charter’ on 15 June, in association with other major Belgian enterprises. The signatories of this Charter made a series of commitments, including answering 90 % of calls within 2 minutes. This disposition is already respected by Mobistar, which has set itself the ambitious objective of answering 80 % of calls within 30 seconds.
- On 21 December Mobistar launched the “selfcare” function which gives customers access to a complete account of their mobile telephone usage and allows them to keep better control over their budget.

## Projects for 2012

The ‘Customer Friendliness Charter’ comes into effect on 1 January 2012 and Mobistar has established a series of actions to meet its requirements. The entire organisation is mobilised to offer customers a transparent, safe and quality service, whether by solving their problems as rapidly and as effectively as possible, by taking their remarks into account in order to improve products and services, or by enabling them to contact Mobistar whenever and however they wish.





# SOCIETY

## Participate!

### THE ASSOCIATION PARTICIPATE !

In November 2006, Mobistar created a not-for-profit association (asbl – association sans but lucratif) called Participate! with the general objective of improving the quality of life of people with autism and of those in contact with them by developing information and awareness tools.

The project, which covers the whole of Belgium, derives from a meeting between Mobistar, the 8 reference centres for autistic disorders and 2 major associations of parents concerned. This is part of Mobistar's mission, which involves promoting communication between people.

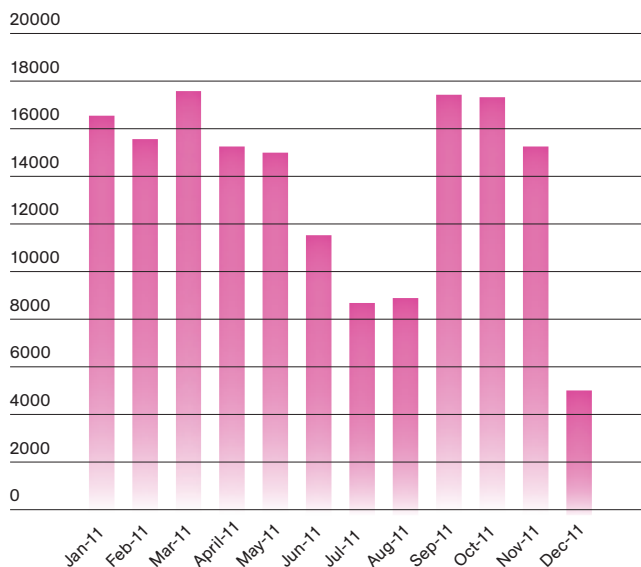
#### Achievements in 2011

- For World Autism Day on 2 April, Mobistar published a series of communications about this subject on the website of Participate! as well as on the Mobistar website. An internal communication was also put on the intranet for team members. At the instigation of Mobistar, the subject was dealt with in newspaper articles and on television.
- The website was enhanced with a Practical Guide intended to help parents looking for associations, services and financial support for their children.

- After an initial congress held in 2008, it was decided to repeat the initiative in 2011. The second congress, which took place on 1 October 2011 at Heysel, was called "Let's talk about autism" and was devoted to autism and communication. Over 600 people took part in the congress, including parents and people with autism and those close to them, as well as numerous professionals dealing with autism.
- A survey was conducted to evaluate the congress. Most of these who replied to the questionnaire evaluated the congress positively and 90 % of participants stated they were interested in organising a 3rd congress.

#### Projects for 2012

- The future of the association will be examined with all the partners, with particular focus on preparing the third phase of the project.
- The Practical Guide will continue to be enriched with further texts and videos. It will be published as a booklet which will be available during 2012.
- "Your child's roadmap" will be evaluated and adapted in response to feedback. This is an innovative online tool that allows parents to maintain a journal of their child's progress and thus communicate better with people coming into contact with him (instructors, teachers, baby-sitters, etc.).



In 2011 the site [www.participate-autism.be](http://www.participate-autism.be) received an average of 13,800 visits per month. People with autism and those close to them find a vast amount of information on the site which is not available elsewhere

*"People's stories were very touching, very revealing and very encouraging"*

*"Thank you for helping me to understand my son better"*

*"Thank you! Thank you! Thank you! Absolutely, the next congress!!!"*

*"The booklets 'Understand to act' and 'Act to help' are of great interest to parents and also to professionals. This is a simple and pleasant way of reading information on autism"*

*"The Practical Guide is a much appreciated tool. It makes it possible to research information in a simplified and centralised manner"*

# VOLUNTEER WORK

Mobistar encourages its team members to undertake volunteer work via various initiatives. The objective is to strengthen the company culture and the feeling of pride in belonging to a company with a social commitment.

## Achievements in 2011

- Two of the projects that were part of the ICE Challenge 2011 competition launched as an internal initiative (see page 33) involved voluntary work.
- Around thirty team members provided the logistics for the congress of the association 'Participate!' on 1 October.
- Mobistar concluded its partnership with the association Human Business. In late 2011 this partner launched their software platform with the aim of putting associations seeking volunteers in contact with Mobistar team members. In total, around twenty associations are listed on this platform, offering initiatives connected to Mobistar's CSR strategy such as social inclusion and respect for the environment. This tool also allows team members to bring into the system associations in which they are already active.
- Mobistar participated in several meetings on volunteer work under the auspices of Business & Society. Following this, a day of reflection was organised in August 2011, with numerous associations present, and a practical and concrete Guide entitled "10 keys for volunteer work in businesses" was published.

## Projects for 2012

Mobistar wants to allow those team members who so desire to undertake volunteer work during their work hours. This opportunity will be given major visibility in 2012 via internal means of communication. The choice is given between individual volunteering, and a group formula involving a team of colleagues. The objective is to offer 50 days during 2012.

# ACTIONS OF SOLIDARITY

As a socially committed company working towards social and digital inclusiveness, Mobistar has participated for several years in various actions of solidarity.

## Achievements in 2011

- Through the collection of donations via SMS, Mobistar contributed to various campaigns during 2011, such as those in favour of Iles de Paix and of Médecins du Monde. Operators do not charge for these specific SMS messages. The projects concerned must be related to a natural disaster or possess a national or regional (but not local) dimension and be widely publicised. These criteria are common to all Belgian operators.
- Since 2004, Mobistar has provided 2,400 jobs (including 390 in 2011) to the association Close the Gap. This international organisation completely reconditions computer material and donates it to educational and development projects in developing countries.
- Giving blood is a tradition at Mobistar. With the support of the Red Cross, two collections are organised annually. In 2011, 156 team members participated in these collections, and a total of 1,295 have done so since 2002.
- In order to promote fair trade products, a Fair Trade Market was organised in the Sirius building in May and a breakfast in October.
- Support for the Belgian Guide Dog Centre was started by organising a collection of plastic bottle caps. Over four months, 11 large bags of caps were collected and recycled, covering the costs for training a dog for a blind person.
- Mobistar participated in a collection of eurocents to help the homeless in Brussels and the asbl Operation Thermos (the Mobicents project). The money collected (80 kilograms of gold coins, amounting to 1,084 euros) helped to finance four evenings of hot meals at Central station. Distribution was provided by one hundred Mobistar team members in all. In 2012 the objective is to repeat both the collection and the distribution in order to hold more evenings like this.

## Projects for 2012

Actions of solidarity grouped according to their theme will be organised in 2012. The objective is to choose a relatively limited number of actions so that they can be given greater visibility. This greater visibility is necessary in order to keep motivating team members to get involved, as this will give the actions an enhanced impact.



# ETHICS

Mobistar intends enhancing its ethics and social responsibility via its buying procedures and relations with its suppliers. Since 2007 the enterprise has had a “Professional Ethics Charter”, several aspects of which are incorporated into the work rules. For example, this charter stipulates that team members may not accept gifts or advantages of a significant economic value (over 75 euros) from customers or suppliers.

A proactive policy of internal communication has been conducted over several years and resulted, in particular, in the creation of a specific intranet site on ethics, “Insight”.

## Achievements in 2011

- Two training modules in e-learning were organised in 2011, one dealing with traditional ethical themes and the other based on real cases. The latter model was developed by France Télécom Group, and is in the form of a game.

- Professional ethics are included on the list of subjects dealt with at sessions welcoming new team members. In 2011, five such sessions were organised.
- Ethical and social aspects are included in the form used to ask suppliers for their prices. These aspects have also been included in the performance analyses of strategic suppliers.

## Projects for 2012

- The two training modules in e-learning are compulsory for higher levels in the company. In 2012 a cascading system will be established in order to extend this training to all team members.
- Apart from e-learning type training programmes, obligatory training is provided for all managers of levels 1, 2 and 3<sup>3</sup>. This module covers risk management, with a section on ethics.

(3) These levels are a classification system used by Mobistar and are based on various criteria used to give weight to a function. In this way, each function can be classified according to levels ranging from 1 to 4. Level 1 corresponds to that of top managers in direct liaison with a chief officer, whereas level 3 corresponds to that of a team leader.







# ENVIRONNEMENT

## CARBON DIOXIDE EMISSIONS

Mobistar intends reducing its carbon footprint, diminishing its energy costs and enhancing the awareness of its team members, its suppliers and its customers. The objective is to reduce carbon dioxide emissions by 50 % by 2020.

### Achievements in 2011

- Since 2010, Mobistar has been putting into practice the emissions-reduction advice from the 2009 CO<sub>2</sub> report.
- Mobistar has once again had a report drawn up by the company CO<sub>2</sub>logic in 2011. This calculation was based on consumption recorded in 2010.
- Mobistar has broadened the scope of its CO<sub>2</sub> report in order to have a better overview and a better understanding of direct and indirect impacts
- It is the second time Mobistar has had this calculation drawn up, which allows us, among other things, to make a comparison before and after moving to the Sirius building. In addition to the head office, the buildings in Charleroi and the Mobistar Center shops owned by the company, as well as the technical centres and the antenna sites were all taken into account.
- Within the area covered by the report, Mobistar recorded a carbon footprint of 9,759 tonnes of carbon dioxide in 2010, representing a 2 % increase per FTE compared to 2009. This is mainly due to an increase in mobility. This can be partly accounted for by the growing “network” activity, which consumed more electricity in 2010, and by the takeover of KPN Belgium Business, which led to an increase in the number of company cars.
- In the same period, Mobistar achieved a reduction in CO<sub>2</sub> emissions from its buildings (infrastructure) and from the treatment of its waste.
- Most of the carbon dioxide emissions come from employees’ mobility (73 %), followed by the infrastructure (16 %) and materials (11 %).

### Projects for 2012

A carbon footprint report based on consumption during 2011 will allow comparison based on the same perimeter as the carbon footprint report for 2010.

These data will make it possible to develop a more detailed and refined action plan to reduce the carbon footprint.



## ENERGY

Mobistar intends reducing its consumption of electricity, gas and diesel fuel. The company subscribes to an approach in favour of a rational use of energy. When possible, it prefers to use renewable energy.

Since 2008, all the electricity used by Mobistar has come from green energy supplied by Nuon, thereby reducing carbon dioxide emissions by 22,000 tonnes per year. The 200 sq. m. of thermal and photovoltaic solar panels installed on the Sirius building also reduce these emissions.

Technical, human and contractual studies are systematically performed in each of the major areas of consumption. Ambitious objectives are then set, with precise plans of action spread over time.

The 5 major areas of energy consumption are the following:

- The mobile network
- The fixed and internet networks
- The technical centres and the antenna sites
- The office buildings
- The Mobistar Centers

## Achievements in 2011

- In order to promote an overall vision of energy issues, an Energy Manager was hired in September 2011.
- Meters have been installed on all the sites to allow “smart metering”, in other words remote monitoring of consumption at each point in real time.
- At the technical centres a number of initiatives have been undertaken :
  - Technical equipment has been replaced with more efficient equipment (UPS, 48V) and with non-green-house gas producing systems
  - “Free-cooling” has been installed and is being used. This means that cool air from outside is used to cool the building.
- The existing functions of the Sirius building have been optimised :
  - Infra-red movement detectors that activate or deactivate the lighting.
  - Installation of solar energy.
  - Maximum insulation of the building.
  - Automatic temperature control.
- A large-scale programme of rationalisation of the IT servers has been carried out, which has enormously reduced consumption.
- For the shops, several actions have been conducted, including the systematic installation of timers for the air conditioning.
- In all, the initiatives carried out in 2011 have led to a saving of 587,000 euros.

## Projects for 2012

- The overall plan of action to reduce energy consumption continues to be implemented. One of the keys to its success is to involve all departments and team members, sales personnel, suppliers and stakeholders in this approach.
- Present and future contracts with electricity and fuel suppliers will be renegotiated.
- For each new piece of equipment, the energy aspect will be included in the specifications.
- An extensive LED project, replacing traditional light bulbs, is planned for the Sirius building in a series of common areas and in the car parks.

# MOBILITY

Taking over the teams of KPN Belgium, which has now become Mobistar Enterprise Services (MES), increased the number of company cars from 920 to 998 in 2011. This takeover thus made a considerable impact on Mobistar’s overall carbon footprint. Team members’ mobility accounts for 73 % of carbon dioxide emissions. Consequently all efforts are made to reduce car use and to encourage alternative forms of transport and of work (telework). The mobility policy is based on detailed knowledge of the services, the products and the laws concerned.

## Achievements in 2011

- In June Mobistar was awarded the Business Mobility Award 2011, which is a distinction given to private and public enterprises pursuing long-term mobility strategies, mainly regarding travel between home and the place of work.
- Mobistar and its team members participated actively in European Mobility Week from 16 to 22 September. On this occasion, Mobistar also gave away 200 bicycles to TempoPlay customers.
- Five electric cars have been bought and made available to staff as part of a Cambio type car-sharing concept.
- The eco-friendly driving programme delivered by the company DrivOlution was tested by 22 team members. It resulted in a saving of 3,000 litres of fuel, corresponding to 8 % of the fuel consumed by this test group.
- The Railease package, which allows drivers to combine the use of a company car with public transport, was tested in 2011. It will be extended in 2012.

NUMBER OF USERS				
	2009	2010	Objective for	
			2011	2012
Public transport	150	200	344	370
Bicycles	20	80	36	45
Motorcycles	45	50	42	50
Carpooling	2	2	8	16
Electric vehicles	0	0	2	15
Folding bicycles	0	10	20	25

Between 2009 and 2011, the number of Mobistar team members using public transport has increased from 150 to 344, while the number of employees coming to work by bicycle has increased from 20 to 36. For 2012, the objective is that 370 Mobistar team members use public transport and 45 come by bicycle. Furthermore, over 40 team members come to the office by motorcycle, which is a practice encouraged by means of a fuel card that can be used either for cars or for motorcycles.

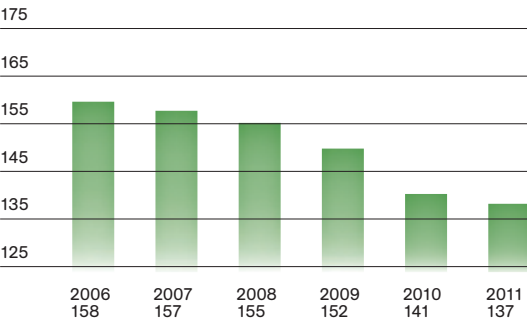
## Projets 2012

- The project to buy electric cars will continue to be promoted. They will be systematically included on the list of cars proposed in 2012.
- The eco-friendly driving programme will be made available to all team members, and so will the Railease package.
- Mobistar will participate as a pilot enterprise in the Cocar project organised by the VIM (Vlaamse Instituut voor Mobiliteit – Flemish Institute for Mobility).
- Mobistar has set itself the objective to order cars in 2012 with an average carbon dioxide emission of 120 grams and to reduce fuel consumption by 10 % for its whole fleet. The objective for 2015 is to achieve an average of 115 grams maximum.

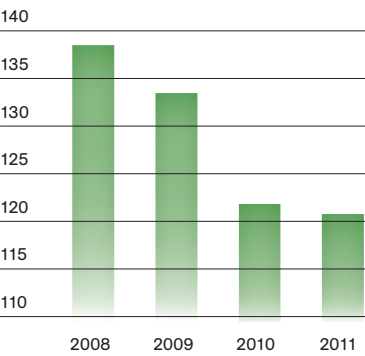
### Mobistar has a hundred cyclists

As part of the internal ICE Challenge competition between 1 April and 31 August 2011, 145 employees of the enterprise covered over 9,000 kilometres by cycling between their homes and their places of work, resulting in a saving of about 5,000 tonnes of carbon dioxide! The “Move Green” project led by An Van Rie managed to create real enthusiasm for cycling at Mobistar and bring together a community of over a hundred cyclists within the enterprise. Even more amazingly, An even got three of her colleagues to ride a bicycle for the first time in their lives!

CO2 emissions fleet



CO2 emissions new cars



# WASTE

Waste produced by Mobistar represents 1 % of its carbon footprint. Various kinds of actions are undertaken. The prime objective is to reduce the volume of waste produced in the offices. This is achieved by means of very active communication involving all team members. The second objective is to encourage reuse as much as possible: cups, scrap paper and so on. Lastly, when waste is inevitable, our approach is maximum recycling.

## Achievements in 2011

- An ambitious project of selective collection of PMC (plastic, metal and cardboard) was launched in 2011 as part of the Ice Challenge. In order to give visibility to this project, 22 PMC bins were installed on every floor of the Sirius building and in the canteen. In all, 3,125 kilos of PMC were collected in 2011 in this way. The action was extended in April to the Bordet and Charleroi sites.
- In addition to the logistical aspects, the PMC sorting project at Mobistar requires good communication. You cannot persuade 1,700 team members to sort their waste overnight. A whole raft of internal awareness actions were undertaken throughout the year and these were intensified during the European Week for Waste Reduction at the end of November.
- Since 2011, Mobistar has been able to count on a team of eco-ambassadors, that is, team members who are motivated to implement a sustainable “green reflex” and who are trained for this task. Eco-ambassadors have a mission to provide dynamic information about the reasons for recycling, how to sort and so on. Mobistar receives support from Fost Plus in this approach.
- In 2011 Mobistar continued actions already under way such as collection of food waste and coffee grounds for compost. In 2011 996 kilos of aluminium coffee capsules were also collected.
- An initial information session on the “cradle-to-cradle”<sup>(4)</sup> approach was organised at Mobistar in early 2011 with the main partners (cleaning, catering, printing, waste treatment, etc.). Carpet began to be cleaned following this principle in April 2011. The sanitary areas are cleaned using environmentally friendly products.

## Projects for 2012

- In 2012 Mobistar will strengthen internal communication actions in order to extend the “green reflex” to all team members. In order to obtain maximum results, the “eco-ambassadors” action will be developed and will become a permanent feature.
- An application will also be submitted to Bruxelles Environnement in order to obtain the “Eco-dynamic Enterprise” label.

(4) The cradle-to-cradle (C2C) approach involves integrating an ecological requirement at every level – conception, production and recycling of the product. The principle of this requirement is zero pollution and 100% recycling.

# PAPER

In its offices, Mobistar organises initiatives in favour of a paper-free working environment: a central printing and photocopying system, no individual letter boxes and reduction of the number of cupboards, to reduce paper stocking. The two other major sources of paper consumption are bills and publicity magazines. Initiatives are also taken in these two areas in order to reduce their environmental impact.

## Achievements in 2011

- Mobistar encourages its team members to reduce use of paper to a minimum, particularly by spreading good practices with regard to printing in the office. A reduction of incoming mail, such as magazines and information sheets, was launched during 2011. Since April 2011, FSC-certified recycled paper is used for all printing and all A4 and A3 photocopies.

NUMBER OF PAGES CONSUMED			
2008	2009	2010	2011
6,269,691	5,243,307	4,138,018	3,948,202

The volume of paper consumed in the offices is decreasing year by year. Mobistar’s initiatives in favour of a paper-free work environment are having the desired outcome.

- The electronic billing service, launched in 2009, reduces paper consumption and facilitates customers’ record-keeping (archiving). At the end of 2011, the number of customers who had opted for electronic billing was 423 424, showing a 13 % increase over 2010. This action represents a yearly saving, which is devoted to a conservation project in the Peruvian Amazon forest. For this purpose, Mobistar has been collaborating with the Groenhart association since 2008, allocating them a subsidy of 30,000 euros per year.

## Projects for 2012

- In 2012 Mobistar’s bills, catalogues and promotional magazines will be printed on PEFC paper, which promotes sustainable forest management.
- Awareness actions by team members for a paper-free environment will be increased. Electronic billing will continue to be promoted.
- Mobistar’s contract with Groenhart has been renewed for 2012, thus making it possible to protect another 20 million trees.





## RECYCLING MOBILE PHONES

In order to reduce its environmental impact, Mobistar began collecting used mobile phones in 2003.

### Achievements in 2011

- In 2011 over 55,000 used mobile phones were collected in the Mobistar Centers. Mobistar works with a specialised company to collect and process these mobile devices.
- The “new life” rate is 97 %: these are mobile phones that have been collected but which still work, or which require only minor repairs. They are sorted, reconditioned and resold on developing markets.
- Only 3 % of the mobile phones, which contain parts that are too old or cannot be repaired, are processed in order to recuperate their raw materials.

### Projects for 2012

Mobistar continues its campaign to promote recycling. The objective is to recycle 30 % of all mobile telephones sold in the Mobistar Centers by 2015.

## MACHINE-TO-MACHINE APPLICATIONS

The Machine-to-Machine (MaTma) market segment is developing rapidly. Mobistar has a market share of over 70 %, making it the Belgian market leader. With this system it is possible to manage machines remotely, which allows the enterprises that use them to manage supplies better and to keep their fuel consumption to a minimum, thereby reducing their carbon dioxide emissions.

MaTma technology thus offers business clients very effective solutions in terms of sustainable development.

### Achievements in 2011

In 2011, Mobistar more than doubled the number of active SIM cards, reaching an installed base of over 600,000 cards (250,000 at the beginning of 2011), and multiplied by ten the number of signed cards, reaching a figure of over 1.5 million.

### Projects for 2012

Mobistar is the international MaTma solutions skills-centre for the France Télécom Group. We intend to continue gaining recognition for our expertise worldwide and developing partnership contracts with a range of companies.





# MANAGEMENT and CONTROL

## The Board of Directors

**Jan Steyaert**  
Chairman  
**Benoît Scheen** (1)  
Director  
**Jean Marc Harion** (1) (2) (8)  
Director  
**Eric Dekeuleneer** (3)  
Independant director  
**Conseils Gestion Organisation** (3) (4)  
Independant director  
**Bertrand du Boucher** (1)  
Director  
**Brigitte Bourgoin** (1)  
Director  
**Gérard Ries** (1)  
Director  
**Wirefree Services Belgium** (1) (5)  
Director  
**Société en Gestion, Conseil et Stratégie d'Entreprise** (3) (6)  
Independant director  
**Geneviève André - Berliat** (1) (7)  
Director  
**Johan Deschuyffeleer** (3)  
Independant director

## The Audit Committee

**Eric Dekeuleneer**  
Chairman  
**Conseils Gestion Organisation**  
**Bertrand du Boucher**  
**Gérard Ries**  
**Société en Gestion, Conseil et Stratégie d'Entreprise**

## The Remuneration and Nomination Committee

**Benoît Scheen**  
Chairman  
**Jan Steyaert**  
**Eric Dekeuleneer**  
**Conseils Gestion Organisation**  
**Société en Gestion, Conseil et Stratégie d'Entreprise**

## The Strategic Committee

**Conseils Gestion Organisation**  
Chairman  
**Jan Steyaert**  
**Brigitte Bourgoin**  
**Société en Gestion, Conseil et Stratégie d'Entreprise**  
**Gérard Ries**  
**Bertrand de Boucher**  
**Johan Deschuyffeleer**  
**Geneviève André – Berliat**  
**Benoît Scheen**

## The Governance Supervisory Committee

**Eric Dekeuleneer**  
Chairman  
**Conseils Gestion Organisation**  
**Wirefree Services Belgium**  
**Geneviève André – Berliat**  
**Jan Steyaert**

## The Executive Committee

1. **Jean Marc Harion**  
Chief Executive Officer
2. **Paul Baeck**  
Chief Commercial Officer
3. **Stephane Beauduin**  
Chief Marketing Officer
4. **Anne Cambier**  
Chief Procurement & Process Officer
5. **Werner De Laet**  
Chief Financial Officer
6. **Paul-Marie Dessart**  
General Secretary
7. **Pascal Koster**  
Chief Technology Officer/  
Chief Business Transformation Officer  
(ad interim)
8. **Olivier Ysewijn**  
Chief Strategy Officer
9. **Cristina Zanchi**  
Chief Customer Loyalty Officer





- (1) Directors representing the majority shareholder (Atlas Services Belgium).
- (2) Director responsible for day-to-day management.
- (3) The independent directors have signed a declaration stating that they will observe the independence criteria set out in article 524 §4 of the Companies Code.
- (4) The company Conseils Gestion Organisation is represented by Mr Philippe Delaunois.
- (5) The company Wirefree Services Belgium is represented by Mr Aldo Cardoso.  
is linked to SRIW (Société Régionale d'Investissement de Wallonie) and is represented by Mr Eric Bauche (Advisor Executive Committee at SRIW).
- (6) The company Société en Gestion, Conseil et Stratégie d'Entreprise is represented by Mrs Nadine Lemaître – Rozenkweig.
- (7) Mrs Geneviève Berliat – André was co-opted by the board of directors on 10 October 2011. Her final appointment will be proposed by the annual general meeting of 2012.
- (8) Mr Jean Marc Harion was co-opted by the board of directors on 1 December 2011. His final appointment will be proposed during the annual general meeting of 2012.



# INFORMATION for SHAREHOLDERS

## Corporate governance

Ever since the creation of Mobistar, the Board of Directors has always attributed great importance to good governance. In 2009, it adopted the Belgian Code of Business Governance (12 March 2009) as a reference.

An illustration of this approach is the publication of detailed quarterly financial reports providing a comprehensive set of key performance indicators (such as customer groups for each type of product, usage, monthly revenue per customer, and market share) and financial statements for each business segment (fixed and mobile operations in Belgium and in Luxembourg), accompanied by a breakdown of direct and indirect costs.

These results are made available to the press four times a year and during two meetings and two conference calls quarterly with the analysts. They are accessible at all times on our internet site <http://corporate.mobistar.be>. Furthermore, Mobistar keeps in regular contact with present and potential shareholders by organising each year 25 roadshows in the main European and American financial centres. Partly due to this policy of openness, Mobistar is

today actively monitored by 26 sell-side analysts from the Benelux (28 %), France (12 %) and the United Kingdom (60 %). Mobistar is convinced that this openness can only be to the advantage of its worldwide reputation as a telecommunications actor.

## Situation in the financial markets

In line with the other European stock markets, the Bel-20 index had a bad year – for the third consecutive year – in 2011, showing a drop of 19.2 % over one year. As in 2010, 2011 saw strong pressure on the member States of the European Union on account of their heavy debts.

In this context, the Euro STOXX Telecom 600 index (SXKP) lost 6.2 % in 2011. The year was marked by a poor performance from the sector during the first six months – a recurrent phenomenon for telecommunications shares. After this, the sector recovered strongly, starting in September 2011. The attractiveness of telecommunications shares was driven by lower yields on government bonds and by the good results of the third and fourth quarters of 2011.



disappointing results for the third quarter owing to ongoing activation problems for fixed telephony services (20 October 2011), the value fell to its lowest for the year on 8 December 2011: 38.13 euros.

Mobistar shares ended the year at 40.49 euros, representing a loss of 16.5 %. Taking into account the distribution of dividends, the total gross return fell by 9.8 % (= -7.7 % net).

### Shareholder structure

On 31 December 2011, Mobistar's total capital was 131.7 million euros, increased on account of the transfer of the legal reserve amounting to 22.5 million euros. The capital is represented by 60,014,414 shares with voting rights.

At present, 52.91 % of circulating shares are held by the reference shareholder, France Télécom S.A., through the intermediary of its 100% owned subsidiary, Atlas Services Belgium S.A..

In compliance with the transparency rules (article 15 of the law of 2 May 2007) on notifying the shareholders of companies listed on a regulated market, Mobistar maintains the notification thresholds of 3 %, 5 % and multiples of 5 %. During 2011 the following shareholders passed the threshold of 3 %:

- MMFS Investment Management (United States): 5.54 % (situation on 28 January 2011)
- BlackRock Inc (United States): from 3.12 % (on 15 March 2011) to 2.85 % (on 20 October 2011).

### Progression of Mobistar shares

Mobistar shares were quoted below the Bel-20 rate and the European telecommunications index, despite the annual results for 2010 (published in February 2011) which were in line with the objectives. The reason for this under-performance must be sought mainly in a lower than expected orientation for 2011, partially due to the start-up costs incurred for the Starpack offer. During the second quarter, the Mobistar shares rose. This can be explained partly by the announcement by the France Télécom group at its Investors' Day on 31 May 2011, of its intention to undertake a full revision of its European portfolio. During this whole period, the financial markets assumed that the group's shareholdings in Mobistar were concerned. Sustained by good first-half results, Mobistar revised its EBITDA provisions for the year to 520-535 million euros, compared to the initial prevision of 505-535 million euros.

When France Télécom presented its first-half results, the group announced its desire to sell off its shareholdings in Switzerland, Austria and Portugal. The group reaffirmed its confidence in its present shareholdings in Mobistar, and this lessened to some extent speculation on Mobistar shares.

After this announcement, Mobistar shares fell in line with the entire sector and with the BEL-20 index. After payment of the extraordinary dividend on 19 August 2011 and the

### Shareholder remuneration

For several years, Mobistar's strategy has been based on the creation of value. Consequently, the financial management concentrates on a policy aimed at obtaining sufficient resources and flexibility in order to maintain our position as a complete telecommunications operator. Since 2006, this consistent strategy has enabled Mobistar to remunerate shareholders with significant payments in the form of dividends, reduction of capital or buying back shares.

In accordance with its decision of 7 February 2012, Mobistar's Board of Directors will propose a motion at the General Meeting on 2 May 2012 to devote part of the profits (222.1 million euros) to shareholder remuneration. This sum will be distributed in two payments: an ordinary dividend of 2.90 euros per share on 25 May 2012 and an extraordinary dividend of 0.80 euros per share on 24 August 2012. This proposition is in line with the policy followed in previous years, namely, distribution of a sum equivalent to the net profits.





## 2G

Second generation of mobile telephony technology.

## 3G

Third generation of mobile telephony technology, better known as UMTS.

## 4G

Fourth generation of mobile telephony technology.

## Active customers

Sum of postpaid customers who receive a monthly invoice and of prepaid customers who have called or sent an SMS at least once during the last three months.

## ADSL (Asymmetric Digital Subscriber Line)

Technology which allows a high-speed digital connection and data transmission over a copper wire.

## ARPU (Average Revenue Per User)

Average revenue for telecom services generated per user and per month.

## B2B

Business-to-business; describes commerce transactions between businesses.

## B2C

Business-to-consumer; describes activities of businesses serving end consumers with products and/or services.

## BEL20

The acronym for the main share index of the stock exchange in Brussels, Belgium.

## BSC (Base Station Controller)

Network entity controlling a certain number of Base Transceiver Stations.

## BTS (Base Transceiver Station)

Basic element of the cellular mobile telephony network.

## CSR (Corporate Social Responsibility)

CSR is the contribution of a company or business to sustainable development issues.

## EDGE (Enhanced Data Rates for GSM Evolution)

Technology for data transmission, an extension of GPRS.

## GPRS (General Packet Radio Service)

Mobile telecommunications system of the second generation, allowing data packets transmission, superior to GSM.

## GPS (Global Positioning System)

GPS is a geo localisation system operating at global level.

## GSM (Global System for Mobile Communications)

European norm of digital cellular telephony.

## HLR (Home Location Register)

Database that combines all useful information on the subscribers.

## HSDPA (High Speed Downlink Packet Access)

Telecommunication technology of the third generation for cellular telephones, sometimes called 3G+.

## HSUPA (High Speed Uplink Packet Access)

Telecommunication technology of the third generation for cellular telephones, sometimes called 3.75G or 3¾G.



**IBPT** (Institut belge des services postaux et des télécommunications)

A Belgian public agency whose mission is to regulate and control postal services and telecommunications.

**ICT** (Information and Communication Technologies)

The ICT concept groups techniques used in processing and transmission of information, mainly information technology, internet and telecommunications.

**IMS** (IP Messaging Subsystem)

A standardized Next Generation Network (NGN) architecture for telephone operators, who can provide fixed and mobile multimedia services. This system uses VoIP technology.

**Interconnect**

Link between at least two separately managed telecommunication networks, allowing the transfer or the transmission of traffic from one network segment to the other.

**IP** (Internet Protocol)

Part of the TCP/IP protocol family, a protocol used for data packets transmission. It is used for message transport over the internet.

**IVR** (Interactive Voice Response)

An interactive voice server.

**LTE** (Long Term Evolution)

LTE is the fourth generation mobile telephony, the successor to 3G, also known as 4G.

**MaTMa** (Machine-To-Machine)

Communication from machine to machine.

**MMS** (Multimedia Messaging Service)

Evolution of SMS, allowing the transmission of different multimedia contents, such as images, audio and video clips.

**MMSC** (Multimedia Message Service Center)

Centre that manages the transfer of MMS between mobile phone users.

**Mobile Data**

Wireless communication services comprising the transmission and/or reception of data, such as SMS, MMS, GPRS, EDGE, and HSDPA.

**Mobile Penetration Rate**

Percentage of the total population owning a mobile telephone.

**MSC** (Mobile Switching Centre)

Network switching centre for mobile telephony.

**MTR** (Mobile Terminating Rates)

Rates charged by the GSM operator for ingoing communications from other companies' networks (fixed or mobile).

**MVNO** (Mobile Virtual Network Operator)

Mobile services provider having agreements with Mobistar on reselling mobile rate plans.

**NPS** (Net Promoter Score)

A measure of customer loyalty. It is obtained by asking customers a single question on a scale of 0 to 10 where 10 is 'extremely likely' and 0 is 'not likely at all'.

**Roaming**

Unique GSM service allowing users to call and to receive calls while they are situated outside the region served by their national operator, for instance while travelling abroad.

**SIM card** (Subscriber Identity Module)

The SIM card is a chip with a microcontroller and memory. It is used in mobile phones to store information specific to the subscriber of a mobile network, particularly for networks such as GSM or UMTS.

**Smartphone**

A smartphone is a mobile phone that also has the functions of a PDA. It can also provide the functionality of calendar, web browsing, e-mail consultation, instant messaging, GPS, etc.

**SMS** (Short Messaging Service)

Wireless service allowing the transmission of short text messages from and to a mobile phone.

**SMSC** (Short Message Service Centre)

Centre that manages the transfer of SMS between mobile phone users.

**SoHo** (Small office/Home office)

Various small entrepreneurial activities and small business structures.

**Subscription**

Billed product or service available for the customer.

**UMTS** (Universal Mobile Telecommunication System)

Mobile telecommunication service of the third generation allowing high-speed multimedia data transmission.

**VDSL** (Very High Bitrate Digital Subscriber Line)

VDSL technology is based on the same technology as xDSL (VDSL signals are transported over a single copper pair, simultaneously and without interfering with voice calls); it can reach very high speeds.

**VoIP** (Voice over Internet Protocol)

Technology allowing the transmission of voice communications over the internet or other networks accepting TCP/IP protocols.



# MANAGEMENT report