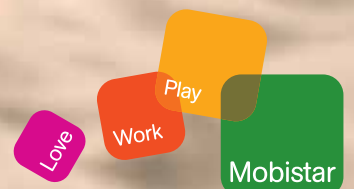





ANNUAL REPORT 2012

Mobistar focuses on transparency for its customers



A close-up photograph of two young women with long brown hair, smiling and looking down at a device held in their hands. The background is blurred, suggesting an outdoor setting with greenery. The image is partially covered by a dark grey rectangular box containing white text.

The year 2012 was full of challenges, to say the least. The telecom sector underwent major changes, which had an important impact on the ecosystem of operators, partners and customers alike. Mobistar addressed the numerous challenges head-on with a powerful, fresh strategy. It was also a year of transparency for the customer. In this area Mobistar introduced a series of new subscriptions, and its service was thoroughly revised, which led among other things to the creation of an internal ombudsman. Since the results of this new approach are encouraging, Mobistar will take it into 2013. All the details are included in this annual report.



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MESSAGE FROM THE CHAIRMAN

Mobistar is becoming a 'SuperMobile' operator

2012 saw radical changes in the telecom market. Federal and European rulings disadvantaged our mobile activities while at the same time leaving the position of the historic operator and cable companies unaffected.

The new Belgian telecom law that came into force on 1 October, six months before the planned date, further strengthened this distortion and destroyed value in the market for mobile activities.

The great flexibility of our organisation means that Mobistar has rapidly adapted to this market data. It has adapted to the needs of the market and simplified matters. In order to work on an additional far-reaching internal transformation of our operations, the management and the Board of Directors have charted the problems with which Mobistar was and is confronted.

We have once again defined our priorities and our strategy: Mobistar will become a 'SuperMobile' operator in the future. Our vision is thus very simple: we put the customer first, opting for simple solutions and offering them services that meet their needs, available anytime and anywhere.

Thanks to the devotion, passion and talents of our employees in 2012, we have fully achieved the forecasted results. The fact that Mobistar has managed to give a sterling performance in spite of the difficult environment has erroneously not been valued on the stock market.

In 2013 the market data will become even more difficult. In spite of all our efforts, this year our results will also be affected by the influence of the regulation and the resulting destruction of value.

Fortunately, Mobistar's entire team is extremely enthusiastic about dealing with this challenge and the Board of Directors is prepared to use the necessary means to guarantee the quality of our services to our customers.



Jan Steyaert
Chairman of the Board of Directors

A portrait of Jan Steyaert, an older man with light hair and glasses, wearing a dark suit, a striped shirt, and a patterned tie. He is smiling slightly and looking towards the camera. The background is a blurred office setting with large windows.

**“In 2013 Mobistar
will continue
to invest in a
powerful mobile
network.”**

Jan Steyaert
Chairman of the Board of Directors

INTERVIEW WITH THE CEO



questions for Jean-Marc Harion

In December 2011, Mobistar's Board of Directors appointed Jean-Marc Harion as the new CEO (Chief Executive Officer). It must not have been easy, because the telecoms sector faced an eventful year, in Belgium too. How does he see his first year? And above all, how does he see the future? A conversation in five questions.

Question 1

How was your first year as CEO of Mobistar?

"It was a year of discoveries. I became CEO during a period in which the whole telecoms sector was undergoing a transformation: not just in Belgium, but worldwide. In 2012, we chose to anticipate the market evolution. The mobile market in Belgium was already very competitive and the new telecoms law, which had come into force sooner than expected, only exacerbated matters.

It was Mobistar that introduced competition to Belgian mobiles telecoms and we're certainly not afraid of it. I think Mobistar better assimilated the new context than the competitors: we prepared for the arrival of the new telecoms law by launching animal tariffs in April. The result was that we saw the number of post-paid customers increase in 2012, and this was far from easy. I am extremely grateful to our employees for this great result."

Question 2

It was an eventful year.

"Indeed, and on different levels. The mobile termination and roaming tariffs continued to decline in 2012, which again negatively impacted on our revenues and our EBITDA margin. Internally, we worked to improve the performance of our IT infrastructure and certain processes, including the activation of digital TV and ADSL for our customers. At the same time, we also simplified our organisation. We created a wholesale division and we renewed our MVNO contract with Telenet. In the B2B market we concluded an agreement with the Brussels Region for the joint management of the Irisnet fibre optic network. And we achieved the objectives we set as regards our turnover, EBITDA and net result.

Our shares have not taken a very positive path, but it is the same for all telecom operators in Europe. Perhaps the stock market has not understood that our industry today is at the end of one cycle and the beginning of a new one. And this new cycle has enormous growth potential for Mobistar. Just think of the opportunities opening up with 4G or cable regulation, which should be liberalised in 2013."

A portrait of Jean-Marc Harion, a middle-aged man with short brown hair and glasses, wearing a dark suit, white shirt, and a red patterned tie. He is smiling slightly and looking towards the camera. His hands are clasped in front of him.

**“Mobistar introduced
competition to Belgian
mobile telecoms.
We’re certainly
not afraid of it.”**

Jean-Marc Harion
Chief Executive Officer



INTERVIEW WITH THE CEO, CONTINUED

Question 3

Mobistar cannot (yet) offer a total package. Isn't that a disadvantage?

“Indeed, traditional fixed operators offer packages that include fixed voice, Internet and digital television, to which they offer to add mobile. A kind of ‘all you can eat’ buffet, where you pay a high fixed price regardless of what you eat. At Mobistar, we don't want to force the customer to buy the complete formula. More and more, telecommunications usage differs from one individual to another: everyone should be able to build their own convergence ‘à la carte’ based on the services they really need, how they want and where they want: at the office, at home, on the bus or with friends. That's where mobility is at the heart of convergence: our whole strategy is built upon our leadership in mobile communications. For individuals, of course, but also for professionals. For businesses, Machine-To-Machine – connectivity between devices and machines – represents a huge growth potential. This market is changing at a very fast pace and in this area we are also leading the way.”

as close as possible to our customers. We offer them a real bond of trust, committing ourselves to adapting what we can offer to their changing needs and answering their questions via all our channels, including the web. We're primarily a service provider, and to provide the best service to our clients we also ensure that our employees are happy to work at Mobistar.”

Question 5

How do you see the Mobistar of tomorrow?

“We see ourselves as a ‘SuperMobile’ operator: simple, close to the customer and providing the services they need, whenever and wherever they need them. Because it's a strategy that matches the evolution of usage and society, I think we still have a great story to write.”

Question 4

In terms of mobility, 4G seems to be the Holy Grail.

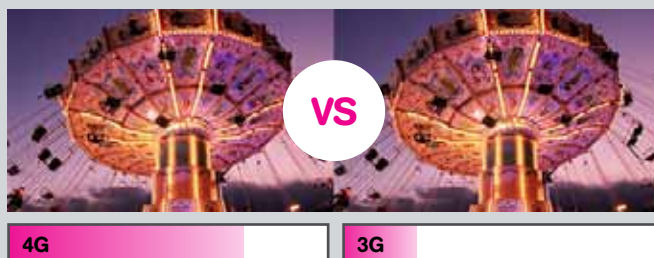
“With equal or superior quality to that of fixed Internet, 4G is a very promising technology. People watch less and less television in a linear and passive way: 4G will allow them, for example, to watch what they want, when they want, where they want it and on the screen of their choice. We've started the deployment of our 4G network and we opened two pilot networks, one in Antwerp, and one in Luxembourg City through our subsidiary Orange Luxembourg. We foresee the opening of our commercial 4G network in 2013, which will be the year of preparation for the future. We're not only investing in 4G, but also in improving the speed of our 3G network. This isn't easy within the current economic climate. So we also need to continue reducing our cost structure and internal operations. We choose to simplify our processes and get



Mobile broadband network 4G

4G is up to 10 times faster than 3G. Chatting, downloading, surfing – everything's possible at speeds comparable to that of fixed Internet.

With 4G our customers can easily chat and play games in real-time while on the move, at the same speed as at home. They can surf at an incredible speed and on top of this they can enjoy the extraordinary quality of video and music applications.



Highlights



Polar expedition ended well 10 FEBRUARY

After their groundbreaking expedition of 5,000 km and over 74 days on the South Pole, polar explorers Dixie Dansercoer and Sam Deltour return safely.

Launch of Plug Mobile 12 MARCH

RTL and Mobistar have joined forces to launch Plug Mobile, a low-cost alternative for prepaid customers with free access to the three channels of RTL Belgium, exclusive competitions and video on demand.



Introduction of animals 2 APRIL

In order to make it easier for customers to choose, Mobistar developed new transparent subscriptions, represented by animals (Squirrel, Kangaroo, Dolphin and Panther).

2012

JAN

FEB

MAR

APR

MAY



MyStart giving customers a helping hand 13 FEBRUARY

Mobistar introduces MyStart: a service which, with the help of an expert at a Mobistar Centre, configures users' smartphones in no more than 20 minutes.

Mobistar is Top Employer 5 MARCH

Mobistar received the certificate of Top Employer Belgium 2012, given to companies with outstanding working conditions.

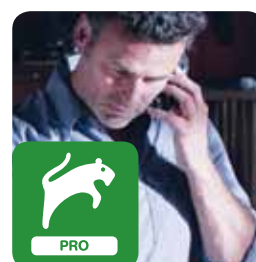


Helpline for missing children 25 MAY

116 000 is the European helpline for missing children. On the occasion of the International Missing Children's Day, Mobistar promotes this toll-free number in Belgium.

New: Panther Pro and Kangaroo Pro 30 MAY

Mobistar launches two new plans for entrepreneurs. In addition to many handy services, they also contain a dedicated and specialised customer service.



Mobistar offers Internet On Mobile 20 AUGUST

Mobistar launches Internet On Mobile, a new online prepaid deal where customers receive 1 or 2 GB of data for every recharge.

INTERNET ON MOBILE

PREPAID, ONLINE ONLY.

**2 GB
60MIN.
1000 SMS**

NOW 15€

POWERED BY MOBISTAR

Recharge via Facebook 6 NOVEMBER

Internet On Mobile customers can simply recharge their card on the Facebook page of Mobistar Belgium, a first in the Belgian market.



Launch of Travel Data Control 4 JUNE

Mobistar customers no longer need to worry about using mobile internet abroad: using Travel Data Control, customers can set themselves a limit.



IP VPN deal for professionals 31 AUGUST

Thanks to its partnership with Orange, Mobistar offers its business customers in the corporate segment convergent telecommunication solutions through its own IPVPN platform.



Telecommuting reduces CO₂ emissions 21 NOVEMBER

Mobistar had been promoting home working since 2008, and these initiatives are starting to bear fruit. The company CO2logic calculated that Mobistar reduced its CO2 emissions by 400 tons annually through home working.

JUN

JUL

AUG

SEP

OCT

NOV

DEC



Mobistar innovates with green cars 5 JUNE

Mobistar is the first company in Belgium to provide, in addition to a list of company cars available to its employees, a separate list consisting of exclusively electric and hybrid models.



Big event for new iPhone 5 28 SEPTEMBER

Mobistar started selling the iPhone 5 at a special event at Brussels Expo. Mobistar customers, who had taken part in the iSwap campaign and had won the competition, were able to collect their new iPhone there.

Animals were a success 23 JULY



Squirrel, Kangaroo, Dolphin and Panther. More than 160,000 Belgians have already opted for one of these new mobile subscriptions, launched in April.



4G pilot project 24 JULY

Mobistar opens its 4G pilot network in Antwerp backed by the experience and technical support of the Orange Group which has also implemented 4G in the French cities of Marseille, Lyon and Nantes.

A portrait of Olivier Ysewijn, a middle-aged man with short brown hair, wearing a dark blue suit jacket over a light pink button-down shirt. He is looking directly at the camera with a slight smile. The background is a blurred office interior with large windows.

**“Nobody knows to
what extent mobile
technologies
will influence
our daily lives.”**

Olivier Ysewijn
Chief Strategy Officer

INTERVIEW WITH OLIVIER YSEWIJN,
CHIEF STRATEGY OFFICER AT MOBISTAR

We want to become the mobile reference network in Belgium in 2015

Olivier Ysewijn, Chief Strategy Officer, is not afraid to admit that Mobistar has had an eventful year. And it's been all hands on deck to prepare for the landslides awaiting the telecom world. 'Consumers have no idea what is going to happen in the next few years,' he says. This led to a conversation about the near and the (not so) distant future.

"Last year we had to take our foot off the accelerator a little, internally speaking," Olivier Ysewijn says as he looks back on 2012. "Along with the coming into force of the new telecom law introduced on 1 October, it was quite a turbulent year. The market for mobile telephony had been stable for years. This was much less the case this year, if only because of the fall in prices due to fierce competition. At Mobistar, we need to focus particularly on our DNA—the SuperMobile—for the sake of Mobistar's future position. We can only do this with an excellent network, which means that we will invest more in it this year. This year we're dealing with 1,000 sites—new ones, as well as existing ones which are to be upgraded. Our old mobile radio sites will be replaced with hybrid sites that can handle 2G, 3G and 4G. 2G will certainly still be used for voice communication until after 2020. A combination of 2G for voice calls and 3G and 4G for data communication constitutes an efficient strategy."

Obtaining permits remains an issue for new sites.

"Indeed. The fact that we are renewing or building 1,000 sites this year is primarily due to the fact that this is the maximum our suppliers can physically handle, but also has to do with building permits. The government wants perfect coverage everywhere, but the authorisation needed from local authorities is hard to come by. You only have to take Brussels as an example, with its new, stringent

emission standards. To bring the quality back to the same level that it was prior to the stringent radiation regulations, approximately 120 sites would need to be added. When you consider the fact that it can take up to 24 months to obtain a licence, you realise that it may not be solved overnight. We started rolling out the 4G network last year. Despite the issue with permits, our objective is to have 4G coverage of 80% of the population by 2015—a very ambitious goal. Either way, we want to be the Belgian mobile telephone reference network by 2015."

Objectives 4G

Upgrade a number of sites in 2013



2G+3G+4G

80%

+1,000

4G will cover 80% of the population from 2015

INTERVIEW WITH OLIVIER YSEWIJN, CONTINUED



With 4G as the cream of the crop, is this the new revolution?

“4G is a technology that allows very fast broadband internet to be used everywhere. In terms of download speed and latency, 4G almost approaches the quality of wired internet. Video will remain the main driver with consumers in the next few years. On the other hand, we need to be realistic. The use of smartphones and tablets will mix 4G and wifi usage.

There are also professional applications. Under tests carried out with ATV, a television channel in Antwerp, where we now have 45 4G sites, we demonstrated that journalists can now broadcast their reports live.”

How long will it take for 4G to make a breakthrough?

“People do not buy technology—they buy services and experiences. So it’s all about the applications and the iPhone has taught us that this can happen quickly. There is a tendency in the sector to overestimate the short term and underestimate the long term. I expect 4G to experience a double acceleration, such as that of the iPhone, with more phones and contracts being sold, and a growing intensity in usage. We need to be ready with our network to take advantage of this double trend.”

Are great times ahead for telecommunications companies?

“The transition to 4G creates a discontinuity in the market that provides an opportunity for mobile operators to reposition their brand, renew their price structure and generally revive their competitiveness in the market. It is an opportunity that generally only arises once every decade.

There are certainly great times ahead for consumers. They really have no idea how radically mobile technologies will impact on their daily lives. For example, there’s the importance of mobile telephony in road charging. Mobility in traffic is an ever-increasing problem. The issue of an ageing population and a shortage of affordable infrastructure to provide welfare for everyone, will lead to new technologies being developed in which mobile technologies will play an important role.”

Is Mobistar more than just an intermediary for providing those kinds of services?

.....

“It’s true that we primarily ensure connectivity between the hardware vendor and service provider. But we have an important core competitive advantage that you should not forget: throughout the years, we have had tremendous experience in managing customer data for a very large group of clients. Consumers consider us to be a very reliable provider when it comes to personal data. This is a very important asset for future services.”

At a price. So there will be new business opportunities.

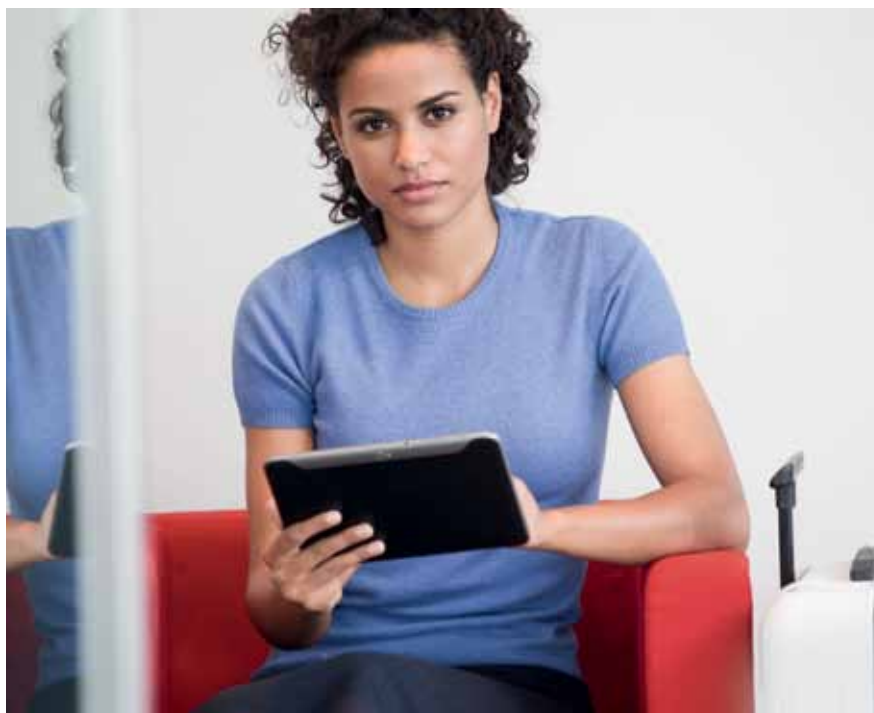
.....

“If you downloaded a ringtone five years ago, everyone thought it was quite normal to pay for that and that part of the charge went to the content provider and another part to the telecom company. Now you can download a video that requires a thousand times more capacity, without the content provider being charged. Obviously, telecom operators can’t constantly invest in making that possible without being paid for the use of their network. This model is no longer viable in the long term, if only for the issue of capacity.”

Why?

.....

“Everyone can drive 120 km per hour on the Brussels ring road, but if there’s a traffic jam, nobody can. If we want to continue to guarantee “quality of service” to our customers, we need to segment them. This means some customers will take precedence over others at peak times. Segmentations can also be made in the case of wired internet. So why can’t we do that for mobile internet? Technically speaking, that is already possible. Should the data traffic needed by paramedics accessing the medical records of a road accident victim be given the same priority as those for someone who is killing time watching YouTube video clips or downloading an entire video?”



If you can identify network usage, you know who is watching what on digital television.

.....

“Identity management is one of our most important assets. Watching television will become an experience more and more individual and personalised. We watch television when and wherever we want and on the device of our choice. This means there will be a total shift in the industry. Whenever I say this, some people feel threatened. We own the data required for targeted advertising and this means we could sell it. But on the other hand, we can help channels offer to each user the programmes that suit them best. In this area too, a new model is coming.”

2012: A DYNAMIC TELECOM MARKET

2012, a very dynamic year

The new telecom law entered into force on 1 October 2012. The telecom market was thoroughly shaken up, especially in the area of mobile telephony. Mobistar anticipated the entry into force of this new law by launching new tariff plans in April.

A new telecom law

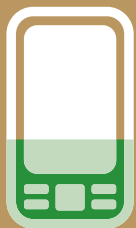
- Among other things, the new telecom law provides for the abolition of a cancellation fee after six months. Only those who terminate their contracts within the first six months are obliged to pay a fee. The latter is limited to the price of the contract for that period.

- Discounts on mobile devices such as smartphones, are exempt from these regulations. Operators are still using linear depreciation tables to determine charges for customers who wish to cancel their contract prematurely.

The telecom law was only one factor that increased competition in the mobile phone market.

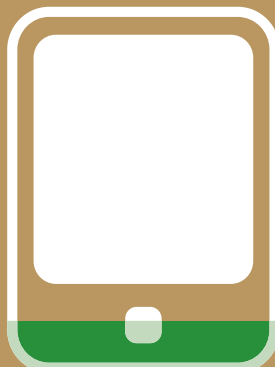
Smartphones and tablets experiencing a breakthrough

The adoption of smartphones and tablets among Belgian consumers continued in 2012, according to calculations carried out by the GfK consultancy. According to GfK, about 800,000 tablets and 1.8 million smartphones were sold in 2012. The penetration of smartphones thus increased to 27%, while the penetration of tablets lagged behind the Western Europe average slightly, with an estimated 7% in the fourth quarter of 2012.



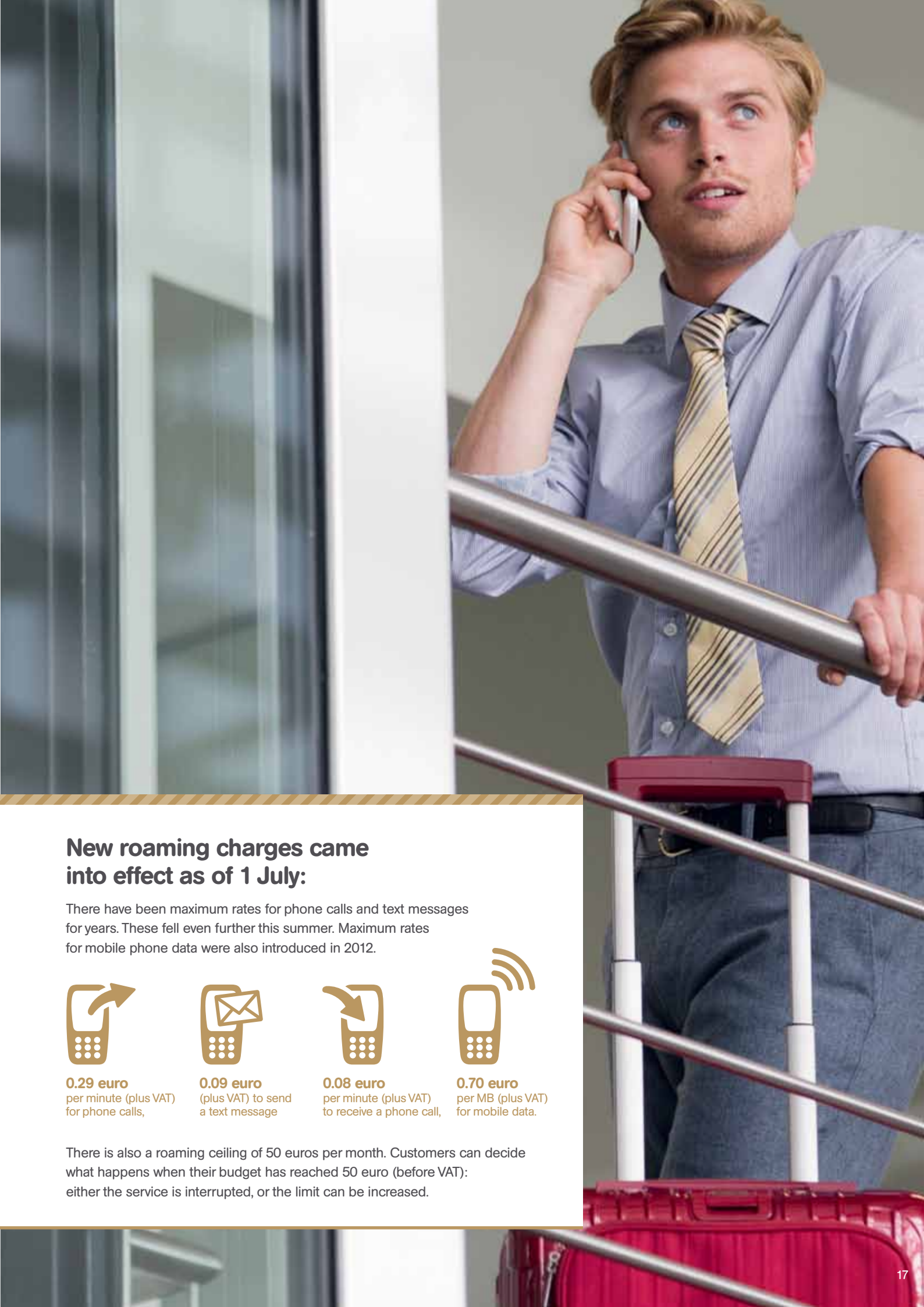
1.8 M
27%
market penetration

800.000
7%
market penetration



The economic downturn had both a direct and indirect impact on the entire telecom market ecosystem

- Customers are paying more and more attention to their budget. This has caused cable companies to make use of increasingly aggressive pricing.
- Investments by telecom operators are subject to an increasing level of assessment and analysis.
- At the European level, Belgium is performing better than some of its neighbours. The inflation rate showed signs of improvement towards the end of the year.



New roaming charges came into effect as of 1 July:

There have been maximum rates for phone calls and text messages for years. These fell even further this summer. Maximum rates for mobile phone data were also introduced in 2012.



0.29 euro
per minute (plus VAT)
for phone calls,



0.09 euro
(plus VAT) to send
a text message



0.08 euro
per minute (plus VAT)
to receive a phone call,



0.70 euro
per MB (plus VAT)
for mobile data.

There is also a roaming ceiling of 50 euros per month. Customers can decide what happens when their budget has reached 50 euro (before VAT): either the service is interrupted, or the limit can be increased.



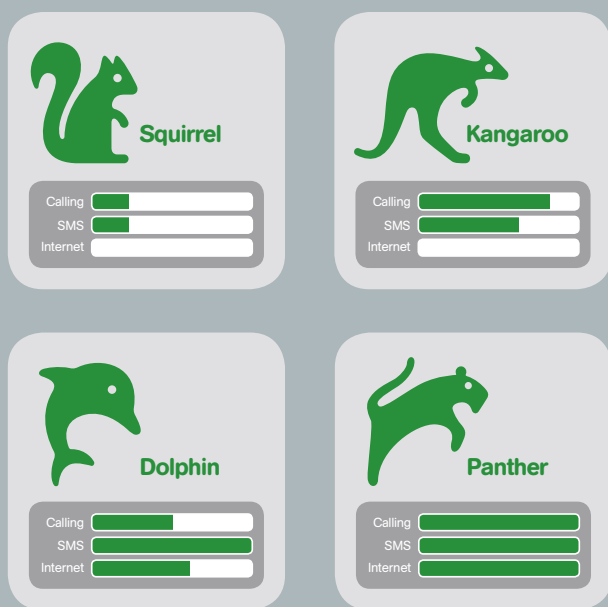


The customer in the centre

The main concern for the customer? Simplicity and transparency. It sounds simple, but at Mobistar we do not take this lightly. Accordingly, last year's range was given a thorough overhaul to make it simpler and more transparent. We also fine-tuned our services so that we can give our customers even better support.

The residential customer enjoyed even more transparency and benefits in 2012

On 1 October 2012, the new telecom law came into force. But Mobistar naturally didn't wait until then to take action. In April, the company launched an innovative subscription formula based on trust and transparency that anticipated the requirements of this law.



In 2012, Mobistar introduced a new series of subscriptions. Four tariffs tailored to a variety of different communication profiles were successfully put on the market.

The Belgians' favourite pets? Squirrel, Kangaroo, Dolphin and Panther

The consumers were clear: they wanted to be able to choose from an attractive, favourable range of made-to-measure mobile phones and this in all transparency. They also wanted to have control of their data consumption. Mobistar met these aspirations with a new series of subscriptions without any contractual obligation. Squirrel, Kangaroo, Dolphin and Panther were an immediate success.

An approach that fits the needs of existing and new customers

The new subscriptions Squirrel, Kangaroo, Dolphin and Panther don't just offer extremely competitive tariffs, they also include major innovations which satisfied the criteria of the new telecom law, long before that law even came into force:

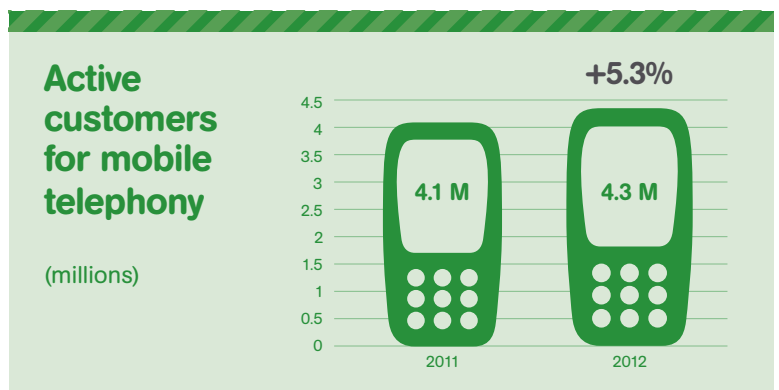
- Customers can now opt for an obligation-free contract.
- All the benefits remain valid lifelong.
- No more unwelcome surprises when using mobile internet. If the customer opts for a subscription without surf volume then his access to mobile internet is automatically blocked.
- Calls between all Mobistar numbers on the same invoice are free.
- An 'unlimited' option is offered in almost



all the tariff plans, whether in relation to unlimited calls, text messages, surfing or access to social networks.

- In November 2012, Mobistar launched 'Personal Check Up'. Every 6 months this free service provides subscribers with the offer that best meets their requirements.

Mobistar ended 2012 with 8,340 active clients with a subscription, more than at the end of December 2011. At the end of 2012, 43% of all the residential subscribers clients had an 'animal' tariff scheme.



RESIDENTIAL MARKET

In order to enable these numerous mobile surfers to enjoy their smartphone or tablet in an even more carefree way, Mobistar has developed two smart services.

Mobistar MyStart: ready immediately to call and surf

Everyone with a smartphone can call on the services of Mobistar MyStart. This service means an expert in a Mobistar Center makes your smartphone call and surf ready. This saves the customer a lot of time and he can immediately get full benefit from his new phone. This service is accessible for all customers, regardless of their mobile operator or smartphone.

Travel Data Control: 100% control while abroad

A lot of smartphone and tablet users have no overview of their data consumption while abroad. With Travel Data Control by Mobistar the customer decides upon his own limit, 20 euros per month, for example. Once that amount is attained, they receive a text notification and access to the mobile internet is blocked. A simple way of staying in control of their budget.

Mobistar has strengthened its prepaid range with 'Internet On Mobile' and 'Plug Mobile'

The reload card market is extremely competitive. So Mobistar looked for innovative ways to tap into new segments of it in 2012. Two new formulas ensured our success:

Internet On Mobile has been specially developed for heavy mobile users who want the best price and the best network. With this formula everything goes via internet: ordering a SIM card, communicating with the customer service desk, getting involved in social media and even reloading.

Since November 2012, Internet On Mobile customers can reload their card via a Facebook app.

This was a first in Belgium.

Plug Mobile is a good example of how Mobistar joins forces with other brands. The objective is to tap into new market segments where the company has less of a presence. With Plug Mobile, which Mobistar launched in collaboration with RTL, the company is aiming at a younger, female target audience. These customers now enjoy an inexpensive and simple prepaid formula and can watch three RTL Belgium channels for free via the 3G network. They can also look at videos on demand on their mobile phone, participate in exclusive competitions and a whole lot more.

Mobistar remains strong in mobile data services

The demand for mobile internet, driven by the use of smartphones and tablets increased significantly in 2012. More and more Belgian consumers want access to the internet, Facebook, Twitter and their email inboxes, anywhere and at any time. Approximately 80% of the 'animal subscriptions' sold include mobile data and consumers are also buying more smartphones. In Mobistar Centers, the share of smartphones in mobile phone sales rose to 50% in 2012. The number of customers with a smartphone on our network increased by 52% within one year, rising from 19% in January to 26% by the end of the year. The great success of the iPhone 5, the combined offer with the Samsung Galaxy S3 and the Samsung 'Gio' offer, a subsidised limited edition offer in the fourth quarter, confirmed this trend. The strongest growth in mobile data traffic was recorded in the fourth quarter of 2012. This increased by 70% compared to the third quarter



of 2012. By late December 2012, the share of mobile data service in Mobistar's telephony revenues amounted to 41.4%, compared to 37.1% a year earlier.

Landline services are stagnating

The fixed and convergent contracts remain dominated by cable operators and the incumbents. This is a matter of waiting for the cable to be opened in order to strengthen competition in landline activities. Even though the activation process for landline services is becoming more efficient, Mobistar decided not to relaunch Digital TV and ADSL in the fourth quarter of 2012. In October, Mobistar launched the 'combine & save' programme for its mobile

phone customers—a new offer for internet, digital TV and landline. It is very straightforward and transparent, the more landline services the mobile client combines, the more financial benefits he enjoys.

By the end of December 2012, Mobistar nv had 71,985 ADSL customers as compared to 79,497 ADSL customers a year earlier—a decrease of 9.4%. The number of digital TV customers with Mobistar nv totalled 27,846 on 31 December 2012—18.6% fewer than the 34,194 digital TV customers a year earlier. Mobistar nv saw an increase of 3.2% in the number of active landlines in 2012 as they climbed from 226,160 active lines in late December 2011 to 233,342 active lines a year later.

INTERVIEW WITH DIRK SEGERS



Director of Regulatory Affairs, Dirk Segers, closely follows all telecom legislation on behalf of Mobistar, the new telecom law did not come as a surprise to him.

"While more than 80% of this new legislation transposes European directives into Belgian law, the other 20% is mainly about consumer protection. We were therefore prepared. The telecom law has given the market a new dynamic, as a result of which many mobile customers have changed operator.

However, for fixed services, including television and broadband internet, the market remains closed. As long as the cable operators are not required to open that market in a workable way, the customer will continue to pay over the odds, something which was once again confirmed in a recent study of the BIPT. This is why opening up the cable networks is an absolute necessity for us."

"The mobile market has clearly become more competitive. Now it is high time for the broadband and television market to also open up."

A year full of challenges and... achievements

The year 2012 was very eventful for the business department of Mobistar; with a new organisation, new deals and emerging trends. An overview.

1. A dedicated business unit for the professional market

From an organisational point of view 2012 was a milestone. The Business Department was divided into two entities to be more flexible and better focus on the professional market: a B2B business unit and a Sales Channels department. The new B2B business unit will be responsible for the professional (B2B) services, direct sales to companies, B2B marketing and the M2M (Machine-To-Machine) subdivision. The new Sales Channels department will be responsible for the different sales channels. With this reorganisation, Mobistar aims to focus on structure and accelerate its growth in the B2B market, and to put distribution networks on a professional footing and prepare them for future developments within the Belgian market.

2. Market leader in Machine-to-Machine (M2M)

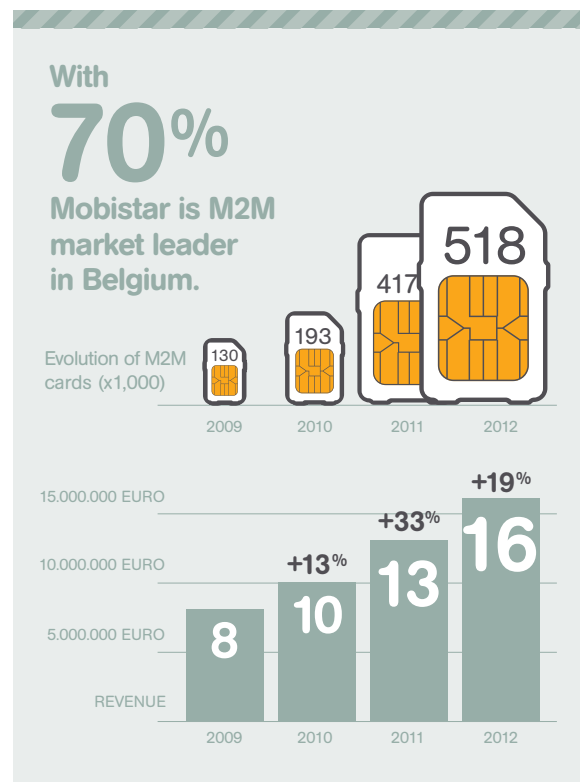
Despite increasing competition in Belgium and Europe, with a market share of 70% Mobistar managed to remain market leader in M2M applications. Mobistar is based in the International M2M Centre (IMC) in Brussels.

At the end of 2012, Mobistar, including the IMC, had counted 518,098 active M2M SIM cards. This is a 24.3% increase compared to the previous year, with 416,971 active M2M SIM cards. In total, Orange Business Services signed contracts in collaboration with Mobistar for a total of 4.5 million M2M SIM cards. This means that there will soon be as many M2M cards as traditional cards for voice traffic at Mobistar. Emerging markets are sectors like the health sector and the automotive industry. In 2012, Mobistar took part in some thirty symposia and workshops that focused on the automotive industry.

This allowed us, inter alia, to join forces with knowledge centres such as Flanders Drive and Eurogreen IT partner in a pilot project for charging batteries for electrical vehicles and congestion charging.

3. New telecom law, more end users

In the lower part of the market, the new telecom law caused the necessary commotion. Thanks to this new law, from now on customers with five SIM cards or less can change operators without incurring a cancellation fee, provided they have been with an operator for six months.



Mobistar responded to this new law by adjusting its processes, applications and range accordingly. Successfully, because we ended 2012 with a total of 775,000 end users, some 25,000 more than in the beginning of the year.

4. Upgrade of fixed and mobile range of services

In the mobile portfolio too, Mobistar came up with a more competitive and simplified split-bill option to separate the employer's telephone bill from that of the employee.

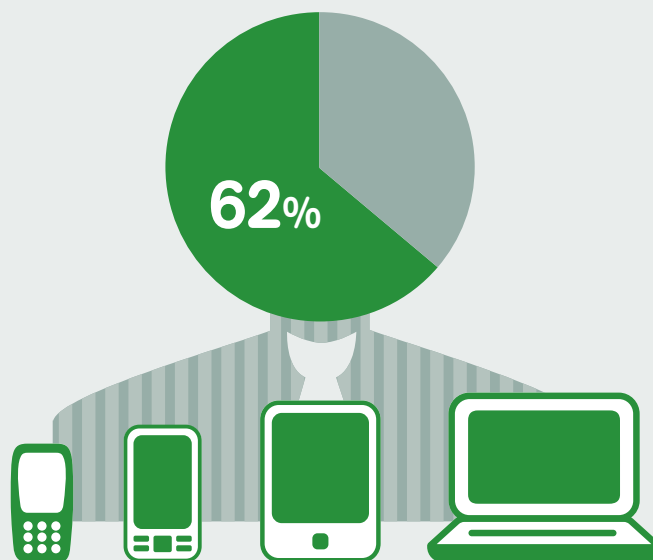
Its range of fixed data and internet was expanded thanks to the Mobistar IPVPN service to international destinations (representing over 180 countries). Via this platform, different sites of a business can be linked in a secure way. In addition, there was a further improvement of the national 'fix data' portfolio with high-speed VDSL connections and new options involving Ethernet (a standard which allows computers in a network to communicate). All these initiatives help Mobistar meet the needs of our business customers even better, both nationally and internationally.

5. Deals and partnerships

After a European tender, the Brussels Government decided to allocate the public contract for the Irisnet 2 broadband telecommunications network to Mobistar, which intends to set up a company together with the Brussels Capital Region and the Centre for Informatics of the Brussels Region (CIBG). This company, the CVBA Irisnet, will be responsible for the operation of the Irisnet 2 optical fibre network and for the provision of fixed telephony, data transmission services (internet, e-mail) and other network-related services (video-conferencing, video surveillance, etc.).

In the M2M subdivision, Mobistar also managed to secure cooperation agreements with Atos Worldline (electronic payments), BF Engineering (for Tracking and Tracing) and also with Transics, an international specialist in fleet management.

Managers who do not support BYOD, wish to implement a solution in the next 12 months.



The trend: BYOD

The year 2012 also saw two acronyms established. There was BYOD (Bring Your Own Device), which suggests that staff prefer to use their own appliances (smartphone, tablet, etc.), even while working. Following this trend, there is MDM, or Mobile Device Management: the application which manages and secures the arsenal of mobile appliances within an organisation.

Mobistar as a telecom operator is considered the most preferred and trusted party to help address the challenges involving BYOD, for we are certain that those challenges exist: 62% of the managers who have not yet embraced the BYOD phenomenon intend to do so in the next twelve months. This is evident from our own research. A figure which has not fallen on deaf ears at Mobistar. In 2012, Mobistar set up a marketing team, with a focus on B2B services, tasked to develop the right portfolio to be able to provide a solution to meet these needs in 2013 (and beyond). This portfolio will also contain existing services, including the B2B Customer portal, the Device Care Services and the Split-Invoice solutions.

In 2012 Mobistar went a long way to moving closer to its customers

The fact that the customer is central key to Mobistar was also proven in 2012 with numerous initiatives which increased customer satisfaction. An overview.

1. There is something for all customers

April 2012. Mobistar is the first telecoms operator in Belgium to launch a series of exceptionally transparent subscriptions without any contractual obligation. As many as 612,000 customers have opted for a subscription that perfectly suits their needs and expectations: Squirrel, Kangaroo, Dolphin or Panther.

2. All of the contact channels have been made more accessible

Mobistar considers contact with the customers to be of paramount importance. That is why the company has improved its three major contact channels.

- In the call centers, Mobistar has introduced improved work protocols, took on additional staff and simplified the telephone menus.
- In the sales outlets, remuneration is now linked to customer satisfaction, Mobistar has launched "Handset Care" (a new series of services) and improved the repair and replacement process of defective mobile phones.
- On the website, customers can contact Mobistar via a form. The residential website was completely updated in December 2012 (see below).

3. The more articulate the customers, the better...

How can Mobistar discover the needs and expectations of its customers? Simply let them have their say in 2012... and Mobistar listened to what they had to say via:

- the Customer Test Center, where customers can share their thoughts on new products and services;
- "Voice of the Customer", a service which deals with the customers' calls and complaints efficiently;
- Mister Simplicity, who focuses on the simplification of the product range, and trims it down whenever needed.

This is how Mobistar knows exactly how happy its customers are.

4. A better network makes Mobistar even more user-friendly

Mobistar made significant investments in improving the quality of its services in 2012:

- A reduction in the number of 'dropped calls' by improving the 2G network
- 3G mobile data speed has increased by 25%
- 80% of the 3G infrastructure is now linked via high speed IP lines
- The risk of interference is reduced by 50% following the introduction of shared sites for 2G and 3G
- The new generation IMS platform (IP Multimedia Subsystem, a standardised infrastructure for telephony providers who want to offer multimedia services) with better Voice Over IP services, was installed
- The old systems for Voice Mail, SMS, MMS and USSD have been replaced by a new generation with added value such as Visual Voice Mail services.

The result? User-friendliness and customer satisfaction are on the rise.

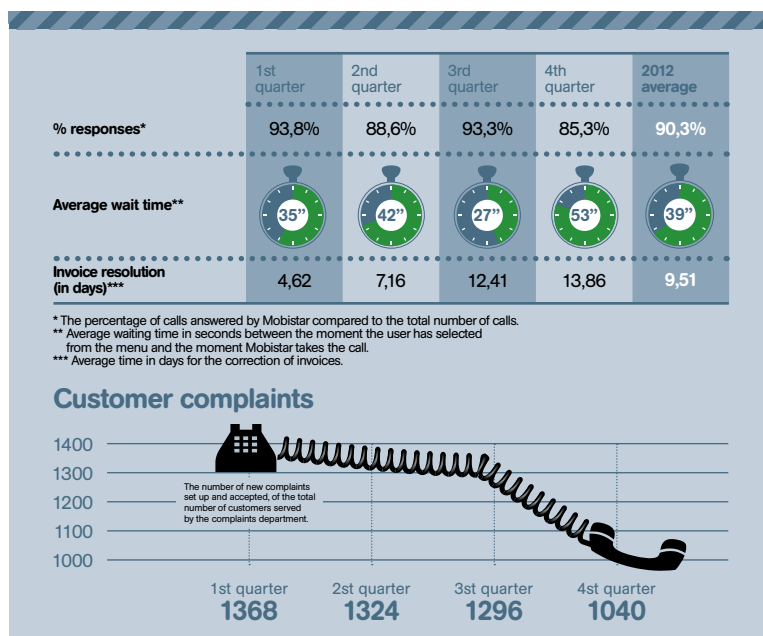


5. Mobistar signs the customer-friendliness charter

For Mobistar customer satisfaction and customer focus are of utmost importance, and it endorses the Charter for Customer-friendliness that came into effect on 1 January 2012.

Since its signature, Mobistar has taken varied initiatives to comply with the challenging conditions involved. In this way, Mobistar has significantly reduced the telephone waiting times, there is a more rapid response to letters and emails, the choice menu of the telephone customer service department has been simplified,... Mobistar strives to satisfy at the very least all the conditions in the charter.

See on the right for an overview of the measured core results.



Mobistar, made huge progress in online communications in 2012

The residential website was completely revamped in December 2012. In addition, Mobistar has strengthened its presence on social media. In other words: also in digital terms Mobistar made a lot of progress last year.

Completely new www.mobistar.be

In 2012, Mobistar modified its range and service provision. Naturally, the Mobistar website had to follow suit. That was of course the ideal opportunity for Mobistar to get its website ready for the coming years. With a completely new design and better ergonomics, customers can find more specific information about the products and services and they have easier access to their own customer area. That ensures even more opportunities and user-friendliness for the 3 million unique visitors who visit the Mobistar website each month.

In addition, the customers can now make more rapid purchases online, for example in the brand-new web shop for accessories. Also new are the blog full of information and useful tips and a forum where clients can exchange their experiences and help one another.

In 2013, Mobistar wants to improve the user experience on all the digital platforms, both for private and professional customers.

Even closer to clients via social media

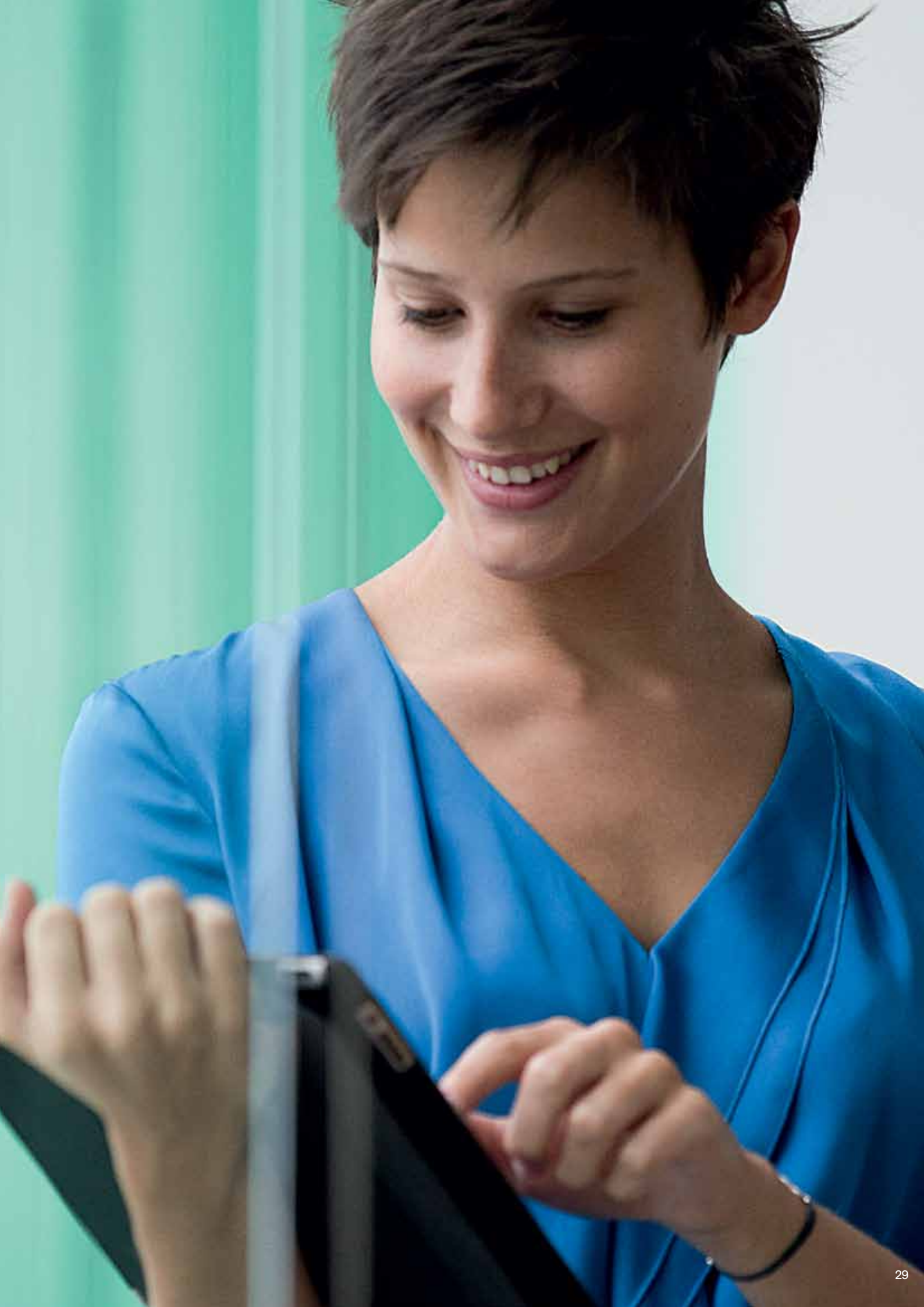
More and more customers are actively present on social media. That is why, in 2012, Mobistar put together an internal and expert team that has mapped out the digital strategy. Via Twitter, Facebook and LinkedIn, Mobistar can now build up communities, rapidly communicate about its activities and quickly react to questions from its customers.

Social media makes it easier for Mobistar customers to request support or to give their opinion about products and services. Mobistar can then once again react more rapidly, and immediately answer or do what is required. That is precisely what 'being closer to the customer' means.

Another way of purchasing

Look up product information, order, pay, pick up or have it delivered, the after sales service ... Nowadays everything goes via offline and online channels. That is why our website is the vital link between the client, the Mobistar Centers and the customer service department. So it was important to optimise the Mobistar site.









Getting started at Mobistar

The success of Mobistar hinges largely on its staff. This is why Mobistar would like to attract talented people. Not just anybody, but men and women who are not afraid to roll up their sleeves and get down to business. Since the job market is extremely competitive, Mobistar are working on an attractive identity as an employer.

Mobistar invests in human capital

Mobistar is a strong brand. This is mainly attributable to Mobistar being a commercial business. Mobistar's image as an employer was strengthened in order to attract competent new forces, and thus to offer the best products and services.

Mobistar set itself an ambitious goal: to be one of the best employers by 2015. This is why Mobistar is investing in its human capital. In 2012, a Chief People Officer was appointed to improve satisfaction levels and pride among the staff. In line with the general strategy, the HR strategy focuses on competence and career development, language development and actively promoting Mobistar values. Last year, efforts were made to that effect in the work environment, skills development, corporate social responsibility, communication to the job market and recognition of the talent within the company.

'Your talent & Mobistar' an HR concept that hits the spot

As a company seeking to improve its image as an employer with a strong image, you need to show off your assets, while making it clear why it would work between you and any talented new staff. To this end, Mobistar developed a positive, fresh recruitment campaign in 2012 with the theme: 'Your talent & Mobistar'. In a nutshell: Mobistar wants to attract the right people by making it clear that they can reach their full potential within the business. This message was sent to the labour market and its many channels: in newspapers and magazines, via Mobistar's website, on social media and online banners. This is how a fruitful interaction was established between the company and many talented candidates.

That was not all. Mobistar also involved its current workforce in this well thought through concept, with the intention of proving that their talents can really come into their own in the company. That was the subject of internal communication, and a positive atmosphere was created around the subject of recruitment. This is how staff started

to promote Mobistar as a good employer within the labour market. Moreover, they share their positive work experiences through a variety of platforms, in and outside of the company. 'Your talent & Mobistar' is a success, and is set to feature again in 2013.





Mobistar's values and identity

According to Mobistar, values are a personal conviction of what should guide the employees in everything the company decides and does. These values were, in fact, clearly and concretely articulated in four pillars. Thanks to them, current and future employees know exactly what Mobistar stands for, both as an employer and service provider.

RESPECTFUL

In all my working relationships, I take people and their values into consideration

- I greet my colleagues
- I confirm my presence at meetings, I stick to my promise and respect meeting times
- I give my full attention to people who take the floor
- I show an interest in colleagues, even outside work, and respect my colleagues' personal boundaries
- I express my appreciation for the work, the expertise, the proposals, the opinions and the character of my colleagues

STRAIGHTFORWARD

I communicate openly and take responsibility for my own actions

- I do as I say and say as I do – sales pitches are unacceptable
- I give feedback to the person in question quickly and directly
- If something is not clear, I do not hesitate to ask for clarification
- I am open about my intentions, goals and actions and avoid manipulation
- I own up to my mistakes and explain how I intend to solve problems

EMPOWERED

I take responsibility and I stand up for what I do

- I am totally committed to what I do
- I achieve good results and do not give up at the first hurdle
- My enthusiasm inspires others
- I grab opportunities in my work without waiting for someone else to prompt me
- I understand the mission, vision and values of Mobistar and quite happily explain them to others
- I am passionate about love, work & play

DYNAMIC

I encourage new ideas, I encourage learning and trying things differently

- I look at a problem from different angles
- I share good and bad experiences with colleagues, so that we can all learn from them
- I focus on the possible advantages of new initiatives or a new approach
- I regularly put myself in the customer's shoes
- I continue to learn and remain eager to do so, without wanting to please others by doing so



Everything hinges on satisfied employees

The fact that current Mobistar employees speak positively about their employer within the 'Your talent & Mobistar' concept is a bonus. But it is just as important for those employees to feel good about themselves, and relay this to the customer. This is with a view of them representing the Mobistar brand with the necessary expertise, enthusiasm

and a smile. In order to achieve this, Mobistar invested heavily in the 'Employer Value Proposition'. With this, the company wants to position itself as an employer and communicate what the company can offer current and new employees, and what it expects from them in exchange. Mobistar's leitmotiv - 'love, work, play, Mobistar' - comes alive and is brought to the fore in a dynamic way.

LOVE

Mobistar happily welcomes strong candidates who are looking for a company that offers them opportunities to develop personally and professionally. One that encourages initiative and where diversity is inherent in the corporate values. A company that cares about people, society and the environment.

WORK

Whoever starts to work at Mobistar, can rely on the combination of professionalism and stability of an international group with a healthy helping of entrepreneurial spirit. It is a place where every employee shares in the success of the company and where everyone is open to feedback. There is also room for change and innovation, so that every employee can enjoy growth with, and in, the company.

PLAY

Playing is allowed at Mobistar, provided you follow the rules of the game. The customers, the products and the job in hand are what matter. Mobistar celebrates achievements and emphatically encourages team spirit.

MOBISTAR

Mobistar is convinced that the staff should be the masters of their own destiny. Provided there is enough flexibility in when, and where, they work, they can strike the perfect balance between 'love, work and play'.

INTERVIEW WITH ANNE CAMBIER



Since 1 October 2012, Anne Cambier, Chief People Officer, headed up the revamped HR department, with the ambition to constantly improve team member satisfaction, as indeed, a happy team member, full of positive energy, makes for a happy customer, which is at the very heart of our strategy. We tracked her down to find out whether she is on course.

“Our employees enjoy working at Mobistar and clearly want to stay. Our values - respect, dynamism, sincerity and responsibility - and corporate culture are key assets which we try to improve upon every day. All the team members form part of a great business, and we want them to take pride in working for us. Careers spanning 10 to 15 years are not uncommon here. This is also because we set great store by the work-life balance, which we continue to develop. At Mobistar, flexible working hours and teleworking are not empty words, something which is greatly appreciated.

Likewise, in 2012, we launched a mentoring scheme, whereby we asked our senior members of staff to mentor our junior staff. This programme not only proved useful for junior staff, senior staff also got a lot out of it. We therefore expect the mentoring scheme to burst at the seams in 2013. And, of course, we also carried on the successful Leadership Programme from 2011. Thanks to this programme, we have a clear overview of the strengths and weaknesses of the different teams within Mobistar. The big challenge for our department for 2013 will be to build on the different competences, but I have every confidence that we can do this.”

“A happy team member makes for a happy customer.”





Mobistar in society

Mobistar sets the bar high when it comes to doing business in a socially responsible manner. Its commitment to society might be considered ambitious. The key to success? A step-by-step approach. It allowed us to make much headway in 2012. In this report Mobistar tells you everything about the progress of its projects.

CORPORATE SOCIAL RESPONSIBILITY

Contributing to a better society



The involvement of all employees is essential in order to allow CSR to penetrate the very core of our organisation. A new management-level CSR committee provided a powerful framework for sustainable development. This guarantees the resources and support needed to allow CSR to develop within each department.

Mobistar does not just want to integrate CSR within departments, but also in all its areas of activity. The four pillars - employees, customers, society and the environment –thus form the basis of our CSR strategy. The achievements made within each of these pillars are presented in the following pages.

CSR as a fundamental part of our business strategy

In 2011, Jean-Marc Harion became Mobistar's new CEO. His arrival brought about some changes. The number of 'sponsors' on the Management Board was reduced from two to one. Similarly, whereas there were previously two CSR officers, this was reduced to one who will be known as the 'CSR manager' from now on.

own CSR committee. The CEO, Secretary General, Chief Marketing Officer, Chief People Officer and Chief Technology Officer are all part of this committee.

This does not mean that the old CSR committee will dissolve. The team of approximately 20 employees will continue to manage social and environmental projects. Yet it is important to avoid any confusion in the names, which is why this group will be referred to as the 'task force' from now on. In 2012, the two groups—the CSR committee and the task force—met at every fourth session to examine the evolution of the CSR action plan.

NEW

Mobistar Advisory Board

In 2013, Mobistar will be establishing an 'Advisory Board' consisting of professionals from outside the company. Their mission is to inform Mobistar of any innovations in the field of sustainable development and make suggestions on improving its CSR strategy.

Mobistar thought it was also important to give CSR more weight within the management board. This is why the management board now has its

Launching the stakeholder dialogue

An action plan for sustainable development like this is not just some random document which will not have any impact. Several actors are influenced by it, or have an influence on Mobistar's activities. This is why it is interesting to listen to their needs. What do those parties—Mobistar's stakeholders—expect in terms of CSR? And are those expectations consistent with the existing CSR strategy? Mobistar answered these questions in 2012 with a new initiative: the stakeholder dialogue—in other



“In 2012, Mobistar took major steps in terms of corporate social responsibility,” says Paul-Marie Dessart.

“We created an advisory group last year for discussing our role in society with our stakeholders. This turned out to be an extremely successful and instructive project. Alongside this, we also strengthened support for CSR at the management level. As of now, a top level CSR platform establishes guidelines in collaboration with the company’s CSR ambassadors.

Yet social responsibility is not just a matter concerning management at Mobistar. For example: it was at our staff’s request that we increased our volunteer projects in 2012. So there is certainly plenty of enthusiasm for the idea... This is why we are confident that all departments and employees will do their best to succeed in our CSR challenges for 2013.”

“Social responsibility is not just a matter concerning management at Mobistar”

words, a series of interviews with internal and external stakeholders. Employees from 15 different teams within the company were interviewed. Mobistar also invited professionals from the political, social and financial world for an interview.

The results show that the majority of stakeholders most value customer service, transparency, fair prices and high-quality networks. According to them, telecom companies should focus in the first place on their core business. According to the stakeholders, other important topics are the safe and responsible use of products and

services as well as Mobistar’s contribution to local economic development.

The stakeholder dialogue allowed us to identify stakeholders’ expectations. Mobistar is now aware of the issues that are important to them. This helps the company to set the 2013 CSR strategy. As a consequence, Mobistar will focus on customer experience, transparency and accountability by supporting local ecosystems in the next action plan.

CORPORATE SOCIAL RESPONSIBILITY

On the right road to sustainable development

It is encouraging to receive recognition for the CSR activities it has already implemented. For example, last year, the organisation was awarded both the Ecodynamic label and Top Employer België - Belgique 2012 certificate. That does not mean that Mobistar can rest on its laurels, because there is still a lot of work to do. Both awards are primarily a motivation to keep working on CSR.

■ Ecodynamic label

In 2012, Mobistar launched the procedure required to obtain the 'Eco-dynamic Enterprise' label, an official award given by the Brussels Institute for Environmental Management.

One, two or three stars are awarded, depending on the environmental performance of the company in question. These are allocated by a panel of representatives from government agencies, environmental and consumer associations, business federations and universities.

Mobistar received the Brussels Institute for Environmental Management label, as well as the maximum of three stars. Even though this is the best result possible, Mobistar has not put its commitment to the environment on a back burner. On the contrary, these are long-term efforts and are implemented with a view to continuous improvement.

■ Top Employer België – Belgique 2012

Mobistar is one of 54 companies who received a certificate for 'Top Employer België - Belgique 2012' this year. This label is only awarded to organisations that have achieved the highest level required in HR; in other words: the best Belgian employers to work for. The independent analysis was carried out by the CRF Institute, a centre for expertise in international research into Primary and Secondary Benefits and Working Conditions, Training and Development, Career Opportunities and Organisational Culture. The institute awarded top points to Mobistar for its excellent working conditions and very good organisational culture.



You can't manage what you don't measure

CSR is a continuous improvement process. This does not just require feedback from stakeholders, but also a thorough evaluation of the results.

In 2012, Mobistar continued to improve its reporting on its CSR policy. An internal audit had already been conducted in 2011 covering forty CSR indicators in social and environmental areas. This audit was repeated for the 2012 results.

New findings indicate a good overall management of the indicators. However, the indicators for 'waste' need to be clarified and strengthened. This is why Mobistar is planning to improve the management and monitoring of these indicators in 2013.



CSR-INDICATORS 2012

ENVIRONMENT

GRI Code	Indicators	Units	2010	2011	2012
EN3	Volume of fuel (all building, all uses)	m ³	414	464	322
EN3	Volume of natural gas	m ³	229.206	144.729	238.140
EN4	CO ₂ emissions due to use of fuel	tonnes CO ₂	1.110	1.244	862
EN4	CO ₂ emissions due to use of natural gas	tonnes CO ₂	442	279	460
EN4	CO ₂ emissions due to the combustion of all fuels in our establishments (excluding vehicles)	tonnes CO ₂	1.552	1.523	1.322
EN4	Total amount of electricity used	GWh	83	108	110
EN16	CO ₂ emissions related to the use of electricity	tonnes CO ₂	0	0	0
EN3	Volume of diesel used for the vehicles	liter	1.818.498	1.888.664	1.862.598
EN5	CO ₂ emissions as a result of vehicles	tonnes CO ₂	5.001	5.194	5.122
EN29	Distance travelled by airplane	km	1.179.835	1.253.189	1.169.243
EN16	CO ₂ emissions related to travel by airplane	tonnes CO ₂	212	226	210
EN29	Distance travelled by train	km	-	866.188	1.353.461
EN16	CO ₂ emissions related to travel by train	tonnes CO ₂	13,5	42	66
EN	Amount of renewable energy used	GWh	83	108	110
EN	Total CO ₂ emissions saved by using green energy	tonnes CO ₂	21.630	26.787	23.888
EN22	Mobile terminals collected from customers and valorised	amount	-	-	34.924

CSR-INDICATORS 2012

EMPLOYEES

GRI Code	Indicators	2010	2011	2012
LA1	Total number of employees	1.635	1.771	1.787
LA1	Total number of fixed-term contracts	7	8	14
LA13	Number of male managers	441	459	467
LA13	Number of female managers	149	171	174
LA1	Average age of personnel	37,1	37,2	37,7
LA2	Number of redundancies	70	77	101
LA2	Number of external recruitments	213	342	239
LA2	Number of resignations	54	105	104
LA1	Total number of employees previous year	1.418	1.628	1.763
LA2	Number of departed male employees	81	153	153
LA2	Number of departed female employees	43	35	58
LA2	Number of departed employees < 30 years old	37	82	77
LA2	Number of departed employees between 30 and 50 years old	83	101	127
LA2	Number of departed employees > 50 years old	4	5	7
LA10	Total number of trained employees	1.369	1.692	1.992
LA10	Training hours	40.849	60.261	57.987



CORPORATE SOCIAL RESPONSIBILITY

Employees

Telecommuting

It is clear that Mobistar believes in telecommuting. It has numerous advantages. Employees spend less time sitting in traffic. They also have a quiet workspace, flexible hours create a better balance between work and private life, the company can save on transport costs and Mobistar's ecological footprint is reduced. Everybody wins from working from home: the employees, our planet and Mobistar itself.

ACHIEVEMENTS IN 2012

- Mobistar's efforts to encourage working from home have paid off once again. This year, 1000 employees started telecommuting at least one day a week. That's 80 more employees working from home compared to last year.
- Last autumn, Mobistar participated in the National Homeworking Day for the second time. This is an initiative that promotes working remotely. More than 350 Mobistar employees worked from home on 22 November. This is a significant increase compared with 2011 when 293 employees took part.

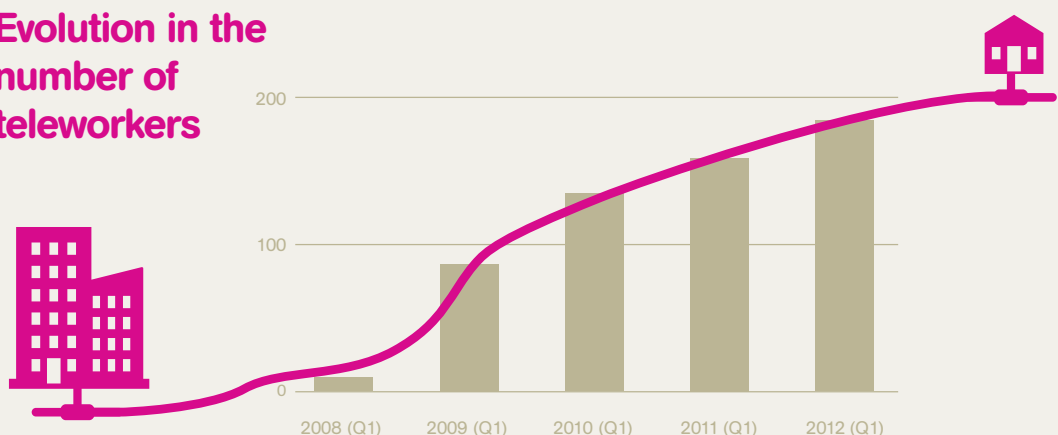
Working environment

In 2010, Mobistar took over the Sirius building, where the 'flex desk' principle was applied. In order to have a quiet and stimulating working environment the office set-up was improved in 2012.

ACHIEVEMENTS IN 2012

- Mobistar wants to give its employees the opportunity to work in both 'serene' and 'stimulating' areas. In 2011, several pilot areas were created, including areas for meetings, speaking on the telephone or working in silence. Last year, Mobistar applied this layout throughout the whole Sirius building. The company also put elements in place to make the various zones more easily distinguishable from each other.

Evolution in the number of teleworkers



Health and well-being at work

Mobistar believes that it has a responsibility to provide certain health services.

Diversity

Mobistar puts a lot of time and effort into diversity through its CSR policy, with a special focus on gender and age. Equality also remains one of our top priorities. We continue to aim for 35% women and 65% men employed at every level.

ACHIEVEMENTS IN 2012

- Last year, 292 employees were vaccinated to protect them against flu.
- In 2012, Mobistar offered employees the opportunity to follow Allen Carr's training programme aimed at helping people to quit smoking. In total, six employees managed to give up cigarettes permanently.
- The health and eyesight of 288 employees was tested this year.
- Regular exercise helps reduce stress. This is why Mobistar employees were given the opportunity to participate in activities such as Tai Chi, Pilates, relaxation therapy, Zumba and Rhythm Dance in 2012. The initiative was successful with 665 participants attending these classes.
- Mobikids, the project that takes care of employees' children during the school holidays, has become increasingly successful. In 2012, 173 children took part in the activities compared to 148 in 2011.

ACHIEVEMENTS IN 2012

- Mobistar believes strongly in supporting research on diversity in the workplace. This is why the company entered into a partnership with the University of Liège and SEIN, an interdisciplinary research centre at the University of Hasselt in April. A shared chair of 'Diversity and social innovation' was established for a period of four years.
- This year, Anne Cambier, Chief People Officer at Mobistar, sat on the jury of the 'AXA Wo_Men@Work Award'. This prize rewards managers who are personally committed to achieving a gender balance within their company's management team.
- In December, a working group was established which will contribute to an employment plan for employees of different ages. The group will set up initiatives for older employees and also attempt to attract younger workers.

Employee health and well-being in 2012



292

anti-flu vaccines



6

employees stopped smoking



288

medical visits



665

participants in tai-chi, Pilates, sophrology, Zumba and rhythmic dance



173

participants in Mobikids

CORPORATE SOCIAL RESPONSIBILITY

Customers

Data protection

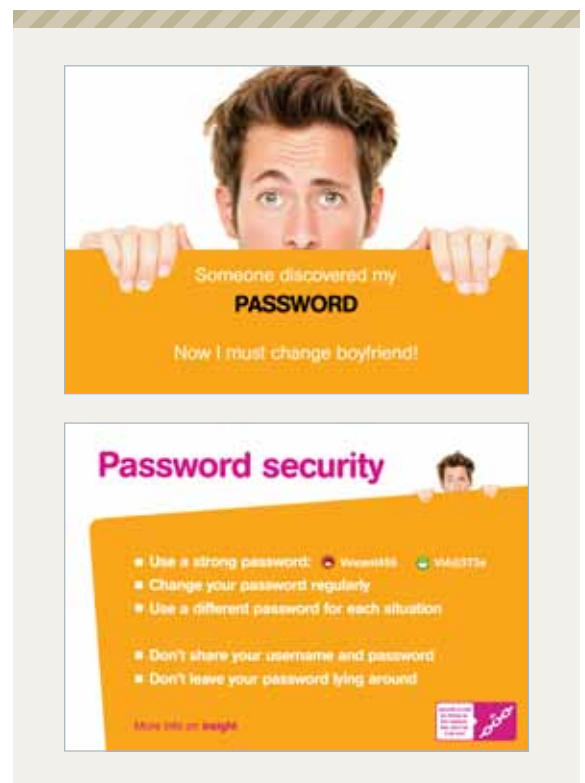
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As a telecom operator, Mobistar provides new digital services every day. This means that it has an increasing amount of customer data in its possession. Because this information is very confidential and may be very sensitive, Mobistar has to gain the trust of its customers. Customers need to know that their data is in safe hands with Mobistar. Communicating openly about what is being done with the data and emphasising the fact that the customer is always in control of it, is thus essential.

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ACHIEVEMENTS IN 2012

- In early 2012, Mobistar launched a poster campaign in its offices. The aim was clear: to ensure that all employees understand that they must handle the information that they use on a daily basis, carefully and discreetly. This kind of communication was repeated regularly to ensure that new employees were also aware of it.
- Different aspects of data protection are relevant to those working in marketing as opposed to customer service employees. This is why specific information sessions were held for the various departments.
- Some effort was put into procedures surrounding incident management last year. If someone is trying to get hold of certain information without authorisation, Mobistar must be in a position to follow up on such incidents effectively. In addition to this, codes of conduct were established, such as a policy on cookies.
- Mobistar carried out a thorough analysis of all possible external and internal threats in 2012. This allowed any vulnerabilities to be identified, while establishing the best ways to tackle them. This means that Mobistar will soon be able to start renewing its security infrastructure.





CORPORATE SOCIAL RESPONSIBILITY

Society

Participate!

The project Participate! for people with autism is Mobistar's most important social project. Since 2006, it has brought together specialists in the field of autism along with parents and Mobistar for the attainment of one general objective: to improve the quality of life of those with autism and their friends and families.

ACHIEVEMENTS IN 2012

- The interactive Participate! website provides high-quality and accessible information to parents whose children have recently been diagnosed with autism. The site contains three main sections. The first section contains theoretical information as well as videos that illustrate the theory by presenting concrete cases. The second section provides tips on education and everyday life. The third section is a practical guide which was completed in 2012. Three psychologists produced the contents under the supervision of a scientific committee made up of specialists and parents. This section also contains 'De Wegwijzer' ('The signpost'), a handy tool that parents can use to share information about their child with those around them.
- Throughout 2012, Participate! stepped up its campaign to raise awareness about autism. Various training courses on using the website were also held.

Voluntary work

Mobistar encourages its employees to be engaged with society. It has been noted that the interest in doing voluntary work has increased.

ACHIEVEMENTS IN 2012

- At Mobistar, June was the month of 'Mobicents', an initiative in which colleagues were able to get rid of their euro cent coins for a good cause. The result was 80 kilos of copper, worth about 1080 euros. The money was used by a group of Mobistar volunteers for 'Operation Thermos' in which 600 free hot meals were distributed to the homeless at Brussels Central Station.



Solidarity initiatives

Mobistar has been involved in several solidarity initiatives for many years—and 2012 was no exception.

ACHIEVEMENTS IN 2012

- Along with other Belgian operators, Mobistar has run various fundraising initiatives by text message. No charges are made for messages sent as part of such initiatives. The cost of sending the text is passed on in full to a charitable cause. To qualify for this, the initiatives should be linked to a natural disaster, or a national or regional action. Last year, Mobistar participated as usual in Cap 48, the solidarity campaign run by RTBF and various campaigns run by VRT and Q-Music. Mobistar also participated in the campaign 'Een Sms voor een Dakloze' ('A text message for a homeless person') run by the Brussels-based organisation Samu Social.
- Since 2004, Mobistar has donated used IT equipment to the non-profit organisation, Close the Gap. This organisation recycles the devices and uses them for educational projects in developing countries. In 2012, Mobistar donated 733 devices, including fax machines, laptops, PCs and printers.
- As in other years, Mobistar ran two blood drives in 2012, in cooperation with the Red Cross. A total of 171 employees donated blood.

Mobistar's commitment to society is not limited to just a few people, but is widely supported by various departments. And this has had great results.

'Operation Thermos'

4 evenings 1 2 3 4

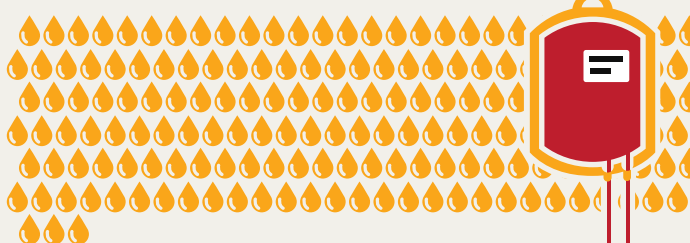
90 Mobistar volunteers



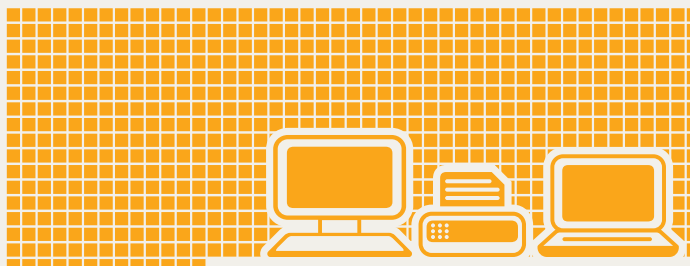
600 meals



171 blood donations



733 Close the gap donations



CORPORATE SOCIAL RESPONSIBILITY

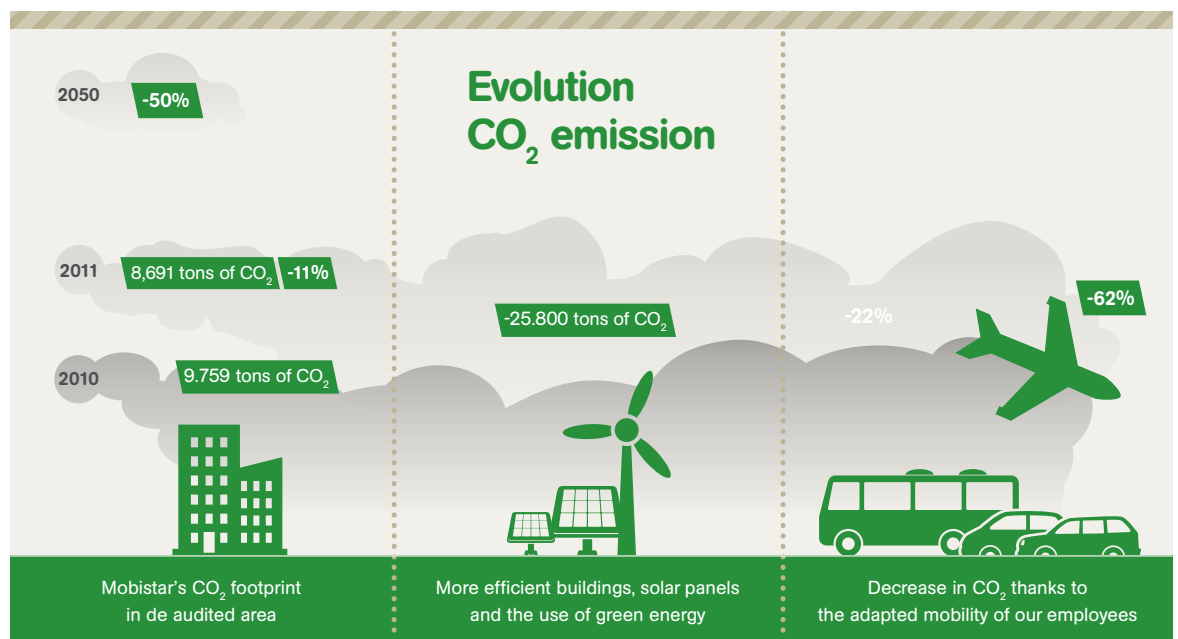
Environment

CO₂ balance

Mobistar's objective is to reduce the company's CO₂ emissions by 50% by 2020.

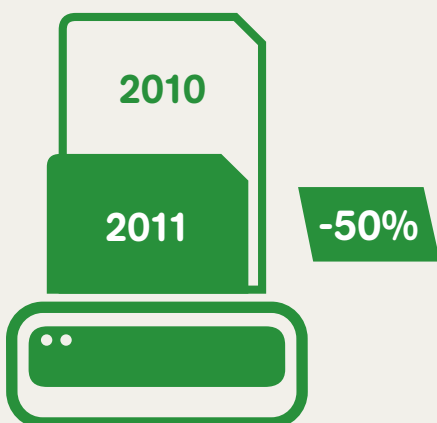
ACHIEVEMENTS IN 2012

- In 2012, Mobistar called once more on the assistance of CO2logic, a company specialising in calculating, reducing and offsetting CO2 emissions. The calculations were made on the basis of consumption levels recorded in 2011.
- In 2011, Mobistar had a carbon footprint of 8,691 tonnes of CO₂ in the audited areas which was a decrease of 11% compared to 2010.
- The CO₂ emissions resulting from employee travel decreased by 22%. This is mainly due to the intensive promotion of teleworking and the use of public transport.
- Thanks to a centralised printing system and the introduction of electronic invoicing, Mobistar managed to reduce its paper usage by 50%.
- More people took the train instead of flying. This resulted in a reduction in emissions of 62% in this area.
- With environmentally-friendly office buildings, photovoltaic solar panels and the use of green energy, Mobistar decreased its CO₂ emission by 25,800 tons in 2011.



- The use of green energy does not mean that Mobistar has discarded its aim of using less energy. However, it does ensure that Mobistar's ecological footprint is now mainly created by lorries. This is why the company continues to make efforts to reduce this impact through the introduction of videoconferencing, eco-driving courses, new cars with an average emission of 121g CO₂/km and electric cars.

Evolution paper usage



INTERVIEW JAN JANSSEN, CO2LOGIC



“At CO2logic, we are all too aware that companies do not make the transition to low carbon intensity operations automatically. We therefore appreciate all the more the commitment and perseverance of those companies that are attempting to overcome the inertia of the status quo.”

In the telecom sector – where you always have to keep up with the latest technology – it is very difficult to reduce absolute energy consumption. However, Mobistar still actively seeks to implement creative measures for improving energy efficiency and has been using green energy for many years. Mobistar also has a strong policy in the field of mobility and the company is undoubtedly one of the vanguards in this area. Every year, the most diverse and innovative activities have been added to the ambitious list of measures aimed at reduction.

“It is impressive to see how a team of dedicated people at Mobistar have put every effort into keeping their impact on the climate to a minimum.”



2015 target already achieved

Mobistar's aim for 2012 was to emit no more than 120 grams of CO₂ for each newly ordered car. This objective was achieved comfortably. Average emissions last year were less than 112 grams – the target objective for 2015. That's no reason to slow down: the targets will be revised to reflect this achievement.

Mobility

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In 2012, Mobistar made considerable efforts to reduce car usage and encourage alternative modes of transport and working from home.
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ACHIEVEMENTS IN 2012

- In 2012, Mobistar made five electric pool cars available to its employees. Those who wanted to were able to test out the electric cars when driving to an appointment with a client, for example. 30,000 km were driven in total, which reduced CO₂ emissions by an estimated 3.5 tonnes.
- Alongside its usual car list, Mobistar developed a separate list last year which only consisted of electric and hybrid cars. It is the first company in Belgium to do this.
- Carpooling had not had much success within Mobistar in previous years. The company has been working with Djengo since September with a view to breathing new life into the idea of sharing car journeys. This new web platform makes carpooling more accessible, with features such as a carpooling schedule and software that matches employees' journeys.
- A fleet of approximately ten shared bicycles was also introduced. Mobistar encourages everyone to travel short distances by bike.
- Following a successful test in 2011, 'eco-driving' classes were included as a training course in the 2012 course catalogue. Around forty employees enrolled and consequently reduced their fuel consumption by an average of 8%.
- Last year, Mobistar also won the Green Fleet Award 2012, an award for businesses who consciously work to maintain an environmentally-friendly fleet policy.
- Employees were offered a free Raillease subscription as a means to encourage them to use public transport in addition to their own vehicles. This allowed them to travel by train to Sirius one day a week for the whole year.

Energy

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Mobistar intends to reduce its consumption of electricity, gas and diesel by enrolling in a process of rational energy use, with a preference for renewable energy. Since 2008 Mobistar has used only green energy from certified 100% renewable sources, permitting a reduction in CO2 emissions of 28,000 tonnes per year.

The 5 main areas of energy consumption in order are: the GSM network, the fixed network and internet, the central telecom sites and the data centres, the offices, and Mobistar Centers.

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ACHIEVEMENTS IN 2012

- Together, the 2012 actions have resulted in savings of 735,000 euros.
- At the end of 2011 the new energy director provided a detailed report of consumption in each area in order to initiate actions in the best places, at the best times.
- Measuring devices with Mobistar M2M cards were installed to allow 'smart metering' (remote, real-time monitoring of consumption at each point).
- Several initiatives were undertaken in the technical centres:
 - replacement of technical equipment with more efficient equipment without greenhouse gas emissions.
 - installation and use of 'free-chilling' (using cool outside air to cool the building).
 - increasing the set temperature of core sites to reduce the use of air conditioning.
- The existing features of the Sirius building have been optimised, including presence detectors for lighting, solar energy installation, maximum building insulation and automated temperature management.
- A major programme of rationalisation, virtualisation and consolidation of the IT server infrastructure has been achieved, greatly reducing consumption.
- Several actions have been taken in stores, including the installation of air conditioning timers.

Waste

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Mobistar has been running campaigns throughout the year to reduce waste and encourage recycling. Any remaining waste has been separated as much as possible.

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ACHIEVEMENTS IN 2012

- Employees were encouraged to minimise their waste generation by reusing items such as cups and scrap paper.
- Separate collection points were created for used writing materials and plastic lids. All of the proceeds earned from selling these to a recycling company were donated to the Belgian Centre for Guide Dogs.
- The European Week for Waste Reduction—which Mobistar also participated in this year—was the ideal time to launch new initiatives and to place existing activities in the limelight.
- Mobistar aims to make maximum use of recyclable office supplies wherever possible. This is why an internal catalogue of green products was launched in 2012, in cooperation with supplier Lyreco.

Plans for 2013

In 2013, the France Télécom group plans to evaluate waste management at its subsidiary, Mobistar. In order to improve the relevant processes, it will analyse how Mobistar's offices, stores and network infrastructure deal with waste.

PILLAR

COMMITMENT

EMPLOYEES

Enable employees to work in a stimulating environment, recognise their contributions and develop their potential

WORKING ENVIRONMENT

Create a working environment which stimulates creativity, promotes an appropriate collaboration between the employees and creates a serene mentality

TRAINING AND PERSONAL DEVELOPMENT

Enable employees to develop their potential

HEALTH AND WELLBEING AT WORK

Guarantee a good balance between private life and work and combat stress

WORKING FROM HOME

Make flexibility and mobility possible for the employees (*organisation of working time + reduction in CO₂ emissions*)

DIVERSITY

Promote diversity and equity amongst the employees

CLIENTS

A quality service, offering safety and transparency

PROTECTION OF MINORS

Ensure the protection of children and young people as regards their access to unsuitable content

DATA PROTECTION

Respect for the legal framework and for private life

DIALOGUE WITH THE CUSTOMERS

Listen actively to the customers and be able to provide favourable follow up in accordance with their expectations

THE PARTICIPATE! ASSOCIATION

Promote the quality of life of autistic people and their families by means of the development and dissemination of instruments for a better integration and increased independence for these people

VOLUNTARY WORK

Give employees the opportunity to get socially involved in voluntary work

SOLIDARITY CAMPAIGNS

For those who need it, place infrastructures and equipment at their disposal, more specifically computer equipment

ETHICS

Guarantee an ethical and responsible running of our purchasing procedures and our relations with the suppliers

SOCIETY

Promote social and digital integration

ENVIRONMENT

Reduce our impact on the environment

CO₂ BALANCE

Reduce our CO₂ emissions

ENERGY

Limit gas and electricity consumption and use green and renewable energy

MOBILITY

Reduce the impact of employees' home-work traffic on the environment

WASTE

Reduce our impact on the environment by usual reuse and the recycling of waste

PAPER

Reduce the use of paper, optimise recycling and use FSC labelled paper

RECYCLING OF MOBILE PHONES

Collecting old mobile phones, recycling and where appropriate making them useable again

MACHINE-TO-MACHINE

Reduce the negative impact on the environment by promoting the remote management of machines (in this way travel and transport can be economised)

OBJECTIVE

PROGRESS IN 2012

Be recognised as one of the best employers of Belgium by 2015	Modifications and improvements to 'Flex desk' principle in the entire Sirius building.
By 2015 100% of the employees are given 2 days of training per year	57,987 hours of training followed by the employees
Be recognised as one of the best employers in Belgium by 2015	292 employees were vaccinated against the flu, 288 medical examinations were carried out, 665 participants in sports and relaxing activities, 173 employees' children at Mobikids during the holidays
By 2015: 100% of employees (who don't come into contact with clients) telecommuting	1000 employees worked from home. Over 350 participants in the National Homeworking Day.
By 2015: proportion of 35% women and 65% men on all the hierarchical levels	Establishment of a Chair on diversity in collaboration with the Université de Liège and the Universiteit Hasselt. The 'Top Employer 2012' label was obtained.
Every year choose 3 concrete points, to work upon	Signature of the "E-safety" charter
Ensure the confidentiality of information relating to clients, suppliers and employees	Internal campaign based around data protection, specific information sessions for the different departments, improved incident management procedures, thorough analysis of external and internal threats
Offer customers the possibility of getting in touch with Mobistar when and how they want	Introduction of simple 'animal tariffs', improvement in the Net Promoter Score (NPS) and the establishment of the Customer Test Center for customer feedback.
Reach 100% of Belgian families affected by autism	Completion of the third module of the Participate! website and increase in the number of awareness-raising campaigns surrounding autism
Provide associations with 50 days voluntary work in 2012	Collection of 80 kilos of copper cents for 'Operation Thermos' and 90 volunteers provided 600 homeless people with a meal
Give 100% of old computers to the association "Close the Gap"	733 used IT apparatus donated to Close the Gap
Raise awareness of 100% of the employees and provide training relating to that	Installation of 2 training and e-learning modules which should be followed by all employees
Reduce our carbon footprint by 50% by 2020	The firm CO2logic has calculated that in 2011 we reduced our CO ₂ emissions by 11% in relation to 2010
Reduce our energy consumption by 15% by 2020	Energy conscious interventions mean 735,000 euro was economised in 2012
By 2015, the maximum emission of any vehicles ordered will be 115g CO ₂ /km. 400 people will be travelling by public transport by the end of 2013	The objective for 2015 has already been attained: new vehicles emit on average 112g CO ₂ /km, 370 employees used public transport
Obtain the "Ecodynamic Enterprise" label	The Ecodynamic label has been obtained, with the maximum of three stars for our environmental services
Organise a paper-free working environment	30% of the invoices are electronic
Recycle 30% of the mobile phones sold in the Mobistar Centers by 2015	34,925 mobile phones collected
1 million cards activated in 2012	Partnership agreements for a total of 4.5 million M2M SIM cards in circulation