

## 2006 results

### Strong growth of 2006 Maroc Telecom consolidated results:

- Revenues: +10.1%
- Earnings from operations: +15.7%
- Net income group share: + 16.0%

**Dividend proposal: 7.88 dirhams/share,  
i.e. 100% of the distributable income**

*Mr. Abdeslam Ahizoune,  
Chairman of the Management Board declared:*

*‘One more time, Maroc Telecom has registered outstanding results. We have boosted the market through our acquisition efforts, customer loyalty improvements and innovations, which allow us to exceed our forecasts. We will distribute all results to our shareholders, while ensuring the company the means of its development, as we did with Burkina Faso and Gabon acquisitions. Our 2007 growth prospects, excluding new acquisitions, are still strong, exceeding 6% for revenues and 10% for EFO.’*

On March 1, 2007, the Supervisory Board examined the 2006 consolidated financial statements, established in accordance with IFRS standards and approved by the statutory auditors.

<i>in MAD million - IFRS</i>	<b>2006</b>	2005	<i>% change</i>
<b>Consolidated revenues</b>	<b>22 615</b>	20 542	10,1%
Fixed-line and Internet (gross <sup>(1)</sup> )	<b>12 613</b>	11 949	5,6%
Mobile (gross <sup>(1)</sup> )	<b>14 684</b>	12 772	15,0%
<b>Consolidated Earnings from Operations</b>	<b>10 043</b>	8 678	15,7%
Fixed-line and Internet	<b>3 139</b>	3 284	-4,4%
Mobile	<b>6 904</b>	5 394	28,0%
<b>Net income before tax</b>	<b>10 172</b>	8 807	15,5%
<b>Net income group share</b>	<b>6 739</b>	5 809	16,0%
<b>Net cash position<sup>(2)</sup></b>	<b>2 686</b>	7 466	-64,0%

### **Earnings from operations (EFO)**

2006 Maroc Telecom consolidated EFO amounted to MAD 10,043 million, up 15.7% compared to 2005, with the combined effect of a 10.1% revenues growth and acquisition costs control, despite the continuing increase of Mobile<sup>(3)</sup> (+30.0%) and ADSL<sup>(4)</sup> (+58.7%) customer bases<sup>(4)</sup>.

This figure includes a MAD 300 million provision for a new voluntary redundancy plan, which has a similar financial impact on EFO as the restructuring charge funded in 2005.

In the 2006 fourth quarter, Maroc Telecom group consolidated EFO amounted to MAD 2,446 million, up 10.0% compared to 2005.

#### ● **Mobile**

2006 Mobile EFO amounted to MAD 6,904 million, up 28.0% compared to 2005, corresponding to an EFO margin of 47%, up 5 points compared to 2005, which is the result of the acquisition costs control in a fast growing customer base context.

In the fourth quarter, Mobile EFO is up 25.3% at MAD 1,705 million.

#### ● **Fixed-line and Internet**

2006 Fixed-line and Internet EFO amounted to MAD 3,139 million, down 4.4% compared to 2005. This decrease is mainly explained by the growth of network costs, related to capacities extension that are linked mainly with ADSL transmission.

In the fourth quarter, Fixed-line and Internet EFO amounted to MAD741 million, down 14.1%.

#### ● **Mauritel**

In 2006, Mauritel group EFO amounted to MAD 295 million, up 10.9%. Excluding the impact of the redundancy plan implemented in the Fixed-line activity (MAD 29 million), EFO increased by 21.8%. This achievement is mainly due to the 24.6% increase of Mobile EFO.

(1) Gross revenues include intercompany revenues between the fixed and mobile businesses of Maroc Telecom (interconnection fees and leased lines).

(2) The net cash position is the total of availabilities and securities decreased by the amount of financial debts.

(3) The customer base includes prepaid customers giving a voice call during the last 3 months and not cancelled postpaid customers compliant with the ANRT definition.

(4) Excluding Mauritel group.

- **Mobisud**

In 2006, Mobisud revenues amounted to MAD 0.4 million and its EFO is negative at MAD 35 million, since it includes all launch costs and only one month of revenues.

### **Net income group share**

2006 net income amounted to MAD 6,739 million, up 16.0% compared to 2005.

### **Cash and equivalent**

2006 consolidated net cash position<sup>(2)</sup> of Maroc Telecom group amounted to MAD 2.7 billion, compared to MAD 7.5 billion in 2005, due to the payment of MAD 9.6 billion to shareholders and the MAD 2.5 billion Onatel acquisition.

### **Dividend**

The Supervisory board will propose at the General Shareholders Meeting scheduled on April 12, 2007, the payment of an ordinary dividend of 7.88 dirhams/share, i.e. an amount of MAD 6.9 billion, corresponding to the full distribution of the distributable income.

### **2007 Outlook**

Based on the current market conditions, and assuming no major exceptional disrupt of the group's business, at the same scope (excluding Onatel and Gabon Telecom), consolidated revenues growth is expected to exceed 6% and EFO growth is expected to exceed 10%.

*Maroc Telecom is Morocco's incumbent telecommunications operator and the country's market leader in fixed-line and mobile telecommunications and Internet access. Since December 2004, Maroc Telecom is listed on the Casablanca and Paris stock exchanges and its main shareholders are Vivendi (51%) and the Kingdom of Morocco (34%).*

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# Appendix 1

## Revenues and operating income by business segment

	Year		
	2006	2005	%change
<i>in MAD million - IFRS</i>			
<b>Consolidated revenues</b>	<b>22 615</b>	20 542	<b>10,1%</b>
<b>Fixed-line and Internet (gross)<sup>(1)</sup></b>	<b>12 613</b>	11 949	<b>5,6%</b>
Maroc Telecom	<b>12 304</b>	11 617	5,9%
Mauritel	<b>309</b>	332	-6,9%
<b>Mobile (gross)<sup>(1)</sup></b>	<b>14 684</b>	12 772	<b>15,0%</b>
Maroc Telecom	<b>13 996</b>	12 198	14,7%
Mauritel	<b>688</b>	574	19,9%
Intercompany transactions	<b>-4 682</b>	-4 179	12,0%

<b>Consolidated Earnings from operations</b>	<b>10 043</b>	8 678	<b>15,7%</b>
<b>Fixed-line and Internet</b>	<b>3 139</b>	3 284	<b>-4,4%</b>
Maroc Telecom	<b>3 153</b>	3 266	-3,5%
Mauritel	<b>-14</b>	18	-177,8%
<b>Mobile</b>	<b>6 904</b>	5 394	<b>28,0%</b>
Maroc Telecom	<b>6 630</b>	5 146	28,8%
Mauritel	<b>309</b>	248	24,6%
Mobisud	<b>-35</b>	-	-

	4th quarter		
	2006	2005	%change
<i>in MAD million - IFRS</i>			

<b>Consolidated revenues</b>	<b>5 532</b>	5 264	<b>5,1%</b>
<b>Fixed-line and Internet (gross)<sup>(1)</sup></b>	<b>3 198</b>	3 091	<b>3,5%</b>
Maroc Telecom	<b>3 121</b>	3 003	3,9%
Mauritel	<b>77</b>	88	-12,5%
<b>Mobile (gross)<sup>(1)</sup></b>	<b>3 563</b>	3 241	<b>9,9%</b>
Maroc Telecom	<b>3 381</b>	3 088	9,5%
Mauritel	<b>182</b>	153	19,0%
Intercompany transactions	<b>-1 229</b>	-1 068	15,1%

<b>Consolidated Earnings from operations</b>	<b>2 446</b>	<b>2 224</b>	<b>10,0%</b>
Fixed-line and Internet	<b>741</b>	863	-14,1%
Mobile	<b>1 705</b>	1 361	25,3%

## Appendix 2

### Consolidated balance sheet as of December 30, 2006

<b>ASSETS</b> <i>(in millions of Moroccan dirhams)</i>	<b>31/12/2006</b>	<b>31/12/2005</b>
Goodwill	146	129
Other intangible assets	2,415	1,392
Property, plant and equipment	12,460	12,584
Investments in equity affiliates	9	22
Other non-current financial assets	2,620	136
Deferred tax assets	445	525
<b>Non-current assets</b>	<b>18,095</b>	<b>14,788</b>
Inventories	438	373
Trade accounts receivable and other	6,928	7,115
Other current financial assets	22	17
Cash and cash equivalents	2,741	7,585
<b>Current assets</b>	<b>10,129</b>	<b>15,090</b>
<b>TOTAL ASSETS</b>	<b>28,224</b>	<b>29,878</b>
<b>LIABILITIES</b> <i>(in millions of Moroccan dirhams)</i>	<b>31/12/2006</b>	<b>31/12/2005</b>
Share capital	5,275	8,791
Retained earnings	4,247	4,595
Earnings for the fiscal year – group share	6,739	5,809
<b>Equity attributable to equity holders of the parent</b>	<b>16,261</b>	<b>19,195</b>
Minority interests	592	529
<b>Total equity</b>	<b>16,853</b>	<b>19,724</b>
Non-current provisions	36	35
Borrowings and other non-current financial liabilities	11	57
Deferred tax liabilities	177	172
<b>Non-current liabilities</b>	<b>224</b>	<b>264</b>
Trade accounts payable and other	10,278	9,380
Current income tax liabilities	437	347
Current provisions	388	101
Borrowings and other current financial liabilities	44	62
<b>Current liabilities</b>	<b>11,147</b>	<b>9,890</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>28,224</b>	<b>29,878</b>

## Appendix 3

### Consolidated Statement of income as of December 31, 2006

(in millions of Moroccan dirhams)

	<b>2006</b>	<b>2005</b>
Consolidated revenues	22,615	20,542
Purchases	-3,692	-3,879
Payroll costs	-2,060	-2,056
Sundry taxes and duties	-771	-680
Other operating income and expenses	-2,686	-2,610
Net depreciation, amortization and provisions	-3 363	-2,639
<b>Earnings from operations</b>	<b>10,043</b>	<b>8,678</b>
Other income (charges) from ordinary activities	7	4
Income from equity affiliates	-21	14
<b>Earnings From ordinary activities</b>	<b>10,029</b>	<b>8,695</b>
Income from cash and cash equivalents	149	143
Interest on gross debt	-7	-13
Interest on net debt	142	130
Other financial income	4	47
Other financial charges	-3	-65
<b>Net financial items</b>	<b>143</b>	<b>112</b>
Tax expense	-3,339	-2,886
<b>Earnings</b>	<b>6,833</b>	<b>5,921</b>
Attributable to the equity holders of the parent	<b>6,739</b>	<b>5,809</b>
Minority interests	94	112
<b>EARNINGS PER SHARE</b> (in Moroccan dirhams)	<b>2006</b>	<b>2005</b>
Net income - group share	6,739	5,809
Number of shares as of December 31	879,095,340	879,095,340
<b>Earnings per share</b>	<b>7,7</b>	<b>6,6</b>
<b>Diluted earnings per share</b>	<b>7,7</b>	<b>6,6</b>

## Appendix 4

### Consolidated cash flow statement as of December 31, 2006

<i>(in millions of Moroccan dirhams)</i>	<u>31/12/2006</u>	<u>31/12/2005</u>
<b>Consolidated earnings (including minority interests)</b>	<b>6,833</b>	<b>5,921</b>
Net depreciation, impairment and provisions	3,043	2,503
Non-cash expense/income	74	-14
Capital gains and losses	-6	-33
<b>Cash flow after interest on net debt and income tax</b>	<b>9,944</b>	<b>8,377</b>
Interest on net debt	-142	-130
Income tax expense (including deferred taxes)	3,339	2,886
<b>Cash flow before interest on net debt and income tax (A)</b>	<b>13,141</b>	<b>11,133</b>
Tax paid (B)	-3,152	-3,084
Change in WCR related to operating activities (C)	1,244	377
<b>Cash flow from operating activities (D) = (A+B+C)</b>	<b>11,233</b>	<b>8,426</b>
Purchase of PP&E and intangible assets	-3,978	-3,210
Proceeds from disposals of PP&E and intangible assets	7	26
Purchase (non-consolidated investments)	-2,481	-13
Proceeds from disposals (non-consolidated investments)	-	62
Change in long-term debt	-3	16
Effects of changes in scope of consolidation (*)	20	-
<b>Cash flow from investing activities (E)</b>	<b>-6,435</b>	<b>-3,119</b>
Dividends paid during the year	-6,142	-4,424
Principal payments on borrowings	-79	-757
Net interest paid	122	83
Changes in share capital (share capital reduction)	-3,516	-
<b>Cash flow from financing activities (F)</b>	<b>-9,615</b>	<b>-5,098</b>
Foreign currency translation adjustments (G)	-27	11
<b>Change in cash and cash equivalents (D+E+F+G)</b>	<b>-4,844</b>	<b>219</b>