

## First Half 2010 Consolidated Results

- **Customer base up 20% to 23.6 million**
- **Increase in consolidated results:**
  - **Revenues: +6.0% to MAD 15.5 billion in the first half and +7.7% to MAD 8.0 billion in the second quarter,**
  - **Earnings from operations: +1.8% to MAD 6.7 billion in the first half and +2.9% to MAD 3.5 billion in the second quarter,**
  - **Operating margin: 43.1%,**
  - **Net cash from operations : MAD 7.4 million, up 20.2%**
- **2010 outlook:**
  - **Moderate growth in revenues,**
  - **Profitability to be maintained at high levels,**

*Commenting the 2010 consolidated results, Abdeslam Ahizoune, Chairman of the Management Board of Maroc Telecom, stated:*

*« During the first half, Maroc Telecom Group confirms largely its annual forecasts in term of revenues growth and high level of profitability. While continuing to improve its revenues in Morocco, Maroc Telecom Group goes on its growth dynamic with a significant increase in the share of income coming from its subsidiaries. »*

## CONSOLIDATED RESULTS - GROUP

### • Revenues

Maroc Telecom's first half 2010 consolidated revenues<sup>1</sup> amounted to MAD 15,465 million, up 6.0% year on year (+2.2% on a comparable basis<sup>2</sup>). Revenue growth was attributable to the Group's domestic market resilience and the solid performances of its subsidiaries. Maroc Telecom's Group revenues for the second quarter of 2010 stood at MAD 8,029 million, up 7.7% year on year (+3.7% on a comparable basis).

The Group's customer base increased to 23.6 million at June 30, 2010, up 20% year on year. This reflects a continuing sustained growth in the Mobile customer base in Morocco (up 11.3%) and especially in subsidiaries in Africa, where it settled at nearly 5.6 million, up over 76% year on year.

### • Earnings from operations (EFO)

Consolidated EBITDA stood at MAD 9,004 million, up 4.8% year on year (up 3.7% on a comparable basis).

The Group's first half consolidated earnings from operations amounted to MAD 6,667 million, up 1.8% year on year (up 2.6% on a comparable basis). Consolidated operating margin remained at a high level, 43.1%, thanks to a continuous costs optimization policy both in Morocco and in the subsidiaries.

Consolidated earnings from operations for the second quarter amounted to MAD 3,463 million, up 3.8% on a comparable basis versus 2009.

### • Net income

Net earnings – Group share amounted to MAD 4,455 million, down 4.1% year on year (-2.1% on a comparable basis).

Excluding non-recurring elements, the first half 2010 consolidated net income remained stable versus 2009.

### • Capital expenditure and Cash flow

After distributing a MAD 9.4 billion dividend to shareholders under 2009 dividend, network capital expenditures of more than MAD 2.4 billion and the acquisition of Sotelma for MAD 3.1 billion in July 2010, the Group's consolidated net debt<sup>3</sup> position amounted to MAD 8.9 billion at June 30, 2010, versus MAD 5.3 billion at June 30, 2009. At the year end, the Group's capital expenditure is expected to reach over MAD 6 billion, representing more than 20% of its revenues.

<sup>1</sup> At June 30, 2010, Maroc Telecom established its results by consolidating the contributions from the Mauritel, Onatel, Gabon Télécom, Sotelma and Mobisud Belgium. Mobisud France was no longer consolidated since June 30, 2010.

<sup>2</sup> Comparable basis illustrates the full consolidation of Sotelma, as if this transaction had occurred as of January 1, 2009 and constant exchange rates (MAD/Mauritanian Ouguiya/CFA Franc/Euro).

<sup>3</sup> Cash and cash equivalents less borrowings and other current and non-current liabilities, including cash held in escrow for bank borrowings.

At end-June 2010, cash flow from operating activities amounted to MAD 7,366 million, up 20% year on year.

## OPERATING REVIEW

### • **Morocco**

The Group's operations in Morocco generated net revenues<sup>4</sup> of MAD 12,763 million, up 1.5%. Earnings from operations stood at MAD 6,104 million, down 0.8%.

#### *Mobile segment*

Gross revenues<sup>5</sup> generated by Mobile operations during first half rose by 5.6% to MAD 9,519 million, thanks to customer base growth and stabilization of ARPU at a high level.

Mobile earnings from operations in the Mobile segment stood at MAD 4,742 million, up 8.6%, due in particular, to the optimization of the purchase price of handsets sold and the price cut of lines leased from the Maroc Telecom's Fixed-Line segment to the Mobile Network.

The Mobile customer base<sup>6</sup> stood at 15.904 million, up 11.3%. Spurred by the success of the customer base loyalty program and offers that encourage retention, the cumulative blended churn rate for the first half fell to 27.4% (down 7.8 pts versus 2009). The high value segment (postpaid) continues to perform strongly, up 8.9% to 731,000 customers.

First half blended ARPU<sup>7</sup> remains at a high level, at MAD 94, stable year on year.

#### *Fixed-line and Internet*

Gross revenues generated by Fixed-line and Internet operations amounted to MAD 4,312 million, down 9.4%. This decrease is due to lower usage (down 5.6%), resulting from the competition with the mobile and the price cut of lines leased to other operators and Maroc Telecom's Mobile segment.

Earnings from operations, during the first semester, came to MAD 1 362 million, down 23.9%, as direct result of lower sales.

Maroc Telecom's fixed-line customer base stood at 1.237 million, stable on the first half of 2010.

At end-June 2010, Maroc Telecom had over 479,000 wireline Internet active subscribers in service (DSL accounts for 99%), a slight increase (up 0.2%) compared to end-December 2009. Wireline Internet subscribers account for around 44% of fixed-lines (excluding public telephony). In addition it had close to 343,000 3G+ Mobile Broadband customers, up 97,1% versus end-December 2009.

<sup>4</sup> Net revenues exclude inter-segment revenues between the Fixed and Mobile activities of each subsidiary, but include intercompany revenues (e.g. service-level agreements) which are eliminated from consolidated revenues.

<sup>5</sup> Gross revenues include inter-segment transactions (interconnection costs and leased lines) between Fixed-Line and Mobile operations.

<sup>6</sup> Active customer base, comprising prepaid customers having made or received a voice call in the last three months, non-cancelled postpaid customers and 3G customers.

<sup>7</sup> ARPU (Average Revenue Per User) is defined as revenue from incoming and outgoing calls and data services, net of promotions and excluding roaming in and handset sales, divided by the average prepaid and postpaid customer base over the period.

- **Mauritania**

Net revenues generated by Mauritel during the first half amounted to MAD 595 million, up 5.3% (up 8.1% on a comparable basis). Earnings from operations amounted to MAD 195 million, down 2.3% on a comparable basis, mainly due to the impact of intensely competitive market context.

At end-June 2010, the customer base stood at close to 1.547 million Mobile customers (up 18% year on year), 42,000 Fixed-line customers (down 25% year on year) and 7,200 Internet customers (down 33% year on year). Mauritel conducted, late 2009, a clean-up of its Fixed-Line and Internet customers base which gave rise to terminations.

- **Burkina Faso**

Net revenues generated by Onatel during the first half amounted to MAD 934 million, up 12.1% (up 11.9% on a comparable basis) thanks to its operating performances in the Mobile, Fixed-line and Internet segments. Earnings from operations stood at MAD 281 million, up 84% on a comparable basis year on year, due to an improvement in both Mobile and Fixed-line profitability.

At end-June 2010, the Mobile customer base grew by almost 52% year on year to 1.994 million. The Fixed-line customer base amounted to almost 154,000 lines, up 2%, while the number of Internet customers stood at around 25,000, up 20% year on year.

- **Gabon**

Net revenues generated by Gabon Telecom during the first half amounted to MAD 512 million, down 13.7% (-13.9% on a comparable basis). Earnings from operations amounted to MAD 34 million, down 36.1% on a comparable basis year on year. This decrease was attributable to an intensely market context after the arrival of a fourth mobile operator in the country.

At end-June 2010, the Mobile Customer base rose by 8%, to more than 577,000 lines.

The Fixed-line customer base accounts for more than 36,000 lines, at end-June 2010, up slightly year on year, while the number of Internet subscribers rose by 8% to approximately 21,000 customers.

- **Mali**

The Group's operations in Mali generated net revenues of MAD 703 million in first half 2010, up 17% on a comparable basis, thanks to the strong growth of the Mobile activity and the sustained growth in fixed-line. Earnings from operations amounted MAD 54 million at end-June 2010.

At end-June 2010, the customer base stood at close to 1.464 million Mobile customers, more than 72,000 Fixed-line customers and around 14,000 Internet customers.

- **Belgium**

Mobisud Belgique posted revenues of MAD 28 million and a 2.2 loss from operations in the 2010 first half of 2010. Note that, Mobisud Belgique, which was divested to Belgacom, has been no longer consolidated since June 30, 2010. At end-June 2010, Mobisud Belgique had an active customer base of 29,000.

*Maroc Telecom est le premier opérateur global de télécommunications au Maroc, leader sur l'ensemble de ses segments d'activités, Fixe, Mobile et Internet. Maroc Telecom est coté simultanément à Casablanca et à Paris depuis décembre 2004 et ses actionnaires de référence sont le groupe Vivendi (53%) et le Royaume du Maroc (30%).*

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## Revenues and operating income of the 1st quarter

MAD million - IFRS	2009			2010			% change comparable basis <sup>2</sup>		
	Total (net <sup>4</sup> )	Mobile (gross) <sup>(5)</sup>	Fixe/Internet (gross) <sup>(5)</sup>	Total (net <sup>4</sup> )	Mobile (gross) <sup>(5)</sup>	Fixe/Internet (gross) <sup>(5)</sup>	Total (net <sup>4</sup> )	Mobile (gross) <sup>(5)</sup>	Fixe/Internet (gross) <sup>(5)</sup>
<b>Consolidated revenues<sup>(1)</sup></b>	<b>14,586</b>	<b>10,453</b>	<b>5,585</b>	<b>15,465</b>	<b>11,548</b>	<b>5,267</b>	<b>2.2%</b>	<b>6.4%</b>	<b>(8.3%)</b>
Maroc Telecom	12,574	9,015	4,759	12,763	9,519	4,312	1.5%	5.6%	(9.4%)
Mauritel	565	472	113	595	509	110	8.1%	10.9%	0.2%
Onatel	833	558	399	934	677	391	11.9%	21.1%	(2.0%)
Gabon Télécom	593	326	315	512	277	281	(13.9%)	(15.1%)	(10.8%)
Sotelma	-	-	-	703	538	172	17.0%	19.5%	7.4%
Mobisud	83	83	-	28	28	-	(42.6%)	(42.6%)	-
<b>Consolidated EFO<sup>(1)</sup></b>	<b>6,552</b>	<b>4,770</b>	<b>1,782</b>	<b>6,667</b>	<b>5,453</b>	<b>1,214</b>	<b>2.6%</b>	<b>11.4%</b>	<b>(24.5%)</b>
Maroc Telecom	6,155	4,364	1,791	6,104	4,742	1,362	(0.8%)	8.6%	(23.9%)
Mauritel	205	186	20	195	185	10	(2.3%)	2.4%	(47.3%)
Onatel	153	206	(54)	281	309	(28)	84.0%	49.5%	48.7%
Gabon Télécom	53	28	25	34	5	29	(36.1%)	(81.5%)	14.0%
Sotelma	-	-	-	54	214	(160)	ns	ns	8.2%
Mobisud	(14)	(14)	-	(2)	(2)	-	60.8%	60.8%	-

## Operational data

thousands - end of period	2009				2010	
	Q1	Q2	Q3	Q3	Q1	Q2
<b>Mobile customer base<sup>(6)</sup></b>	<b>17,624</b>	<b>17,553</b>	<b>19,306</b>	<b>19,602</b>	<b>20,333</b>	<b>21,515</b>
Maroc Telecom	14,630	14,289	15,239	15,272	15,578	15,904
Prepaid	13,988	13,618	14,570	14,590	14,872	15,173
Postpaid	642	671	669	682	706	731
Mauritel	1,218	1,315	1,351	1,335	1,473	1,547
Onatel	1,162	1,316	1,402	1,569	1,812	1,994
Gabon Télécom	471	533	545	513	528	577
Sotelma	-	-	685	818	911	1464
Mobisud	143	100	84	95	31	29
<b>Fixed-line customer base</b>	<b>1,524</b>	<b>1,533</b>	<b>1,576</b>	<b>1,528</b>	<b>1,533</b>	<b>1,541</b>
Maroc Telecom	1,286	1,290	1,269	1,234	1,232	1,237
Mauritel*	54	56	57	41	43	42
Onatel	149	151	152	152	153	154
Gabon Télécom	35	36	36	36	36	36
Sotelma	-	-	62	65	69	72
<b>Internet customer base</b>	<b>536</b>	<b>537</b>	<b>529</b>	<b>527</b>	<b>537</b>	<b>546</b>
Maroc Telecom	488	486	473	471	476	479
Mauritel*	10	11	11	6	7	7
Onatel	19	21	22	23	24	25
Gabon Télécom	19	19	20	20	20	21
Sotelma	-	-	3	7	10	14

\* clean-up of the customer base at end-2009

## Revenues and operating income of the 1st quarter

MAD million - IFRS

	2009			2010			% change		
	Total (net*)	Mobile (gross) <sup>(5)</sup>	Fixe/Internet (gross) <sup>(5)</sup>	Total (net*)	Mobile (gross) <sup>(5)</sup>	Fixe/Internet (gross) <sup>(5)</sup>	Total (net*)	Mobile (gross) <sup>(5)</sup>	Fixe/Internet (gross) <sup>(5)</sup>
<b>Consolidated revenues<sup>(1)</sup></b>	<b>7,457</b>	<b>5,374</b>	<b>2,788</b>	<b>8,029</b>	<b>6,018</b>	<b>2,589</b>	<b>3.7%</b>	<b>7.7%</b>	<b>(9.6%)</b>
Maroc Telecom	6,438	4,638	2,384	6,667	4,983	2,119	3.6%	7.4%	(11.1%)
Mauritel	292	243	50	313	269	57	5.9%	9.3%	12.6%
Onatel	426	292	197	473	346	194	11.9%	19.0%	(0.5%)
Gabon Télécom	297	164	158	239	128	134	(18.8%)	(21.7%)	(14.5%)
Sotelma	-	-	-	363	280	86	20.2%	23.5%	7.7%
Mobisud	37	37	-	13	13	-	(42.4%)	(42.4%)	-
<b>Consolidated EFO<sup>(1)</sup></b>	<b>3,364</b>	<b>2,458</b>	<b>906</b>	<b>3,463</b>	<b>2,947</b>	<b>515</b>	<b>3.8%</b>	<b>17.1%</b>	<b>(37.2%)</b>
Maroc Telecom	3,164	2,234	929	3,206	2,577	628	1.3%	15.4%	(32.4%)
Mauritel	107	98	9	110	102	8	1.9%	3.8%	(18.4%)
Onatel	67	110	(43)	115	145	(32)	72.8%	33.5%	27.1%
Gabon Télécom	31	19	11	(2)	(6)	4	ns	ns	(60.0%)
Sotelma	-	-	-	38	131	(93)	ns	ns	(7.7%)
Mobisud	(3)	(3)	-	(2)	(2)	-	2.6%	2.6%	-

## CONSOLIDATED FINANCIAL SITUATION AT JUNE 30, 2010 AND DECEMBER 31, 2009

<b>ASSETS</b> <i>(In millions of Moroccan dirhams)</i>	<b>June 30, 2010</b>	<b>Dec. 31, 2009</b>
Goodwill	7,153	7,271
Other intangible assets	3,826	3,723
Property, plant and equipment net	21,336	21,468
Investments in equity affiliates	0	0
Non-current financial assets	399	572
Deferred tax assets	74	63
<b>Non-current assets</b>	<b>32,788</b>	<b>33,096</b>
Inventories	766	653
Trade accounts receivable and other	11,517	11,196
Current financial assets	129	45
Cash and cash equivalent	791	874
Available for-sale assets	66	56
<b>Current assets</b>	<b>13,269</b>	<b>12,824</b>
<b>TOTAL ASSETS</b>	<b>46,057</b>	<b>45,920</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b> <i>(In millions of Moroccan dirhams)</i>	<b>June 30, 2010</b>	<b>Dec. 31, 2009</b>
Share capital	5,275	5,275
Retained earnings	4,215	3,864
Net earnings	4,455	9,425
<b>Capital attributable to equity holders of the parent</b>	<b>13,945</b>	<b>18,564</b>
<b>Minority interest</b>	<b>4,236</b>	<b>4,369</b>
<b>Total shareholders' equity</b>	<b>18,181</b>	<b>22,934</b>
Non-current provisions	238	230
Borrowings and other long term financial liabilities	2,558	3,108
Deferred tax liabilities	59	126
<b>Non-current liabilities</b>	<b>2,855</b>	<b>3,464</b>
Trade accounts payable	16,977	17,176
Current income tax liabilities	175	146
Current provisions	516	503
Borrowings and other short term financial liabilities	7,352	1,697
<b>Current liabilities</b>	<b>25,020</b>	<b>19,522</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>46,057</b>	<b>45,920</b>



## CONSOLIDATED COMPREHENSIVE INCOME STATEMENTS FOR THE 6 MONTHS PERIOD ENDING JUNE 30.

(In millions of Moroccan dirhams)

	<b>2010</b>	<b>2009</b>
Revenues	15,465	14,586
Cost of purchases	(2,476)	(2,412)
Payroll costs	(1,330)	(1,310)
Taxes and duties	(510)	(376)
Other operating income (expenses)	(2,131)	(1,845)
Net depreciation, amortization and provisions	(2,353)	(2,091)
<b>Earnings from operations</b>	<b>6,667</b>	<b>6,552</b>
Other operating income (expenses)	(3)	(3)
Income from equity affiliates	0	29
<b>Earnings from continuing operations</b>	<b>6,664</b>	<b>6,579</b>
Income from cash and cash equivalents	35	61
Borrowing costs	(119)	(62)
Net borrowing costs	(84)	(1)
Other financial income and expenses	(1)	22
<b>Net financial income (expense)</b>	<b>(85)</b>	<b>21</b>
Income tax expense	(1,959)	(1,799)
<b>Net earnings</b>	<b>4,620</b>	<b>4,801</b>
<b>Earnings</b>	<b>4,471</b>	<b>4,755</b>
<b>Net earnings</b>	<b>4,620</b>	<b>4,801</b>
Attributable to equity holders of the parents	4,455	4,646
Minority interests	165	154
<b>Earnings</b>	<b>4,471</b>	<b>4,755</b>
Attributable to equity holders of the parents	4,361	4,627
Minority interests	110	128
<b>EARNINGS PER SHARE</b> (In Moroccan dirhams)	<b>2010</b>	<b>2009</b>
Net earnings - group share	4,455	4,646
Number of shares at June 30	879,095,340	879,095,340
Earnings per share	<b>5.1</b>	<b>5.2</b>
Diluted earnings per share	<b>5.1</b>	<b>5.2</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR 2010 AND 2009 FIRST HALVES

	<u>2010</u>	<u>2009</u>
Earnings from operations	6,667	6,552
Amortization and other adjustments	2,350	1,927
<b>Gross Cash Earnings</b>	<b>9,017</b>	<b>8,478</b>
Other elements of the net change in working capital	179	(537)
<b>Cash flow from operating before income tax expense</b>	<b>9,196</b>	<b>7,941</b>
Tax paid	(1,830)	(1,816)
<b>Net cash from operating activities (a)</b>	<b>7,366</b>	<b>6,125</b>
Purchase of PP&E and intangible assets	(3,797)	(2,538)
Increase in financial assets		(9)
Disposals of PP&E and intangible assets	105	12
Decrease in financial assets	169	71
Dividends received from non-consolidated investments	1	8
<b>Net cash used in investing activities (b)</b>	<b>(3,523)</b>	<b>(2,455)</b>
Share capital increase		43
Dividends paid by Maroc Telecom	(8,796)	(9,232)
Dividends paid by subsidiaries to minority shareholders	(191)	(128)
<b>Changes in share capital</b>	<b>(8,987)</b>	<b>(9,317)</b>
Borrowings and increase in other long term financial liabilities		
Payments on borrowings and decrease in other long term financial liabilities		(23)
Borrowings and increase in other current financial liabilities	2,200	4,249
Payments on borrowings and decrease in other short term financial liabilities	(520)	(146)
Changes in current accounts debtors/financial creditors	3,460	(165)
Net interests (only Cash)	(84)	(1)
Other cash expenses (income) used in financing activities	(17)	7
<b>Changes in borrowings and other financial liabilities</b>	<b>5,039</b>	<b>3,920</b>
<b>Net cash used in financing activities (d)</b>	<b>(3,948)</b>	<b>(5,397)</b>
<b>Effect of foreign currency adjustments (g)</b>	<b>21</b>	<b>(22)</b>
<b>Change in cash and cash equivalents (a)+(b)+(d)+(g)</b>	<b>(84)</b>	<b>(1,749)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>874</b>	<b>2,678</b>
<b>Cash and cash equivalents at end of period</b>	<b>790</b>	<b>929</b>