

Rabat, July 26, 2011

Consolidated results for H1 2011

Solid fundamentals:

- **Group customer base: +16.5% year on year, to 27.5 million customers**
 - **Morocco:**
 - 24% decline in mobile rates and 22% increase in outbound usage;
 - 27.7% growth of postpaid customer base, to 934,000 subscribers;
 - mobile churn rate down 5.7 points, to 21.7%;
 - 10.2% growth of ADSL customer base, to 528,000 subscribers.
 - **Sub-Saharan Africa.**
 - Excellent performance by Sotelma, with a 39% rise in revenues.
- **Consolidated results¹:**
 - revenues, largely unaffected by price cuts, down slightly by 0.8%, to MAD 15.3 billion;
 - operating income: MAD 6.1 billion, a margin of 39.8%;
 - cash flow from operating activities: MAD 5.5 billion.

Revised outlook for 2011:

- slight decline in revenues;
- operating margin comparable to that of H1 2011.

On the occasion of the publication of this press release, Abdeslam Ahizoune, Chairman of the Management Board, stated:

“Maroc Telecom Group has continued to grow its customer base through the quality of its product offerings and significant price cuts, which have boosted usage growth. In order to maintain its attractiveness as an innovative operator, Maroc Telecom will continue to invest in its networks and service platforms.”

GROUP CONSOLIDATED RESULTS:

- **Revenues¹**

At June 30, 2011, Maroc Telecom had consolidated revenues² of MAD 15,323 million, down 0.8% from June 30, 2010 (-0.4% on a comparable basis³). This performance was due to the slight decline in revenues in Morocco (-1.7%) in an intensely competitive environment, compensated partly by growth of 4.8% of subsidiaries' revenues (+7.2% on a comparable basis).

Maroc Telecom Group's revenues in the second quarter amounted to MAD 7,795 million, a decline of 2.8% from 2010 (-2.5% on a comparable basis).

The Group's customer base expanded to more than 27.5 million customers at June 30, 2011, an increase of 16.5% on an annual basis. This performance was the result of unabated growth of 6.4% in Morocco and by a dynamic sales trend among the various subsidiaries, in which the mobile customer base grew by 49%.

- **Earnings from operations before depreciation and amortization¹**

In the first half of 2011, earnings from operations before depreciation and amortization (EBITDA) amounted to MAD 8,317 million, a decline of 7.4%, compared with 2010 (-7.2% on a comparable basis), the result of a slight decline in revenues in Morocco. Despite this decline, the margin stayed at a respectable 54.3%.

- **Operating income¹**

Group consolidated operating income at June 30, 2011, amounted to MAD 6,094 million, down 8.3% from a year earlier (8.1% on a comparable basis), because of lower EBITDA and despite continued significant expenditure in networks and systems.

In the second quarter, operating income came to MAD 3,120 million, down 9.6% from 2010 (9.5% on a comparable basis).

- **Net income¹**

Maroc Telecom's net attributable income came to MAD 3,985 million for the first half of 2011, a decline of 10.3% from a year earlier.

1 Data for the year 2010 were restated after a material misstatement was identified in the financial statements concerning distributor commissions paid to Onatel. This restatement lowered revenues by MAD 18.9 million, while earnings from operations before depreciation and amortization, operating income and net income were affected negatively by MAD 22.3 million, compared with the data published for H1 2010.

2 At June 30, 2011, Mauritel, Onatel, Gabon Telecom, Sotelma and Casanet were consolidated in Maroc Telecom's financial statements. As of June 30, 2010, Mobisud Belgique was no longer consolidated in the Maroc Telecom Group's financial statements

3 The comparable basis reflects the deconsolidation of Mobisud Belgique, as if it had been effective at January 1, 2010 (disposal on June 30, 2010), and as if MAD / Mauritanian ouguiya / CFA franc exchange rates had been constant

- ***Capital expenditures and cash flow***

With a 2010 dividend of MAD 9.3 billion distributed to shareholders, and network capital expenditures made of more than MAD 2.0 billion, Maroc Telecom Group's consolidated net debt⁴ amounted to MAD 11.3 billion at June 30, 2011, compared with MAD 8.9 billion at June 30, 2010.

At June 30, 2011, cash flow from operating activities amounted to MAD 5,540 million, a year-on-year decline of 25%.

- ***Revised outlook for 2011***

On the basis of recent changes in the market, and as long as no major event disrupts Group business, Maroc Telecom expects a slight decline in revenues in 2011 as a result of the significantly lower prices in Morocco. The Group expects a FY 2011 operating margin comparable to that of H1 2011.

⁴Borrowings and other current and noncurrent liabilities less cash (and cash equivalents), including cash held in escrow for bank loans

OVERVIEW OF GROUP ACTIVITIES

• **Morocco**

Business in Morocco generated net revenues⁵ of MAD 12,545 million in the first half of the year, a decline of 1.7%. First-half operating income came to MAD 5,576 million, down 8.6%, compared with 2010.

Mobile

In Morocco, the mobile segment's gross revenues⁶ for H1 2011 fell by 1.0%, to MAD 9,418 million, because of a significant price reduction in the mobile sector.

Operating income declined by 7.6%, to MAD 4,377 million, as a result of slightly lower revenues, higher interconnection costs to other operators, and a reduction in the exemption from the Universal Service contribution granted to Maroc Telecom for its investments in rural zones (Pacte program). At June 30, 2011, Maroc Telecom covered more than 5,300 rural areas, which significantly improved network coverage.

At June 30, 2011, the mobile customer base⁷ amounted to 16,994 million customers, an increase of 6.9%, compared with June 30, 2010. The annualized combined churn rate for H1 2011 improved by 5.7 points, to 21.7%. The high-added-value postpaid segment continued to perform well, with growth of 27.7% and a total of 934,000 subscribers.

The 3G mobile internet customer base⁸ continued its positive trend, with 812,000 customers, thereby allowing Maroc Telecom to remain leader, with a market share of 44%.

Combined ARPU⁹ for H1 2011 fell 7.8% from 2010 year on year to MAD 86, affected by the growth of the customer base and by significantly lower prices. These two effects were compensated partially by a strong rise in consumption and the democratization of 3G mobile internet. Revenues from outbound mobile, excluding voice, reached 10.2% of the average bill.

Fixed-line and internet

The fixed-line and internet activities in Morocco generated gross revenues in H1 2011 of MAD 3,836 million, a decline of 11.2%, mainly because of lower fixed-line call traffic, which is menaced by mobile activity, and because of lower rates for lines leased by Maroc Telecom's fixed-line activity to its mobile activity.

At June 31, 2011, operating income stood at MAD 1,199 million, down 12.3%, because of lower revenues.

5 Revenues are stated net of intersegment revenues between subsidiaries' fixed-line and mobile activities, but include subsidiary-generated revenues (including service agreements), which are eliminated from consolidated revenues.

6 Gross revenues include intragroup transactions (interconnection and leased-line costs) between fixed-line and mobile activities

7 The active customer base comprises prepaid customers who have made or received a voice call (paid or free) or who have sent an SMS or MMS at any time during the past three months; and postpaid clients who have not terminated their agreements

8 The active customer base for 3G mobile internet includes holders of a postpaid subscription agreement (with or without a voice offer) and holders of a prepaid internet subscription who have made at least one top-up during the past three months or whose top-up is still valid

9 ARPU is defined as revenues (generated by inbound and outbound calls and by data services) net of promotional offers, excluding roaming and equipment sales, divided by the average customer base for the period. In this instance, ARPU combines both prepaid and postpaid segments

At June 30, 2011, the fixed-line customer base in Morocco was stable, at 1,234 million (-0.3% year on year), while the ADSL customer base has risen significantly 10.2% over the year, to 528,000 subscribers. Enhanced offerings (MT Duo combining fixed-line telephony and broadband internet via ADSL) and lower prices further supported this trend.

- **Mauritania**

In the first half of 2011, Maroc Telecom's Mauritanian businesses generated net revenues of MAD 601 million, an increase of 1.0% (+9.1% at a constant rate), as a consequence of continued steady growth in the mobile customer base (+18%) and increased tariffs for international inbound traffic. At June 30, 2011, operating income amounted to MAD 170 million, a decline of 13.2% from a year earlier (-6.2% on a comparable basis), because of higher operating expenses and taxes.

At June 30, 2011, customer bases stood at:

- +18% for mobile, with 1,827 million customers;
- -2.6% for fixed line, with 41,000 lines;
- -3.4% for internet, with 6,900 customers.

- **Burkina Faso¹**

In the first half of 2011, Maroc Telecom's business activities in Burkina Faso generated net revenues of MAD 846 million, a decrease of 7.6% (-8.1% at a constant rate), because of significant price cuts carried out in the second half of 2010. Operating income fell 66%, to MAD 87 million (-67% on a comparable basis), the result of lower sales and higher interconnection costs to competitors.

At June 30, 2011, Onatel had:

- 2,796 million mobile customers (+40%);
- 143,000 fixed lines (-7.4%);
- 29,000 internet customers (+20%).

¹ Data for the year 2010 were restated after a material misstatement was identified in the financial statements concerning distributor commissions paid to Onatel. This restatement lowered revenues by MAD 18.9 million, while earnings from operations before depreciation and amortization, operating income and net income were affected negatively, by MAD 22.3 million, compared with the data published for H1 2010.

- **Gabon**

At June 30, 2011, Maroc Telecom's net revenues generated in Gabon amounted to MAD 472 million, a decline of 7.8% (-8.3% on a comparable basis) in a competitive environment of unflagging intensity. Operating income came to MAD 11 million, down 68% (-68% on a comparable basis).

At June 30, 2011, Gabon Télécom had 494,000 active customers, including:

- 448,000 mobile customers (-22%);
- 24,000 fixed lines (-33%);
- 22,000 internet customers (+5.2%).

- **Mali**

At June 30, 2011, Maroc Telecom's net revenues from business activities in Mali amounted to MAD 976 million, a rise of 39% (+38% on a comparable basis), the consequence of an excellent sales trend that was boosted by network expansion and by new product development. Operating income was multiplied by 4.6, compared with the same period a year earlier, to MAD 250 million.

Sotelma's customer bases continued to show impressive growth:

- +124% for mobile, with 3,284 million customers;
- +20% for fixed line, with 87,000 lines;
- +103% for internet, with 28,000 customers.

Maroc Telecom is a full-service telecommunications operator in Morocco and the domestic market leader in the fixed-line, mobile, and internet sectors. Maroc Telecom, whose main shareholders are Vivendi (53%) and the Kingdom of Morocco (30%), has been listed on the Casablanca and Paris stock exchanges since December 2004.

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Revenues and operating income of the 1st semester*

MAD million - IFRS							% change			
		2010 restated**			2011			comparable		
								basis		
	Total (net)	Mobile (gross)	Fixed/Internet (gross)	Total (net)	Mobile (gross)	Fixed/Internet (gross)	Total (net)	Mobile (gross)	Fixed/Internet (gross)	
Consolidated revenues	15,447	-	-	15,323	-	-	(0.4%)	-	-	
Maroc Telecom	12,763	9,519	4,312	12,545	9,418	3,836	-1.7%	-1.0%	-11.0%	
Mauritel	595	509	110	601	510	117	9.1%	8.0%	9.6%	
Onatel	915	658	392	846	638	337	-8.1%	-3.5%	-14.5%	
Gabon Télécom	512	277	281	472	221	308	-8.3%	-21.0%	9.1%	
Sotelma	703	538	172	976	817	166	38%	51.1%	-4.1%	
Consolidated EFO	6,645	-	-	6,094	-	-	-8.1%	-	-	
Maroc Telecom	6,104	4,742	1,362	5,576	4,377	1,199	-8.6%	-7.6%	-12.3%	
Mauritel	195	185.4	10	170	163	6	-6.1%	-5.3%	-36%	
Onatel	259	287	-28	87	225	-137	-67%	-22%	ns	
Gabon Télécom	34	5	29	11	-21	32	-68%	ns	8.5%	
Sotelma	54	214	-160	250	410	-160	ns	91%	0.0%	

* including Mobisud Belgium until 06/30/2010

**The impact of the restatements under IAS 8 apply for correction of errors affected the data published at the end of June 2010. This restatement lowered revenues by MAD 18.9 million, while earnings from operations before depreciation and amortization were affected negatively, by MAD 22.3 million, compared with the data published for H1 2010.

Operational data*

thousands - end of period		2010				2011	
		Q1	Q2	Q3	Q4	Q1	Q2
Mobile customer base		20,333	21,515	23,031	23,724	24,055	25,348
Maroc Telecom		15,578	15,904	16,740	16,890	16,655	16,994
Prepaid		14,872	15,173	15,989	16,073	15,778	16,060
Postpaid		706	731	751	817	877	934
Mauritel		1,473	1,547	1,578	1,576	1,696	1,827
Onatel		1,812	1,994	2,122	2,397	2,692	2,796
Gabon Télécom***		528	577	631	699	398	447,887
Sotelma		911	1,464	1,959	2,162	2,614	3,284
Mobisud		31	29	-	-	-	-
Fixed-line customer base		1,533	1,541	1,534	1,521	1,527	1,529
Maroc Telecom		1,232	1,237	1,227	1,231	1,239	1,234
Mauritel		43	42	41	41	40	41
Onatel		153	154	155	144	143	143
Gabon Télécom		36	36	36	27	24	24
Sotelma		69	72	74	79	80	87
Internet customer base		537	546	551	574	599	615
Maroc Telecom		476	479	481	497	516	528
Mauritel		7	7	7	7	7	7
Onatel		24	25	25	28	29	29
Gabon Télécom		20	21	22	22	23	22
Sotelma		10	14	16	20	24	28

* including Mobisud Belgium until 06/30/2010

***clean-up of the customer base during Q1-11

Revenues and operating income of the 2nd quarter*

MAD million - IFRS							% change			
		2010 restated**			2011			comparable		
								basis		
	Total (net)	Mobile (gross)	Fixed/Internet (gross)	Total (net)	Mobile (gross)	Fixed/Internet (gross)	Total (net)	Mobile (gross)	Fixed/Internet (gross)	
Consolidated revenues	8,019	-	-	7,795	-	-	(2.5%)	-	-	
Maroc Telecom	6,667	4,983	2,119	6,394	4,819	1,928	-4.1%	-3.1%	-9.1%	
Mauritel	313	269	57	302	259	57	7.4%	6.8%	6.4%	
Onatel	464	337	194	417	323	158	-11.7%	-5.9%	-20%	
Gabon Télécom	239	128	134	231	88	176	-5.3%	-33%	29%	
Sotelma	363	280	86	512	433	83	39%	52%	-5.5%	
Consolidated EFO	3,451	-	-	3,120	-	-	-9.5%	-	-	
Maroc Telecom	3,206	2,577	628	2,881	2,282	599	-10.2%	-11.5%	-4.9%	
Mauritel	110	102.4	8	85	83	2	-14.5%	-19%	-79%	
Onatel	103.8	134	-31	12	98	-85	-89%	-29%	ns	
Gabon Télécom	-2	-6	4	5	-23	28	ns	ns	ns	
Sotelma	38	131	-93	138	207	-70	ns	-59%	25%	

* including Mobisud Belgium until 06/30/2010

**The impact of the restatements under IAS 8 apply for correction of errors affected the data published at the end of June 2010. This restatement lowered revenues by MAD 9.4 million, while earnings from operations before depreciation and amortization were affected negatively, by MAD 11.2 million, compared with the data published for H1 2010.

CONSOLIDATED FINANCIAL SITUATION AT JUNE 30, 2011 AND JUNE 30, 2010

	June 30, 2011	June. 31, 2010 restated¹⁰
ASSETS (In millions of Moroccan dirhams)		
Goodwill	6,919	6,865
Other intangible assets	3,792	4,064
Property, plant and equipment net	23,474	23,378
Non-current financial assets	348	444
Deferred tax assets	134	116
Non-current assets	34,666	34,866
Inventories	767	779
Trade accounts receivable and other ¹¹	11,629	10,454
Current financial assets	127	142
Cash and cash equivalent	719	788
Available for-sale assets	58	58
Current assets	13,300	12,221
TOTAL ASSETS	47,966	47,088
	June 30, 2011	June. 31, 2010 restated¹⁰
SHAREHOLDERS' EQUITY AND LIABILITIES (In millions of Moroccan dirhams)		
Share capital	5,275	5,275
Retained earnings ¹¹	4,424	4,188
Net earnings ¹¹	3,985	9,533
Capital attributable to equity holders of the parent⁽¹¹⁾	13,684	18,996
Minority interest¹¹	4,260	4,396
Total shareholders' equity	17,944	23,392
Non-current provisions	749	668
Borrowings and other long term financial liabilities	2,102	2,404
Deferred tax liabilities	222	123
Non-current liabilities	3,073	3,195
Trade accounts payable	16,583	17,160
Current income tax liabilities	102	233
Current provisions	165	157
Borrowings and other short term financial liabilities	10,099	2,950
Current liabilities	26,949	20,500
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	47,966	47,088

¹⁰ Data reported at June 30, 2010, has been restated for the purposes of IAS 8 "Accounting Policies, Changes in Accounting Estimates, and Errors.

¹¹ The impact of the restatement carried out in application of IAS 8, for the purposes of Changes in Accounting Estimates, and Errors, affected the data reported at June 30, 2010, under "trade accounts receivable and other receivables," for MAD -113 million; under "consolidated reserves," for MAD -92 million; under "consolidated earnings," for MAD -22 million; under "shareholders' equity (group share)," for MAD -54 million; and under "minority interests," for MAD -52 million.

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

<i>(In millions of Moroccan dirhams)</i>	2011	2010 restated¹⁰
Revenues ¹²	15,323	15,447
Cost of purchases ¹²	(2,839)	(2,479)
Payroll costs	(1,443)	(1,330)
Taxes and duties	(586)	(510)
Other operating income (expenses)	(2,117)	(2,131)
Net depreciation, amortization and provisions	(2,244)	(2,353)
Earnings from operations¹²	6,094	6,645
Other operating income (expenses)	(21)	(3)
Income from equity affiliates	0	0
Earnings from continuing operations¹²	6,073	6,642
Income from cash and cash equivalents	13	35
Borrowing costs	(128)	(119)
Net borrowing costs	(115)	(84)
Other financial income and expenses	(8)	(1)
Net financial income (expense)	(123)	(85)
Income tax expense	(1,814)	(1,959)
Net earnings¹²	4,136	4,598
Attributable to equity holders of the parents ¹²	3,985	4,444
Minority interests ¹²	151	154
	2011	2010 restated¹⁰
EARNINGS PER SHARE <i>(In Moroccan dirhams)</i>		
Net earnings - group share	3,985	4,444
Number of shares at June 30	879,095,340	879,095,340
Earnings per share	4.5	5.1
Diluted earnings per share	4.5	5.1

¹² The impact of the restatement carried out in application of IAS 8, for the purposes of Changes in Accounting Estimates, and Errors, affected the data reported on June 30, 2010, under "revenues," for MAD -18.9 million; under "costs of purchases," for MAD -3 million; under "earnings from operations before depreciation and amortization," "operating income," and "net income," for MAD -22.3 million.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR 2010 AND 2009 FIRST HALVES

	2011	2010 restated ¹⁰
Earnings from operations	6,094	6,645
Amortization and other adjustments	2,225	2,349
Gross Cash Earnings	8,318	8,995
Other elements of the net change in working capital	(671)	202
Cash flow from operating before income tax expense	7,647	9,197
Tax paid	(2,124)	(1,830)
Net cash from operating activities (a)	5,523	7,366
Purchase of PP&E and intangible assets	(2,923)	(3,797)
Increase in financial assets		
Disposals of PP&E and intangible assets	98	105
Decrease in financial assets		169
Dividends received from non-consolidated investments	1	1
Net cash used in investing activities (b)	(2,825)	(3,523)
Share capital increase	1	
Dividends paid by Maroc Telecom	(9,301)	(8,796)
Dividends paid by subsidiaries to minority shareholders	(114)	(191)
Changes in share capital	(9,414)	(8,987)
Borrowings and increase in other long term financial liabilities	144	
Payments on borrowings and decrease in other long term financial liabilities		
Borrowings and increase in other current financial liabilities	7,187	2,200
Payments on borrowings and decrease in other short term financial liabilities	(561)	(520)
Changes in current accounts debtors/financial creditors		3,460
Net interests (only Cash)	(114)	(84)
Other cash expenses (income) used in financing activities	(8)	(17)
Changes in borrowings and other financial liabilities	6,648	5,039
Net cash used in financing activities (d)	(2,766)	(3,948)
Effect of foreign currency adjustments (g)	(2)	21
Change in cash and cash equivalents (a)+(b)+(d)+(g)	(69)	(84)
Cash and cash equivalents at beginning of period	788	874
Cash and cash equivalents at end of period	719	790