

Consolidated results – Third quarter 2010

Steady growth of the operations:

- More than 25 million customers, up 17%,
- Increase in consolidated results during the first nine months of 2010:
 - Revenues: +5.8% to MAD 23.7 billion,
 - Earnings from operations before depreciation and amortization : +5.1% to MAD 14.0 billion,
 - Earnings from operations: +3.5% to MAD 10.5 billion, or 44.3% margin,
- 2010 outlook maintained:
 - Moderate growth in revenues,
 - Profitability to be maintained at high level.

Commenting on the publication, Mr. Abdeslam AHIZOUNE, chairman of the Management Board stated:

« During the first nine months of 2010, Maroc Telecom Group continued to grow its revenues significantly while maintaining high margins. Despite an intense competition context, the Group maintained its leadership with success thanks to the quality of its products and services supported by its investments in Morocco and in the subsidiaries. »

CONSOLIDATED RESULTS – GROUP

- **Revenues**

Maroc Telecom's first nine months of 2010 consolidated revenues⁽¹⁾ amounted to MAD 23,710 million, up 5.8% year-on-year (+2.9% on a comparable basis⁽²⁾). This performance was attributable to the Group's domestic market resilience and the continued growth of its African subsidiaries. The Group's third quarter revenues amounted to MAD 8,244 million, up 5.2% year-on-year (+4.4% on a comparable basis), reflecting the positive trend of the operations during the year.

The Group's customer base stood at 25.1 million at September 30, 2010, up 17.3%. This expansion reflects a continuing sustained growth in the Mobile customer base in Morocco, up 9.8%, and especially in subsidiaries in Africa, where it settled at nearly 6.3 million mobile customers, up 58% versus the same period in 2009.

- **Earnings from operations before depreciation and amortization (EBITDA)**

During the first nine months of 2010, the consolidated EBITDA stood at MAD 13,988 million, up 5.1% year-on-year (+4.2% on a comparable basis), helping to maintain a margin at a still high level, 59%, due to rising income and the continuation of a very proactive cost optimization policy both in Morocco and in the subsidiaries.

- **Earnings from operations (EFO)**

At September 30, 2010, consolidated earnings from operations stood at MAD10,505 million, up 3.5% year-on-year (+4.1% on a comparable basis). Consolidated operating margin remained at a high level, 44.3% (+0.5 pt on a comparable basis), despite higher depreciations resulting from the continuation of a major investments program.

Consolidated earnings from operations for the third quarter amounted to MAD 3,838 million, up 6.6% (+6.8% on a comparable basis) versus the same period in 2009, showing an improvement of 1.1 pt of the operating margin on a comparable basis at 46.6%.

(1) At September 30, 2010, Maroc Telecom established its results by consolidating the contributions from the Mauritel, Onatel, Gabon Télécom and Sotelma. Mobisud Belgium was no longer consolidated since June 30, 2010.

(2) 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)

OPERATING REVIEW

• Morocco

During the first nine months of 2010, the Group operations in Morocco generated net revenues⁽³⁾ of MAD 19,618 million, up 1.9% versus the same period in 2009. Earnings from operation stood at MAD 9,649 million, up 0.9%.

Mobile segment

At end-September 2010, Mobile gross revenues⁽⁴⁾ stood at MAD 14,754 million, up 5.2%, due to the customer base growth, a stabilization of ARPU at a high level and the rise of international inbound revenues.

Earnings from operations stood at MAD 7,638 million, up 9.9% due to the growth in revenues, the optimization of the handsets' purchase price and the price cut of lines leased from Maroc Telecom's Fixed-line segment to the Mobile network.

At end-September 2010, Mobile customer base⁽⁵⁾ rose by 9.8% to 16,740 million customers. Spurred by the success of the customer loyalty programs and offers that encourage retention, the cumulative annualized blended churn rate decreased by 5.6 pts to 30.9%. The Postpaid segment continued to perform well with an increase of 12.3% to 751,000 customers. It should be noted that the Mobile 3G Internet segment continued its strong growth through the scope of its Prepaid and Postpaid offers with a customer base at almost 435,000 versus 121,000 at end-September 2009.

Blended ARPU⁽⁶⁾ for the first nine months of 2010 remained at a high level, at MAD 95, down 2.6% year-on-year. With the popularity of the Mobile 3G Internet and the steady growth of SMS and other value added services, the recurring non-voice service revenues increased by 36% during the first nine months of 2010, reaching 11.2% of the average bill, against 8.6% during the same period of 2009.

Fixed-line and Internet

Gross revenues generated by Fixed-line and Internet operations amounted to MAD 6,400 million, down 8.9%. This decrease is due to the reduction of traffic, resulting from the competition with the mobile and the price cut of lines leased to Maroc Telecom's Mobile segment.

At end-September 2010, earnings from operations came to almost 2,011 million, down 23.1%, as a direct result of lower sales.

The Fixed-line customer base stood at 1.227 million lines, down 3.3% year-on-year. The DSL Internet customer base stood at 481,000 lines, up 1.7% compared to end-September 2009.

(3) 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

(4) Gross revenues include inter-segment transactions (interconnection costs and leased lines) between Fixed-Line and Mobile operations

(5) 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.

(6) 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**

During the first nine months, operations in Mauritania generated net revenues of MAD 894 million, up 6.9% (+8.2% on a comparable basis). This good performance is a result of an intense promotional policy and the rise in international inbound/outbound revenues. Earnings from operations stood at MAD 284 million, down 4.7% year-on-year (-3.5% on a comparable basis), in an intense competitive context.

At end-September 2010, Mobile customer base stood at 1.578 million customers (+17% year-on-year). Fixed-line customer base came at almost 41,000 lines (-28% year-on-year). Internet amounted to 7,000 customers (-40% year-on-year). For the record, Mauritel conducted, late 2009, a clean-up of its Fixed-line and Internet customer base which gave rise to terminations.

- **Burkina Faso**

Onatel posted net revenues of MAD 1,368 million during the first nine months of 2010, up 9.0% (+9.6% on a comparable basis) in a highly competitive environment. Earnings from operations stood at MAD 360 million, up 49% (+50% on a comparable basis) versus end-September 2009, due to revenues growth and continuous cost structure optimization.

At end-September 2010, Mobile customer base stood at 2.122 million customers, up 51.3% year-on-year. Fixed-line customer base grew by 2.6% to more than 155,000 lines and the number of Internet customers stood at more than 25,000, up 18.1%.

- **Gabon**

During the first nine months of 2010, the Group's operations in Gabon generated net revenues of MAD 787 million, down 9.0% (-8.5% on a comparable basis) due to an increase in competition which resulted in substantial price cuts. Earnings from operations stood at MAD 70 million, down 19.2% (-18.7% on a comparable basis), as a direct result of declining revenues.

Mobile customer base posted a satisfactory increase at end-September with more than 631,000 customers, up 15.8% year-on-year. Internet customer base rose by 10.4% to 22,000 customers and the number of Fixed lines stabilized at more than 36,000.

- **Mali**

At September 30th, 2010, the Group's revenues in Mali stood at MAD 1,126 million, up 24.8% on a comparable basis, and earnings from operations amounted to MAD 144 million. During the third quarter, revenues rose by 40.0% on a comparable basis, reflecting a continuing dynamism since the acquisition in August 2009.

The customer bases stood at almost 1.959 million for Mobile (+185% year-on-year), more than 74,000 for Fixed-line (+19% year-on-year) and more than 16,000 for Internet (versus 3,000 at end-September 2009).

A full-service telecommunications operator, Maroc Telecom is the domestic market leader in all its business activities: Fixed-line, Mobile and Internet. Maroc Telecom is listed on the Casablanca and Paris stock exchanges since December 2004 and its main shareholders are Vivendi (53%) and the Kingdom of Morocco (30%).

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Revenues and earnings from operations of first 9 months*

MAD million - IFRS		2009			2010			% change comparable basis ²		
	Total (net ³)	Mobile (gross) ⁽⁴⁾	Fixe/Internet (gross) ⁽⁴⁾	Total (net ³)	Mobile (gross) ⁽⁴⁾	Fixe/Internet (gross) ⁽⁴⁾	Total (net ³)	Mobile (gross) ⁽⁴⁾	Fixe/Internet (gross) ⁽⁴⁾	
Consolidated revenues	22 420	16 289	8 316	23 710	17 851	7 820	2,9%	6,8%	(7,8%)	
Maroc Telecom	19 247	14 019	7 028	19 618	14 754	6 400	1,9%	5,2%	(8,9%)	
Mauritel	836	700	165	894	770	161	8,2%	11,3%	(0,9%)	
Onatel	1 255	849	581	1 368	984	584	9,6%	16,6%	1,1%	
Gabon Télécom	864	472	448	787	434	424	(8,5%)	(7,4%)	(5,0%)	
Sotelma**	202	144	61	1 126	881	251	24,8%	36,9%	(7,6%)	
Mobisud	105	105	-	28	28	-	(42,6%)	(42,6%)	-	
Consolidated EFO	10 153	7 613	2 540	10 505	8 722	1 783	4,1%	12,0%	(22,8%)	
Maroc Telecom	9 565	6 949	2 616	9 649	7 638	2 011	0,9%	9,9%	(23,1%)	
Mauritel	298	272	26	284	276	9	(3,5%)	1,2%	(61,8%)	
Onatel	242	328	(86)	360	423	(62)	49,8%	29,5%	27,3%	
Gabon Télécom	87	48	39	70	21	50	(18,7%)	(56,5%)	27,9%	
Sotelma**	(20)	61	(81)	144	367	(223)	ns	114,6%	20,6%	
Mobisud	(19)	(19)	-	(2)	(2)	-	60,4%	60,4%	-	

* non audited,

** Consolidated since August 1st, 2009

Operational data

thousands - end of period		2009				2010		
		Q1	Q2	Q3	Q4	Q1	Q2	Q3
Mobile customer base		17 624	17 553	19 306	19 602	20 333	21 515	23 031
Maroc Telecom		14 630	14 289	15 239	15 272	15 578	15 904	16 740
Prepaid		13 988	13 618	14 570	14 590	14 872	15 173	15 989
Postpaid		642	671	669	682	706	731	751
Mauritel		1 218	1 315	1 351	1 335	1 473	1 547	1 578
Onatel		1 162	1 316	1 402	1 569	1 812	1 994	2 122
Gabon Télécom		471	533	545	513	528	577	631
Sotelma		-	-	685	818	911	1464	1959
Mobisud		143	100	84	95	31	29	-
Fixed-line customer base		1 524	1 533	1 576	1 528	1 533	1 541	1 534
Maroc Telecom		1 286	1 290	1 269	1 234	1 232	1 237	1 227
Mauritel*		54	56	57	41	43	42	41
Onatel		149	151	152	152	153	154	155
Gabon Télécom		35	36	36	36	36	36	36
Sotelma		-	-	62	65	69	72	74
Internet customer base		536	537	529	527	537	546	551
Maroc Telecom		488	486	473	471	476	479	481
Mauritel*		10	11	11	6	7	7	7
Onatel		19	21	22	23	24	25	25
Gabon Télécom		19	19	20	20	20	21	22
Sotelma		-	-	3	7	10	14	16

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

Revenues and earnings from operations of the 3rd quarter*

MAD million - IFRS		2009			2010			% change comparable basis ²		
	Total (net ³)	Mobile (gross) ⁽⁴⁾	Fixe/Internet (gross) ⁽⁴⁾	Total (net ³)	Mobile (gross) ⁽⁴⁾	Fixe/Internet (gross) ⁽⁴⁾	Total (net ³)	Mobile (gross) ⁽⁴⁾	Fixe/Internet (gross) ⁽⁴⁾	
Consolidated revenues	7 834	5 836	2 710	8 244	6 304	2 553	4,4%	7,6%	(6,9%)	
Maroc Telecom	6 672	5 004	2 268	6 855	5 235	2 088	2,7%	4,6%	(7,9%)	
Mauritel	271	228	52	299	260	51	8,4%	12,0%	(3,4%)	
Onatel	422	291	182	434	308	193	5,0%	8,0%	7,9%	
Gabon Télécom	271	146	134	275	157	143	3,4%	9,7%	8,7%	
Sotelma**	202	144	61	422	343	79	40,0%	76,0%	(28,6%)	
Mobisud	22	22	-	-	-	-	-	-	-	
Consolidated EFO	3 600	2 869	731	3 838	3 269	569	6,8%	13,0%	(18,9%)	
Maroc Telecom	3 410	2 585	825	3 546	2 897	648	4,0%	12,1%	(21,4%)	
Mauritel	93	86	6	89	90	(2)	(6,2%)	(1,2%)	ns	
Onatel	89	122	(33)	79	114	(35)	(8,7%)	(4,3%)	(7,6%)	
Gabon Télécom	34	20	14	36	16	21	8,6%	(21,8%)	53,5%	
Sotelma**	(20)	61	(81)	90	153	(64)	ns	188,1%	40,3%	
Mobisud	(5)	(5)	-	-	-	-	-	-	-	

* non audited,

** Consolidated since August 1st, 2009

(7) Revenues related to Mauritel's outgoing international traffic have been recognized directly in the Mobile business since 2010, whereas they were previously included in transit revenues within Mauritel's Fixed-line business. 2009 data have been adjusted to reflect this change.