



**2011  
ANNUAL RESULTS**  
February 27, 2012



Annual Results  
2011



## HIGHLIGHTS

Business review

Financial results

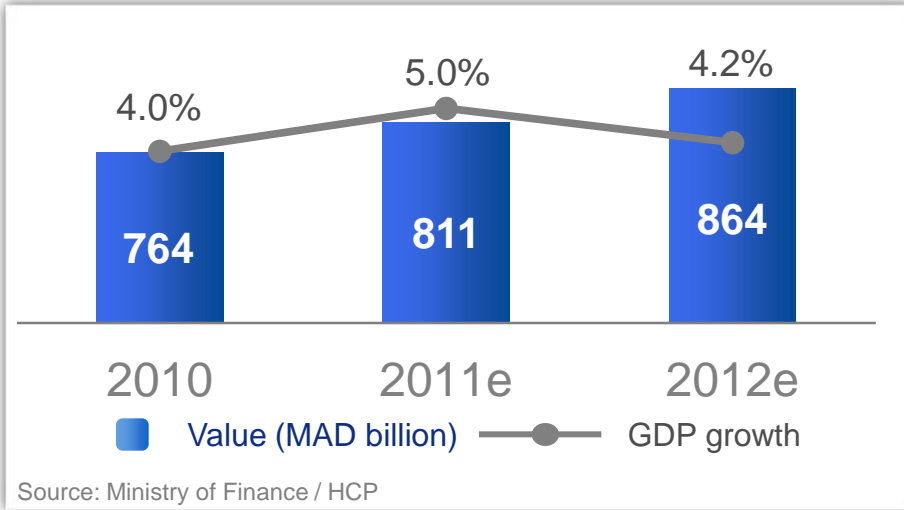
Outlook



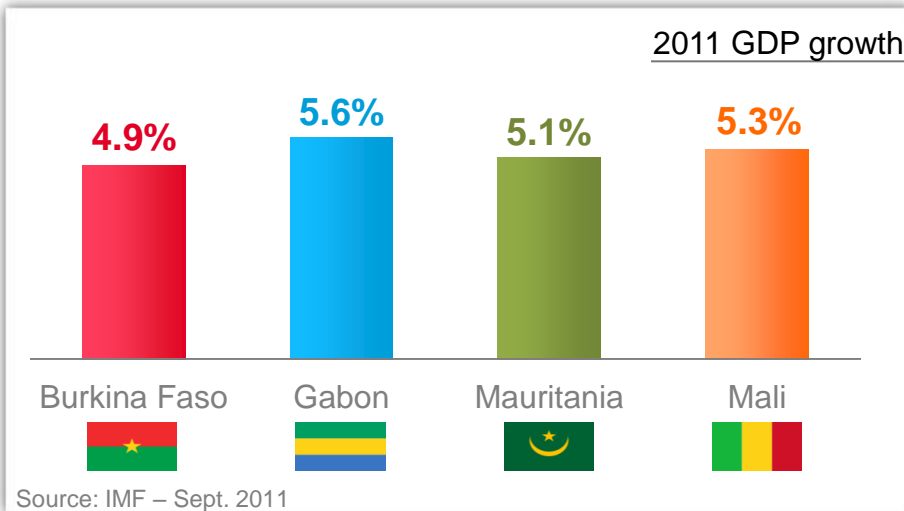
Annual Financial Results 2011

# Maroc Telecom's operating environment

Sustained economic growth in all geographic areas



**MOROCCO**  
 Political stability and economic resilience thanks to vigorous domestic demand and despite a difficult international context.



**INTERNATIONAL**  
 Sustained economic growth and moderate inflation in sub-Saharan Africa.

# Maroc Telecom's operating environment

Vigorous telecom markets

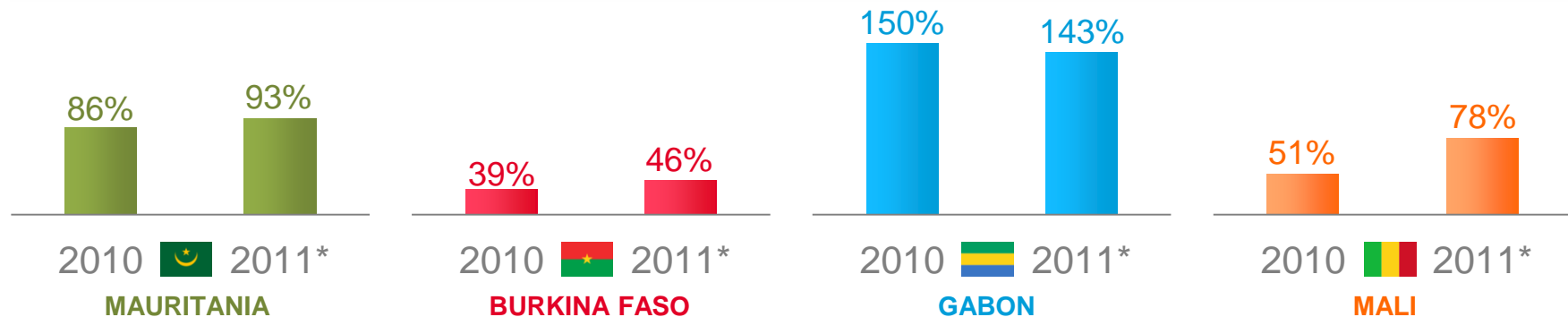


## Morocco: a highly competitive market

- strong growth in customer base and consumption
- steep price reductions



**International:** Mobile customer base remains vigorous thanks to growth in penetration rate and expanded use of multiple SIMs.

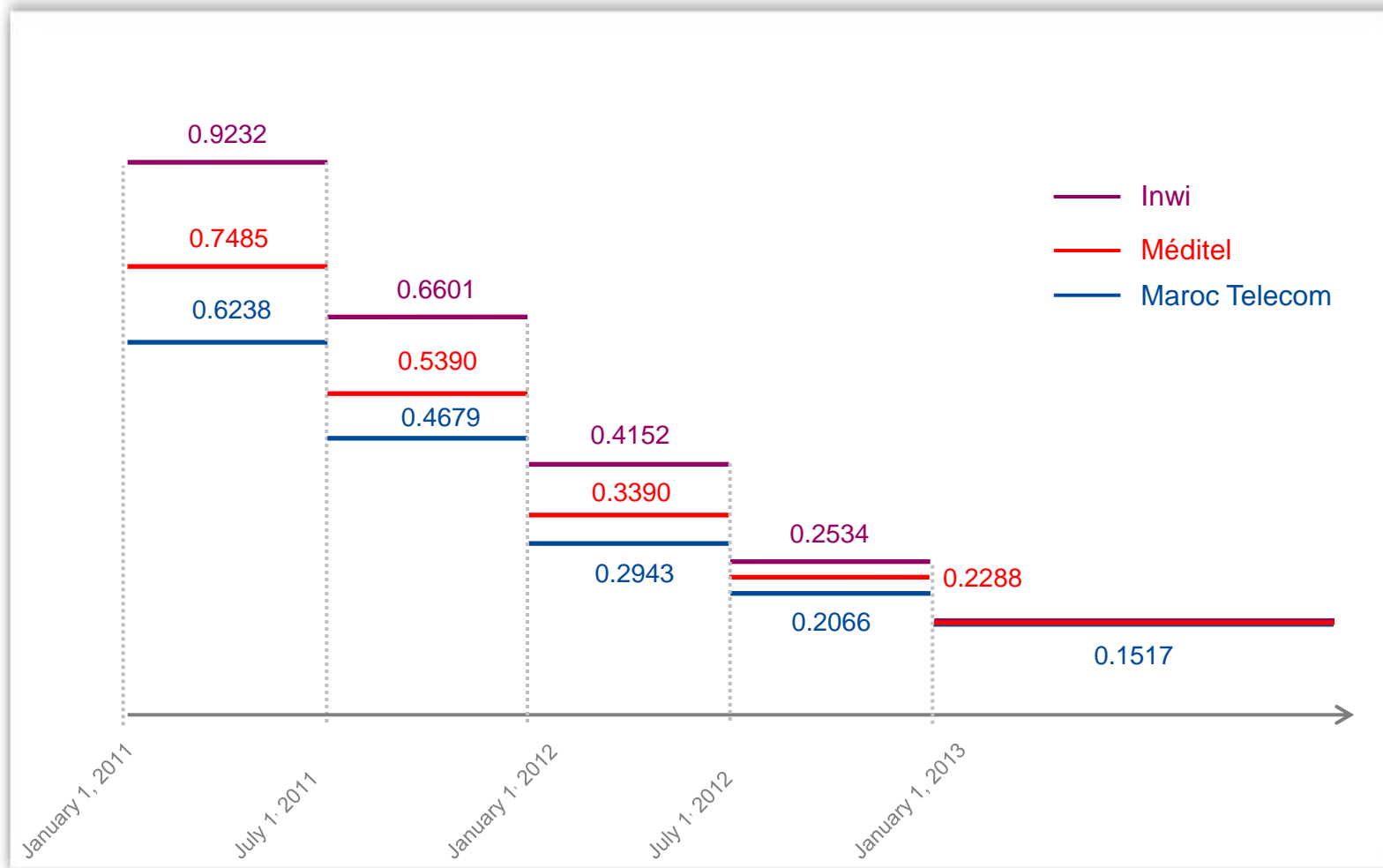


# Regulatory environment in Morocco

## Lower MTRs and maintenance of asymmetric tariffs



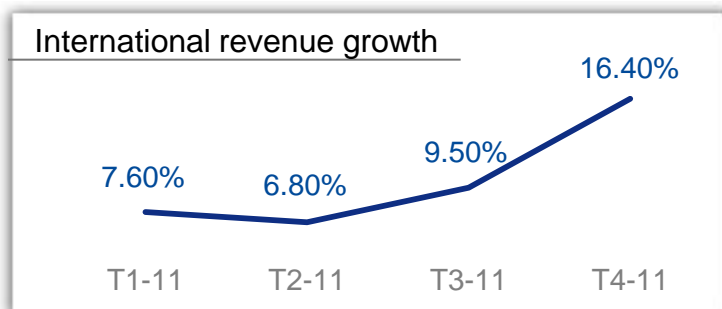
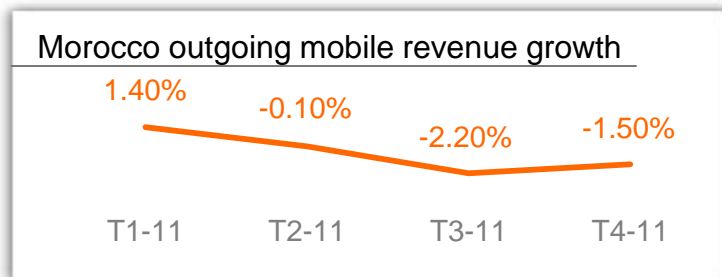
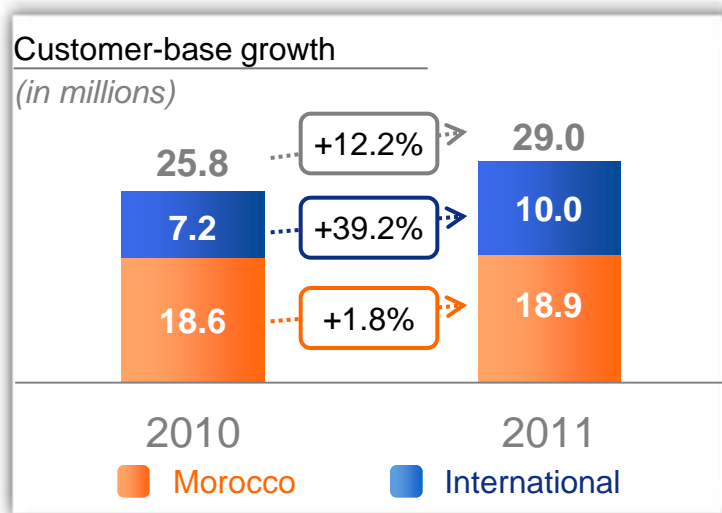
Average MTR\*  
(MAD/min)



\* MTR is calculated as the average of off-peak and peak MTRs.

# Maroc Telecom in 2011

## Good operational resilience



### 12.2% growth in group customer base

- Morocco: 25% growth in postpaid mobile customer base, 101% in 3G Internet and 19% in DSL
- International: 41% growth in mobile customer base

### Morocco: very slight decline of outgoing mobile revenues

- 25% decline in mobile pricing and 27% increase in outgoing usage
- Adverse regulatory and competitive environments

### International: growth accelerated in H2

- Mali: 35% growth in revenues in 2011
- Renewed growth in Burkina Faso and Gabon during H2

# 2011 Consolidated results

Solid and consistent with objectives

(MAD millions)

	2011	10/11Change <sup>1</sup>
<b>Revenues</b>	<b>30,837</b>	<b>-2.5%</b>
<b>EBITA</b>	<b>12,375</b>	<b>-13.6%</b>
<i>Margin %</i>	<i>40.1%</i>	<i>-5.2pts</i>
<b>Net earnings (Group share)</b>	<b>8,123</b>	<b>-14.8%</b>
<i>Margin %</i>	<i>26.3%</i>	<i>-3.8pts</i>
<b>CFFO</b>	<b>11,647</b>	<b>-9.3%</b>

<sup>1</sup> Data for the year 2010 were adjusted after the identification in the financial statements of a material misstatement concerning distributor commissions paid to Onatel. This restatement lowered revenues by MAD 37.7 million, while EBITDA, EBIT, and net earnings were also affected negatively, by MAD 7.5 million, compared with data published for the year 2010.

# 2011 Dividend

Very attractive dividend yield

Proposed dividend of  
**MAD 9.26 per share**

100% of annual distributable earnings

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Dividend yield of 6,7%\*





Highlights

**BUSINESS REVIEW**

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Annual  
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2011

# Mobile in Morocco: 2011 highlights

Prices lowered to stimulate consumption



## Prepaid mobile

- **Permanent Bonus** for top-ups, from MAD 5 to MAD 30
- Launch of the **Jawal Thaniya** plan: a per-second rate of MAD 3
- New recharge: **1 hour for MAD 20** valid seven days, evenings, and WE
- **Heure Jawal** promotion: **1H for MAD 29** valid seven days, evenings, and WE



## Postpaid mobile

- **Additional 30 minutes free** for mobile postpaid plans
- **Permanent migration offer** for Jawal customers towards postpaid offers
- **3G internet now included** in the Universal Music and Arriyadi packages



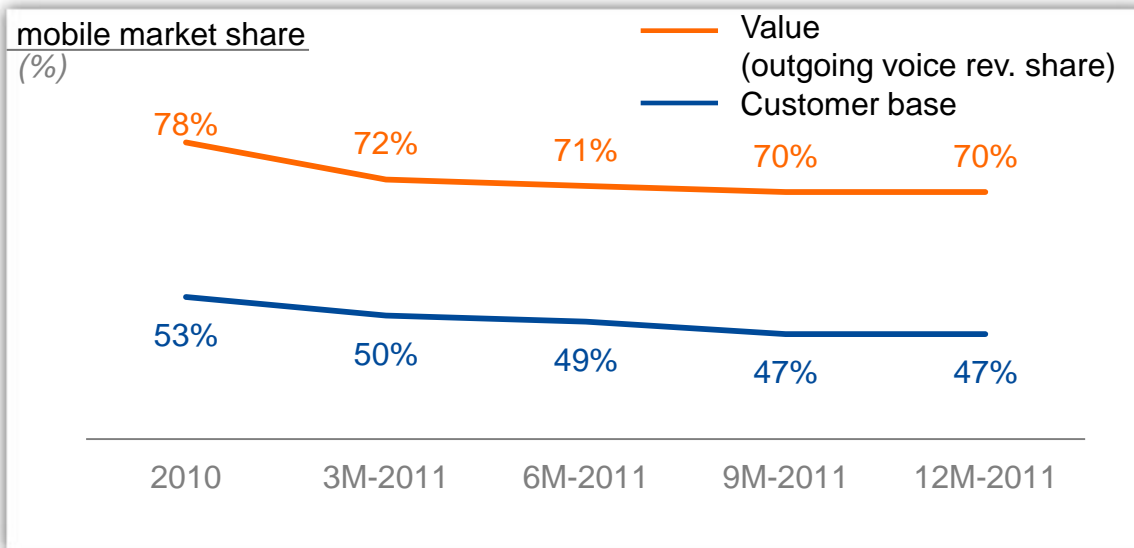
## 3G internet

- **3G bandwidth doubled at no extra charge (3.6 Mbps for entry level)**

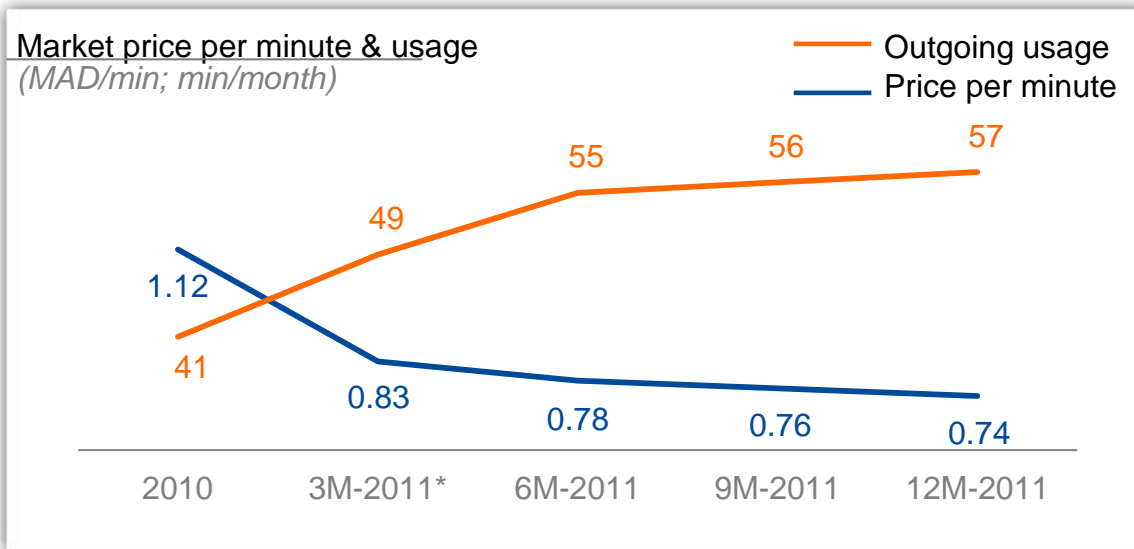


# Mobile in Morocco: market changes

Market share stabilized in a highly competitive environment



- Maintaining strong leadership in the high-value segment (61% market share for postpaid)



- 34% price cuts on the Market allowing a 39% rise in usage

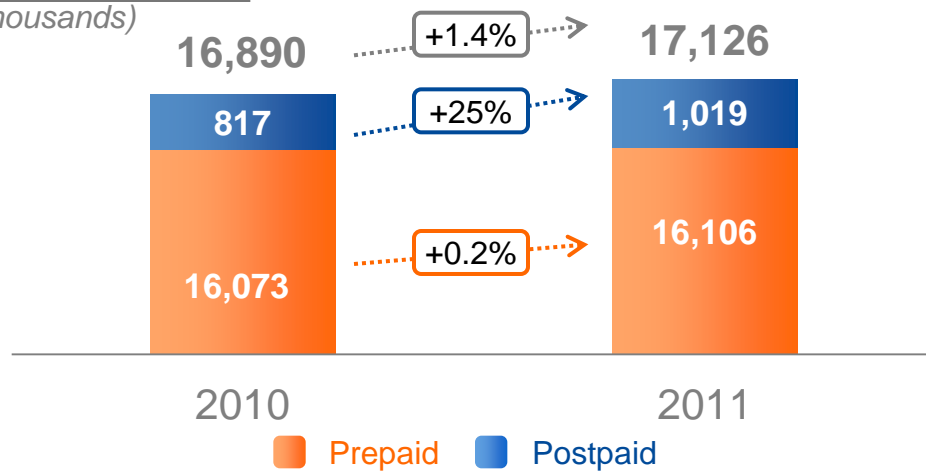
# Mobile in Morocco: revenues and customer base



## Outgoing-call revenues stable

Mobile customer base

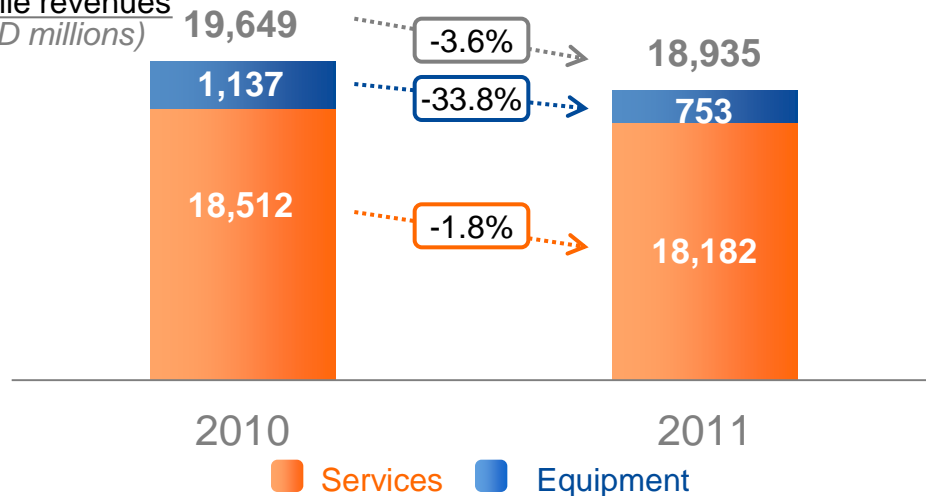
(in thousands)



- Stable prepaid customer base, thanks to 5.5 pts churn decline to 24.8%
- Strong growth of postpaid customer base thanks to prepaid customer-migration strategy
- 100% growth in 3G Internet customer base (1.1m)

Mobile revenues

(MAD millions)



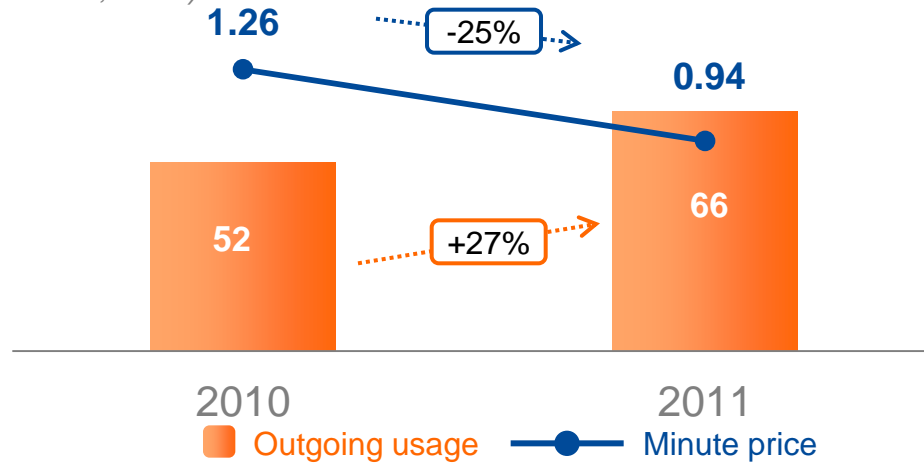
- Slight decrease in service revenues
- Sharp drop in equipment revenues: focus on containing acquisition costs

# Mobile in Morocco: changes in usage and pricing



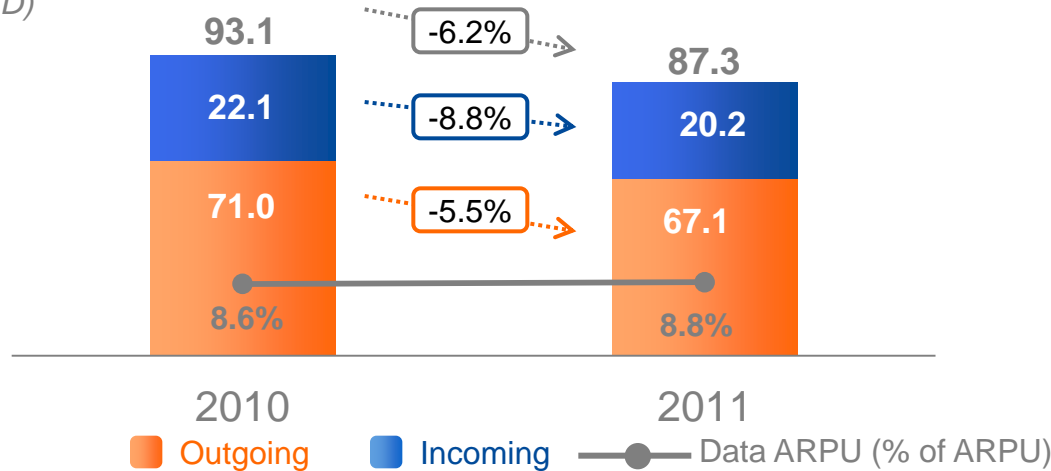
Sharp drop in pricing partly offset by rise in consumption

Usage; price per minute  
(min/month; MAD)



- Sharp drop in price per minute implies a sharp increase in usage
- Maintaining price premium for Maroc Telecom service quality: coverage, distribution, customer service

ARPU  
(MAD)



- Strong impact of lower MTR on incoming ARPU
- Increase of data proportion in blended ARPU through the development of mobile internet (x2 in customer base) and despite a decline in SMS pricing

# Fixed line in Morocco: 2011 highlights

Continual enhancement of offers and contents

## Fixed line

- **International calls charged as national calls: MAD 0.50 per min** toward fixed lines in western Europe and fixed lines and mobiles in North America
- Promotion: 50% off on fixed-line, mobile, and internet bills

## DSL

- **MT Duo offers:** double play – capped fixed line + 2 Mbps DSL at **MAD 199 per month**
- **DSL bandwidth doubling** with an entry offer of 2 Mbps at **MAD 99 per month**



## TV

- Launch of **Al Jazeera Sport channels at MAD 55 per month**
- **Enhanced content on DSL TV channels**
- **New IPTV features:** live control, VoD



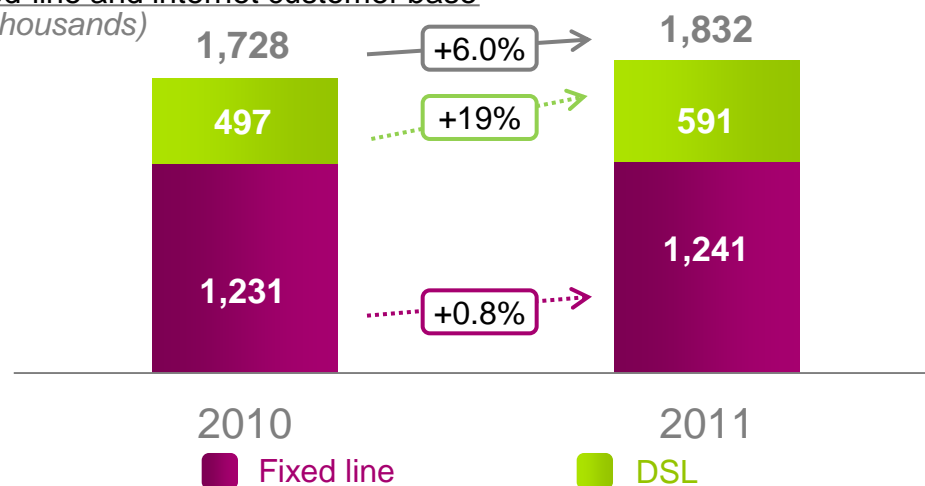
# Fixed line in Morocco: revenues and customer base

Competition from mobile, solid DSL momentum



## Fixed-line and internet customer base

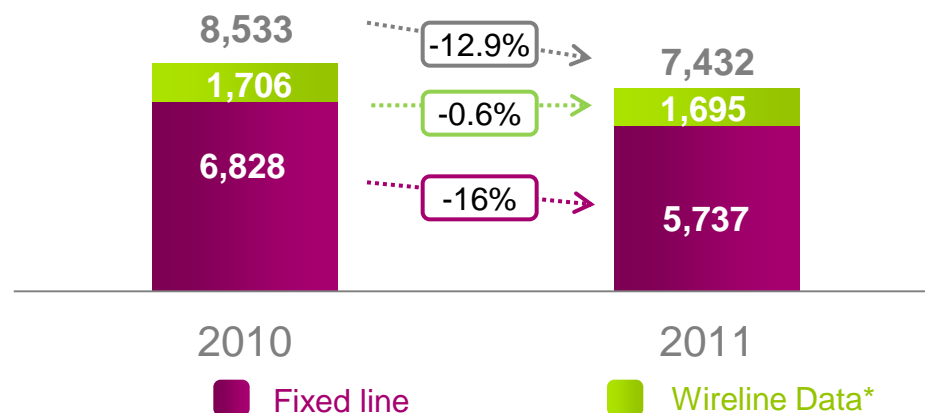
(in thousands)



- Fixed-line customer base driven by the success of DSL offers
- DSL customer base +19%
  - bandwidth doubled
  - launch of MT Duo offer (Double Play)

## Fixed-line revenues

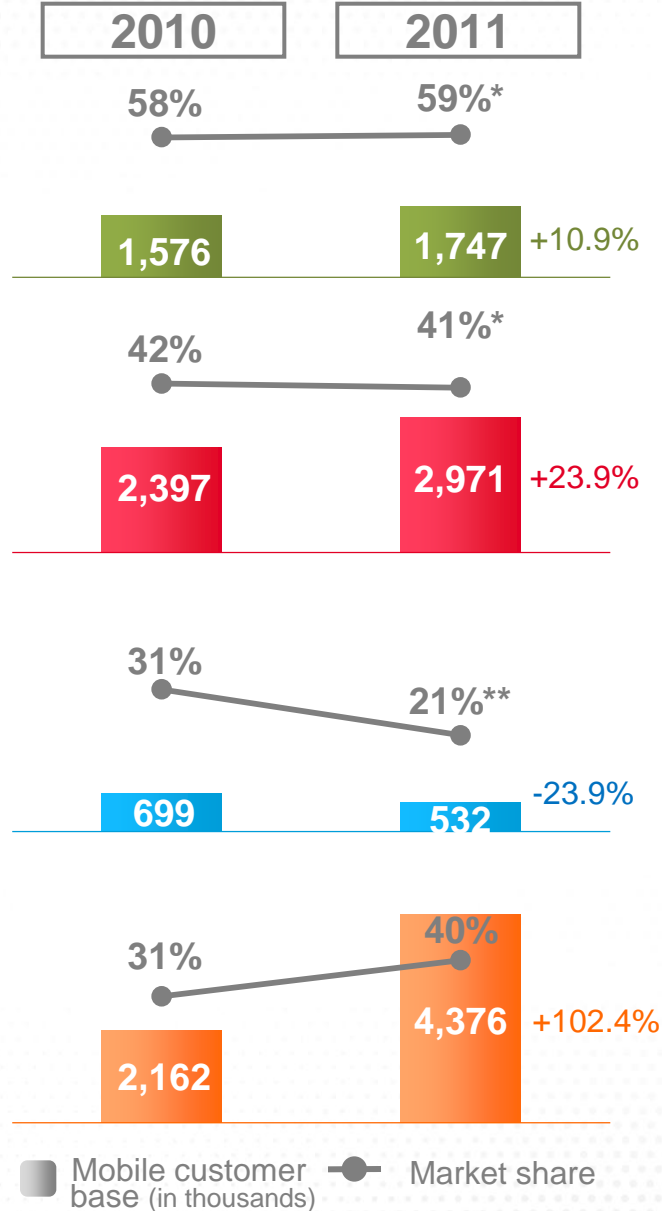
(MAD millions)



- Data revenues stable, despite competition from corporate segment
- Fixed-line revenues impacted by:
  - competition from mobile
  - lower rates for IAM LL
  - decline in public telephony

# International: 2011 highlights

Competitive environment stabilized



## MAURITANIA

- New regulatory tax on incoming international traffic of €8c/min
- Success of El Jawal offer: 1h on-net for UM 790 for four days
- Launch of DSL offers ranging from 4 to 20 Mbits/sec

## BURKINA FASO

- Sharp decline in Mobile pricing: new on-net per-second digressive pricing: *Midi Telmob*
- *Favorite numbers* offer: calls to five numbers for FCFA 1/sec

## GABON

- Gabon Telecom – Libertis merger
- Mobile customer-base clean-up
- Launch of GPRS service
- New per-second “One” pricing, sharp decline in mobile rates

## MALI

- Monaco Telecom / Planor awarded third mobile license in early 2012
- Duo card launch: buy one SIM card and get one free with FCFA 5,000 of credit for eight months
- *Endless night* offer launched: unlimited airtime toward Malitel between 11pm and 8am for FCFA 490

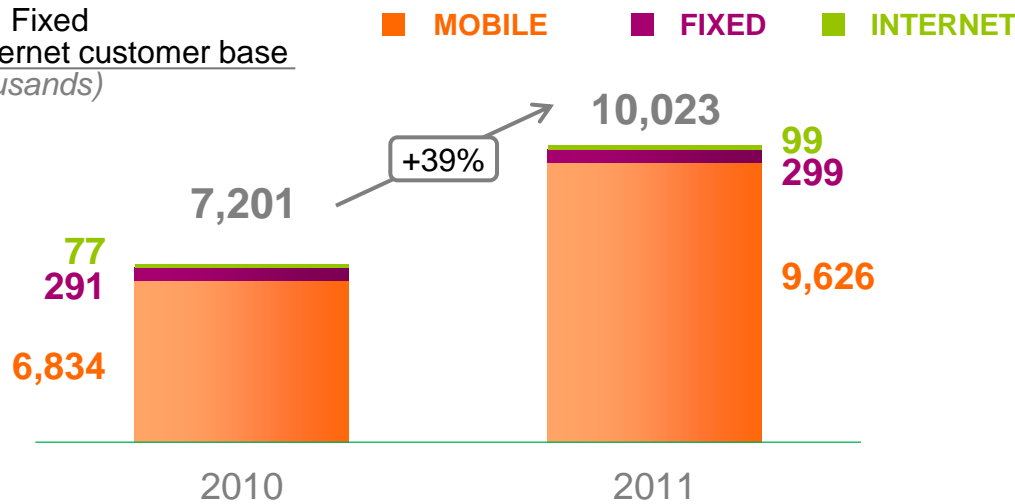


# International: revenues and customer base

Strong growth in customer base (+39%) and revenues (+8.9%)

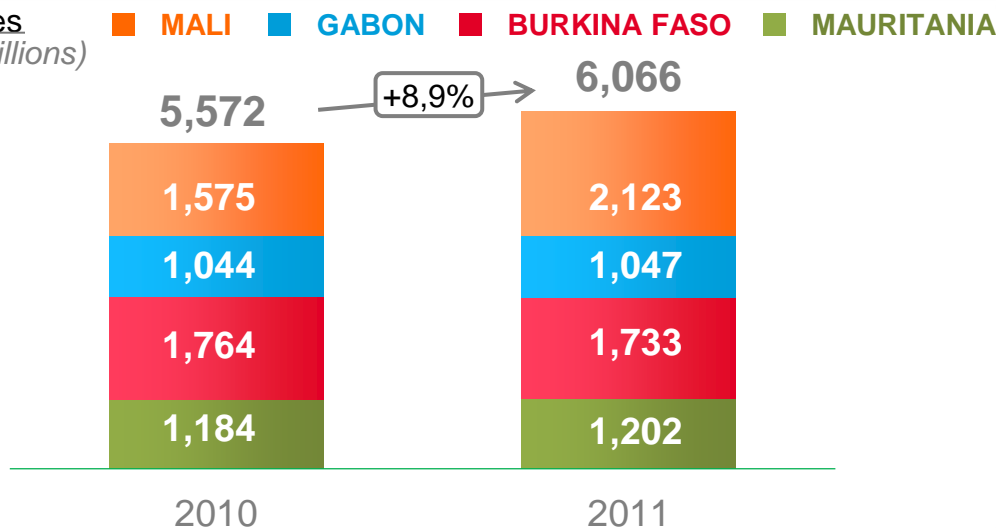


Mobile, Fixed and Internet customer base  
(in thousands)



- **Customer-base growth** driven by mobile (+41%)

Revenues  
(MAD millions)



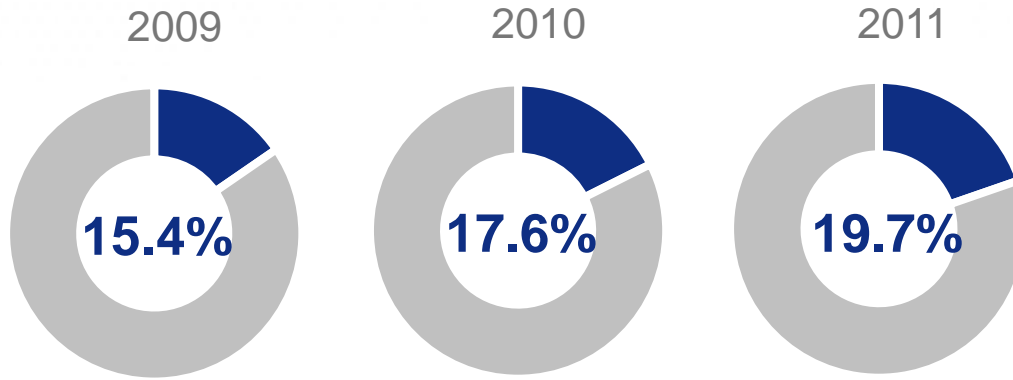
- **Outstanding performance in Mali** with 35% increase in revenues and doubled mobile customer base

# International

Increasing contribution to Group results

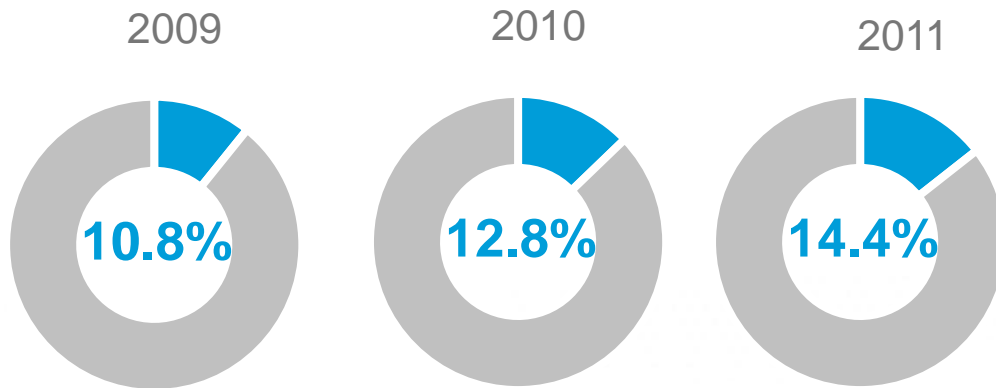


% Group revenues



- Business growth increasing contribution from international operations
- 100% distribution of annual earnings from all entities

% Group EBITDA



- Commitment to strengthen our presence on the African market (new licenses, acquisitions)



Highlights

Business review

**FINANCIAL RESULTS**

Outlook



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# Consolidated results

## Strong results

(MAD millions)

	2010 <sup>1</sup>	2011	%Change	
Revenues	31,617	30,837	-2.5%	Slight drop in revenues
EBITDA	18,605	16,996	-8.6%	
Margin (%)	58.8%	55.1%	-3.7pts	
EBITA	14,327	12,375	-13.6% <sup>2</sup>	Margin stayed high
Margin (%)	45.3%	40.1%	-5.2pts	
Net earnings (Group share)	9,532	8,123	-14.8%	
Margin (%)	30.1%	26.3%	-3.8pts	

1 Data for the year 2010 were adjusted after the identification in the financial statements of a material misstatement concerning distributor commissions paid to Onatel. This restatement lowered revenues by MAD 37.7 million, while EBITDA, EBIT, and net earnings were also affected negatively, by MAD 7.5 million, compared with data published for the year 2010.

2 Q4-10 EBITA benefited from MAD 456 million of non-recurring items (capital gain on property disposals, compensation following the closing of the acquisition of Gabon Telecom, reversal of provisions); out of these items, the decline of EBITA in Q4-11 would have been -15.4%.

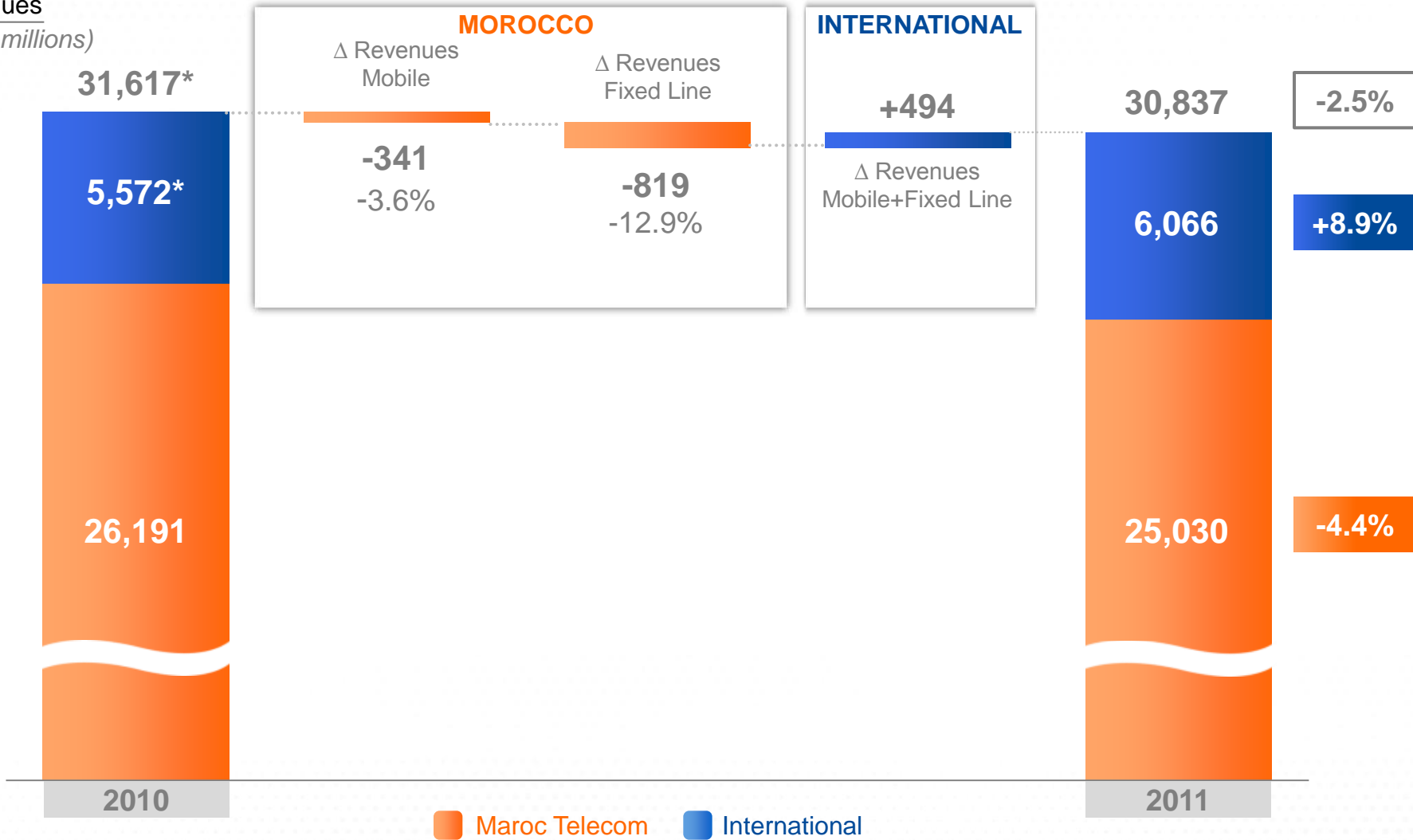
# Consolidated revenues

Slight drop in revenues due to lower revenues in Morocco



## Revenues

(MAD millions)

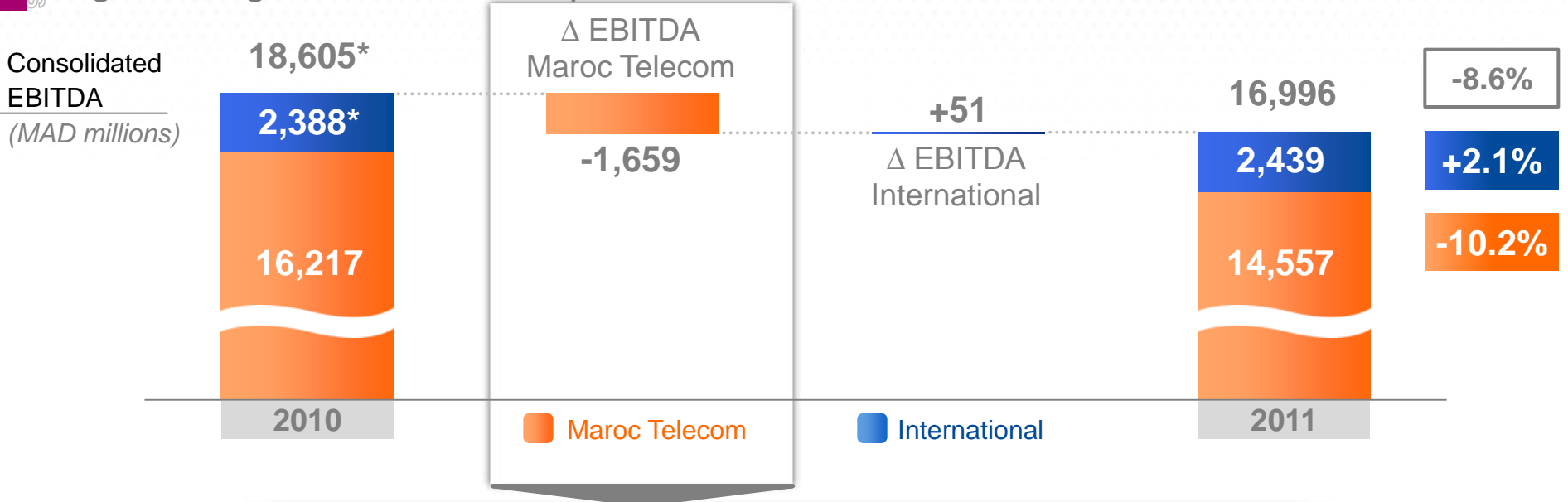


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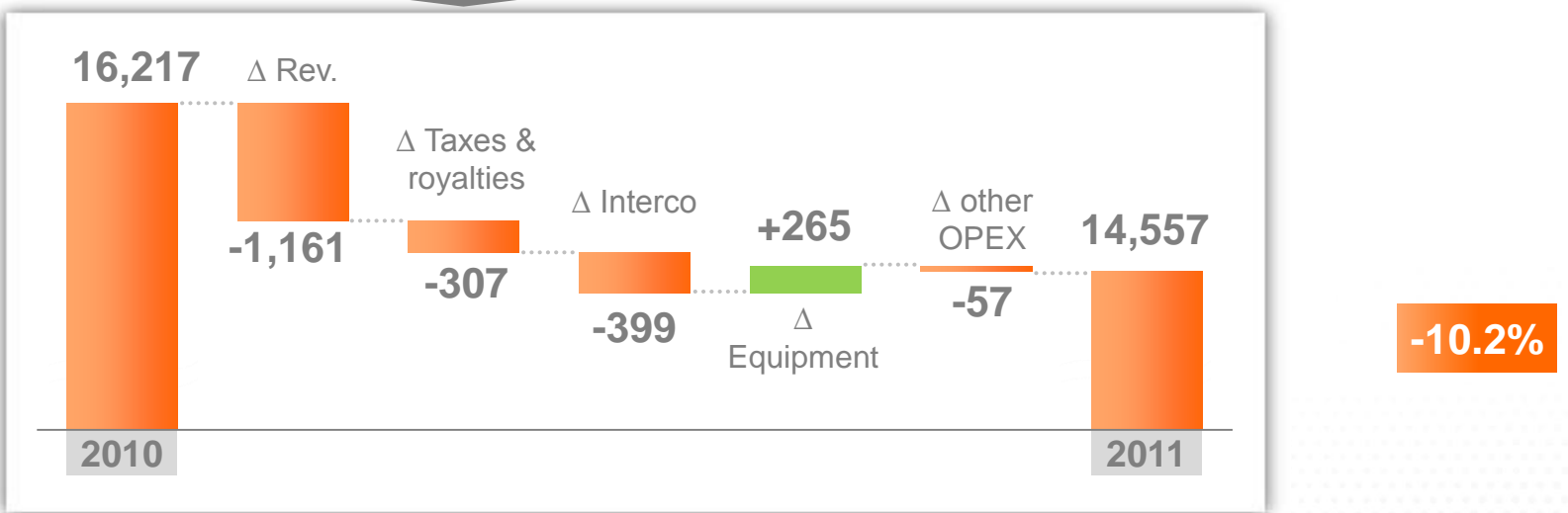
# EBITDA



Careful management of cost of sales and operating expenses despite higher usage and network expansion



## EBITDA Morocco (MAD millions)



\* Data for the year 2010 were adjusted after the identification in the financial statements of a material misstatement concerning distributor commissions paid to Onatel. This restatement lowered revenues by MAD 37.7 million, while EBITDA, EBIT, and net earnings were also affected negatively, by MAD 7.5 million, compared with data published for the year 2010.

# Cash flow from operating activities

Steady CFFO thanks to careful management of capital expenditure



(MAD millions)

	2010 <sup>1</sup>	2011	%Change	
<b>EBITDA</b>	<b>18,605</b>	<b>16,996</b>	<b>-8.6%</b>	Lower revenues and higher taxes and interconnection costs
<i>Morocco</i>	16,217	14,557	-10.2%	
<i>International</i>	2,388	2,439	2.1%	
<b>CAPEX</b>	<b>6,535</b>	<b>5,793</b>	<b>-11.4%</b>	Good control of CAPEX
% revenues	20.7%	18.8%	-1.9 pt	
<i>Morocco</i>	4,253	3,882	-8.7%	
<i>International</i>	2,281	1,911	-16.2%	Deterioration of international working capital due to clearing of accounts payable
<b>Δ Working capital</b>	<b>-766</b>	<b>-436</b>	<b>-43.1%</b>	
<b>CFFO</b>	<b>12,836</b>	<b>11,647</b>	<b>-9.3%</b>	
<i>Morocco</i>	12,301	11,224	-8.8%	
<i>International</i>	535	423	-21.0%	
<b>Net debt</b>	<b>4,319</b>	<b>6,862</b>	<b>58.9%</b>	Net debt only 0.4x EBITDA
<i>Morocco</i>	3,817	5,592	46.5%	
<i>International</i>	502	1,270	153.1%	

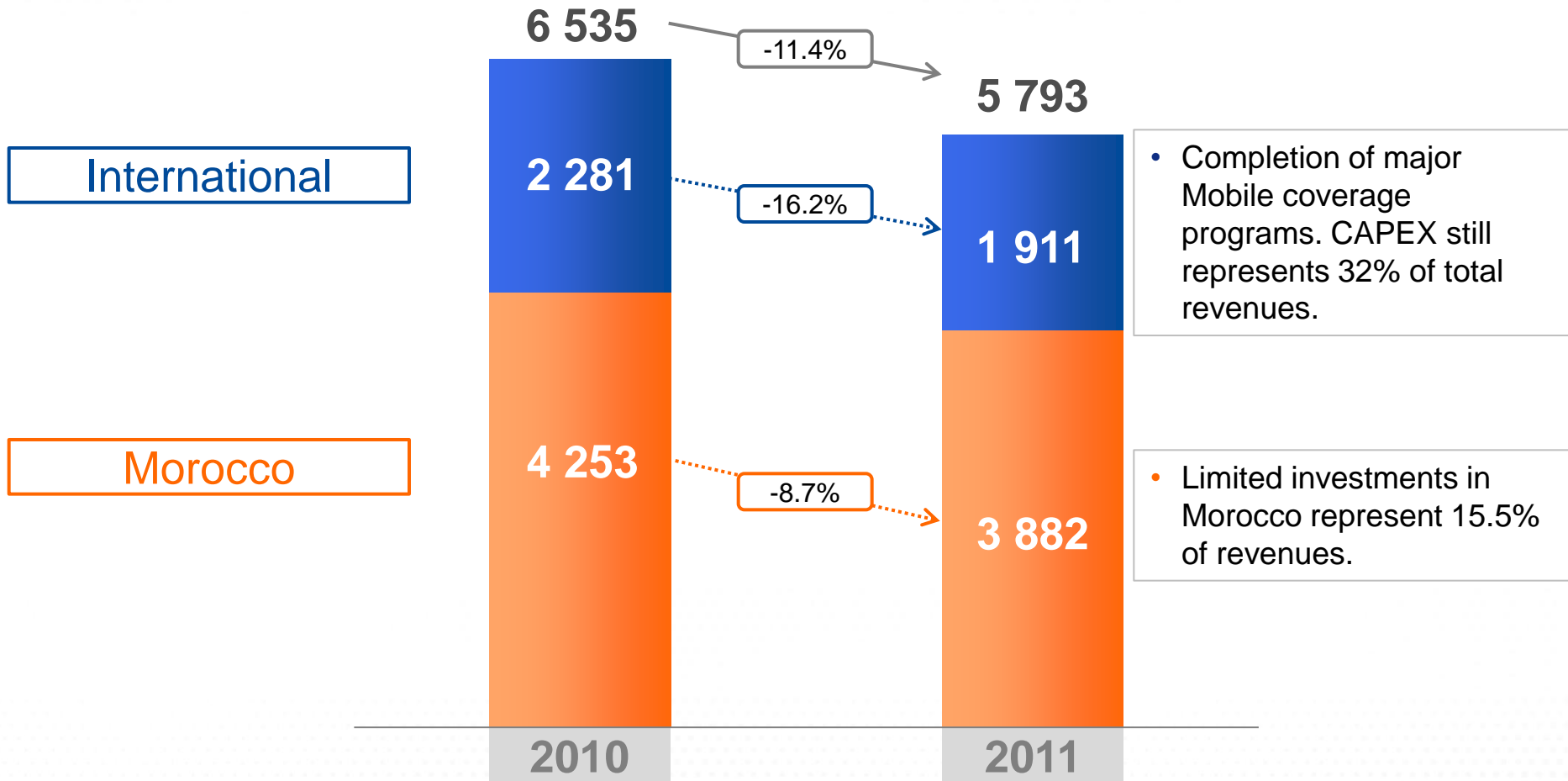
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# Capital expenditures

CAPEX under control despite significant growth in customer base



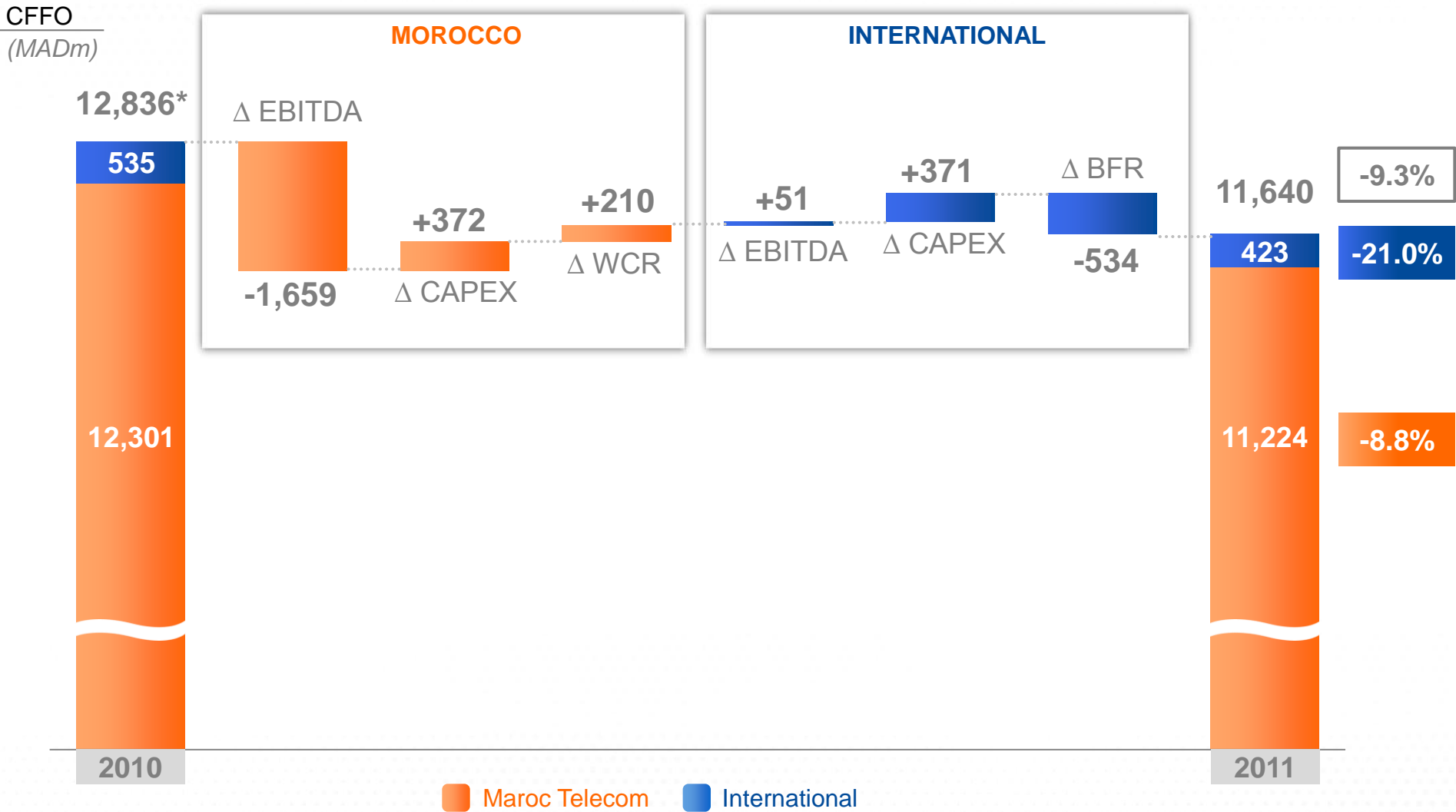
Investments  
(MAD millions)





# Cash flow from operating activities

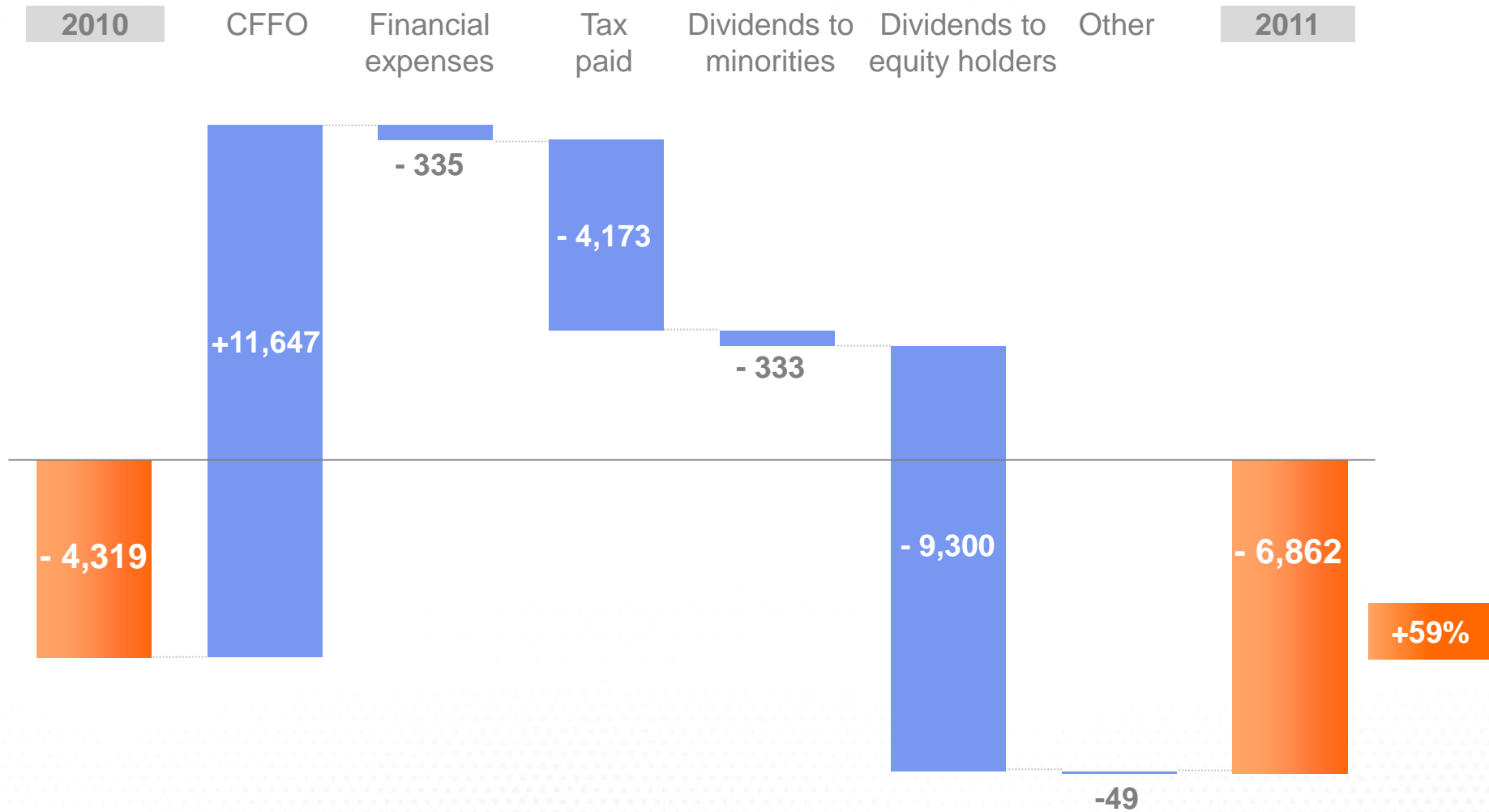
CFFO decline impacted by lower EBITDA in Morocco



# Net debt

## Group net debt under control

Net Debt  
(MAD millions)





Highlights

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**OUTLOOK**



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# 2012 regulatory changes

**1**

## New framework for mobile wholesale rates

- Acceleration of MTR decrease for voice and SMS, starting January 1, 2012
- Maintenance of rate asymmetry until 2013

**2**

## 2G and 3G mobile customer identification

- All mobile customers must be identified by December 31, 2012
- New customers acquired on or after October 1, 2011, must be identified within a period of three months

**3**

## Finalization of PACTE program

- Increased contribution to universal service due to the end of exemption granted under the remote-areas coverage program (PACTE)

## 2012 guidelines: focus on cash generation

### Morocco

- Continued decline in pricing and rise in consumption
- DSL growth
- Lower CAPEX

### International

- Competitive environment stable
- Revenue growth in all countries
- Cost optimization
- Significantly lower CAPEX

## 2012 outlook

**EBITA**

Operating margin around 38%

**CFFO**

Stable at MAD 11,5 billion



## APPENDICES



Annuaire 2011  
Résultats



## Morocco



<i>MAD millions</i>	<b>2010</b>	<b>2011</b>	<b>%Change</b>
<b>Revenues</b>	<b>26,191</b>	<b>25,030</b>	<b>-4.4%</b>
<b>Mobile</b>	<b>19,649</b>	<b>18,935</b>	<b>-3.6%</b>
<i>Services</i>	18,512	18,182	-1.8%
<i>Equipment</i>	1,137	753	-33.8%
<b>Fixed line</b>	<b>8,533</b>	<b>7,432</b>	<b>-12.9%</b>
<i>Fixed-line data*</i>	1,706	1,695	-0.6%
<b>Elimination</b>	<b>-1,991</b>	<b>-1,337</b>	
<b>EBITDA</b>	<b>16,217</b>	<b>14,557</b>	<b>-10.2%</b>
<i>Margin (%)</i>	61.9%	58.2%	-3.8pts
<b>EBITA</b>	<b>13,209</b>	<b>11,262</b>	<b>-14.7%</b>
<i>Margin (%)</i>	50.4%	45.0%	-5.4pts
<b>CAPEX</b>	<b>4,253</b>	<b>3,882</b>	<b>-8.7%</b>
<i>CAPEX / Revenues</i>	16.2%	15.5%	-0.7pt
<b>CFFO</b>	<b>12,301</b>	<b>11,224</b>	<b>-8.8%</b>
<b>Net Debt</b>	<b>3,817</b>	<b>5,592</b>	<b>46.5%</b>
<i>Net Debt / EBITDA</i>	0.2x	0.4x	+0.2x

\*Fixed-line data" includes internet, IPTV, and corporate data services.



# Morocco



<b>Population</b>	32.2 million
<b>GDP</b>	\$101,8 billion
	+4.6% in 2011e
<b>Revenue per inhabitant (ppp)</b>	≈ \$4,940 in 2011e
<b>Inflation</b>	+1.3% in 2011

Source: IMF – HCP



<i>In MAD millions - IFRS</i>	2010	2011	Change like for like
<b>Revenues</b>	<b>26,191</b>	<b>25,030</b>	<b>-4.4%</b>
Mobile	19,649	18,935	-3.6%
Services	18,512	18,182	-1.8%
Equipment	1,137	753	-33.8%
Fixed line and internet	8,533	7,432	-12.9%
Fixed-line data	1,706	1,695	-0.6%
Elimination	-1,991	-1,337	

	2010	2011	Change like for like
<b>Mobile</b>			
Customers (in thousands)	16,890	17,126	+1.4%
ARPU (MAD)	93	87	-6.2%
Market share	53.0%	46.9%	-6.2pts
Penetration	101.49%	113.57%	+12.1pts
No. of operators	3	3	-

### Fixed line

Customers (in thousands)	1,231	1,241	-
Market share	98%	98%	-
Penetration	4%	4%	-
No. of operators	3	3	-

### Internet

Customers (in thousands)	497	591	+18.9%
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Source: ANRT

\*Excluding limited mobility 32





# International

MAD millions	2010 <sup>(1)</sup>	2011	%Change	%Change like for like
<b>Revenues</b>	<b>5,572</b>	<b>6,066</b>	<b>8.9%</b>	<b>10.1%</b>
<b>Mauritania</b>	<b>1,184</b>	<b>1,202</b>	<b>1.6%</b>	<b>8.0%</b>
<i>Mobile services</i>	1,013	1,033	2.0%	8.5%
<b>Burkina Faso<sup>(1)</sup></b>	<b>1,764</b>	<b>1,733</b>	<b>-1.8%</b>	<b>-2.6%</b>
<i>Mobile services</i>	1,292	1,330	3.0%	2.1%
<b>Gabon</b>	<b>1,044</b>	<b>1,047</b>	<b>0.2%</b>	<b>-0.6%</b>
<i>Mobile services</i>	562	492	-12.5%	-13.1%
<b>Mali</b>	<b>1,575</b>	<b>2,123</b>	<b>34.8%</b>	<b>33.7%</b>
<i>Mobile services</i>	1,244	1,767	42.0%	40.8%
<b>Elimination</b>	<b>-24</b>	<b>-39</b>		
<b>EBITDA</b>	<b>2,388</b>	<b>2,439</b>	<b>2.1%</b>	<b>2.8%</b>
<i>Margin (%)</i>	42.9%	40.2%	-2.6pts	-2.6pts
<b>EBITA</b>	<b>1,118</b>	<b>1,113</b>	<b>-0.5%</b>	<b>0.6%</b>
<i>Margin (%)</i>	20.1%	18.3%	-1.7pt	-1.6pt
<b>CAPEX</b>	<b>2,281</b>	<b>1,911</b>	<b>-16.2%</b>	
<i>CAPEX / Revenues</i>	40.9%	31.5%	-9.4pts	
<b>CFFO</b>	<b>535</b>	<b>423</b>	<b>-21.0%</b>	
<b>Net Debt</b>	<b>502</b>	<b>1,270</b>	<b>X2.5</b>	
<i>Net Debt / EBITDA</i>	0.2x	0.5x	+0.3x	

<sup>(1)</sup> Data for the year 2010 were adjusted after the identification in the financial statements of a material misstatement concerning distributor commissions paid to Onatel. This restatement lowered revenues by MAD 37.7 million, while EBITDA, EBIT, and net earnings were also affected negatively, by MAD 7.5 million, compared with data published for the year 2010.



# Mauritania



<b>Population</b>	3.3 million
<b>GDP</b>	\$4 billion
	+5.1% in 2011
<b>Revenue per inhabitant (ppp)</b>	≈ \$2,212 in 2011
<b>Inflation</b>	+6.2% in 2011
<b>1 MAD =</b>	MAD 1 = MRO 34.85 depreciation of MRO by 6.3% vs. 2010

Source: IMF



in MAD millions – IFRS

	2010	2011	Change like for like
<b>Revenues</b>	<b>1,184</b>	<b>1,202</b>	<b>+8.0%</b>
Mobile services	1,013	1,033	+8.5%

## Mobile

	2010	2011	Change like for like
Customers (in thousands)	1,576	1,747	+10.9%
ARPU (MAD)	53.6	47.1	-6.4%
Market share*	58%	59%	+1.5pt
Penetration*	86%	93%	+7pts
No. of operators	3	3	-

## Fixed line

Customers (in thousands)	41	41	+1.6%
Market share	53.2%	50.6%	-2.6pts
Penetration	2.4%	2.4%	-
No. of operators	2	2	-

## Internet

Customers (in thousands)	7	7	+1.4%
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\* Source: Datisis at end-Q3 2011 vs. end-Q4 2010



# Burkina Faso



**Population** 15 million

**GDP** \$10.1 billion

+4.9% in 2011

**Revenue per inhabitant (ppp)** \$1,456 in 2011

**Inflation** +1.9% in 2011

**1 MAD =** MAD 1 = FCFA 58.27  
appreciation of FCFA by  
0.8% vs. 2010

Source: IMF



*in MAD millions – IFRS*

	2010*	2011	Change like for like
<b>Revenues</b>	<b>1,764</b>	<b>1,733</b>	<b>-2.6%</b>
Mobile services	1,292	1,330	+2.1%

\* Restated 2010 data

<b>Mobile</b>	2010	2011	Change like for like
Customers (in thousands)	2,397	2,971	+23.9%
ARPU (MAD)	53.3	40.7	-24.2%
Market share*	42%	41%	-1pt
Penetration*	39%	46%	+7pts
No. of operators	3	3	-

### Fixed line

Customers (in thousands)	144	142	-1.7%
Market share	100%	100%	-
Penetration	0.9%	0.9%	-
No. of operators	1	1	-

### Internet

Customers (in thousands)	28	31	+9.5%
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\* Source: Datisis at end-Q3 2011 vs. end-Q4 2010



# Gabon

<b>Population</b>	1.5 million
<b>GDP</b>	\$16.7 billion
	+5.6% in 2011
<b>Revenue per inhabitant (ppp)</b>	\$16,021 in 2011
<b>Inflation</b>	+2.3% in 2011
<b>1 MAD =</b>	MAD 1 = FCFA 58.27 appreciation of FCFA by 0.8% vs. 2010

Source : IMF



<i>in MAD millions – IFRS</i>	2010	2011	<i>Change like for like</i>
<b>Revenues</b>	<b>1,044</b>	<b>1,047</b>	<b>-0.6%</b>
Mobile services	562	492	-13.1%

<b>Mobile</b>	2010	2011	<i>Change like for like</i>
Customers (in thousands)	699	532**	-23.9%
ARPU (MAD)	72.1	95.2	+30.9%
Market share*	31%	21%	-10pts
Penetration*	150%	143%	-7pts
No. of operators	4	4	-
<b>Fixed line</b>			
Customers (in thousands)	27	22	-15.4%
Market share	100%	100%	-
Penetration	1.8%	1.8%	-
No. of operators	1	1	-
<b>Internet</b>			
Customers (in thousands)	22	24	+6.5%

\* Source: Dataxis at end-Q3 2011 vs. end-Q4 2010

\*\* Customer-base clean-up in Q1-11



# Mali

**Population** 13.8 millions

**GDP** \$11 billion

+5.3% en 2011

**Revenue per inhabitant (ppp)** \$1,328 en 2011

**Inflation** +2.8% en 2011

**1 MAD =** MAD 1 = FCFA 58.27  
appreciation of FCFA by  
0.8% vs. 2010

Source : IMF



**SOTELMA**

En MAD millions – IFRS

	2010	2011	Change like for like
<b>Revenues</b>	<b>1,575</b>	<b>2,123</b>	<b>33.7%</b>
Mobile services	1,244	1,767	+40.8%

## Mobile

	2010	2011	Change like for like
Customers (in thousands)	2,162	4,376	+102.4%
ARPU (MAD)	67.1	45.3	-33.1%
Market share*	31%	40%	+9pts
Penetration*	51%	78%	+27pts
No. of operators	2	2	-

## Fixed line

Customers (in thousands)	79	94	+18.7%
Market share**	95.0%	95.0%	-
Penetration	0.6%	0.6%	-
No. of operators	2	2	-

## Internet

Customers (in thousands)	20	37	+87.9%
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\* Source: Market data at end-Q4 2011 vs. end-Q4 2010

\*\* estimated figures