

Rabat, October 30, 2012

CONSOLIDATED RESULTS FOR THE FIRST NINE MONTHS OF 2012

Results in line with targets:

- **Morocco**
 - continued strong growth in customer bases for postpaid mobile (+22%), 3G internet (+57%), and ADSL (+18%),
 - very strong growth in outgoing mobile voice usage (+39%),
 - efficient control of OPEX, down 1.6% excluding the rise of universal-service contribution,
 - success of the voluntary redundancy plan, with 1,330 employees involved so far.
- **International business**
 - strong growth in customer bases (+43%), revenues (+17%), and earnings from operations (+42%)
- **Consolidated results**
 - revenues declined by 3.0%, to MAD 22.5 billion,
 - high EBITDA margin, up 0.2 pt to 55.6%,
 - EBITA margin before restructuring at a high level of 39.5%,
 - cash flow from operations before restructuring charges rose by 1.0%, to MAD 8.3 billion.

Outlook for 2012 confirmed (excluding restructuring)

- operating margin (EBITA) of more than 38%
- cash flow from operations (CFFO) stable, at MAD 11.5 billion

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

“Maroc Telecom has continued to lower prices significantly in Morocco, a choice that has fostered consumption in a context of economic downturn and intense competition. Combined with cost control, this strategy allowed Maroc Telecom to maintain a high profitability.

Internationally, the subsidiaries have maintained strong growth in revenues and profitability, boosted by enhanced offers, increased usage, and optimized spending.”

GROUP CONSOLIDATED RESULTS

<i>IFRS in MAD millions</i>	9M-2011	9M-2012	Change	Change like for like ²
Revenues	23,210	22,517	(3.0%)	(2.8%)
EBITDA	12,876	12,526	(2.7%)	(2.6%)
<i>margin (%)</i>	55.5%	55.6%	0.2 pt	0.1 pt
EBITA before restructuring	9,501	8,897	(6.4%)	(6.3%)
<i>margin (%)</i>	40.9%	39.5%	(1.4 pt)	(1.5 pt)
EBITA	9,501	8,097	(14.8%)	(14.7%)
CFFO before restructuring	8,221	8,300	1.0%	
CFFO	8,221	7,758	(5.6%)	

• Revenues

At September 30, 2012, Maroc Telecom group's consolidated revenues¹ amounted to MAD 22,517 million, down by 3% year on year (-2.8% like for like²). This decline is attributable to lower revenues in Morocco (-7.1%) in a context of continued cuts of mobile termination rates and prices, partly compensated for by the strong revenue growth (+17%) in international business.

In the third quarter, Maroc Telecom group's consolidated revenues declined by 6.9%, compared with the same period in 2011, to MAD 7,345 million.

The group's customer base maintained positive momentum, with growth of 18% to nearly 33 million customers. This increase is mainly driven by international business, where the customer base grew by 43% year on year.

• Earnings from operations before depreciation and amortization

Over the first nine months of 2012, Maroc Telecom group's EBITDA amounted to MAD 12,526 million, down by 2.7% from a year earlier (-2.6% like for like). This reflects the 8.1% decline of EBITDA in Morocco, offset partly by a 30% rise in international EBITDA (+31% like for like). As a result of cost control, the EBITDA margin remains high, at 55.6%, up by 0.2 pt.

In the third quarter, EBITDA amounted to MAD 4,168 million, 8.5% less than EBITDA in 2011 (-8.3% like for like).

• Earnings from operations

At September 30, 2012, group consolidated earnings from operations³ (EBITA) amounted to MAD 8,097 million, down by 14.8% year on year (-14.7% like for like). Excluding restructuring charges, earnings from operations amounted to MAD 8,897 million (-6.4%), with a margin of 39.5% (i.e., a decline of only 1.4 pt). This decline was due to higher depreciation charges (+6.1%) related to significant capital expenditures, particularly in international business.

• Cash flow

Over the first nine months of 2012, cash flow from operations (CFFO⁴) amounted to MAD 7,758 million, down 5.6% year on year. This decline is attributable to lower EBITDA and to severance payments for the redundancy plan. Excluding restructuring charges, cash flow from operations reached MAD 8,300 million, up 1.0% year on year.

OVERVIEW OF GROUP ACTIVITIES

• Morocco

<i>IFRS in MAD millions</i>	9M-2011	9M-2012	Change
Revenues	18,943	17,601	(7.1%)
Mobile	14,332	13,293	(7.2%)
<i>services</i>	13,719	12,884	(6.1%)
<i>equipment</i>	613	409	(33.2%)
Fixed line	5,671	5,018	(11.5%)
<i>wireline data*</i>	1,300	1,302	0.2%
Elimination	(1,059)	(711)	
EBITDA	11,066	10,171	(8.1%)
<i>margin (%)</i>	58.4%	57.8%	(0.6 pt)
EBITA before restructuring	8,631	7,660	(11.2%)
<i>margin (%)</i>	45.6%	43.5%	(2.1 pt)
EBITA	8,631	6,860	(20.5%)
CFFO before restructuring	8,013	7,392	(7.8%)
CFFO	8,013	6,849	(14.5%)

* Wireline data includes internet, TV over ADSL, and business data services.

Over the first nine months of 2012, business activities in Morocco generated revenues of MAD 17,601 million, down by 7.1%. This decline reflects the impact of successive cuts of mobile termination rates in January and July 2012, further price cuts in the mobile segment, and the downside of fixed-line revenues.

During the same period, EBITDA amounted to MAD 10,171 million, 8.1% lower than in 2011. It should be noted that operating expenses increased overall by only 0.1%, despite a 38% increase in voice traffic on the Maroc Telecom mobile network.

Earnings from operations before amortization (EBITA) amounted to MAD 6,860 million, a decline of 21% from a year earlier. Excluding restructuring, EBITA declined by 11.2%, to MAD 7,660 million, with a margin of 43.5%, the result of lower EBITDA and higher depreciation charges (+1.6%) related to significant capital expenditures carried out in recent years.

Cash flow from operations in Morocco decreased by 14.5%, because of lower EBITDA and severance payments for the redundancy plan. Excluding restructuring charges, cash flow from operations declined by 7.8%.

Mobile

	Unit	9M-2011	9M-2012	Change
Mobile				
Customers⁵	(000)	16,969	18,022	6.2%
<i>prepaid</i>	(000)	16,010	16,856	5.3%
<i>postpaid</i>	(000)	959	1,165	21.5%
<i>ow 3G internet</i>	(000)	930	1,463	57.4%
ARPU⁶	(MAD/month)	88	80	(8.9%)
<i>data in % of ARPU⁷</i>	(%)	9.3%	10.1%	0.8 pt
MOU	(min/month)	63	88	38.9%
Churn	(%)	24.2%	22.7%	(1.5 pt)
<i>prepaid</i>	(%)	25.6%	24.2%	(1.4 pt)
<i>postpaid</i>	(%)	12.3%	15.9%	+3.6 pts

At September 30, 2012, revenues for the mobile segment had declined year on year by 7.2%, to MAD 13,293 million. In the third quarter, revenues fell by 11.3% because of economic and competitive conditions unfavorable to a good elasticity of usage to lower prices.

Over the first nine months of 2012, the mobile customer base⁵ reached 18.0 million customers, up 6.2% from September 2011, with 637,000 new customers in the third quarter. The high-value postpaid segment confirmed its positive momentum (+22%, to 1.2 million subscribers), the result of marketing efforts to promote enhanced offers and to encourage the migration of prepaid customers to subscription offers. The total churn rate decreased slightly, to 22.7% (1.5 points lower than in 2011).

Maroc Telecom price cuts of 31% resulted in a rise of 39% in outgoing usage, while mobile-services revenue fell by 6.1% year on year. This decrease reflects a 3.9% decline in outgoing revenue and a 14.5% decrease in incoming revenue attributable to the reduction of Maroc Telecom's mobile interconnection tariffs, with two cuts since the beginning of the year, including a 30% cut effective July 1, 2012 (i.e., a 56% decrease over 1 year). Maroc Telecom's decision to rationalize acquisition costs resulted in a 33% decline in equipment revenues.

Blended ARPU⁶ for the first nine months of 2012 amounted to MAD 80, a decline of 8.9%, with the outgoing ARPU down by 6.5%. The impact of severe price reductions in the mobile segment, lower call-termination rates, and customer-base growth was partially compensated for by a strong rise in outgoing voice usage (+39%) and growth of data services⁷, which account for 10.1% of ARPU.

The 3G⁸ mobile-internet customer base reached 1.5 million customers, up 57%, confirming Maroc Telecom's leadership in this segment. At June 30, 2012, Maroc Telecom's market share stood at 44.27% (source: ANRT).

Fixed line and internet

	Unit	9M-2011	9M-2012	Change
Fixed				
Fixed lines	(000)	1,233	1,247	1.2%
Broadband access⁹	(000)	552	648	17.5%

At September 30, 2012, fixed-line and internet activities in Morocco generated revenues of MAD 5,018 million, down by 11.5% year on year. This decrease reflects the sharp decline in public telephony, still subject to fierce competition from the mobile segment, and to fixed-line rate cuts in the first half-year that followed heavy price cuts in the mobile segment.

Revenues from fixed-line data rose slightly (+0.2%), to MAD 1,302 million. Price cuts were offset by growth in the customer base.

At September 30, 2012, the fixed-line customer base in Morocco had grown by 1.2% year on year, to 1,247 thousand lines. The ADSL customer base is still growing strongly (+18%) and currently stands at 648,000 customers, boosted by enhanced offers and offers of twice the bandwidth for the same price.

International

<i>IFRS in MAD millions</i>	9M-2011	9M-2012	Change	Change like for like ²
Revenues	4,446	5,220	17.4%	18.4%
Mauritania	895	1,015	13.4%	11.1%
<i>mobile services</i>	756	925	22.4%	20.0%
Burkina Faso	1,288	1,522	18.2%	20.0%
<i>mobile services</i>	1,033	1,248	20.8%	22.7%
Gabon	746	958	28.4%	30.4%
<i>mobile services</i>	373	514	38.0%	40.2%
Mali	1,530	1,778	16.2%	18.0%
<i>mobile services</i>	1,280	1,508	17.8%	19.6%
Elimination	(13)	(53)		
EBITDA	1,810	2,354	30.1%	31.2%
<i>margin (%)</i>	40.7%	45.1%	4.4 pts	4.4 pts
EBITA	871	1,237	42.0%	42.9%
<i>margin (%)</i>	19.6%	23.7%	4.1 pts	4.0 pts
CFFO	207	909	-	-

In the first nine months of 2012, Maroc Telecom group's international business generated revenues of MAD 5,220 million, an increase of 17% (+18% like for like). This performance was the result of strong growth (+45%) in mobile customer bases, enhanced offers, and higher customer consumption in a stable competitive environment.

Over the same period, EBITDA reached MAD 2,354 million, up 30% (+31% like for like) from a year earlier, while EBITA came to MAD 1,237 million, a rise of 42% year on year (+43% like for like). EBITDA and EBITA margins grew by 4.4 pts and 4.1 pts, respectively, year on year. International business activities benefited from cost-optimization measures performed in a context of strong traffic growth on networks.

International cash flow from operations was multiplied by 4.4, to MAD 909 million.

Mauritania

	Unit	9M-2011	9M-2012	Change like for like ²
Mobile				
customers ⁵	(000)	1,772	2,061	16.3%
ARPU ⁶	(MAD/month)	46.0	53.6	14.2%
Fixed lines	(000)	41	41	0.1%
Broadband access	(000)	7	7	1.5%

At September 30, 2012, operations in Mauritania had generated revenues of MAD 1,015 million, up 13.4% (+11.1% like for like). This growth was driven by a 22% rise in mobile-services revenues (+20% like for like), the result of customer-base growth of 16.3% and higher consumption.

Burkina Faso

	Unit	9M-2011	9M-2012	Change like for like ²
Mobile				
customers ⁵	(000)	2,829	3,786	33.8%
ARPU ⁶	(MAD/month)	40.1	39.9	1.0%
Fixed lines	(000)	142	142	0.0%
Broadband access	(000)	30	30	(0.2%)

At September 30, 2012, business activities in Burkina Faso had generated revenues of MAD 1,522 million, an increase of 18% (+20% like for like), boosted by a 34% increase in the mobile customer base and increased mobile consumption, and despite price cuts. The fixed-line and internet customer bases remained stable, at 142,000 customers and 30,000 customers, respectively.

Gabon

	Unit	9M-2011	9M-2012	Change like for like ²
Mobile				
customers ⁵	(000)	455	804	76.5%
ARPU ⁶	(MAD/month)	100.4	82.2	(16.9%)
Fixed lines	(000)	24	18	(25.8%)
Broadband access	(000)	23	7	(68.4%)

Over the first nine months of 2012, business activities in Gabon generated revenues of MAD 958 million, up 28% (+30% like for like), aided by strong growth in the mobile customer base.

Sustained marketing efforts and network expansion drove the 77% growth in the mobile customer base. The fixed-line (-26%) and internet (-68%) customer bases decreased after a cleanup of the CDMA prepaid customer base.

Mali

	Unit	9M-2011	9M-2012	Change like for like ²
Mobile				
customers ⁵	(000)	3,655	6,012	64.5%
ARPU ⁶	(MAD/month)	48.0	34.0	(28.2%)
Fixed lines	(000)	90	97	7.4%
Broadband access	(000)	32	43	35.0%

At September 30, 2012, revenues from business in Mali amounted to MAD 1,778 million. This 16% rise (+18% like for like) is the result of strong growth in the mobile customer base (+65%).

Events in the north of Mali had repercussions on the economy. Yet despite the country's difficult context, revenues from business in Mali continued to grow in the third quarter, by 6.8% (+9.4% like for like) year on year.

Notes

(1) At September 30, 2012, Maroc Telecom consolidated Mauritel, Onatel, Gabon Telecom, Sotelma, and Casanet in its financial statements.

(2) Constant exchange rates (MAD / Mauritanian ouguiya / CFA franc).

(3) Earnings from operations before amortization of intangible assets.

(4) CFFO includes net cash from pretax operating activities, as presented in the statement of cash flows, and from dividends received from equity affiliates and unconsolidated investments. CFFO also includes net capital expenditures corresponding to cash used for acquisitions and disposals of property, plant, equipment, and intangible assets.

(5) Active customer base, comprising prepaid customers having made or received a voice call (paid or free) or having sent an SMS or MMS in the past three months, and uncanceled postpaid 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 costs and handset sales, divided by the average customer base for the period. ARPU here includes both prepaid and postpaid customers.

(7) Data mobile revenues include revenues of all non-voice services billed (SMS, MMS, mobile internet, etc.). As from the second quarter of 2012, mobile data revenues include the valuation of 3G internet access at 512 kbit/s included in all postpaid rate plans. The comparable basis was changed retroactively.

(8) As from FY 2011, 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) The broadband customer base includes narrowband and leased lines.

Maroc Telecom is a full-service telecommunications operator in Morocco and leader in the fixed-line, mobile, and internet sectors. It has expanded internationally and is now present in Mauritania, Burkina Faso, Gabon, and Mali. Maroc Telecom has traded on the Casablanca and Paris stock markets since December 2004. The Group's major shareholders are Vivendi (53%) and the Kingdom of Morocco (30%).

Contacts

Investor relations

Zakaria Mediouni +212 (0)537 71 90 39
relations.investisseurs@iam.ma

Press relations

Mouna Mellah +212 (0)537 71 50 97
relations.presse@iam.ma