PRESS RELEASE

Rabat, October 23, 2017

CONSOLIDATED RESULTS FOR THE FIRST NINE MONTHS OF 2017

Highlights:

- **8% increase in the Group's customer base** which exceeds 56 million customers;
- 2.3% increase in consolidated Outgoing Services revenues;
- **EBITDA margin up 1.3 points,** to reach 50% at constant exchange rates;
- **Group share of adjusted* net income up 4.2%** at constant exchange rates;
- **Confirmation of return to growth of Outgoing Mobile revenues in Morocco,** thanks to the strong enthusiasm for Mobile Internet;
- **Acceleration of the roll-out of Very High Speed networks in Morocco** to meet strong demand;
- **Sustained growth of new subsidiaries:** 11% revenue growth and 42% EBITDA growth at constant exchange rates, for the first nine months of 2017.

2017 outlook maintained, at constant scope and exchange rates:

- **Slight decrease in revenues due to new regulatory measures;**
- **Stable EBITDA;**
- **CAPEX of approximately 23% of revenues, excluding frequencies and licenses.**

To mark the publication of this press release, Abdeslam Ahizoune, Chairman of the Management Board, made the following comments:

"The results of the third quarter confirm the improvement in trends observed in the first half of the year and validate the Group's strategic choices that are the International development and the accelerated rollout of Very High Speed Fixed-Line and Mobile networks to support the growing use of Data. The implementation of the massive investment and modernization plans of the new African subsidiaries is ongoing, and is beginning to bear fruit in terms of growth and contribution to the Group's performance."

**adjusted from the impact of restructuring charges in 2017 and disposal of real estate asset in 2016 (cf: appendix 1)*

GROUP ADJUSTED* CONSOLIDATED RESULTS

IFRS in MAD million	9M-2016	9M-2017	Change	Change at constant exchange rates(1)
Revenues	26,674	**26,020**	**-2.5%**	**-2.3%**
EBITDA	12,934	**12,960**	**+0.2%**	**+0.4%**
Margin (%)	48.5%	49.8%	+1.3 pts	+1.3 pts
Adjusted EBITA	8,064	**8,088**	**0.3%**	**+0.5%**
Margin (%)	30.2%	31.1%	+0.9 pts	+0.9 pts
Group share of adjusted net income -	4,302	**4,482**	**+4.2%**	**+4.2%**
Margin (%)	16.1%	17.2%	+1.1 pts	+1.1 pts
CAPEX(2)	5,170	**5,430**	**+5.0%**	
Of which frequencies & licenses	888	**149**		
CAPEX/revenues (excluding frequencies & licenses)	16.0%	20.3%	+4.3 pts	
Adjusted CFFO	7,767	**7,870**	**+1.3%**	

** Details of the financial indicator adjustments are provided in Appendix 1.*

► Customer base

The Group's customer base amounted to over 56 million customers at September 30, 2017, an increase of 7.7% year-on-year, driven by an expansion in the Mobile customer bases in Niger, Togo and Ivory Coast, as well as by the sustained growth of the Mobile and Fixed-Line broadband customer bases in Morocco.

► Revenues

Maroc Telecom Group's revenues for the first nine months of 2017 amounted to MAD 26,020 million, down slightly by 2.5% (-2.3% at constant exchange rates). This change was due to a decline in incoming revenues following the liberalization of IP telephony in November 2016 in Morocco and the decrease in mobile termination rates in Morocco and in the African subsidiaries. Revenues from Outgoing Services were up 2.3% thanks to the growth in the customer base and increased Data usage.

► Earnings from operations before depreciation and amortization

At end-September 2017, Maroc Telecom Group's earnings from operations before depreciation and amortization (EBITDA) amounted to MAD 12,960 million, up 0.2% (+0.4% at constant exchange rates). The 12.2% growth in EBITDA (+12.8% at constant exchange rates) from International operations more than offset the 5.8% decline in EBITDA in Morocco.

The EBITDA margin was up 1.3 pts year-on-year, and reached a high level of 49.8% thanks to significant efforts to optimize costs, and to the favorable impact of decreases in Mobile termination rates at the Sub-Saharan subsidiaries.

► Earnings from operations

At end-September 2017, Maroc Telecom Group's consolidated adjusted earnings from operations (EBITA)(4) amounted to MAD 8,088 million, up 0.3% from the same period in 2016 (+0.5% at constant exchange rates) thanks to the increase in EBITDA. The adjusted EBITA margin rose by 0.9 pts at constant exchange rates to 31.1%.

► Group share of net income

The Group's share of adjusted net income amounted to MAD 4,482 million, up 4.2% at constant exchange rates compared to the same period of 2016, thanks to the strong increase in net income from International operations driven by the success of the restructuring of the new Moov subsidiaries which are now showing an overall positive net result.

► Cash flow

In the first nine months of 2017, adjusted cash flow from operations (CFFO)(5) was MAD 7,870 million, up 1.3% from the first nine months of 2016, driven by an improvement in CFFO in Morocco despite the intensification of the pace of capital investment.

REVIEW OF THE GROUP'S ACTIVITIES

Details of the financial indicator adjustments for "Morocco" and "International" are provided in Appendix 1.

- ***Morocco***

IFRS in MAD million	9M-2016	9M-2017	Change
Revenues	16,216	**15,316**	**-5.6%**
Mobile	10,717	**9,999**	**-6.7%**
Services	10,452	9,851	-5.7%
Equipment	265	147	-44.5%
Fixed-Line	6,740	**6,696**	**-0.7%**
Of which Fixed-Line Data*	1,798	1,980	+10.1%
Eliminations and other income	-1,241	-1,379	
EBITDA	8,630	**8,133**	**-5.8%**
Margin (%)	53.2%	53.1%	-0.1 pts
Adjusted EBITA	5,829	**5,320**	**-8.7%**
Margin (%)	35.9%	34.7%	-1.2 pts
CAPEX	2,355	**3,127**	**+32.8%**
Of which frequencies & licenses			
CAPEX/revenues (excluding frequencies & licenses)	14.5%	20.4%	+5.9 pts
Adjusted CFFO	4,902	**5,328**	**+8.7%**

*Fixed-Line Data includes Internet, ADSL TV and corporate Data services

Revenues from operating activities in Morocco was MAD 15,316 million for the first nine months of the year, down 5.6%, following the reintroduction of asymmetric mobile termination rates in March 2017 and the liberalization of IP telephony in November 2016.

Revenues from Outgoing Services grew by 1.2%, sustained by the success of Mobile and Fixed-Line Data services, whose revenues registered strong growth of 55% and 10.1% respectively.

Earnings from operations before depreciation and amortization (EBITDA) for the first nine months of 2017 amounted to MAD 8,133 million, down 5.8% compared with the same period of 2016 due to the decline in revenues. The EBITDA margin was almost stable (-0,1 pts) thanks to the 0.5 pts improvement in the gross margin and the 3.4% decline in operating costs reflecting the success of the voluntary redundancy plan that benefited to 1,026 employees.

Adjusted earnings from operations (EBITA) were down 8.7%, to MAD 5,320 million. This decline was due to the drop in EBITDA and the 0.7% increase in depreciation charges reflecting heavy investments to extend the 4G+ network and the fiber-optic network. The adjusted EBITA margin was 34.7%.

Adjusted cash flow from operations in Morocco was up 8.7% to MAD 5,328 million, thanks to close management of working capital requirements (WCR).

Mobile

	Unit	9M-2016	9M-2017	Change
Mobile				
Customer base[6]	**(000)**	18,628	**18,898**	**+1.5%**
Prepaid	(000)	16,913	17,140	+1.3%
Postpaid	(000)	1,715	1,758	+2.5%
of which Internet 3G/4G+[7]	**(000)**	7,471	**9,737**	**+30.3%**
ARPU[8]	**(MAD/month)**	61.9	**57.8**	**-6.6%**

As of September 30, 2017, the Mobile customer base[6] was 18.9 million customers, up 1.5% year-on-year, thanks to the 2.5% increase in postpaid customers and 1.3% increase in prepaid customers.

In a regulatory environment that remains restrictive, due to the reinstatement in March 2017 of 20% asymmetry on call terminations in favor of other operators, and the decline in incoming international traffic following the liberalization of IP telephony, Mobile revenues decreased by 6.7% compared with the same period of the previous year, to MAD 9,999 million.

Revenues from Outgoing Services were up 0.6% in the first nine months of 2017, driven by the 55% growth in Mobile Data which more than offset the drop in Voice revenues.

Blended ARPU[8] for the first nine months of 2017 remains at a high level of MAD 57.8, down however by 6.6% compared with the same period in 2016.

Mobile Data continued to expand with 30% growth of its customers and 82% increase of its traffic, sustained by increasingly extensive 3G and 4G+ networks covering 93% and 86% of the population.

Fixed-Line and Internet

	Unit	9M-2016	9M-2017	Change
Fixed-Line				
Fixed lines	**(000)**	1,615	**1,682**	**+4.2%**
Broadband access(9)	**(000)**	1,204	**1,319**	**+9.5%**

The Fixed-Line customer base increased by 4.2% to 1,7 million lines. The broadband customer base increased by 9.5% to 1.3 million subscribers.

In the first nine months of 2017, Fixed-Line and Internet operations in Morocco generated revenues of MAD 6,696 million, relatively unchanged (-0.7%) from the same period in 2016 despite the 14.7% drop in income from international transit minutes, which is a very low-margin business.

Fixed-Line Data is still growing strongly (+10.1%) driven by growth in the ADSL customer base (+9.5%).

- ***International***

Financial indicators

IFRS in MAD million	9M-2016	9M-2017	Change	Change at constant exchange rates
Revenues	11,485	**11,616**	**+1.1%**	**+1.5%**
Of which Mobile Services	10,374	10,589	+2.1%	+2.5%
EBITDA	4,303	**4,827**	**+12.2%**	**+12.8%**
Margin (%)	37.5%	41.6%	+4.1 pts	+4.1 pts
Adjusted EBITA	2,234	**2,768**	**+23.9%**	**+24.6%**
Margin (%)	19.5%	23.8%	+4.4 pts	+4.4 pts
CAPEX	2,815	**2,303**	**-18.2%**	
Of which frequencies & licenses	888	149		
CAPEX/revenues (excluding frequencies & licenses)	16.8%	18.5%	+1.8 pts	
Adjusted CFFO	2,865	**2,542**	**-11.3%**	

In the first nine months of 2017, the Group's International operations posted revenues of MAD 11,616 million, up 1.1% (+1.5% at constant exchange rates) driven by the 10.9% increase in revenues at the new subsidiaries (at constant exchange rates), despite the impact of the drop in call termination rates and the deactivation of unidentified customers. In the third quarter alone, revenue growth at subsidiaries accelerated (+4.7% at constant exchange rates) thanks to gains in market share and substantial investments to support the growth in Voice and Data usage.

At end-September 2017, Maroc Telecom Group's earnings from operations before depreciation and amortization (EBITDA) amounted to MAD 4,827 million, up 12.2% (+12.8% at constant exchange rates). The EBITDA margin rose by 4.1 points to 41.6%, thanks to the favorable impact of the fall in call termination rates leading to an improvement in the gross margin (+0.5 point at constant exchange rates) and the Group's ability to reduce its operating costs in its subsidiaries (-7.5% at constant exchange rates).

Adjusted earnings from operations (EBITA) was MAD 2,768 million, up 23.9% (+24.6% at constant exchange rates), reflecting the sustained growth of EBITDA and virtually unchanged depreciation charges (+0.4% at constant exchange rates).

Over the same period, adjusted cash flow from international operations declined by 11.3% to MAD 2,542 million due to the increase in CAPEX.

Operating indicators

	Unit	9M-2016	9M-2017	Change
Mobile				
Customer base[(6)]	(000)			
Mauritania		2,051	2,140	+4.3%
Burkina Faso		6,968	7,086	+1.7%
Gabon		1,726	1,626	-5.8%
Mali		6,062	6,803	+12.2%
Ivory Coast		6,305	7,587	+20.3%
Benin		3,700	3,901	+5.4%
Togo		2,352	2,782	+18.3%
Niger		1,208	1,993	+65.0%
Central African Republic		145	140	-3.4%
Fixed-Line				
Customer base	(000)			
Mauritania		47	49	+4.9%
Burkina Faso		72	76	+5.9%
Gabon		18	21	+12.2%
Mali		145	152	+4.9%
Fixed-Line broadband				
Customer base[(9)]	(000)			
Mauritania		11	12	+10.8%
Burkina Faso		14	13	-6.2%
Gabon		12	15	+26.4%
Mali		60	63	+5.6%

Notes:

(1) At a constant exchange rate for the MAD, ouguiya and CFA franc.
(2) CAPEX corresponds to purchases of tangible and intangible assets recognized for the period.
(3) Maroc Telecom consolidates the following companies in its financial statements: Mauritel, Onatel, Gabon Telecom, Sotelma and Casanet, as well as the new African subsidiaries (in the Ivory Coast, Benin, Togo, Niger, and the Central African Republic) and Prestige Telecom, which has provided IT services to those companies since their acquisition on January 26, 2015.
(4) EBITA corresponds to earnings from operations before the amortization of intangible assets acquired through business combinations, write-downs of goodwill and other intangible assets acquired through business combinations, and other income and expenses relating to financial investment transactions and transactions with shareholders (except when recognized directly in equity).
(5) CFFO includes net cash flow from operations before tax, as set out in the cash flow statement, as well as the dividends received from companies booked at equity and non-consolidated equity investments. CFFO also includes net capital expenditure, which corresponds to net uses of cash for acquisitions and disposals of tangible and intangible assets.
(6) The active customer base consists of prepaid customers who have made or received a voice call (excluding ERPT or Call-Center calls) or sent an SMS/MMS or used Data services (excluding ERPT services) during the past three months, and postpaid customers who have not terminated their agreements.
(7) The active customer base for 3G and 4G+ Mobile Internet includes holders of a postpaid subscription agreement (with or without a voice offer) and holders of a prepaid Internet subscription agreement who have made at least one top-up during the past three months or whose top-up is still valid and who have used the service during that period.
(8) 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, blended ARPU covers both the prepaid and postpaid segments.
(9) The broadband customer base includes ADSL access, Fiber To The Home and leased lines in Morocco, as well as the ADMA customer base for the historical subsidiaries.

Maroc Telecom is a full-service telecommunications operator in Morocco and the leader in all of its Fixed-Line, Mobile and Internet business sectors. It has expanded internationally, and currently operates in ten African countries. Maroc Telecom is listed on both the Casablanca and Paris Stock Exchanges, and its majority shareholders are Société de Participation dans les Télécommunications (SPT*) (53%), and the Kingdom of Morocco (30%).

****SPT is a company incorporated under Moroccan law and controlled by Etisalat.***

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Appendix 1: Relationship between adjusted financial indicators and published financial indicators

Adjusted operating income, Group share of adjusted net income, and adjusted cash flow from operations (CFFO), are not strictly accounting measures and should be considered additional information. They are a better indicator of the Group's performance as they exclude non-recurring items.

	9M-2016			9M-2017		
(in MAD millions)	Morocco	International	Group	Morocco	International	Group
Adjusted EBITA	**5,829**	**2,234**	**8,064**	**5,320**	**2,768**	**8,088**
Non-recurring items:						
Real estate sales		+297	+297			
Restructuring costs				-193	-49	-242
Published EBITA	**5,829**	**2,532**	**8,361**	**5,127**	**2,719**	**7,846**
Group share of adjusted net income			**4,302**			**4,482**
Non-recurring items:						
Real estate sales			+152			
Restructuring costs						-165
Published Group share of net income			**4,454**			**4,318**
Adjusted CFFO	**4,902**	**2,865**	**7,767**	**5,328**	**2,542**	**7,870**
Non-recurring items:						
Real estate sales		+317	+317			
Restructuring costs				-578	-60	-638
License payments		-33	-33		-558	-558
Published CFFO	**4,902**	**3,149**	**8,051**	**4,750**	**1,924**	**6,674**