Press release

Rabat, July 29, 2008

2008 First half consolidated results

- **Growth of results at June 30, 2008:**
  - **Revenues: MAD14.3 billion / +10.0%**
  - **Earnings from operations: MAD6.7 billion / +11.1%**
  - **Net income group share: MAD4.5 billion / +17.6%**

- **Upgrade of 2008 annual growth forecasts:**
  - **Above 8% for revenues**
  - **Above 11% for earnings from operations**

Abdeslam Ahizoune, Chairman of the Management Board of Maroc Telecom, declared:

"The development strategy based on the growth of each business activity, both in Morocco and in our subsidiaries, bear fruit. 2008 first half revenues and results are in a strong improvement, better than our forecasts, despite an increasing competitive environment and the rise of food and energy prices."

On July 29, 2008, the Supervisory Board examined the 2008 first half consolidated results, established under IFRS standards and reviewed by the statutory auditors.

Earnings from operations (EFO)

With consolidated(1) revenues of MAD14.3 billion, up 10.0% (+8.2% on a comparable basis(2)), realized on growing Mobile activities, thanks to the control of its costs, and despite of the competing pressures, Maroc Telecom group achieved a consolidated(1) EFO of MAD6,666 million (+11.1% and +12.4% on a comparable basis(2)). The operating margin is then improved by 1.8 point (on a comparable basis(2)) to 46.6%.

(1) For the first half of 2008, Maroc Telecom establishes its revenues by consolidating in its accounts Mauritel, Onatel and Gabon Télécom Groups and its subsidiaries Mobisud France and Mobisud Belgium. Gabon Télécom group, acquired on February 9, 2007 has been consolidated using the Global Integration method since March 1, 2007 (for the second quarters of 2006 and 2007, revenues of Maroc Telecom Group therefore integrate 4 months of Gabon Télécom Group activities, since these revenues could not be consolidated as per end of March, 2007 by lack of financial information).
(2) Comparable basis illustrates the full consolidation of Gabon Télécom as if this transaction has occurred at the beginning of 2007 and the constant currency rate MAD/Mauritanian Ouguiya/CFA Franc/Euro

- ***In Morocco***

During the first half of 2008, the EFO of all business activities in Morocco amounted to MAD6,649 million, up 15.5%, versus a net[(3)] revenues growth of 9.8%, leading to a significant enhancement of both Mobile and Fixed-line margins

The Mobile activity EFO amounted to MAD4.982 million, up 14.8% compared to 2007 first half, thanks to the activity growth (+12.9%) and the control of costs. During the first half of 2008, Mobile gross[(4)] revenues in Morocco increased by 12.9% to MAD8,923 million, with the combined effect of the customer base significant growth (14.2 million at the end of June 2008, up 21.3%) and the limited decrease of ARPU, in spite of a highly competitive context.

The Fixed-line and Internet EFO amounted to MAD1,667 million, up 17.6% compared with 2007. This performance is explained by the decrease of interconnection charges of national incoming traffic, due to the combined effect of tariff and consumption decrease. As a reminder, Fixed-line and Internet activities in Morocco achieved in the first half of 2008 gross[(4)] revenues of MAD 4,750 million, slightly up by 0.5%, and the customer base reached 1,329 million lines, slightly increasing by 0.3% compared to June 2007.

- ***In Mauritania***

For the first half of 2008, the EFO of Mauritel group amounted to MAD201 million, down 4.5% on a comparable basis[(2)]. This evolution is the result of the combined effect of a weak Mobile revenues growth, despite a good control of operating and sales costs, and the growth of amortization with the speedup of capital expenditure.

- ***In Burkina Faso***

In the first half of 2008, the EFO of Onatel group amounted to MAD80 million, down 47.5% on a comparable basis[(2)] compared to 2007 first half, due to the increase of costs of sales and amortizations of Mobile capital expenditures. The growth of amortization is due to the speedup of the network deployment, with a number of GSM base stations increasing by more than 100% in one year.

- ***In Gabon***

In the first half of 2008, the EFO of Gabon Télécom group amounted to MAD(78) million, compared with a loss of MAD(86) million in the first half of 2007 on a comparable basis, i.e. a slight increase. This result is incorporating a provision of MAD7 million, further to the decision of the Gabonese Government to institute a new tax of 10% on Mobile operators revenues.

- ***In France and in Belgium***

The total EFO of Mobisud amounted to MAD(187) million, and takes into account restructuring costs in France, where the staff has been strongly reduced.

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(3) Theses revenues are excluding revenues generated between Fixed and Mobile activities of each subsidiary, but are including revenues generated between subsidiaries (o/w management services' agreement) which are cancelled in consolidated revenues

(4) Fixed line and Internet revenues and Mobile revenues include intragroup transactions (including interconnection costs and leased lines) between fixed and mobile activities.

Net income group share

For 2008 first half, net income group share amounted to MAD4,526 million, up 17.6% compared with 2007 same period.

Cash and cash equivalent

The cash flow generated by the activity amounted to MAD4,774 million at end of June 2008, down 12.3% compared with June 2007, due to the fact that the corporate tax rate reduction has no repercussion on the interim payment made during the first half of 2008. Excluding this element, the cash flow generated by the activity achieved a slight increase compared with 2007 first half.

With a payment of MAD8.2 billion 2007 dividend to shareholders and network capital expenditures of more than MAD1.9 billion, the consolidated net[(5)] cash position of Maroc Telecom group is negative at end of June 2008 and amounted to MAD(4.1) billion, vs. to MAD(2.8) billion at the end of June 2007.

2008 outlook

Based on the current market conditions, and assuming no major exceptional disrupt, known to date, of the group's business, forecasts made at the beginning of the year are upgraded: the consolidated revenues growth will exceed 8% and the EFO growth will exceed 11%.

Maroc Telecom is the first Morocco's global telecommunications operator and the country's market leader in all its business activities. Since December 2004, Maroc Telecom is listed on the Casablanca and Paris stock exchanges and its main shareholders are Vivendi (53%) and the Kingdom of Morocco (30%).

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(5) Cash and cash equivalent minus current and non current borrowings and other financial liabilities, excluding blocked cash at June 30, 2008 (MAD96 million).

Appendices:

Revenues and Earnings From Operations (EFO) of 2008 First Half

MAD million - IFRS	**2008**	2007	*% change* published	*% change* comparable basis
Consolidated revenues	**14,308**	**13,007**	***10.0%***	***8.2%***
Mobile (gross)[4]	**10,161**	**8,889**	***14.3%***	***13.0%***
Maroc Telecom	8,923	7,900	*12.9%*	*12.9%*
Mauritel	417	420	*(0.7%)*	*2.1%*
Onatel	421	328	*28.4%*	*25.4%*
Gabon Telecom	308	223	*38.1%*	*(6.7%)*
Mobisud	91	17	*ns*	*ns*
Fixed-line and Internet (gross)[4]	**5,544**	**5,532**	***0.2%***	***(2.0%)***
Maroc Telecom	4,750	4,727	*0.5%*	*0.5%*
Mauritel	145	165	*(12.1%)*	*(.4%)*
Onatel	375	410	*(8.5%)*	*(10.6%)*
Gabon Telecom	275	230	*19.6%*	*(22.9%)*
Elimination of inter-segment transactions	(1,397)	(1,413)		
Consolidated EFO	**6,666**	**5,999**	***11.1%***	***12,4%***
Mobile	**5,132**	**4,588**	***11.9%***	***12.2%***
Maroc Telecom	4,982	4,341	*14.8%*	*14.8%*
Mauritel	189	212	*(10.8%)*	*(7.9%)*
Onatel	119	127	*(6.3%)*	*(7.9%)*
Gabon Telecom	28	8	*250.0%*	*ns*
Mobisud	(187)	(99)	*ns*	*ns*
Fixed-line and Internet	**1,534**	**1,411**	***8.7%***	***13.1%***
Maroc Telecom	1,667	1,417	*17.6%*	*17.6%*
Mauritel	12	5	*140.0%*	*145.1%*
Onatel	(39)	23	*ns*	*ns*
Gabon Telecom	(106)	(35)	*ns*	*(21.0%)*

Revenues and operating income of the 2nd quarter

MAD million – IFRS	**2008**	2007	*% change* published	*% change* comparable basis
Consolidated revenues	**7,343**	**6,894**	***6.5%***	***8.1%***
Mobile (gross)[4]	**5,260**	**4,727**	***11.3%***	***12.4%***
Maroc Telecom	4,628	4,105	*12.7%*	*12.7%*
Mauritel	218	211	*3.3%*	*7.0%*
Onatel	213	178	*19.7%*	*16.7%*
Gabon Telecom	157	223	*(29.6%)*	*(11.3%)*
Mobisud	44	10	*ns*	*ns*
Fixed-line and Internet (gross)[4]	**2,800**	**2,913**	***(3.9%)***	***(2.1%)***
Maroc Telecom	2,403	2,401	*0.1%*	*0.1%*
Mauritel	71	84	*-15.5%*	*(13.1%)*
Onatel	188	198	*-5.1%*	*(7.5%)*
Gabon Telecom	139	230	*-39.6%*	*(20.5%*
Elimination of inter-segment transactions	(716)	(746)		
Consolidated[1] EFO	**3,562**	**3,155**	***12.9%***	***13.8%***
Mobile	**2,789**	**2,426**	***15.0%***	***15.4%***
Fixed-line and Internet	**773**	**729**	***6.0%***	***8.1%***

Consolidated balance sheet at December 31, 2007 and June 30, 2008

ASSETS *(in millions of Moroccan Dirhams)*	June 30, 2008	December 31, 2007
Goodwill	2,117	2,197
Intangible assets	3,590	3,644
Property, plant and equipment	16,992	16,870
Investment in equity affiliates	0	1
Other non-current financial assets	340	326
Deferred tax assets	57	204
Non-current assets	**23,095**	**23,242**
Inventories	791	749
Trade accounts receivable and other	10,112	9,897
Other current financial assets	98	104
Cash and cash equivalents	892	3,725
Available for sale assets	114	32
Current assets	**12,007**	**14,507**
TOTAL ASSETS	**35,102**	**37,749**

LIABILITIES *(in millions of Moroccan dirhams)*	June 30, 2008	December 31, 2007
Share capital	5,275	5,275
Retained earnings	3,998	4,071
Earnings for the fiscal year-group share	4,526	8,033
Equity attributable to equity holders of the parent	**13,799**	**17,380**
Minority interests	1,075	1,254
Total equity	**14,874**	**18,634**
Non-current provisions	197	203
Borrowings and other non-current financial liabilities	1,211	1,233
Deferred tax liabilities	25	0
Non-current liabilities	**1,433**	**1,436**
Trade accounts payable and other	14,716	15,385
Current income tax liabilities	153	992
Current provisions	131	142
Borrowings and other current financial liabilities	3,795	1,159
Current liabilities	**18,795**	**17,679**
TOTAL LIABILITIES AND EQUITY	**35,102**	**37,749**

Consolidated income statement of the first half of year 2007 and 2008

(in millions of Moroccan dirhams)	2008	2007
Consolidated revenues	14,308	13,007
Cost of purchases	(2,238)	(2, 089)
Payroll costs	(1,412)	(1,303)
Sundry taxes and duties	(351)	(371)
Other operating income and expenses	(1,826)	(1,514)
Net depreciation, amortization and provisions	(1,814)	(1,731)
Earnings from operations	**6,666**	**5,999**
Income from ordinary activities	0	2
Depreciation of Goodwill	(8)	0
Income from equity affiliates	(1)	(12)
Earnings from continuing operations	**6,658**	**5,989**
Income from cash and cash equivalents	74	64
Finance expense	(46)	(52)
Net finance costs	28	12
Other finance income and expense	(78)	(9)
Net financial items	**(50)**	**3**
Tax expense	(2,119)	(2,064)
Earnings	**4,489**	**3,928**
Earnings from discountinued operations	0	0
Earnings	**4,489**	**3,928**
Attributable to the equity holders of the parents	4,526	3,850
Minority interests	(37)	78

Earnings per share *(in Moroccan dirhams)*	2008	2007
Earnings per share	5.1	4.5
Diluted earnings per share	5.1	4.5

Consolidated statement of cash flows of the first half of year 2007 and 2008

(in millions of Moroccan dirhams)	2008	2007
Consolidated earnings (including minority interests)	**4,489**	**3,928**
Net depreciation, impairment and provisions	1,930	1,517
Non-cash expenses/income	1	12
Capital gains and losses	(35)	(3)
Net earnings after net finance costs and income tax	**6,385**	**5,454**
Net finance costs	(28)	(12)
Income tax expense (including deferred taxes)	2,119	2,064
Net earnings before net finance costs and income tax (A)	**8,476**	**7,506**
Tax paid (B)	(2,916)	(2,024)
Change in WCR related to operating activities (C)	(786)	(39)
Cash flow from operating activities (D) = (A+B+C)	**4,774**	**5, 443**
Purchase of PP&E and intangible assets	(1,930)	(2,143)
Disposals of PP&E and intangible assets	44	14
Purchase of non-consolidated investments	(1)	(334)
Cash flow of long-term debt	(12)	8
Cash flow of other financial assets	(64)	(6)
Effects of changes in scope of consolidation	0	139
Cash flow used in investing activities (E)	**(1,964)**	**(2,322)**
Dividends paid during the year	(8,220)	(6,950)
Principal payments on borrowings	2,514	3,968
Net interest	28	20
Changes in blocked cash	26	-
Changes in share capital	19	-
Other	(6)	-
Cash flow used in financing activities (F)	**(5,640)**	**(2,962)**
Foreign currency translation adjustments (G)	(3)	9
Change in cash and cash equivalents (D+E+F+G)	**(2,833)**	**168**
Cash and cash equivalents at beginning of period	**3 ,725**	**2,741**
Cash and cash equivalents at end of period	**892**	**2,909**
Net cash position[(5)]	**(4,114)**	**(2,757)**