PRESS RELEASE

Rabat, October 31, 2013

Consolidated results for the first nine months of 2013

Solid fundamentals maintained:

- **customer bases in Morocco continue to grow:** postpaid mobile **(+15.2%)**, 3G internet **(+31.2%)**, and ADSL **(+21.8%)**;
- **fixed-line and mobile networks have been equipped for migration from high speed to very high-speed broadband;**
- **Group growth continues to show strength internationally: customer bases have expanded by 18.1**%, revenue, EBITDA and EBITA have risen by **9.5**, **24** and **44%** respectively;
- **solid control of operating expenses (-5.3%) and gross margins (+1.9 pt)**;
- **EBITDA margin has risen by 2.1 pts,** to **57.7%**.

Outlook confirmed for 2013:

- **EBITDA margin maintained at a substantial level of approximately 56%;**
- **Slight growth in "EBITDA – CAPEX*".**

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

"Despite ongoing intense competition and a difficult economy, Maroc Telecom Group is seeing its strategies pay off. As a result of the quality and innovation that characterize its offers, and thanks to cost-cutting efforts, the Group is able to maintain its annual targets.

To satisfy the rapid growth of voice and internet use over all its networks, the Group continues to invest in Morocco and in its sub-Saharan African subsidiaries, with an emphasis on providing a rapid transition from high-speed to very-high-speed broadband."

** Excluding any acquisitions of new frequencies and licenses.*

GROUP CONSOLIDATED RESULTS

IFRS in MAD millions	9M 2012	9M 2013	Change	Change like for like[1]
Revenues	22,517	21,467	-4.7%	-4.7%
EBITDA	12,526	12,383	-1.1%	-1.1%
Margin (%)	*55.6%*	*57.7%*	*2.1 pts*	*2.1 pts*
EBITA before restructuring	8,897	8,654	-2.7%	-2.7%
Margin (%)	*39.5%*	*40.3%*	*0.8 pts*	*0.8 pts*
EBITA	8,097	8,654	6.9%	6.9%
CFFO before restructuring	8,300	7,682	-7.4%	
CFFO	7,758	7,614	-1.9%	

- **Revenues**

At September 30, 2013, Maroc Telecom Group had consolidated revenues[2] of MAD 21,467 million, 4.7% less than consolidated revenues in 2012 (-4.7% like for like[1]). This decline was due to lower revenues in Morocco (-8.4%) and intense competition in the mobile market, as seen in the transition to per-second billing. However, strong growth in international revenues (+9.5% like for like) compensated partially for the overall downturn.

Growth in the Group's customer base continued, at an annual rate of 8.8%, and came to just under 36 million customers at September 30, 2013. This expansion was largely due to growth in international customer bases (+18.1%).

- **Earnings from operations before depreciation and amortization**

During the first three quarters of 2013, Maroc Telecom Group's earnings from operations before depreciation and amortization (EBITDA) reached MAD 12,383 millions, a decrease of 1.1% (-1.1% like for like) from a year earlier. This decline was due to a 6.9% fall in EBITDA in Morocco, though a 23.7% rise in international EBITDA (+23.7% like for like) provided positive growth. Because of a determined cost-cutting policy, the Group's EBITDA margin rose by 2.1 pts year on year, finishing at a substantial 57.7%.

- **Earnings from operations**

At September 30, 2013, Maroc Telecom Group's consolidated earnings from operations[3] (EBITA) stood at MAD 8,654 million, a 6.9% increase (+6.9% like for like) from the same period in 2012. Group EBITA included a restructuring provision for MAD 800 million. Excluding this provision, EBITA fell by 2.7% (-2.7% like for like), a decline attributable partly to higher depreciation charges (+3.6%) for significant capital expenditure carried out mainly in Morocco. The operating margin reached 40.3%, an increase of 0.8 pts (excluding restructuring).

- **Cash flow**

During the first nine months of 2013, cash flow from operations (CFFO)[4] fell by 1.9% year on year, to MAD 7,614 million, in line with forecasts. This change reflects the 11.2% decline in CFFO in Morocco, related to scheduled upgrades in broadband networks, though international CFFO growth of 68.8% compensated partially for this decrease.

OVERVIEW OF GROUP ACTIVITIES

- **Morocco**

IFRS in MAD millions	9M 2012	9M 2013	Change
Revenues	17,601	16,118	-8.4%
Mobile	**13,293**	**11,941**	**-10.3%**
Services	*12,884*	*11,692*	*-9.2%*
Equipment	*409*	*249*	-39.1%
Fixed line	**5,018**	**5,523**	**10.1%**
*Fixed-line data**	*1,302*	*1,361*	*4.5%*
Elimination	-711	-1,346	
EBITDA	10,171	9,471	-6.9%
Margin (%)	*57.8%*	*58.8%*	*1.0 pt*
EBITA before restructuring	7,660	6,868	-10.3%
Margin (%)	*43.5%*	*42.6%*	*-0.9 pts*
EBITA	6,860	6,868	+0.1%
CFFO before restructuring	7,392	6,118	-17.2%
CFFO	6,849	6,080	-11.2%

*Fixed-line data include internet, ADSL TV, and data services to businesses.

In the first nine months of 2013, business activities in Morocco fell by 8.4%, to MAD 16,118 million. The lower revenues were due mainly to continuing price cuts, and especially to the widespread adoption of per-second billing in the prepaid mobile sector and to lower mobile termination rates that went into effect in January 2013.

Over the same period, earnings from operations before depreciation and amortization (EBITDA) declined 6.9%, compared with EBITDA in the first nine months of 2012, to MAD 9,471 million. Nevertheless, the EBITDA margin improved by 1 pt because of a 1.7 pt rise in gross margin and a 5.5% fall in operating expenses.

Earnings from operations (EBITA) came to MAD 6,868 million, a 0.1% increase year on year attributable to lower EBITDA and to higher (+3.6%) depreciation charges for large capital expenditures. Excluding the restructuring recognized in 2012, earnings from operations declined by 10.3%. The margin remained high, at 42.6%.

Cash flow from operations in Morocco declined by 11.2%, compared with the same period in 2012, because of higher capital expenditure (+22.4% from upgrades to fixed-line and mobile networks) and lower EBITDA. Excluding restructuring charges, cash flow from operations declined by 17.2%.

Mobile

	Unit	9M 2012	9M 2013	Change
Mobile				
Customer base[5]	**(000)**	**18,022**	**18,311**	**1.6%**
Prepaid	*(000)*	*16,856*	*16,969*	*0.7%*
Postpaid	*(000)*	*1,165*	*1,342*	*15.2%*
3G internet	*(000)*	*1,463*	*1,919*	*31.2%*
ARPU[6]	(MAD/month)	80	70	-12.6%
Data in % of ARPU[7]	*(%)*	*10.1%*	*14.1%*	*4.0 pts*
MOU	(Min/month)	*116*	*140*	*20.4%*
Churn	(%)	*22.7%*	*22.4%*	*-0.3 pts*
Prepaid	(%)	*24.2%*	*24.1%*	*-0.1 pts*
Postpaid	(%)	*15.9%*	*14.8%*	*-1.0 pt*

At September 30, 2013, revenues for the mobile segment had declined year on year by 10.3%, to MAD 11,941 million. In the third quarter, mobile revenues fell by 12.1% because of economic weakness and a competitive environment unfavorable to price elasticity.

At September 30, 2013, the mobile customer base[5] comprised 18.3 million customers, up by 1.6% from a year earlier. This expansion was due mainly to the acquisition of 262,000 new customers in the third quarter, but also to a rise of 0.7% in the prepaid customer base and to a solid growth trend in the postpaid customer base (+15.2%). Enhanced offers and high discounts also contributed to growth. The total churn rate rose slightly, to 22.4% (-0.3 pts, compared with the first nine months of 2012).

Mobile-services revenues declined by 9.2% from a year earlier, reflecting a 9% fall in outgoing revenue—the result of price pressure from competition—and an 11% decline in incoming revenue that followed the reduction in mobile termination rates that took effect on January 1, 2013. Equipment revenue declined by 39.1%, a result of a more disciplined policy governing acquisition costs.

Blended ARPU[6] for the first nine months of 2013 amounted to MAD 70, down by 12.6%. Outgoing ARPU fell by 12.2% because of a 30% decline in prices, partially compensated for by 20.4% growth in consumption. Data[7] use continued to rise, with data contributing 14.1% to ARPU. This growth was attributable mainly to 3G internet,[8] whose customer base stood at 1.919 million customers (+31.2%) at September 30, 2013.

Fixed line and internet

	Unit	9M 2012	9M 2013	Change
Fixed line				
Fixed lines	**(000)**	**1,247**	**1,347**	**8.0%**
Broadband access[9]	**(000)**	**648**	**790**	**21.8%**

Fixed-line and internet activities in Morocco generated revenues of MAD 5,523 million in the first nine months of 2013. This rise of 10.1% was due mainly to the increase in lines leased by the Maroc Telecom mobile segment to the Maroc Telecom fixed-line segment (+92%). Excluding this effect, fixed-line and internet revenues declined by 2.8%. However, in the third quarter, revenues for this segment rose by 0.8%, with growth in fixed-line data more than compensating for a decline in voice use. Boosted by the success of broadband offers, revenues from fixed-line data grew by 4.5%, to MAD 1,361 million.

At September 30, 2013, the fixed-line customer base in Morocco had expanded by 8% year on year, to 1,347,000 lines. This growth was attributable to price cuts, enhanced offers, and the continuing success of ADSL (+21.8% with 790,000 subscribers).

International

IFRS in MAD millions	9M 2012	9M 2013	Change	Change like for like[1]
Revenues	5,220	5,715	9.5%	9.5%
Mauritania	**1,015**	**1,100**	**8.4%**	**10.1%**
Mobile services	*925*	*1,011*	*9.2%*	*11.0%*
Burkina Faso	**1,522**	**1,620**	**6.4%**	**6.1%**
Mobile services	*1,248*	*1,359*	*8.9%*	*8.5%*
Gabon	**958**	**1,084**	**13.1%**	**12.7%**
Mobile services	*514*	*639*	*24.1%*	*23.7%*
Mali	**1,778**	**1,968**	**10.7%**	**10.3%**
Mobile services	*1,508*	*1,688*	*11.9%*	*11.5%*
Elimination	**-53**	**-57**		
EBITDA	**2,354**	**2,912**	**23.7%**	**23.7%**
Margin (%)	*45.1%*	*51.0%*	*5.8 pts*	*5.9 pts*
EBITA	**1,237**	**1,786**	**44.3%**	**44.4%**
Margin (%)	*23.7%*	*31.2%*	*7.5 pts*	*7.6 pts*
CFFO	**909**	**1,534**	**+68.8%**	**-**

Maroc Telecom Group's international business grew strongly during the first nine months of 2013 (+9.5%, and +9.5% like for like), with revenues totaling MAD 5,715 million. A result of growth in mobile customer bases (+19%), this performance was also aided by significant capital expenditure carried out to expand coverage and to improve network quality.

Over the same period, earnings from operations before depreciation and amortization (EBITDA) rose by 23.7% from a year earlier (+23.7% like for like), to MAD 2,912 million. The EBITDA margin of 51% rose sharply by 5.8 pts as a result of an improved (1.5 pts) gross margin and lower (-4.6%) operating expenses.

Earnings from operations (EBITA) amounted to MAD 1,786 million, up 44.3% (+44.4% like for like) from the previous year. The EBITA margin rose by 7.5 pts from the same period in 2012. International business benefited from cost optimization, despite the strong rise of call traffic on subsidiaries networks.

International cash flow from operations (CFFO) improved by 68.8%, to MAD 1,534 million, led by growth in EBITDA and by improved working capital requirements (WCR).

Mauritania

	Unit	9M 2012	9M 2013	Change
Mobile				
Customer base[5]	(000)	2,061	1,879	-8.8%
ARPU[6]	(MAD/month)	53.6	55.2	+2.9%
Fixed lines	**(000)**	**41**	**42**	**+2.8%**
Broadband access[9]	**(000)**	**7**	**7**	**+10.3%**

At September 30, 2013, business in Mauritania had generated revenues of MAD 1,100 million, a rise of 8.4% (+10.1% like for like). This performance was underpinned by mobile-services revenues (+11% like for like) that were boosted by higher consumption and successful, innovative offers for 2G and 3G networks.

The mobile customer base declined year on year by 8.8%, to 1,879 thousand customers, because of intense competition. The fixed-line (42,000) and internet (7,000) customer bases showed annual growth rates of 2.8% and 10.3% respectively.

Burkina Faso

	Unit	9M 2012	9M 2013	Change
Mobile				
Customer base[5]	(000)	3,786	4,219	+11.4%
ARPU[6]	(MAD/month)	39.9	35.9	-10.0%
Fixed lines	**(000)**	**142**	**97**	**-31.2%**
Broadband access[9]	**(000)**	**30**	**26**	**-13.6%**

At September 30, 2013, revenues in Burkina Faso had risen by 6.4% (6.1% like for like), to MAD 1,620 million. This growth was attributable to a larger customer base (+11.4%) and was achieved despite significant price cuts in the fixed-line segment.

The fixed-line and internet customer bases (+31.2% and +13.6% respectively) were strongly impacted by the update of the CDMA customer base, which now comprises 97,000 customers and 26,000 subscribers.

Gabon

	Unit	9M 2012	9M 2013	Change
Mobile				
Customer base[5]	(000)	804	975	+21.3%
ARPU[6]	(MAD/month)	82.2	80.3	-2.3%
Fixed lines	**(000)**	**18**	**19**	**+5.3%**
Broadband access[9]	**(000)**	**7**	**9**	**+25.1%**

At September 30, 2013, revenues amounted to MAD 1,084 million, a rise of 13.1% (+12.7% like for like). This growth was helped by a 24.1% rise in revenues from mobile services, thanks to the sharp expansion of customer base and the positive impact from the alignment of off-net and on-net rates.

The mobile customer base grew by 21.3% as a result of attractive new offers and the quality of the mobile network, named number one in a recent service-quality poll by the Gabonese regulator. The fixed-line (+5.3%) and internet (+25.1%) customer bases continued their steady expansion, attributable to enhanced offers (free fixed-to-fixed calls, lower ADSL rates with double credits) and to new activities for businesses.

Mali

	Unit	9M 2012	9M 2013	Change
Mobile				
Customer base[5]	(000)	6,012	7,980	+32.7%
ARPU[6]	(MAD/month)	34.0	26.5	-21.9%
Fixed lines	**(000)**	**97**	**105**	**+8.6%**
Broadband access[9]	**(000)**	**43**	**49**	**+12.9%**

At September 30, 2013, revenues in Mali amounted to MAD 1,968 million, a rise of 10.7% (+10.3% like for like). This growth was attributable to strong momentum in the mobile customer base (+32.7%) and was achieved despite the halting economic recovery in Mali.

The fixed-line and internet customer bases continued to show steady growth of 8.6% and 12.9% respectively.

Notes

1. Fixed exchange rate have been maintained for MAD / Mauritanian ouguiya / CFA franc.

2. Maroc Telecom consolidates Mauritel, Onatel, Gabon Telecom, Sotelma, and Casanet in its financial statements.

3. EBITA corresponds to earnings from operations before amortization of intangible assets related to business combinations, amortization of goodwill and other intangible assets related to business combinations, and other income and charges related to financial investments and to transactions with shareholders (except those recognized directly in shareholders' equity).

4. CFFO comprises pretax net cash flows from operations (as presented in the statement of cash flows), dividends received from affiliates, and unconsolidated equity interests. CFFO also comprises net capital expenditure, which corresponds to net uses of cash for acquisitions and disposals of property, plant, equipment, and intangible assets.

5. The active customer base comprises prepaid customers who have made or received a voice call (paid or free) or who have sent an SMS or MMS at any time during the past three months, and postpaid clients who have not terminated their agreements.

6. 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, mixed-use ARPU combines both prepaid and postpaid segments.

7. Mobile data revenues include revenues of all nonvoice services billed (SMS, MMS, mobile internet mobile, etc.). As from the second quarter of 2012, revenues from mobile data also include the valuation of 3G internet access at 512 kb/s and 3.6 Mb/s included in all Maroc Telecom postpaid rate plans. The comparison base has been modified retroactively.

8. 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 bases include ADSL and leased lines.

Important

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

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