PRESS RELEASE

Rabat, 23 July 2015

CONSOLIDATED RESULTS FOR H1 2015

Highlights

- **Takeover of operations and consolidation** in the Group's financial statements from 26 January 2015 of **six new operators in Africa;**
- With the acquisition of these new subsidiaries**, the Group's customer bases reached** close to **51 million,** up 32%**;**
- **13.9% increase in consolidated revenues**;
- **The Group's EBITDA margin remained high at 50.7% despite the dilutive effect of the consolidation of the new African subsidiaries;**
- **Continuation of the strong growth of the Fixed-line segment in Morocco (+9.0%)** driven by the increase in Fixed-line (+6.8%) and Broadband (+16%) customer bases;
- **Solid performance in the International segment enhanced by the new African subsidiaries: revenues and EBITDA up 5.3% and 7.0%, respectively, on a like for like basis;**
- Launch of **4G+ services in Morocco**.

Maroc Telecom Group outlook for 2015 following the integration of the new African subsidiaries:

- **Stable revenues, on a like-for-like basis(1);**
- **Slight decline in EBITDA, on a like-for-like basis(1);**
- **CAPEX of approximately 20% of revenues, excluding frequencies and licenses.**

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

"Maroc Telecom Group confirmed its solid results, again demonstrating its ability to withstand attempts leading to value destruction against a backdrop of fierce competition. The launch of 4G+ and the rapid growth of Optical Fiber confirm Maroc Telecom's history as an innovation leader.

The successful operational consolidation of its new subsidiaries is supported by the launch of a major network densification and modernization program to encourage profitable, sustainable and robust growth."

GROUP CONSOLIDATED RESULTS

IFRS in MAD million	H1-2014	H1-2015	Change	Change like-for-like[1]
Revenues	**14,564**	**16,583**	**13.9%**	**0.0%**
EBITDA	**8,034**	**8,413**	**4.7%**	**-0.8%**
Margin (%)	55.2%	50.7%	-4.4 pts	-0.5 pt
EBITA	**5,460**	**5,351**	**-2,0%**	**-2.6%**
Margin (%)	37.5%	32.3%	-5.2 pts	-0.9 pt
Net income – Share of the Group	**3,073**	**2,827**	**-8,0%**	
Margin (%)	21.1%	17.0%	-4.1 pts	-
CAPEX [2]	**2,048**	**2,716**	**32.6%**	**-**
CAPEX / Revenues	14.1%	16.4%	2.3 pts	-
CFFO	**5,091**	**4,706**	**-7.5%**	**-**
Net Debt	**9,564**	**15,125**	**+58.1%**	**-**
Net Debt / EBITDA	0.6x	0.9x	-	-

► Customer base

The Group's customer base totaled nearly 51 million at 30 June 2015, up 32% year-on-year following the consolidation of six new African subsidiaries into the consolidated Group since 26 January 2015. International subsidiaries posted significant growth in their customer bases, with an overall increase of 8.6%, on a like-for-like basis.

► Revenues

As of 30 June 2015, Maroc Telecom group had consolidated revenues[3] of MAD 16, 583 million, up 13.9% compared to the first half of 2014, due to the consolidation of the six African subsidiaries into the consolidated Group. On a like-for-like basis[1] revenues were stable with a 2.0% decline of revenues in Morocco offset by a 5.3% increase in revenues of the international subsidiaries.

► Earnings from operations before depreciation and amortization

In the first half of 2015, earnings from operations before depreciation and amortization (EBITDA) of the Maroc Telecom group amounted to MAD 8,413 million, up 4.7% (-0.8% on a like-for-like basis).This decrease on a like-for-like basis reflects the 4.1% decline in EBITDA in Morocco, which was partially offset by the 7.0% increase in EBITDA in the International subsidiaries.

Despite the dilutive effect of the consolidation of the new African subsidiaries, the Group's EBITDA margin remained high at 50.7%, reflecting a 4.4 points decline from the margin in the first half of 2014 (-0.5 point like-for-like).

► Earnings from operations

As of 30 June 2015, Maroc Telecom group had consolidated earnings from operations [4] (EBITA) of MAD 5,351 million, down 2.0% from the first half of 2014 (-2.6% on a like-for-like basis). This decline was related primarily to the decline in EBITDA and the increase in depreciation and amortization expenses (+2.4% on a like-for-like basis).

► Net income – Share of the Group

At end of June 2015, net income – share of the Group was down 8.0% compared to the first half of the last year, owing to the business decline in Morocco and costs related to the acquisition of new subsidiaries, despite the increase in the contribution of African subsidiaries, which was up by 12.4% on a like-for-like basis.

► Cash Flow

In the first half of 2015, cash flow from operations (CFFO[5]) reached MAD 4,706 million, down 7.5% from the same period in 2014. This decline mainly reflects the payment of MAD910 million for the 4G license in Morocco and the upgrade of the associated spectrum. Excluding licenses and frequencies, Maroc Telecom's CFFO was up 10.3%, with the 62% increase of the CFFO from the International subsidiaries more than offsetting the 5.7% decline of the CFFO from Morocco.

At end of June 2015, the Maroc Telecom group's consolidated net debt[6] was MAD 15 billion, up 58% owing to a 12.7% increase in dividends paid to the shareholders of Maroc Telecom group entities and the EUR474 million acquisition of new subsidiaries from Etisalat on 26 January 2015. Despite these changes, net debt represents just 0.9 times the Group's annualized EBITDA.

► Post-balance-sheet event

On July 2015, Mauritel renewed its 2G license for another 10 years for a fixed price of 10 billion Mauritanian Ouguiyas (301 million Moroccan Dirhams) and a variable annual charge amounting to 2.5% of 2G sales for the entire duration of the license.

► Maroc Telecom Group outlook for 2015 following the integration of the new African subsidiaries

On the basis of the recent changes in the market, and excluding any exceptional events that could impact the Group's business, Maroc Telecom in 2015 is projecting:

- stable revenues, on a like-for-like basis[1];
- a slight decline in EBITDA, on a like-for-like basis[1];
- CAPEX of approximately 20% of revenues, excluding frequencies and licenses.

OVERVIEW OF GROUP ACTIVITIES

- ***Morocco***

IFRS in MAD millions	H1-2014	H1-2015	Change
Revenues	**10,652**	**10,442**	**-2.0%**
Mobile	**7,748**	**7,157**	**-7.6%**
Services	7,506	7,074	-5.8%
Equipment	243	83	-65.7%
Fixed-line	**3,912**	**4,265**	**+9.0%**
o/w Fixed-line Data	982	1 082	+10.2%
Elimination	-1,008	-980	
EBITDA	**6,026**	**5,781**	**-4.1%**
Margin(%)	56.6%	55.4%	-1.2 pt
EBITA	**4,234**	**3,961**	**-6.5%**
Margin (%)	39.7%	37.9%	-1.8 pt
CAPEX	**1,310**	**1,993**	**+52.1%**
CAPEX / Revenues	12.3%	19.1%	+6.8 pts
CFFO	**3,880**	**2,749**	**-29.1%**

*Fixed-line data include Internet, ADSL TV, and Data services to businesses

In the first half of 2015, against a backdrop of sustained competition in Mobile, business in Morocco generated revenues of MAD 10,442 million, down 2.0%, impacted by a decrease in Mobile revenues (-7.6% y-o-y) in a market that continues to decline as a result of continued pressure on prices. This decrease was partially offset by the strong performance of Fixed-line and Internet activities, which grew by 9.0% year-on-year.

Earnings from operations before depreciation and amortisation (EBITDA) amounted to MAD 5, 781 million, down 4.1% from the first half of 2014. EBITDA margin was down 1.2 pt to 55.4%, thanks to controlled interconnection costs and 1.1% decrease in operating costs.

Earnings from operations amounted to MAD3, 961 million, down 6.5% owing to the decline in EBITDA and a 1.6% increase in depreciation charges. EBITA margin was down by 1.8 pts, to 37.9%.

In the first half of 2015, cash flow from operations in Morocco declined 29% to MAD 2, 749 million, following the payment of MAD910 million for the 4G license in Morocco and the upgrade of the associated spectrum. Excluding these items, the CFFO from business activities in Morocco was down 5.7%, reflecting the decrease in EBITDA and investments made for the launch of 4G.

Mobile

	Unit	H1-2014	H1-2015	Change
Mobile				
Customer base[7]	**(000)**	18,163	**18,080**	**-0.5%**
Prepaid	(000)	16,710	16,519	-1.1%
Post-paid	(000)	1,453	1,561	+7.4%
o/w 3G Internet	**(000)**	3,855	**5,448**	**+41.3%**
ARPU[8]	**(MAD/month)**	66.9	**63.5**	**-5.2%**
Data as % of ARPU [9] [10]	**(%)**	15.1%	**18.8%**	**+3.7 pts**

As of 30 June 2015, Mobile customers [7] totalled over 18.0 million, a slight decline of 0.5% year-on-year. The 1.1% decline in the prepaid customer base due to the ban on the sale of pre-actived prepaid SIM cards imposed by the regulatory authorities was partially offset by the 7.4% increase in the number of post-paid customers taking advantage of enriched offers of calling time, SMS text and data across the entire plan range.

Mobile revenues were down 7.6% in the first half of 2015 to MAD 7, 157 million. Mobile services revenues were down 5.8% compared to the same period in 2014, owing to persistent competitive pressure, a continued decline in prepaid and post-paid prices, and a drop in inbound international calls to Morocco.

The combined ARPU[8] for the first six months of 2015 was MAD 63.5,down 5.2% compared to the same period in 2014

The boom in Data services continued to benefit Mobile revenues, representing around 19% of ARPU in the first half of 2015, thanks to the year-on-year increase of 41% in the 3G Internet[11] customer base.

Fixed-line and Internet

	Unit	H1-2014	H1-2015	Change
Fixed-line				
Fixed lines	**(000)**	1,444	**1,543**	**+6.8%**
Broadband access(12)	**(000)**	923	**1,068**	**+15.7%**

The Fixed-line customer base reached 1.5 million lines at end-June 2015, up 6.8%, driven by the Residential segment whose base grew by 9.9%. The DSL customer base, meanwhile, grew by 16% to 1.1 million subscriptions.

Fixed-line and Internet activities in Morocco generated revenues of MAD 4,265 million during the first half of 2015, up 9.0% year-on-year. This performance was the result of sustained growth of the Fixed-line and Broadband customer bases and the development of the wholesale business into Africa.

Fixed-line Data revenues continued to rise (up 10.2% year-on-year to MAD 1,082 million), supported by the growth of DSL (+16%) and VPN IP customers (+9.6%).

- ***International segment***

Financial indicators

Since 26 January 2015, the date on which the subsidiaries' acquisition was finalised, the International segment include the new subsidiaries in the Ivory Coast, Benin, Togo, Gabon, Niger and the Central African Republic, as well as Prestige Telecom, which provides IT services to those entities.

IFRS in MAD millions	H1-2014	H1-2015	Change	Change like-for-like[(1)]
Revenues	**4,210**	**6,556**	**+55.7%**	**+5.3%**
o/w Mobile services	3,456	5,836	+68.9%	+7.7%
EBITDA	**2,008**	**2 632**	**+31,1%**	**+7.0%**
Margin(%)	*47.7%*	*40.1%*	-7.6 pts	+1.0 pt
EBITA	**1,226**	**1,391**	**+13.5%**	**+10.4%**
Margin (%)	29.1%	21.2%	-7.9 pts	+1.4 pt
CAPEX	**738**	**723**	**-5.5%**	**-**
CAPEX/ Revenues	17.5%	11.0%	-6.5 pts	-
CFFO	**1,211**	**1,957**	**+61.5%**	**-**

In the first half of 2015, the Group's International segment activities generated revenues of MAD 6,556 million, up 56% owing to the expansion of the consolidated Group, and 5.3% on a like-for-like basis. This positive performance was due to the sustained growth of 7.9% in revenues generated by the historical subsidiaries, (+8.2% at constant exchange rates) and to the gradual turnaround of the newly acquired subsidiaries, whose revenues increased 0.4% at constant exchange rates. By country, notable performances include the sustained strong growth in Benin and in Gabon Telecom, and the fast-paced growth in Burkina Faso, supported by the expanded offering and the improved quality of network services.

Over the same period, earnings from operations before depreciation and amortisation (EBITDA) totalled MAD 2,632 million, up 31%. On a like-for-like basis, EBITDA rose 7.0%, thanks to the increase in the gross margin, attributable to reduced call termination rates in Gabon and Togo, and a limited increase in operating costs. Consolidation of the new African subsidiaries had a dilutive impact on the EBITDA margin, which declined 7.6 points to 40.1%. On a like-for-like basis, the EBITDA margin was up 1.0 point.

Earnings from operations (EBITA) amounted to MAD 1,391 million, up 13.5% (up 10.4% on a like-for-like basis). The dilutive effect from the consolidation of the six African subsidiaries led to a 7.9 points decline in the operating margin, which stood at 21.2%. On a like-for-like basis, the operating margin improved by 1.4 point.

Cash flow from operations (CFFO) in the International segment rose 62% year-on-year, to MAD 1,957 million. This performance was mainly due to the 31% increase in the CFFO of the historical subsidiaries and the positive contribution of the new subsidiaries, whose significant capital expenditure will start materialising in the second half of 2015.

Operational indicators

	Unit	H1-2014	H1-2015	Change at constant exchange rate[13]
Mobile				
Customer base[7]	(000)			
Mauritania		1,877	2,133	+13.6%
Burkina Faso		5,394	6,381	+18.3%
Gabon Telecom		1,083	1,038	-4.2%
Mali		9,164	9,554	+4.2%
Ivory Cost		-	4,431	+6.4%
Benin		-	2,996	+12.2%
Togo		-	2,008	+11.9%
Moov Gabon		-	421	-14.0%
Niger		-	647	+5.5%
Central Africain Republic		-	143	+8.2%
ARPU[8]	**(MAD/month)**			
Mauritania		62,9	71.0	+12.8%
Burkina Faso		32,1	28.6	-10.9%
Gabon Telecom		82,1	85.4	+4.1%
Mali		21,0	19.7	-6.4%
Ivory Cost		-	34.1	+1.2%
Benin		-	37.5	-3.2%
Togo		-	35.5	+2.9%
Moov Gabon		-	82.2	+64.4%
Niger		-	52.5	+3.5%
Central Africain Republic		-	34.1	-8.0%
Fixed-line				
Customer base	(000)			
Mauritania		43	44	+3.2%
Burkina Faso		86	79	-7.4%
Gabon Telecom		20	18	-8.9%
Mali		120	134	+11.5%
Broadband Access				
Customer base [12]	(000)			
Mauritania		8	9	+18.5%
Burkina Faso		18	15	-14.4%
Gabon Telecom		11	10	-8.4%
Mali		53	56	+6.7%

Notes :

(1) The comparable basis illustrates the effects of the consolidation of the 6 newly acquired subsidiaries as if it actually occurred on January 26, 2014, and the fact that a constant MAD/Mauritanian Ouguiya/CFA franc exchange rate was maintained.
(2) CAPEX corresponds to the acquisitions of tangible and intangible assets accounted for over the period.
(3) Mauritel, Onatel, Gabon Telecom, Sotelma and Casanet are consolidated in the accounts of Maroc Telecom, as well as the new African subsidiaries in Ivory Coast, Benin, Togo, Gabon, Niger, the Central African Republic and Prestige Telecom, which provides IT services to the new subsidiaries, from January 26, 2015, the acquisition date.
(4) EBITA corresponds to operating earnings before amortization of the intangible assets related to business combinations, impairment of goodwill and other intangible assets related to financial investing operations and operations with shareholders (except when they are directly recognized as shareholders' equity).
(5) CFFO includes net cash flows from operations before taxes, as presented in the cash flow statement, as well as dividends from equity affiliates and unconsolidated holdings. It also includes net industrial investments, which correspond to net cash withdrawals related to acquisitions and disposals of tangible and intangible assets.
(6) Borrowings and other current and noncurrent liabilities less cash and cash equivalents, including cash held in escrow for bank loans.
(7) The active customer base comprises prepaid customers who have issued or received a voice call (paid or free of charge) or received SMS/MMS or who have used data services during the past three months, and Postpaid customers whose accounts were not terminated.
(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 combines both prepaid and postpaid segments.
(9) Mobile-data revenues include revenues from all non-voice services billed (SMS, MMS, mobile internet, etc.), including the value of 3G-internet access and SMS included in all Maroc Telecom postpaid rate plans and Jawal Pass.
(10) 2014 data were restated in Q1 2015, following a change in the valuation method of bundled prepaid offers, which is now based on consumed traffic instead of granted traffic.
(11) The active-customer base for mobile 3G 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, and who have used the service during this period.
(12) The broadband customer base includes ADSL access and leased lines in Morocco, and also includes the CDMA base for the historical subsidiaries.
(13) Maintaining a constant exchange rate between the MAD, the Mauritanian ouguiya and the CFA Franc.

Maroc Telecom is an international telecommunications operator in Morocco and a leader in all its business sectors: Fixed Line, Mobile and Internet. It has expanded internationally and is now present in 10 countries. Maroc Telecom has been listed on the Casablanca and Paris stock exchanges since December 2004, its major shareholders are Société de Participation dans les Télécommunications (SPT)* (53%) and the Royal Kingdom of Morocco (30%).

****SPT is a Moroccan law company controlled by Etisalat***

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Consolidated financial statements

ASSETS (in MAD million)	12/31/2014	06/30/2015
Goodwill	6,796	8,573
Other intangible assets	2,958	5,192
Property, plant, and equipment	25,135	28,018
Non-current financial assets	293	342
Deferred tax assets	104	203
Non-current assets	**35,286**	**42,327**
Inventories	400	483
Trade receivables and other	8,713	11,486
Short-term financial assets	112	189
Cash and cash equivalents	1,259	1,652
Assets held for sale	55	55
Current assets	**10,539**	**13,865**
TOTAL ASSETS	45,824	**56,192**

SHAREHOLDERS' EQUITY AND LIABILITIES (in MAD million)	12/31/2014	06/30/2015
Share capital	5,275	5,275
Retained earnings	4,760	4,305
Consolidated income for the financial year	5,850	2,827
Equity attributable to equity holders of the parent	**15,884**	**12,407**
Non-controlling interest	4,278	3,806
Total shareholders' equity	**20,163**	**16,213**
Non-current provisions	366	457
Borrowings and other long-term financial liabilities	325	4,008
Deferred tax liabilities	203	139
Other non-current liabilities	0	0
Non-current liabilities	**893**	**4 ,604**
Trade payables	17,429	21,253
Current tax liabilities	461	522
Current provisions	572	794
Borrowings and other short-term financial liabilities	6,307	12,806
Current liabilities	**24,768**	**35,375**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**45,824**	**56,192**

Comprehensive income statement

(In MAD million)	06/30/2014	06/30/2015
Revenues	**14,564**	**16,583**
Cost of sales	-2,251	-2,943
Payroll costs	-1,402	-1,620
Taxes and duties	-825	-1,076
Other operating income and expense	-1,951	-2,490
Net depreciation, amortization, and provisions	-2,674	-3,103
Earnings from operations	**5,460**	**5,352**
Other income and expense from ordinary activities	-19	-18
Earnings from continuing operations	**5,441**	**5,333**
Income from cash and cash equivalents	5	9
Gross borrowing costs	-152	-178
Net borrowing costs	-148	-169
Other financial income and expense	-7	-147
Net financial income and expense	-155	-316
Income tax	-1,810	-1,724
Net income	**3,477**	**3,294**
Translation gain or loss from foreign activities	-34	-93
Other income and expenses	4	0
Total comprehensive income for the period	3,446	3 201
Net Income	**3,477**	**3,294**
Attributable to equity holders of the parent	3,073	2,827
Non-controlling interests	404	467

Earnings per share	06/30/2014	06/30/2015
Net income – Share of the Group (in MAD million)	3,073	2,827
Number of shares as at Jun 30	879,095,340	879,095,340
Earnings per share (in MAD)	**3.5**	**3.2**
Diluted earnings per share (in MAD)	**3.5**	**3.2**

Consolidated cash flow statement

(In MAD million)	06/30/2014	06/30/2015
Earnings from operations	5,460	5,352
Depreciation, amortization and other non-cash movements	2,674	3,101
Gross cash from operating activities	**8,134**	**8,453**
Other components in the net change in working capital	-427	-203
Net cash flow from operating activities before tax	7,706	**8,250**
Income tax paid	-1,844	-1,644
Net cash from operating activities (a)	**5,863**	**6,606**
Purchases of property, plant and equipment and intangible assets	-2,607	-3,554
Increase in financial investments	-25	-1,729
Disposals of property, plant and equipment and intangible assets	0	1
Decrease in financial investments	1	4
Dividend income received from non-consolidated investments	3	3
Net cash used in investing activities (b)	**-2,627**	**-5,274**
Dividends paid to shareholders	-5,037	-5,793
Dividends paid to minority shareholders by subsidiaries	-765	-748
Changes in equity	0	0
Change in Equity (c)	**-5,801**	**-6,541**
Proceeds from borrowings and increase in other long-term financial liabilities	172	1,341
Proceeds from borrowings and increase in other short-term financial liabilities	0	0
Payments on borrowings and decrease in other short-term financial liabilities	2,239	4,608
Change in net current accounts	0	0
Net interest paid (cash only)	-148	-172
Other cash income or expense used in financing activities	-3	-154
Changes in borrowings and other financial liabilities (d)	**2,261**	**5,622**
Net cash used in financing activities (e)= (c)+(d)	-3,541	-919
Effect of foreign exchange rate changes (f)	5	-21
Total cash flows (a)+(b)+(e)+(f)	**-300**	**392**
Cash and cash equivalents - Beginning of the period	**1,084**	**1,259**
Cash and cash equivalents - End of the period	**785**	**1,652**