

## CONSOLIDATED RESULTS FOR THE FIRST NINE MONTHS OF 2016

### Highlights

- » **Growth of consolidated revenues by 4.6%;**
- » **Sustained growth in Group results:** EBITDA and EBITA rose by 1.4% and 3.2% respectively over the first nine months of the year and the Group share of net income moved up 3.0%;
- » **Continued growth in Morocco revenues,** up 2.4% in the third quarter spurred by growth in the Fixed-line business of 2.4% and a return to growth in the Mobile business, which recorded +1.8% in the third quarter;
- » **Profitable and sustained growth in the African subsidiaries** with revenues up 8.8% on a like-for-like basis;
- » **Strong demand for Mobile Data** due to the accelerated roll out of the 4G+ network in Morocco: important increase in customer base (+17%) and Data traffic (+84%) over the first nine months of 2016.

### Improving 2016 outlooks, at constant scope and exchange rates:

- ▶ **Slight increase in revenues** (vs. stable previously);
- ▶ **Stable EBITDA** (vs. slight decline previously);
- ▶ **CAPEX approximately 20% of revenues, excluding frequencies and licenses.**

*At the time of publication of this press release, Abdeslam Ahizoune, Chairman of the Management Board, noted:*

*"Maroc Telecom confirms the return of growth in all its activities. This result is thanks to major investment efforts in the High and Very High Speed Mobile and Fixed-Line networks in Morocco as well as in its African subsidiaries. The Maroc Telecom group is reasserting its*

*leadership position with the best quality networks, both technical and commercial, supporting the strong growth in its customers' data usage, all while continuing to optimize costs."*

## GROUP CONSOLIDATED RESULTS

IFRS in MAD million	9 M - 2015	9 M - 2016	Change	Change on a like-for-like basis <sup>(1)</sup>
<b>Revenues</b>	25,503	<b>26,674</b>	<b>+4.6%</b>	<b>+3.3%</b>
<b>EBITDA</b>	12,757	<b>12,934</b>	<b>+1.4%</b>	<b>+1.1%</b>
Margin (%)	50.0%	48.5%	-1.5 pts	-1.0 pt
<b>EBITA</b>	8,102	<b>8,361</b>	<b>3.2%</b>	<b>+3.6%</b>
Margin (%)	31.8%	31.3%	-0.4 pts	0.1 pts
<b>Net income, Group share</b>	4,324	<b>4,454</b>	<b>3.0%</b>	
<b>CAPEX<sup>(2)</sup></b>	4,752	<b>5,170</b>	<b>8.8%</b>	
o/w frequencies & licenses	1,222	888		
CAPEX /REV.(excl. frequencies & licenses)	13.8%	16.1%	+2.3 pts	
<b>CFFO</b>	7,033	<b>8,051</b>	<b>14.5%</b>	

### ► Customer base

The Group's customer base exceeded 52 million on 30 September 2016, up 3.2% over one year, supported primarily by increases in the subsidiaries customer base, which grew by 4.6%.

### ► Revenues

Over the first nine months of 2016, Maroc Telecom Group achieved consolidated revenues<sup>(3)</sup> of MAD 26,674 million, an increase of 4.6% (+3.3% on a like-for-like basis). This change reflects a confirmation of growth in revenues in Morocco (+1.9%) and continued growth in revenues of international activities (+8.8% on a like-for-like basis).

### ► Earnings from operations before depreciation and amortization

As of end of September, 2016, Maroc Telecom Group earnings from operations before depreciation and amortization (EBITDA) amounted to MAD 12,934 million, up 1.4% from the previous year (+1.1% on a like-for-like). The increase of 6.5% of EBITDA (+5.5% on a like-for-like basis), in international activities more than offsets the 1.0% drop in EBITDA in Morocco.

The EBITDA margin of the Group amounted to 48.5% over the first nine months of 2016, a decrease of 1.5 points, due to the dilutive effect of integrating the new African subsidiaries into the scope of consolidation. This margin drops 1.0 points on a like-for-like basis.

► **Earnings from operations**

As of end of September 2016, consolidated earnings from operations <sup>(4)</sup> (EBITA) of Maroc Telecom Group amounted to MAD 8,361 million, up 3.2% compared to the same period in 2015 (+3.6% on a like-for-like basis). This increase is due to the increase in EBITDA and to a capital gain of MAD 297 million resulting from the sale of a real estate asset.

► **Group share of net income**

Group share of net income was MAD 4,454 million, up 3.0% compared to the same period in 2015, driven by the strong increase in the contribution of the subsidiaries and by the stable results in Morocco.

► **Cash flow**

During the first nine months of 2016, cash flow from operations (CFFO<sup>(5)</sup>) amounted to MAD 8,051 million, an increase of 14.5% compared to the first nine months of 2015, resulting from both an improved CFFO in Morocco (+16.1%) and that of international activities (+12.0%).

## REVIEW OF GROUP ACTIVITIES

- Morocco

IFRS in MAD million	9 M - 2015	9 M - 2016	Change
<b>Revenues</b>	15,910	<b>16,216</b>	<b>+1.9%</b>
<b>Mobile</b>	10,876	<b>10,717</b>	<b>-1.5%</b>
Services	10,684	10,452	-2.2%
Equipment	192	265	+38.3%
<b>Fixed-line</b>	6,514	<b>6,740</b>	<b>+3.5%</b>
o/w fixed-line data*	1,660	1,798	+8.3%
<b>Eliminations &amp; other revenues</b>	-1,480	<b>-1,241</b>	
<b>EBITDA</b>	8,718	<b>8,630</b>	<b>-1.0%</b>
Margin (%)	54.8%	53.2%	-1.6 pts
<b>EBITA</b>	5,979	<b>5,829</b>	<b>-2.5%</b>
Margin (%)	37.6%	35.9%	-1.7 pts
<b>Capex</b>	3,130	<b>2,355</b>	<b>-24.8%</b>
o/w frequencies & licenses	910		
CAPEX /REV.(excl. frequencies & licenses)	13.9%	<b>14.5%</b>	<b>+0.6 pt</b>
<b>CFFO</b>	4,222	<b>4,902</b>	<b>+16.1%</b>

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

Revenues from activities in Morocco continue their growth trend from the beginning of the year, achieving MAD 16,216 million, with a 3.5% increase in Fixed-line and Internet activities offsetting the 1.5% drop in Mobile revenues.

Revenues for the third quarter alone amounted to MAD 5,601 million, up 2.4% compared to the same period of last year due to the combined impact of the increase in Fixed-line and Internet operations by 2.4% and a return to growth in Mobile activities of 1.8% over the same period.

Earnings from operations before depreciation and amortization (EBITDA) of the first nine months of 2016 amounted to MAD 8,630 million, a contained decline of 1.0% compared to the same period in 2015, as a result of the increase in charges for interconnection to other operators and good control of inflationary pressure on operating costs. The EBITDA margin remained high at 53.2%, down by 1.6 points.

Earnings from operations (EBITA) declined 2.5%, to MAD 5,829 million due to the drop in EBITDA and to the 2.2% increase in depreciation charges. The EBITA margin was 35.9%, down by 1.7 points.

Cash flow from operations in Morocco rose significantly by 16.1% to MAD 4,902 million, essentially due to a favorable comparison effect following payment of MAD 910 million for the 4G license in the second quarter of 2015.

## Mobile

	Unit	9 M - 2015	9 M - 2016	Change
<b>Mobile</b>				
<b>Customer base<sup>(6)</sup></b>	<b>(000)</b>	18,567	<b>18,628</b>	<b>+0.3%</b>
Prepaid	(000)	16,964	16,913	-0.3%
Postpaid	(000)	1,604	1,715	+6.9%
<b>o/w Internet 3G/4G+<sup>(7)</sup></b>	<b>(000)</b>	6,404	<b>7,471</b>	<b>+16.6%</b>
<b>ARPU<sup>(8)</sup></b>	<b>(MAD/month)</b>	63.6	<b>61.9</b>	<b>-2.6%</b>

At 30 September 2016 the Mobile customer base<sup>(6)</sup> reached 18.6 million clients, up by 0.3% in a year, driven by growth of 6.9% among postpaid customers and by strong demand for Mobile Internet<sup>(7)</sup>, whose base continued to expand by 17% over one year to reach 7.5 million customers at end September 2016. Prepaid customers dropped slightly by 0.3%.

The drop in Mobile revenues continued to lessen, reaching -1.5% over the first nine months of the year due to the return to growth by +1.8% recorded during the third quarter of 2016 versus the same period of the previous year.

The revenue from Mobile services rose 3.0% in the third quarter of 2016 to settle at MAD 10,452 million for the first nine months of the year, down slightly by 2.2%.

Combined ARPU<sup>(8)</sup> for the first nine months of 2016, which amounted to MAD 61.9, regressed slightly by 2.6% in relation to the same period in 2015, compared to -5.4% in H1 2016 and -4.7% at end 2015.

The Mobile Data continues its growth through an 84% traffic growth thanks to the increase in customer base and usages and supported by 3G and 4G+ networks which cover respectively 87% and 72% of the population.

### Fixed-line and Internet

	Unit	9 M - 2015	9 M - 2016	Change
<b>Fixed-line</b>				
<b>Fixed lines</b>	<b>(000)</b>	1,552	<b>1,615</b>	<b>+4.0%</b>
<b>Broadband access<sup>(9)</sup></b>	<b>(000)</b>	1,090	<b>1,204</b>	<b>+10.5%</b>

The Fixed-line customer base was nearly 1.6 million lines at end September 2016, up 4.0%, driven by the 7.0% increase in the customer base of the Residential segment. The Broadband customer base grew by 10.5%, to reach 1.2 million subscriptions, as a result of the success of the double play offers.

During the first nine months of 2016, Fixed-line and Internet businesses in Morocco generated revenues of MAD 6,740 million, up by 3.5% compared to the same period in 2015, driven by the surging in Data revenues which increased by 8.3%.

- **International**

### Financial indicators

Since January 26, 2015, the acquisition completion date, international activities include the new subsidiaries in Ivory Coast, Benin, Togo, Niger and Central African Republic, as well as Prestige Telecom which provides IT services to those entities.

IFRS in MAD million	9 M - 2015	9 M - 2016	Change	Change on a like-for-like basis <sup>(1)</sup>
<b>Revenues</b>	10,222	<b>11,485</b>	<b>+12.4%</b>	<b>+8.8%</b>
o/w Mobile Services	9,168	10,374	+13.1%	+9.0%
<b>EBITDA</b>	4,039	<b>4,303</b>	<b>+6.5%</b>	<b>+5.5%</b>
Margin (%)	39.5%	37.5%	-2.0 pts	-1.2 pts
<b>EBITA</b>	2,124	<b>2,532</b>	<b>+19.2%</b>	<b>+20.6%</b>
Margin (%)	20.8%	22.0%	+1.3 pts	+1.9 pts
<b>Capex</b>	1,621	<b>2,815</b>	<b>73.6%</b>	-
o/w frequencies & licenses	312	888		
CAPEX /REV.(excl. frequencies & licenses)	12.8%	16.8%	+4.0 pts	-
<b>CFFO</b>	2,811	<b>3,149</b>	<b>+12.0%</b>	-

For the first nine months of 2016, the Group's international activities recorded revenues of MAD 11,485 million, up 12.4% (+8.8% on a like-for-like basis) through the combined impact of strong revenue growth in the new subsidiaries (+16.9% on a like-for-like basis), especially in Ivory Coast and Niger, and solid revenue growth in the historical subsidiaries (+5.1% on a like-for-like basis).

During the same period, earnings from operations before depreciation and amortization (EBITDA) amounted to MAD 4,303 million, up 6.5% (+5.5% on a like-for-like basis) despite changes in allocation of technical support costs between Maroc Telecom and its subsidiaries. Excluding this item, EBITDA from international activities would be up 10.0% and the margin up 0.7 points on a comparable basis year-on-year, the increase in revenues and the improvement in gross margin of 1.3 pts more than offsetting the increase in operating costs resulting mainly from the increase in taxes and regulatory fees, especially in Benin.

During the same period, earnings from operations amounted to MAD 2,532 million, an increase of 19.2% (+20.6% on a like-for-like basis), due to the increase in EBITDA and capital gains of MAD 297 million resulting from the sale of a real estate asset.

Cash flow from operations (CFFO) of the international businesses grew by 12.0% compared to the same period in 2015, amounting to MAD 3,149 million. The increase in EBITDA and the sale of real estate assets more than offset the increase in Capex especially in the newly acquired subsidiaries.

## Operating indicators

	Unit	9 M - 2015	9 M - 2016	Change
<b>Mobile</b>				
<b>Customer base<sup>(6)</sup></b>	(000)			
Mauritania		2,196	2,051	-6.6%
Burkina Faso		6,570	6,968	+6.1%
Gabon Telecom <sup>(10)</sup>		1,525	1,726	+13.2%
Mali		8,087	6,062	-25.0%
Ivory Coast		4,720	6,305	+33.6%
Benin		3,132	3,700	+18.1%
Togo		2,106	2,352	+11.7%
Niger		671	1,208	+80.1%
Central African Republic		148	145	-2.3%
<b>Fixed-line</b>				
<b>Customer base</b>	(000)			
Mauritania		44	47	+6.0%
Burkina Faso		82	72	-12.5%
Gabon Telecom		18	18	+1.1%
Mali		136	145	+6.9%
<b>Fixed-line broadband</b>				
<b>Customer base<sup>(9)</sup></b>	(000)			
Mauritania		9	11	+16.8%
Burkina Faso		15	14	-8.1%
Gabon Telecom		10	12	+15.9%
Mali		57	60	+4.9%



## Notes:

(1) The like-for-like basis shows the impact of the consolidation of the new African operators as if they had occurred on the 1<sup>st</sup> of January 2015, and as if the MAD/Ouguiya/ CFA franc exchange rate had remained unchanged.

(2) CAPEX corresponds to property, plant, equipment and intangible asset acquisitions recognized over the period.

(3) Maroc Telecom includes Mauritel, Onatel, Gabon Telecom, Sotelma and Casanet in its scope of consolidation, as well as the new African subsidiaries in Ivory Coast, Benin, Togo, Niger, the Central African Republic, along with Prestige Telecom, which has provided IT services to these companies since their acquisition on 26 January 2015.

(4) EBITA corresponds to EBIT before the amortization of intangible assets acquired through business combinations, before impairment of goodwill and other intangibles acquired through business combinations, and before other income and charges related to financial investments and to transactions with shareholders (except where recognized directly in equity).

(5) CFFO comprises pretax cash flows from operations (see 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.

(6) The active customer base is made up of prepaid customers who have made or received a voice call (other than from public telecommunications network operators (ERPT) or from their customer services centers) or have made an SMS/MMS or used Data services, with the exception of technical exchanges of information with ERPT departments, 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 this period.

(8) ARPU is defined as revenues generated by inbound and outbound calls and by data services net of promotional offers, excluding roaming charges and equipment sales, divided by the average customer base for the period. In this instance, blended ARPU combines both prepaid and postpaid segments.

(9) The broadband customer base includes ADSL access and connections leased to Morocco and also includes the CDMA customer base for its historical subsidiaries.

(10) The merger of Gabon Telecom and MOOV Gabon led to the consolidation of their data, especially in terms of customer bases.

### Important notice:

*Forward-looking statements. This press release contains forward-looking statements and information relating to Maroc Telecom's financial position, operating results, strategy and outlook as well as the impacts of certain operations. Although Maroc Telecom believes that these forward-looking statements are based on reasonable assumptions, they are not guarantees of the company's future performance. Actual results may vary significantly from the forward-looking statements due to known and unknown risks and uncertainties, many of which are beyond our control, including the risks described in public documents filed by Maroc Telecom with Moroccan securities regulator ([www.ammc.ma](http://www.ammc.ma)) and the Financial Markets Authority ([www.amf-france.org](http://www.amf-france.org)), also available in French on our site ([www.iam.ma](http://www.iam.ma)). This press release contains forward-looking information that cannot be assessed on the day of its broadcast. Maroc Telecom makes no commitment to complete, update or modify such forward-looking statements as a result of new information, future event or for any other reason, subject to applicable regulations including articles III.2.31 et seq. of the circular of the Moroccan securities regulator and 223-1 et seq. of the general regulations of the Financial Markets Authority.*

**Maroc Telecom is a global telecommunications operator in Morocco, leader in all its business segments including Fixed, Mobile and Internet. It has grown internationally and is now operating in ten countries in Africa. Maroc Telecom is listed simultaneously in Casablanca and in Paris and its shareholders are the Société de Participation dans les Télécommunications (SPT)\* (53%) and the Kingdom of Morocco (30%).**

\* SPT is a Moroccan law corporation controlled by Etisalat.

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