PRESS RELEASE

Rabat, February 27, 2017

2016 CONSOLIDATED RESULTS

Achievements exceeding announced targets:

- » **6.3% growth of Group customer base** to more than 54 million customers;
- » **3.3% growth of consolidated revenues spurred by the African subsidiaries;**
- » **Revenue growth in Morocco** (+1.0%);
- » **Continuing success in international activities** with revenues up 7.1% on a like-for-like basis;
- » **3.2% growth of pre-restructuring Group share of net income;**
- » **Cash flow from operating activities up 17.2%** to MAD 11 billion despite continued investment of nearly MAD 8 billion;
- » **Results beyond stated targets:** on a like-for-like basis, the consolidated revenue and EBITDA up 2.4% and 0.9%;
- » **Ongoing voluntary redundancy plan that benefited so far 700 employees.**

Proposal to distribute 100% of 2016 Group net income which corresponds to a total amount of MAD 5.6 billion, in the form of MAD 6.36 per share representing a return of 4.5%*.

Maroc Telecom Group outlook for 2017:

- ► **Stable revenues;**
- ► **Stable EBITDA;**
- ► **Capex amounting to around 23% of revenues, excluding frequencies and licenses.**

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

"Maroc Telecom Group has ended its fiscal year 2016 with results exceeding expectations. This confirms the dynamic growth in Morocco and internationally as well as the strength of Maroc Telecom strategic vision. The focus in 2017 will be on strengthening its leadership, the growth of its subsidiaries in Africa, the quality of its networks, underpinned by heavy capital investment and a continuous policy of cost control. The successful implementation of a voluntary redundancy plan for employees in Morocco will allow the rejuvenation of its human resources. Maroc Telecom is therefore heading into 2017 quite confident, given the commitment and dedication of its teams and due to its ability to adjust to any technological and market developments."

**Based on its share price on February 24, 2017 (MAD 140).*

GROUP CONSOLIDATED RESULTS

IFRS in MAD millions	2015	2016	Changes	Changes on a like-for-like basis[1]
Revenues	34,134	**35,252**	**+3.3%**	**+2.4%**
EBITDA	16,742	**16,909**	**+1.0%**	**+0.9%**
Margin (%)	49.0%	48.0%	-1.1 pts	-0.7 pts
EBITA before restructuring	10,340	**10,723**	**+3.7%**	**+3.5%**
Margin (%)	30.3%	30.4%	+0.1 pts	+0.3 pts
EBITA after restructuring	10,340	**10,468**	+1.2%	+1.7%
Net income Group share before restructuring	5,595	**5,774**	**+3.2%**	
Margin (%)	16.4%	16.4%	+0.0 pts	
Net income Group share	5,595	**5,598**	**+0.0%**	
CAPEX [2]	8,835	**7,983**	**-9.7%**	
including licenses and frequencies	2,622	888		
CAPEX/Rev. (excluding licenses and frequencies)	18.2%	20.1%	+1.9 pts	
CFFO	9,362	**10,970**	**+17.2%**	
Net debt	12,555	**12,289**	**-2.1%**	
Net debt / EBITDA	0.7x	0.7x		

► Customer base

The Group's customer base comprised more than 54 million customers at end-2016, up steadily 6.3% year-on-year thanks mainly to the African subsidiaries which grew their customer base by 10%.

► Revenues

As of December-end 2016, the Maroc Telecom Group reported consolidated revenues [3] of MAD 35,252 million, up 3.3% on the previous year (+2.4% on a like-for-like basis). This performance reflects revenue growth from Moroccan activities (+1.0%) along with a steady international growth (+7.1% on a like-for-like basis).

► Earnings from operations before depreciation and amortization

At 2016-end, Maroc Telecom Group earnings from operations before depreciation and amortization (EBITDA) amounted to MAD 16,909 million, up 1.0% from the previous year (+0.9% on a like-for-like basis). This like-for-like improvement comes from a 5.0% rise in international EBITDA which more than offsets the 1.3% decline in EBITDA of Moroccan activities. Despite a slight 0.7 point like-for-like decline, Group EBITDA margin remained high at 48.0%.

► Earnings from operations

At 2016-end, Group consolidated earnings from operations (EBITA)(4) were MAD 10,468 million, up 1.2% compared to 2015 (+1.7% on a like-for-like basis), after incorporation of a MAD-255-million restructuring provision for a voluntary redundancy plan in Morocco. Excluding restructuring, Group EBITA would be MAD 10,723 million, up 3.7% (+3.5% on a like-for-like basis), with a margin of 30.4%, up 0.3 points on a like-for-like basis.

► Group share of net income

Group share of net income was MAD 5,598 million, unchanged from 2015. Excluding restructuring expenses for the voluntary redundancy plan, net income would be up 3.2% to MAD 5,774 million reflecting the increasing contribution of subsidiaries, especially those recently acquired which benefit from business stimulation and cost optimization plans.

► Cash flow

Cash flow from operating activities (CFFO(5)) was MAD 10,970 million, up 17.2% compared to end-2015 due to the cash impact of MAD 2.7 billion from 2015 license renewals (MAD 33 million in 2016) despite continuing heavy Group capital expenditure in networks amounting to 20.1% of 2016 revenue.

Although launched in December 2016, the voluntary redundancy plan will not impact Group cash flow until 2017.

As of December 31, 2016, consolidated Maroc Telecom Group debt(6) was down 2.1% to reach MAD 12.3 billion. This represents only 0.7 times the Group's annual EBITDA.

► Dividends

The Supervisory Board of Maroc Telecom will propose to the general shareholders' meeting on April 25, 2017 to effect the payment of an ordinary dividend of MAD6.36 per share, representing a total amount of MAD 5.6 billion. This dividend corresponds to 100% of distributable Group share of earnings from 2016. The dividend payment date would be from June 2, 2017.

► Maroc Telecom Group outlook for 2017

Based on the recent changes in the market, to the extent that no new major exceptional event impacts the Group's business, Maroc Telecom is projecting the following for 2017:

- Stable revenues;
- Stable EBITDA;
- Capex amounting to around 23% of revenues, excluding frequencies and licenses.

REVIEW OF GROUP ACTIVITIES

- ***Morocco***

IFRS in MAD million	2015	2016	Changes
Revenues	21,033	**21,244**	**1.0%**
Mobile	14,276	**14,115**	**-1.1%**
Services	14,058	**13,806**	-1.8%
Equipment	219	**309**	41.2%
Fixed-line	8,728	**8,829**	**+1.1%**
including fixed-line data*	2,263	2,427	+7.2%
Eliminations and other revenues	-1,971	**-1,700**	
EBITDA	11,144	**11,004**	**-1.3%**
Margin (%)	53.0%	51.8%	-1.2 pts
EBITA before restructuring	7,386	**7,157**	**-3.1%**
Margin (%)	35.1%	33.7%	-1.4 pts
EBITA after restructuring	7,386	**6,902**	-6.5%
CAPEX	4,792	**3,905**	**-18.5%**
including licenses and frequencies	926	-	
CAPEX/Rev. (excluding licenses and frequencies)	18.4%	18.4%	+0.0 pts
CFFO	6,576	**7,124**	**+8.3%**
Net debt	11,741	**10,937**	
Net debt / EBITDA	1.0x	1.0x	

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

During fiscal year 2016, operations in Morocco generated revenues of MAD 21,244 million, up 1.0%. Fixed-Line and Internet activities continued growing (+1.1% compared to 2015) and, along with the larger contribution from subsidiaries, offset the slight decline in Mobile revenues (-1.1%) due to a more stringent regulatory environment.

Earnings from operations before interest, amortization and depreciation (EBITDA) were MAD 11,004 million, down 1.3% from 2015 due to lower gross margin and a slight increase in operating costs (+2.4%). Although down 1.2 points, EBITDA margin was still high at 51.8%.

Earnings from operations were MAD 6,902 million, down 6.5% reflecting the decline in EBITDA, the 2.3% increase in depreciation charges and the restructuring provisions for the voluntary redundancy plan amounting to MAD 255 million. Excluding restructuring, EBITA was down by 3.1% to MAD 7,157 million, representing a margin of 33.7%.

Cash flow from operations in Morocco was up 8.3% at MAD 7,124 million, after paying MAD 926 million in 2015 for 4G licenses and frequencies and despite the faster pace of capital investment in Very High Speed Fixed and Mobile technology that reached 18.4% of 2016 revenue.

Mobile

	Unit	2015	2016	Changes
Mobile				
Customer base[7]	**(000)**	**18,298**	**18,375**	**+0.4%**
Prepaid	(000)	16,649	16,645	0.0%
Postpaid	(000)	1,649	1,729	+4.9%
including Internet 3G/4G+[8]	**(000)**	**6,502**	**7,844**	**+20.6%**
ARPU[9]	**(MAD/month)**	**62.5**	**61.1**	**-2.2%**

As of December 31, 2016, the Mobile customer base[7] comprised 18.4 million clients, up 0.4% year-on-year, driven by the 4.9% increase in postpaid customers and Mobile internet subscribers who were up 21% over the year. As for the prepaid customer base was steady over the year.

The drop in Mobile revenues continued to lessen (-1.1% in 2016 vs. -6.2% in 2015) thanks to increased Data traffic. The 12.7% decline in prices weighed on Mobile revenues which amounted to MAD 13,806 million, down 1.8% from 2015.

Blended 2016 ARPU[9] was nearly MAD 61, slightly down by 2.2% compared to the same period in 2015.

With a 96% increase in traffic, Mobile Data continued to take off, supported by the rapid expansion of 3G and 4G+ networks covering 87% and 73% of the population respectively.

Fixed-line and Internet

	Unit	2015	2016	Changes
Fixed-line				
Fixed lines	**(000)**	1,583	**1,640**	**+3.6%**
Broadband access(10)	**(000)**	1,136	**1,241**	**+9.2%**

The Fixed-line customer base was 1.6 million lines at December-end 2016, up 3.6%, driven by the Residential segment which increased its customer numbers by 6.0%. Driven by Double-Play plans, the ADSL base grew by 9.2% to 1.2 million subscribers.

Fixed-Line and Internet continued their solid growth with MAD 8,829 million in revenues, up 1.1% compared to the same period the previous year, sustained by the growth of Data whose revenues grew by 7.2%.

- ***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	2015	2016	Changes	Changes on a like-for-like basis(1)
Revenues	14,010	**15,326**	**+9.4%**	**+7.1%**
including Mobile Services	12,589	13,815	9.7%	+7.2%
EBITDA	5,599	**5,905**	**+5.5%**	**+5.0%**
Margin (%)	40.0%	38.5%	-1.4 pt	-0.8 pt
EBITA	2,954	**3,565**	**+20.7%**	**+22.0%**
Margin (%)	21.1%	23.3%	+2.2 pts	+2.9 pts
CAPEX	4,043	**4,077**	**0.9%**	
including licenses and frequencies	1,696	888		
CAPEX/Rev. (excluding licenses and frequencies)	16.8%	20.8%	+4.0 pts	
CFFO	2,785	**3,847**	**38.1%**	
Net Debt	4,679	**4,670**		
Net debt / EBITDA	0.8x	0.8x		

At December-end 2016, Group international activities reported MAD 15,326 million revenue, up 9.4% (+7.1% on a like-for-like basis) reflecting increasing revenues by new subsidiaries (+14.6% on a like-for-like basis), especially Ivory Coast and Niger, as well as historic subsidiaries (+3.6% at constant change[11]).

Earnings from operations before interest and depreciation (EBITDA) at end-2016 amounted to MAD 5,905 million, up 5.5% (+5.0% on a like-for-like basis) despite new taxes and royalties and non-recurring charges. Excluding scope effects (full-year consolidation of new subsidiaries), and non-recurring items, EBITDA margin on international operations would remain stable, with cost optimization programs offsetting new taxes and royalties.

Earnings from operations amounted to MAD 3,565 million, up 20.7% (+22.0% on a like-for-like basis) reflecting the increase in EBITDA, and the capital gain realized from the sale of a real estate asset (MAD 297 million). The EBITA margin was 23.3%, up 2.2 points (+2.9 points on a like-for-like basis).

Cash flow from international operations was up 38.1% compared to 2015, driven by EBITDA growth, the sale of real estate, and the positive comparative effect from licenses payment in 2015 (in Mauritania, Niger, Gabon, and Côte d'Ivoire) amounting to MAD 1,787 million. Capital expenditure in networks increased to 20.8% of revenues (compared to 16.8% in 2015) to support business growth particularly in Fixed-Line and Mobile Data, and the gain in market share.

Operating indicators

	Unit	2015	2016	Changes
Mobile				
Customer base[7]	(000)			
Mauritania		2,121	1,984	-6.4%
Burkina Faso		6,760	7,017	+3.8%
Gabon Telecom [12]		1,597	1,690	+5.8%
Mali		7,431	7,087	-4.6%
Ivory Coast		5,151	6,840	+32.8%
Benin		3,266	3,727	+14.1%
Togo		2,141	2,463	+15.0%
Niger		810	1,418	+75.2%
Central African Republic		149	144	-3.1%
Fixed-Line				
Customer base	(000)			
Mauritania		45	48	+5.6%
Burkina Faso		75	76	+0.9%
Gabon Telecom		19	19	+0.6%
Mali		138	149	+8.2%
Fixed-line broadband				
Customer base [10]	(000)			
Mauritania		10	11	+10.0%
Burkina Faso		15	14	-9.0%
Gabon Telecom		11	13	+18.3%
Mali		58	61	+6.4%

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 1st 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 when recognized directly in equity).
(5) CFFO comprises pretax net 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) Borrowings and other current and non-current liabilities less cash and cash equivalents, including cash held in escrow for bank loans.
(7) 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.
(8) 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.
(9) 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.
(10) The broadband customer base includes ADSL access and connections leased to Morocco and also includes the CDMA customer base for its historical subsidiaries.
(11) Maintenance of a constant MAD/Ouguiya/CFA Franc exchange rate.
(12) The merger of Gabon Telecom and MOOV Gabon led to the consolidation of their data, especially in terms of customer bases.

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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Consolidated Financial statements

ASSETS (in MAD million)	12.31.2015*	12.31.2016
Goodwill	8,440	8,360
Other intangible assets	7,123	7,378
Property, plant, and equipment	29,339	29,981
Non-current financial assets	329	327
Deferred tax assets	429	276
Non-current assets	45,660	46,322
Inventories	375	324
Trade receivables and other	11,192	12,001
Short-term financial assets	126	156
Cash and cash equivalents	3,082	2,438
Assets held for sale	113	54
Current assets	14,889	14,974
TOTAL ASSETS	**60,549**	**61,296**

SHAREHOLDERS' EQUITY AND LIABILITIES (in MAD million)	12.31.2015*	12.31.2016
Share capital	5,275	5,275
Retained earnings	4,474	4,604
Consolidated income for the financial year	5,595	5,598
Equity attributable to equity holders of the parent	15,344	15,476
Non-controlling interest	4,360	3,822
Total shareholders' equity	19,704	19,298
Non-current provisions	535	470
Borrowings and other long-term financial liabilities	6,039	4,666
Deferred tax liabilities	282	266
Other non-current liabilities	0	0
Non-current liabilities	6,855	5,402
Trade payables	22,827	24,626
Current tax liabilities	714	651
Current provisions	834	1 208
Borrowings and other short-term financial liabilities	9,615	10,110
Current liabilities	33,990	36,596
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**60,549**	**61,296**

*****In accordance with IFRS 3, the financial statements presented on 31 December 2015 (Goodwill and trade payables) have been restated to reflect the final allocation of Moov subsidiaries' purchase price.

Comprehensive Income Statement

(In MAD million)	2015	2016
Revenues	34,134	35,252
Cost of sales	-6,046	-6,223
Payroll costs	-3,245	-3,260
Taxes and duties	-2,377	-2,971
Other operating income and expense	-5,323	-5,486
Net depreciation, amortization, and provisions	-6,804	-6,845
Earnings from operations	10,340	10,468
Other income and expense from ordinary activities	-46	-47
Earnings from continuing operations	10,294	10,421
Income from cash and cash equivalents	14	10
Gross borrowing costs	-454	-333
Net borrowing costs	-439	-322
Other financial income and expense	-126	-124
Net financial income and expense	-565	-446
Income tax	-3,152	-3 347
Net income	6,577	6,628
Exchange gain or loss from foreign activities	-78	-276
Other income and expenses	1	-23
Total comprehensive income	6,499	6,329
Net income	**6,577**	**6,628**
Attributable to equity holders of the parent	5,595	5,598
Non-controlling interests	982	1,031

Earnings per share	2015	2016
Net income – Share of the Group (in MAD million)	5,595	5,598
Number of shares as at December 31	879,095,340	879,095,340
Earnings per share (in MAD)	**6.4**	**6.4**
Diluted earnings per share (in MAD)	**6.4**	**6.4**

Consolidated Cash Flow Statement

(In MAD million)	2015	2016
Earnings from operations	10,340	10,468
Depreciation, amortization and other non-cash movements	6,804	6,548
Gross cash from operating activities	17,143	17,016
Other components in the net change in working capital	444	-145
Net cash flow from operating activities before tax	17,587	16,871
Income tax paid	-3,018	-3,388
Net cash from operating activities (a)	14,569	13,483
Purchases of property, plant and equipment and intangible assets	-8,352	-6,251
Purchases of consolidated companies , after acquired cash	-51	-66
Increase in financial investments	-467	-219
Disposals of property, plant and equipment and intangible assets	2	414
Decrease in financial investments	30	22
Dividend income received from non-consolidated investments	9	5
Net cash used in investing activities (b)	-8,828	-6,094
Capital increase	0	-122
Dividends paid to shareholders	-6,065	-5,590
Dividends paid to minority shareholders by subsidiaries	-996	-1,210
Changes in equity	-7,061	-6,922
Proceeds from borrowings and increase in other long-term financial liabilities	2,800	307
Proceeds from borrowings and increase in other short-term financial liabilities	2,813	1,352
Payments on borrowings and decrease in other short-term financial liabilities	-2,012	-2,299
Net interest paid	-446	-265
Other cash income or expense used in financing activities	-103	-153
Changes in borrowings and other financial liabilities	3,053	-1,058
Net cash used in financing activities (d)	-4,008	-7,979
Effect of foreign exchange rate changes and other non-cash items (g)	91	-53
Total cash flows (a)+(b)+(d)+(g)	1,823	-644
Cash and cash equivalents - Beginning of the period	**1,259**	**3,082**
Cash and cash equivalents - End of the period	**3,082**	**2,438**