

2009 CONSOLIDATED FINANCIAL STATEMENTS



Consolidated Balance Sheets as at December 31, 2009 and 2008

ASSETS <i>(In millions of Moroccan dirhams)</i>	December 31, 2009	December 31, 2008
Goodwill	7,271	2,117
Other intangible assets	3,723	3,889
Property, plant and equipment net	21,468	18,684
Investments in equity affiliates	0	0
Non-current financial assets	572	326
Deferred tax assets	63	17
Non-current assets	33,096	25,033
Inventories	653	744
Trade accounts receivable and other	11,196	9,827
Current financial assets	45	105
Cash and cash equivalent	874	2,678
Available for-sale assets	56	96
Current assets	12,824	13,450
TOTAL ASSETS	45,920	38,483
SHAREHOLDERS' EQUITY AND LIABILITIES <i>(In millions of Moroccan dirhams)</i>	December 31, 2009	December 31, 2008
Share capital	5,275	5,275
Retained earnings	3,864	3,914
Net earnings	9,425	9,520
Capital attributable to equity holders of the parents	18,564	18,709
Minority interests	4,369	1,647
Total shareholders' equity	22,934	20,356
Non-current provisions	230	180
Borrowings and other non-current financial liabilities	3,108	1,039
Deferred tax liabilities	126	100
Non-current liabilities	3,464	1,319
Trade accounts payable	17,176	14,763
Current income tax liabilities	146	114
Current provisions	503	519
Borrowings and other current financial liabilities	1,697	1,412
Current liabilities	19,522	16,808
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	45,920	38,483

Consolidated Income Statements for 2009 and 2008

(In millions MAD)

	2009	2008
Revenues	30,339	29,521
Cost of purchases	-4,874	-4,471
Payroll costs	-2,604	-2,705
Taxes and duties	-877	-754
Other operating income (expenses)	-3,783	-3,643
Net depreciation, amortization and provisions	-4,193	-4,059
Earnings from operations	14,008	13,889
Other income and charges from ordinary activities	-5	-14
Income from equity affiliates	43	-62
Earnings from continuing operations	14,046	13,812
Income from cash and cash equivalents	79	112
Borrowings costs	-228	-106
Net borrowing costs	-149	6
Other financial income and expenses	2	388
Net financial income (expense)	-147	394
Income tax expense	-4,120	-4,196
Net earnings	9,779	10,010
Exchange gain or loss from foreign activities	-57	16
Other incomes and expenses		
Earnings	9,722	10,026
Net earnings	9,779	10,010
Attributable to equity holders of the parents	9,425	9,520
Minority interests	354	490
Earnings	9,722	10,026
Attributable to equity holders of the parents	9,403	9,526
Minority interests	319	500
EARNINGS PER SHARE (In Moroccan Dirham)	2009	2008
Net earnings - group share	9,425	9,520
Numbers of shares at December 31	879,095,340	879,095,340
Earnings per share	10.7	10.8
Diluted earnings per share	10.7	10.8

Consolidated Statements of Cash Flows for 2009 and 2008

	2009	2008
Earnings from operations	14,008	13,889
Amortization and other adjustments	4,046	3,971
Gross Cash Earnings	18,055	17,859
Other elements of the net change in working capital	576	-1 350
Cash flow from operating before income tax expense	18,631	16,510
Tax paid	-3,815	-4,930
Net cash from operating activities (a)	14,816	11,580
Purchase of PP&E and intangible assets	-5,585	-4,972
Purchase of consolidated investments	-3,045	
Purchase of equity affiliates		-18
Increase in financial assets	-153	-80
Disposals of PP&E and intangible assets	153	228
Decrease in financial assets	39	4
Dividends received from non-consolidated investments	8	1
Net cash used in investing activities (b)	-8,583	-4,838
Share capital increase	43	19
Dividends paid by Maroc Telecom	-9,516	-8,088
Dividends paid by subsidiaries to minority shareholders	-160	-146
Changes in share capital	-9,633	-8,215
Borrowings and increase in other non-current financial liabilities	2,997	208
Payments on borrowings and decrease in other non-current financial liabilities	-58	-9
Borrowings and increase in other current financial liabilities	67	308
Payments on borrowings and decrease in other current financial liabilities	-1,026	-263
Changes in shareholders' current accounts debtors/financial creditors	-167	162
Net interests (only Cash)	-149	5
Other cash expenses (income) used in financing activities	-34	1
Changes in borrowings and other financial liabilities	1,631	412
Net cash used in financing activities (d)	-8,002	-7,803
Effect of foreign currency adjustments and other non-cash expenses (income) (G)	-35	13
Change in cash and cash equivalents (a)+(b)+(d)+(g)	-1,804	-1,048
Cash and cash equivalents at beginning of period	2,678	3,725
Cash and cash equivalents at end of period	874	2,678

Consolidated Statement of Changes in Equity for the years 2009 and 2008

(in millions of Moroccan dirhams)	Share capital	Other adjustments	Cumulative translation differences	Earnings and retained earnings	Attributable to equity holders of the parents	Minority interests	Total
Balance at January 1, 2008	5,276	-11	-25	12,105	17,380	1,254	18,634
Dividends				-8,088	-8,088	-158	-8,246
Earnings for the year				9,520	9,520	490	10,010
Exchange gain or loss from foreign activities			6	6	6	10	16
Earnings for the period	0	-	6	9,526	9,526	500	10,026
Treasury stock		-31		-31	-31		-31
Other adjustments		-78		-78	-78	52	-26
Changes in scope of consolidation (*)							-
Balance at December 31, 2008	5,276	-120	-19	13,434	18,709	1,647	20,357
Dividends				-9,516	-9,516	-145	-9,661
Earnings for the year				9,425	9,425	354	9,779
Exchange gain or loss from foreign activities			-22	-22	-22	-35	-57
Earnings for the period	0	0	-22	9,403	9,403	319	9,722
Treasury stock		-64		-64	-64		-64
Other adjustments		32		32	32	224	256
Changes in scope of consolidation (*)						2,324	2,324
Balance at December 31, 2009	5,276	-152	-41	13,289	18,564	4,370	22,934

(*) change in scope of consolidation :

Onatel has been fully consolidated since January 1, 2007.

Gabon Telecom has been fully consolidated since March 1, 2007.

Mobisud France has been taken out from the scope of consolidation since June 1, 2009

Sotelma has been fully consolidated since August 1, 2009

Note 1. Accounting principles and valuation methods

1. Significant events

May 2009: Maroc Telecom sold a 10% stake in Medi 1 Sat to FIPAR Holding;

June 2009: Maroc Telecom sold Mobisud France to SFR for €1;

July 2009: Maroc Telecom acquired a 51% stake in Sotelma (the incumbent operator in Mali) for an amount of MAD3,144 million;

The revised version of IFRS3 insert amendments to the purchase accounting as described in IFRS3 before review.

(In millions MAD)	August 1, 2009
Adjusted net equity- group share	164
Acquisition price	3,144
Goodwill - group share	2,980
Goodwill- minority interests	2,166
Full goodwill	5,147

The goodwill of Sotelma is calculated by applying the revised version of IFRS3 (full goodwill: goodwill group share and goodwill minority interests).

The indicators of Sotelma are presented as follows :

(In millions MAD)	2009	2008
Revenues	554	529
Fixed-lines	145	175
Mobile	414	363
Earnings from operations	63	21
Net earnings group share	22	-2

The revenues have been prepared in accordance with all the mandatory International Financial Reporting Standards (IFRS). But not all the mandatory apported by International Financial Reporting Standards (IFRS) were applied concerning the calculation of the earnings from operations and the net equity waiting for the finalization of the project of conversion to the International Standards

Note 2: Scope of consolidation at December 31, 2009 and 2008

Company name	Legal form	% Group interest	% Capital held	Consolidation method
Maroc Telecom Avenue Annakhil Hay Riad Rabat - Morocco	SA	100%	100%	FC
Compagnie Mauritanienne de Communication (CMC) 2009 December 31, 2008 Avenue Roi Fayçal Nouakchott - Mauritania	SA	80% 80%	80% 80%	FC FC
Mauritel SA 2009 December 31, 2008 Avenue Roi Fayçal 7000 Nouakchott - Mauritania	SA	41% 41%	52% 52%	FC FC
Onatel 2009 December 31, 2008 705, AV. de la nation 01 BP 10000 Ouagadougou - Burkina Faso	SA	51% 51%	51% 51%	FC FC
Telmob 2009 December 31, 2008 705, AV. de la nation 01 BP 10000 Ouagadougou - Burkina Faso	SA	51% 51%	51% 51%	FC FC
Gabon Telecom 2009 December 31, 2008 B.P.40 000 LIBREVILLE – GABON	SA	51% 51%	51% 51%	FC FC
Libertis 2009 December 31, 2008 BP8900 immeuble 9 étages Libreville- GABON	SA	51% 51%	51% 51%	FC FC
Médi-1 sat 2009 December 31, 2008 Zone franche, lot n°31 BP 2397 - Tanger - Morocco	SA	31% 37%	31% 37%	EM EM
Mobisud France 2009 December 31, 2008 86, avenue de saint ouen 75018 Paris - France	SA	0% 66%	0% 66%	- FC
Mobisud Belgique 2009 December 31, 2008 Avenue Louise 283 Bte 4 1050 Bruxelles - Belgium	SA	100% 100% -	100% 100% -	FC FC -
Sotelma 2009 December 31, 2008 Route de Koulikoro, quartier Hippodrome, BP 740, Bamako - Mali	SA	51% -	51% -	FC -

Note 4: Other intangible assets at December 31, 2009 and 2008

<i>(In millions MAD)</i>	December 31, 2009	December 31, 2008
Patents, trademarks and similar rights	1,271	1,271
Mobile license	603	668
Other intangible assets	1,849	1,950
Net total	3,723	3,889

2009

<i>(In millions MAD)</i>	2008	Acquisitions and additions	Disposals and withdrawals	Translation adjustments	Change in scope of consolidation	Reclassification	2009
Gross	7,969	693	0	-27	12	-279	8,368
Patents, trademarks and similar rights	2,397	1	0	0	0	0	2,398
Mobile license	896	0	0	-17	5	0	883
Other intangible assets	4,676	693	0	-10	7	-279	5,088
Amortization and impairment	-4,080	-1,077	0	15	-8	504	-4,646
Patents, trademarks and similar rights	-1,126	-1	0	0	0	0	-1,127
Mobile license	-228	-60	0	9	-2	0	-280
Other intangible assets	-2,726	-1,016	0	6	-6	504	-3,238
Net total	3,889	-384	0	-12	4	225	3,723

2008

<i>(In millions MAD)</i>	2007	Acquisitions and additions	Disposals and withdrawals	Translation adjustments	Change in scope of consolidation	Reclassification	2008
Gross	6,776	834	0	6	7	346	7,969
Patents, trademarks and similar rights	2,424	8	0	0	0	-35	2,397
Mobile license	893	0	0	3	0	0	896
Other intangible assets	3,459	827	0	2	7	381	4,676
Amortization and impairment	-3,131	-954	0	-2	0	7	-4,080
Patents, trademarks and similar rights	-1,156	0	0	0	0	30	-1,126
Mobile license	-166	-59	0	-2	0	-2	-228
Other intangible assets	-1,810	-894	0	-1	0	-22	-2,726
Net total	3,644	-119	0	3	7	353	3,889

Note 5: Property, plant and equipment at December 31, 2009 and 2008

<i>(In millions MAD)</i>	December 31, 2009	December 31, 2008
Land	1,395	1,354
Buildings	1,909	2,000
Technical plant, machinery and equipment	13,080	10,888
Transportation equipment	151	63
Office equipment, furniture and fittings	846	789
Other property, plant and equipment	4,087	3,590
Total net	21,468	18,684

2009

(In millions MAD)

	2008	Acquisitions and additions	Disposals and withdrawals	Translation adjustments	Change in scope of consolidation	Reclassification	Assets held for sale	2009
Gross	48,062	5 153	-892	-41	4 671	-310	44	56,687
Land	1,362	6	-35	1	33	0	36	1,403
Buildings	5,706	176	-6	-1	122	-166	8	5,839
Technical plant, machinery and equipment	34,157	3,739	-549	-27	4,449	-112	0	41,657
Transportation equipment	266	104	-1	-1	43	-3	0	409
Office equipment, furniture and fittings	2,810	310	0	-1	0	-1	0	3,117
Other property, plant and equipment	3,761	818	-301	-12	24	-28	0	4,262
Depreciation and impairment	-29,378	-3,036	553	-54	-3,566	266	-4	-35,220
Land	-8	0	0	0	0	0	0	-8
Buildings	-3,706	-218	4	-2	-73	69	-4	-3,930
Technical plant, machinery and equipment	-23,269	-2,541	549	-55	-3,452	190	0	-28,577
Transportation equipment	-203	-18	1	1	-41	3	0	-258
Office equipment, furniture and fittings	-2,021	-254	0	1	0	3	0	-2,271
Other property, plant and equipment	-171	-5	0	0	0	0	0	-175
Total net	18,684	2,116	-339	-95	1,105	-44	40	21,468

2008

(In millions MAD)

	2007	Acquisitions and additions	Disposals and withdrawals	Translation adjustments	Change in scope of consolidation	Reclassification	Assets held for sale	2008
Gross	43,595	5,122	-121	-33	121	-541	-81	48,062
Land	1,311	17	-28	-3	121	0	-57	1,362
Buildings	5,557	147	0	-7	0	-1	11	5,706
Technical plant, machinery and equipment	31,398	2,964	-82	-25	0	-63	-35	34,157
Transportation equipment	265	16	-9	-1	0	-6	0	266
Office equipment, furniture and fittings	2,517	287	0	-1	0	7	0	2,810
Other property, plant and equipment	2,547	1,691	-2	3	0	-478	0	3,761
Depreciation and impairment	-26,724	-2,822	91	26	0	43	10	-29,378
Land	-6	0	0	0	0	0	-1	-8
Buildings	-3,546	-177	0	5	0	1	11	-3,706
Technical plant, machinery and equipment	-21,040	-2,359	82	19	0	29	0	-23,269
Transportation equipment	-204	-21	9	0	0	13	0	-203
Office equipment, furniture and fittings	-1,790	-232	0	1	0	0	0	-2,021
Other property, plant and equipment	-137	-34	0	0	0	0	0	-171
Total net	16,870	2,299	-30	-7	121	-499	-70	18,684

Note 7: Non-current financial assets at December 31, 2009 and 2008

(In millions MAD)

	December 31, 2009	December 31, 2008
Non-consolidated investments	115	104
Other financial assets (a)	457	222
Net total	572	326

Other financial assets (a)

(In millions MAD)

	December 31, 2009	December 31, 2008
Due within one year	282	12
Due between 1 and 5 years	156	156
Due after 5 years	20	54
Net total	457	222

Details of non-consolidated investments

2009

(In millions MAD)

	% Interest	Gross	Impairment	Net carrying amount	Earnings	Total equity
Casnet (1)	100%	18	0	18	ND	ND
Matelca (2)	50%	NS	NS	NS	ND	ND
Arabsat	NS	13	0	13	ND	ND
Autoroute du Maroc	NS	20	4	16	ND	ND
Thuraya	NS	10	0	10	ND	ND
Fond d'amorçage Sindbad	10%	5	5	0	ND	ND
Rascom	NS	47	10	37	ND	ND
Sonatel	NS	6	0	6	ND	ND
CMTL	NS	6	4	2	ND	ND
INMASAT	NS	13	0	13	ND	ND
Total		138	23	115	ND	ND

2008

(In millions MAD)

	% Interest	Gross	Impairment	Net carrying amount	Earnings	Total equity
Casnet (1)	100%	18	0	18	ND	ND
Matelca (2)	50%	NS	NS	NS	ND	ND
Arabsat	NS	13	0	13	ND	ND
Autoroute du Maroc	NS	20	4	16	ND	ND
Thuraya	NS	10	0	10	ND	ND
Fond d'amorçage Sindbad	10%	5	5	0	ND	ND
Rascom	NS	34	8	26	ND	ND
Sonatel	NS	5	0	5	ND	ND
CMTL	NS	6	4	2	ND	ND
INMASAT	NS	12	0	12	ND	ND
Titre SDM	NS	1	0	1	ND	ND
Total		125	21	104	ND	ND

Note 10: Trade accounts receivables and other at December 31, 2009 and 2008

<i>(In millions MAD)</i>	<u>December 31,</u> <u>2009</u>	<u>December 31,</u> <u>2008</u>
Accounts receivable	8,901	7,858
Other receivables and accruals	2,295	1,969
Net total	11,196	9,827

Accounts receivable

<i>(In millions MAD)</i>	<u>December 31,</u> <u>2009</u>	<u>31 décembre</u> <u>2008</u>
Trade receivables	11,179	10,650
Trade receivables	3,406	2,314
Impairment of receivables (-)	-5,684	-5,106
Net total	8,901	7,858

Other receivables and accruals

<i>(In millions MAD)</i>	<u>December 31,</u> <u>2009</u>	<u>December 31,</u> <u>2008</u>
Trade payables, advances and downpayments	288	323
Employee accounts	68	41
Tax receivables	1,067	1,102
Other receivables	774	382
Accruals	98	121
Net total	2,295	1,969

Note 14: Provisions at December 31, 2009 and 2008

<i>(In millions MAD)</i>	December 31, 2009	December 31,2008
Non-current provisions	229	179
Provisions for life annuities	25	26
Provisions for termination benefits	140	90
Provisions for disputes with third parties	16	4
Other provisions	48	59
Current provisions	504	519
Provisions for voluntary redundancy plan	0	179
Provisions for employee-related expenses	30	22
Provisions for disputes with third parties	165	182
Other provisions	309	137
Total	733	698

2009

<i>(In millions MAD)</i>	2008	Charges	Utilized	Change in scope of consolidation	Translation adjustment	Releases	Reclassification	2009
Non-current provisions	179	21	-4	44	0	0	-11	229
Provisions for life annuities	26		-1					25
Provisions for termination benefits	90	8	-2	44	0			140
Provisions for disputes with third parties	4	13	-1		0			16
Other provisions	59	0					-11	48
Provisions courantes	519	321	0	0	-1	-156	-179	504
Provisions for voluntary redundancy plan	179				0		-179	0
Provisions for employee-related expenses	22	11			-2			30
Provisions for disputes with third parties	182	17			0	-20	-15	165
Other provisions	137	293				-136	15	309
Total	698	342	-4	44	-1	-156	-191	733

2008

(In millions MAD)

	2007	Charges	Utilized	Change in scope of consolidation	Translation adjustment	Releases	Reclassification	2008
Non-current provisions	203	19	-75	-17	0	-1	51	179
Provisions for life annuities	27					-1		26
Provisions for termination benefits	172	10	-75	-17	0			90
Provisions for disputes with third parties	3	1						4
Other provisions		8			0		51	59
Current provisions	143	362	-25	0	-1	-2	43	519
Provisions for voluntary redundancy plan	11	180	-11		-1			179
Provisions for employee-related expenses	23	12	-12		0	-2		22
Provisions for disputes with third parties	108	76	-2		0			182
Other provisions		94					43	137
Total	345	381	-100	-17	-1	-3	94	698

Note 16: Accounts payable at December 31, 2009 and 2008

(In millions MAD)

	December 31, 2009	December 31, 2008
Trade accounts payable	8,491	7,264
Employee-related liabilities	900	880
Tax liabilities and other payables	5,841	5,064
Accruals	1,945	1,555
Total	17,176	14,763

Note 25: Tax expense for 2009, 2008

(In millions MAD)	2009	2008
Income tax expense	3,845	3,915
Deferred tax	-18	280
Provision for tax	293	
Current tax	4,120	4,196
Consolidated effective tax rate**	30%	30%
* Tax expense/earnings before taxes		
	2009	2008
Earnings	9,779	10,010
Income tax expense	3,827	4,196
Provision for tax	293	
Earnings before tax	13,899	14,206
Moroccan statutory tax rate	30%	30%
Theoretical income tax expense	4,170	4,262
Impact of changes in tax rate	0	0
Other differences ***	-343	-66
effective income tax expense	3,827	4,196

*) Maroc Telecom was subject to a tax audit for the fiscal years 2005, 2006, 2007 and 2008 and received notification on 17 December 2009 of the tax authorities' grounds for a tax reassessment in respect of the 2005 fiscal year alone.

The Company has already provided a preliminary response and has transmitted additional documentation, as requested by the tax authorities. It is continuing to provide further responses in connection with its administrative appeal of the tax adjustment which was filed within the required time period.

Maroc Telecom believes that the tax reassessment will not have a material impact on the income, net equity or liquidity of the Company. Notwithstanding this, Maroc Telecom recorded a provision for tax reassessments covering the tax claimed by the tax authorities in connection with their audit.

**) Tax expense/earnings before taxes

***) The line item "other differences" primarily includes the 17.5% tax exemption on revenues from international activities

The deferred tax rate of Maroc Telecom and Onatel was 30%.

The deferred tax rate of Gabon Telecom and Sotelma was 35%.