

2010 INDIVIDUAL FINANCIAL STATEMENTS



Balance Sheet (Assets)

Assets (In thousands of MAD)	Gross	Amortization, depreciation and provisions	NET	
			2010	2009
CAPITALIZED COSTS (A)	0	0	0	0
. Start up costs	0	0	0	0
. Deferred costs	0	0	0	0
. Bond redemption premiums	0	0	0	0
INTANGIBLE ASSETS (B)	8,275,374	5,183,889	3,091,486	3,211,489
. Research and development costs	0	0	0	0
. Patents, trademarks, rights ad similar rights	7,579,487	5,155,755	2,423,731	2,623,772
. Goodwill	39,879	28,133	11,746	7,036
. Other intangible assets	656,009	0	656,009	580,680
PROPERTY, PLANT AND EQUIPMENT (C)	45,197,675	28,543,987	16,653,688	15,511,955
. Land	915,767	0	915,767	924,328
. Buildings	4,516,426	3,138,662	1,377,764	1,365,176
. Technical plant, machinery and equipment	31,400,685	22,647,409	8,753,276	8,352,834
. Vehicles	171,620	68,444	103,176	102,416
. Office equipments, furniture and fittings	3,417,004	2,562,172	854,831	864,884
. Other property, plant and equipment	11,048	0	11,048	11,048
. Work in progress	4,765,126	127,300	4,637,825	3,891,269
FINANCIAL ASSETS (D)	6,994,929	73,667	6,921,262	6,976,913
. Long term loans	39,534	2,890	36,644	60,186
. Other financial receivables	2,530	0	2,530	2,333
. Equity investments	6,952,865	70,777	6,882,088	6,914,394
. Other investments and securities	0	0	0	0
UNREALISED FOREIGN EXCHANGE LOSSES (E)	0	0	0	0
. Decrease in long term receivables	0	0	0	0
. Increase in long term debt	0	0	0	0
TOTAL I (A+B+C+D+E)	60,467,978	33,801,543	26,666,435	25,700,356
INVENTORIES (F)	682,753	157,138	525,615	396,786
. Merchandise	420,617	80,959	339,658	253,401
. Raw materials and supplies	262,136	76,179	185,958	143,385
. Work in progress	0	0	0	0
. Intermediary and residual goods	0	0	0	0
. Finished goods	0	0	0	0
CURRENT RECEIVABLES (G)	13,392,573	5,902,649	7,489,924	7,917,277
. Trade payables, advances and downpayments	180,038	0	180,038	260,607
. Accounts receivable and related accounts	12,288,709	5,864,571	6,424,138	6,695,112
. Employees	745	0	745	9,452
. Tax receivable	594,163	0	594,163	738,474
. Shareholders' current accounts	0	0	0	0
. Other receivables	304,338	38,078	266,260	182,475
. Accruals	24,579	0	24,579	31,155
MARKETABLE SECURITIES (H)	149,816	0	149,816	146,215
UNREALIZED FOREIGN EXCHANGE LOSSES (I) (Current items)	49,122	0	49,122	57,341
TOTAL II (F+G+H+I)	14,274,264	6,059,786	8,214,478	8,517,618
CASH AND CASH EQUIVALENTS	88,868	0	88,868	33,716
. Checks	0	0	0	15,240
. Bank deposits	85,786	0	85,786	16,099
. Petty cash	3,082	0	3,082	2,377
TOTAL III	88,868	0	88,868	33,716
GRAND TOTAL I+II+III	74,831,111	39,861,329	34,969,781	34,251,690

Balance sheet (Shareholders' equity and liabilities)

Shareholders' equity and liabilities (In thousands of MAD)	NET	
	2010	2009
Shareholders' equity	18,024,697	17,781,282
. Share capital	5,274,572	5,274,572
. Less : capital subscribed and not paid-in	0	0
. Paid-in capital	0	0
. Premium of merger , contribution	0	0
. Revaluation difference	0	0
. Statutory reserve	879,095	879,095
. Other reserves	2,564,142	2,563,307
. Retained earnings	0	0
. Unallocated income	0	0
. Net income of the year	9,306,888	9,064,308
QUASI EQUITY (B)	0	0
. Investment subsidies	0	0
. Regulated provisions	0	0
LONG TERM DEBT (C)	2,256,378	2,855,744
. Debenture bonds	0	0
. Other long term debt	2,256,378	2,855,744
PROVISIONS (D)	24,368	25,414
. Provisions for contingencies	0	0
. Provisions for losses	24,368	25,414
UNREALIZED FOREIGN EXCHANGE GAINS (E)	0	0
. Increase in long term receivables	0	0
. Decrease in long term debt	0	0
TOTAL I (A+B+C+D+E)	20,305,444	20,662,441
CURRENT LIABILITIES (F)	13,121,890	12,209,301
. Accounts payable and related accounts	6,239,572	6,393,285
. Trade receivables, advances and downpayments	620,365	441,915
. Payroll costs	612,637	647,437
. Social security contribution	112,520	93,508
. Tax payable	2,598,073	2,421,207
. Shareholders' current accounts	1,150,001	1
. Other payables	332,734	743,530
. Accruals	1,455,987	1,468,418
OTHER PROVISIONS FOR CONTINGENCIES AND LOSSES (G)	1,019,146	878,276
UNREALIZED FOREIGN EXCHANGE GAINS (CURRENT ITEMS) (H)	61,644	67,093
Total II (F+G+H)	14,202,680	13,154,670
BANK-OVERDRAFTS	461,657	434,580
. Discounted bills	0	0
. Treasury loans	0	0
. Bank loans and overdrafts	461,657	434,580
TOTAL III	461,657	434,580
GRAND TOTAL I+II+III	34,969,781	34,251,690

Income Statement (excluding VAT)

(In thousands of Moroccan dirhams)	Operations			
	Year	Previous years	Total 2010	Total 2009
I- OPERATING INCOME	25,804,351	0	25,804,351	25,522,453
Sales of goods	848,762	0	848,762	729,556
Sales of manufactured goods and services rendered	24,329,138	0	24,329,138	24,086,581
Operating revenues	25,177,899	0	25,177,899	24,816,137
Change in inventories	0	0	0	0
Self-constructed assets	1,314	0	1,314	2,517
Operating subsidies	0	0	0	0
Other operating income	121,549	0	121,549	81,735
Operating write-backs, expense transfers	503,588	0	503,588	622,064
TOTAL I	25,804,351	0	25,804,351	25,522,453
II- OPERATING EXPENSES	12,962,181	0	12,962,181	12,648,332
Cost of goods sold	1,701,307	0	1,701,307	1,723,741
Raw material and supplies	2,500,516	0	2,500,516	2,226,078
Other external expenses	2,649,818	0	2,649,818	2,632,245
Taxes (except corporate income tax)	215,393	0	215,393	213,304
Payroll costs	2,281,690	0	2,281,690	2,215,048
Other operating expenses	2,450	0	2,450	2,400
Operating allowances for amortization	3,025,778	0	3,025,778	2,970,916
Operating allowances for provisions	585,228	0	585,228	664,600
TOTAL II	12,962,181	0	12,962,181	12,648,332
III- OPERATING INCOME I-II			12,842,170	12,874,121
IV- FINANCIAL INCOME	424,944	0	424,944	611,246
Income from equity investments	123,575	0	123,575	66,187
Foreign exchange rate	106,390	0	106,390	105,795
Interests and other financial income	30,750	0	30,750	62,713
Financial write-backs; expense transfers	164,229	0	164,229	376,551
TOTAL IV	424,944	0	424,944	611,246
V- FINANCIAL EXPENSES	358,340	0	358,340	288,042
Interest on loans	200,002	0	200,002	136,897
Foreign exchange losses	109,216	0	109,216	79,898
Other financial expenses	0	0	0	0
Financial allowances	49,122	0	49,122	71,247
TOTAL V	358,340	0	358,340	288,042
VI- FINANCIAL INCOME IV - V			66,604	323,204
VII- ORDINARY INCOME III + VI			12,908,773	13,197,325
VIII- EXTRAORDINARY INCOME	621,095	0	621,095	565,558
Proceeds from disposal of fixed assets	168,917	0	168,917	81,472
Write-backs of investment subsidies	0	0	0	0
Other extraordinary income	245,530	0	245,530	110,823
Extraordinary write-backs, expense transfers	206,648	0	206,648	373,264
TOTAL VIII	621,095	0	621,095	565,558
IX- EXTRAORDINARY EXPENSES	538,442	17,542	555,984	1,150,478
Net book value of disposed assets	115,501	0	115,501	481,277
Subsidies	0	0	0	0
Other extraordinary expenses	8,381	17,542	25,923	50,347
Regulated provisions	0	0	0	0
Extraordinary allowances for depreciation and provision	414,560	0	414,560	618,853
TOTAL IX	538,442	17,542	555,984	1,150,478
X- EXTRAORDINARY INCOME VIII - IX			65,111	(584,919)
XI- INCOME BEFORE TAX VII + X			12,973,884	12,612,405
XII- CORPORATE INCOME TAX			3,666,997	3,548,097
XIII- NET INCOME XI - XII			9,306,888	9,064,308
XIV- TOTAL INCOME (I+IV+VIII)			26,850,390	26,699,257
XV- TOTAL EXPENSES (II+V+IX+XII)			17,543,502	17,634,949
XVI- NET INCOME (TOTAL INCOME-TOTAL EXPENSES)			9,306,888	9,064,308

Statement of Operating Data

Operating statements		2010	2009
(In thousands of Moroccan dirhams)			
1	Sales of goods	848,762	729,556
2	Cost of goods sold	1,701,307	1,723,741
I	=	GROSS MARGIN ON SALES	(852,545)
II	=	PRODUCTION FOR THE YEAR : (3+4+5)	24,330,452
3	Sales of manufactured goods and services rendered	24,329,138	24,086,581
4	Change in inventories	0	0
5	Self-constructed assets	1,314	2,517
III	=	COST OF CURRENT YEAR PRODUCTION	5,150,334
6	Raw materials and supplies	2,500,516	2,226,078
7	Other external expenses	2,649,818	2,632,245
IV	=	ADDED VALUE (I+II-III)	18,327,572
8	Operating subsidies	0	0
9	Taxes	215,393	213,304
10	Payroll costs	2,281,690	2,215,048
V	=	GROSS OPERATING SURPLUS	15,830,489
	=	NET LOSS FROM OPERATIONS	0
11	Other operating income	121,549	81,735
12	Other operating expenses	2,450	2,400
13	Operating write-backs, expense transfers	503,588	622,064
14	Operating allowances	3,611,007	3,635,516
VI	=	OPERATING INCOME (+ ou -)	12,842,170
VII	+/-	FINANCIAL INCOME	66,604
VIII	=	ORDINARY INCOME (+ ou -)	12,908,773
IX	+/-	EXTRAORDINARY INCOME	65,111
		CORPORATE INCOME TAX	3,666,997
X	=	NET INCOME (+ ou -)	9,306,888
		CAF (In thousands of Moroccan dirhams)	2010
1	Net income		2009
	Profit	9,306,888	9,064,308
	Loss	0	0
2	Operating allowances (1)	3,025,778	2,970,916
3	Financial allowances (1)		13,906
4	Extraordinary allowances (1)	239,560	325,853
5	Operating write-backs (2)	1,046	1,010
6	Financial write-backs (2)	106,888	243,533
7	Extraordinary write-backs (2) , (3)	191,648	279,424
8	Proceeds on disposal of fixed assets	168,917	81,472
9	Net book value of disposed assets	115,501	481,277
I	=	CASH EARNINGS	12,219,229
		Dividends	9,063,473
II	=	NET CASH EARNINGS	3,155,756
			2,734,304

(1) Excluding allowances related to current assets and liabilities and cash
(2) Excluding write-backs relating to current assets and liabilities and cash
(3) Including write-backs of investments subsidies

2010 INDIVIDUAL FINANCIAL STATEMENTS



Statement of Cash Flows

Selected Balance Sheet data

LINE ITEMS (In thousands of Moroccan dirhams)	2010 (a)	Previous years (b)	Changes (a-b)	
			Uses (c)	Sources (d)
1 Equity and long term liabilities	20,305,444	20,662,441	356,997	
2 Less long term assets	26,666,435	25,700,356	966,079	
3 Working capital (1-2) (A)	(6,360,991)	(5,037,915)	1,323,076	
4 Current assets	8,214,478	8,517,618		303,141
5 Less current liabilities	14,202,680	13,154,670		1,048,011
6 Working capital requirement (4-5) (B)	(5,988,203)	(4,637,051)		1,351,151
7 Net cash (A-B)	(372,789)	(400,864)	28,075	

A2 : Exceptions : NONE

A3 : Changes in methods : NONE

Uses and sources

	2010		2009	
	Uses	Sources	Uses	Sources
I - LONG TERM FINANCING SOURCES (In thousands of Moroccan dirhams)				
NET CASH EARNINGS (A)		3,155,756		2,734,304
Cash earnings		12,219,229		12,250,821
Dividends		9,063,473		9,516,517
DISPOSALS AND REDUCTIONS OF FIXED ASSETS (B)		229,721		111,928
Reduction of intangible assets		32,306		0
Reduction of property, plants and equipment		5,154		23,074
Disposal of property, plant and equipment		148,017		71,094
Disposal of financial assets		20,899		10,378
Write-backs of long term receivables		23,345		7,382
INCREASE IN SHAREHOLDERS' EQUITY AND QUASI EQUITY (C)		0		0
Increase in equity, capital contribution		0		0
Investments subsidies		0		0
INCREASE IN LONG TERM DEBT (D) (Net of redemption premiums)		634		3,002,606
TOTAL (I) LONG TERM RESOURCES (A+B+C+D)		3,386,111		5,848 838
II - LONG TERM USES FOR THE YEAR				
ADDITIONS & INCREASE IN FIXED ASSETS (E)	4,109,187		8,150,074	
Acquisitions of intangible assets	541,270		601,423	
Acquisitions of property, plant and equipment	3,567,917		4,032,134	
Acquisitions of financial assets	0		3,428,682	
Increase in long term receivables	0		87,834	
Increase in property, plant and equipment (*)	0		0	
REIMBURSEMENT OF EQUITY (F)	0		0	
REIMBURSEMENT OF LONG TERM DEBT (G)	600,000		150,000	
CAPITALIZED COSTS (H)	0		0	
TOTAL (II) STABLES USES(E+F+G+H)	4,709,187		8,300,074	
III - CHANGE IN WORKING CAPITAL REQUIREMENT	0	1,351,151	0	1,256,382
IV - CHANGE IN CASH AND CASH EQUIVALENTS	28,075	0	0	1,194,854
GRAND TOTAL	4,737,262	4,737,262	8,300,074	8,300,074

B2 : Non-financial assets

From January 1, 2010 to December 31, 2010

(In thousands of Moroccan dirhams)

DESCRIPTION	Gross Balance Carried forward	INCREASE				DECREASE			Gross Balance Year end
		Acquisition	Self-constructed Transfer assets	Transfer	Disposal	Withdraw	Transfer		
Capitalized costs	0	0	0	0	0	0	0	0	
Start up costs	0	0	0	0	0	0	0	0	
Deferred costs	0	0	0	0	0	0	0	0	
Bond redemption premiums	0	0	0	0	0	0	0	0	
Intangible assets	7,526,814	541,270	0	673,232	0	0	465,941	8,275,374	
Research and development costs	0	0	0	0	0	0	0	0	
Patents, trademarks, rights and similar rights	6,914,448	0	0	665,039	0	0	0	7,579,487	
Goodwill	31,686	0	0	8,193	0	0	0	39,879	
Other intangible assets	580,680	541,270	0	0	0	0	465,941	656,009	
Property, plant and equipment	41,864,263	3,566,603	1,314	2,618 553	19,697	7,517	2,825,844	45,197,675	
Land	924,328	0	0	0	8,561	0	0	915,767	
Buildings	4,353,659	0	0	162,768	0	0	0	4,516,426	
Technical plant machinery and equipment	29,187,381	0	0	2,221,190	5,522	2,364	0	31,400,685	
Vehicles	169,672	0	0	7,562	5,614	0	0	171,620	
Office equipment	3,189,969	0	0	227,034	0	0	0	3,417,004	
Other property plant and equipment	11,048	0	0	0	0	0	0	11,048	
Work in progress	4,028,206	3,566,603	1,314	0	0	5,154	2,825,844	4,765,126	

B4 : Equity investments

From January 1, 2010 to December 31, 2010

(In thousands of Moroccan dirhams)

Business segment	Share Capital	% of interest	Overall acquisition price	Net book value	Derived from latest selected financial data of issuer company			Income recorded in income statement	
					date	equity	Income		
	2	3	4	5	6	7	8	9	
MATELCA	Study and realization of submarines cables	300	50	50	0	Dec.31,10	-	-	-
ARABSAT	Operation and commercialization of telecommunication	1,277,366	0.61	6,454	6,454	Dec.31,10	-	-	971
ADM	Building and operation of Moroccan road network	10,015,628	0.20	20,000	16,000	Dec.31,10	-	-	-
THURAYA	Regional satellite operator	5,312,845	0.16	9,872	9,872	Dec.31,10	-	-	-
CASANET	Internet service provider	14,414	100	18,174	18,174	Dec.31,10	-	-	-
CMC	Financial holding	344,617	80	399,469	399,469	Dec.31,10	-	-	122,604
FONDS AMORCAGE SINDBAD	Capital -amortage fund	48,000	10	5,000	0	Dec.31,10	-	-	-
Médi1 sat	Media (Satellite television)	268,895	5	61,727	0	Dec.31,10	-	-	-
ONATEL	Telecommunication	585,631	51	2,459,380	2,459,380	Dec.31,10	-	-	-
Gabon Télécom	Telecommunication	1,639,524	51	828,828	828,828	Dec.31,10	-	-	-
SOTELMA	Telecommunication	151,437	51	3,143,911	3,143,911	Dec.31,10	-	-	-
TOTAL				6,952,865	6,882,088		0	0	123,575

B5 : Provisions

From January 1, 2010 to December 31, 2010

(In thousands of Moroccan dirhams)

Description	Opening balance	ALLOWANCES			WRITE-BACKS			Closing balance
		Operating	Financial	Extraordinary	Operating	Financial	Extraordinary	
1- Provisions for depreciation of fixed assets	395,201	0	0	149,239	0	106,888	191,648	245,904
2-Regulated provisions	0	0	0	0	0	0	0	0
3-Provisions for contingences and losses	25,414	0	0	0	1,046	0	0	24,368
Sub total (A)	420,616	0	0	149,239	1,046	106,888	191,648	270,273
4-Provisions for depreciation of current assets (excluding cash and cash equivalent)	5,737,689	452,338	0	0	130,241	0	0	6,059,786
5-Other provisions for contingences	878,276	132,890	49,122	175,000	143,801	57,341	15,000	1,019,146
6-Provisions for depreciation of cash and cash equivalents	0	0	0	0	0	0	0	0
SUB TOTAL (B)	6,615,965	585,228	49,122	175,000	274,042	57,341	15,000	7,078,933
TOTAL (A+B)	7,036,581	585,228	49,122	324,239	275,088	164,229	206,648	7,349, 205

(*) Of which :

Depreciation of inventories class 2	MAD 28 M	Amortization	MAD 3 M
Placing outservice of work	MAD 22 M	Spare parts	MAD 40 M
Delayed placing inservice of work in progress	MAD 99 M	Write-backs of provision for placing outservice of work	MAD 23 M
		Write-backs of provision for depreciation of SWAP	MAD 11 M
		Delayed placing inservice of work in progress	MAD 97 M
		Write-backs of provision of cable	MAD 18 M
Total	MAD 149 M		MAD 192 M

Maroc Telecom is undergoing a tax audit for the fiscal years 2005, 2006, 2007 and 2008.

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

Maroc Telecom believes that these tax adjustments will not have a material impact on the Company's income, net equity or liquidity .

Maroc Telecom has therefore updated the provision (MAD 293 M) that was recognized in 2009.

2010 INDIVIDUAL FINANCIAL STATEMENTS



B6 : Receivables

From January 1, 2010 to December 31, 2010
(In thousands of Moroccan dirhams)

	TOTAL	BREAKDOWN BY MATURITY			OTHER BREAKDOWN			
		Due in more than one year	Due in less than one year	Matured but not recovered	Amount in foreign currency	Amounts due: Government related and security	Amounts due: related parties	Amounts in notes
CREANCES								
FIXED ASSETS	42,064	32,381	9,684	0	0	0	6,264	
Long term loans	39,534	29,850	9,684	0	0	0	6,264	0
Other financial receivables	2,530	2,530	0	0	0	0	0	0
CURRENT ASSETS	13,392,573	0	6,303,934	7,088,639	1,981,278	2,316,774	261,438	0
. Trade payables, advances and downpayments	180,038		180,038		18,729			
. Accounts receivable and related accounts	12,288,709		5,251,224	7,037,485	1,802,555	1,722,610	137,176	
. Employees	745		745					
. Tax receivable	594,163		594,163			594,163		
. Shareholders' current accounts	0		0					
. Other receivables	304,338		253,184	51,154	159,994		124,263	
. Accrual	24,579	0	24,579					

B7 : Liabilities

From January 1, 2010 to December 31, 2010
(In thousands of Moroccan dirhams)

	TOTAL	BREAKDOWN BY MATURITY			OTHER BREAKDOWN			
		Due in more than one year	Due in less than one year	Matured but not recovered	Amount in foreign currency	Amounts due: Government related and security	Amounts due: related parties	Amounts in notes
DETTES								
LONG TERM DEBT	2,256,378	1,656,378	600,000		558	0	0	
Debenture bonds				0		0	0	0
Other long term deb	2,256,378	1,656,378	600,000	0	558			0
CURRENT LIABILITIES	13,121,890	150,273	11,630,395	1,341,222	2,630,576	3,022,816	1,308,230	0
. Accounts payable and related accounts	6,239,572	150,273	4,866,469	1,222,830	2,010,211		158,230	
. Trade receivables, advances and downpayment	620,365		620,365		620,365			
. Employee	612,637		612,637					
. Social security	112,520		112,520			112,520		
. Tax payable	2,598,073		2,598,073			2,598,073		
. Shareholders' current accounts	1,150,001		1,150,000	1			1,150,000	
. Other payables	332,734		214,343	118,391		312,222		
. Accruals	1,455,987		1,455,987					

B8 : Guarantees given or received

From January 1, 2010 to December 31, 2010
(In thousands of Moroccan dirhams)

Third parties	Amount covered by guarantee	Description (1)	Date and place of registration	Purpose (2) (3)	Net book value of the guarantee given at closing date
Guarantees given					
Guarantees received				Guarantees received are from employees	
Long term loans	33,271	(1)			

(1) Collateral : 1-Mortgage :2-Pledge: 3-Warrant : 4- Others : 5- (to specify)
(2) State if the guarantee is given to a company or to a person (guarantees given) (related parties, associates, employees)
(3) State if the guarantee is received from a person other than the debtor (guarantees received)

B9 : Financial commitments received or given excluding leasing transactions

From January 1, 2010 to December 31, 2010
(In thousands of Moroccan dirhams)

COMMITMENTS GIVEN	Amounts	
	year end	previous years
- Investments not yet realized	2,630,256	6,739,443
* Investment commitment	2,630,256	6,739,443
* Property, plant and equipment	2,570,592	3,569,305
	2,630,256	6,739,443
- Guarantees from banks		
* Documentary credit	0	0
* Endorsements	95,930	63,099
	95,930	63,099
Equity investments		
* Casanet (quasi equity)	2,772	3,800
	2,772	3,800
Operating lease obligations (*)	12,764	12,109
	12,764	12,109
- Purchase commitment of land in Casa technopôle and its construction in the maximum deadline of 3 years		230
- Maroc Telecom Belgique disposal commitment Commitment to adjust the disposal price by the amount of unrecovered trade receivables limited to €40,000 for a period of 12 months.	446	
* Noncumulative guarantee commitments for liabilities, the largest of which are tax liabilities limited to 100% of the disposal price, or €1,895,387.	20,877	
- Other commitments :		
The sale of an IAM asset (land in Tangier) to CDG in December 2010 included a commitment to vacate said land after three months (i.e., before March 31, 2011), with a monthly penalty of 1% to be applied in the event that this deadline is not met. (Disposal price MAD145 million).		
	21,323	230
TOTAL	2,763,046	6,818,680

(*) 2 to 15 year rent contract with tacit renewal. The amount indicated is related to one month's notice

Summary of Report of the Statutory Auditors on the financial statements from January 1, 2010, to December 31, 2010

In accordance with the terms of our appointment by your General Shareholders' Meetings, we present our report relating to the fiscal year ended December 31, 2010.

We have audited the accompanying financial statements of Itissalat Al-Maghrib (IAM) for the fiscal year ended December 31, 2010, which comprise the balance sheet, the income statement, the statement of operating data, the cash flow statement, and additional disclosures. These financial statements show capital and reserves of MAD 18,024,697 thousand, and net profit of MAD 9,306,888 thousand.

Management is responsible for the preparation of these financial statements and for providing a true and fair view of the Company, in accordance with the accounting principles generally accepted in Morocco.

Our responsibility is to express an opinion on these financial statements on the basis of our audit. We conducted our audit in accordance with the auditing standards generally accepted in Morocco, pursuant to the statutory and regulatory rules in force.

In our opinion, the financial statements referred to in the second paragraph above give a true and fair view of Itissalat Al-Maghrib's assets, liabilities, and financial position as of December 31, 2010, as well as of its results of operations and cash flows for the year then ended, in accordance with the accounting principles generally accepted in Morocco.

Without qualifying our opinion above, we draw your attention to note B5 of the statement of additional financial information, which describes the tax inspection under way for financial years 2005-2008 and outlines the stance taken by the Company.

Specific controls and information

We also performed the specific verifications required by law. In particular, we ensured that the information contained in the Management Board's Report to the Shareholders was consistent with the Company's financial statements.

February 22, 2011

Statutory Auditors

KPMG
Fouad LAHGAZI
Partner

Abdelaziz ALMECHATT
Abdelaziz ALMECHATT
Partner

From January 1, 2010 to December 31, 2010
(In thousands of Moroccan dirhams)

COMMITMENTS RECEIVED	Amounts	
	year end	previous year
Endorsements and guarantees	1,815,978	1,573,762
. Other commitments received		
* Commitment by the Moroccan government to social welfare		
Investment commitment		
Exemption of the customs duties on the imports relating to the investments	0	0
TOTAL	1,815,978	1,573,762