

Press release

Rabat, May 6, 2011

Consolidated results – First quarter 2011

Activity resilient:

- Customer base up 17%, to 26.2 million
- Revenues increase 1.2%, to MAD 7.5 billion
- Earnings from operations amount to MAD 3.0 billion, for a margin of 39.5%

2011 outlook unchanged:

- Moderate growth in revenues
- Profitability to be maintained at a high level

Commenting on the publication, Mr. Abdeslam AHIZOUNE, Chairman of the Management Board, stated:

“Despite the rise in competition, Maroc Telecom group continues to increase its revenues, protect its leader position, and maintain high margins through significant investments for quality, innovation, and customer satisfaction. The Company’s primary objective is to satisfy its customers, who, in exchange, remain extremely loyal.”

CONSOLIDATED RESULTS – GROUP

- **Revenues**

At March 31, 2011, Maroc Telecom group had consolidated revenues⁽¹⁾ of MAD 7,528 million, up 1.2% from March 2010 (+1.7% on a comparable basis⁽²⁾).

The group's customer base stood at 26.2 million at March 31, 2011, up 17% from a year earlier. This expansion reflects continuing growth in the Mobile customer base in Morocco (+6.9%) and strong marketing momentum in the subsidiaries, where the Mobile customer base grew by 56%.

- **Earnings from operations before depreciation and amortization (EBITDA)**

During the first three months of 2011, consolidated EBITDA amounted to MAD 4,037 million, down 5.7% from 2010 (-5.5% on a comparable basis), mainly because of slow revenue growth in Morocco. Despite this decrease, the margin remained at a high level, at 53.6%.

- **Earnings from operations**

At March 31, 2011, consolidated earnings from operations⁽¹⁾ came to MAD 2,974 million, down 7.2% from 2010 (-7.0% on a comparable basis⁽²⁾). The consolidated operating margin remained at a high level (39.5%), despite ongoing major investments in networks and systems.

(1) At March 31, 2011, Mauritel, Onatel, Gabon Télécom, and Sotelma were consolidated in Maroc Telecom's financial statements. Mobisud Belgium has not been consolidated since June 30, 2010.

(2) The comparable basis illustrates the effect of the disposal of Mobisud Belgium (as if the transaction had occurred as of January 1, 2010) and assumes a constant exchange rate for MAD/Mauritanian Ouguiya/CFA Franc.

- **Morocco**

In the first three months of the year, operations in Morocco generated net revenues⁽³⁾ of MAD 6,151 million, up 0.9%. Over the same period, earnings from operations came to MAD 2,695 million, down 7.0% from 2010.

Mobile

In Morocco, first-quarter Mobile gross revenues⁽⁴⁾ recorded an increase of 1.4%, to MAD 4,598 million, as a result of customer-base momentum, which more than offset the decline in ARPU.

Earnings from operations decreased by 3.0%, to MAD 2,095 million, because of the slow pace of revenue growth, higher interconnection costs to competing carriers, and the reduction of the universal service exemption granted to Maroc Telecom as part of its investment in remote areas (PACTE program).

At March 31, 2011, the Mobile customer base⁽⁵⁾ stood at 16.655 million, up 6.9% on an annual basis. The cumulative blended churn rate remained stable during the first quarter of 2011, at 22.8%. The postpaid segment continued to perform well, with an increase of 24.3%, to 877,000 customers.

The 3G mobile Internet customer base⁽⁶⁾ continued its strong momentum, with 732,000 customers, allowing Maroc Telecom to take the leader's position, with 44% of market share.

In the first quarter of 2011, blended ARPU⁽⁷⁾ decreased by 7.7% year on year, to MAD 84, reflecting the larger customer base and regulatory effects, which were partially offset by the significant growth in 3G mobile Internet and growth in value-added services. Outgoing non-voice revenues reached 10.8% of the average bill.

Fixed line and Internet

In the first quarter of 2011, Fixed-line and Internet operations in Morocco achieved gross revenues⁽⁴⁾ of MAD 1,908 million, down 13.0% mainly because of lower Fixed-line traffic resulting from Mobile competition and from the price cut of lines leased by Maroc Telecom's Fixed-line segment to its Mobile segment.

At March 31, 2011, earnings from operations amounted to MAD 599 million, down 18.7% as a result of lower revenues.

(3) Net revenues exclude intersegment revenues between the Fixed and Mobile activities of each subsidiary, but include intercompany revenues (e.g., service-level agreements), which are eliminated from consolidated revenue.

(4) Gross revenues include intersegment transactions (interconnection costs and leased lines) between Fixed-line and Mobile operations.

(5) Active customer base, comprising prepaid customers who have made or received a voice call in the last three months, and postpaid customers with activated subscriptions.

(6) The 3G mobile internet customer base includes holders of postpaid subscription contracts (coupled or not with a voice plan) and holders of prepaid subscriptions for internet service who have made at least one top up in the past three months or whose top up is still valid.

(7) ARPU (average revenue per user) is defined as revenue from incoming and outgoing calls and data services, net of promotions and excluding roaming and handset sales, divided by the average prepaid and postpaid customer base over the period.

At March 31, 2011, the Fixed-line customer base stood at 1.239 million lines, up 0.6% from 2010 as a result of the development of multiple offers (fixed telephony, broadband Internet, TV). On the same date, the ADSL customer base had increased year on year by 8.4%, to 516,000 subscribers.

- **Mauritania**

During the first three months of 2011, operations in Mauritania generated net revenues⁽³⁾ of MAD 299 million, up 5.8% (+10.9% on a comparable basis⁽²⁾), thanks to an increase in the Mobile customer base and international rates. At March 31, 2011, customer bases stood at 1.696 million for Mobile (+15%), 40,000 for Fixed line (-6.3%), and 7,000 for Internet (-3.3%).

- **Burkina Faso**

During the first three months of 2011, operations in Burkina Faso generated net revenues⁽³⁾ of MAD 429 million, down 7.0% (-6.4% on a comparable basis⁽²⁾) in an intensely competitive context. Despite this environment, Mobile (2.692 million) and Internet (29,000) customer bases increased by 49% and 21%, respectively, while the Fixed-line customer base decreased by 6.3%, to 143,000 lines.

- **Gabon**

At March 31, 2011, net revenues⁽³⁾ in Gabon stood at MAD 242 million, down 11.5% (-10.9% on a comparable basis⁽²⁾) in a very competitive environment. At March 31, 2011, Gabon Télécom's Mobile customer base stood at 398,000, down 25% after a clean-up of the customer base that gave rise to terminations. The Fixed-line customer base decreased by 34%, to 24,000, because of competition from Mobile, while the Internet customer base increased by 17%, to 23,000.

- **Mali**

At March 31, 2011, net revenues⁽³⁾ in Mali stood at MAD 463 million, up 36% (+37% on a comparable basis⁽²⁾) thanks to excellent marketing momentum and network expansion. Sotelma's customer base continued to grow at a very strong pace, with 2.614 million customers in Mobile (+187%), 80,000 in Fixed line (+16%), and 24,000 in Internet (+137%) at the end of March 2011.

Maroc Telecom is a full-service telecommunications operator and the domestic market leader in its three business activities: Fixed line, Mobile, and Internet. Maroc Telecom, whose main shareholders are Vivendi (53%) and the Kingdom of Morocco (30%), has been listed on the Casablanca and Paris stock exchanges since December 2004.

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Revenues and operating income of the 1st quarter*

MAD million - IFRS		2010			2011			% change comparable basis		
	Total (net)	Mobile (gross)	Fixed/Internet (gross)	Total (net)	Mobile (gross)	Fixed/Internet (gross)	Total (net)	Mobile (gross)	Fixed/Internet (gross)	
Consolidated revenues	7,437	-	-	7,528	-	-	1.7%	-	-	
Maroc Telecom	6,095	4,537	2,193	6,151	4,598	1,908	0.9%	1.4%	-13.0%	
Mauritel	282	241	54	299	251	61	10.9%	9.4%	13.0%	
Onatel	461	331	197	429	316	179	-6.4%	-4.0%	-8.7%	
Gabon Télécom	273	149	147	242	133	133	-10.9%	-10.5%	-9.3%	
Sotelma	340	258	86	463	384	83	37.0%	49.7%	-2.7%	
Consolidated EFO**	3,205	-	-	2,974	-	-	-7.0%	-	-	
Maroc Telecom	2,898	2,164	734	2,695	2,095	599	-7.0%	-3.0%	-18.7%	
Mauritel	85	83	3	85	80	5	4.5%	1.2%	94.6%	
Onatel	168	164	4	75	127	-52	-54.9%	-21.5%	ns	
Gabon Télécom	36	11	25	6	3	3	-82.1%	-73.0%	-86.1%	
Sotelma	17	83	-66	112	203	-91	ns	145.6%	-38.0%	

* including Mobisud Belgium until 06/30/2010

** unaudited

Operational data*

thousands - end of period	2010				2011
	Q1	Q2	Q3	Q4	Q1
Mobile customer base	20,333	21,515	23,031	23,724	24,055
Maroc Telecom	15,578	15,904	16,740	16,890	16,655
<i>Prepaid</i>	14,872	15,173	15,989	16,073	15,778
<i>Postpaid</i>	706	731	751	817	877
Mauritel	1,473	1,547	1,578	1,576	1,696
Onatel	1,812	1,994	2,122	2,397	2,692
Gabon Télécom***	528	577	631	699	398
Sotelma	911	1,464	1,959	2,162	2,614
Fixed-line customer base	1,533	1,541	1,534	1,521	1,527
Maroc Telecom	1,232	1,237	1,227	1,231	1,239
Mauritel	43	42	41	41	40
Onatel	153	154	155	144	143
Gabon Télécom	36	36	36	27	24
Sotelma	69	72	74	79	80
Internet customer base	537	546	551	574	599
Maroc Telecom	476	479	481	497	516
Mauritel	7	7	7	7	7
Onatel	24	25	25	28	29
Gabon Télécom	20	21	22	22	23
Sotelma	10	14	16	20	24

* including Mobisud Belgium until 06/30/2010

***clean-up of the customer base at during Q1-11