



Septembre 30th

Results

2010



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Business review

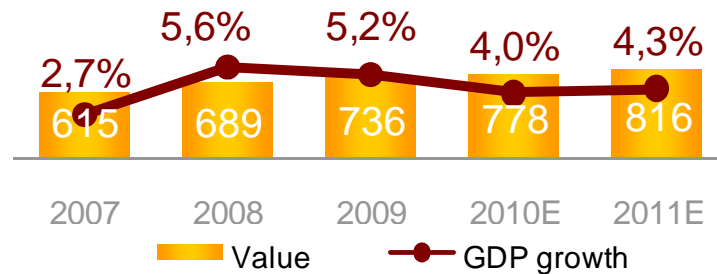
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# Operating environment in Morocco

## GDP in Morocco

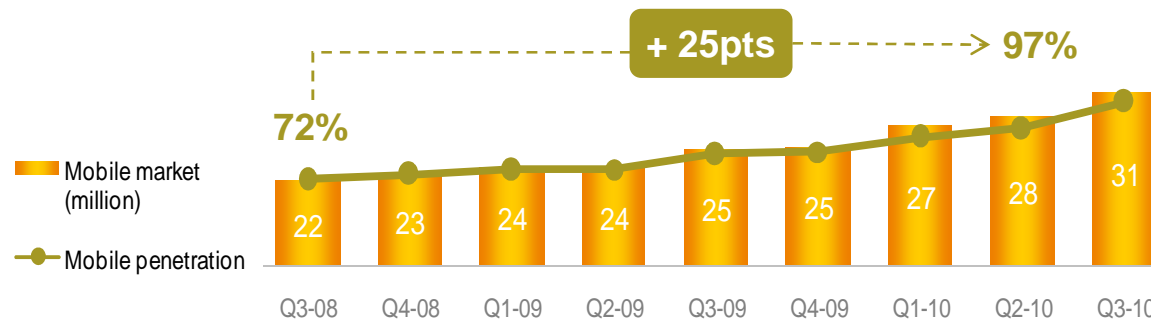
(MADbn)



- A **sustained growth** in Q2-10 with a 4,8% growth for the non-agricultural GDP and a 2.9% growth for the total GDP.
- **Controlled inflation** (+0.4% in Q3-10).

Source: Haut Commissariat au Plan

## Telecom market

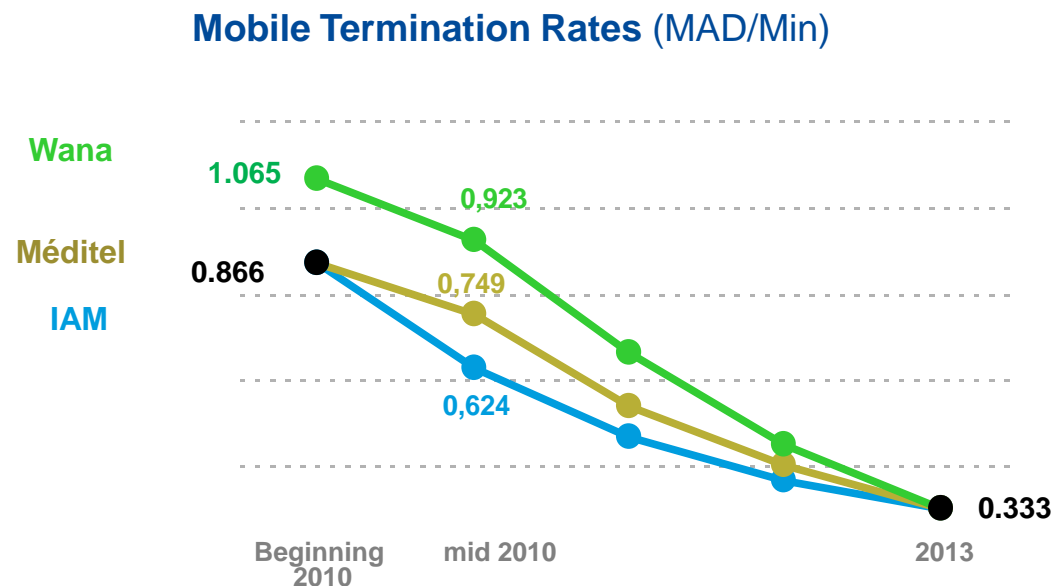


- A growing mobile market
- Usage is still limited
- Strong growth of internet subscriptions thanks to the rapid take-off of mobile internet (dongles)
- New entrant

Source: ANRT

# Regulatory context in Morocco

- **2010-2013 regulatory guideline:**
  - Decrease of the mobile termination rates.
  - Asymmetric tariffs converging at the end of 2012.



Leading operating active on all market segments with a well established brand



### Mobile

Subscribers Q3	16.7 million
o/w postpaid	751 k
Variation	+9.8%
Penetration Q3 2010	96.8%

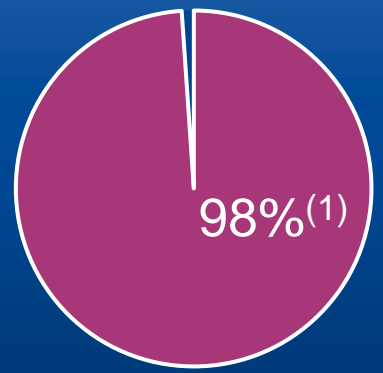
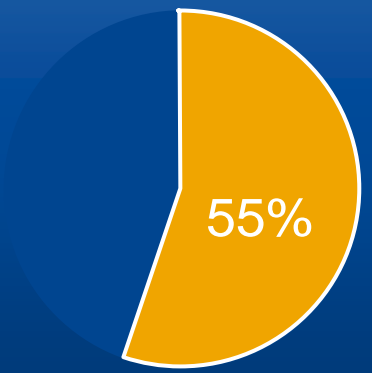
### Internet

Subscribers Q3	916k lines
o/w ADSL	481k
Variation	+54.2%
Penetration ADSL Q3 2010	45% of fixed lines

### Fixed

Subscribers Q3	1.227 million
Variation	-3.3%
Penetration <sup>(1)</sup> Q3 2010	4%

Market shares (Q3 2010):

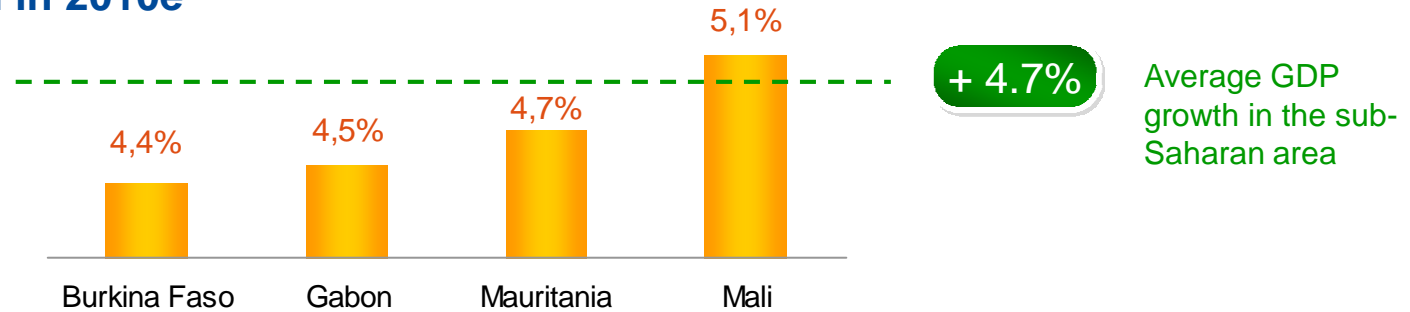


(1) Excluding limited mobility

# Sub-Saharan Africa



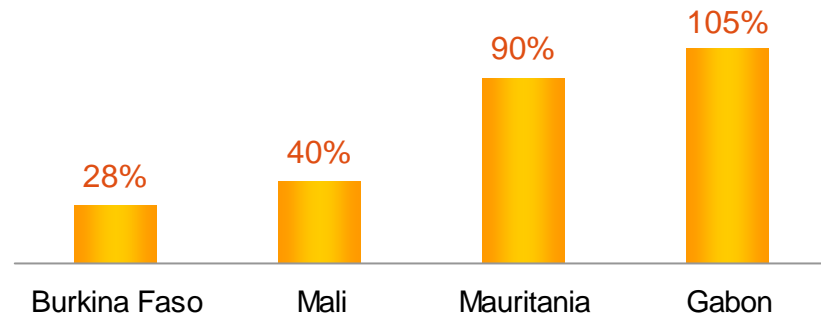
- **Real GDP growth in 2010e**



- **Inflation is under control** in all markets where Maroc Telecom is operating (3.4% in 2010e)

Source: IMF

## Mobile penetration (Q2 2010)



- **Markets with a limited penetration** (Burkina Faso, Mali) will benefit from a strong growth of the subscribers base
- **Prepaid offers** will support the growth of the mobile penetration in more matured countries (Gabon, Mauritania)

Source: Datasix; market data

# Appealing results in Maroc Telecom' subsidiaries



**Mauritel**  
Mauritania

	2010	vs 2009
Mobile subs. (000) Q3 2010	1,578	+17%
Market share*	53%	+1pt




**Sotelma**  
Mali

	2010	vs 2009
Mobile subs. (000) Q3 2010	1,959	+185%
Market share*	26%	+9 pts



**Gabon Telecom**  
Gabon

	2010	vs 2009
Mobile subs. (000) Q3 2010	631	+16%
Market share*	35%	-2pts



**Onatel**  
Burkina Faso

	2010	vs 2009
Mobile subs. (000) Q3 2010	2,122	+51%
Market share*	44%	+4pts

\* Q2-2010 vs. Q2-2009  
Source: Dataxis; market data

## Key figures Maroc Telecom Group (MADm)

	MADm	%	Comparable basis
Revenues	23,710	+5.8%	+2.9%
EBITDA	13,988	+5.1%	+4.2%
EBITDA margin	59.0%	-0.4 pt	+0.8 pt
Earnings from operations	10,505	3.5%	+4.1%
Operating margin	44.3%	-1.0 pt	+0.5 pt



## Key figures Maroc Telecom Group (EURm)

	EURm	%	Comparable basis
Revenues	2,126	+6.3%	+2.9%
EBITDA	1,254	+5.7%	+4.2%
EBITDA margin	59.0%	-0.4 pt	+0.8 pt
Earnings from operations	942	4.0%	+4.1%
Operating margin	44.3%	-1.0 pt	+0.5 pt

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# Highlights

## Mobile in Morocco



### POSTPAID

More free minutes and one on-net unlimited number



### PREPAID

Increase of usage thanks to more advantageous bonuses



### PREPAID

#### LOYALTY PROGRAM

Extension and improvement



### MOBILE PAYMENT



Progressive launch national and international transfers, bill payment.

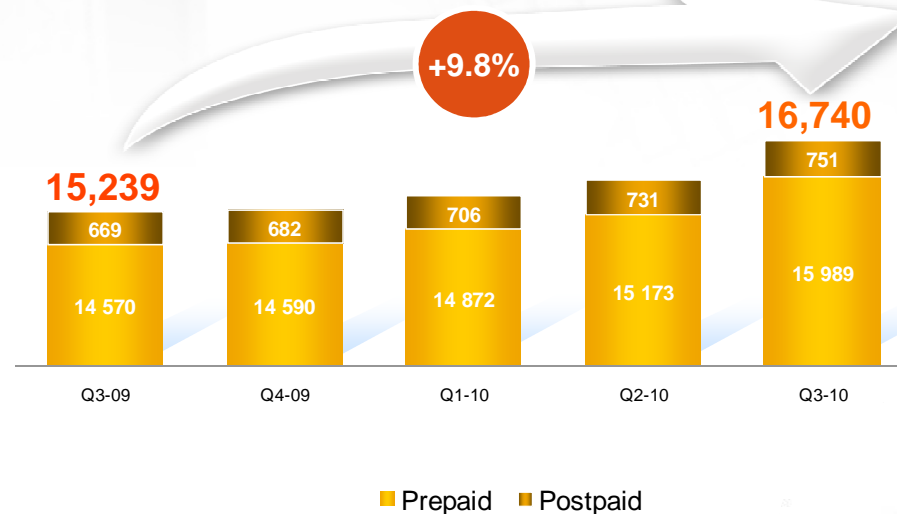
### EXTENSION OF THE DISTRIBUTION NETWORK

342 owned-shops, o/w 17 new in 9m 2010



# Business review Morocco

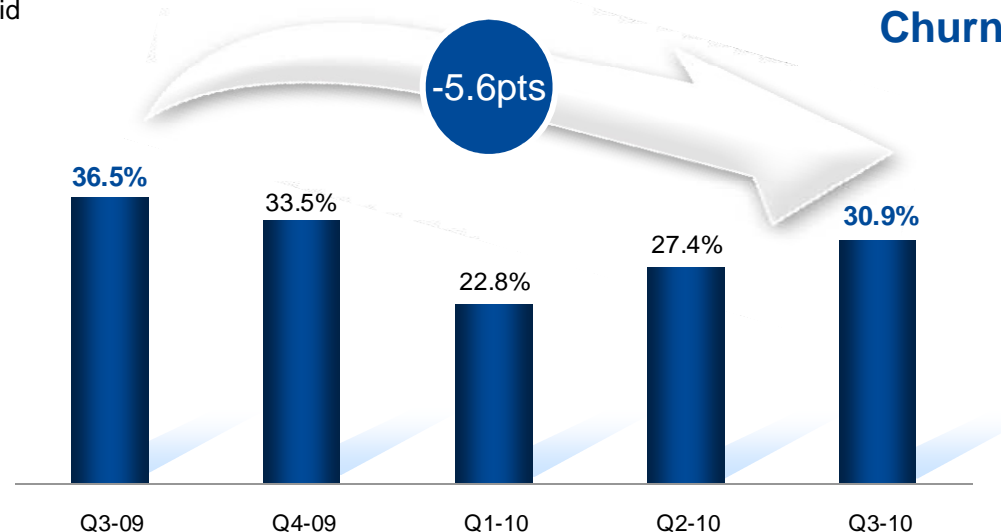
## Mobile customers base



- Customer base is still growing

## Churn is decreasing thanks to:

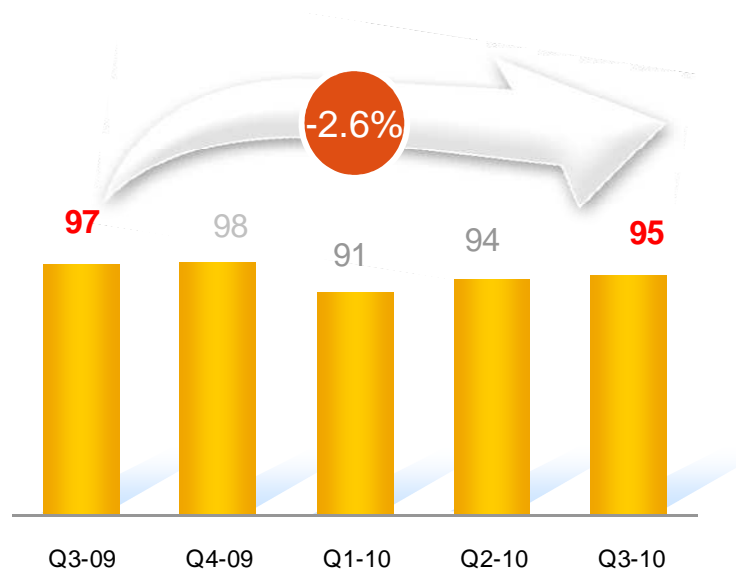
- The launch of offers improving loyalty
- Loyalty programs



# Mobile in Morocco ARPU & Usage

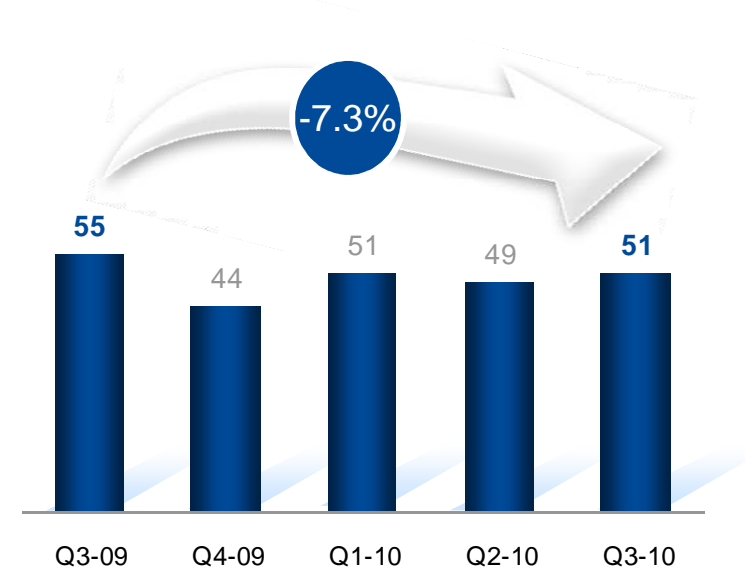
## Blended ARPU

(MAD / customer / month)



## Blended outgoing usage

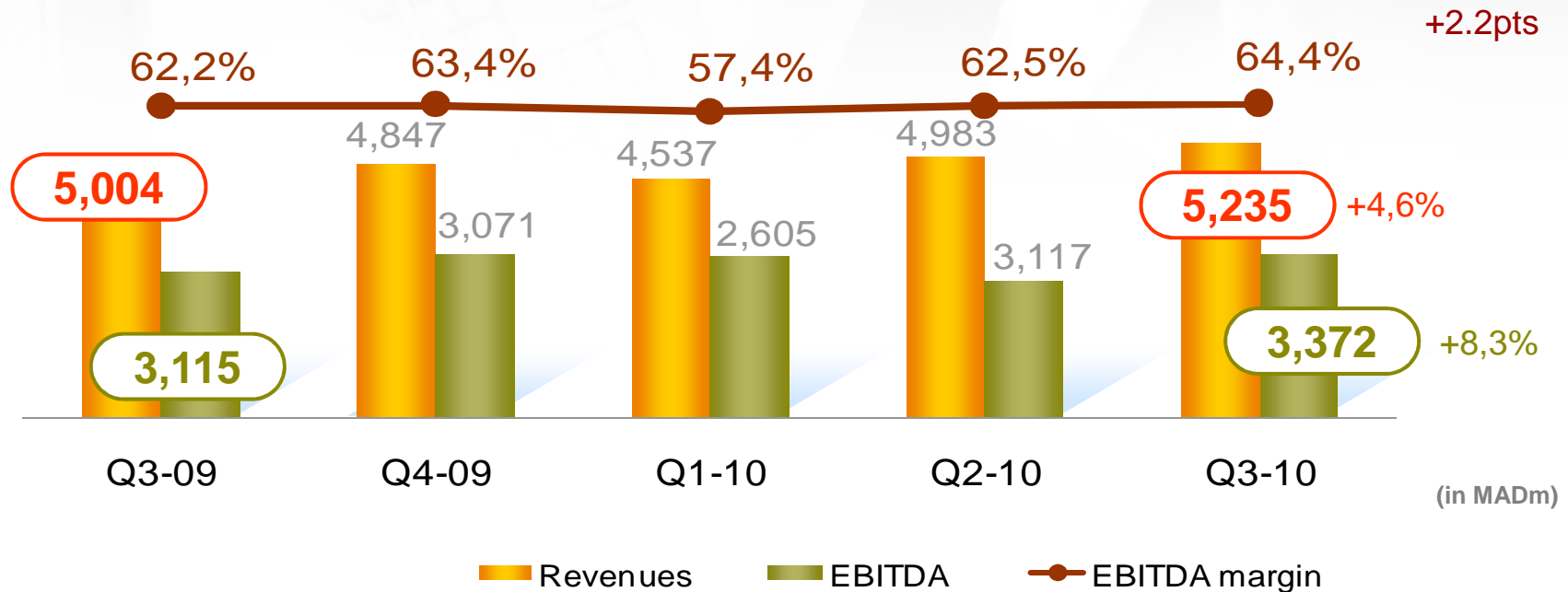
(Minutes / customer / months)



- **ARPU** is stabilizing at a high level despite the growth of the customers base
- Thanks the popularity of the Mobile 3G Internet and the steady growth of SMS and other value added services, the **recurring non-voice services revenue** recorded a strong increase: +36% (9m-2010) reaching 11.2% of the average bill, against 8.6% during the same period of 2009.

# Business review Morocco

Mobile  
(MADm)



Mobile revenues are growing significantly, margins continue to be improved.

# Highlights

## Fixed & Internet in Morocco



Unmetered national calls plan from the MTBOX (Triple-play)

Robust growth of the **enterprise market**



DSL back to growth

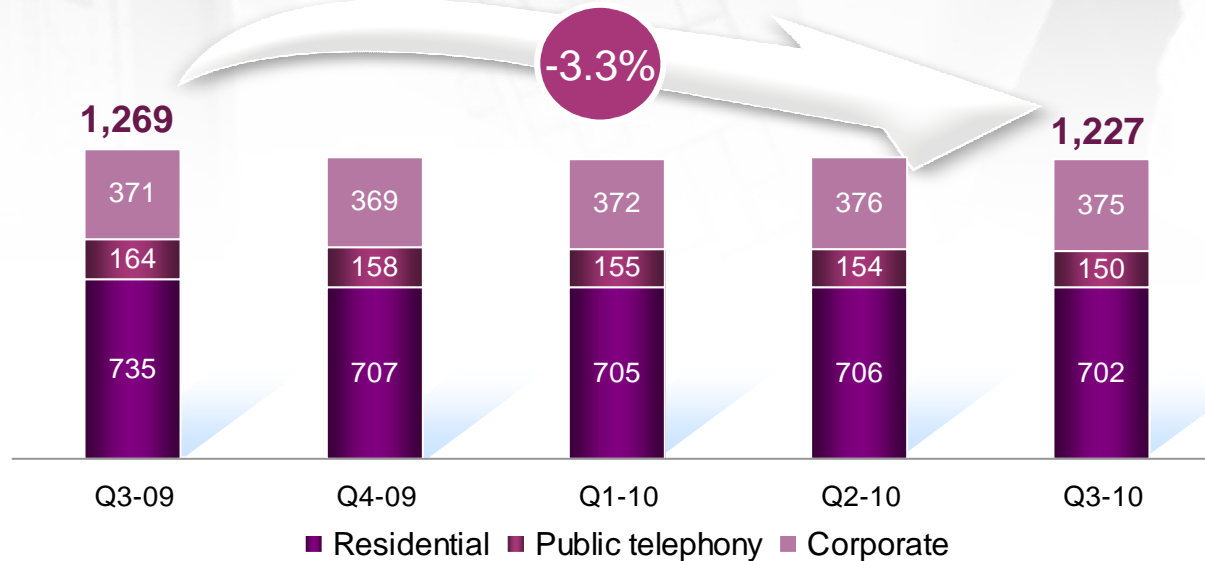


Stabilization of the **fixed-line customer base** thanks to DSL, IPTV, unmetered plans

# Business review

## Fixed & Internet in Maroc

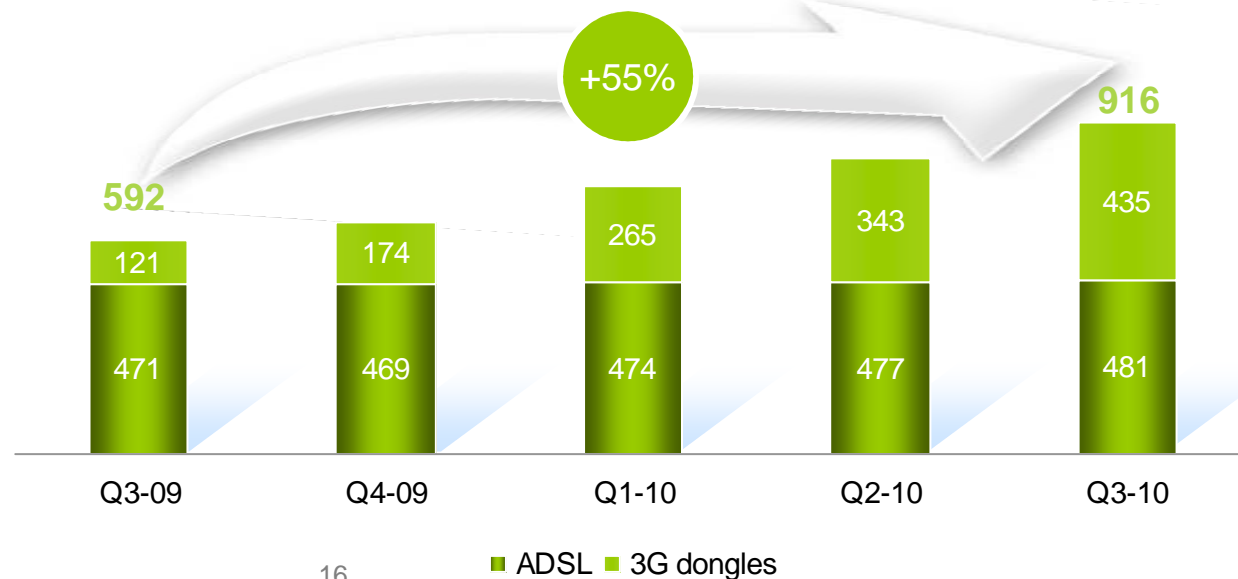
### Fixed lines customer base



- Stabilization of the number of lines in 2010

### Internet customer base

- Strong growth thanks to **Mobile Internet** (dongles)

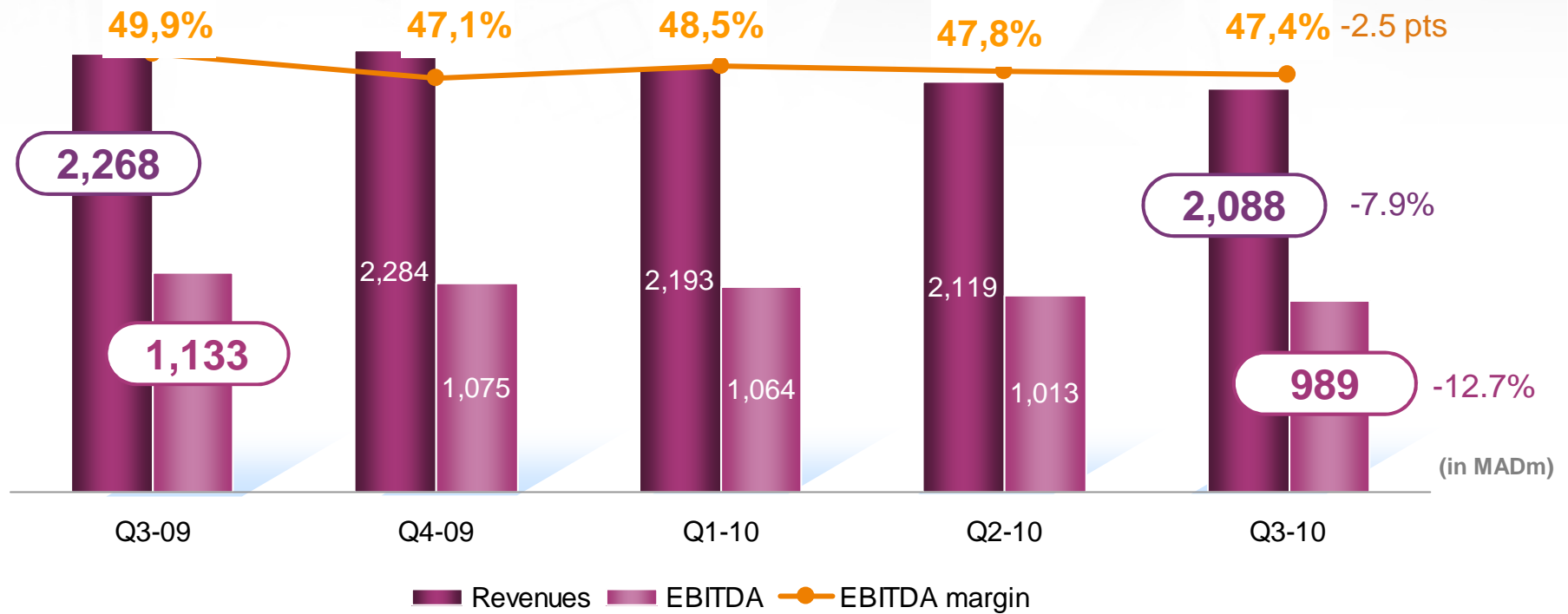




# Business Review

## Fixed & Internet in Morocco

**Fixed**  
(MADm)



Decrease of the traffic due to the competition from Mobile.



# Mauritania



**Population** 3.2 million

**GDP** \$ 3.6 billion

-1.1% in 2009  
+4.6% in 2010e

**Revenue per inhabitant (ppp)** ≈ \$ 2 034 in 2009  
≈ \$ 2 100 in 2010e

**Inflation** +4.9% in 2009  
+4.6% in 2010e

**MAD 1 =** 32.20 Ouguiya (MRO)  
+1.2% vs. 9m 2009

Source: IMF



In MADm – IFRS	9m-2009*	9m-2010	var.
<b>Revenues (net)</b>	<b>836</b>	<b>894</b>	<b>+6.9%</b>
Mobile	700	770	+10%
Fixed and Internet	165	161	-2.1%
<b>Operating income</b>	<b>298</b>	<b>284</b>	<b>-4.6%</b>
% of revenues	35.6%	31.8%	-3.8pts

\* 2009 figures have been adjusted between the Fixe and the Mobile (international transit)

	9m-2009	9m-2010	var.
<b>Mobile</b>			
Customers (000)	1,351	1,578	+17%
ARPU (MAD)	63	55	-9.1%
Market share*	52%	53%	+1pt
Penetration*	80%	90%	+10pts
Nb of operators	3	3	-
<b>Fixed</b>			
Lines (000)**	57	41	-27.5%
Market share	44.2%	44.2%	-
Penetration	3.0%	3.0%	-
Nb of operators	2	2	-
<b>Internet</b>			
Customers (000)**	11	7	-40,4%

\* Source: Datisis Q2-10

\*\* clean-up of the customer base at end-2009



# Burkina Faso



**Population** 14.7 million

**GDP** \$ 8.7 billion

+3.2% in 2009  
+4.4% in 2010e

**Revenue per inhabitant (ppp)** ≈ \$ 1,302 in 2009  
≈ \$ 1,341 in 2010e

**Inflation** -0.3% in 2009  
+2.0% in 2010e

**MAD 1 =** MAD 1 = FCFA 58.81  
+0.6% vs. 9m 2009

Source: IMF



In MADm - IFRS	9m-2009	9m-2010	var.
<b>Revenues (net)</b>	<b>1,255</b>	<b>1,368</b>	<b>+9%</b>
Mobile	849	984	+16%
Fixed and Internet	581	584	+0.6%
<b>Operating income</b>	<b>242</b>	<b>360</b>	<b>+49%</b>
% of revenues	19.3%	26.3%	+7.1pts

	9m-2009	9m-2010	var.
<b>Mobile</b>			
Customers (000)	1,402	2,122	+51%
ARPU (MAD)	75	57	-25%
Market share*	41%	43%	+2pts
Penetration*	21%	28%	+7pts
Nb of operators	3	3	-
<b>Fixed</b>			
Lines (000)	152	155	+2.6%
Market Share	100%	100%	-
Penetration	1.1%	1.1%	-
Nb of operators	1	1	-
<b>Internet</b>			
Customers (000)	22	25	+18.1%



# Gabon



**Population** 1.5 million

**GDP** \$ 11.01 billion

-1.4% in 2009e  
+5.4% in 2010e

**Revenue per inhabitant (ppp)** ≈ \$ 14,297 in 2009e  
≈ \$ 14,865 in 2010e

**Inflation** +0.8% in 2009e  
+7.5% in 2010e

**MAD 1 =** MAD 1 = FCFA 58.81  
+0.6% vs. 9m 2009

Source: IMF



In MADm - IFRS	9m-2009	9m-2010	var.
<b>Revenues (net)</b>	<b>864</b>	<b>787</b>	<b>-9.0%</b>
Mobile	472	434	-7.9%
Fixed and Internet	448	424	-5.5%
<b>Operating Income</b>	<b>87</b>	<b>70</b>	<b>-19%</b>
% of revenues	10%	8.9%	-1.1pt

	9m-2009	9m-2010	var.
<b>Mobile</b>			
Customers (000)	545	631	+16%
ARPU (MAD)	100	77	-24%
Market share*	37%	35%	-2pts
Penetration*	95%	105%	+10pts
Nb of operators	3	4	-
<b>Fixed</b>			
Lines (000)	36	36	-0.7%
Market share	100%	100%	-
Penetration	2.4%	2.4%	-
Nb of operators	1	1	-
<b>Internet</b>			
Customers (000)	20	22	+10.4%



# Mali



**Population** 14 million

**GDP** \$ 9.5 billion

+4.5% in 2009e  
+5.1% in 2010e

**Revenue per inhabitant (ppp)** ≈ \$ 1.164 in 2009e  
≈ \$ 1.207 in 2010e

**Inflation** +1.6% in 2009e  
+2.3% in 2010e

**MAD 1 =** MAD 1 = FCFA 58.81  
+0.6% vs. 9m 2009

Source: IMF



In MADm - IFRS	9m-2009*	9m-2010	var.
<b>Revenues (net)</b>	<b>907</b>	<b>1,126</b>	<b>24.1%</b>
Mobile	847	881	36%
Fixed and Internet	273	251	-6.8%
<b>Operating Income</b>	<b>-85</b>	<b>144</b>	<b>Ns</b>
% of revenues	-9.4%	12.8%	+22pts

\* As if this transaction had occurred as of January 1, 2009

	9m-2009	9m-2010	var.
<b>Mobile</b>			
Customers (000)	685	1,959	+185%
ARPU (MAD)	123	77	-37%
Market share*	17%	26%	+9pts
Penetration*	28%	36%	+8pts
Nb of operators	2	2	-
<b>Fixed</b>			
Lines (000)	62	74	+19%
Market share	88.0%	95.0%	+7pts
Penetration	0.6%	0.6%	-
Nb of operators	2	2	-
<b>Internet</b>			
Customers (000)	3	16	+251%

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## Financial results

The whole set of financial figures are reported to end-June 2010.

# Consolidated income statement (MADm)

In MADm	H1 2010	H1 2009	var
<b>Revenues</b>	<b>15,465</b>	<b>14,586</b>	<b>+6.0%</b>
Operating expenses	-8,799	-8,034	+9.5%
<b>EBITDA</b>	<b>9,004</b>	<b>8,589</b>	<b>+4.8%</b>
% of revenues	58.2%	58.9%	-0.7pt
<b>Earning from operations</b>	<b>6,667</b>	<b>6,552</b>	<b>+1.8%</b>
% of revenues	43.1%	44.9%	-1.8pt
<b>Net earnings group share</b>	<b>4,455</b>	<b>4,646</b>	<b>-4.1%</b>
% of revenues	28.8%	31.9%	-3.1pts

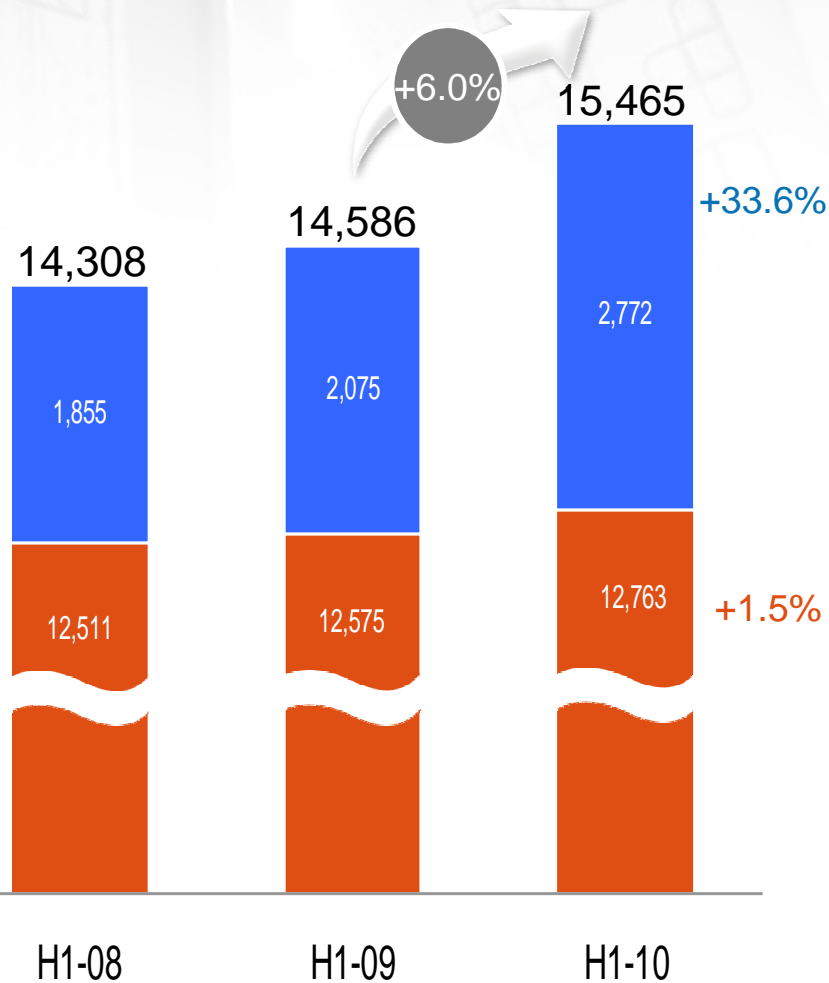


# Consolidated income statement (EURm)

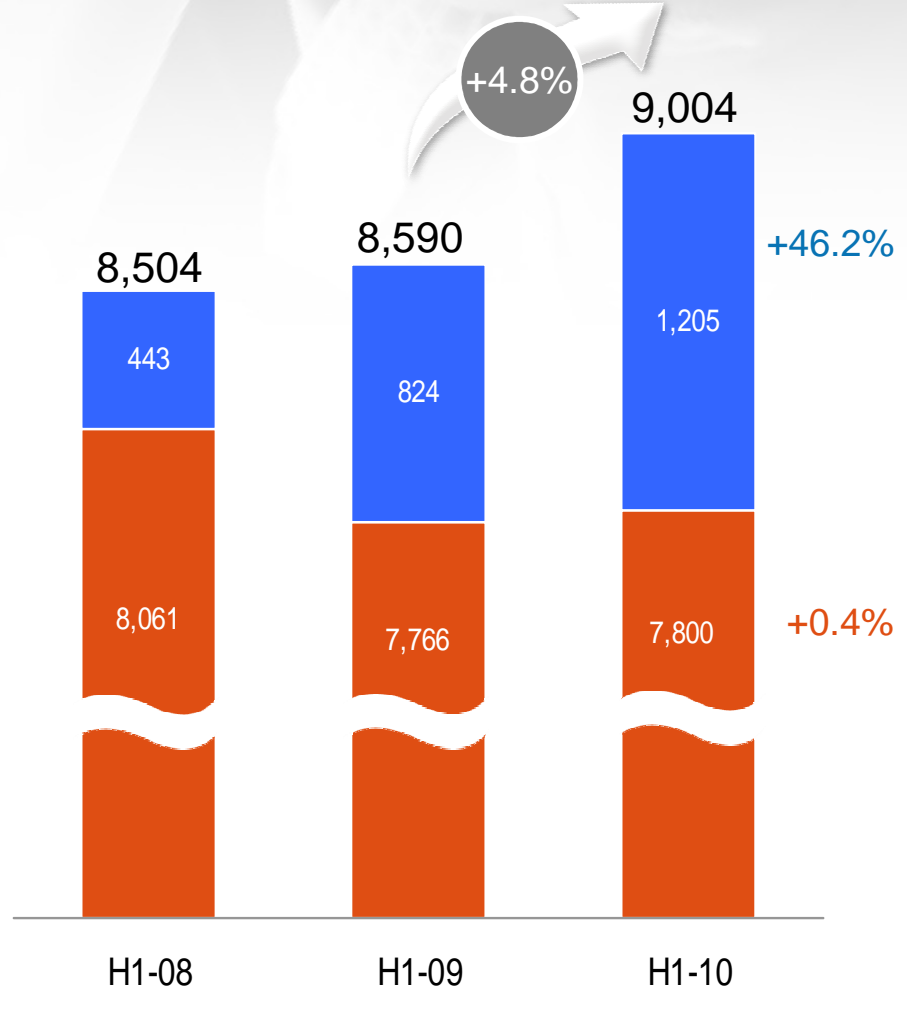
In EURm	H1 2010	H1 2009	var
<b>Revenues</b>	<b>1,382</b>	<b>1,305</b>	<b>+5.8%</b>
Operating expenses	-786	-719	+9.3%
<b>EBITDA</b>	<b>804</b>	<b>769</b>	<b>+4.7%</b>
% of revenues	58.2%	58.9%	-0.7pt
<b>Earning from operations</b>	<b>596</b>	<b>586</b>	<b>+1.6%</b>
% of revenues	43.1%	44.9%	-1.8pt
<b>Net earnings group share</b>	<b>399</b>	<b>416</b>	<b>-4.0%</b>
% of revenues	28.9%	31.8%	-3.0pts

# Revenues & EBITDA (MADm)

## Revenues



## EBITDA



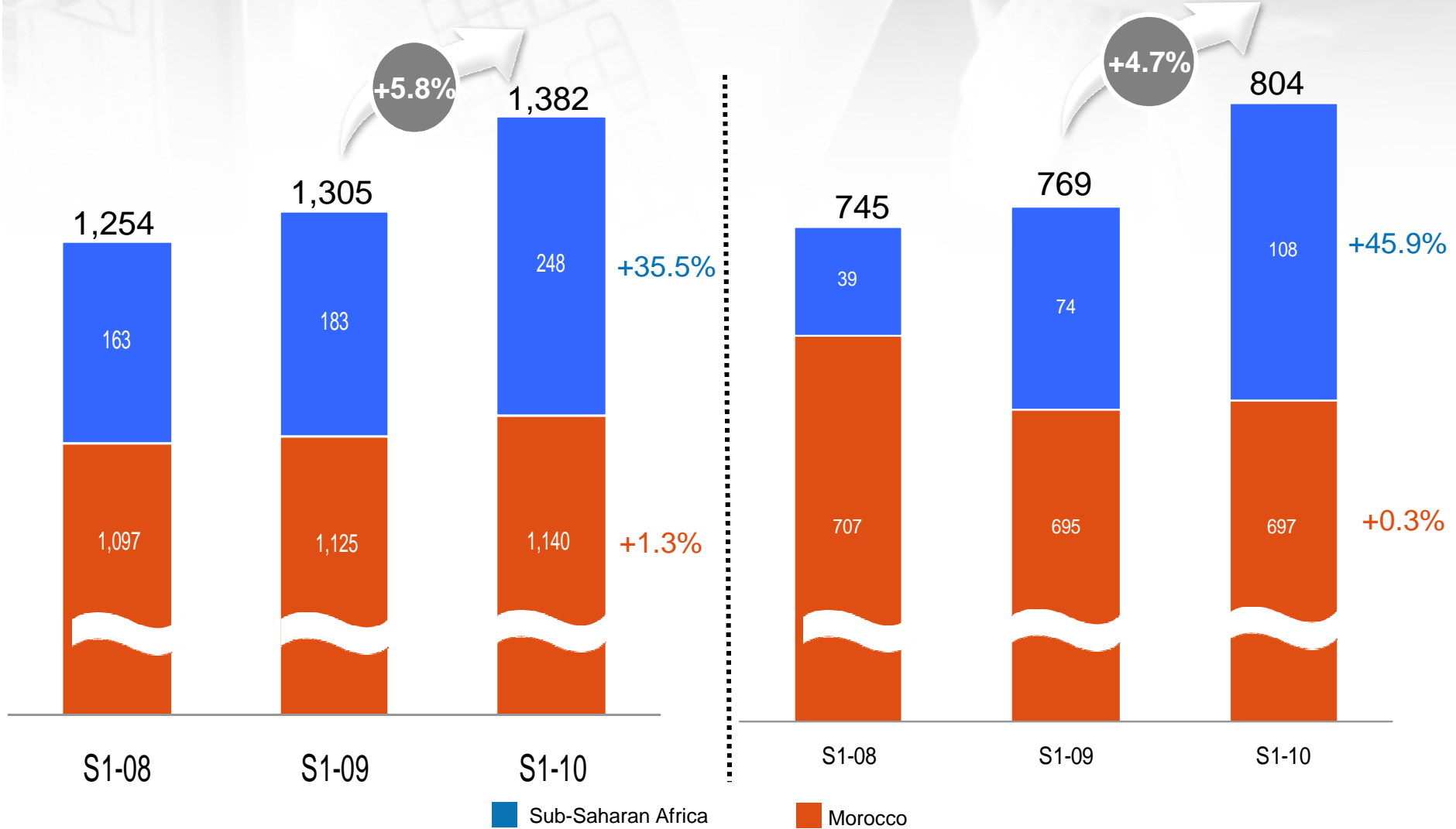
■ Sub-Saharan Africa

■ Morocco

# Revenues & EBITDA (EURm)

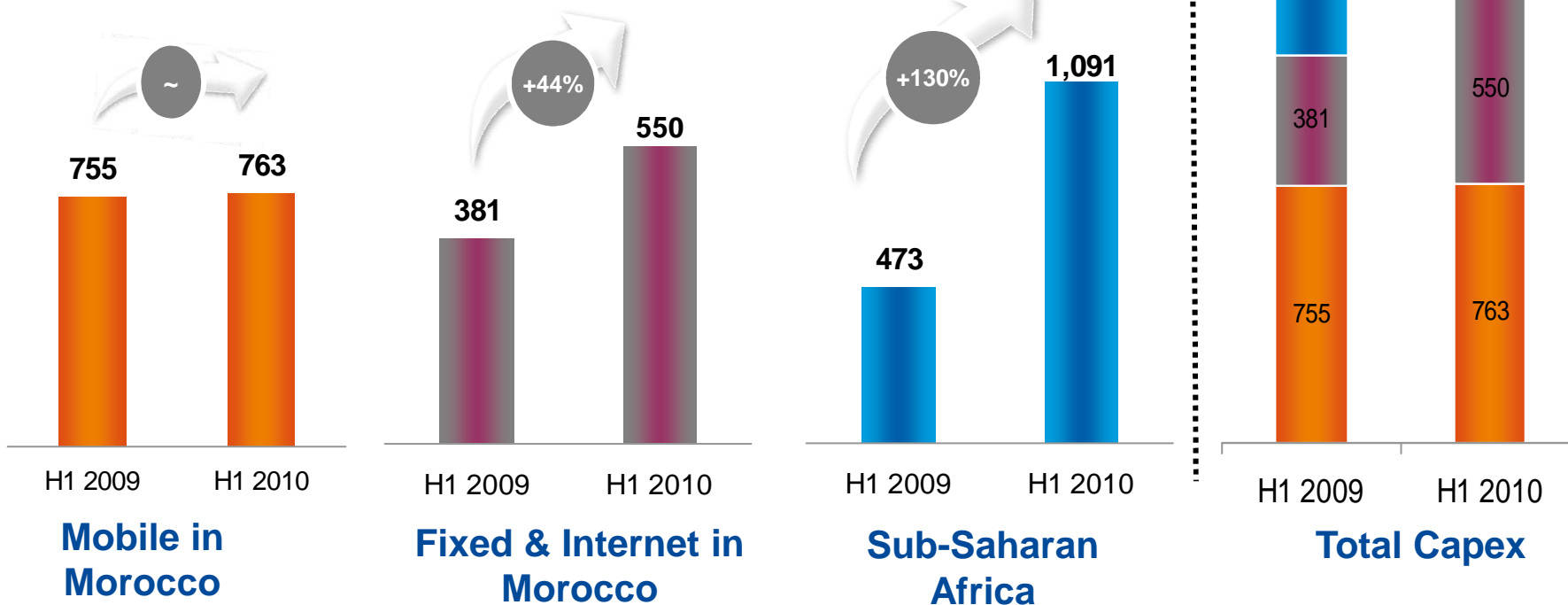
## Revenues

## EBITDA



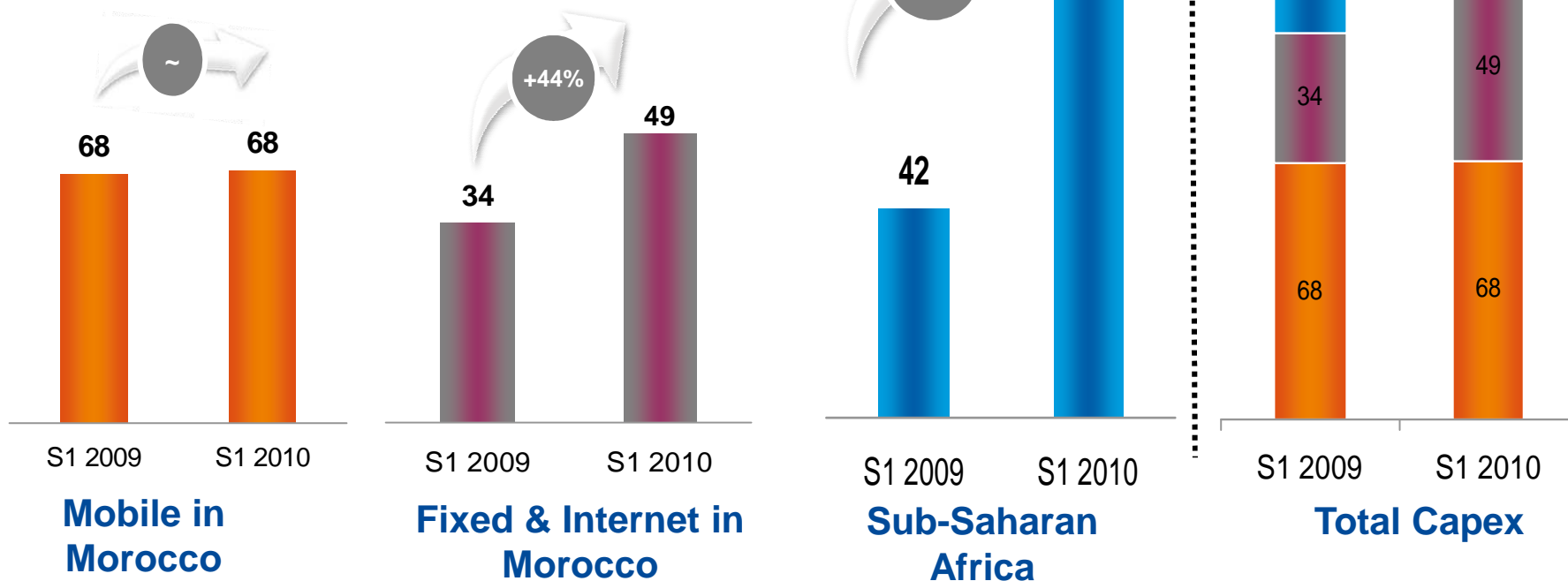
# Investments (MADm)

- CAPEX are back-end loaded in H2-2010, with a target of slightly more than 20% of revenues for the full year (15.5% in H1-2010)
- Stabilization of CAPEX in Morocco for the full year
- Increase of mobile network coverage in the subsidiaries



# Investments (EURm)

- CAPEX are back-end loaded in H2-2010, with a target of slightly more than 20% of revenues for the full year (15.5% in H1-2010)
- Stabilization of CAPEX in Morocco for the full year
- Increase of mobile network coverage in the subsidiaries



## Cash Flow Statement (MADm)

In MADm

	H1 2010	H1 2009	var
<b>EBITDA</b>	<b>9,004</b>	<b>8,589</b>	<b>+4.8%</b>
Maroc Telecom	7,799	7,766	+0.4%
Subsidiaries	1,205	824	+46.4%
<b>CAPEX</b>	<b>-2,404</b>	<b>-1,611</b>	<b>+49.4%</b>
Maroc Telecom	-1,313	-1,138	+15.6%
Subsidiaries	-1,091	-473	+130.7%
<b>Change in working capital</b>	<b>-1,090</b>	<b>-1,572</b>	<b>+30.0%</b>
<b>Cash Flow from operations</b>	<b>5,510</b>	<b>5,421</b>	<b>+1.6%</b>
Maroc Telecom	5,148	5,321	-3.3%
Subsidiaries	363	100	+263%
<b>Net Debt</b>	<b>8,905</b>	<b>5,314</b>	<b>67.6%</b>
Maroc Telecom	8,464	4,905	72.6%
Subsidiaries	441	409	7.8%

## Cash Flow Statement (EURm)

In EURm

	H1 2010	H1 2009	var
<b>EBITDA</b>	<b>804</b>	<b>769</b>	<b>+4.7%</b>
Maroc Telecom	697	695	+0.3%
Subsidiaries	108	74	+45.9%
<b>CAPEX</b>	<b>-215</b>	<b>-144</b>	<b>+49.1%</b>
Maroc Telecom	-117	-102	+15.4%
Subsidiaries	-97	-42	+130.9%
<b>Change in working capital</b>	<b>-97</b>	<b>-139</b>	<b>+30.1%</b>
<b>Cash Flow from operations</b>	<b>492</b>	<b>485</b>	<b>+1.4%</b>
Maroc Telecom	460	476	-3.4%
Subsidiaries	32	9	+255.5%
<b>Net Debt</b>	<b>808</b>	<b>470</b>	<b>72.2%</b>
Maroc Telecom	768	433	77.3%
Subsidiaries	40	36	11.1%

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# Clear targets



- **Maintain the leadership while controlling the margins**
- **Sustain the growth profile thanks to investments, the development of our subsidiaries and the search of new M&A opportunities**
- **Strengthening social responsibility and civic missions of Maroc Telecom by extending the coverage of remote areas, reducing the digital divide and more broadly sustainable development.**

# Unchanged 2010 guidance



- **Moderate growth in revenues**
- **Profitability to be maintained at high levels**