

Consolidated results – First quarter 2010

- Revenues grow 4.3% to MAD 7.4 billion
- Customer base grows 14% year on year to 22.4 million
- EFO margin maintained at 43.1%

GROUP CONSOLIDATED RESULTS

- **Revenues**

Consolidated revenues¹ for Maroc Telecom Group in the first quarter came to MAD 7,437 million, up 4.3% versus the same period in 2009 (up 0.5% on a comparable basis²).

The customer base grew by 14% year-on-year to 22.4 million at March 31, 2010, reflecting the continued growth of the Mobile customer base in Morocco and across operations in sub-Saharan Africa.

- **Earnings from operations (EFO)**

Consolidated earnings from operations¹ for Maroc Telecom Group in the first quarter amounted to MAD 3,205 million, up 0.5% versus the same period in 2009 (up 6.3% on a comparable basis²) while EBITDA totaled MAD 4,282 million, up 1.5% year-on-year (up 4.0% on a comparable basis²).

The growth in earnings from operations was attributable to the combined effect of revenue growth and a marked increase in the aggregate operating margin of the subsidiaries. Thus, the consolidated operating margin came to 43.1% in the first quarter, up 2.3 points on a comparable basis.

¹ At March 31, 2010, Maroc Telecom established its results by consolidating the contributions from the Mauritel, Onatel, Gabon Télécom, Sotelma and its subsidiaries Mobisud France (until May 31, 2009) and Mobisud Belgium. Mobisud France was no longer consolidated. Sotelma was consolidated as from August 1, 2009.

² Comparable basis illustrates the full consolidation of Sotelma, as if this transaction had occurred as of January 1, 2009, the withdrawal from the accounts of Mobisud France, and constant exchange rates (MAD/Mauritanian Ouguiya/CFA Franc/Euro).

OPERATING REVIEW

- **Morocco**

The Group's operations in Morocco generated net revenues³ of MAD 6,095 million in the first quarter, down 0.7% year-on-year, and earnings from operations of MAD 2,898 million, down 3.1% year-on-year, chiefly due to the impact of marketing and communications efforts.

Mobile

In Morocco, gross revenues⁴ generated by Mobile services in the first quarter rose by 3.6% to MAD 4,537 million, driven by the positive impact of customer growth and a stabilization in ARPU.

The customer base⁵ grew by 6.5% year-on-year to 15.578 million at March 31, 2010. Thanks notably to the success of the loyalty program for prepaid customers introduced in 2009, the annualized mixed churn rate for first quarter 2010 came to 22.8% down 14.7 points year-on-year.

Blended ARPU⁶ remained unchanged from the prior-year period at MAD 91, essentially due to the impact of customer growth and an increase of almost 15% in inbound revenues, with a marked upturn in International inbound revenues.

Fixed-line and Internet

Gross revenues⁴ generated in the Fixed-line and Internet segments in Morocco came to MAD 2,193 million at March 31, 2010, down 7.7%, resulting from the decline in Voice revenues, due to encroachment by Mobile.

At end-March, the Fixed-line network had 1.232 million lines in service, a level virtually unchanged from the end of 2009.

The ADSL customer base totaled 474,000 lines at March 31, 2010, up 1% versus end-2009 and down 2% relative to the prior-year period. The 3G Mobile Internet customer base amounted to 265,000 customers (versus 174,000 customers at end-2009).

³ Net revenues exclude inter-segment revenues between the Fixed-line and Mobile operations of each subsidiary, but include inter-company revenues (e.g. service-level agreements) which are eliminated from consolidated revenues.

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

⁵ Active customer base, comprising prepaid customers having made or received a voice call in the last three months and postpaid customers who are on contracts.

⁶ Average Revenue Per User (ARPU) comprises revenues from incoming and outgoing calls and data services, net of price promotions and excluding roaming and equipment sales divided by the average prepaid and postpaid customer base over the period.

- **Mauritania**

The Group's operations in Mauritania generated net revenues³ of MAD 282 million, up 3.3% (up 10.4% at constant exchange rates²), thanks to a solid performance in the Mobile segment. Mauritel posted MAD 85 million in earnings from operations, down 7% at constant exchange rates², mainly due to the impact of promotional efforts. At end-March, the number of mobile customers stood at 1.473 million while Mauritel had a further 43,000 fixed-line customers and 7,000 Internet customers.

- **Burkina Faso**

The Group's operations in Burkina Faso generated net revenues³ of MAD 461 million, up 13.2% (up 12% at constant exchange rates²) and earnings from operations of close to MAD 168 million, up 92.5% at constant exchange rates², thanks to a very solid performance across the Mobile, Fixed-line and Internet segments. At end-March, the number of mobile customers stood at 1.812 million while Onatel had a further 153,000 fixed-line customers and 24,000 Internet customers.

- **Gabon**

The Group's operations in Gabon generated net revenues³ of MAD 273 million, down 7.9% (down 8.9% at constant exchange rates²). Buoyed by rigorous control of fixed and variable costs, earnings from operations amounted to MAD 36 million, up 56.5% at constant exchange rates². Gabon Télécom achieved significant commercial successes in the first quarter of 2010. At end-March, the number of mobile customers stood at 528,000 and it had more than 36,000 fixed-line customers and close to 20,000 Internet customers.

- **Mali**

The Group's operations in Mali generated net revenues³ of MAD 340 million, up 13.7% on a comparable basis², and earnings from operations amounted to MAD 17 million. Sotelma turned in a strong commercial performance in the first quarter of 2010. At end-March, the number of mobile customers stood at 911,000 and it had 69,000 fixed-line customers and close to 10,000 Internet customers.

- **Belgium**

The Mobisud MVNO posted revenues of MAD 15 million in the first quarter of 2010 and had around 31,000 active customers.

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

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Revenues and operating income of the 1st quarter

MAD million - IFRS	2009			2010			% change comparable basis ³		
	Total (net ³)	Mobile (gross) ⁽⁴⁾	Fixe/Internet (gross) ⁽⁴⁾	Total (net ³)	Mobile (gross) ⁽⁴⁾	Fixe/Internet (gross) ⁽⁴⁾	Total (net ³)	Mobile (gross) ⁽⁴⁾	Fixe/Internet (gross) ⁽⁴⁾
Consolidated revenues⁽¹⁾	7,129	5,079	2,798	7,437	5,530	2,678	0.5%	4.9%	(7.0%)
Maroc Telecom	6,136	4,378	2,376	6,095	4,537	2,193	(0.7%)	3.6%	(7.7%)
Mauritel	273	228	63	282	241	54	10.4%	12.6%	(9.5%)
Onatel	407	265	202	461	331	197	12.0%	23.3%	(3.4%)
Gabon Télécom	296	161	157	273	149	147	(8.9%)	(8.4%)	(7.0%)
Sotelma	-	-	-	340	258	86	13.7%	15.5%	7.0%
Mobisud	46	46	-	15	15	-	(42.7%)	(42.7%)	-
Consolidated EFO^{(1)*}	3,188	2,312	876	3,205	2,506	699	6.3%	5.7%	8.1%
Maroc Telecom	2,992	2,130	862	2,898	2,164	734	(3.1%)	1.6%	(14.8%)
Mauritel	98	88	10	85	83	3	(7.0%)	0.8%	(73.6%)
Onatel	86	97	(10)	168	164	4	92.5%	67.8%	ns
Gabon Télécom	23	9	14	36	11	25	56.5%	30.7%	72.1%
Sotelma	-	-	-	17	83	(66)	109.5%	56.9%	71.4%
Mobisud	(11)	(11)	-	0	0	-	ns	-	-

* non audited

Operational data

thousands - end of period	2009				2010
	Q1	Q2	Q3	Q4	Q1
Mobile customer base⁽⁵⁾	17,624	17,553	19,306	19,602	20,333
Maroc Telecom	14,630	14,289	15,239	15,272	15,578
Prepaid	13,988	13,618	14,570	14,590	14,872
Postpaid	642	671	669	682	706
Mauritel	1,218	1,315	1,351	1,335	1,473
Onatel	1,162	1,316	1,402	1,569	1,812
Gabon Télécom	471	533	545	513	528
Sotelma	-	-	685	818	911
Mobisud	143	100	84	95	31
Fixed-line customer base	1,524	1,533	1,576	1,528	1,533
Maroc Telecom	1,286	1,290	1,269	1,234	1,232
Mauritel*	54	56	57	41	43
Onatel	149	151	152	152	153
Gabon Télécom	35	36	36	36	36
Sotelma	-	-	62	65	69
Internet customer base	536	537	529	527	537
Maroc Telecom	488	486	473	471	476
Mauritel*	10	11	11	6	7
Onatel	19	21	22	23	24
Gabon Télécom	19	19	20	20	20
Sotelma	-	-	3	7	10

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