PRESS RELEASE

Rabat, July 20, 2014

CONSOLIDATED RESULTS FOR H1 2014

Highlights:

- **confirmation of return to revenue growth (+1.3% in the second quarter)**;
- **continued expansion of customer bases:** +9.2%, to 38 million customers;
- **steady fixed-line growth in Morocco (+5.5%),** attributable to growth in customer bases for fixed lines (+9.0%) and broadband (+22.3%);
- **rapid growth in data, which accounted for 18.4% of mobile ARPU in Morocco, compared with 14.2% in 2013;**
- **steady growth maintained in subsidiaries:** revenues and EBITDA up 10.9% and 4.4% respectively on a like-for-like basis;
- **substantial EBITDA Group margin maintained, at 55.2%;**
- **new milestone in the Company's international development strategy.** On May 4, 2014, an agreement was concluded with Etisalat for the acquisition of its subsidiaries in Benin, Ivory Coast, Gabon, Niger, the Central African Republic, and Togo.

Outlook for 2014 unchanged (for present scope of consolidation):

- **slight decline in EBITDA;**
- **slight growth in capital expenditures.***

On the occasion of the publication of this press release, Mr. Abdeslam Ahizoune, Chairman of the Management Board, stated:

"Maroc Telecom Group confirms the return to revenue growth, with the rise in traffic driven by our operating performances and by the quality of our offers. Our customers communicate more and more, inspired by our innovations and secured with the quality of our networks. Despite a challenging regulatory environment, the Group continues its proactive policy of modernizing networks through the deployment of ultra-high-speed fixed-line and mobile services.
The agreement concluded with Etisalat to acquire its activities in six countries with high-potential markets allows Maroc Telecom Group to pass a new milestone in its development in sub-Saharan Africa."

**Excluding any acquisitions of new spectra and licenses.*

GROUP CONSOLIDATED RESULTS

IFRS in MAD millions	H1 2013	H1 2014	Change	Change like for like[1]
Revenue	14,468	14,564	+0.7%	+0.7%
EBITDA	8,406	8,034	-4.4%	-4.4%
Margin (%)	*58.1%*	*55.2%*	*-2.9 pts*	*-2.9 pts*
EBITA	5,951	5,460	-8.3%	-8.2%
Margin (%)	*41.1%*	*37.5%*	*-3.7pts*	*-3.6 pts*
Net income (Group share)	3,521	3,073	-12.7%	-12.8%
Margin (%)	*24.3%*	*21.1%*	*-3.2 pts*	*-3.3 pts*
CAPEX[(2)]	2,753	2,048	-25.6%	
CAPEX/Revenues	*19.0%*	*14.1%*	*-5.0 pts*	
CFFO	5,354	5,091	-4.9%	
Net debt	9,644	9,564	-0.8%	
Net debt / EBITDA	*0.6x*	*0.6x*		

- **Revenue**

At June 30, 2014, Maroc Telecom Group had consolidated revenue[3] of MAD 14,564 million, up by 0.7% from the first half of 2013 (+0.7% like for like[1]). This performance is attributable to continued strong growth in revenue from international activities (+10.9% like for like) combined with a gradual recovery of activity in Morocco, down a modest 2.4%.

In the second quarter, Maroc Telecom Group revenues rose to MAD 7,357 million, an increase of 1.3% compared with the same period a year earlier.

The Group's customer base amounted to more than 38 million customers at June 30, 2014, a rise of nearly 9.2% year on year, driven by the expansion of international customer bases (+19%).

- **Earnings from operations before depreciation and amortization**

In the first half of 2014, Maroc Telecom Group's earnings from operations before depreciation and amortization (EBITDA) amounted to MAD 8,034 million, 4.4% less than the same period a year earlier (−4.4% like for like). This decline was due to a 7.0% drop in EBITDA in Morocco that was partially compensated by a 4.1% rise in EBITDA from international activities (+4.4% like for like). The EBITDA margin fell by 2.9 points but remains a substantial 55.2%.

In the second quarter, EBITDA came to MAD 4,093 million, a moderate decline of 2.0% from the same period in 2013 (−1.8% like for like).

- **Earnings from operations**

At the end of June 2014, consolidated earnings from operations (EBITA)[4] for Maroc Telecom Group amounted to MAD 5,460 million, 8.3% less (−8.2% like for like) than EBITA in the first half of 2013. The decline can be partially explained by higher depreciation charges (+4.9%) for substantial capital expenditures in recent years. The operating margin fell by 3.7 points, to 37.5%.

- **Net income**

Net income (Group share) for the first half of 2014 came to MAD 3,073 million, down by 12.7% year on year (−12.8% like for like).

- **Cash flow**

Cash flow from operations (CFFO)[5] declined moderately in the first half of 2014, falling 4.9%, to MAD 5,091 million. This change reflects the 12.7% drop in CFFO in Morocco, although international CFFO compensated with strong growth of 32.9%.

At the end of June 2014, consolidated net debt[6] of Maroc Telecom group stood at MAD 9.6 billion. This annual decline of only 0.8% was the result of very strong cash-flow generation (CFFO over the past 12 months accounts for 73% of the period's EBITDA). Net debt represents only 0.6 times annual Group EBITDA, even after the dividend payments in June 2014 of MAD 5 billion to Maroc Telecom shareholders, and of MAD 765 million to noncontrolling interests in subsidiaries.

- **Outlook affirmed for 2014**

On the basis of recent market trends, and insofar as no extraordinary event disrupts its business activity, Maroc Telecom group maintains its forecast of a slight decline in EBITDA and a slight growth in capital expenditures*, on the basis of the current scope of consolidation.

- **Recent changes**

The first half was notable for a new development in the Company's international strategy. An agreement was concluded with Etisalat for the acquisition of its subsidiaries in Benin, Ivory Coast, Gabon, Niger, the Central African Republic, and Togo. The agreement also includes Prestige Telecom, which provides IT services for Etisalat's subsidiaries in those countries. The $650 million transaction includes the acquisition of Etisalat's stake in the aforementioned operators and the assumption by Maroc Telecom of shareholder loans. The agreement is subject to approval by the authorities of the countries in which Etisalat's subsidiaries operate.

*Excluding any acquisitions of new spectra or licenses.

Overview of Group activities

- **Morocco**

IFRS in MAD millions	H1 2013	H1 2014	Change
Revenue	10,909	10,652	-2.4%
Mobile	**8,085**	**7,748**	**-4.2%**
Services	*7,888*	*7,506*	*-4.8%*
Equipment	*197*	243	23.3%
Fixed line	**3,709**	**3,912**	**+5.5%**
*Fixed-line data**	*908*	*982*	*+8.1%*
Elimination	-885	*-1,008*	
EBITDA	6,478	6,026	-7.0%
Margin (%)	*59.4%*	*56.6%*	*-2.8 pts*
EBITA	4,758	4,234	-11.0%
Margin (%)	*43.6%*	*39.7%*	*-3.9 pts*
CAPEX(2)	2,038	1,310	-35.7%
CAPEX/Revenues	*18.7%*	*12.3%*	*-6.4 pts*
CFFO	4,443	3,880	-12.7%
Net debt	8,297	8,053	-2.9%
Net debt / EBITDA	*0.6x*	*0.7x*	

*Fixed-line data include internet, ADSL TV, and data services to businesses.

In the first half of 2014, business in Morocco generated revenues of MAD 10,652 million. This modest decline of 2.4% was the result of solid growth in fixed-line and internet activities, which advanced 5.5% in 12 months.

Earnings from operations before depreciation and amortization (EBITDA) amounted to MAD 6,026 million, a decline of 7.0% attributable to lower revenues and significantly higher traffic. Although down by 2.8 points from the first half of 2013, the EBITDA margin remained a substantial 56.6%.

In the second quarter, EBITDA in Morocco fell by only 2.7%, to MAD 3,057 million, compared with the second quarter of 2013.

Earnings from operations (EBITA) on Morocco amounted to MAD 4,234 million. This performance, affected by a 4.1% rise in depreciation charges, represents a margin of 39.7%, down by 3.9 points year on year.

Cash flow from operations in Morocco fell by 12.7% in 2013, to MAD 3,880 million. This change was the result of lower EBITDA, which was only partially offset by lower (−35.7%) capital expenditures, compared with the same period in 2013.

Mobile

	Unit	H1 2013	H1 2014	Change
Mobile				
Customer base[7]	**(000)**	**18,049**	**18,163**	**+0.6%**
Prepaid	*(000)*	*16,731*	*16,710*	*−0.1%*
Postpaid	*(000)*	*1,318*	*1,453*	*+10.2%*
o/w 3G internet	*(000)*	*1,822*	*3,855*	*+111.6%*
ARPU[(8)]	(MAD/month)	71.5	66.9	−6.4%
Data in % of ARPU[9]	*(%)*	*13.9%*	*18.4%*	*+4.5 pts*
MOU	(Min/month)	133	169	+27.2%

Revenue from mobile activity declined by 4.2% in the first half of 2014, to MAD 7,748 million, in an intense competition environment.

The mobile customer base[7] grew by 0.6%, to 18.163 million customers. This moderate growth is attributable to the slowdown in the expansion of the prepaid customer base (−0.1%), caused by of the prohibition against the sale of prepaid, preactivated SIM cards. By contrast, the postpaid customer base recorded steady growth of 10.2%, driven by continually enhanced product offers (free hours of call time, unlimited numbers, per second billing etc.). The popularity of offers combining voice and data remained strong. Such offers underpinned the growth of the mobile 3G-internet customer base[10], which more than doubled over the past 12 months, to 3.9 million customers at the end of June 2014.

Revenue from mobile services decreased by 4.8%, compared with the first half of 2013, because of an 8.1% drop in outgoing revenue. Against a background of limited price elasticity, outgoing call traffic rose by 32%, while rates fell by 30%. Incoming revenue, on the other hand, grew by 8.7% as a result of traffic growth and mobile termination rates, which have been stable since the beginning of 2013.

Blended ARPU[8] in the first half of 2014 amounted to MAD 66.9, a decline of 6.4% compared with the first half of 2013. The 9.7% fall in outgoing ARPU was attributable to a decline in voice activity, which was not compensated by the rapid growth of data use. Data accounted for 18.4% of ARPU in the first half of 2014 (i.e., growth of 4.5 points year on year), a performance explained by the rising popularity of data usage, particularly in the prepaid segment, and by the monetization of data.

Fixed line and internet

	Unit	H1 2013	H1 2014	Change
Fixed line				
Fixed lines	**(000)**	**1,325**	**1,444**	**+9.0%**
Broadband access[11]	**(000)**	**755**	**923**	**+22.3%**

In the first half of 2014, the fixed-line and internet activities in Morocco generated revenues of MAD 3,912 million, an annual increase of 5.5%. This performance is attributable mainly to the success of double-play offers and to unlimited Phony plans, now with free additional hours of call time to domestic mobiles.

Revenue from fixed-line data grew sharply, to MAD 982 million (+8.1%), driven by growth of the ADSL customer base (+22.3%) and by the success of IP products for businesses.

At the end of June 2014, the fixed-line customer base had risen by 9.0% year on year. The total number of lines stood at 1,444 thousand, boosted by the residential segment, whose customer base rose by 13.9% because of enthusiasm for broadband internet.

- ## International

IFRS in MAD millions	H1 2013	H1 2014	Change	Change like for like[1]
Revenue	3,804	4,210	+10.7%	+10.9 %
Mauritania	**737**	**785**	**+6.4%**	**+11.7%**
Mobile services	*673*	*721*	*+7.1%*	*+12.4%*
Burkina Faso	**1,095**	**1,204**	**+9.9%**	**+8.9%**
Mobile services	*921*	*999*	*+8.5%*	*+7.5%*
Gabon	**698**	**818**	**+17.3%**	**+16.2%**
Mobile services	*397*	*523*	*+31.8%*	*+30.6%*
Mali	**1,308**	**1,449**	**+10.7%**	**+9.8%**
Mobile services	*1,123*	*1,258*	*+12.0%*	*+11.0%*
Elimination	**-34**	**-46**		
EBITDA	**1,928**	**2,008**	**+4.1%**	**+4.4%**
Margin (%)	*50.7%*	*47.7%*	*−3.0 pts*	*−3.0 pts*
EBITA	**1,194**	**1,226**	**2.7%**	**3.1%**
Margin (%)	*31.4%*	*29.1%*	*−2.2 pts*	*−2.2 pts*
CAPEX[2]	**715**	**738**	**+3.2%**	
CAPEX/Revenues	*18.8%*	*17.5%*	*−1.3 pts*	
CFFO	**911**	**1,211**	**+32.9%**	
Net debt	**1,348**	**1,511**	**+12.1%**	
Net debt / EBITDA	*0.3x*	*0.4x*		

Maroc Telecom Group's international activities showed strong growth in H1 2014 (+10.7%, and +10.9% like for like), generating revenues totaling MAD 4,210 million. This performance was attributable to growth of 19% in mobile customer bases.

In the same period, earnings from operations before depreciation and amortization (EBITDA) increased by 4.1% (+4.4% like for like), to MAD 2,008 million. The EBITDA margin came to 47.7%, a decline of 3.0 points due to a strong rise in regulatory taxes, especially in Burkina Faso, where a new tax of 5% on mobile revenues went into effect on January 1, 2014, and exceptional items.

Earnings from operations (EBITA) in the first half of 2014 amounted to MAD 1,226 million, up 2.7% (+3.1% like for like) from the previous year. The EBITA margin declined by 2.2 points, to 29.1%.

Despite a slight (+3.2%) rise in CAPEX, cash flow from operations (CFFO) in international activities increased by 32.9%, to MAD 1,211 million, because of the ongoing efforts to optimize working capital requirements (WCR).

Mauritania

	Unit	H1 2013	H1 2014	Change like for like[1]
Mobile				
Customer base[7]	(000)	2,000	1,877	−6.1%
ARPU[8]	(MAD/month)	54.6	62.9	16.1%
Fixed lines	**(000)**	**42**	**43**	**+1.6%**
Broadband access[11]	**(000)**	**7**	**8**	**+3.4%**

At the end of June 2014, activities in Mauritania had generated revenues of MAD 785 million, an increase of 6.4% (+11.7% like for like). This growth was driven by the mobile segment, whose service revenues rose by 7.1% (+12.4% like for like) after a sharp increase in outgoing traffic (+41%).

The mobile customer base totaled 1,877 thousand customers, a decline of 6.1% from the same period a year earlier. The change was due to increasingly intense competition and to a deliberate policy to encourage use by active customers. The fixed-line and internet customer bases expanded year on year by 1.6% and 3.4% respectively, to 42,802 and 7,605 customers.

Burkina Faso

	Unit	H1 2013	H1 2014	Change like for like[1]
Mobile				
Customer base[7]	(000)	4,248	5,394	+27%
ARPU[8]	(MAD/month)	37	32.1	−13.3%
Fixed lines	**(000)**	**100**	**86**	**−14.4%**
Broadband access[11]	**(000)**	**27**	**18**	**−34.2%**

At the end of June 2014, activities in Burkina Faso had generated revenues of MAD 1,204 million, a rise of 9.9% (+8.9% like for like). This performance was helped by growth in mobile services, whose revenues increased by 8.5% (+7.5% like for like). The mobile customer base continued to show strong growth (+27%), and finished the period with 5,394 thousand customers.

Weakened by competition from the mobile segment, the fixed-line and internet customer bases declined by 14.4% and 34.2% respectively.

Gabon

	Unit	H1 2013	H1 2014	Change like for like[1]
Mobile				
Customer base[7]	(000)	929	1,083	+16.6%
ARPU[8]	(MAD/month)	77.7	82.1	+5.6%
Fixed lines	**(000)**	**18**	**20**	**+7.9%**
Broadband access[11]	**(000)**	**9**	**11**	**+31.3%**

Revenues in Gabon totaled MAD 818 million in the first half of 2014, an increase of 17.3% (+16.2% like for like). This growth was driven by the mobile segment, whose service revenue increased by 31.8% (+30.6% like for like) because of strong growth in the customer base (+16.6%) combined with a sharp rise in traffic (+27.3%).

The fixed-line and internet customer bases (+7.9% and +31.3% respectively) continue to expand as a result of the success of internet offers and data solutions for businesses.

Mali

	Unit	H1 2013	H1 2014	Change like for like[1]
Mobile				
Customer base[7]	(000)	7,524	9,164	+21.8%
ARPU[8]	(MAD/month)	27.9	21.0	−24.6%
Fixed lines	**(000)**	**102**	**120**	**+18.1%**
Broadband access[11]	**(000)**	**47**	**53**	**+11.5%**

Revenues generated by activities in Mali in the first half of 2014 rose by 10.7% (+9.8% like for like), to MAD 1,449 million. This performance was due to growth in the mobile segment, whose service revenues increased by 12.0% (+11.0% like for like) because of substantial expansion of the mobile customer base (+21.8%).

The fixed-line and internet customer bases continue to grow (+18.1% and +11.5% respectively) and now total 120,371 and 52,712 customers respectively.

Notes

1 Fixed exchange rate upheld for MAD / Mauritanian ouguiya / CFA franc.

2 CAPEX corresponds to acquisitions of property, plant, equipment, and intangible assets that are recognized during the period.

3 At June 30, 2014, Maroc Telecom consolidated Mauritel, Onatel, Gabon Telecom, Sotelma, and Casanet in its financial statements.

4 EBITA corresponds to EBIT before the amortization of intangible assets acquired through business combinations, before impairment of goodwill and other intangibles acquired through business combinations, and before other income and charges pertaining to financial investments and to transactions with shareholders (except when recognized directly in equity).

5 CFFO comprises pretax net cash flows from operations (as presented in the statement of cash flows), dividends received from affiliates, and unconsolidated equity interests. CFFO also comprises net capital expenditure, which corresponds to uses of cash for acquisitions and to sources of cash from disposals of property, plant, equipment, and intangible assets.

6 Borrowings and other current and noncurrent liabilities less cash and cash equivalents, including cash held in escrow for bank loans.

7 The active customer base comprises prepaid customers who have made or received a voice call (paid or free) or who have sent an SMS or MMS at any time during the past three months. The active customer base also includes postpaid clients who have not terminated their agreements.

8 ARPU is defined as revenues (generated by incoming and outgoing calls and by data services) net of promotional offers, excluding roaming and equipment sales, divided by the average customer base for the period. In this instance, blended ARPU combines both prepaid and postpaid segments.

9 Mobile-data revenues include revenues from all nonvoice services (SMS, MMS, mobile internet, etc.), including the value of 3G-internet access included in all Maroc Telecom postpaid rate plans and Jawal Pass.

10 The active customer base for mobile 3G internet includes holders of a postpaid subscription agreement (with or without a voice offer) and holders of a prepaid internet subscription who have made at least one top-up during the past three months or whose top-up is still valid and have used the service during this period.

11 The broadband customer bases include narrowband access points and leased lines.

Important notice

Forward-looking statements. This press release contains forward-looking statements and information with regard to the financial position, earnings from operations, strategy, and outlook of Maroc Telecom, as well as the impact of certain operations. Although Maroc Telecom may base its forward-looking statements on what it considers to be reasonable assumptions, those statements do not guarantee the future performance of the Company. The actual results may differ significantly from the forward-looking statements because of a number of risks and uncertainties, both known and unknown. The majority of these risks are beyond our control, particularly the risks described in public documents filed by Maroc Telecom with the Conseil Déontologique des Valeurs Mobilières (www.cdvm.gov.ma) and the Autorité des Marchés Financiers (www.amf-france.org). These documents are available in French on our website (www.iam.ma). This press release contains forward-looking information that cannot be assessed until its publication date. In no way does Maroc Telecom commit to supplementing, updating, or amending these forward-looking statements as a result of new information, future events, or any other reason, although Maroc Telecom must comply with applicable regulations and especially with Articles III.2.31 et seq. of the circular of the Conseil Déontologique des Valeurs Mobilières and with Articles 223-1 et seq. of the General Regulation of the Autorité des Marchés Financiers.

Maroc Telecom is a full-service telecommunications operator in Morocco and leader in the fixed-line, mobile, and internet sectors. Maroc Telecom has been listed on both the Casablanca and Paris stock exchanges since December 2004. The Group's largest shareholders are Etisalat Group (53%) and the Kingdom of Morocco (30%).

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Consolidated Statement of Financial Position

ASSETS (in MAD millions)	12/31/2013	06/30/2014
Goodwill	6,913	6,891
Other intangible assets	3,147	2,823
Property, plant, and equipment	25,548	25,311
Noncurrent financial assets	204	204
Deferred tax assets	107	104
Noncurrent asset	35,919	35,332
Inventories	433	415
Trade accounts receivable and other receivables	9,621	9,073
Short-term financial assets	55	111
Cash and cash equivalents	1,084	785
Assets available for sale	55	55
Current assets	11,248	10,439
TOTAL ASSETS	**47,167**	**45,771**

SHAREHOLDERS' EQUITY AND LIABILITIES (in MAD millions)	12/31/2013	06/30/2014
Share capital	5,275	5,276
Retained earnings	4,515	4,817
Consolidated earnings for the fiscal year	5,540	3,073
Equity attributable to equity holders of the parent	15,331	13,166
Minority interests	4,602	3,899
Shareholders' equity	19,933	17,065
Noncurrent provisions	376	388
Borrowings and other long-term financial liabilities	319	413
Deferred tax liabilities	199	219
Other noncurrent liabilities	100	
Noncurrent liabilities	994	1,021
Trade accounts payable	17,539	16,844
Current tax liabilities	575	466
Current provisions	463	409
Borrowings and other short-term financial liabilities	7,664	9,966
Current liabilities	26,241	27,685
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**47,167**	**45,771**

Consolidated Statement of Earnings

(in MAD millions)	06/30/2013	06/30/2014
Revenue	14,468	14,564
Cost of goods sold	-2,014	-2,251
Payroll costs	-1,369	-1,402
Taxes and duties	-740	-825
Other operating income and expense	-1,957	-1,951
Net depreciation, amortization, and provisions	-2,439	-2,674
Earnings from operations	5,951	5,460
Other income and expense from continuing operations	-21	-19
Earnings from continuing operations	5,930	5,441
Income from cash and cash equivalents	11	5
Gross borrowing costs	-143	-152
Net borrowing costs	-132	-148
Other financial income and expense	-19	-7
Net financial income and expense	-151	-155
Income tax	-1,859	-1,810
Net income	3,920	3,477
Translation gain or loss from international activities	2	-34
Other income and expense	-26	4
Total comprehensive income for the period	3,896	3,446
Net income	**3,920**	**3,477**
Attributable to equity holders of the parent	3,521	3,073
Minority interests	399	404

Earnings per share	06/30/2013	06/30/2014
Net income – Group share (in MAD millions)	3,521	3,073
Number of shares at June	879,095,340	879,095,340
Earnings per share (in MAD)	**4.0**	**3.5**
Diluted earnings per share (in MAD)	**4.0**	**3.5**

Consolidated Statement of Cash Flows

(In MAD millions)	06/30/2013	06/30/2014
Earnings from operations	5,951	5,460
Depreciation, amortization, and other adjustments	2,352	2,674
Gross margin from operating activities	8,304	8,134
Other changes in net working capital	-127	-427
Net cash from operating activities before tax	8,177	7,706
Income tax paid	-1,070	-1,844
Cash flow from operating activities (a)	7,107	5,863
Purchase of PPE and intangible assets	-2,831	-2,607
Increase in financial assets	-7	-25
Disposal of PPE and intangible assets	8	0
Decrease in financial assets	66	1
Dividends received from unconsolidated affiliates	0	3
Cash flow from investing activities (b)	-2,765	-2,627
Share capital increase	0	0
Dividends paid to shareholders	-6,209	-5,037
Dividends paid by subsidiaries to their noncontrolling interests	-446	-765
Changes in shareholders' equity (c)	-6,655	-5,801
Borrowings and increase in other long-term financial liabilities	0	172
Payments on borrowings and decrease in other long-term financial liabilities	0	0
Change in short-term financial liabilities	2,968	2,239
Change in net current accounts	-841	0
Net interest paid (cash only)	-132	-148
Other cash items pertaining to financing activities	-16	-3
Borrowings and other financial liabilities (d)	1,979	2,261
Cash flow from financing activities (e) = (c) + (d)	-4,676	-3,541
Translation adjustments (f)	3	5
Total cash flows (a)+(b)+(e)+(f)	-331	-300
Cash and cash equivalents at beginning of period	**964**	**1,084**
Cash and cash equivalents at end of period	**632**	**785**