

Rabat, October 27, 2014

## Consolidated results for the first nine months of 2014

### Highlights:

- **Acceleration in consolidated revenues' growth (+4.3% in the third quarter);**
- **Return to growth of revenues in Morocco (+1.5% in the third quarter);**
- **Continued growth in customer base: +10.0%, to 39.5 million customers;**
- **Stability of EBITDA Group (-0,1% in the third quarter) and substantial EBITDA margin maintained, at 54.9% at the end of September;**
- **Strong fixed-line revenues' growth in Morocco (+12.0% in the third quarter),** thanks to continued growth in customer base for fixed lines (+7.9%) and broadband (+20%);
- **Sustained growth in data, which account for 20% of mobile ARPU in Morocco, compared with 14.2% in 2013,** as a result of strong growth in the 3G-internet customer base (times 2.3 in one year);
- **Solid performance of the subsidiaries: revenues and EBITDA up 12.7% and 9.7% respectively in the third quarter, at constant exchange rates.**

### Outlook for 2014 unchanged for present scope of consolidation:

- Slight decline in EBITDA;
- Modest growth in capital expenditures.\*

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

*"The return to revenues' growth in Morocco is the prominent feature of the results of the third quarter. This reversal of trend is due to our firm policy of innovation and abundance of offerings and a continuous effort to improve the quality of our services.*

*This performance coupled with the rapid growth in our subsidiaries has led to an acceleration in the group's growth rate. Maroc Telecom Group is thus reaping the rewards of its major investment programs, at a time when data use is sharply increasing in all of our markets."*

\*Excluding any acquisitions of new spectrum and licenses

## GROUP CONSOLIDATED RESULTS

<i>IFRS in MAD millions</i>	9M-2013	9M-2014	Change	Change at constant exchange rates <sup>1</sup>
Revenues	21,467	21,865	1.9%	1.8%
EBITDA	12,383	12,009	-3.0%	-3.0%
<i>Margin (%)</i>	<i>57.7%</i>	<i>54.9%</i>	<i>-2.8 pts</i>	<i>-2.8 pts</i>
EBITA	8,654	8,110	-6.3%	-6.3%
<i>Margin (%)</i>	<i>40.3%</i>	<i>37.1%</i>	<i>- 3.2 pts</i>	<i>- 3.2 pts</i>
CFFO	7,614	7,765	2.0%	

### • Revenues

In the third quarter, revenues of Maroc Telecom Group showed solid growth of 4.3% (+4.2% at constant exchange rates), compared with the same period in 2013, totaling MAD 7,302 million. This performance was due to strong growth in international activities (+12.7% at constant exchange rates) and to the return to growth in our activities in Morocco (+1.5%), which benefited from higher consumption in the mobile segment as well as from successful data offers in the fixed-line segment.

For the period ending September 30, 2014, Maroc Telecom Group had consolidated revenues<sup>2</sup> of MAD 21,865 million, a growth of 1.9% over the same period of last year (+1.8% at constant exchange rates<sup>1</sup>). This performance is attributable to a growth of 11.5% in revenues from international activities, combined with a limited decline of 1.1% in the activities in Morocco.

Growth in the Group's customer base reached an annual rate of 10%, and totaled 39.5 million customers on September 30, 2014. This growth was mainly due to growth of 21% in the international customer base.

### • Earnings from operations before depreciation and amortization

In the third quarter, EBITDA was almost stable (-0.1%) year on year, totaling MAD 3,974 million. Higher revenues and continuous cost optimization underpinned this performance.

For the first nine months of 2014, Maroc Telecom Group's earnings from operations before depreciation and amortization (EBITDA) reached MAD 12,009 million, a decline of 3.0% (-3.0% at constant exchange rates) compared to last year. This decline was due to a reduction of 5.9% in EBITDA in Morocco, partially offset by the 6.2% rise in EBITDA from subsidiaries. Although EBITDA margin fell by 2.8 points, it remains at a substantial level of 54.9%.

### • Earnings from operations

In the third quarter, consolidated EBITA for Maroc Telecom Group amounted to MAD 2,651 million, a moderate decline of 1.9% (-2.0% at constant exchange rates).

For the period ending September 30, 2014, consolidated earnings from operations<sup>3</sup> (EBITA) for Maroc Telecom Group amounted to MAD 8,110 million, a decrease of 6.3% (-6.3% at constant exchange rates) in comparison with the same period of 2013. This decrease is explained by the decline in EBITDA and by an increase of 4.4% in depreciation as a result of the substantial capital expenditures in recent years in Morocco and internationally. The operating margin fell by 3.2 points, to 37.1%.

### • Cash flow

Cash flow from operations (CFFO<sup>4</sup>) reached MAD 7,765 million in the first nine months of 2014, a rise of 2.0% compared with the same period of 2013. A 26% growth in international operations' CFFO more than compensated the 4.1% decline of CFFO in the activities in Morocco.

## OVERVIEW OF GROUP ACTIVITIES

### • Morocco

IFRS in MAD millions	9M-2013	9M-2014	Change
Revenues	16,118	15,937	-1.1%
<b>Mobile</b>	<b>11,941</b>	<b>11,557</b>	<b>-3.2%</b>
Services	11,692	11,217	-4.1%
Equipment	249	340	36.7%
<b>Fixed line</b>	<b>5,523</b>	<b>5,944</b>	<b>7.6%</b>
Fixed-line data*	1,361	1,487	9.3%
<b>Elimination</b>	<b>-1,346</b>	<b>-1,564</b>	
EBITDA	9,471	8,916	-5.9%
Margin (%)	58.8%	55.9%	-2.8 pts
EBITA	6,868	6,189	-9.9%
Margin (%)	42.6%	38.8%	-3.8 pts
CFFO	6,080	5,833	-4.1%

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

In the first nine months of 2014, business activities in Morocco generated revenues of MAD 15,937 million, a limited decline of 1.1%.

In the third quarter, revenues increased by 1.5%, to MAD 5,286 million. This performance is attributable to strong growth in fixed-line and internet activities, which increased by 12.0% and to a softer decline (-0.8%) of the mobile activities over the same period.

Earnings from operations before depreciation and amortization (EBITDA) for the first nine months of 2014 totaled MAD 8,916 million, 5.9% less than in 2013 as a result of strong growth in mobile use. Thanks to the control of the operational costs, the EBITDA margin remained high, at 55.9% (down 2.8 pts from the same period in 2013).

Earnings from operations (EBITA) totaled MAD 6,189 million, a 9.9% decline from a year earlier. This performance was attributable to lower earnings from operations before depreciation and amortization (EBITDA) and to higher (+4.7%) depreciation charges for major capital expenditure programs. The margin remained high, at 38.8%.

Cash flow from operations in Morocco showed a decline of 4.1% because of lower EBITDA.

### Mobile

	Unit	9M-2013	9M-2014	Change
Mobile				
<b>Customer base<sup>5</sup></b>	<b>(000)</b>	<b>18,311</b>	<b>18,381</b>	<b>0.4%</b>
Prepaid	(000)	16,969	16,917	-0.3%
Postpaid	(000)	1,342	1,464	9.1%
3G internet	(000)	1,919	4,433	131.0%
<b>ARPU<sup>6</sup></b>	(MAD/month)	70	66.5	-5.2%
Data in % of ARPU <sup>7</sup>	(%)	14.1%	20.1%	6.0 pts
<b>MOU</b>	(Min/month)	140	174	24.3%

From the period ending September 30, 2014, revenues from mobile activity declined by 3.2% to MAD 11,557 million, in a highly competitive environment in the prepaid and postpaid markets.

At the end of the first nine month of 2014, the mobile customer base<sup>5</sup> totaled 18.4 million customers, an increase of 0.4% compared to the same period in 2013. Since the beginning of 2014, the customer base has increased by 188,000 customers, significantly less (-59%) compared with growth of the customer base in the first nine months of 2013. This change was due mainly to the prohibition, imposed by the regulatory authority since April 1, 2014, of the sale of pre-activated

prepaid SIM cards. The postpaid customer base recorded solid growth of 9.1%, boosted by the continual enhancement of product and service offers, particularly additional hours and unlimited numbers.

Mobile-services revenues declined by 4.1% compared to the same period of 2013. This decline reflects a 27% fall in prices that was only partly compensated by a 28% rise in consumption. In the first nine months of 2014, blended ARPU<sup>6</sup> totaled MAD 66.5, down by 5.2%. Data usage continued to grow and accounted for 20% of ARPU, a performance attributable mainly to 3G internet<sup>8</sup>, whose customer base expanded by 2.3 times and totaled 4.433 million customers at September 30, 2014.

#### *Fixed-line and internet*

	Unit	9M-2013	9M-2014	Change
Fixed line				
<b>Fixed lines</b>	<b>(000)</b>	<b>1,347</b>	<b>1,454</b>	<b>7.9%</b>
<b>Broadband access<sup>9</sup></b>	<b>(000)</b>	<b>790</b>	<b>944</b>	<b>19.6%</b>

In the first nine months of 2014, fixed-line and internet activities in Morocco generated revenues of MAD 5,944 million, an increase of 7.6%. This performance was due mainly to development of data use and to stabilized revenues from fixed-line voice.

Boosted by the success of broadband offers and IP offers to businesses, revenues from fixed-line data rose by 9.3%, to MAD 1,487 million.

At September 30, 2014, the fixed-line customer base in Morocco totaled 1,454 thousand lines (+7.9%).

- International

<i>IFRS in MAD millions</i>	9M-2013	9M-2014	Change	Change at constant exchange rates <sup>1</sup>
Revenues	5,715	6,375	11.5%	11.5%
<b>Mauritania</b>	<b>1,100</b>	<b>1,204</b>	<b>9.5%</b>	<b>12.3%</b>
<i>Mobile services</i>	1,011	1,109	9.7%	12.6%
<b>Burkina Faso</b>	<b>1,620</b>	<b>1,764</b>	<b>8.9%</b>	<b>8.2%</b>
<i>Mobile services</i>	1,359	1,452	6.8%	6.1%
<b>Gabon</b>	<b>1,084</b>	<b>1,304</b>	<b>20.3%</b>	<b>19.5%</b>
<i>Mobile services</i>	639	867	35.8%	34.9%
<b>Mali</b>	<b>1,968</b>	<b>2,171</b>	<b>10.3%</b>	<b>9.6%</b>
<i>Mobile services</i>	1,688	1,887	11.8%	11.1%
<b>Elimination</b>	<b>-57</b>	<b>-68</b>		
<b>EBITDA</b>	<b>2,912</b>	<b>3,093</b>	<b>6.2%</b>	<b>6.2%</b>
<i>Margin (%)</i>	51.0%	48.5%	-2.4 pts	-2.4 pts
<b>EBITA</b>	<b>1,786</b>	<b>1,921</b>	<b>7.6%</b>	<b>7.6%</b>
<i>Margin (%)</i>	31.2%	30.1%	-1.1 pt	-1.1 pt
<b>CFFO</b>	<b>1,534</b>	<b>1,932</b>	<b>+25.9%</b>	<b>-</b>

Maroc Telecom Group's international business grew at 11.5% during the first nine months of 2014 (+11.5% at constant exchange rates), with revenues totaling MAD 6,375 million. This performance was made possible by growth in mobile customer bases (+22%) combined with measures taken to boost consumption.

During the same period, earnings from operations before depreciation and amortization (EBITDA) totaled MAD 3,093 million, 6.2% higher than EBITDA for the same period in 2013 (+6.2% at constant exchange rates). The EBITDA margin came to 48.5%, down by 2.4 pts as a result of a sharp rise in regulatory taxes, especially in Burkina Faso, where a new tax of 5% of revenues went into effect on January 1, 2014 and some exceptional items.

Earnings from operations (EBITA) amounted to MAD 1,921 million, up 7.6% (+7.6% at constant exchange rates) from the previous year. The operating margin came to 30.1%.

International cash flow from operations (CFFO) improved by 26%, to MAD 1,932 million, underpinned by growth in EBITDA and efforts to lower working-capital requirements (WCR).

### Mauritania

	Unit	9M-2013	9M-2014	Change
<b>Mobile</b>				
Customer base <sup>5</sup>	(000)	1,879	1,826	-2.8%
ARPU <sup>6</sup>	(MAD/month)	55.2	65.2	+18.1%
<b>Fixed lines</b>	<b>(000)</b>	<b>42</b>	<b>43</b>	<b>+2.2%</b>
<b>Broadband access<sup>9</sup></b>	<b>(000)</b>	<b>7</b>	<b>8</b>	<b>+6.7%</b>

From the period ending September 30, 2014, business in Mauritania had generated revenues of MAD 1,204 million, a rise of 9.5% (+12.3% at constant exchange rates). This performance was attributable to growth in the mobile segment, whose service revenues increased by +12.6% (at

constant exchange rates) resulting from strong growth in consumption stimulated by targeted price cuts.

The mobile customer base came to 1,826 thousand customers, 2.8% lower than a year earlier because of increasingly intense competition. The fixed-line and internet customer bases expanded year on year by 2.2% and 6.7% respectively, to 42,964 and 7,801 customers.

### Burkina Faso

	Unit	9M-2013	9M-2014	Change
<b>Mobile</b>				
Customer base <sup>5</sup>	(000)	4,219	5,681	+34.6%
ARPU <sup>6</sup>	(MAD/month)	35.9	30.0	-16.2%
<b>Fixed lines</b>	<b>(000)</b>	<b>97</b>	<b>82</b>	<b>-15.5%</b>
<b>Broadband access<sup>9</sup></b>	<b>(000)</b>	<b>26</b>	<b>17</b>	<b>-32.3%</b>

From the period ending September 30, 2014, activities in Burkina Faso had generated revenues of MAD 1,764 million, an increase of 8.9% (+8.2% at constant exchange rates) driven mainly by growth in fixed-line data for businesses and by international transit.

Revenues from mobile services grew by 6.8% (6.1% at constant exchange rates), boosted by 35% growth in the customer base. The fixed-line and internet customer bases declined by 16% and 32% respectively, because of competition from the mobile sector.

### Gabon

	Unit	9M-2013	9M-2014	Change
<b>Mobile</b>				
Customer base <sup>5</sup>	(000)	975	1,086	+11.4%
ARPU <sup>6</sup>	(MAD/month)	80.3	88.6	10.4%
<b>Fixed lines</b>	<b>(000)</b>	<b>19</b>	<b>19</b>	<b>-0.4%</b>
<b>Broadband access<sup>9</sup></b>	<b>(000)</b>	<b>9</b>	<b>11</b>	<b>+20.3%</b>

From the period ending September 30, 2014, revenues totaled MAD 1,304 million, 20% higher (+19.5% at constant exchange rates) than revenues for the same period a year earlier. This performance was driven by growth of 35% (at constant exchange rates) of mobile-service revenues, the result of the successful transition to per-second billing, of enhanced product and service offers, and of sales events staged throughout the country.

The internet customer base continued to show solid growth (+20%), while the fixed-line customer base (-0.4%) suffered from mobile competition.

## Mali

	Unit	9M-2013	9M-2014	Change
<b>Mobile</b>				
Customer base <sup>5</sup>	(000)	7,980	9,715	+21.7%
ARPU <sup>6</sup>	(MAD/month)	26.5	21.3	-19.9%
<b>Fixed lines</b>	<b>(000)</b>	<b>105</b>	<b>124</b>	<b>+18.1%</b>
<b>Broadband access<sup>9</sup></b>	<b>(000)</b>	<b>49</b>	<b>53</b>	<b>+9.9%</b>

Revenues generated by activities in Mali in the first nine months of 2014 rose by 10.3% (+9.6% at constant exchange rates), to MAD 2,171 million. This performance was attributable to growth in the mobile segment, whose service revenues increased by 11.8% (+11.1% at constant exchange rates) because of strong growth in the mobile customer base (+22%).

The fixed-line and internet customer bases expanded by 18% and 9.9% respectively, to 123,994 and 53,441 customers.

## Notes

- 1 Fixed exchange rate upheld for MAD / Mauritanian ouguiya / CFA franc.
2. Maroc Telecom consolidates Mauritel, Onatel, Gabon Telecom, Sotelma, and Casanet in its financial statements.
- 3 EBITA corresponds to earnings from operations 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).
- 4 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.
- 5 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.
- 6 ARPU is defined as revenues (generated by incoming and outgoing calls and by data services) net of promotional offers, minus roaming and equipment sales, divided by the average customer base for the period. In this instance ARPU combines both prepaid and postpaid segments.
- 7 Mobile-data revenues include revenues from all nonvoice services billed (SMS, MMS, mobile internet, etc.), including the value of 3G-internet access and SMS included in all Maroc Telecom Jawal Pass and postpaid rate plans.
- 8 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 who have used the service during this period.
- 9 The broadband customer bases include ADSL 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](http://www.cdvm.gov.ma)) and the Autorité des Marchés Financiers ([www.amf-france.org](http://www.amf-france.org)). These documents are available in French on our website ([www.iam.ma](http://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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