PRESS RELEASE

Rabat, July 25, 2016

H1 2016 CONSOLIDATED RESULTS

Highlights

- **Continuing growth in consolidated revenues, up 6.1%;**
- **Group share of Net income up 3.2%;**
- **Strong growth of revenues of African subsidiaries (+17%)** which offset the decline in Morocco Mobile;
- **Confirmation of return to revenue growth in Morocco (+2.4%** in the second quarter);
- **Continuing strong growth of the Fixed-line segment in Morocco**: revenues are up **4.1%** due to the spread of High Speed and Very High Speed offers;
- **Accelerated deployment of 4G+ network** which covers **138 areas** and more than **70% of the Moroccan population** in 1 year, exceeding 2020 target of 75%;
- Successful **merger** of Gabon Télécom and Atlantique Telecom Gabon.

2016 Outlook maintained, at constant scope and exchange rates:

- **Stable revenues;**
- **Slight decline in EBITDA;**
- **CAPEX approximately 20% of revenues, excluding frequencies and licenses.**

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

"The performance in the first half of the year shows the relevance of the strategic choices of the Maroc Telecom Group in terms of its international diversification investment policies; the African subsidiaries are in strong growth and contribute more and more to the group's results. Even in Morocco, revenues growth is confirmed.

To consolidate its leadership, and anticipate its customers' expectations, the Group continues its important program of investment specifically in ultra-high-speed Mobile and Fixed Line services and network quality. The Cost-optimization remains as in previous years a corporate priority."

GROUP CONSOLIDATED RESULTS

IFRS in MAD million	H1-2015	H1-2016	Change	Change like-for-like basis(1)
Revenues	16,583	**17,593**	**+6.1%**	**+3.8%**
EBITDA	8,413	**8,525**	**+1.3%**	**+0,7%**
Margin (%)	50.7%	48.5%	-2.3 pts	-1.5 pt
EBITA	5,351	**5,603**	**+4.7%**	**+5.0%**
Margin (%)	32.3%	31.9%	-0,4 pt	+0.4 pt
Group share of net income	2,827	**2,918**	**+3.2%**	**-**
Margin (%)	17.0%	16.6%	-0.5 pt	-
CAPEX[2]	2,716	**3,775**	**+39.0%**	**-**
o/w frequencies & licenses	910	888	-	-
CAPEX /REV.(excl. frequencies & licenses)	10.9%	16.4%	+5.5 pts	-
CFFO	4,706	**5,524**	**+17.4%**	**-**
Net debt	15,125	**15,776**	**+4.3%**	-
Net debt / EBITDA	0.9x	0.9x	-	-

► Customer base

As of June 30, 2016, the Group had more than 53 million customers, a 4.4% increase year-on-year, driven by a significant rise in the subsidiaries' customer numbers at (+6.3%) and in Morocco (+1.5%).

► Revenues

For the period ending June 30, 2016, Maroc Telecom Group had consolidated revenues[3] of MAD 17,593 million, up 6.1% versus the same period the previous year. On a like-for-like basis[1] revenues were up 3.8%, driven by growth in international activities whose revenues increased by 17.1% (+10.9% on a like-for-like basis) and by a 1.7% growth in revenues in Morocco.

► Earnings from operations before depreciation and amortization

For the period ending June 30, 2016, Maroc Telecom Group earnings from operations before depreciation and amortization (EBITDA) totaled MAD 8,525 million, up by 1.3% (+0.7% on a like-for-like basis). This like-for-like change reflects a 1.9% decline in EBITDA in Morocco, offset by a 6.1% increase in EBITDA from international activities.

Despite the dilutive impact resulting from the consolidation of the new African subsidiaries, Group EBITDA margin remains high at 48.5%, down 2.3 points versus the same period the previous year (-1.5 point on a like-for-like basis).

► Earnings from operations

For the period ending June 30, 2016, Maroc Telecom Group consolidated earnings from operations(4) (EBITA) amounted to MAD 5,603 million, up 4.7% versus the same period the previous year (+5.0% on a like-for-like basis). The growth in EBITDA and the capital gain of MAD 297 million following the disposal of a real estate asset more than offset a 2.3% increase in depreciation charges on a like-for-like basis.

► Group share of net income

For the period ending June 30, 2016, the Group share of net income amounted to MAD 2,918 million, up 3.2% versus the same period of previous year, thanks to the growth in income from international activities which mainly benefitted from a capital gain from the disposal of a real estate asset.

► Cash flow

In the first half of 2016, cash flow from operations (CFFO(5)) was up 17.4% versus the same period of the previous year, to MAD 5,524 million, mainly reflecting a 24% improvement in CFFO in Morocco, which benefitted from a favorable comparison effect due to the payment in April 2015 of MAD 910 million for the 4G license in Morocco.

At the end of June 2016, Maroc Telecom Group consolidated net debt(6) was MAD 16 billion, up only slightly by 4.3% thanks to the strong cash generation of all its activities, which funded the payment of 6.6 billion in dividends to all Group shareholders.

► 2016 Outlook maintained, at constant scope and exchange rates

On the basis of the recent changes in the market, and to the extent that no new major exceptional event impacts the Group's business, Maroc Telecom is maintaining its forecasts for 2016:

- Stable revenues;
- Slight decline in EBITDA;
- CAPEX approximately 20% of revenues, excluding frequencies and licenses.

REVIEW OF GROUP ACTIVITIES

- ### *Morocco*

IFRS in MAD million	H1-2015	H1-2016	Change
Revenues	10,442	**10,615**	**+1.7%**
Mobile	7,157	**6,934**	**-3.1%**
Services	7,074	**6,735**	**-4.8%**
Equipment	83	**199**	**+138.7%**
Fixed-line	4,294	**4,471**	**+4.1%**
o/w fixed-line data*	1,111	1,197	+7.7%
Elimination	-1,009	**-790**	
EBITDA	5,781	**5,670**	**-1.9%**
Margin (%)	55.4%	53.4%	-1.9 pts
EBITA	3,961	**3,824**	**-3.5%**
Margin (%)	37.9%	36.0%	-1.9 pts
CAPEX	1,993	**1,552**	**-22.1%**
o/w frequencies & licenses	910	-	-
CAPEX /REV.(excl. frequencies & licenses)	10.4%	14.6%	+4.2 pts
CFFO	2,749	**3,408**	**+24.0%**

*Fixed-line data includes Internet, ADSL TV, and Data services to businesses

Revenues from activities in Morocco was growing since the beginning of the year (+1.7% vs. -0.5% in 2015) and amounted to MAD 10,615 million with the 4.1% increase in revenue from Fixed-Line and Internet offsetting the decline in Mobile revenue (-3.1% versus the first half of 2015).

Earnings from operations before depreciation and amortization (EBITDA) were MAD 5,670 million, down 1.9% versus the same period the previous year, reflecting the increase in charges for interconnection to other operators, and operating costs. The EBITDA margin was down 1.9 pts, to 53.4%.

Earnings from operations (EBITA) declined 3.5%, to MAD 3,824 million mainly due to the decline in EBITDA. The EBITA margin was down 1.9 pts, to 36.0%.

In the first half of 2016, cash flow from operations in Morocco was up 24% to MAD 3,408 million due to a favorable comparison effect, coming from the outflow in April 2015 of MAD 910 million for the 4G license.

Mobile

	Unit	H1-2015	H1-2016	Change
Mobile				
Customer base[7]	**(000)**	18,080	**18,179**	**0.5%**
Prepaid	(000)	16,519	16,466	-0.3%
Postpaid	(000)	1,561	1,713	+9.7%
o/w Internet 3G/4G+	**(000)**	5,448	**6,944**	**+27.5%**
ARPU[8]	**(MAD/month)**	63.5	**60.1**	**-5.4%**
Data as % of ARPU[9]	**(%)**	18.8%	**22.4%**	**+3.6 pts**

As of June 30, 2016, the Mobile customer base[7] was 18.2 million customers, up 0.5% year-on-year, driven by a 9.7% growth in postpaid, and by continuing customer interest in 3G/4G+[10] data services with a nearly 28% increase in users. The number of prepaid customers declined slightly by 0.3%.

Mobile revenues were down 3.1%, to MAD 6,934 million, in a still-difficult competitive environment, and reflecting the decline in price and international incoming traffic. Revenue from Mobile services fell by 4.8%, reflecting the 23% drop in prices not offset by the 14% increase in usage.

Blended ARPU[8] was MAD 60.1 for the first six months of 2016, down 5.4% versus the same period of the previous year.

The Data services contribution to mobile revenues continues to grow. They represented more than 22% of ARPU for the first six months of 2016, up 3.6 points year-on-year.

Fixed-line and Internet

	Unit	H1-2015	H1-2016	Change
Fixed-line				
Fixed lines	**(000)**	1,543	**1,617**	**+4.8%**
Broadband access[11]	**(000)**	1,068	**1,197**	**+12.0%**

The Fixed-line subscribers' base increased by 4.8% year-on-year, to 1.617 million lines, driven by the Residential segment (+8.1%) and Business segment (+1.5).

The ADSL subscribers' base continues to grow strongly (+12.0% year on year), to nearly 1.2 million subscribers, reflecting the success of Double Play plans.

Fixed-line and Internet continue their solid growth with MAD 4,471 million in revenues, up 4.1% versus the same period of the previous year, sustained by the continuing surge in demand for Data services whose revenues grew by 7.7%.

- ***International***

Financial indicators

Since January 26, 2015, the acquisition completion date, international activities include the new African operators in Ivory Coast, Benin, Togo, Gabon, Niger and Central African Republic, as well as Prestige Telecom which provides IT services to those entities.

IFRS in MAD million	H1-2015	H1-2016	Change	Change like-for-like basis[1]
Revenues	6,556	**7,678**	**+17.1%**	**+10.9%**
o/w Mobile Services	5,836	6,897	+18.2%	+11.6%
EBITDA	2,632	**2,855**	**+8.5%**	**+6.1%**
Margin (%)	*40.1%*	*37.2%*	-3.0 pts	-1.7 pts
EBITA	1,391	**1,780**	**+28.0%**	**+28.9%**
Margin (%)	21.2%	23.2%	+2.0 pts	+3.8 pts
CAPEX	723	**2,223**	**207,4%**	**-**
o/w frequencies & licenses		**888**	**-**	**-**
CAPEX /REV.(excl. frequencies & licenses)	11.0%	17.4%	+6.4 pts	-
CFFO	1,957	**2,116**	**+8.1%**	**-**

In the first half of 2016, the Group's international activities recorded revenues of MAD 7,678 million, up 17.1% (+10.9% on a like-for-like basis). Revenue growth at the newly acquired subsidiaries continued (+15.8% on a like-for-like basis) with noteworthy performance in Ivory Coast and Niger, while that of the historical subsidiaries remained sustained (+8.5% at constant exchange rates[12]), especially in Gabon.

During the same period, earnings from operations before depreciation and amortization (EBITDA) amounted to MAD 2,855 million, up 8.5% (+6,1% on a like-for-like basis) despite changes in allocation of technical support costs between Maroc Telecom and its subsidiaries. Excluding this item, EBITDA from international activities was up 12.2% and the margin up 0.5 points on a like-for-like basis year-on-year, the increase in revenues and the improvement in gross margin more than offsetting the increase in operating costs resulting mainly from higher taxes and regulatory fees, especially in Benin.

Earnings from operations amounted to MAD 1,780 million, up 28.0% (+28.9% on a like-for-like basis) reflecting the increase in EBITDA, and the capital gain realized on the disposal of a real estate asset (MAD 297 million). Excluding this non-recurring item and the change in how technical support costs are allocated between Maroc Telecom and its subsidiaries, EBITA was up 18.7% and the operating margin was 21.7%, up 1.4 points on a comparable basis.

Cash flow (CFFO) from international operations was up 8.1% versus the same period of the previous year, to MAD 2,116 million with the increase in EBITDA and the real estate sale largely offsetting the increase in capital investment aimed at supporting business growth. It should be noted that in the first half of 2016, Maroc Telecom obtained the extension of its

2G license in Togo to a 3G license, at a cost of MAD 61 million and completed the acquisition of its global license in Ivory Coast for a 17-year period for a total amount of MAD 1.6 billion, half of which had been paid and recognized in the fourth quarter of 2015, the rest being payable over 3 years.

Operational indicators

	Unit	H1-2015	H1-2016	Change
Mobile				
Customer base (7)	(000)			
Mauritania		2,133	2,150	+0.8%
Burkina Faso		6,381	7,056	+10.6%
Gabon Télécom		1,038	1,215	+17.1%
Mali		9,554	8,091	-15.3%
Ivory Coast		4,431	5,646	+27.4%
Benin		2,996	3,614	+20.6%
Togo		2,008	2,184	+8.7%
Moov Gabon		421	452	+7.3%
Niger		647	1,087	+68.1%
Central Africain Republic		143	152	+6.9%
Fixed-line				
Customer base	(000)			
Mauritania		44	47	+6.0%
Burkina Faso		79	76	-3.8%
Gabon Télécom		18	19	+7.9%
Mali		134	142	+5.7%
Broadband Access				
Customer base (11)	(000)			
Mauritania		9	11	+21.5%
Burkina Faso		15	14	-7.8%
Gabon Télécom		10	13	+24.0%
Mali		56	59	+4.7%

Notes:

(1) The like-for-like basis figures show the effects of the consolidation of the 6 new African operators as if they had been consolidated on January 1, 2015, and the figures maintained at a constant MAD/Ouguiya/CFA Franc exchange rates.
(2) CAPEX corresponds to acquisitions of tangible and intangible assets recorded over the period.
(3) Maroc Telecom consolidates the following companies in its financial statements, Mauritel, Onatel, Gabon Télécom, Sotelma and Casanet as well as the new African subsidiaries (Ivory Coast, Benin, Togo, Gabon, Niger, Central African Republic and Prestige Telecom which provides IT services to them) since their acquisition on January 26, 2015.
(4) EBITA corresponds to operating income before amortization of intangible assets related to the business combinations, depreciations of goodwill and other intangible assets related to business combinations and other products and charges related to financial investment operations and transactions with shareholders (except when they are directly recognized in equity).
(5) CFFO includes net cash flow from operating activities before tax, as presented in the cash flow statement, as well as dividends received from equity affiliates and non-consolidated equity investments. It also includes net industrial investments, which correspond to the net cash outflows related to the acquisitions and disposals of tangible 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 consists of prepaid customers who have made or received a voice call (excluding calls from the operators or its customer service centers) or have made an SMS/MMS or used Data services (excluding technical data exchanges with the operators network) during the past three months, and postpaid customers who have not terminated their agreements.
(8) ARPU is defined as revenue, (generated by incoming and outgoing calls and data services) net promotions, excluding roaming and equipment sales, divided by the average customer base over the period. It corresponds to the blended ARPU of the prepaid and postpaid segments.
(9) Mobile Data revenues include revenue from all non-voice services (SMS, MMS, mobile Internet, etc.) including the promotion of Mobile and SMS included in all postpaid packages and Maroc Telecom's Jawal Pass.
(10) The active Mobile 3G et 4G+ Internet customer base includes holders of a postpaid subscription contract (coupled or not with a voice offer) and holders of a Prepaid Internet service subscription who made at least one top-up during the last three months or whose credit is valid and who used the service during that period.
(11) The Broadband customer base includes ADSL access and leased connections in Morocco and also includes the CDMA customer base for the historical subsidiaries.
(12) Maintenance of a constant MAD/Ouguiya/CFA Franc exchange rate.

Maroc Telecom is a global telecommunications operator in Morocco, leader in all its business segments including Fixed, Mobile and Internet. It has grown internationally and is now operating in ten countries in Africa. Maroc Telecom is listed simultaneously in Casablanca and in Paris and its shareholders are the Société de Participation dans les Télécommunications (SPT) (53%) and the Kingdom of Morocco (30%).*

** SPT is a Moroccan law corporation controlled by Etisalat.*

Contacts

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Consolidated financial statement

ASSETS (in MAD million)	12/31/2015*	06/30/2016
Goodwill	8,440	8,505
Other intangible assets	7,123	7,760
Property, plant, and equipment	29,339	28,985
Non-current financial assets	329	320
Deferred tax assets	429	502
Non-current assets	**45,660**	**46,071**
Inventories	375	419
Trade receivables and other	11,192	11,933
Short-term financial assets	126	121
Cash and cash equivalents	3,082	2,541
Assets held for sale	113	54
Current assets	**14,889**	**15,068**
TOTAL ASSETS	**60,549**	**61,139**

SHAREHOLDERS' EQUITY AND LIABILITIES (in MAD million)	12/31/2015*	06/30/2016
Share capital	5,275	5,275
Retained earnings	4,474	4,771
Consolidated income for the financial year	5,595	2,918
Equity attributable to equity holders of the parent	**15,344**	**12,963**
Non-controlling interest	4,360	3,425
Total shareholders' equity	**19,704**	**16,389**
Non-current provisions	535	564
Borrowings and other long-term financial liabilities	6,039	4,738
Deferred tax liabilities	282	246
Other non-current liabilities	0	0
Non-current liabilities	**6,855**	**5,547**
Trade payables	22,827	24,122
Current tax liabilities	714	736
Current provisions	834	718
Borrowings and other short-term financial liabilities	9,615	13,627
Current liabilities	**33,990**	**39,203**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**60,549**	**61,139**

* In accordance with IFRS 3, the financial statements presented on 31 December 2015 (Goodwill and trade payables) have been restated to reflect the final allocation of Moov subsidiaries' purchase price.

Comprehensive income statement

(In MAD million)	06/30/2015	06/30/2016
Revenues	**16,583**	**17,593**
Cost of sales	-2,943	-3,046
Payroll costs	-1,620	-1,655
Taxes and duties	-1,076	-1,434
Other operating incomes and expenses	-2,490	-2,662
Net depreciation, amortization, and provisions	-3,103	-3,193
Earnings from operations	**5,352**	**5,603**
Other income and expense from ordinary activities	-18	-24
Earnings from continuing operations	**5,333**	**5,580**
Income from cash and cash equivalents	9	5
Gross borrowing costs	-178	-157
Net borrowing costs	-169	-152
Other financial incomes and expenses	-147	-51
Net financial incomes and expenses	**-316**	**-203**
Income tax	-1,724	-1,894
Net income	**3,294**	**3,483**
Translation gain or loss from foreign activities	-93	-70
Total comprehensive income for the period	3,201	3,412
Net Income	**3,294**	**3,483**
Attributable to equity holders of the parent	2,827	2,918
Non-controlling interests	467	565

Earnings per share	06/30/2015	06/30/2016
Net income – Share of the Group (in MAD million)	2,827	2,918
Number of shares as at Jun 30	879,095,340	879,095,340
Earnings per share (in MAD)	**3.2**	**3.3**
Diluted earnings per share (in MAD)	**3.2**	**3.3**

Consolidated cash flow statement

(In MAD million)	06/30/2015	06/30/2016
Earnings from operations	5,352	5,603
Depreciation, amortization and other non-cash movements	3,101	2,880
Gross cash from operating activities	**8,453**	**8,483**
Other components in the net change in working capital	-203	-405
Net cash flow from operating activities before tax	**8,250**	**8,078**
Income tax paid	-1,644	-1,935
Net cash from operating activities (a)	**6,606**	**6,143**
Purchases of property, plant and equipment and intangible assets	-3,554	-2,986
Increase in financial investments	-1,729	-1,235
Disposals of property, plant and equipment and intangible assets	1	413
Decrease in financial investments	4	13
Dividend income received from non-consolidated investments	3	1
Net cash used in investing activities (b)	**-5,274**	**-3,795**
Changes in equity	0	0
Dividends paid to shareholders	-5,793	-5,338
Dividends paid to minority shareholders by subsidiaries	-748	-1,296
Change in Equity (c)	**-6,541**	**-6,634**
Proceeds from borrowings and increase in other long-term financial liabilities	1,341	50
Payments on borrowings and decrease in other long-term financial liabilities	0	0
Change in short-term financial liabilities	4,608	3,653
Net interest paid (cash only)	-172	24
Other cash income or expense used in financing activities	-154	-94
Changes in borrowings and other financial liabilities (d)	**5,622**	**3,633**
Net cash used in financing activities (e)= (c)+(d)	**-919**	**-3,001**
Effect of foreign exchange rate changes (f)	-21	111
Total cash flows (a)+(b)+(e)+(f)	**392**	**-541**
Cash and cash equivalents - Beginning of the period	**1,259**	**3,082**
Cash and cash equivalents - End of the period	**1,652**	**2,541**