PRESS RELEASE

Rabat, February 18, 2019

2018 CONSOLIDATED RESULTS

Achievements exceeding announced targets:

- » **Strong growth in the Group's customer base** to 61 million customers **(+6.5%)**;
- » **Sustained growth in consolidated revenues (+3.1%);**
- » **In Morocco, excellent Mobile revenue performance which up 4.7%;**
- » **Increase in the Group's EBITDA (+4.1%) and improved profitability:** the EBITDA margin reached the high level of **49.6%;**
- » **Group share of net income up 5.3%.**

Proposed dividend payment of MAD 6.83 per share, up 5.4% over 2017 and representing a yield of 4.5%*.

Maroc Telecom Group outlook for 2019 at constant scope and exchange rates:

- ► **Stable revenues;**
- ► **Stable EBITDA;**
- ► **CAPEX of approximately 15% of revenues, excluding frequencies and licenses.**

To mark the publication of this press release, Mr. Abdeslam Ahizoune, Chairman of the Management Board, made the following comments:

"In an environment marked by significant changes and an intensely competitive market, the Maroc Telecom Group registered sustained growth in its key performance indicators. Thus, in its domestic markets as well as in its subsidiaries, growth is driven by Data, which reaffirms the relevance of the Group's investment strategy. Continued cost control in all markets allowed the Group to achieve a strong profitability growth, in spite of the new taxes implemented in certain countries.
In 2019, digital transformation and innovation will form an even bigger part of our strategic priorities."

**Based on the share price on February 15, 2019 (MAD 151.00)*

GROUP ADJUSTED* CONSOLIDATED RESULTS

IFRS in MAD million	2017	2018	Change	Change at constant exchange rates[1]
Revenues	**34,963**	**36,032**	**+3.1%**	**+2.6%**
EBITDA	**17,160**	**17,856**	**+4.1%**	**+3.7%**
Margin (%)	*49.1%*	*49.6%*	*+0.5 pt*	*+0.5 pt*
Adjusted EBITA	**10,553**	**11,052**	**+4.7%**	**+4.5%**
Margin (%)	*30.2%*	*30.7%*	*+0.5 pt*	*+0.6 pt*
Group share of adjusted net income	**5,871**	**6,005**	**+2.3%**	**+2.1%**
Margin (%)	*16.8%*	*16.7%*	*-0.1 pt*	*-0.1 pt*
CAPEX[2]	**8,232**	**6,643**	**-19.3%**	**-19.9%**
Of which frequencies & licenses	*217*	*719*		
CAPEX/revenues (excluding frequencies & licenses)	*22.9%*	*16.4%*	*-6.5 pt*	*-6.5 pt*
Adjusted CFFO	**11,019**	**9,982**	**-9.4%**	**-9.5%**
Net debt	**13,042**	**13,872**	+6.4%	*+6.0%*
Net debt/EBITDA	0.8x	0.8x		

** Details of the financial indicator adjustments are provided in Appendix 1.*

▶ Customer base

At the end of 2018, Maroc Telecom Group's customer base reaches nearly 61 million customers, up 6.5% year-on-year, driven by strong growth in both Mobile and Fixed-line broadband customer bases in Morocco (+14.2% and +8.9% respectively) as well as in subsidiaries' Mobile customer bases (+8.5%).

▶ Revenues

Maroc Telecom Group's consolidated revenues[3] at the end of December 2018 amounted to MAD 36,032 million, up 3.1% (+2.6% at constant exchange rates) compared to the end of December 2017. This performance was mainly due to sustained revenue growth in Morocco (+4.6%) driven by the increase in usage and data customer base, combined with the increase of the new subsidiaries (+3.5% at constant exchange rates).

► Earnings from operations before depreciation and amortization

At end-2018, Maroc Telecom Group earnings from operations before depreciation and amortization (EBITDA) amounted to MAD 17,856 million, up 4.1% from the previous year (+3.7% at constant exchange rates), thanks to the strong EBITDA growth in Morocco (+6.1%). EBITDA margin increased by 0.5 pt to reach the high level of 49.6% thanks to the Group's ongoing efforts to control the operating costs and the favorable impact of lower mobile call termination in its subsidiaries.

► Earnings from operations

The Group's adjusted consolidated earnings from operations (EBITA)[4] at the end of 2018 amounted to MAD 11,052 million, up 4.7% (+4.5% at constant exchange rates) compared to the same period in 2017, thanks to the 4.1% increase in EBITDA and the contained increase in depreciation and amortization expenses (+2.3%). The adjusted EBITA margin increased by 0.5 pt to 30.7%.

► Group share of net income

The Group share of adjusted net income amounted to MAD 6,005 million, up 2.3% (+2.1% at constant exchange rates) compared to 2017 due to the strong increase in net income in Morocco.

The reported Group share of net income rose sharply by 5.3% (+5.2% at constant exchange rates), due to business growth in Morocco and a favorable base effect due to restructuring charges recorded in 2017.

► Capital expenditure

The capital expenditure excluding licenses and frequencies amounted to MAD 5,924 million for the Group, a significant decrease of 26.1% compared to 2017 (-26.6% at constant exchange rates). They account for 16.4% of revenues, versus 22.9% for 2017. The optimization of development projects and the synergies found within the Group enabled this reduction while improving network coverage and quality of service, both in Morocco and in the subsidiaries.

The new licenses acquired in Mali and Togo amounted to MAD 719 million in 2018.

► Cash flow

Adjusted cash flow from operations (CFFO)[5] amounted to MAD 9,982 million, down 9.4% year-on-year.

As of December 31, 2018, consolidated Maroc Telecom Group net debt[6] was up 6.4% at MAD 13.9 billion following the payment of licenses in the subsidiaries. Nevertheless it only represents 0.8 times the Group’s annual EBITDA.

► Highlights

Maroc Telecom obtained approval from Bank Al Maghrib to launch "MT Cash" payment, deposit, withdrawal and transfer services.
In November 2018, Maroc Telecom's subsidiary in Mali extends its license to 4G for MAD 245 million, which will be paid as from 2019.

► Appointments to the Supervisory Board

Maroc Telecom's Supervisory Board has co-opted Mr. Mohamed Benchâaboun as Chairman of the Supervisory Board to succeed to Mr. Mohamed Boussaid.

► Dividends

The Supervisory Board of Maroc Telecom will propose to the general shareholder's meeting on April 23, 2019 to effect the payment of an ordinary dividend of MAD 6.83 per share, up 5.4% over 2017, representing a total amount of MAD 6.0 billion. This dividend corresponds to 100% of the Group Share of Net Income. This dividend payment date would be from June 4, 2019.

► Maroc Telecom Group outlook for 2019

On the basis of the recent changes in the market, to the extent that no new major exceptional event impacts the Group's business, Maroc Telecom is projecting the following for 2019, at constant scope and exchange rates:

- **Stable revenues;**
- **Stable EBITDA;**
- **CAPEX of approximately 15% of revenues, excluding frequencies and licenses.**

Review of the Group's activities

Details of the financial indicator adjustments for "Morocco" and "International" are provided in Appendix 1.

- ***Morocco***

IFRS in MAD million	2017	2018	Change
Revenues	**20,481**	**21,414**	**+4.6%**
Mobile	**13,335**	**13,966**	**+4.7%**
Services	*13,214*	*13,731*	*+3.9%*
Equipment	*121*	*235*	*+94.2%*
Fixed-Line	**8,962**	**9,239**	**+3.1%**
*Of which Fixed-Line Data**	*2,664*	*2,935*	*+10.2%*
Eliminations and other income	**-1,816**	**-1,790**	
EBITDA	**10,804**	**11,460**	**+6.1%**
Margin (%)	*52.8%*	*53.5%*	*+0.8 pt*
Adjusted EBITA	**6,954**	**7,620**	**+9.6%**
Margin (%)	*34.0%*	*35.6%*	*+1.6 pt*
CAPEX	**4,589**	**2,749**	**-40.1%**
Of which frequencies & licenses	*61*		
CAPEX/revenues (excluding frequencies & licenses)	*22.1%*	*12.8%*	*-9.3 pt*
Adjusted CFFO	**7,319**	**7,498**	**+2.4%**
Net debt	**11,009**	**10,422**	**-5.3%**
Net debt/EBITDA	*1.0x*	*0.9 x*	

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

In 2018, the Moroccan operations generated revenues of MAD 21,414 million, up 4.6%, thanks to the growth of Data Mobile customer base whose revenue increased by 39.2% compared to the same period in 2017.

Earnings from operations before depreciation and amortization (EBITDA) reached MAD 11,460 million, up 6.1% thanks to the increase in revenues. The EBITDA margin increased by 0.8 pt to 53.5% thanks to the 0.5 pt improvement in the gross margin and the control of operating costs.

Adjusted earnings from operations amounted to MAD 7,620 million, up 9.6%, due to the increase in EBITDA and the 1.0% decrease in the depreciation and amortization expense. The adjusted EBITDA margin improved by 1.6 pt to reach 35.6%.

Adjusted cash flow from operations in Morocco amounted to MAD 7.5 billion at the end of 2018, up 2.4% thanks to the increase in EBITDA and an optimization in CAPEX, which represents 12.8% of revenues.

Mobile

	Unit	2017	2018	Change
Mobile				
Customer base[7]	**(000)**	**18,533**	**19,062**	**+2.9%**
Prepaid	(000)	16,766	17,068	+1.8%
Postpaid	(000)	1,767	1,993	+12.8%
Of which 3G/4G+ Internet[8]	**(000)**	**9,481**	**10,828**	**+14.2%**
ARPU[9]	**(MAD/month)**	**58.0**	**58.6**	**+1.0%**

As of December 31, 2018, the Mobile customer base[7] numbered 19.1 million customers, up 2.9% year-on-year, thanks to the 12.8% rise of postpaid customers and the +1.8% rise of prepaid customers.

Mobile revenue recorded their fourth consecutive quarter of growth. They grew 4.7% over the year to MAD 13,966 million. Outgoing revenue increased by 6.9% driven by the sharp growth in Mobile Data, which more than offset the decrease in Voice.

Blended 2018 ARPU[9] amounted to MAD 58.6, up 1.0% compared to the same period in 2017 thanks to Data.

Fixed-Line and Internet

	Unit	2017	2018	Change
Fixed-Line				
Fixed lines	**(000)**	**1,725**	**1,818**	**+5.4%**
Broadband access[10]	**(000)**	**1,363**	**1,484**	**+8.9%**

The fixed-line customer base grew 5.4%, with 1.8 million lines by the end of December 2018. The Broadband customer base grew by 8.9%, to nearly 1.5 million subscribers.

Fixed-line and Internet activities generated revenues of MAD 9,239 million, up 3.1% compared to 2017 thanks to the growth of customer bases.

International

Financial indicators

IFRS in MAD million	2017	2018	Change	Change at constant exchange rates(1)
Revenues	**15,733**	**16,041**	**+2.0%**	**+0.9%**
Of which Mobile Services	14,274	14,647	+2.6%	+1.5%
EBITDA	**6,357**	**6,397**	**+0.6%**	**-0.2%**
Margin (%)	40.4%	39.9%	-0.5 pt	-0.5 pt
Adjusted EBITA	**3,599**	**3,431**	**-4.7%**	**-5.3%**
Margin (%)	22.9%	21.4%	-1.5 pt	-1.4 pt
CAPEX	**3,643**	**3,894**	**+6.9%**	**+5.5%**
Of which frequencies & licenses	156	719		
CAPEX/revenues (excluding frequencies & licenses)	22.2%	19.8%	-2.4 pt	-2.4 pt
Adjusted CFFO	**3,700**	**2,484**	**-32.9%**	**-33.0%**
Net Debt	**5,767**	**6,514**	**+13.0%**	**+12.2%**
Net debt/EBITDA	0.9 x	1.0 x		

The Group's international operations generated revenues of MAD 16,041 million, up 2.0% year-on-year (+0.9% at constant exchange rates), driven by the 5.1% growth in revenues of new subsidiaries (+3.5% at constant exchange rates), which offset the impacts of the erosion of incoming international traffic and of mobile call termination decrease.

At 2018-end, earnings from operations before amortization (EBITDA) amounted to MAD 6,397 million, up 0.6% (-0.2% at constant exchange rates). The EBITDA margin was 39.9%, down 0.5 pt, penalized by the weight of regulatory taxes and fees. Excluding this impact, the EBITDA margin grew by 0.6 pt to 41.0%.

Adjusted earnings from operations (EBITA) amounted to MAD 3,431 million, down 4.7% (-5.3% at constant exchange rates) due to the 6.8% increase in amortization expense as a result of the significant investments, which represented 19.8% of revenues excluding frequencies and licenses. The EBITA margin declined 1.4 pt at constant exchange rates to 21.4%.

Adjusted cash flow from operations (CFFO) from international activities amounted to MAD 2,484 million, down by 32.9%.

Operating indicators

	Unit	2017	2018	Change
Mobile				
Customer base[7]	(000)	**34,967**	**37,926**	
Mauritania		2,139	2,397	+12.0%
Burkina Faso		7,196	7,634	+6.1%
Gabon		1,547	1,620	+4.7%
Mali		7,190	7,320	+1.8%
Côte d'Ivoire		7,734	8,646	+11.8%
Benin		3,960	4,279	+8.1%
Togo		2,943	3,405	+15.7%
Niger		2,114	2,485	+17.5%
Central African Republic		144	140	-2.6%
Fixed-Line				
Customer base	(000)	**302**	**318**	
Mauritania		51	55	+9.4%
Burkina Faso		76	77	+1.0%
Gabon		21	22	+3.0%
Mali		155	164	+6.0%
Fixed-Line Broadband				
Customer base [10]	(000)	**107**	**114**	
Mauritania		13	13	-0.9%
Burkina Faso		13	15	+10.7%
Gabon		16	17	+4.1%
Mali		64	69	+7.5%

Notes:

(1) At a constant exchange rate for the MAD, Ouguiya and CFA franc.
(2) CAPEX corresponds to purchases of tangible and intangible assets recognized for the period.
(3) Maroc Telecom consolidates the following companies in its financial statements: Mauritel, Onatel, Gabon Telecom, Sotelma and Casanet, as well as the new African subsidiaries (in the Côte d'Ivoire, Benin, Togo, Niger, and the Central African Republic) since their acquisition on January 26, 2015.
(4) EBITA corresponds to EBIT before the amortization of intangible assets acquired through business combinations, write-downs of goodwill and other intangible assets acquired through business combinations, and other income and expenses relating to financial investment transactions and transactions with shareholders (except when recognized directly in equity).
(5) CFFO includes net cash flow from operations before tax, as set out in the cash flow statement, as well as the dividends received from companies booked at equity and non-consolidated equity investments. CFFO also includes net capital expenditure, which corresponds to net uses of cash for acquisitions and disposals of tangible and intangible assets.
(6) Borrowings and other current and non-current 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 ERPT or Call-Center calls) or received an SMS/MMS or used Data services (excluding ERPT services) during the past three months, and postpaid customers who have not terminated their agreements.
(8) The active customer base for 3G and 4G+ mobile Internet includes holders of a postpaid subscription agreement (with or without a voice offer) and holders of a prepaid Internet subscription agreement 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 that period.
(9) ARPU is defined as revenues (generated by inbound and outbound 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 covers both the prepaid and postpaid segments.
(10) The broadband customer base includes ADSL and FTTH (fiber optic) access and leased lines in Morocco, as well as the CDMA customer base for the historical subsidiaries.

Important notice:
Forward-looking statements. This press release contains forward-looking statements regarding Maroc Telecom's financial position, income from operations, strategy, and outlook, as well as the impact of certain transactions. Although Maroc Telecom believes that these forward-looking statements are based on reasonable assumptions, they do not amount to guarantees for the company's future performance. The actual results may be very different from the forward-looking statements, due to a number of risks and uncertainties, both known and unknown. The majority of these risks are beyond our control, namely the risks described in the public documents filed by Maroc Telecom with the Moroccan Capital Markets Authority (www.ammc.ma) and the French Financial Markets Authority (www.amf-france.org), which are also available in French on our website (www.iam.ma). This press release contains forward-looking information that can only be assessed at its publication date. Maroc Telecom does not undertake to supplement, update, or alter these forward-looking statements as a result of new information, future events, or for any other reason, subject to the applicable regulations, and especially to Articles III.2.31 et seq. of the circular issued by the Moroccan Capital Markets Authority and to Articles 223-1 et seq. of the French Financial Markets Authority's General Regulations.

Maroc Telecom is a full-service telecommunications operator in Morocco and the leader in all of its Fixed-Line, Mobile and Internet business sectors. It has expanded internationally, and currently operates in ten African countries. Maroc Telecom is listed on both the Casablanca and Paris Stock Exchanges, and its majority shareholders are Société de Participation dans les Télécommunications (SPT*) (53%) and the Kingdom of Morocco (30%).

SPT is a company incorporated under Moroccan law and controlled by Etisalat.

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Appendix 1: Change from adjusted financial indicators to published financial indicators

Adjusted earnings from operations, Group share of adjusted net income, and adjusted cash flow from operations, are not strictly accounting measures and should be considered as additional information. They are a better indicator of the Group's performance as they exclude non-recurring items.

	FY 2017			FY 2018		
(in MAD million)	Morocco	International	Group	Morocco	International	Group
Adjusted EBITA	**6,954**	**3,599**	**10,553**	**7,620**	**3,431**	**11,052**
Non-recurring items:						
Restructuring costs	-193	-49	-243	-2	+2	+0
Published EBITA	**6,760**	**3,550**	**10,310**	**7,618**	**3,434**	**11,052**
Group share of adjusted net income			**5,871**			**6,005**
Non-recurring items:						
Restructuring costs			-165			+5
Group share of published net income			**5,706**			**6,010**
Adjusted CFFO	**7,319**	**3,700**	**11,019**	**7,498**	**2,484**	**9,982**
Non-recurring items:						
Restructuring costs	-579	-41	-620	-2	-9	-11
License payments	-61	-578	-639		-524	-524
Published CFFO	**6,679**	**3,081**	**9,761**	**7,496**	**1,951**	**9,447**

2018 was marked by the incremental payment of MAD 524 million for licenses in Côte d'Ivoire, Gabon and Togo.

In 2017, MAD 639 million were paid for licenses in Côte d'Ivoire, Gabon and Togo, as well as for the reorganization of the 4G frequency spectrum in Morocco.

Consolidated Statement of Financial Position

ASSETS (in MAD million)	2017	2018
Goodwill	8,695	8,548
Other intangible assets	7,485	7,681
Property, plant and equipment	32,090	31,301
Equity affiliates	0	0
Non-current financial assets	335	299
Deferred tax assets	273	224
Non-current assets	48,879	48,053
Inventories	296	348
Trade and other receivables	11,325	11,839
Short-term financial assets	119	138
Cash and cash equivalents	2,010	1,700
Assets available for sale	54	54
Current assets	13,803	14,078
TOTAL ASSETS	**62,682**	**62,131**

SHAREHOLDERS' EQUITY AND LIABILITIES (in MAD million)	2017	2018
Share capital	5,275	5,275
Retained earnings	4,854	4,383
Net earnings	5,706	6,010
Shareholders' equity attributable to equity holders of the parent	15,835	15,668
Non-controlling interests	3,916	3,822
Shareholders' equity	19,750	19,490
Non-current provisions	570	464
Loans and other long-term financial liabilities	4,200	3,475
Deferred tax liabilities	244	246
Other non-current liabilities	0	0
Non-current liabilities	5,014	4,185
Trade payables	25,627	24,095
Current tax liabilities	563	906
Current provisions	838	1,325
Loans and other short-term financial liabilities	10,890	12,129
Current liabilities	37,918	38,456
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**62,682**	**62,131**

Consolidated statement of comprehensive income

(In MAD million)	2017	2018
Revenues	34,963	36,032
Cost of purchases	-5,937	-6,011
Payroll costs	-3,138	-2,891
Taxes	-2,838	-2,818
Other operating income (expenses)	-6,183	-5,923
Net depreciation, amortization, and provisions	-6,557	-7,337
Earnings from operations	10,310	11,052
Other income and expenses from ordinary activities	-32	-11
Income from equity affiliates		0
Income from continuing operations	10,278	11,040
Income from cash and cash equivalents	6	3
Gross cost of financial debt	-497	-527
Net cost of financial debt	-491	-524
Other financial income and expense	-1	99
Financial income	-491	-425
Income tax	-3,208	-3,677
Net earnings	6,579	6,938
Translation differences resulting from foreign business activities	463	-239
Other income and expenses	-45	-5
Comprehensive net income	6,997	6,693
Net earnings	6,579	6,938
Attributable to equity holders of the parent	5,706	6,010
Non-controlling interests	873	928

Earnings per share	2017	2018
Net earnings attributable to equity holders of the parent (in MAD million)	5,706	6,010
Number of shares at December 31	879,095,340	879,095,340
Earnings per share (in MAD)	**6.49**	**6.84**
Diluted earnings per share (in MAD)	**6.49**	**6.84**

Consolidated cash flow statement

(In MAD million)	2017	2018
Earnings from operations	10,310	11,052
Depreciation, amortization, and other restatements	6,582	7,318
Gross cash flows from operating activities	16,892	18,370
Other changes in net working capital	1 189	-883
Net cash flows from operating activities before tax	18,081	17,487
Income tax paid	-3,170	-2,967
Net cash flows from operating activities (a)	14,911	14,520
Purchase of property, plant and equipment and intangible assets	-8,370	-8,075
Purchases of consolidated investments after acquired cash	0	-469
Increase in financial assets	-319	-194
Disposals of property, plant and equipment and intangible assets	0	31
Decrease in financial assets	622	335
Dividends received from non-consolidated equity investments	6	2
Net cash flows used in investing activities (b)	-8,061	-8,369
Capital increase	0	0
Dividends paid to shareholders	-5,598	-5,732
Dividends paid by subsidiaries to their non-controlling shareholders	-921	-798
Changes in equity	-6,519	-6,529
Proceeds from loans and increase in other long-term financial liabilities	1,681	1,347
Proceeds from borrowings and increase in other short-term financial liabilities	910	1,933
Payments on borrowings and decrease in other current financial liabilities	-2,545	-2,682
Net interest paid	-784	-575
Other cash items relating to financing activities	-9	6
Change in borrowings and other financial liabilities	-747	29
Net cash used in financing activities (d)	-7,266	-6,501
Translation adjustment and other noncash items (g)	-13	40
Total cash flows (a)+(b)+(d)+(g)	-428	-310
Cash and cash equivalents at the beginning of the period	**2,438**	**2,010**
Cash and cash equivalents at the end of the period	**2,010**	**1,700**