



Tuesday, July 26th, 2011

1st HALF
RESULTS 2011

1st HALF RESULTS 2011



Highlights

Business review

Financial results

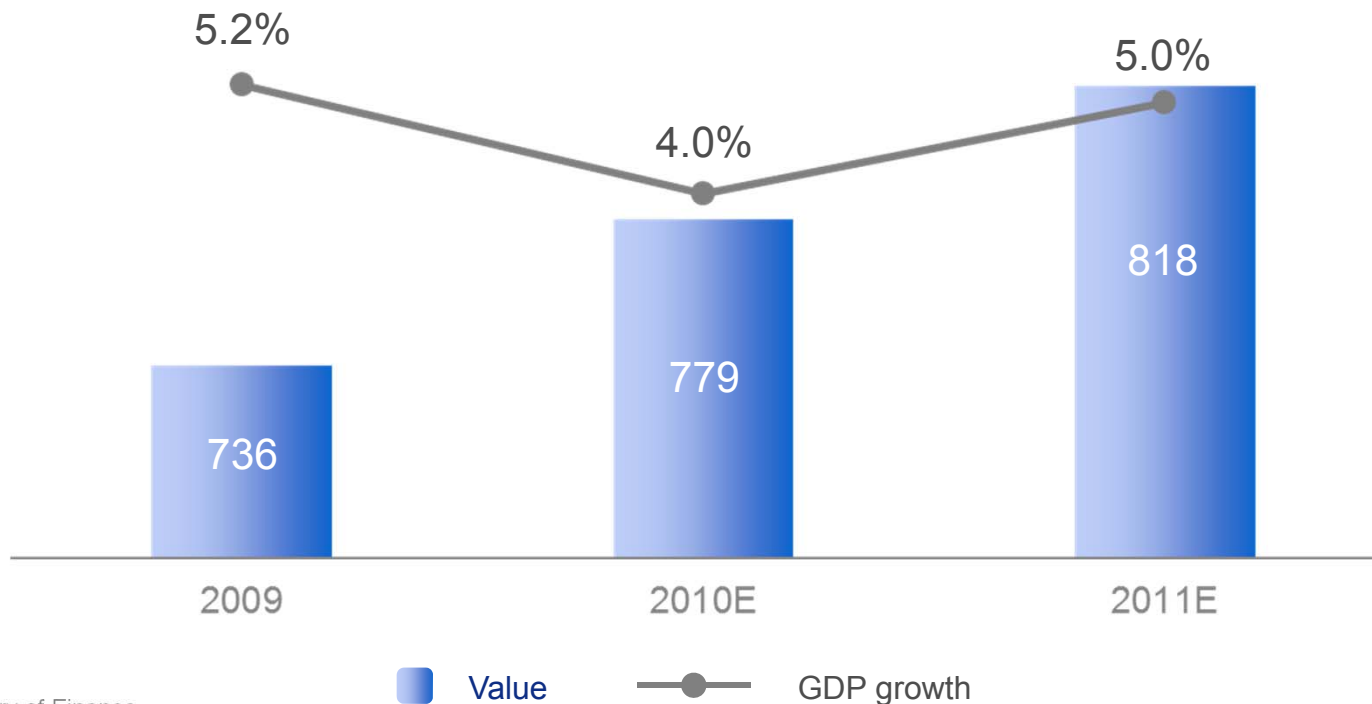
Outlook



Morocco: strengthening growth outlook

Economy in Morocco

(MADm)

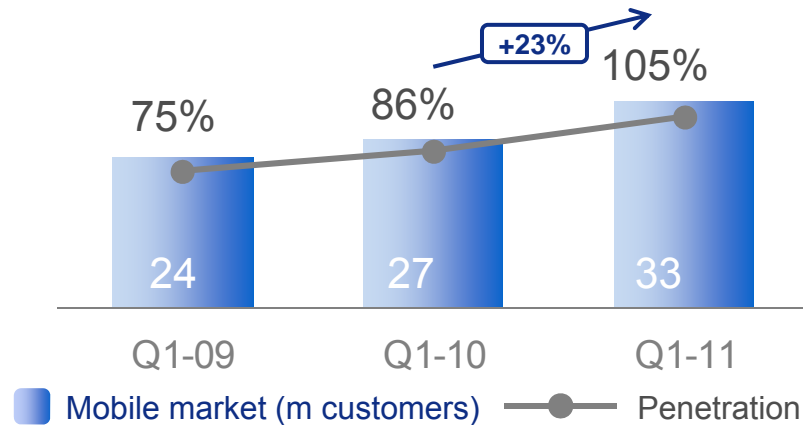


Source : Ministry of Finance

- **GDP estimated growth of 5,0%** for 2011. The domestic demand represents 2.7 points of GDP growth
- Salaries raise in many companies and the public service
- **Slight rise of inflation**

Morocco: lower prices stimulate growth of customer base and usage

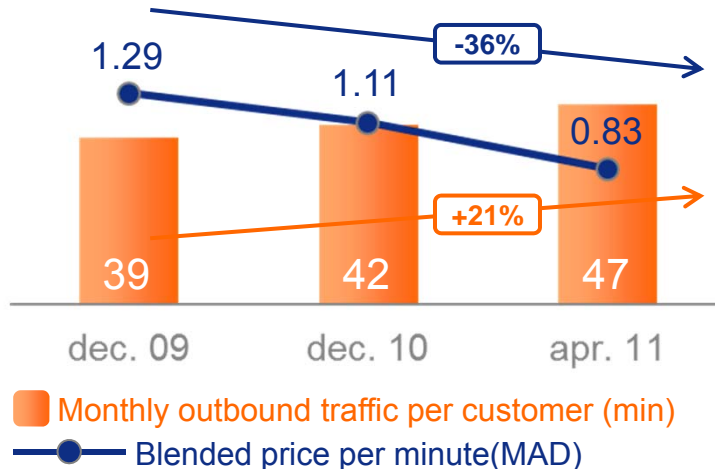
Sustained growth in the Mobile market



Source : ANRT

- Growth of the Mobile customer base in an intensely competitive environment
- Growth in Multiple Sim penetration (estimated at 25% of customer base)

Prices and usages evolution in the Mobile market

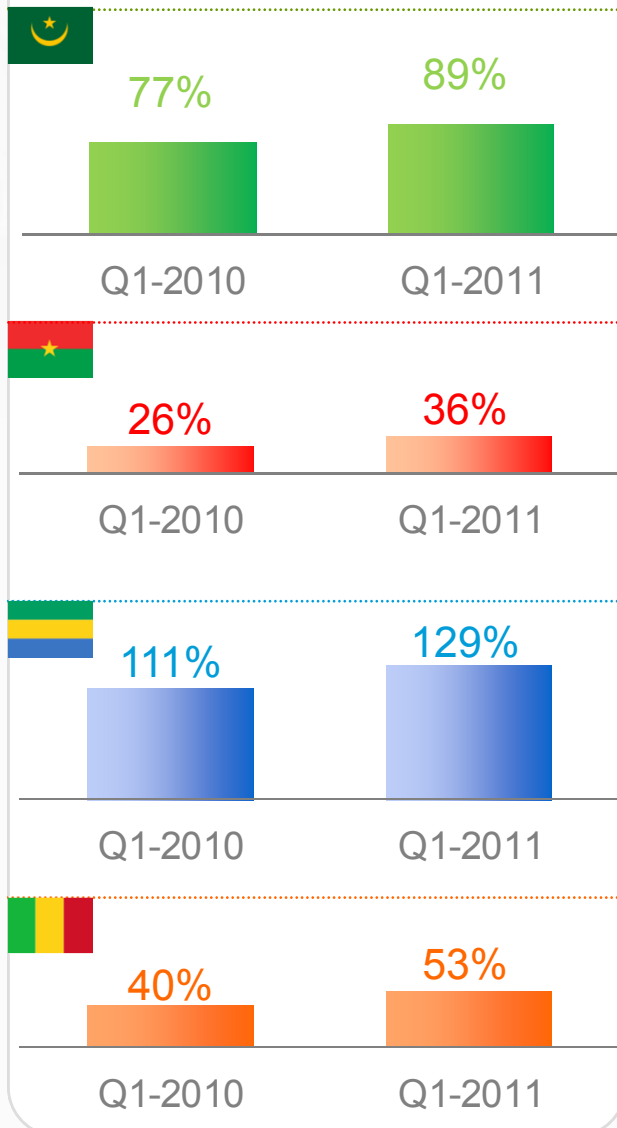


Source : ANRT

- Significantly lower prices stimulate usage

Sub-saharan Africa: promising growth outlook

Growing mobile penetration



MAURITANIA

- 2011^e Real GDP growth: +6.0%
- Mobile market: +19% at 2.9 million customers (Q1-2011)
- Strong depreciation of MRO: -8.0% in H1 2011 vs. H1 2010
- Commercial launch of Chinguitel GSM/UMTS network
- Taxation of international inbound traffic

BURKINA FASO

- 2011^e Real GDP growth: +5.5%
- Social disorder with disturbance of the activity
- Intense competitive environment: the mobile customer base still growing by 45% at 6 million customers (Q1-2011)

GABON

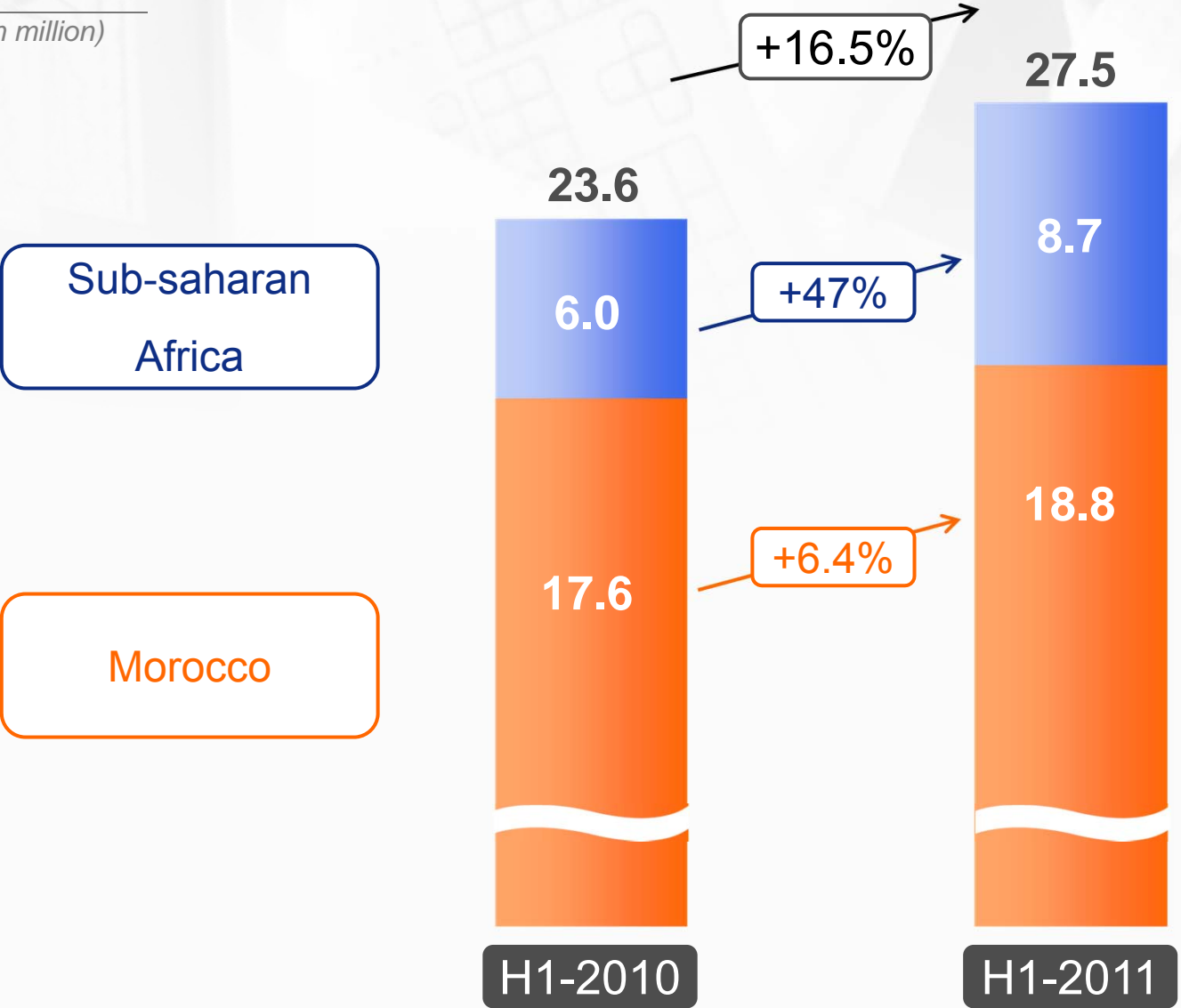
- 2011^e Real GDP growth: +5.6%
- Intense competitive environment in a market of 4 operators
- Mobile customer base: +17%, at 2.014 million customers (Q1-2011)

MALI

- 2011^e Real GDP growth: +6.0%
- Mobile customer base: +36%, at 7.5 million customers (Q1-2011)
- Tender process for a 3rd mobile license

Group customer base: growth driven by sub-saharan affiliates

(In million)



Solid fundamentals



H1 2011

Maroc Telecom Group	MADm	Chg*.
Revenues	15,323	-0.8%
Operating Income	6,094	-8.3%
Operating margin	39.8%	-3.2pt
Net earnings Group-share	3,985	-10.3%
Operating Cash Flow	4,715	-14.4%

* Data for the year 2010 were restated after a material misstatement was identified in the financial statements concerning distributor commissions paid to Onatel. This restatement lowered revenues by MAD 18.9 million, while earnings from operations before depreciation and amortization were affected negatively, by MAD 22.3 million, compared with the data published for H1 2010

1st HALF RESULTS 2011



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Outlook



Highlights

Mobile in Morocco



LOWER PRICES

- « **Heure Jawal** » promotion: 1h for MAD 29 valid 7days evening & WE
- **Permanent Bonus** for small top-up (MAD 5 to 30)
- First 5 seconds access to voicemail for **free**

EXTENSION OF THE LARGEST DISTRIBUTION NETWORK IN MOROCCO

- **356 owned stores** among which **5 new openings** & **9 restored agencies**



KEEPING THE BEST QoS

Coverage improvement

- **+221 2G BTS** to 6 458
- **+298 3G BTS** to 3 247

Strong increase of Voice traffic

- **+84% in 2G**
- **+341% in 3G**

SEGMENTATION

- **Arriyadi (sport) plan** : 1h/300 SMS/3 sport channels at MAD 99
- **Universal Music plan**: 1h/300 SMS/4 MTV channels at MAD 99

RETENTION

- Success of **Heure Jawal Promotion** : 18m activations in H1 2011
- **Incentive to prepaid-postpaid migration**: 50% of postpaid acquisitions

INNOVATION

Mobile Internet:
prepaid Voice + Data plan

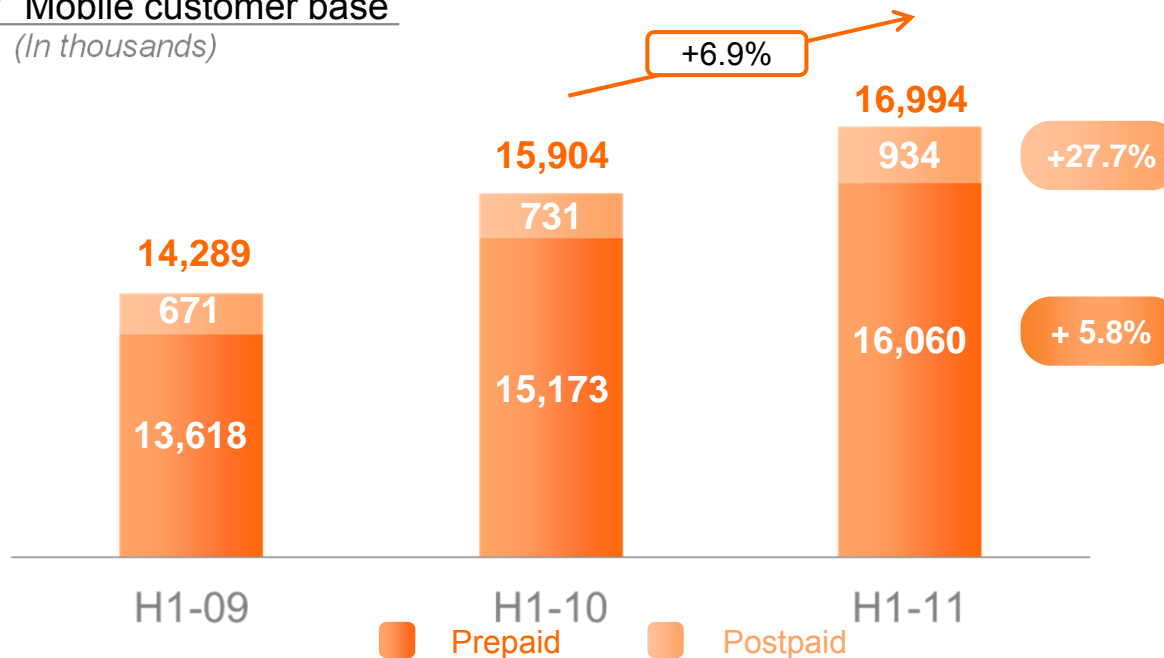


Business review

Growth in customer base thanks to churn improvement

Mobile customer base

(In thousands)



Customer market share

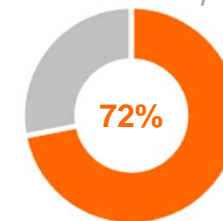
Q1-11



Data : ANRT

Value Market share*

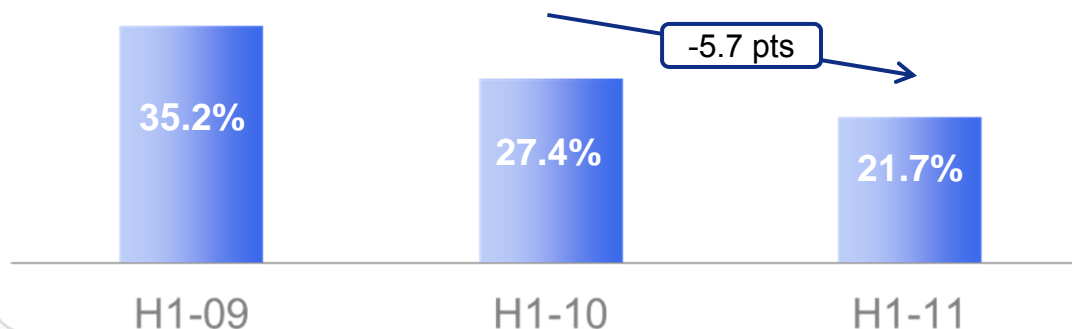
Apr-11



*On the basis of outbound traffic revenues

- Customer base still growing
- Strong performance of the postpaid segment

Blended churn

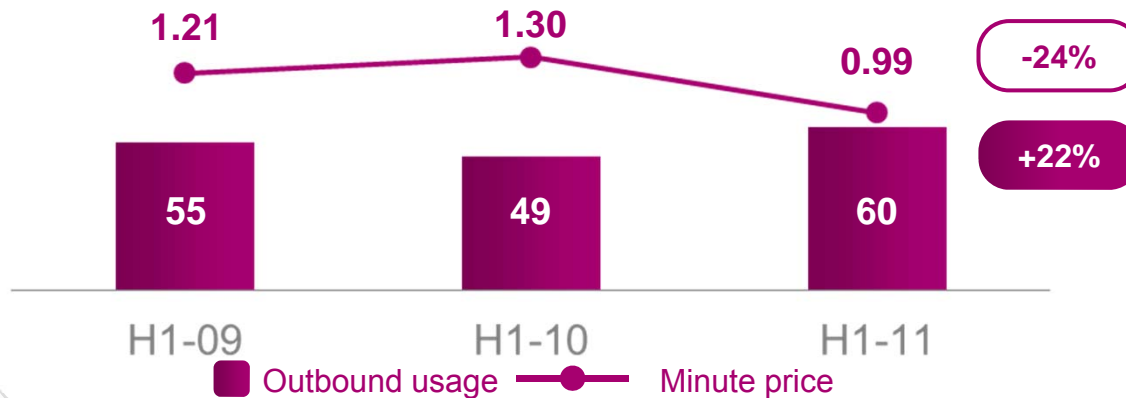


- Churn rate in constant improvement

Mobile in Morocco

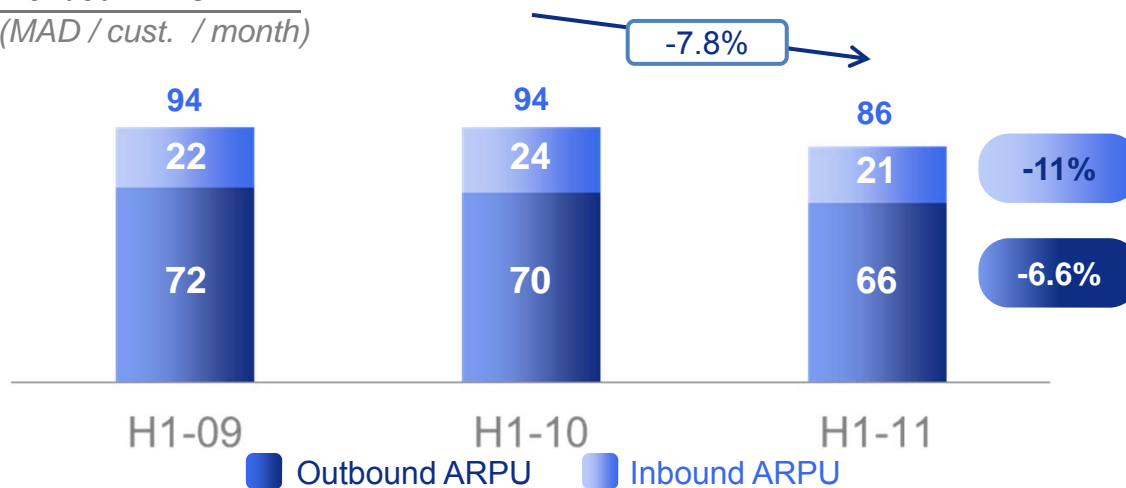
Lower price stimulate consumption

Blended outgoing usage ; Minute price
(Minutes / cust. / month ; MAD/ min)



- Good elasticity of usage to lower price

Blended ARPU
(MAD / cust. / month)

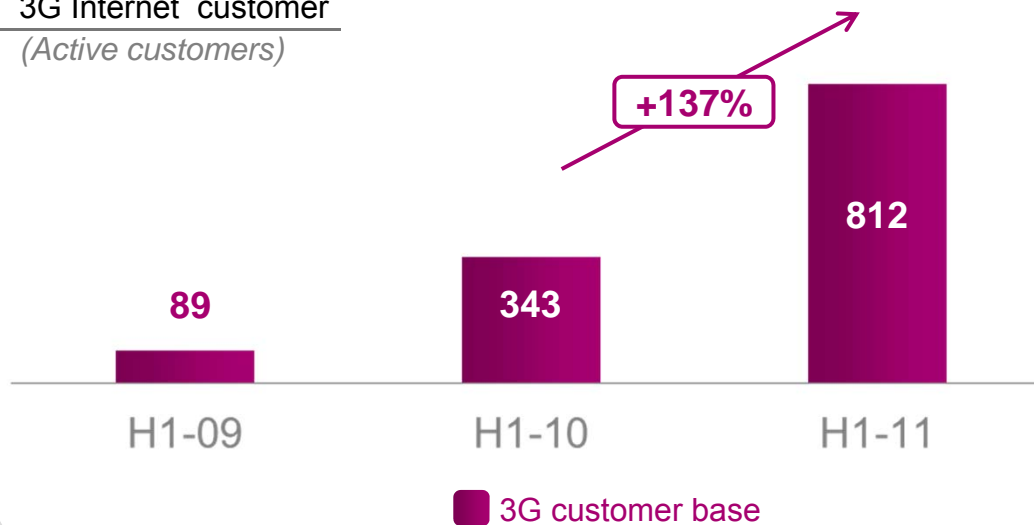


- Good resilience of the **ARPU**
- Despite heavy cuts of outbound minute price by 24%

Mobile Internet in Morocco

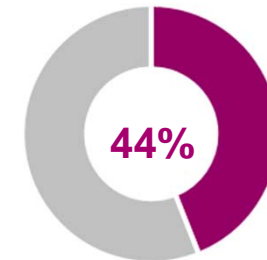
3G Internet customer base and revenue growing fastly

3G Internet customer
(Active customers)



Market share

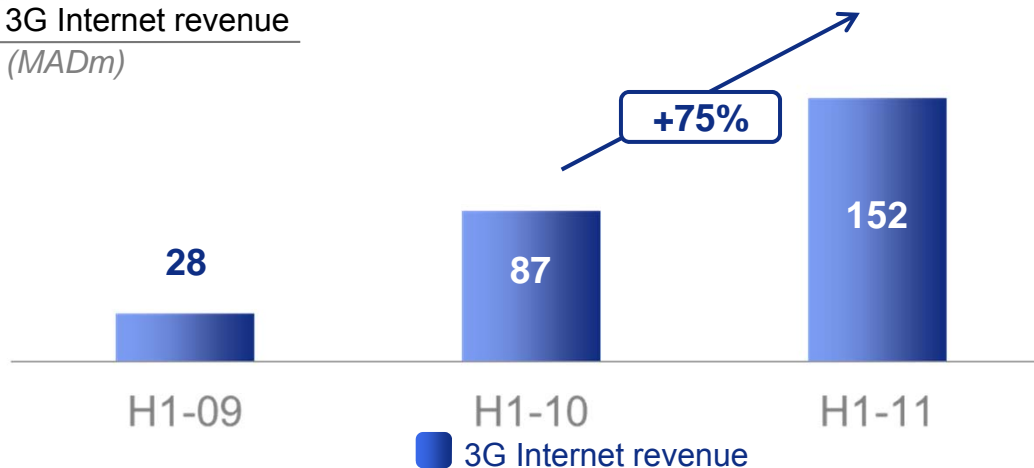
Q1-11



Data : ANRT

- Strong growth of the market share (+12 pts)
- Launch of 3G internet on prepaid voice mobile plan

3G Internet revenue
(MADm)



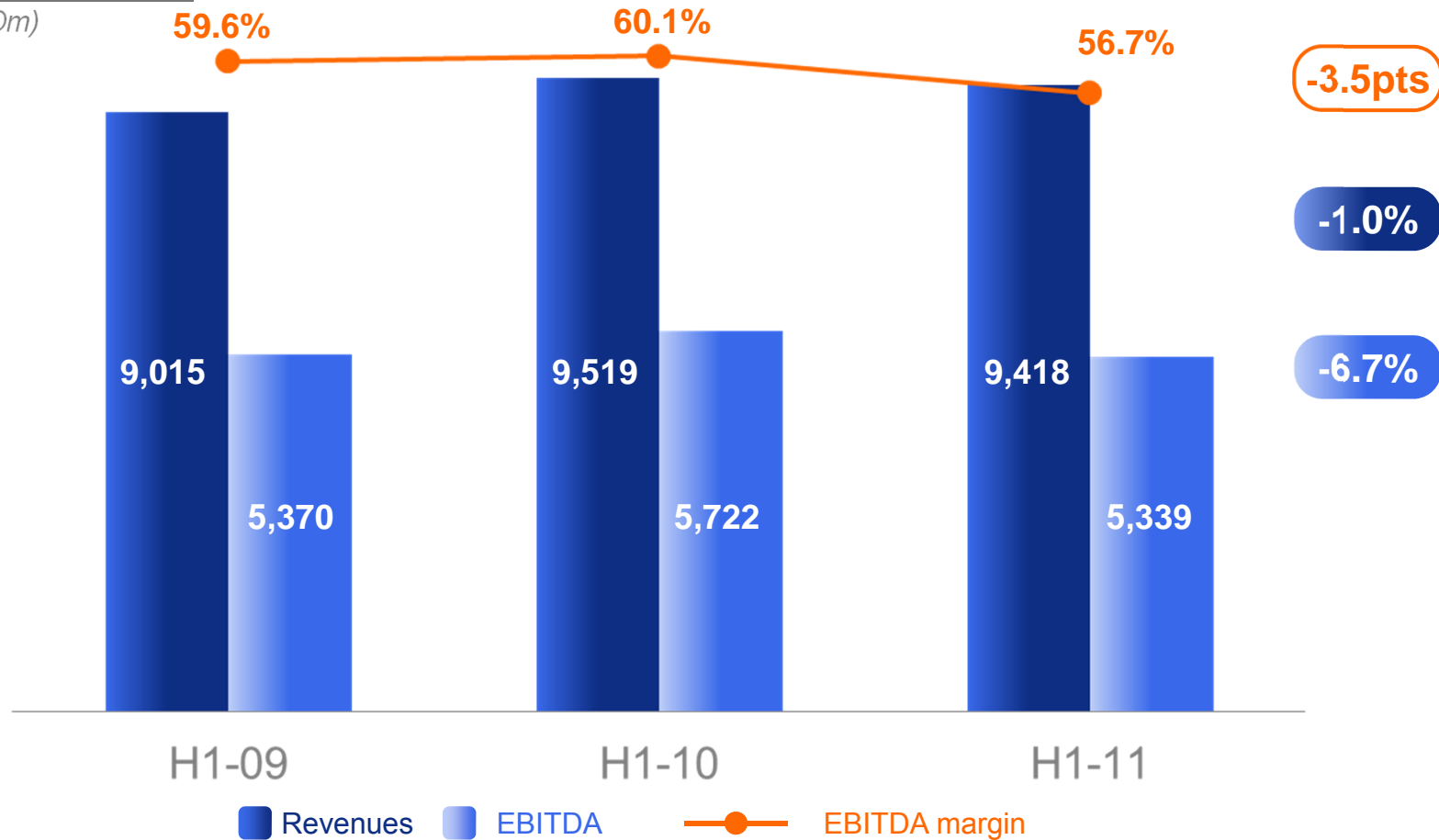
- Very strong increase of 3G internet revenue

Business review

Mobile in Morocco

Mobile in Morocco

(MADm)



Mobile Revenues and Margin slightly impacted by price cuts

Highlights

Fixed-line & Internet in Morocco



PRICE CUTS

- **ADSL**
 - ✓ Price reduction in ADSL plans of 8 Mbps and more
 - ✓ -50% promotion on ADSL & CDMA Packs
- **Fixed-line**
 - ✓ Price reduction for « phony Tout Temps »
 - ✓ Permanent Bonus El Manzil



GROWING CORPORATE CUSTOMER BASE

- IP VPN: + 24%
- Fixed-lines: + 2,7%



GROWING ADSL CUSTOMER BASE

- **ADSL : doubling bandwidth**
- **Fixed-line : MT Duo (Double-play) promotion**



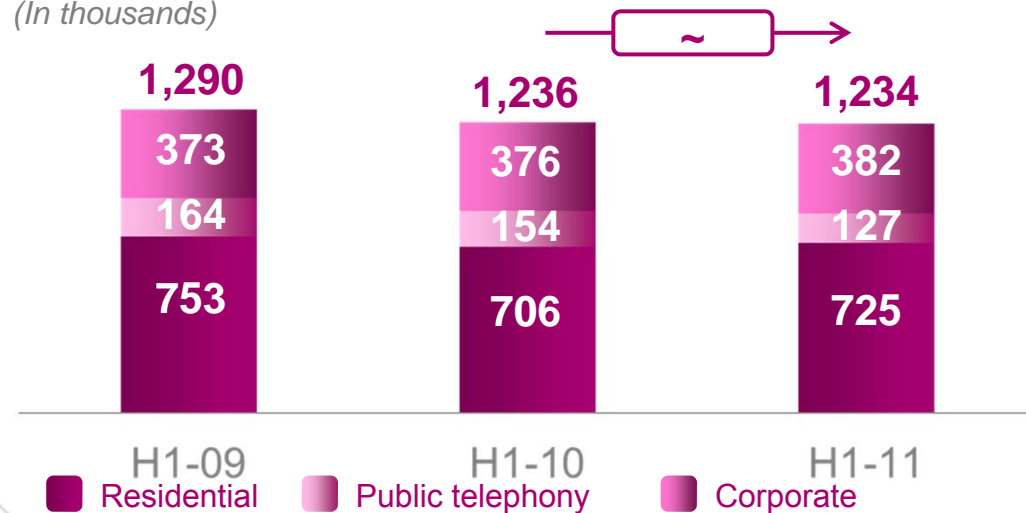
GROWING INTERNET USAGE

- Upgrade of international bandwidth capacity to 100 Gbps

Business review

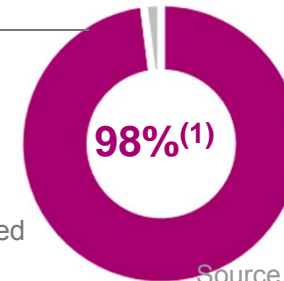
Significant rise in ADSL customer base

Fixed line customer base
(In thousands)



Market share

Q1-11

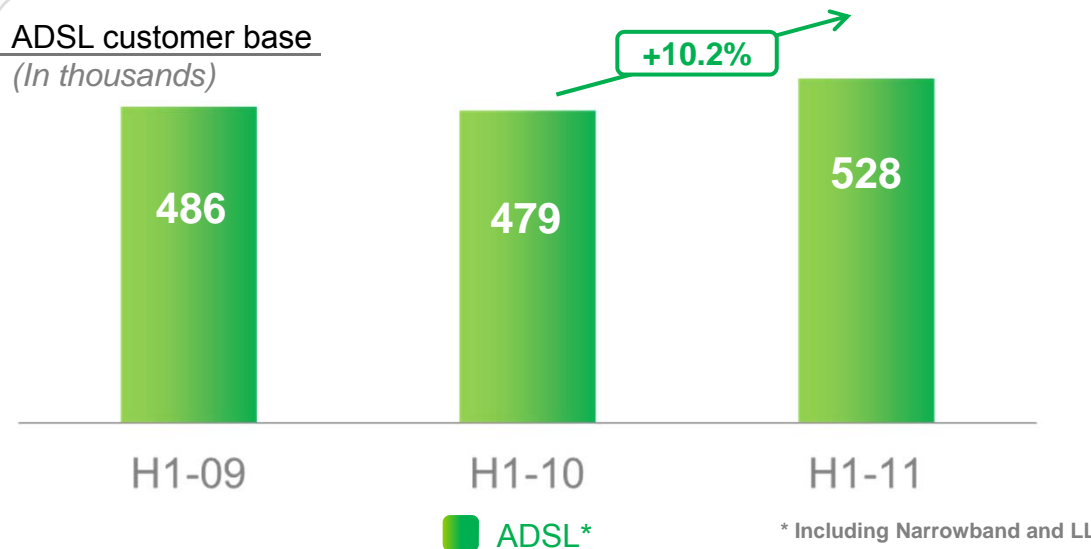


(1) Excluding limited mobility

Source : ANRT

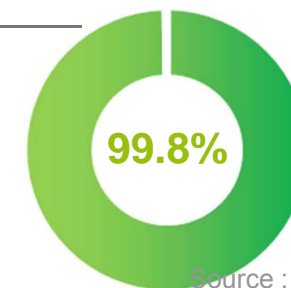
- Fixed-line customer base remains stable

ADSL customer base
(In thousands)



Market share

Q1-11

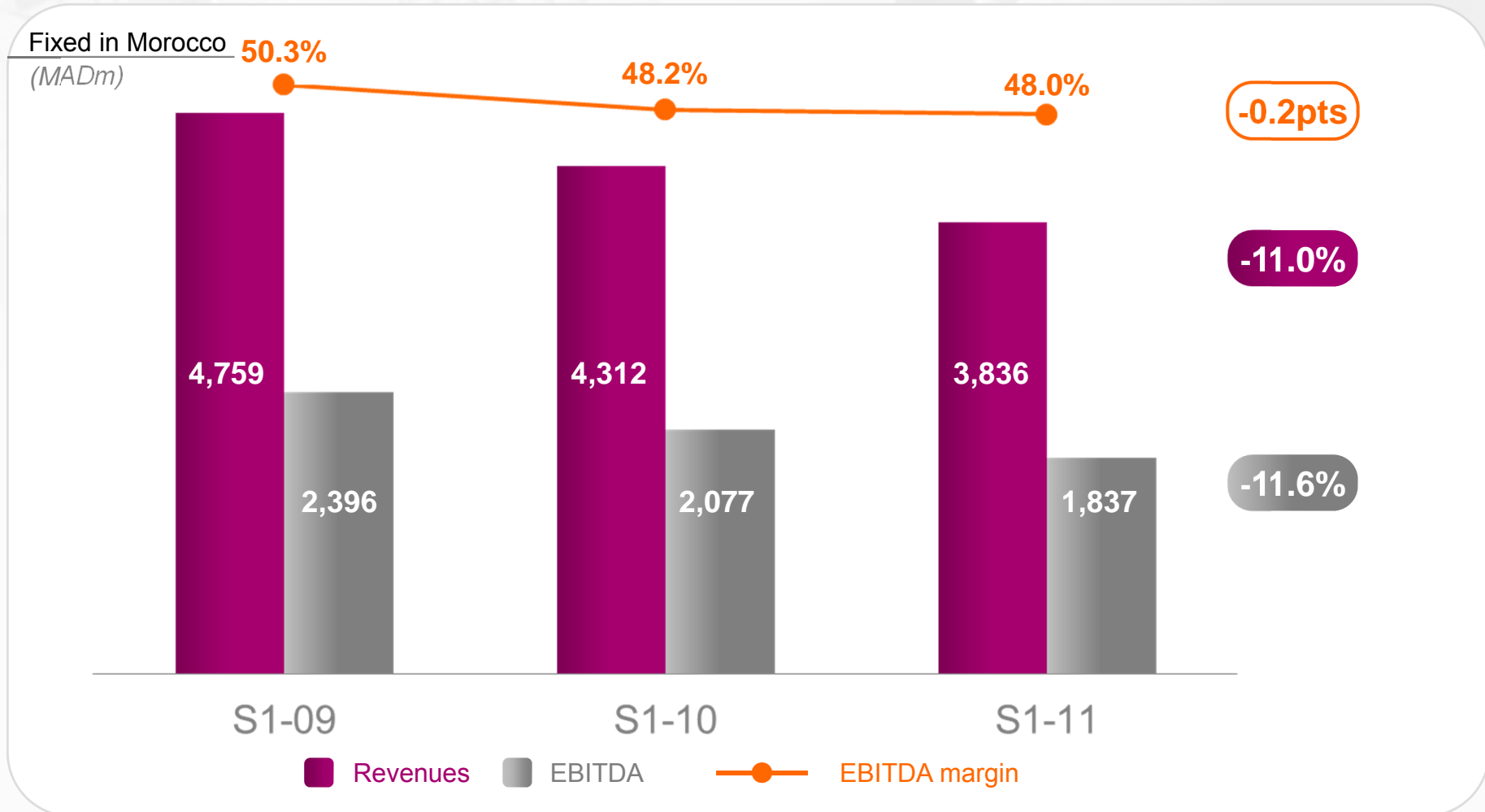


Source : ANRT

- ADSL customer base growing significantly, supported by **lower prices** and **enhanced offerings** (MT Duo)

Business review

Fixed lines & Internet in Morocco



- Decreasing public telephony due to the competition from Mobile
- Lower rates for lines leased by Maroc Telecom's Fixed-line activity to the Mobile

Highlights

Sub-saharan Africa



MAURITEL



- Restriction of some « All-net » usage promotions to « on-net »
- New ADSL offering ranging from 4 to 10 Mbps

ONATEL



- Heavy price cuts: new digressive per-second rate plan « Midi Telmob »

GABON TÉLÉCOM



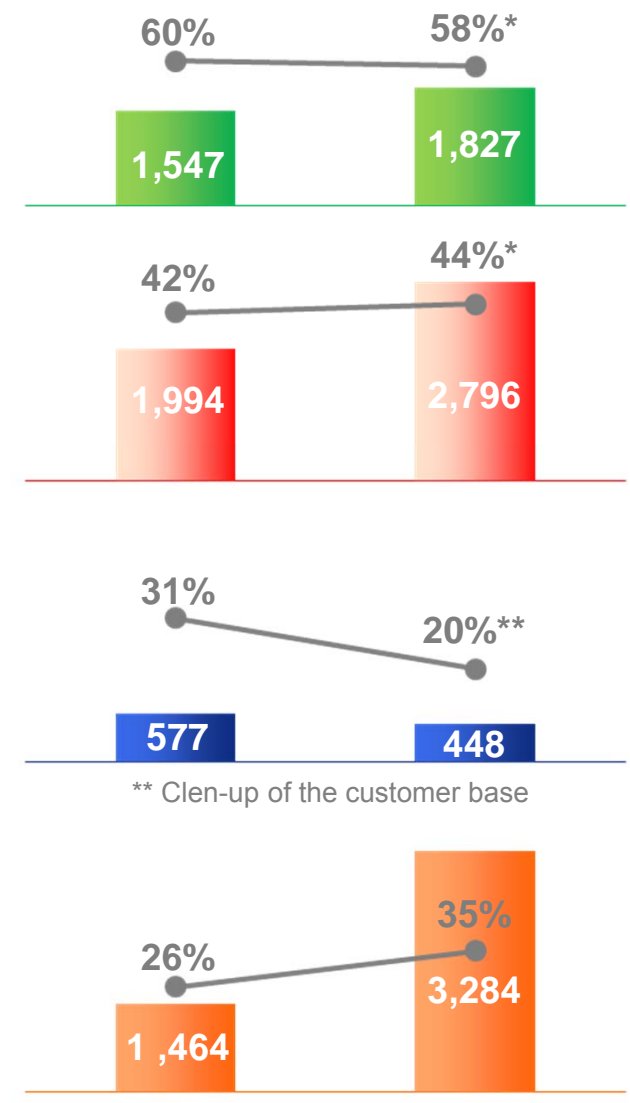
- New Management
- New per-second rate plan « One »
- Strong price cuts in the Mobile

SOTELMA



- Customer base multiplied by 2.2 in 1 year
- Launch of « Duo » double SIM offer: 1 SIM purchased, the 2nd SIM for free including 5 000 FCFA credit valid 8 months
- Extension of network by 152 new BTS

H1-10 H1-11



Source : Dataxis Q1-2011 vs. Q2-2011

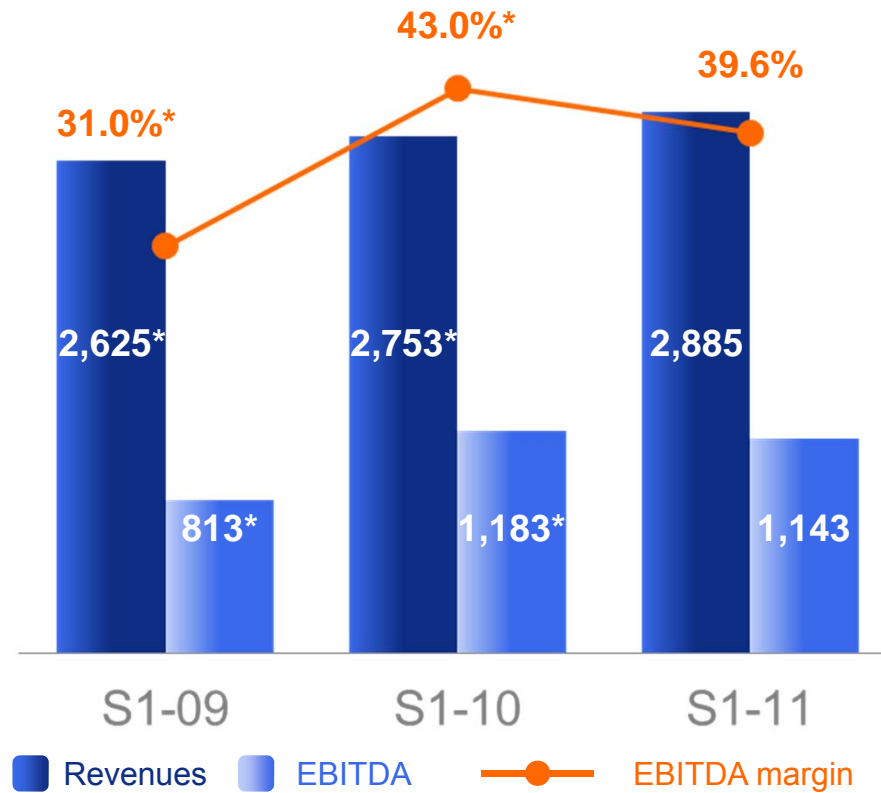
** Clen-up of the customer base

■ Mobile cust. base ● Market share (in thousand)

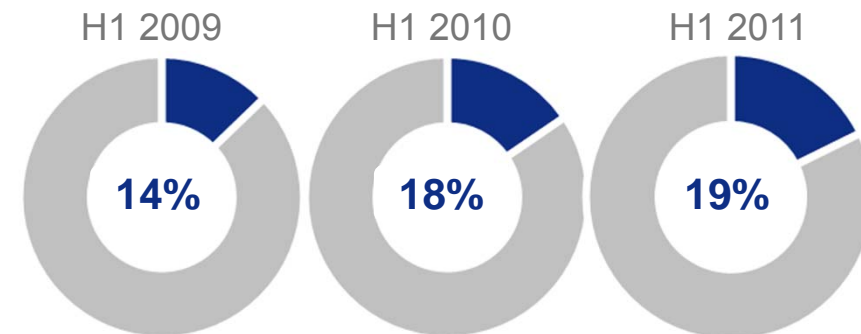
Business review

Sub-saharan Africa

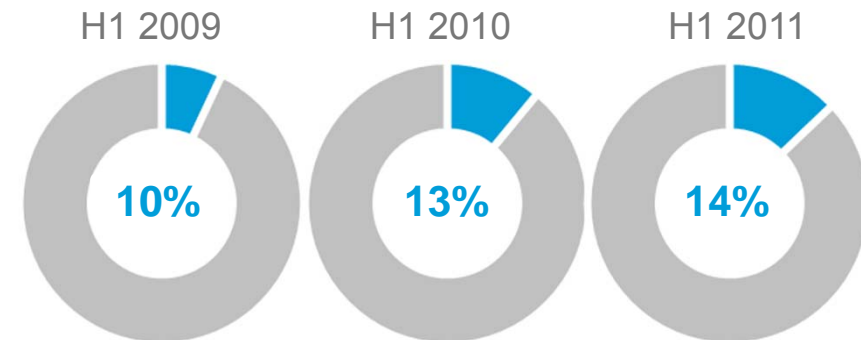
Fixed & Mobile
(MADm)



% of Group Revenues



% of Group EBITDA



Increasing contribution of affiliates to the Group Consolidated Results

* Data for the years 2009 & 2010 were restated after a material misstatement was identified in the financial statements concerning distributor commissions paid to Onatel. This restatement lowered revenues respectively by MAD 18.9 million and MAD 15,25 million in 2010 and 2009, while earnings from operations before depreciation and amortization were affected negatively, respectively by MAD 22.3 million and MAD 18 million in 2010 and 2009, compared with the data published.

1st HALF RESULTS 2011



Highlights

Business
review

Financial
results

Outlook



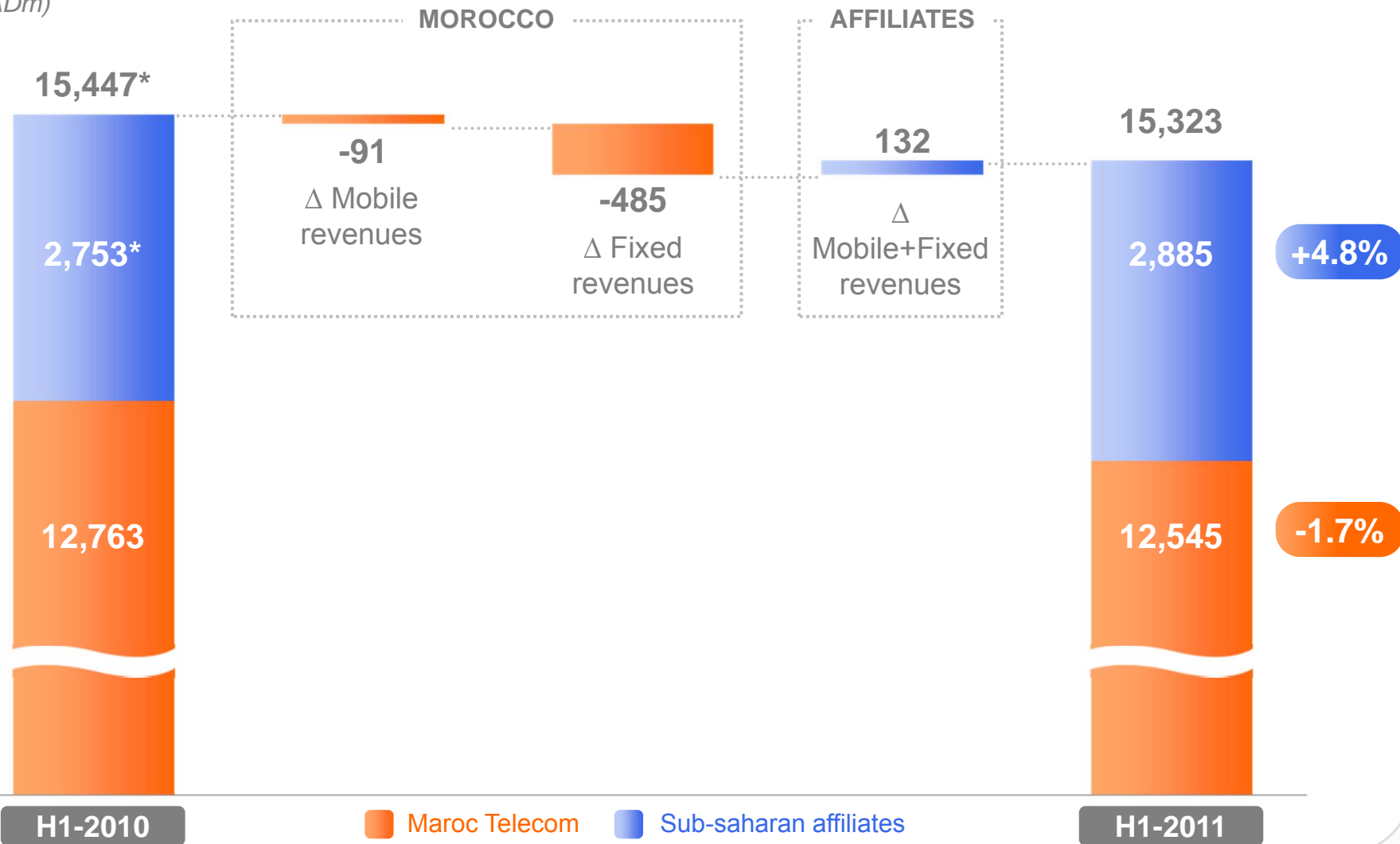
Consolidated income statement

In MADm	H1 2010*	H1 2011	Chg*	
Revenues	15,447	15,323	-0.8%	Slight decline in revenues despite strong price cuts
Operating expenses	-6,464	-7,006	+8.4%	
EBITDA	8,982	8,317	-7.4%	
% revenues	58.2%	54,3%	-3.9pts	Margin stayed at high level
Operating income	6,645	6,094	-8.3%	
% revenues	43.0%	39.8%	-3.2pt	
Net earning group-share	4,444	3,985	-10,3%	Distribution capacity remains high
% revenues	28.8%	26.0%	-2.8pts	

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Revenues

Revenues
(MADm)

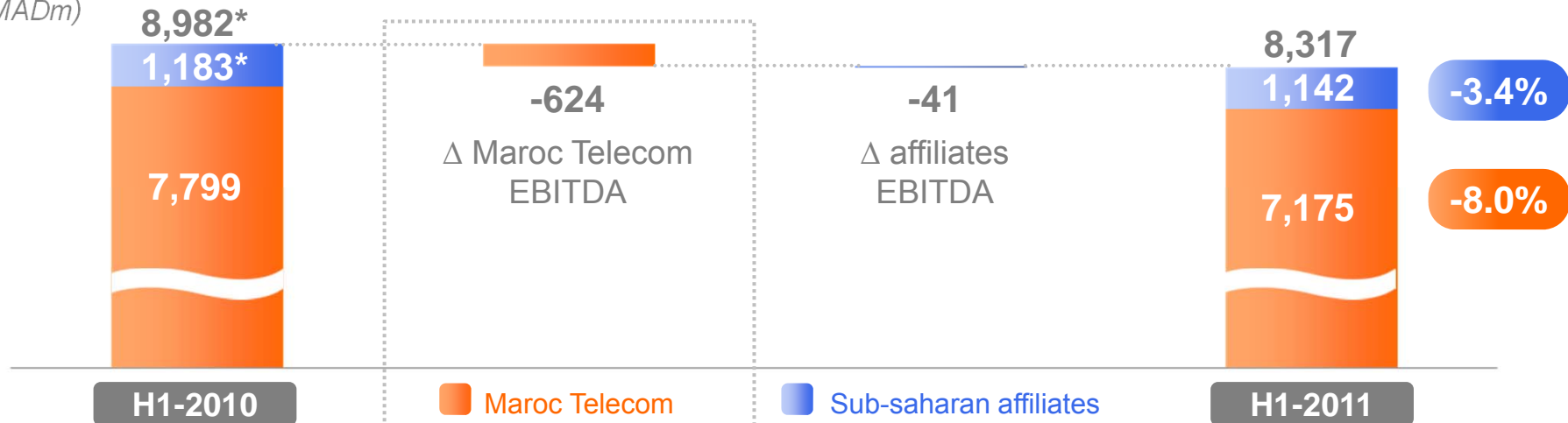


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EBITDA

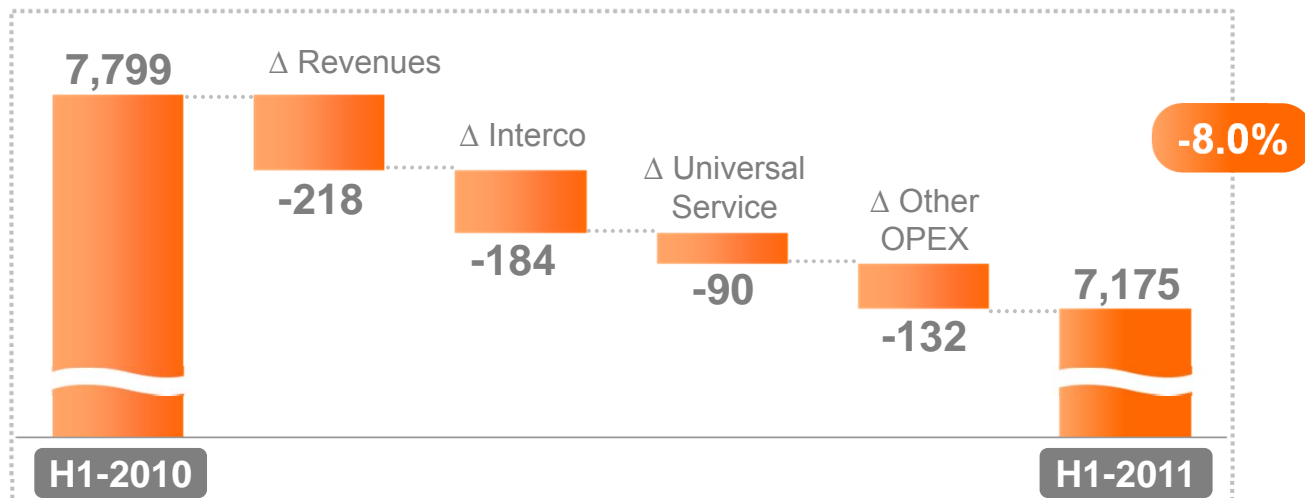
Consolidated EBITDA

(MADm)



EBITDA Morocco

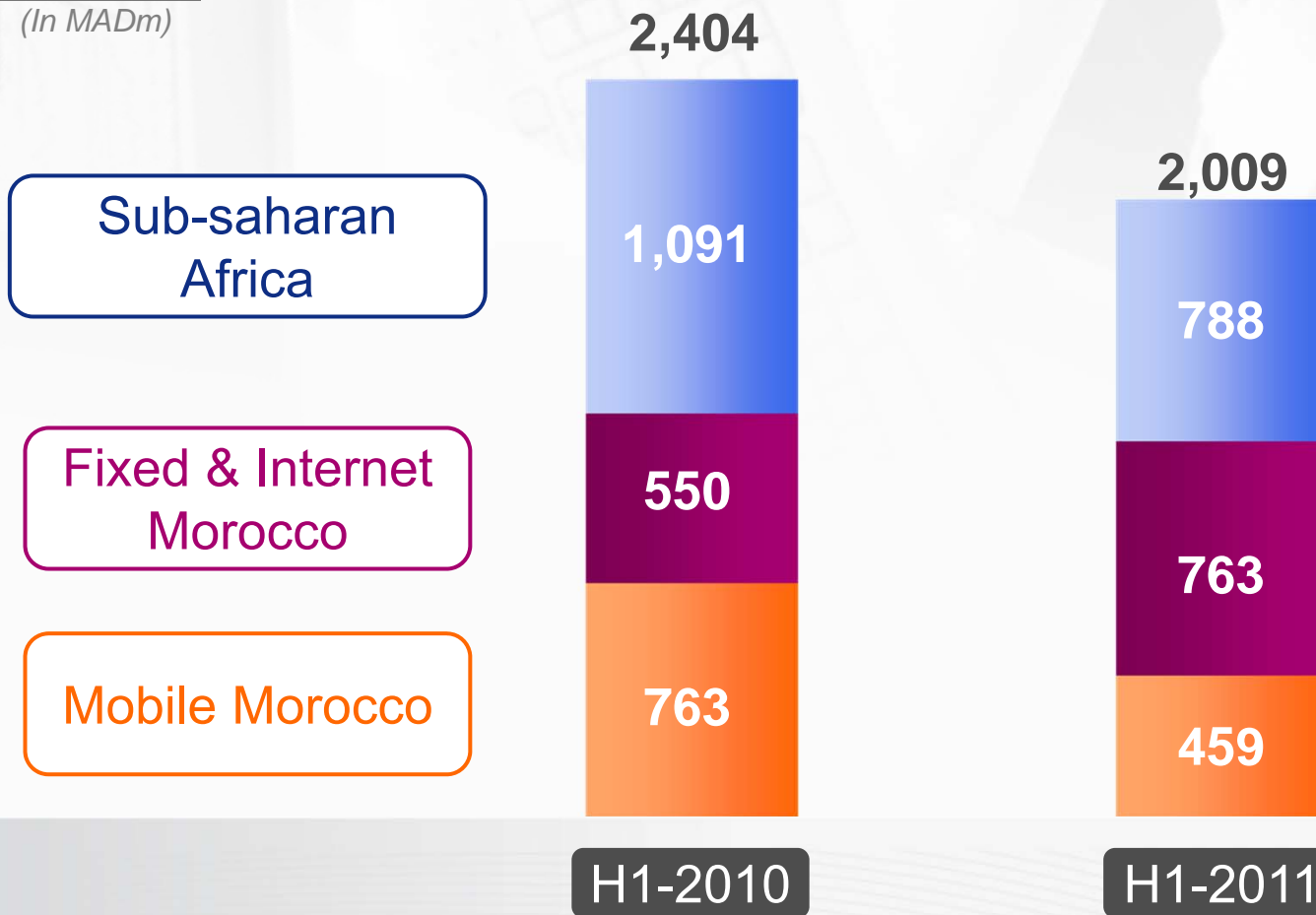
(MADm)



* Data for the year 2010 were restated after a material misstatement was identified in the financial statements concerning distributor commissions paid to Onatel. This restatement lowered revenues by MAD 18.9 million, while earnings from operations before depreciation and amortization were affected negatively, by MAD 22.3 million, compared with the data published for H1 2010

Investments

(In MADm)



- Slight increase in investments forecasted for the FY 2011

Cash Flow Statement

In MADm	H1 10*	H1 11	Chg*	
EBITDA	8,982	8,317	-7.4%	
Maroc Telecom	7,799	7,175	-8.0%	
Sub-saharan Africa	1,183	1,142	-3.4%	
CAPEX	2,404	2,009	-16.4%	CAPEX represent 13% of revenues
Maroc Telecom	1,313	1,222	-6.9%	
Sub-saharan Africa	1,091	788	-28%	
Change in Working Capital	1,090	1,591	+46%	Significant improvement expected in H2 2011
Cash Flow from operations	5,510	4,715	-14.4%	
Maroc Telecom	5,148	4,592	-10.8%	
Sub-saharan Africa	363	123	-66%	
Net Debt	8,905	11,315	+27%	After payment of dividend, net debt represents 0.7 x 2011 annualised EBITDA
Maroc Telecom	8,464	10,347	+22%	
Sub-saharan Africa	441	968	ns	

* Data for the year 2010 were restated after a material misstatement was identified in the financial statements concerning distributor commissions paid to Onatel. This restatement lowered revenues by MAD 18.9 million, while earnings from operations before depreciation and amortization were affected negatively, by MAD 22.3 million, compared with the data published for H1 2010

1st HALF RESULTS 2011



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Business
review

Financial
results

Outlook



Revised outlook for 2011

Slight decline in revenues in 2011

- In Morocco: price cuts and rise in Mobile usage; decline of Fixed-line activity
- Sub-saharan Africa: steady growth of Mobile

Operating Margin comparable to that of H1 2011

- Morocco: lower interconnection tariffs and fixed costs control
- Sub-saharan Africa: fixed costs optimization

Investments

Synergies

Innovation

Maintaining Leadership

- Quality of service
- Distribution
- Innovation

Sustainable development

- Opening up of isolated areas
- Reduction of Digital Divide
- Support for culture, sport, charities and human rights

International expansion

- Network expansion
- Growth of customer base and usage
- New acquisition opportunities

High margins

- Cost control and optimization in Morocco and Sub-Saharan affiliates

1st HALF RESULTS 2011



Appendices





Morocco



Population	31.9 million
GDP	\$ 91.7 billion
	+5.0% in 2011e
Revenue per inhabitant (ppp)	≈ \$ 5,001 in 2011e
Inflation	+1.6% in 2011e

Source : IMF – Ministry of Finance



In MADm – IFRS	H1 2010	H1 2011	Chg.
Revenues (net)	12,763	12,545	-1.7%
Mobile	9,519	9,418	-1.0%
Fixed et Internet	4,312	3,836	-11.2%
EBITDA	7,800	7,175	-8.0%
% of revenues	61.1%	57.2%	-3.9pts
Operating income	6,104	5,576	-8.6%
% of revenues	47.8%	44.4%	-3.4pts

	H1 2010	H1 2011	Chg.
Mobile			
Customers (000)	15,904	16,994	+6.9%
ARPU (MAD)	94	86	-7.8%
Market share	57%	50%*	-7pts
Penetration	88.5%	104.8%*	+16.3pts
Nb of operators	3	3	-
Fixed			
Customers (000)	1.237	1,234	-
Market share**	98%	98%*	-
Penetration**	4%	4%*	-
Nb of operators	3	3	-
Internet			
Customers (000)	477	528	+10.7%



Mauritania



Population 3.2 million

GDP \$ 4.4 billion

+5.2% in 2011^e

Revenue per inhabitant (ppp) ≈ \$ 1,352 in 2011^e

Inflation +7.2% in 2011^e

1 MAD = 34.64 MRO
depreciation of MRO by 8,0% vs. 2010

Source : IMF



In MADm – IFRS	H1 2010	H1 2011	Chg.
Revenues (net)	595	601	+1.0%
Mobile	509	510	-
Fixed et Internet	115	117	+1.5%
EBITDA	300	267	-11.1%
% of revenues	50%	44%	-5.9pts
Operating income	195	170	-13.2%
% of revenues	33%	28%	-4.5pts

Mobile	H1 2010	H1 2011	Chg.
Customers (000)	1,547	1,827	+18%
ARPU (MAD)	56	47	-15%
Market share	60%	58%*	-2pts
Penetration	80%	89%*	+9pts
Nb of operators	3	3	-

Fixed	H1 2010	H1 2011	Chg.
Customers (000)	42	41	-2.6%
Market share	50.2%	48.4%	-1.8pts
Penetration	2.6%	2.7%	-
Nb of operators	2	2	-

Internet	H1 2010	H1 2011	Chg.
Customers (000)	7.2	6.9	-3.4%

Source: Daxis

* Data at end Q1-11



Burkina Faso



Population	15 million
GDP	\$ 9.6 billion
	+5.5% in 2011 ^e
Revenue per inhabitant (ppp)	≈ \$ 639 in 2011 ^e
Inflation	+0.4% in 2011 ^e
1 MAD =	58.28 FCFA appreciation of FCFA by 0.5% vs. 2010

Source : IMF



In MADm – IFRS	H1 2010*	H1 2011	Chg.*
Revenues (net)	915	846	-7.6%
Mobile	658	638	-3%
Fixed et Internet	392	337	-14%
EBITDA	459	309	-33%
% of revenues	50%	37%	-13.6pts
Operating income	259	87	-66%
% of revenues	28%	10%	-18pts

* On the basis of 2010 restated accounts

	H1 2010	H1 2011	Chg
Mobile			
Customers (000)	1 994	2 796	+40%
ARPU (MAD)	61	39	-36%
Market share	42%	44%*	+2pts
Penetration	29%	36%*	+7pts
Nb of operators	3	3	-
Fixed			
Customers (000)	154	143	-7.4%
Market share	100%	100%	-
Penetration	1.0%	1.0%	-
Nb of operators	1	1	-
Internet			
Customers (000)	24	29	+20%

Source: Daxis

* Data at end Q1-11



Gabon



Population	1.5 million
GDP	\$ 16.7 billion
	+5.6% in 2011 ^e
Revenue per inhabitant (ppp)	≈ \$ 11,046 in 2011 ^e
Inflation	+2.3% in 2011 ^e
1 MAD =	58.28 FCFA appreciation of FCFA by 0.5% vs. 2010

Source : IMF



In MADm – IFRS	H1 2010	H1 2011	Chg.
Revenues (net)	512	472	-7.8%
Mobile	277	221	-20%
Fixed et Internet	281	308	+9.7%
EBITDA	164	141	-14.1%
% of revenues	32%	30%	+2.2pts
Operating income	34	11	-68%
% of revenues	6.6%	2.3%	+4.3pts

	H1 2010	H1 2011	Chg.
Mobile			
Customers (000)	577	448	- 22%
ARPU (MAD)	76	95	+26%
Market share	31%	20%*	-11pts
Penetration	124%	149%*	+25pts
Nb of operators	3	4	-
Fixed			
Customers (000)	36	24	-33%
Market share	100%	100%	-
Penetration	2.4%	1.6%	-
Nb of operators	1	1	-
Internet			
Customers (000)	21	22	+5.2%



Mali



Population 13.8 million

GDP \$ 10.7 billion

+6.0% in 2011^e

Revenue per inhabitant (ppp) ≈ \$ 777 in 2011^e

Inflation +4.5% in 2011^e

1 MAD = 58.28 FCFA
appreciation of FCFA by
0.5% vs. 2010

Source : IMF



In MADm – IFRS	H1 2010	H1 2011	Chg.
Revenues (net)	703	976	39%
Mobile	538	817	+52%
Fixed et Internet	173	166	-3.6%
EBITDA	262	426	+63%
% of revenues	37%	44%	+6.3pt
Operating income	54	250	-
% of revenues	7.7%	26%	+17pts

	H1 2010	H1 2011	Chg.
Mobile			
Customers (000)	1 464	3 284	+124%
ARPU (MAD)	86	50	-42%
Market share	26%	35%*	+9pts
Penetration	40%	53%*	+13pts
Nb of operators	2	2	-
Fixed			
Customers (000)	72	87	+20%
Market share	95.0%	95.0%	+0pts
Penetration	0.6%	0.6%	-
Nb of operators	2	2	-
Internet			
Customers (000)	14	28	+103%