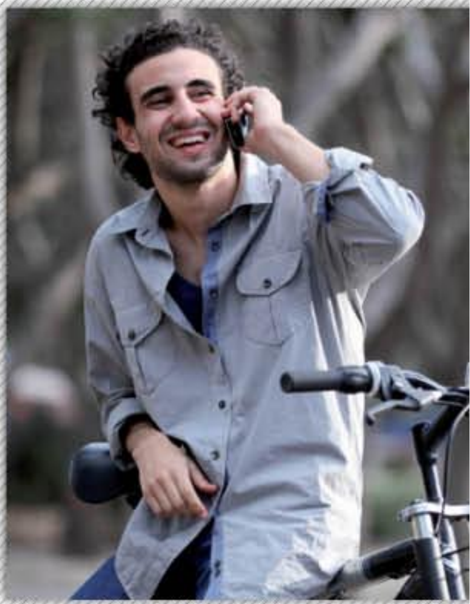
FINANCIAL REPORT FIRST HALF 2013



Maroc Telecom

FINANCIAL REPORT FIRST HALF 2013

Preliminary remarks:

This financial report and the unaudited condensed financial statements for the half year ended June 30, 2013 were approved by the Management Board on July 22, 2013. They were submitted to the Supervisory Board on July 23, 2013, after review by the Audit Committee at its meeting on July 23, 2013.

This report should be read in conjunction with the Management Board's report for the year ended December 31, 2012 as published in Registration Document as filed with the Securities Regulator (AMF) on April 18, 2013 ("the 2012 Registration Document").

CONTENTS

Highlights

January 2013

- On January 10, 2013, Maroc Telecom signs the fourth investment agreement with the Moroccan government. Under the terms and conditions of this agreement, Maroc Telecom is committed to investing more than MAD 10.1 billion and to creating 500 direct jobs over the period 2013–2015. As consideration, Maroc Telecom will be exempted during that period from all importation duties.
- Maroc Telecom celebrates reaching 18 million customers.
- In Morocco, mobile termination rates are reduced and a symmetrical tariff is introduced for inter-operator voice MTRs, at a new single rate of MAD 0.1399 (excl. tax).
- In Mali, lower mobile termination rates take effect, now set at CFA franc 16.80 per minute.
- The corporate tax rate in Gabon is lowered from 35% to 30%.

February 2013

- Onatel lowers its fixed-line rates to all fixed-line and mobile numbers in Burkina Faso.

March 2013

- Maroc Telecom enhances its capped fixed-line rate plans (capped plans, Phony, and MT Box offers) with the permanent one-hour Pass at MAD 20, valid for all domestic mobiles, fixed lines in western Europe, and mobiles in France, Canada, and the United States.
- The ANRT approves the interconnection offer for IAM's fixed-line network.
- In Burkina Faso, a decree is adopted that eliminates the 5% revenue cap for the calculation of fees and contributions applied to operators.
- In Mali, a new tax is enacted for access to the public telecommunications network, TARTOP. The tax is 2% of revenues (excl. tax) exclusive of revenues from internet, handsets, domestic interconnection, and incoming international calls, with the exception of roaming.

April 2013

- Maroc Telecom launches a permanent International Jawal Pass (MAD 20 = 20 min.), thus allowing customers to call fixed lines and mobiles in Europe and North America.
- Maroc Telecom enhances its Jawal Passes with credit in MAD in addition to minutes offered (e.g., Pass MAD 20 = MAD 20 + 1 hour).

- For its standard Libertis customers, Gabon Telecom lowers rates by 51% for Off-Net calls, thereby bringing them into alignment with rates for On-Net calls.
- Gabon Telecom lowers ADSL subscription rates, doubles bandwidth for free for current customers, and introduces a one-month promotion of free installation.
- Gabon Telecom launches its Infinifixe rate plans, with all domestic fixed-to-fixed calls free 24/7.

May 2013

- Maroc Telecom repositions its Arriyadi and Liberté rate plans, with additional hours.
- Maroc Telecom launches two smartphone applications: Fidelio and MT Info (access to practical information).
- Maroc Telecom launches Phony Duo, a packaged plan at MAD 249 (incl. tax) that includes a fixed line (unlimited) and ADSL access at 4Mbit/s.
- Mauritel and Onatel launch Mobicash, a mobile payment service.
- Onatel launches its 3G+ service, available in postpaid or prepaid from a 3G+ compatible Telmob mobile or from a computer equipped with a 3G+ dongle, with speeds of up to 14.4 Mbit/s.

June 2013

- Inauguration of Maroc Telecom's new corporate headquarters. The eco-friendly and community-enriching Maroc Telecom building received honorable mention in the “Tall building” category at the Ecobuilding forum in Paris.
- With its Jawal plan, Maroc Telecom has brought per-second billing into widespread use and has increased the validity of Jawal top-ups to 1 year.
- Maroc Telecom enhances its MAD 5 and MAD 10 Passes with additional credited minutes (respectively 10 and 30 minutes more than the credited call time).
- Maroc Telecom expands its Pass Jawal offer with the introduction of a new MAD 30 Pass. This Pass provides two hours of call time plus MAD 30 of credit, valid seven days. The validity of the MAD 50 Pass has also been extended, from 7 days to 14.
- Repositioning of prepaid and postpaid 3G internet 3G offers, with extended validity of 3G internet top-ups and modified limits for postpaid 3G internet plans, both free and paid.

1

Certifications

In this document, "Maroc Telecom" or “the Company” refers to the company Itissalat Al-Maghrib, and “the Group” refers to the group constituted by the Company and all of its directly and indirectly owned subsidiaries.

1.1 PERSON RESPONSIBLE FOR THE INTERIM REPORT

Mr. Abdeslam Ahizoune

Chairman of the Management Board

1.2 CERTIFICATION OF THE INTERIM REPORT

I hereby attest, to my knowledge, that the condensed interim financial statements are established in accordance with applicable accounting standards and give a true and fair view of the income and financial position and results of the company and all of the consolidated companies, and that the interim management report gives a true and fair view of the significant events having occurred during the first six months of the year, and their impact on the condensed interim financial statements, the main related-party transactions as well as a description of the principal risks and uncertainties for the remaining six months of the year.

Mr. Abdeslam Ahizoune
Chairman of the Management Board

1.3 PERSONS RESPONSIBLES FOR FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Statutory Auditors

KPMG Maroc, represented by Mr. Fouad Lahgazi

11, avenue Bir Kacem, Souissi – 10100 Rabat, Morocco

First appointed on April 12, 2007, renewed in 2013, the current mandate, of a three-year term, will expire at the end of the general shareholders’ meeting to approve the financial statements for the fiscal year ended December 31, 2015.

Mr. Abdelaziz Almechatt

83 avenue Hassan II - 20100 Casablanca, Morocco

First appointed in 1998 by the bylaws, renewed in 2011, the current mandate, of a three-year term, will expire at the end of the shareholders’ meeting held to approve the financial statements for the fiscal year ended December 31, 2013.

Statutory auditors' report on financial reporting for the first half of 2013

Period from January 1 to June 30, 2013

To the Shareholders,
In our capacity as statutory auditors and in accordance with the assignment given to us by you in your shareholders' meetings, we have:

- carried out a limited review of the summary consolidated financial statements of Itissalat Al-Maghrib (IAM) for the six-month period from January 1 to June 30, 2013 as enclosed with this report, and
- examined information provided in the interim report.

The Management Board was responsible for the preparation of these summary first-half consolidated financial statements. Our responsibility is to express our conclusion on them based on our limited review.

We have conducted our limited review in accordance with international standards on auditing. A limited review consists mainly of holding discussions with senior managers in charge of accounting and finance, and carrying out analysis work. This work is less extensive than that required by an audit according to international auditing standards. As a result, a limited review provides a moderate level of assurance, i.e. a lower level of assurance than that provided by an audit, that the financial statements as a whole are free of material misstatement.

On the basis of our limited review, we have not seen any significant anomalies that would make any material aspect of the summary interim consolidated financial statements non-compliant with IAS 34 (IFRS standard relating to interim financial reporting, as adopted by the European Union).

Without prejudice to the aforesaid conclusion of our limited review, we draw your attention to the note 6 contained in the notes to the consolidated financial statements, which sets out the current tax investigation with respect to the 2005-2008 fiscal years and which clarifies your company's position.

We have also examined comments contained in the interim report on the summary interim consolidated financial statements on which we carried out our limited review, in accordance with international auditing standards.

We are satisfied that the information is presented fairly and corresponds to the summary consolidated half-year financial statements.

July 24, 2013

The Statutory Auditors

KPMG	Abdelaziz ALMEHATT
Fouad LAHGAZI	Abdelaziz ALMECHATT
Partner	Partner

2

Activity report for the first half of 2013

2.1 DESCRIPTION OF ACTIVITIES

IFRS in MAD millions	H1 2012	H1 2013	Change	Change like for like[1]
Revenues	15,172	14,468	(4.6%)	(4.6%)
EBITDA	8,358	8,406	+0.6%	+0.6%
Margin (%)	55,1%	58,1%	+3.0 pts	+3.0 pts
EBITA (before restructuring)	5,955	5,951	(0.1%)	(0.1%)
Margin (%)	39,2%	41,1%	+1.9 pt	+1.9 pt
EBITA	5,155	5,951	+15.4%	+15.4%
Net income – Group share (before restructuring)	3,696	3,521	(4.7%)	(4.7%)
Margin (%)	24.3%	24.6%	(0.4 pt)	(0.4 pt)
Net income – Group share	3,128	3,521	+12.6%	+12.6%
CAPEX [2]	2,016	2,753	+36.6%	
CAPEX / Revenues	13.3%	19.0%	+5.7 pts	
CFFO	5,458	5,354	(1.9%)	
Net debt	11,114	9,644	(13.2%)	
Net debt / EBITDA	0.7 x	0.6 x		

Revenues

At June 30, 2013, Maroc Telecom group had achieved consolidated revenues[3] of MAD 14,468 million, 4.6% lower than revenues in H1 2013 (-4.6% like for like[1]). Despite a high basis of comparison, steady growth in revenue from international activities (+9.1% like for like) compensated partially for lower revenues in Morocco (-8.1%), attributable to soft consumer spending and more aggressive competition.

The Group's customer base comprised more than 35 million customers at June 30, 2013. This net annual growth of 12.5% was the result of expanded customer bases in Morocco and abroad, where customer bases increased by 25% to more than 15 million customers.

Earnings from operations before depreciation and amortization

In H1 2013, Maroc Telecom Group's EBITDA rose by 0.6% (+0.6% like for like), to MAD 8,406 million, with the EBITDA margin rising 3.0 points to a substantial 58.1%.

This performance was attributable to 26% growth in international EBITDA, which more than compensated for the 5.2% decline in Moroccan EBITDA. The gross margin improved by 2.5 points, boosted by lower mobile termination rates, especially in Morocco, and by a more focused subsidy policy for the sale of handsets, and the operating costs decreased by 6.6%, mainly from voluntary redundancy plans carried out in Morocco and abroad in H2 2012.

Earnings from operations

At June 30, 2013, Maroc Telecom Group's consolidated EBITA[4] amounted to MAD 5,951 million, 15.4% higher (+15.4% like for like) than EBITA in H1 2012, which included a restructuring provision of MAD 800 million. Excluding this exceptional item, EBITA was stable year on year (-0.1% like for like), despite a slight increase in amortization expense. The operating margin reached 41.1%, rising by 1.9 points (exclusive of restructuring).

Net income

Net attributable income for H1 2013 came to MAD 3,521 million, 12.6% more than earnings a year earlier, which included an after-tax restructuring provision of MAD 568 million. Adjusted for this item, the Group share of net income fell year on year by 4.7% (-4.7% like for like).

Cash flow

Cash flow from operations (CFFO[5]) declined moderately (-1.9%) in H1 2013, to MAD 5,354 million, in line with expectations. This change reflects the 9.4% decline in CFFO in Morocco, related to scheduled acceleration in capital spending for broadband networks, and compensated for by international CFFO growth of 64%.

At June 30, 2013, Maroc Telecom group's net debt[6] amounted to MAD 9.6 billion, down 13.2% year on year because of a decrease in dividends paid. Net debt represents only 0.6 times the Group's annual EBITDA.

2.1.1 Morocco

IFRS in MAD millions	H1 2012	H1 2013	Change
Revenues	11,876	**10,909**	*(8.1%)*
Mobile	8,937	8,085	(9.5%)
Services	8,630	*7,888*	*(8.6%)*
Equipment	307	*197*	(36.0%)
Fixed line	3,410	3,709	+8.8%
*o/w wireline data**	892	908	+1.8%
Elimination	(464)	(885)	
EBITDA	6,834	**6,478**	**(5.2%)**
Margin (%)	57,5%	59,4%	+1.8 pt
EBITA (before restructuring)	5,180	**4,758**	**(8.1%)**
Margin (%)	43.6%	43.6%	-
EBITA	4,380	**4,758**	**+8.6%**
CAPEX[2]	1,348	**2,038**	**+51.2%**
CAPEX/Revenues	11.4%	18.7%	7.3 pts
CFFO	4,901	**4,443**	**(9,4%)**
Net debt	9,528	**8,297**	**(12,9%)**
Net debt / EBITDA	*0.7x*	*0.6x*	

*Wireline data include internet, TV over ADSL, and enterprise data services.

In the first half of 2013, business activities in Morocco generated revenues of MAD10,909 million, a decline of 8.1%. This decrease reflects ongoing price cuts in the mobile segment, the most recent reduction in mobile termination rates, and the downslide of revenues from fixed lines subsequent to significant price cuts carried out in H1 2012.

The EBITDA margin rose by 1.8 points year on year, to 59.4%, with EBITDA of MAD 6,478 million (-5.2%). The rising EBITDA margin is attributable to the 2.3-point increase in gross margin, made possible by lower call termination rates. The elimination of asymmetry favorable to Maroc Telecom's competitors was particularly beneficial to EBITDA margin, as was a more focused subsidy policy for the sale of handsets. In addition, operating costs were reduced by 6.3%, mainly from the impact of voluntary redundancies carried out in H2 2012.

Despite a 4.0% rise in amortization expense, EBITA from business in Morocco grew 8.6% year on year. Note that H1 2012 included a restructuring provision of MAD 800 million. Excluding restructuring, EBITA declined by 8.1%, to MAD 4,758 million. The EBITA margin (43.6%) was stable, compared with the H1 2012.

Cash flow from operations in Morocco fell by 9.4%, to MAD 4,443 million, because of the scheduled acceleration of major upgrades for fixed-line (MSAN) and mobile (Single RAN) networks. Capital expenditures were 51% higher than in H1 2012.

2.1.1.1 Mobile

	Unit	H1 2012	H1 2013	Change
Mobile				
Customers[7]	(000)	17,385	**18,049**	**+3.8%**
Prepaid	(000)	16,255	16,731	+2.9%
Postpaid	(000)	1,130	1,318	+16.7%
o/w 3G internet	(000)	1,385	1,822	+31.6%
ARPU[8]	(MAD/mois)	81.4	**71.5**	**(12.2%)**
Data % of ARPU[9]	(%)	9.4%	13.9%	+4.5 pts
MOU	(Min/mois)	110	**133**	**+21.1%**
Churn	(%)	22.3%	**20.5%**	**-1.8 pt**

Mobile revenues declined by 9.5% in H1 2013, to MAD 8,085 million. This reflects a challenging competitive environment and overall slowdown in consumer spending in the first half of 2013.

The mobile customer base[7] continued to grow, however, expanding 3.8% year on year, to 18,049 million customers. This growth was the result of a 2.9% expansion in the prepaid customer base (+476,000 customers) and by solid momentum in the high-value postpaid customer base (+17%). Enhanced content in rate plans drove both performances. The churn rate improved significantly, to 20.5% (-1.8 points, compared with H1 2012). The 3G mobile internet customer base[10] continued its strong momentum, expanding to 1.8 million customers at June 30, 2013, or +32% year on year.

Outgoing mobile revenues were 7.8% lower than in H1 2012. The 22% rise in outgoing traffic did not fully compensate for the 28% fall in rates, especially after June 2013, when per-second billing became standard for prepaid plans. Mobile-services revenues declined by 8.6% because of a 11.0% fall in incoming revenues subsequent to a new reduction in mobile termination rates as of January 1, 2013. Equipment revenues continued to decline (-36% in H1 2013) because of a more focused policy for subsidized handsets.

Blended ARPU[8] fell by 12.2% in H1 2013, to MAD 71, with outgoing ARPU down by 11.6%. The impact of substantial price cuts in the mobile segment (-28%), of reduced termination rates (-52% year on year), and of customer-base growth was partially compensated for by a rise in outgoing voice usage (+17%) and by growth in data services[9] which represent 13.9% of ARPU (4.5 points more than in 2012). Data services were boosted by usage of mobile internet and SMS prepaid recharges.

2.1.1.2 Fixed line and Internet

	Unit	H1 2012	H1 2013	Change
Fixed				
Fixed lines	**(000)**	1,245	**1,325**	**+6.4%**
Broadband access[11]	**(000)**	630	**755**	**+19.8%**

In the first half of 2013, fixed-line and internet activities in Morocco generated revenues of MAD 3,709 million. This 8.8% year on year growth was due mainly to the increase in the number of lines leased by the Maroc Telecom mobile segment to the Maroc Telecom fixed-line segment (+95%). Adjusted for this intragroup activity, fixed-line and internet activities in Morocco declined by 3.9%. These activities were hurt by the sharp downturn in public-telephony use, now seriously menaced by mobile telephony, and by fixed-line rate cuts in H1 2012 that were intended to restore the fixed-line segment's competitiveness in the face of the mobile challenge.

The fixed-line customer base continues to expand rapidly in Morocco. At June 30, 2013, it stood at 1,325 thousand customers (+6.4% year on year). The fixed-line segment benefits from price cuts for telephony, from enhanced rate plans (especially the inclusion in rate plans of free minutes for calls to mobiles), and from the success of ADSL, whose customer base continues its steady growth. At March 31, 2013, the ADSL customer base stood at 755,000 (+20% year on year).

Revenues from fixed-line data grew by 1.8%, to MAD 908 million, driven by the success of broadband rate plans and IP products for businesses.

2.1.2 International

IFRS in MAD millions	H1 2012	H1 2013	Change	Change like for like[1]
Revenues	**3,488**	**3,804**	**+9.1%**	**+9.1 %**
Mauritania	**667**	**737**	**+10.5%**	**+10.4%**
o/w mobile services	607	673	+11.0%	+11.0%
Burkina Faso	**1,028**	**1,095**	**+6.5%**	**+6.6%**
o/w mobile services	845	921	+9.0%	+9.0%
Gabon	**635**	**698**	**+9.9%**	**+9.9%**
o/w mobile services	332	397	+19.5%	+19.5%
Mali	**1,186**	**1,308**	**+10.3%**	**+10.3%**
o/w mobile services	1,004	1,123	+11.8%	+11.9%
Elimination	(28)	(34)		
EBITDA	**1,524**	**1,928**	**+26.5%**	**+26.5%**
Margin (%)	43.7%	50.7%	+7.0 pts	+7.0 pts
EBITA	**776**	**1,194**	**53.9%**	**53.9%**
Margin (%)	22.2%	31.4%	+9.1 pts	+9.1pts
CAPEX[2]	**668**	**715**	**+7.0%**	
CAPEX/Revenues	19.2%	18.8%	(0.4 pt)	
CFFO	**557**	**911**	**+63.6%**	
Net debt	**1,586**	**1,348**	**(15.0%)**	
Net debt / EBITDA	0.5 x	0.3 x		

In the first half of 2013, Maroc Telecom group's international operations grew strongly (+9.1%, and +9.1% like for like), generating revenues totaling MAD 3,804 million. Achieved in spite of a high basis of comparison in Gabon (impact from the Africa Cup of Nations) and Mali (rapid business growth in Q1 2012), this performance was made possible by steady growth of mobile customer bases (+27%), enhanced rate plans, and higher customer consumption. The competitive environment was stable.

In the same period, EBITDA grew by 26% year on year (+26% like for like), to MAD 1,928 million. The EBITDA margin (50.7%) rose sharply (+7.0 points) as a result of gross-margin growth of 1.7 pts and a 7.4% decline in operating expenses, due in part to exceptional items.

EBITA in H1 2013 amounted to MAD 1,194 million, up 54% (+54% like for like) from the previous year. Lower amortization expenses contributed largely to this performance, which resulted in an EBITA margin of 31.4% (+9.1 points).

Cash flow from operations (CFFO) from international operations increased by 64%, to MAD 911 million. CFFO was boosted by EBITDA growth and by improved WCR, particularly from the collection of government receivables.

Mauritania

	Unit	H1 2012	H1 2013	Change like for like[1]
Mobile				
Customers[7]	(000)	1,956	**2,000**	**+2.3%**
ARPU[8]	(MAD/month)	53.8	**54.6**	**+1.4%**
Fixed lines	**(000)**	41	**42**	**+1.5%**
Broadband access[11]	**(000)**	7	**7**	**+4.2%**

At June 30, 2013, activities in Mauritania had generated revenues of MAD 737 million, a rise of 10.5% (+10.4% like for like) reinforced by the mobile segment, whose service revenues advanced 11.0% (+11.0% like for like) in the wake of growth of the mobile customer base (+2.3%) and the ARPU (+1.4%). The fixed-line customer base grew slightly, to 42,126 lines (+1.5%), while the internet customer base grew by 4.2%, to 7,358 customers.

Burkina Faso

	Unit	H1 2012	H1 2013	Change like for like[1]
Mobile				
Customers[7]	(000)	3,574	**4,248**	**+18.9%**
ARPU[8]	(MAD/month)	42.3	**37.0**	**(12.5%)**
Fixed lines	**(000)**	143	**100**	**(29.9%)**
Broadband access[11]	**(000)**	31	**27**	**(12.4%)**

At June 30, 2013, activities in Burkina Faso had generated revenues of MAD 1,095 million, a rise of 6.5% (+6.6% like for like). This performance was helped by steady growth in mobile services, whose revenues increased by 9.0% (+9.0% like for like). The mobile customer base showed strong growth of 19%, although ARPU fell by 12.5% like for like.

During the first quarter, Onatel updated the fixed-line prepaid customer base for its CDMA network. The result was a total fixed-line active customer base of 100,021 lines at June 30 , 2013. The internet customer base declined by 12.4%, to 27,262 customers.

Gabon

	Unit	H1 2012	H1 2013	Change like for like[1]
Mobile				
Customers[7]	(000)	714	**929**	**+30.2%**
ARPU[8]	(MAD/month)	85.6	**77.7**	**(9.2%)**
Fixed lines	**(000)**	18	**18**	**+2.3%**
Broadband access[11]	**(000)**	7	**9**	**+27.4%**

Despite an unfavorable basis of comparison because of the positive impact from the Africa Cup of Nations in Gabon in early 2012, revenues in Gabon amounted to MAD 698 million in H1 2013, a rise of 9.9% (+9.9% like for like). Business is still driven by the mobile-services segment, whose revenue rose by 19.5% (+19.5% like for like) as a result of strong growth (+30%) in the customer base. The latter has benefited from significant price cuts and network expansion.

The fixed-line (+2.3%) and internet (+27%) customer bases returned to steady growth after an update of the CDMA customer base was completed in 2012. Enhanced rate plans (free fixed-to-fixed calls, free doubling of internet capacity) also contributed to this growth.

Mali

	Unit	H1 2012	H1 2013	Change like for like[1]
Mobile				
Customers[7]	(000)	5,377	**7,524**	**+39.9%**
ARPU[8]	(MAD/month)	37.8	**27.9**	**(26.2%)**
Fixed lines	**(000)**	95	**102**	**+7.3%**
Broadband access[11]	**(000)**	41	**47**	**+14.2%**

Despite the country's problems and an unfavorable basis of comparison (Q1 2012 revenues grew 23% like for like), H1 2013 revenues generated by activities in Mali increased by 10.3% (+10.3% like for like), to MAD 1,308 million. In the second quarter, Sotelma's revenues rose by 17%. This net acceleration was due to strong growth of the mobile customer base (+40%). Fixed-line (+7.3%) and internet (+14.2%) customer bases continue to show steady growth.

2.2 RELATED-PARTY TRANSACTIONS

The related-party transactions mentioned on pages 58-59 of the 2012 Registration Document remain in force.

2.3 RECENT DEVELOPMENT AND GUIDANCE

2.3.1 Recent development

On June 1, 2013, Maroc Telecom made significant changes to its prepaid mobile plans, with the introduction of widespread application of per-second billing and by making permanent its promotions for double credit on top-ups less than or equal to MAD 50 and for triple credit for top-ups of more than MAD 50. This change resulted in a lower average rate per minute that, at this stage, does not offset consumption growth.

2.3.2 Guidance

This section contains information regarding the Company's objectives for the 2013 financial year.

The Company warns potential investors that these forward-looking statements are dependent on circumstances and events which are expected to occur in the future. These statements do not reflect historical data and are not to be interpreted as warranties that the facts and data mentioned will occur or that the targets will be achieved. By their nature, these are targets and it is therefore possible that they may not be achieved, and that the assumptions on which they are based may be found to be erroneous. Investors are invited to take into consideration the fact that some of the risks described in section 3.4 "Risk factors" of the 2012 Registration Document may affect the Company's operations and its ability to achieve its targets (see also section 5.3 "Objectives" in the 2012 Registration Document).

On the basis of recent market changes, and insofar as no new major event transpires that might interfere with group business, Maroc Telecom maintains its forecasts, and expects: (i) to maintain an EBITDA margin of approximately 56% and; (ii) to report, excluding restructuring expenses, a slight growth of «EBITDA minus CAPEX[2]* »

* Exclusive of acquisitions of new frequencies or licenses

Notes :

1 Fixed exchange rates for MAD / Mauritanian ouguiya / CFA franc.

2 CAPEX correspond to property, plant, equipment and intangible assets acquisitions recognized over the period.

3 At March 31, 2013, 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 and the impairment losses on goodwill and other intangibles acquired through business combinations, other income and charges related to financial investing transactions and to transactions with shareowners (except if directly recognized in equity).

5 CFFO comprises pretax net cash flows from operations (see the statement of cash flows), dividends received from affiliates, and unconsolidated equity interests. CFFO also comprises net capital expenditure, which corresponds to net uses of cash for acquisitions and 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, and postpaid clients who have not terminated their agreements.

8 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 combines both prepaid and postpaid segments.

9 Mobile data revenues include revenues of all non-voice services billed (SMS, MMS, mobile internet mobile, etc.). As from second-quarter 2012, revenues from mobile data also include the valuation of 3G internet access at 512 kb/s included in all Maroc Telecom postpaid rate plans. The comparison base has been modified retroactively.

10 The active customer base for 3G mobile 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.

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

3

Financial report

3.1 CONSOLIDATED FINANCIAL DATA

The table below sets out a selection of the Maroc Telecom group's consolidated financial data. This selection of financial data is taken from the Group's consolidated financial statements, which were prepared according to IFRSs *(International Financial Reporting Standards)* and which were subject to a limited review by the statutory auditors Mr Abdelaziz Almechatt and KPMG Maroc, represented by Fouad Lahgazi.

Consolidated financial data in Moroccan dirhams

Income statement for the first-halves of 2013 and 2012:

(In millions of MAD)	H1 2012	H1 2013
Consolidated revenues	**15,172**	**14,468**
Operating expenses	10,016	8,518
Earnings from operations	**5,155**	**5,951**
Earnings from continuing operations	5,135	5,930
Earnings for the period	**3,364**	**3,920**
Earnings attributable to equity holders of the parents	**3,128**	**3,521**
Earnings per share (in MAD)	3.6	4.0
Diluted earnings per share (in MAD)	3.6	4.0

Balance sheet:

Assets *(in millions of MAD)*	12/31/2012	06/30/2013
Noncurrent assets	36,122	36,353
Current assets	11,825	10,828
Total assets	47,948	47,181
Shareholders' equity and liabilities *(in millions of MAD)*	12/31/2012	06/30/2013
Share capital	5,275	5,275
Equity attributable to equity holders of the parents	16,294	13,309
Minority interests	4,399	4,190
Total shareholders' equity	20,693	17,499
Noncurrent liabilities	1,954	1,564
Current liabilities	25,302	28,117
Total shareholders' equity and liabilities	47,948	47,181

Consolidated scope

Mauritel

Maroc Telecom holds 51.5% of the voting rights of Mauritel S.A., the incumbent operator in Mauritania and operator of a fixed-line and mobile telecommunications network. Mauritel S.A. is owned by the holding company Compagnie Mauritanienne de Communications (CMC), in which Maroc Telecom holds an 80% equity interest that consequently gives it a 41.2% interest in Mauritel S.A. Mauritel has been fully consolidated by Maroc Telecom since July 1, 2004.

Onatel

On December 29, 2006, Maroc Telecom acquired 51% of the capital of the Burkina Faso operator Onatel. Onatel has been fully consolidated by Maroc Telecom since January 1, 2007.

Gabon Telecom

On February 9, 2007, Maroc Telecom acquired 51% of the capital of the operator Gabon Telecom. Gabon Telecom has been fully consolidated by Maroc Telecom since March 1, 2007.

Sotelma

Maroc Telecom acquired a 51% stake in Sotelma, the incumbent telecoms operator in Mali, on July 31, 2009. Sotelma has been fully consolidated since August 1, 2009.

Casanet

Casanet is a wholly owned subsidiary of Maroc Telecom. The company, specialized in information technology and services, is focused on business clients and web-portal management, including the Menara portal. Casanet has been consolidated in Maroc Telecom's financial statements since January 1, 2011.

Other non consolidated investments

Maroc Telecom's other unconsolidated holdings include a 100% interest in MT Fly and minority stakes in Médi1TV, Arabsat, ADM and Thuraya. These companies are not consolidated because their results do not have a material impact on Maroc Telecom group's financial statements.

3.2 INCOME STATEMENT AND FINANCIAL POSITION

The following table sets out data regarding Maroc Telecom's consolidated income statement for the first-halves of 2013 and 2012.

(In millions of MAD)	Note	H1 2012	H1 2013
Revenues	7	**15,172**	**14,468**
Cost of purchases		(2,517)	(2,014)
Payroll costs		(1,504)	(1,369)
Taxes and duties		(697)	(740)
Other operating income and expenses		(1,992)	(1,957)
Net depreciation, amortization and provisions		(3,306)	(2,439)
Earnings from operations		**5,155**	**5,951**
Other income and charges from ordinary activities		(21)	(21)
Earnings from continuing operations		**5,135**	**5,930**
Income from cash and cash equivalents		2	11
Gross borrowings costs		(142)	(143)
Net borrowing costs		(140)	(132)
Other financial income (expense)		(12)	(19)
Net financial income (expense)		**(152)**	**(151)**
Income tax expense	6	(1,618)	(1,859)
Net earnings		**3,364**	**3,920**
Exchange gain or loss from foreign activities		(56)	2
Other income and expenses		0	(26)
Total comprehensive income for the period		**3,308**	**3,896**
Net earnings		**3,364**	**3,920**
Attributable to equity holders of the parents		3,128	3,521
Minority interests		236	399
Total comprehensive income for the period		**3,308**	**3,896**
Attributable to equity holders of the parents		3,097	3,505
Minority interests		211	392

Earnings per share	H1 2012	H1 2013
Net earnings - group share (in millions of MAD)	3,128	3,521
Numbers of shares at June 30	879,095,340	879,095,340
Earnings per share (in MAD)	**3.6**	**4.0**
Diluted earnings per share (in MAD)	**3.6**	**4.0**

The various items of Maroc Telecom’s consolidated income statement and their changes during the periods under consideration are summarized in the following table.

Comparison of the first-halves of 2013 and 2012

Revenues

The following table shows the breakdown of revenues for the first-halves of 2013 and 2012.

(In millions of MAD)	H1 2012	H1 2013
Morocco	11,876	10,909
International	3,488	3,804
Elimination of inter-segment transactions	(192)	(245)
Total consolidated revenues	15,172	14,468

In the first half of 2013, Maroc Telecom group had consolidated revenues of MAD 14,468 million, 4.6% less than revenues in H1 2012 (-4.6% like for like). The competitive environment was intense in Morocco but stable for Group subsidiaries.
In the first half of the year, activities in Morocco generated revenues of MAD 10,909 million, a decline of 8.1% attributable mainly to the following factors:

- higher outgoing mobile usage that does not offset price cuts;
- lower fixed-line voice revenues that are still affected by the declining consumption and price cuts from 2012;
- lower MTR affecting weakened incoming revenues;
- intentional decline in revenues from mobile handset sales as a result of a more focused policy for subsidies for handsets sold.

Maroc Telecom group’s international operations grew strongly in H1 2013 (+9.1%, and +9.1% like for like), generating revenues totaling MAD 3,804 million. Achieved in spite of a high basis of comparison in Gabon (impact from the Africa Cup of Nations) and Mali (strong business growth in H1 2012), this performance was made possible by significant growth of mobile customer bases (+27%), enhanced rate plans, and higher customer consumption.

Operating expenses

The following table shows operating expenses for the first-halves of 2013 and 2012.

(In millions of MAD)	H1 2012	H1 2013
Revenues	15,172	14,468
Cost of purchases	2,517	2,014
%	16.6%	13.9%
Payroll costs	1,504	1,369
%	9.9%	9.5%
Taxes and duties	697	740
%	4.6%	5.1%
Other operating income (expenses)	1,992	1,957
%	13.1%	13.5%
Net depreciation, amortization, impairment and provisions	3,306	2,439
%	21.8%	16.9%
Total operating expenses	**10,016**	8,518

Cost of purchases

Group cost of purchases in H1 2013 fell by MAD 503 million, to MAD 2,014 million. This decline was due mainly to lower interconnection costs subsequent to MTR reductions in Morocco, and to a more focused subsidy policy for handsets sold.

Payroll costs

Group payroll costs were 9% lower in H1 2013 than in H1 2012, mainly because of the impact in 2013 from voluntary redundancy plans carried out in 2012.

Taxes and duties

Taxes and duties rose 6.1% year on year in H1 2013, to MAD 740 million. This is attributable for the most part to the introduction in Mali of a new tax for access to the public telecommunications network (TARTOP, a tax of 2% of revenues), to a higher contribution to the universal service fund, and to the settlement of a tax dispute.

Other operating income (expenses)

In H1 2013, other operating income and expenses declined year on year by 1.8%, to MAD 1,957 million, mainly because of lower distributor commissions and general operating expenses in Morocco. This decline was offset by a rise in energy and security costs subsequent to a major network-deployment program.

Net charge to depreciation, amortization, impairment, and provisions

Depreciation, amortization, and provisions declined by 26.2%. This change is attributable mainly to a base effect arising from Maroc Telecom's recognition in 2012 of a provision of MAD 800 million for voluntary redundancies, and from Sotelma's provision for asset depreciation of MAD 17.5 million because of political turmoil in northern Mali.

Earnings from operations

Group consolidated earnings from operations at June 30, 2013, amounted to MAD 5,951 million, 15.4% higher than those of H1 2012, which were affected by a restructuring provision of MAD 800 million. Excluding restructuring costs, earnings from operations were stable (-0.1 % year on year). Lower revenues were compensated for by lower cost of sales and operating expenses.

Net financial income (expense)

Net financial expense in H1 2013 was nearly unchanged year on year, declining from MAD 152 million to MAD 151 million. Short-term bank loans in the Group's total liabilities in H1 2013 more than offset the decline in net debt.

Income tax expense

Tax expense in H1 2013 rose by 14.8% year on year because of a deduction in 2012 for a restructuring provision of MAD 800 million. Excluding this provision, tax expense was stable. It included an exceptional contribution to the Moroccan solidarity fund (impact of MAD 74 million in H1 2013, compared with MAD 102 million in H1 2012).

Net earnings

Net earnings rose 16.5% year on year, from MAD 3,364 million at June 30, 2012, to MAD 3,920 million at June 30, 2013. Excluding restructuring costs, net earnings fell 0.3% year on year.

Minority interests

Minority interests represent the claim of shareholders other than Maroc Telecom on earnings from consolidated companies. In H1 2013, these interests amounted to MAD 399 million, compared with MAD 236 million in H1 2012. The change is attributable to growth in international business.

Net earnings (groupe share)

Net earnings (group share) came to MAD 3,521 million in H1 2013, up 12.6% year on year. Excluding restructuring costs, net earnings (group share) declined by 4.7%.

Earnings (per share)

Net earnings per share were MAD 4.0 in H1 2013, compared with MAD 3.6 in H1 2012.

Cash and cash equivalents

The Group's main source of liquidity is cash generated from operating activities.

Statement of cash flow

The following table summarizes Maroc Telecom's consolidated cash flows for the specified periods:

(In millions of MAD)	H1 2012	H1 2013
Net cash from operating activities (a)	7,344	7,107
Net cash used in investing activities (b)	(2,970)	(2,765)
Net cash used in financing activities (c)	(4,294)	(4,676)
Foreign currency translation adjustments (d)	0	3
Change in cash and cash equivalents (a)+(b)+(c)+(d)	80	(331)
Cash and cash equivalents at beginning of period	617	964
Cash and cash equivalents at end of period	697	632

Net cash from operating activities

At June 30, 2013, cash flow from operating activities amounted to MAD 7,107 million, compared with MAD 7,344 million a year earlier. This decline was due principally to lower revenues, though these were offset partially by lower sales costs, operating expenses, and income tax paid.

Net cash used investing activities

Cash flow from investing activities fell from a use of MAD 2,970 million at June 30, 2012, to a use of MAD 2,765 million at June 30, 2013. This 6.9% decline was due to improvement in WCR, despite higher capital spending year on year for networks.

Net cash used in financing activities

At June 30, 2013, cash flow from financing activities amounted to a use of MAD 4,676 million, compared with a use of MAD 4,294 million in H1 2012. This change was due mainly to repayment to the SPT of a current-account advance.

Property, plant, equipment, and intangible assets

The following table sets out Maroc Telecom's capital expenditure by segment for the periods specified:

(In millions of MAD)	H1 2012	H1 2013
Morocco	1,348	2,038
International	668	715
Total	2,016	**2,753**

The Group made capital expenditures in H1 2013 of MAD 2,753 million, up a significant 37% from a year earlier. This sharp rise is attributable to faster deployment in H1 2013, compared with H1 2012.

Investments in Morocco

Capital spending in Morocco rose by 51.2% because of a major upgrade for fixed-line and internet (MSAN) networks, and for mobile radio access (single RAN).

International investments

Capital spending by the sub-Saharan subsidiaries in H1 2013 increase by 7.0%.

Financial ressources

In H1 2013, Maroc Telecom group's net debt stood at MAD 9,644 billion, compared with MAD 7,111 billion at December 31, 2012.

This change is due mainly to Maroc Telecom's use in 2013 of overdraft facilities for FY 2012 dividend payment.

(In millions of MAD)	12/31/2012	06/30/2013
Outstanding debt and accrued interests (a)	8,145	10,286
Cash*(b)	964	632
Cash held for repayment of bank loans (c)	70	10
Net debt (b) + (c) - (a)	7,111	9,644

*Marketable securities are considered as cash equivalents when they are for no more than three months.

3.3 CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

Consolidated statement of financial position at June 30, 2013 and at December 31, 2012

ASSETS *(in millions of MAD)*	Note	12/31/2012	06/30/2013
Goodwill		6,877	6,861
Other intangible assets		3,445	3,337
Property, plant and equipment		25,476	25,874
Noncurrent financial assets		266	215
Deferred tax assets		59	66
Noncurrent assets		**36,122**	**36,353**
Inventories		468	458
Trade accounts receivable and other		10,291	9,623
Short-term financial assets		47	60
Cash and cash equivalents	4	964	632
Assets available for sale		56	56
Current assets		**11,825**	**10,828**
TOTAL ASSETS		**47,948**	**47,181**
SHAREHOLDERS' EQUITY AND LIABILITIES *(in millions of MAD)*		12/31/2012	06/30/2013
Share capital		5,275	5,275
Retained earnings		4,314	4,513
Net earnings		6,705	3,521
Equity attributable to equity holders of the parents		16,294	13,309
Minority interests		4,399	4,190
Total shareholders' equity		**20,693**	**17,499**
Noncurrent provisions		692	734
Borrowings and other long-term financial liabilities	4	886	472
Deferred tax liabilities		244	226
Other noncurrent liabilities		132	132
Noncurrent liabilities		**1,954**	**1,564**
Trade accounts payable		17,394	17,510
Current tax liabilities		369	593
Current provisions		279	199
Borrowings and other short-term financial liabilities		7,259	9,814
Current liabilities		25,302	28,117
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		47,948	47,181

Consolidated statement of comprehensive income for the six-month period ended June 30 of 2013 and 2012

(In millions of MAD)	Note	H1 2012	H1 2013
Consolidated revenues	7	**15,172**	**14,468**
Cost of purchases		(2,517)	(2,014)
Payroll costs		(1,504)	(1,369)
Taxes and duties		(697)	(740)
Other operating income and expenses		(1,992)	(1,957)
Net depreciation, amortization and provisions		(3,306)	(2,439)
Earnings from operations		**5,155**	**5,951**
Other operating income and expenses from ordinary activities		(21)	(21)
Earnings from continuing operations		**5,135**	**5,930**
Income from cash and cash equivalents		2	11
Gross borrowing costs		(142)	(143)
Net borrowing costs		(140)	(132)
Other financial income (expense)		(12)	(19)
Net financial income (expense)		**(152)**	**(151)**
Income tax expense	6	(1,618)	(1,859)
Net earnings		**3,364**	**3,920**
Exchange gain or loss from foreign activities		(56)	2
Other income and expenses		0	(26)
Total comprehensive income for the period		**3,308**	**3,896**
Net earnings		**3,364**	**3,920**
Attributable to equity holders of the parents		3,128	3,521
Minority interests		236	399
Total comprehensive income for the period		**3,308**	**3,896**
Attributable to the equity holders of the parents		3,097	3,505
Minority interests		211	392

Earnings per share	H1 2012	H1 2013
Earnings Attributable to the equity holders of the parents (in millions of MAD)	3,128	3,521
Number of shares outstanding as of June 30	879,095,340	879,095,340
Earnings per share (in MAD)	**3.6**	**4.0**
Diluted earnings per share (in MAD)	**3.6**	**4.0**

Consolidated statement of cash flows for the first halves of 2013 and 2012

(In millions of MAD)	Note	H1 2012	H1 2013
Earnings from operations		5,155	5,951
Depreciations, depreciation and other adjustments		3,210	2,352
Gross cash from operating activities		**8,365**	**8,304**
Other changes in net working capital		114	(127)
Net cash from operating activities before taxes		**8,479**	**8,177**
Tax paid		(1,135)	(1,070)
Net cash from operating activities (a)		**7,344**	**7,107**
Purchase of PP&E and intangible assets		(3,048)	(2,831)
Increase in financial assets		0	(7)
Disposals of PP&E and intangible assets		77	8
Decrease in financial assets		0	66
Dividends received from nonconsolidated investments		1	0
Net cash used in investing activities (b)		**(2,970)**	**(2,765)**
Capital increase		0	0
Dividends paid to shareholders	3	(8,137)	(6,209)
Dividends paid by subsidiaries to their noncontrolling interests		(302)	(446)
Changes in equity		**(8,439)**	**(6,655)**
Borrowings and increase in other long-term financial liabilities		230	0
Payments on borrowings and decrease in other long-term financial liabilities		(79)	0
Borrowings and increase in other short-term financial liabilities		**2,786**	**3,616**
Payments on borrowings and decrease in other short-term financial liabilities		**(576)**	**(648)**
Changes in net current accounts		**1,935**	**(841)**
Net interests paid (Cash only)		**(137)**	**(132)**
Other cash expenses (income) used in financing activities		**(14)**	**(16)**
Changes in borrowings and other financial liabilities		**4,145**	**1,979**
Net cash used in financing activities (d)		**(4,294)**	**(4,676)**
Effect of foreign currency adjustments (g)		**0**	**3**
Total cash flows (a+b+d+g)		**80**	**(331)**
Cash and cash equivalents at beginning of period		**617**	**964**
Cash and cash equivalents at end of period		**697**	**632**

Statement of changes in consolidated equity at June 30, 2013 and at December 31, 2012

(In millions of MAD)	Share capital	Other adjustments	Cumulative translation differences	Earnings and retained earnings	Group share	Minority interests	Total
Balance at January 1, 2012	**5,275**	**(92)**	**(125)**	**12,506**	**17,781**	**4,304**	**22,085**
Dividends				(8,137)	(8,137)	(436)	(8,573)
Earnings				3,128	3,128	236	3,364
Exchange gain or loss from foreign activities			(31)	(31)	(31)	(24)	(56)
Earnings for the period				**3,097**	**3,097**	**211**	**3,308**
Treasury stock				(36)	(36)		(36)
Other adjustments					0		0
Change in scope of consolidation							
Balance at June 30, 2012	**5,275**	**(92)**	**(156)**	**7,430**	**12,705**	**4,080**	**16,785**
Dividends			0	0	0	(18)	(18)
Earnings			0	3 577	3 577	338	3 915
Exchange gain or loss from foreign activities			19	19	19	(1)	18
Earnings for the period			**0**	**3 596**	**3 596**	**337**	**3 933**
Treasury stock			0	(7)	(7)	0	(7)
Other adjustments			0	0	0	0	0
Change in scope of consolidation			0	0	0	0	0
Balance at December 31, 2012	**5,275**	**(92)**	**(137)**	**11,019**	**16,294**	**4,399**	**20,693**
Dividends				(6,501)	(6,501)	(600)	(7,102)
Earnings				3,521	3,521	399	3,920
Exchange gain or loss from foreign activities			(3)	(3)	(3)	5	2
Other adjustments				(13)	(13)	(13)	(26)
Earnings for the period				**3,505**	**3,505**	**392**	**3,896**
Treasury stock				12	12		12
Other adjustments							
Change in scope of consolidation							
Balance at June 30, 2013	**5,275**	**(92)**	**(140)**	**8,034**	**13,309**	**4,190**	**17,499**

On June 30, 2013, Maroc Telecom's share capital comprised 879,095,340 ordinary shares. Ownership of these shares was as follows:

- Vivendi: 53% via its wholly-owned subsidiary "Société de participation dans les Télécommunications (SPT);
- Kingdom of Morocco: 30%;
- Other: 17%.

Note 1. Accounting principles and valuation methods

1 Significants events

- On January 10, 2013, Maroc Telecom signed the fourth investment agreement with the Moroccan government. Under the terms and conditions of this agreement, Maroc Telecom is committed to investing more than MAD 10.1 billion over the period 2013–2015. As consideration, Maroc Telecom will be exempted during that period from all importation duties.
- Introduction of a new tax for access to the public telecommunication network (TARTOP) in Mali.
- Corporate tax rate in Gabon is lowered from 35% to 30%, effective January 1, 2013.
- Commitment to raise MT FLY SA's capital by MAD 20 million, of which MAD 10 million will be made available during the first half.

2 Accounting principles and valuation methods

Maroc Telecom group's consolidated annual statements for 2012 have been prepared in accordance with the International Financial Reporting Standards currently endorsed by the European Union.

The accounting principles used for the preparation of the consolidated half-year financial statements at June 30, 2013, are identical to those used for the preparation of financial statements for the fiscal year ended December 31, 2012.

The consolidated half-year financial statements at June 30, 2013, have been prepared in accordance with IAS 34 Interim Financial Reporting, which provides for the use of notes to the financial statements. These consolidated financial statements should be read in conjunction with the consolidated financial statements for FY 2012.

The consolidated half-year financial statements at June 30, 2013, and related notes to the financial statements were approved by the Management Board of Maroc Telecom on July 22, 2013.

Note 2. Scope of consolidation at June 30, 2013 and December 31, 2012

Company name	Legal form	% group interest	% group control	Consolidation method
Maroc Telecom	**SA**	**100%**	**100%**	**FC**
Avenue Annakhil Hay Riad Rabat - Morocco				
Compagnie Mauritanienne de Communication (CMC)	**SA**			
June 30, 2013		**80%**	**80%**	**FC**
December 31, 2012		80%	80%	FC
Avenue Roi Fayçal Nouakchott-Mauritania				
Mauritel SA	**SA**			
June 30, 2013		41%	52%	**FC**
December 31, 2012		41%	52%	FC
Avenue Roi Fayçal Nouakchott-Mauritania				
Onatel	**SA**			
June 30, 2013		51%	51%	**FC**
December 31, 2012		51%	51%	FC
705, AV. de la nation 01 BP10000 Ouagadougou				
Gabon Telecom	**SA**			
June 30, 2013		**51%**	**51%**	**FC**
December 31, 2012		51%	51%	FC
B.P. 40 000 Libreville-Gabon				
Sotelma	**SA**			
June 30, 2013		**51%**	**51%**	**FC**
December 31, 2012		51%	51%	FC
Route de Koulikoro, quartier Hippodrome, BP 740,Bamako-Mali				
Casanet	**SA**			
June 30, 2013		**100%**	**100%**	**FC**
December 31, 2012		**100%**	**100%**	**FC**
Technopark 8éme étage, Route d'Enouacer, Casablanca				

Maroc Telecom is a Moroccan corporation, its main activity being the sale of telecommunications goods and services. Its registered office is located at Avenue Annakhil Hay Riad Rabat – Morocco.

Note 3. Dividends paid fro the first halves of 2012 and 2013

(In millions of MAD)	H1 2012	H1 2013
Dividends received from equity affiliates (a)		
Mauritel	136	176
Onatel	79	150
Gabon Telecom	16	55
Sotelma	205	219
Casanet	0	0
	436	**600**
Dividends paid by Maroc Telecom to shareholders (b)		
Kingdom of Morocco	2 442	1 952
Vivendi	4 314	3 448
Other	1 381	1 102
	8 137	**6 501**
Total dividends paid (a)+ (b	**8 573**	**7 102**

Maroc Telecom's general shareholders' meeting of April 24, 2013, having satisfied the quorum and majority requirements for ordinary shareholders' meetings, set the dividend at MAD 7.40 per share for each share comprising the share capital on the record date. The payment date for the dividend is June 3, 2013, for a total amount of MAD 6,501 million.

Note 4. Borrowings and other financial liabilities at June 30, 2013 and at December 31, 2012

4.1. Net debt

(In millions of MAD)	12/31/2012	06/30/2013
Borrowings due less than one year	886	472
Borrowings due more than one year	2,592	1,972
Facilities and overdrafts	4,667	7,842
Borrowings and financial liabilitie	**8,145**	**10,286**
Cash	964	632
Blocked cash	70	10
Net debt	**7,111**	**9,644**

Net debt had risen by 35.6% at June 30, 2013, compared with December 31, 2012. This change is attributable to the use of overdraft facilities for the payment of the FY 2012 dividend. Compared with net debt at June 30, 2012, Maroc Telecom group's net debt declined by 13.2% because of a lower dividend paid by Maroc Telecom to its shareholders.

4.2. Breakdown of net debt by maturity

Situation at June 30, 2013

(In millions of MAD)	Due less than 1 year	1 to 5 years	Due more than 5 years	Total
Borrowings	1,972	451	21	2,444
Facilities and overdrafts	7,842			7,842
Borrowings and financial liabilities	9,814	451	21	**10,286**
Cash	632			632
Blocked cash	10			10
Net debt	**9,172**	451	21	**9,644**

Fiscal year ended December 31, 2012

(In millions of MAD)	Due less than 1 year	1 to 5 years	Due more than 5 years	Total
Borrowings	2,592	857	29	3,478
Facilities and overdrafts	4,667			4,667
Borrowings and financial liabilities	7,259	857	29	8,145
Cash	964			964
Blocked cash	70			70
Net debt	6,225	857	29	7,111

The breakdown by maturity is based on the repayment terms and conditions of the borrowings.

4.3 Table of analysis of borrowings and financial liabilities by geographical area

(In millions of MAD)	12/31/2012	06/30/2013
Maroc Telecom	**6,461**	**8,425**
International	**1,684**	**1,861**
Mauritel	74	119
Onatel	676	678
Gabon Telecom	233	244
Sotelma	701	820
Borrowings and other financial liabilities	**8,145**	**10,286**

Note 5. Restructurating expenses at June 30, 2013 and at December 31, 2012

(In millions of MAD)	Morocco	International	Total Maroc Telecom group
Balance at January 1,2012	**-**	**-**	**-**
Change in scope of consolidation and adjustments of allocation of acquisition price			
Addition	800	1	801
Utilization	(785)	0	(785)
Release	-	-	-
Balance at December 31, 2012	**15**	**1**	**15**
Restructuring			
Change in scope of consolidation and adjustments of allocation of acquisition price			
Addition	0	-	0
Utilization	(9)		**(9)**
Release			
Balance at June 30, 2013	**6**	**1**	**6**

The balance of the provision for restructuring at June 30, 2013, declined by MAD 9 million from six months earlier. This change, as recognized in Maroc Telecom's financial statements, corresponds to indemnities for participants in the voluntary redundancy plan.

Note 6. Income tax payable for the first-halves of 2013 and 2012

(In millions of MAD)	H1 2012	H1 2013
Income tax	1,644	1,874
Deferred taxes	(26)	(16)
Current tax	**1,618**	**1,857**
Consolidated effective tax rate *	**32.5%**	**32.1%**

* Income tax/earnings before taxes

Tax expense at June 30, 2013, rose by 14.7% year on year. This change was due mainly to tax savings of MAD 232 million generated in 2012 by the recognition of a restructuring provision.
The reduction of the corporate tax rate in Gabon, from 35% to 30%, had a negative effect on the balance of Gabon Telecom's net deferred tax assets, resulting in higher tax expense in H1 2013.
As stated in Note 14, "Provisions," of the consolidated financial statements at December 31, 2012, Maroc Telecom is undergoing a tax audit for the fiscal years 2005, 2006, 2007, and 2008.

Note 7. Segment data for the first-halves 2013 and 2012

Breakdown of earnings by geographical area

First half of 2013

(In millions of MAD)	Morocco	International	Elimination	Total
Revenues	10,909	3,804	(245)	14,468
Earnings from operations	4,758	1,194		5,951
Net depreciation and impairment of assets	1,721	734		2,456

First half of 2012

(In millions of MAD)	Morocco	International	Elimination	Total
Revenues	11,876	3,488	(192)	15,172
Earnings from operations	4,380	775		5,155
Net depreciation and impairment of assets	1,655	729		2,384

Note 8. Contractuals obligations and contingent assets and liabilities

8.1. Contractual obligations and commercial commitments recorded in the balance sheet

Situation at June 30, 2013

(In millions of MAD)	Total	Due less than 1 year	1 to 5 year	Due more than 5 years
Long-term debts	472		451	21
Capital lease obligations				
Operating leases *	17			
Irrevocable purchase obligations				
Other long-term commitments				
Total	489		451	21

* long-term vehicle leases (excluding tax)

8.2. Other commitments given and received relating to ordinary operations

Commitments given

Commitments given break down as follows:

A capital-expenditure commitment for an aggregate amount of MAD 8,621 million comprising:

- a MAD 8,122 million commitment entered into by Maroc Telecom in connection with the agreement signed with the Moroccan government;
- commitments entered into by Group subsidiaries with suppliers of fixed assets, for MAD 499 million;

Maroc Telecom signed a new investment agreement with the Moroccan government, by which Maroc Telecom commits to make investments of at least MAD 10.1 billion and 500 direct jobs over the period 2013–2015. Commitments through guarantees and endorsements issued to banks for MAD 243 million;

- Balance of a commitment to raise the capital of MT Fly SA by MAD 10 million;
- A commitment for operating leases of MAD 17 million;
- A commitment for a long-term satellite lease of MAD 94 million;
- various commitments for MAD 40 million.

Maroc Telecom is committed irrevocably and on first application by FIPAR Holding to buy back the 9.75% Médi1TV interest sold to FIPAR Holding, plus the cost of invested capital (6.03% per year). In the event of disposal by FIPAR Holding on one or more occasions to a third party of an interest larger than 40.25% of the share capital of Médi1TV and resulting in a capital loss, Maroc Telecom is committed to paying FIPAR Holding an amount equal to 9.75% of the total realized capital loss plus the cost of invested capital (6.03% per year). The impact on taxes is also to be taken into consideration.

Commitments received

The endorsements and guarantees from distributors and suppliers for an amount of MAD 1,883 million.

FIPAR Holding is committed irrevocably and on first application by Maroc Telecom to sell back the 9.75% Médi1TV interest acquired from Maroc Telecom, plus the cost of invested capital (6.03% per year). In the event of disposal on one or more occasions to a third party of an interest larger than 40.25% of the share capital of Médi1TV and resulting in a capital gain, FIPAR Holding is committed to paying Maroc Telecom an amount equal to 9.75% of the total capital gain minus the cost of invested capital (6.03% per year). The impact on taxes is also to be taken into consideration.

Note 9. Post-balance sheet events

None

Maroc Telecom
Itissalat Al Maghrib

Moroccan corporation
with a Management board and Supervisory board
with share capital of MAD 5,274,572,040
Registry of Commerce: 48 947

Company Head office:
Avenue Annakhil,
Hay Riad Rabat
Morocco