2012

First Half Financial Report

2012 first half financial report

Maroc Telecom

2012 First Half Financial Report

Preliminary remarks:

This financial report and the unaudited condensed financial statements for the half year ended June 30, 2012 were approved by the Management Board on July 19, 2012. They were reviewed by the Audit Committee meeting of July 23, 2012.
This report should be read in conjunction with the Management Board's report for the year ended December 31, 2011 as published in Registration Document as filed with the Securities Regulator (AMF) on April 23, 2012 ("the 2011 Registration Document").

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Highlights

January 2012

- The ANRT publishes its decision concerning the long-term adjustment of call-termination rates for the period 2012-2013. This decision provides for accelerated price cuts after January 1, 2012, and the maintenance of asymmetric rates until December 31, 2012,
- Maroc Telecom launches Heure Jawal Tout Temps, an offer for prepaid customers of one hour of calls to all domestic destinations, 24/24 for seven days, at a subscription rate of MAD 29.
- Maroc Telecom offers 30 minutes of international calls, valid to both fixed lines and mobiles in southern Europe, northern Europe, and North America (24/24). The subscription rate is MAD 29.

February 2012

- Maroc Telecom overhauls the top-up system for Jawal Classique (prepaid plan billed in 20-second increments after the first indivisible minute), Jawal Thaniya (prepaid plan billed per second), and capped rate plans, through the introduction of permanent double/triple top-ups (outside promotional offers) and quintuple top-ups during promotional offers.
- Maroc Telecom launches a promotional offer of one hour of calls for a MAD 20 top-up for Jawal Classique, valid to all domestic destinations, 24/24, for seven days.
- Maroc Telecom lowers rates by as much as 58% for calls from fixed lines to domestic mobiles and restricted-mobility fixed lines. The new rate is MAD 1.20 (incl. tax), valid 24/24, for residential and business customers with standard or capped subscription plans.
- Mauritel launches Quatro, which offers MRO 500 of All-Net calls, MRO 3,500 of On-Net (valid seven days), and 400 On-Net SMS/MMS with 40 Mo of data (valid 40 days).
- Gabon Telecom launches Libertisim, a new subscription plan, at CFA franc 400. The plan provides CFA franc 3 000 of credit, 50 SMS, one mega of internet connection, and a double call credit.

March 2012

- Maroc Telecom launches a promotional offer of one hour of calls for a MAD 20 top-up for Jawal Thaniya. Maroc Telecom also offers a double top-up for all top-ups of MAD 5 or more, resulting in a rate of MAD 1.5 cents per second (i.e., MAD 90 cents per minute).
- Maroc Telecom extends its range of rate plans with offers to all customers of one free additional hour for all rate plans of three to seven hours, two additional hours for all rate plans of eight to thirty hours, and five additional hours for the 75-hour rate plan, to all destinations, 24/7.
- The ANRT approves Maroc Telecom’s fixed-line and mobile network-interconnection rates.

April 2012

- Maroc Telecom doubles bandwidth for ADSL, MT DUO (double play), and MT BOX (triple play) plans, at no additional charge. For ADSL customers, the entry-level bandwidth is now 4 Mb/s, at a rate of MAD 99.
- Maroc Telecom launches a new range of SIM-card-only mobile rate plans with a reduced monthly subscription rate (capped and uncapped rate plans). A reduction of MAD 25 per month is offered for rate plans of four to eight hours, and a reduction of MAD 35 per month is offered for rate plans of ten hours and more.
- Commissioning of Loukkos submarine cable linking Asilah (Morocco) and Rota-Seville (Spain), bringing Maroc Telecom’s international bandwidth to 160 Gb/s.

May 2012

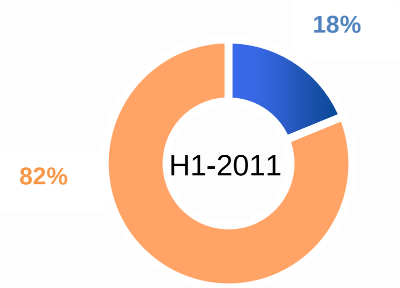
- Maroc Telecom offers a quadruple top-up (four times the top-up amount in call credit, instead of three times) for all top-ups of MAD 5 to MAD 30, and a quintuple top-up for top-ups of MAD 50 and more.
- Maroc Telecom lowers rates by as much as 83% for calls from consumer fixed lines to domestic mobiles and to both fixed lines and mobiles of major international destinations. Call rates are now standardized at MAD 1 (incl. tax) for two minutes to domestic fixed lines and mobiles and to major international destinations.
- Implementation in Morocco of a one-off tax in 2012 corresponding to 2.5% of net income in 2011, in support of the national solidarity fund.
- After a meeting of its board of directors, the ANRT announces the launch next fall of an invitation to tender for 4G licenses.
- The ANRT approves Maroc Telecom’s rate plan for local-loop access.

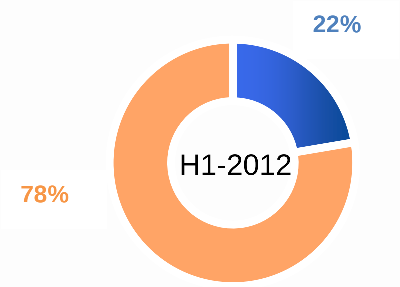
June 2012

- Maroc Telecom offers a quintuple top-up (five times the top-up amount in call credit, instead of four times) for all top-ups of MAD 5 to MAD 30, and a sextuple top-up (six times the top-up amount in call credit, instead of five times) for top-ups of MAD 50 and more.
- Application in Gabon of the governmental order concerning the tax on inbound international calls. This order sets the minimum call-termination rate for inbound international calls at CFA franc 137 per minutes and a transfer of 34.3% of revenue generated by inbound international traffic.
- The ANRT carries out an identification audit of Maroc Telecom's 2G and 3G customers.
- The ARE (Mauritanian telecoms regulatory authority) eliminates the asymmetric termination charges that Chinguitel enjoyed for its GSM mobile network. A flat rate for the mobile networks of the three operators has been applied since July 1, 2012.
- Sotelma offers unlimited calls to Malitel fixed lines from 23h00 to 8h00, for CFA franc 490.

Key figures

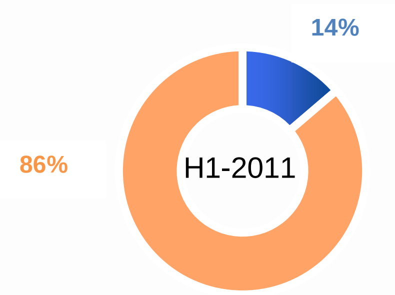
REVENUES - in millions of MAD

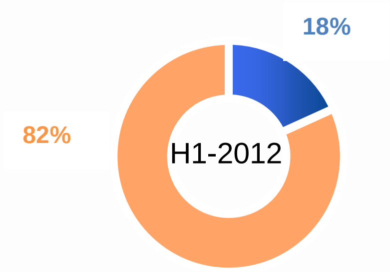




	H1-2011	H1-2012
Morocco	12,545	11,876
International	2,885	3,488
Total	15,323	15,172

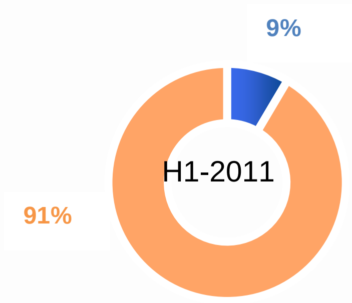
EBITDA - in millions of MAD

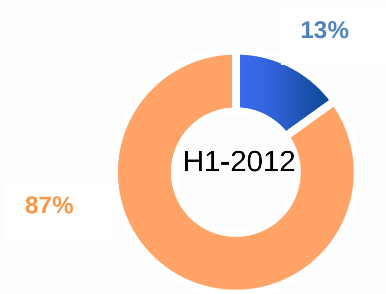




	H1-2011	H1-2012
Morocco	7 ,175	6,834
International	1,143	1,524
Total	8,317	8,358

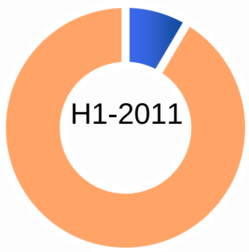
EBITA (before restructuring charges) - in millions of MAD

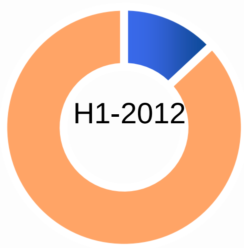




	H1-2011	H1-2012
Morocco	5,576	5,180
International	518	776
Total	6,094	5,955

EBITA - in millions of MAD

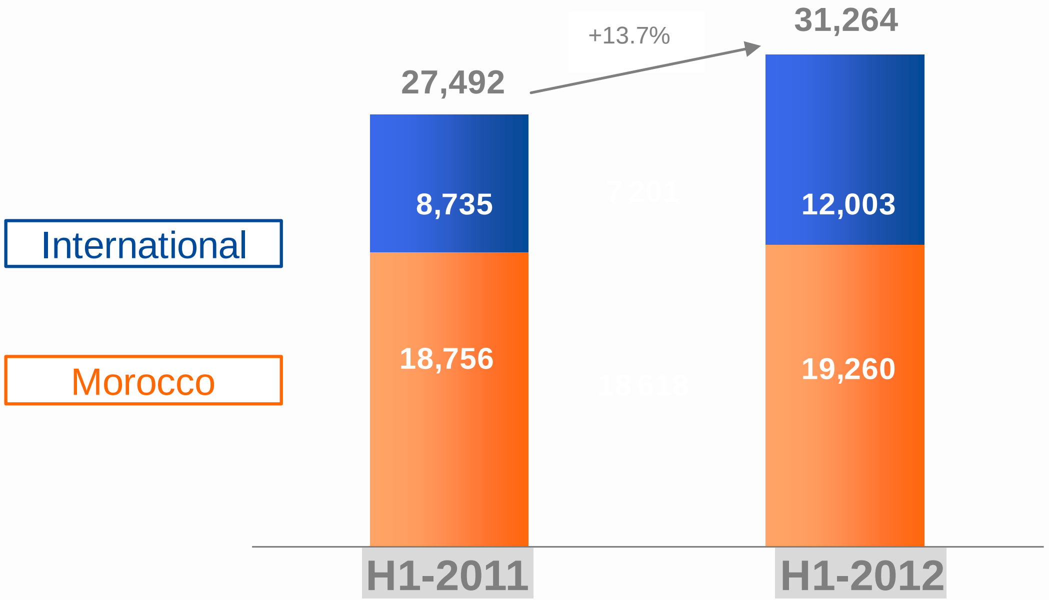




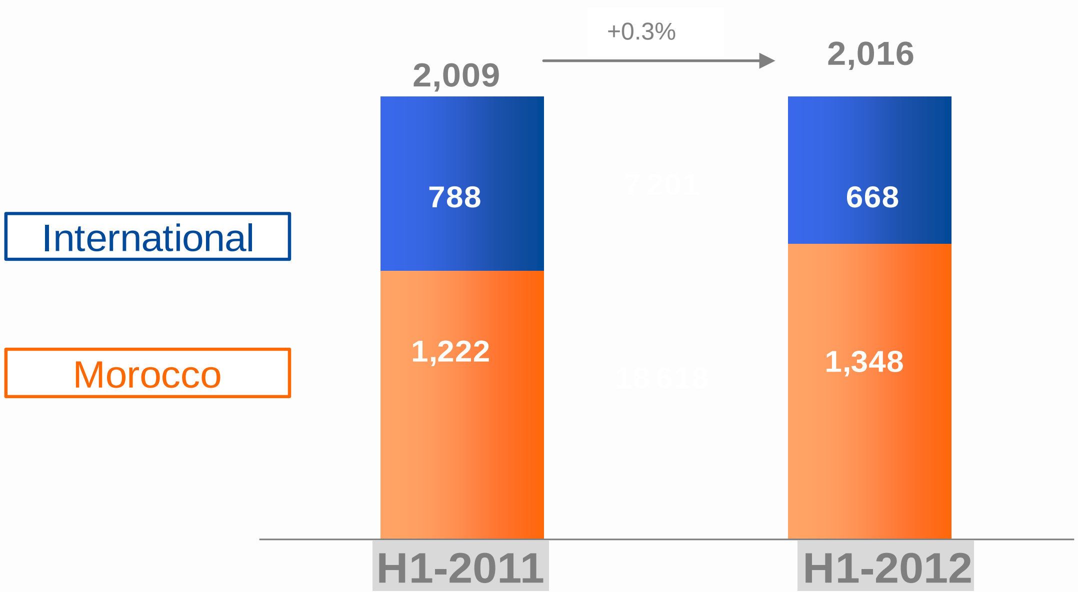
	H1-2011	H1-2012
Morocco	5,576	4,380
International	518	776
Total	6,094	5,155

Key figures

CUSTOMERS – in thousands



INVESTMENTS – in millions of MAD



1 CERTIFICATIONS

Certifications

1

1

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 THE AUDIT OF THE FINACIAL STATEMENTS

Statutory Auditors

KPMG Maroc, represented by Mr. Fouad Lahgazi

11, avenue Bir Kacem, Souissi – 10170 Rabat, Morocco

First appointed on April 12, 2007, renewed in 2010, 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, 2012.

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 2012

Period from january 1 to June 30, 2012

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, 2012 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, 2012

The Statutory Auditors

KPMG	**Abdelaziz ALMECHATT**
Fouad LAHGAZI	Abdelaziz ALMECHATT
Partner	Partner

2

ACTIVITY REPORT FOR THE FIRST HALF OF 2012

Activity report for the first half of 2012

2

2

2.1 DESCRIPTION OF ACTIVITIES

IFRS in MAD millions	H1 2011	H1 2012	% change	% change like for like[2]
Revenues	15,323	15,172	(1.0%)	(0.8%)
EBITDA	8,317	8,358	0.5%	0.6%
Margin (%)	*54.3%*	*55.1%*	*0.8 pt*	*0.8 pt*
EBITA (before restructuring)	6,094	5,955	(2.3%)	(2.2%)
Margin (%)	*39.8%*	*39.2%*	*(0.6 pt)*	*(0.6 pt)*
EBITA (after restructuring)	6,094	5,155	(15.4%)	(15.3%)
Net income – Group share (before restructuring & one-off Moroccan Tax)	3,985	3,798	(4.7%)	(4.7%)
Margin (%)	*26.0%*	*25.0%*	*(1.0 pt)*	*(1.0 pt)*
Net income – Group share	3,985	3,128	(21.5%)	(21.5%)
CAPEX	(2,009)	(2016)	+0.3%	
CAPEX / Revenues	*13.1%*	*13.3%*	*0.2 pt*	
CFFO	4,715	5,458	15.7%	
Net debt	11,315	11,114	(1.8%)	
Net debt / EBITDA	*0.7 x*	*0.7 x*		

- ***Revenues***

At June 30, 2012, Maroc Telecom group had consolidated revenues[1] of MAD 15,172 million, 1.0% less than revenues in 2011 (-0.8% like for like[2]). This decline is attributable to lower revenues in Morocco (-5.3%) in a context of persistent price cuts in the mobile segment. Solid growth in international business (+21%) compensated partly for the decline in mobile revenues.

The group's customer base showed solid momentum, with growth of 13.7%, to over 31 million. This growth was due mainly to international business, where the customer base grew by 37% year on year.

- ***Earnings from operations before depreciation and amortization***

In the first half of 2012, Maroc Telecom Group EBITDA amounted to MAD 8,358 million, stable at +0.5% from a year earlier (+0.6% like for like). This performance was the result of a strategy to expand in sub-Saharan Africa. A 33% (34% like for like) rise in international EBITDA compensated for the 4.8% decline in EBITDA in Morocco. EBITDA margin remained high, at 55.1%, up by 0.8 pt.

2

- ***Earnings from operations***

At June 30, 2012, Maroc Telecom group's consolidated earnings from operations[3] (EBITA) amounted to MAD 5,155 million, 15.4% less than EBITA in 2011 and -15.3% like for like. Excluding restructuring costs, EBITA declined 2.3%, to MAD 5,955 million, with a margin of 39.3% (i.e., a moderate decline of 0.5 pt). The decline in earnings from operations is attributable to depreciation charges (+5.9%) related to significant, ongoing expenditures, particularly in international business.

A MAD 800 million restructuring provision was recorded consecutively to the launch of a voluntary redundancy plan in Morocco in June 2012. This provision covers all departures expected under the plan.

- ***Net income***

Maroc Telecom group's net income for the first half of 2012 came to MAD 3,128 million, 22% lower than in 2011 (-22% like for like) because of the restructuring provision and higher taxes in Morocco for 2012.

Excluding those items, net income fell 4.7%, to MAD 3,798 million.

- ***Cash flow***

At June 30, 2012, cash flow from operations (CFFO[4]) amounted to MAD 5,458 million, 16% higher than at the end of June 2011. This performance is attributable mainly to stable EBITDA, efficient CAPEX (up by 0.3%, to MAD 2,016 million) and well-managed working capital requirements. Note that the voluntary redundancy plan will not affect cash flow until the second half of 2012.

At June 30, 2012, Maroc Telecom group's consolidated net debt[5] amounted to MAD 11.1 billion, after the dividend payment of MAD 8.6 billion. Net debt represents only 0.7 times the group's annual EBITDA.

- ### *2.1.1 Morocco*

IFRS in MAD millions	H1 2011	H1 2012	% change
Revenues	12,545	11,876	(5.3%)
Mobile	**9,418**	**8,937**	**(5.1%)**
Services	*8,922*	*8,630*	*(3.3%)*
Equipment	*496*	*307*	*(38.0%)*
Fixed line	**3,836**	**3,404**	**(11.3%)**
*o/w wireline data**	*869*	*892*	*2.6%*
Elimination	**(708)**	**(464)**	
EBITDA	7,175	6,834	(4.8%)
Margin (%)	*57.2%*	*57.5%*	*0.3 pt*
EBITA (before restructuring)	5,576	5,180	(7.1%)
Margin (%)	*44.4%*	*43.6%*	*(0.8%)*
EBITA (after restructuring)	5,576	4,380	(21.5%)
CAPEX	(1,222)	(1,348)	+10.3%
CAPEX/Revenues	*9.7%*	*11.4%*	*1.7 pt*
CFFO	4,592	4,901	6.7%
Net debt	10,347	9,528	(8.0%)
Net debt / EBITDA	*0.7 x*	*0.7 x*	

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

In the first half of 2012, business activities in Morocco generated revenues of MAD 11,876 million, a decline of 5.3%. This decline reflects the impact on inbound mobile revenues of lower mobile call-termination rates, and the downslide of fixed-line revenues.

During the same period, EBITDA reached MAD 6,834 million, 4.8% lower than in 2011. Direct and operating costs rose only 0.8% overall, while voice traffic on the Maroc Telecom mobile network increased by 34%.

Earnings from operations (EBITA) amounted to MAD 4,380 million, a decline of 22% from a year earlier. Excluding the restructuring provision of MAD 800 million for the voluntary redundancy plan begun in June 2012, earnings from operations come to MAD 5,180 million (-7.1%), with a margin of 43.6%, due to lower EBITDA, a 1.0% rise in depreciation charges for large capital expenditures made in recent years.

Despite a 4.8% decline in EBITDA, cash flow from operations in Morocco rose by 6.7%, the result of efficient CAPEX and excellent management of WCR.

2

2.1.1.1 Mobile

	Unit	H1 2011	H1 2012	% change
Mobile				
Customers[6]	**(000)**	**16,994**	**17,385**	**2.3%**
Prepaid	*(000)*	*16,060*	*16,255*	*1.2%*
Postpaid	*(000)*	*934*	*1,130*	*21.0%*
o/w 3G internet	*(000)*	*812*	*1,385*	*70.6%*
ARPU[8]	(MAD/month)	86.3	81.4	(5.7%)
Data % of ARPU	*(%)*	*8.7%*	*9.1%*	*0.4 pt*
MOU	(min/month)	79	110	38.5%
Churn	(%)	21.7%	22.3%	0.6 pt
Postpaid	(%)	11.5%	15.9%	4.5 pts
Prepaid	(%)	23.0%	23.8%	0.8 pt

At June 30, 2012, revenues for the mobile segment had declined year on year by 5.1%, to MAD 8,937 million.

Maroc Telecom price cuts of 28% resulted in a rise of 40% in outbound consumption, while mobile-services revenue fell by 3.3% from a year earlier. This decline reflects stable outbound revenue (+0.6%) and a downturn in inbound revenue of 16%, attributable to a 37% reduction in Maroc Telecom's mobile interconnection rates, effective January 1, 2012, a decrease of 53% over 1 year. Equipment revenues slumped 38%, the result of Maroc Telecom's determination to rationalize acquisition costs.

At the end of the first half of 2012, the mobile customer base[6] comprised 17.4 million customers, an increase of 2.3% from June 2011. The high-value postpaid segment confirmed its positive momentum, with growth of 21%, to 1.1 million subscribers, the result of marketing efforts to persuade prepaid customers to migrate to subscription offers. The total churn rate rose slightly, to 22% (+0.6 pt, compared with the first half of 2011).

The 3G mobile internet customer base[7] grew by 71%, to 1.4 million customers at the end of June 2012. Maroc Telecom remains the leader in this segment. At March 31, 2012, Maroc Telecom's market share stood at 44.3% (source: ANRT).

Blended ARPU[8] for the first half of 2012 came to MAD 81.4, a decline of 5.7%. The impact of severe price cuts in the mobile segment and of lower call-termination rates was partially compensated for by a rise in outbound voice consumption and by data-service growth, which account for 9.1% of ARPU.

- ### 2.1.1.2 Fixed line and Internet

	Unit	H1 2011	H1 2012	% change
Fixed				
Fixed lines	**(000)**	**1,234**	**1,245**	**0.9%**
Broadband access[10]	**(000)**	**528**	**630**	**19.4%**

In the first half of 2012, fixed-line and internet activities in Morocco generated revenues of MAD 3,404 million, a decline of 11.3%. This downturn is attributable to the marked decline in public telephony—victim to fierce competition from the mobile segment—and to fixed-line rate cuts in early May that followed heavy price cuts in the mobile segment.

Revenues from fixed-line data rose by 2.6%, to MAD 892 million. Lower rates were more than compensated for by growth in customer bases.

At June 30, 2012, the fixed-line customer base in Morocco had grown by 0.9% year on year, to 1,245 thousand lines. Strong growth (+19%, to 630,000 subscribers) in the ADSL customer base was underpinned by an enhanced rate plan and doubled bandwidth for the same price.

- ### 2.1.2 International

IFRS in MAD millions	H1 2011	H1 2012	% change	% change like for like[2]
Revenues	2,885	3,488	20.9%	21.7 %
Mauritania	**601**	**667**	**11.1%**	**10.0%**
o/w mobile services	*505*	*607*	*20.1%*	*18.9%*
Burkina Faso	**846**	**1,028**	**21.6%**	**22.9%**
o/w mobile services	*667*	*845*	*26.6%*	*28.0%*
Gabon	**472**	**635**	**34.5%**	**36.0%**
o/w mobile services	*220*	*332*	*50.8%*	*52.5%*
Mali	**976**	**1,186**	**21.5%**	**22.8%**
o/w mobile services	*812*	*1,004*	*23.6%*	*25.0%*
Elimination	**(9)**	**(28)**		
EBITDA	**1,143**	**1,524**	**33.4%**	**34.2%**
Margin (%)	*39.6%*	*43.7%*	*4.1 pts*	*4.1 pts*
EBITA	**518**	**776**	**49.8%**	**50.6%**
Margin (%)	*18.0%*	*22.2%*	*4.3 pts*	*4.3 pts*
CAPEX	**(788)**	**(668)**	**(15.2%)**	
CAPEX/Revenues	*27.3*	*19.2%*	*(8.1 pts)*	
CFFO	**123**	**557**	**4.5x**	
Net debt	**968**	**1,586**	**63.9%**	
Net debt / EBITDA	*0.4 x*	*0.5 x*		

In the first half of 2012, Maroc Telecom group's international activities generated revenues of MAD 3,488 million, an increase of 21% (+22% like for like). This performance was the result of very strong growth in mobile customer bases (+39%) and of higher customer consumption, in a stable competitive environment. Maroc Telecom collects the benefits of its internationalization towards buoyant markets and of human and financial investments to its subsidiaries.

In the same reporting period, EBITDA rose by 33% year on year (+34% like for like), to MAD 1,524 million. Earnings from operations (EBITA) came to MAD 776 million, 50% higher than in 2011 (51% like for like). Maroc Telecom benefited from cost optimization, despite a strong rise in call traffic on its networks.

International cash flow from operations rose sharply, to MAD 557 million, because of higher EBITDA and a 15% decline in CAPEX subsequent to completion of the major coverage programs for mobile networks.

- ***Mauritania***

	Unit	H1 2011	H1 2012	% change like for like[2]
Mobile				
Customers[6]	(000)	1,827	1,956	7.0%
ARPU[8]	(MAD/month)	47.3	53.8	12.7%
Fixed lines	**(000)**	**41**	**41**	**1.4%**
Broadband access	**(000)**	**7**	**7**	**1.7%**

In the first half of 2012, business activities in Mauritania generated revenues of MAD 667 million, an increase of 11.1% (10.0% like for like). This performance was aided by the 20% rise (+19% like for like) in revenues from mobile services, the result of customer-base growth of 7.0%, stable rates, and considerably higher consumption.

- ***Burkina Faso***

	Unit	H1 2011	H1 2012	% change like for like[2]
Mobile				
Customers[6]	(000)	2,796	3,574	27.8%
ARPU[8]	(MAD/month)	39.0	42.3	9.6%
Fixed lines	**(000)**	**143**	**143**	**0.0%**
Broadband access	**(000)**	**29**	**31**	**5.9%**

At June 30, 2012, business activities in Burkina Faso had generated revenues of MAD 1,028 million. This rise of 22% (+23% like for like) reaffirms the return of sustained business growth, boosted by 28% growth in the mobile customer base and by increased mobile consumption. The fixed-line customer was stable, at 143,000 customers, while the internet customer base grew by 5.9%, to 31,000 subscribers.

- ***Gabon***

	Unit	H1 2011	H1 2012	% change like for like[2]
Mobile				
Customers[6]	(000)	448	714	59.3%
ARPU[8]	(MAD/month)	98.4	85.6	(12.1%)
Fixed lines	**(000)**	**24**	**18**	**(27.3%)**
Broadband access	**(000)**	**22**	**7**	**(69.4%)**

The first half of 2012 was distinguished by markedly positive business momentum in Gabon, after the severe price cuts at the end of 2010 that hurt results of the first half of 2011. Revenues amounted to MAD 635 million, an increase of 35% (+36% like for like) attributable to increased market share in a more stable competitive environment.

As a result of sustained marketing actions and network expansion, the mobile customer base grew by 59%. The fixed-line (-27%) and internet (-69%) customer bases diminished after a clean-up of the CDMA prepaid customer bases.

- ***Mali***

	Unit	H1 2011	H1 2012	% change like for like[2]
Mobile				
Customers[6]	(000)	3,284	5,377	63.7%
ARPU[8]	(MAD/month)	50.3	37.8	(24.1%)
Fixed lines	**(000)**	**87**	**95**	**9.7%**
Broadband access	**(000)**	**28**	**41**	**46.7%**

At June 30, 2012, revenues from business in Mali amounted to MAD 1,186 million, an increase of 22% (23% like for like). This performance is attributable to strong growth in the mobile customer base (+64%), supported by network expansion and frequent promotional offers. The fixed-line and broadband-internet segments also posted very positive trends, with customer bases rising by 9.7% and 47%, respectively.

Political events had repercussions on the economy, slowing the business activity of telecom operators. Despite the difficult context, revenues from business in Mali showed growth of 12.0% (+14.0% like for like) in the second quarter of 2012.

Notes :

1 At June 30, 2012, Mauritel, Onatel, Gabon Telecom, Sotelma, and Casanet were consolidated in Maroc Telecom's financial statements.

2 The comparable basis reflects constant exchange rates for MAD / Mauritanian ouguiya / CFA franc.

3 Earnings from operations before amortization of intangible assets.

4 CFFO comprises pretax net cash flows from operations (see the statement of cash flows), and dividends received from affiliates and nonconsolidated investments. CFFO also comprises net capital expenditure, which corresponds to net uses of cash for acquisitions and disposals of property, plant, equipment, and intangible assets.

5 Borrowings and other current and noncurrent liabilities less cash and cash equivalents, including cash held in escrow for bank loans.

6 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.

7 As from 2011, the 3G mobile-internet customer base includes customers with a postpaid subscription contract (with or without a voice plan) and customers with a prepaid internet subscription who have made at least one top-up in the past three months or whose top-up is still valid.

8 ARPU (average revenue per user) is defined as revenue from incoming and outgoing calls and data services, net of promotions and excluding roaming costs and handset sales, divided by the average customer base for the period. ARPU here includes both prepaid and postpaid customers.

9 Mobile Data revenue includes revenues from all invoiced non-voice services (SMS, MMS, mobile internet, etc...). As of Q2-2012, mobile data revenue also includes the valuation of 3G Internet access at 512 kbit / s included in all Maroc Telecom postpaid packages. The comparable basis has been changed retroactively

10 Broadband access includes narrowband and leased line accesses.

2.3 RELATED- PARTY TRANSACTIONS

The related-party transactions mentioned on pages 77-79 of the 2011 Registration Document are supplemented as follows:

Avance en compte courant –SPT

SPT has granted Maroc Telecom a shareholder advance of MAD 3.150 billion.

2.4 RECENT DEVELOPMENT AND GUIDANCE

- ***2.4.1 Recent Development***

Political events in Mali have had repercussions on the country's economic activity, leading to a severe downturn in business for the Sotelma subsidiary. This slowdown is likely to continue in the coming months and could hurt Sotelma's future earnings, if the political conflict is not resolved.

- ***2.4.1 Guidance***

This section contains information regarding the Company's objectives for the 2012 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 2011 Registration Document may affect the Company's operations and its ability to achieve its targets (see also section 5.3 "Objectives" in the 2011 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, excluding restructuring expenses, of an EBITA margin of approximately 38% and of stable cash flow from operations (CFFO) of MAD 11.5 billion, despite the persistently intense competitive environment.

2

3

FINANCIAL REPORT

Financial report

3

3

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 2012 and 2011:

(In millions of MAD)	06/30/2011	06/30/2012
Consolidated revenues	15,323	15 ,172
Operating expenses	9,229	10,016
Earnings from operations	**6,094**	**5 ,155**
Earnings from continuing operations	6,073	5,135
Earnings for the period	4,136	3,364
Earnings attributable to equity holders of the parent	3,985	3,128
Earnings per share (in MAD)	**4.5**	**3.6**
Diluted earnings per share (in MAD)	**4.5**	**3.6**

Balance sheet

Assets (in millions of MAD)	12/31/2011	06/30/2012
Noncurrent assets	35,743	35,269
Current assets	12,898	12,746
Total assets	**48,641**	**48,015**

Shareholders’ equity and liabilities *(in millions of MAD)*	12/31/2011	06/30/2012
Share capital	5,275	5,275
Equity attributable to equity holders of the parent	17,781	12,705
Minority interests	4,304	4,080
Total shareholders’ equity	**22,085**	**16,785**
Noncurrent liabilities	2,838	2, 349
Current liabilities	23,718	28,881
Total shareholders’ equity and liabilities	**48,641**	**48,015**

- *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, following the merger of Mauritel SA (fixed-line) and Mauritel Mobile. Mauritel SA is owned by the holding company Compagnie Mauritanienne de Communications (CMC), in which Maroc Telecom holds an 80% equity stake and consequently a 41.2% interest in Mauritel S.A. The Mauritel group 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 and 100% of its mobile subsidiary Libertis. Gabon Telecom has been fully consolidated by Maroc Telecom since March 1, 2007. Gabon Telecom and Libertis merged on December 20, 2011, effective retroactively on January 1, 2011.

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 nonconsolidated investments

Maroc Telecom's other non consolidated investments include an investment in MT Fly and Matelca, as well as other minority stakes in Arabsat, ADM and Thuraya. These companies are not consolidated because their results do not have a material impact on Maroc Telecom's financial statements.

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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 2012 and 2011.

(In millions of MAD)	Note	06/30/2011	06/30/2012
Revenues	7	**15,323**	**15,172**
Cost of purchases		(2,839)	(2,517)
Payroll costs		(1,443)	(1,504)
Taxes and duties		(586)	(697)
Other operating income and expenses		(2,117)	(1,992)
Net depreciation, amortization and provisions		(2,244)	(3, 306)
Earnings from operations		**6,094**	**5,155**
Other income and charges from ordinary activities		(21)	(21)
Earnings from continuing operations		**6,073**	**5 ,135**
Income from cash and cash equivalents		13	2
Borrowings costs		(128)	(142)
Net borrowing costs		(115)	(140)
Other financial income (expense)		(8)	(12)
Net financial income (expense)		**(123)**	**(152)**
Income tax expense	6	(1,814)	(1,618)
Net earnings		**4,136**	**3,364**
Exchange gain or loss from foreign activities		70	(56)
Other income and expenses		0	0
Earnings for the period		**4,206**	**3,308**
Net earnings		**4,136**	**3,364**
Attributable to equity holders of the parents		3,985	3,128
Minority interests		151	236
Earnings for the period		**4,206**	**3,308**
Attributable to equity holders of the parents		4,028	3,097
Minority interests		178	211

Earnings per share	06/30/2011	06/30/2012
Net earnings - group share (in millions of MAD)	3,985	3,128
Numbers of shares at June 30	879,095,340	879, 095, 340
Earnings per share (in MAD)	**4.5**	**3.6**
Diluted earnings per share (in MAD)	**4.5**	**3.6**

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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 2012 and 2011***

Revenues

The following table shows the breakdown of revenues for the first-halves of 2012 and 2011.

(In millions of MAD)	06/30/2011	06/30/2012
Morocco	12,545	11,876
International	2,885	3,488
Elimination of inter-segment transactions	(107)	(192)
Total net consolidated revenues	**15,323**	**15,172**

In the first half of 2012, Maroc Telecom group had consolidated sales of MAD 15,172 million, 1.0% less than in H1 2011 (-0.8% like for like). Despite a competitive environment that remains intense in Morocco (with calmer operating conditions for the group's foreign subsidiaries), the downturn in revenues has been checked.

In the first half of the year, activities in Morocco generated revenues of MAD 11,876 million, a decline of 5.3% attributable mainly to the following factors:

- lower revenues from fixed-line voice, of which consumption continues to decline, particularly in public telephony; and an overhaul of rates since May 2012, mainly for residential customers (in anticipation of less consistent call traffic);
- lower MTR that affects incoming revenues;
- intentionally lower revenues from mobile handset sales, in order to reduce acquisition costs.

These declines are partially compensated for by higher outbound-mobile revenues, which have held up well under competitive pressure.

Revenues from sub-Saharan subsidiaries rose 21.7% like for like, to MAD 3,488 million. This performance was due particularly to Onatel (+22.9% like for like), to Gabon Telecom's return to growth (+36% like for like), and to Sotelma, whose growth remains steady (+22.8% like for like) despite the political turmoil in Mali.

Operating expenses

The following table shows operating expenses for the first-halves of 2012 and 2011.

(In millions of MAD)	06/30/2011	06/30/2012
Revenues	15,323	15,172
Cost of purchases	2,839	2,517
%	19%	17%
Payroll costs	1,443	1,504
%	9%	10%
Taxes and duties	586	697
%	4%	5%
Other operating income (expenses)	2,117	1,992
%	14%	13%
Net depreciation, amortization, impairment and provisions	2,244	3,306
%	15%	22%
Total operating expenses	**9,229**	**10 ,016**

Cost of purchases

Cost of purchases in H1 2012 were 11.3% lower than in H1 2011, at MAD 2,517 million. This reduction was attributable mainly to Morocco, where the cost of purchases fell by 12.9% after a 37.2% reduction in the cost of purchasing mobile handsets. The final impact was MAD 287 million.

Payroll costs

Group payroll costs rose 4.2% in H1 2012, compared with the same period a year earlier. The increase occurred mainly in Morocco, because of salary raises granted in H2 2011.

Taxes and duties

Taxes and duties rose 19% year on year in H1 2012, to MAD 697 million. This increase was due to the expiration of the group's exemption from paying the universal-service license fees for the PACTE program in Morocco. The total impact was MAD 109 million.

Other operating income (expenses)

In H1 2012, other operating income (expenses) declined by 5.9% from a year earlier, to MAD 1,992 million. The change occurred mainly in Morocco and was attributable to a 14% decrease in commissions to distributors.

Net charge to depreciation, amortization, impairment, and provisions

Depreciation, amortization, and provisions rose by 47.3%. This change was due mainly to the recognition of a MAD 800 million provision for voluntary early retirement at Maroc Telecom, and to a MAD 17.5 million provision for Sotelma asset depreciation, because of political unrest in northern Mali.

Earnings from operations

Group consolidated earnings from operations at June 30, 2012, amounted to MAD 5,155 million, down 15.4% from a year earlier, mainly because of the impact from the voluntary early retirement plan in Morocco (MAD 800 million) and from the expiration of the universal-service exemption in Morocco (MAD 109 million). Excluding restructuring charges, earnings from operations were 2.3% lower than in H1 2011.

Net financial income (expense)

Net financial expense in H1 2012 came to MAD 152 million, compared with an expense of MAD 123 million in H1 2011. This change is attributable mainly to higher interest expense from Maroc Telecom's bank overdraft (MAD 29 million).

Income tax expense

Income tax decreased by 10.8% year on year in H1 2012 because of lower earnings in Morocco. This tax includes a nonrecurrent contribution to the solidarity fund in Morocco (MAD 102 million).

Net earnings

Net earnings fell by 18.7%, from MAD 4,136 million at June 30, 2011, to MAD 3,364 million at June 30, 2012. Excluding restructuring costs and a nonrecurrent contribution to the solidarity fund, net earnings declined by 2.5% from a year earlier.

Minority interests

Minority interests, which represent the rights of shareholders other than Maroc Telecom to earnings from consolidated entities, amounted to MAD 236 million at June 30, 2012, compared with MAD 151 million at June 30, 2011. This change was due to strong growth of Maroc Telecom subsidiaries in sub-Saharan Africa.

Net earnings (group share)

Net earnings (group share) amounted to MAD 3,128 million at June 30, 2012, a decline of 21.5% from a year earlier. Excluding restructuring costs and a nonrecurrent contribution to the solidarity fund, net earnings (group share) declined by 4.7%.

Net earnings per share

Net earnings per share reached MAD 3.6 in H1 2012, compared with MAD 4.5 in H1 2011.

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)	06/30/2011	06/30/2012
Net cash from operating activities (a)	5,523	7,344
Net cash used in investing activities (b)	(2,825)	(2,970)
Net cash used in financing activities (c)	(2,766)	(4, 294)
Foreign currency translation adjustments (d)	(2)	0
Change in cash and cash equivalents (a)+(b)+(c)+(d)	(69)	80
Cash and cash equivalents at beginning of period	**788**	**617**
Cash and cash equivalents at end of period	**719**	**697**

Net cash from operating activities

At June 30, 2012, cash flow from operating activities amounted to MAD 7,344 million, compared with MAD 5,523 million at June 30, 2011. This increase was the result of improved working capital requirements and of lower tax expense.

Net cash used investing activities

Net cash used in investing activities rose 5.1%, from MAD 2,825 million in H1 2011 to MAD 2,970 million at June 30, 2012. This increase was due to significant deployments at the end of 2011 and beginning of 2012.

Net cash used in financing activities

At June 30, 2012, net cash used in financing activities came to MAD 4,294 million, compared with MAD 2,766 million in H1 2011. This change is attributable to lower working capital requirements resulting from higher cash flow from operating activities.

For Maroc Telecom, this change (June 30, 2012, compared with June 30, 2011) is due mainly to:

- a current-account advance whose outstanding amount was reduced by MAD 1,950 million;
- a bank overdraft whose outstanding amount was reduced by MAD 2,329 million;
- a loan reimbursed for MAD 300 million.

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)	06/30/2011	06/30/2012
Morocco	1,222	1,348
International	788	668
Total	**2,009**	**2,016**

In the first half of 2012, group CAPEX amounted to MAD 2,016 million, up slightly (0.3%) from H1 2011, despite strong growth in client bases and consumption.

Investments in Morocco

Investments in Morocco rose by 10.2% because of an ambitious expansion and security-enhancement plan for domestic and international transmission networks. Additional investments were made to upgrade fixed-line and internet networks.

International investments

Investments made by sub-Saharan subsidiaries in the first half of 2012 fell by 15.2%, from MAD 788 million to MAD 668 million.

Financial resources

At June 30, 2012, Maroc Telecom's net debt amounted to MAD 11.114 billion, compared with MAD 11.315 billion at June 30, 2011.

At June 30, 2012, net debt included a bank overdraft of MAD 5.159 billion, a loan of MAD 1.350 billion, and a current-account advance of MAD 3.150 billion.

(In millions of MAD)	06/30/2011	12/31/2011	06/30/2012
Outstanding debt and accrued interests (a)	12,201	7,601	11,887
Cash* (b)	719	617	697
Cash held for repayment of bank loans * (c)	167	123	76
Net debt (b)+(c) -(a)	**(11,315)**	**(6,862)**	**(11,114)**

*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, 2012 and at December 31, 2011

ASSETS *(in millions of MAD)*	Note	12/31/2011	06/30/2012
Goodwill		6,863	6,826
Other intangible assets		3,683	3,498
Property, plant and equipment		24,850	24,622
Noncurrent financial assets		297	273
Deferred tax assets		51	49
Noncurrent assets		**35,743**	**35,269**
Inventories		709	583
Trade accounts receivable and other		11,401	11,358
Short-term financial assets		115	53
Cash and cash equivalents	4	617	697
Available for sale assets		56	56
Current assets		**12,898**	**12,746**
TOTAL ASSETS		**48,641**	**48,015**
SHAREHOLDERS' EQUITY AND LIABILITIES *(in millions of MAD)*		12/31/2011	06/30/2012
Share capital		5,275	5,275
Retained earnings		4,383	4,302
Earnings for the fiscal year		8,123	3,128
Equity attributable to equity holders of the parent		**17,781**	**12,705**
Minority interests		4,304	4 ,080
Total shareholders' equity		**22,085**	**16,785**
Noncurrent provisions		701	702
Borrowings and other long-term financial liabilities	4	1 ,782	1,315
Deferred tax liabilities		218	190
Other noncurrent liabilities		138	142
Noncurrent liabilities		**2,838**	**2,349**
Trade accounts payable		17,600	16,952
Current income tax liabilities		153	391
Current provisions		145	967
Borrowings and other short-term financial liabilities		5,819	10,572
Current liabilities		**23,718**	**28,881**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**48,641**	**48,015**

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Statement of comprehensive income for the six-month period ended June 30 of 2012 and 2011

(In millions of MAD)	Note	06/30/2011	06/30/2012
Consolidated revenues	7	**15,323**	**15 172**
Cost of purchases		(2,839)	(2,517)
Payroll costs		(1,443)	(1,504)
Taxes and duties		(586)	(697)
Other operating income and expenses		(2,117)	(1, 992)
Net depreciation, amortization and provisions		(2,244)	(3,306)
Earnings from operations		**6,094**	**5,155**
Other operating income and expenses		(21)	(21)
Earnings from continuing operations		**6,073**	**5, 135**
Income from cash and cash equivalents		13	2
Borrowing costs		(128)	(142)
Net borrowing costs		(115)	(140)
Other financial income (expense)		(8)	(12)
Net financial income (expense)		**(123)**	**(152)**
Income tax expense	6	(1,814)	(1,618)
Net earnings		**4,136**	**3,364**
Exchange gain or loss from foreign activities		70	(56)
Other income and expenses		0	0
Earnings for the period		**4,206**	**3,308**
Net earnings		**4,136**	**3,364**
Minority interests		3,985	3,128
Minority interests		151	236
Earnings for the period		**4,206**	**3,308**
Attributable to the equity holders of the parent		4,028	3,097
Minority interests		178	211

Earnings per share	06/30/2011	06/30/2012
Earnings Attributable to the equity holders of the parent (in millions of MAD)	3,985	3,128
Number of shares outstanding as of June 30	879,095,340	879,095,340
Earnings per share (in MAD)	**4.5**	**3.6**
Diluted earnings per share (in MAD)	**4.5**	**3.6**

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Consolidated statements of cash flows of 2012 and 2011

(In millions of MAD)	Note	06/30/2011	06/30/2012
Earnings from operations		6,094	5,155
Depreciations and other restatements		2,225	3,210
Earnings before interest and taxes		**8,318**	**8,365**
Other elements of the net change in working		(671)	114
Net cash from operating activities before taxes capital		**7,647**	**8,479**
Tax paid		(2,124)	(1,135)
Net cash from operating activities (a)		**5,523**	**7,344**
Purchase of PP&E and intangible assets		(2,923)	(3,048)
Increase in financial assets		0	0
Disposals of PP&E and intangible assets		98	77
Decrease in financial assets		0	0
Dividends received from nonconsolidated investments		1	1
Net cash used in investing activities (b)		**(2,825)**	**(2,970)**
Share capital increase		1	0
Dividend paid to shareholders	3	(9,301)	(8,137)
Dividends paid by the consolidated subsidiaries to the minority shareholders		(114)	(302)
Equity and quasi-equity operations		**(9, 414)**	**(8,439)**
Setting up of borrowings and increase in other long-term financial liabilities		144	230
Principal payment on borrowings and decrease in other long-term financial liabilities		0	(79)
Setting up of borrowings and increase in other short-term financial liabilities		7,187	2,786
Principal payment on borrowings and decrease in other short-term financial liabilities		(561)	(576)
Change in current accounts		0	1,935
Net Interest paid, net (cash)		(114)	(137)
Other cash items related to financial activities		(8)	(14)
Transactions on borrowings and other financial liabilities		6,648	4,145
Net cash used in financing activities (d)		**(2,766)**	**(4,294)**
Foreign currency translation adjustments (g)		(2)	0
Changes in cash and cash equivalents (a+b+d+g)		(69)	80
Cash and cash equivalents at beginning of period		**788**	**617**
Cash and cash equivalents at end of period		**719**	**697**

Statement of changes in consolidated equity at June 30, 2012 and at December 31, 2011

(In millions of MAD)	Share Capital	Other adjustments	Cumulative translation differences	Earnings and retained earnings	Group share	Minority interests	Total
Balance at January 1, 2011 restated	**5,275**	**(92)**	**(118)**	**13,721**	**18,996**	**4,396**	**23,392**
Dividends				(9,301)	(9 ,301)	(320)	(9,621)
Earnings				3,985	3,985	151	4,136
Forex impact on foreign operations			43	43	43	27	70
Other adjustments	0	0					
Total earnigs for the period			**43**	**4,028**	**4,028**	**178**	**4,206**
Treasury stock		(17)			(17)		(17)
Other adjustments		(1)			(1)	6	5
Changes in scope of consolidation							
Balance at June 30, 2011	**5,275**	**(111)**	**(75)**	**8,448**	**13,705**	**4,260**	**17,964**
Dividends					0	(96)	(96)
Earnings				4,138	4,138	172	4,310
Forex impact on foreign operations			(50)	(50)	(50)	(32)	(82)
Other adjustments							
Total earnigs for the period	0	0	**(50)**	**4,088**	**4,088**	**140**	**4 ,228**
Treasury stock		(13)			(13)		(13)
Other adjustments					0	0	0
Changes in scope of consolidation							
Balance at December 31, 2011	**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
Forex impact on foreign operations			(31)	(31)	(31)	(24)	(56)
Total earnigs for the period					**3,097**	**211**	**3,308**
Treasury stock				(36)	(36)		(36)
Other adjustments						0	0
Changes in scope of consolidation							
Balance at June 30, 2012	**5,275**	**(92)**	**(156)**	**7,430**	**12,705**	**4,080**	**16,785**

On June 30, 2012, Maroc Telecom’s share capital comprised 879,095,340 ordinary shares. Ownership of these shares was as follows:

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

Note 1. Accounting principles and valuation methods

1 Significants events

- Implementation of a voluntary redundancy plan at Maroc Telecom in June 2012.
- Application of a nonrecurrent tax in Morocco to finance a fund for solidarity and social unity.
- Introduction of a new tax in Gabon on inbound international revenues.

2 Accounting principles and valuation methods

Maroc Telecom group's consolidated annual statements for 2011 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, 2012, are identical to those used for the preparation of financial statements for the fiscal year ended December 31, 2011.

The consolidated half-year financial statements at June 30, 2012, 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 2011.

The consolidated half-year financial statements at June 30, 2012, and related notes to the financial statements were approved by the Management Board of Maroc Telecom on July 19, 2012.

Note 2. Scope of consolidation at June 30, 2012 and at December 31, 2011

Company anme	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, 2012		**80%**	**80%**	**FC**
December 31, 2011		80%	80%	FC
Avenue Roi Fayçal Nouakchott-Mauritania				
Mauritel SA	**SA**			
June 30, 2012		41%	52%	**FC**
December 31, 2011		41%	52%	FC
Avenue Roi Fayçal 7000 Nouakchott-Mauritania				
Onatel	**SA**			
June 30, 2012		51%	51%	**FC**
December 31, 2011		51%	51%	FC
705, AV. de la nation 01 BP10000 Ouagadougou				
Gabon Telecom	**SA**			
June 30, 2012		**51%**	**51%**	**FC**
December 31, 2011		51%	51%	FC
B.P. 40 000 Libreville-Gabon				
Sotelma	**SA**			
June 30, 2012		**51%**	**51%**	**FC**
December 31, 2011		51%	51%	FC
Route de Koulikoro, quartier Hippodrome, BP 740,Bamako-Mali				
Casanet	**SA**			
June 30, 2012		**100%**	**100%**	**FC**
December 31, 2011		-	-	-
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.

Casanet has been consolidated in Maroc Telecom's financial statements since January 1, 2011.

Note 3. Dividends paid at June 30, 2012 and at December 31, 2011

(In millions of MAD)	12/31/2011	06/30/2012
Dividends received from equity affiliates (a)		
Mauritel	151	136
Onatel	86	79
Gabon Telecom	79	16
Sotelma	96	205
Casanet	0	0
	412	**436**
Dividends paid by Maroc Telecom to shareholders (b)		
Kingdom of Morocco	2,790	2,442
Vivendi	4,929	4,314
Other	1,581	1, 381
	9,301	**8,137**
Total dividends paid (a)+ (b)	**9,713**	**8,573**

Maroc Telecom's general shareholders' meeting of April 24, 2012, having satisfied the quorum and majority requirements for ordinary shareholders' meetings, set the dividend at MAD 9.26 per share for each share comprising the share capital on the record date. The payment date for the dividend is May 31, 2012, for a total amount of MAD 8,137 million.

Note 4. Borrowings and other financial liabilities at June 30, 2012 and at December 31, 2011

4.1. Net Cash position

(In millions of MAD)	12/31/2011	06/30/2012
Borrowings due less than one year	2 ,773	5,130
Borrowings due more than one year	1, 782	1,315
Facilities and overdrafts	3 ,046	5,442
Borrowings and financial liabilities	**7, 601**	**11,887**
Cash	617	697
Blocked cash	123	76
Net cash position	**(6,862)**	**(11,114)**

The increase in loans and borrowings between December 31, 2011, and June 30, 2012, is attributable mainly to the dividend payment made by Maroc Telecom on May 31, 2012.

4.2. Breakdown of net cash position by maturity

Situation at June 30, 2012

(In millions of MAD)	Due less than 1 year	1 to 5 years	Due more than 5 years	Total
Borrowings	5,130	1,297	18	6,445
Facilities and overdrafts	5,442			5,442
Borrowings and financial liabilities	10, 572	1,297	18	**11,887**
Cash	697			697
Blocked cash	76			76
Net cash position	(9,799)	(1,297)	(18)	**(11,114)**

Fiscal year ended December 31, 2011

(In millions of MAD)	Due less than 1 year	1 to 5 years	Due more than 5 years	Total
Borrowings	2, 773	1,735	47	4,555
Facilities and overdrafts	3,046			3,046
Borrowings and financial liabilities	5,819	1,735	47	**7,601**
Cash	617			617
Blocked cash	123			123
Net cash position	(5,080)	(1,735)	(47)	**(6,862)**

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

(In millions of MAD)	12/31/2011	06/30/2012
Maroc Telecom	**5,745**	**9,699**
International	**1,856**	**2,188**
Mauritel	129	34
Onatel	803	896
Gabon Telecom	335	296
Sotelma	589	962
Borrowings and other financial liabilities	**7,601**	**11,887**

Note 5. Restructuring expenses at June 30, 2012 and at December 31, 2011

(In millions of MAD)	Morocco	International	Total Maroc Telecom group
Balance at January 1, 2011	**-**	**-**	**-**
Restructuring			
Change in scope of consolidation and adjustments of allocation of acquisition price	-	-	-
Addition	-	-	-
Utilization	-	-	-
Release			
Balance at December 31, 2011	**-**	**-**	**-**
Restructuring			
Change in scope of consolidation and adjustments of allocation of acquisition price	-	-	-
Addition	(800)	-	(800)
Utilization	-	-	-
Release	-	-	-
Balance at June 30, 2012	**(800)**	**-**	**(800)**

In June 2012, Maroc Telecom introduced a voluntary redundancy plan. This plan is covered by a provision recognized on June 30, 2012, for MAD 800 million.

Note 6. Income tax payable for the first-halves of 2012 and 2011

(In millions of MAD)	06/30/2011	06/30/2012
Income tax	1,731	1,644
Deferred taxes	83	(26)
Current tax	**1,814**	**1,618**
Consolidated effective tax rate *	**30%**	**32,5%**

***** Income tax/earnings before taxes

A nonrecurrent tax has been introduced in Morocco to finance a fund for solidarity and social unity. This tax is calculated on the basis of 2.5% of the previous year's net earnings.

As indicated in note 25, "Tax expenses," of the consolidated financial statements at December 31, 2011, Maroc Telecom is undergoing a tax audit for the fiscal years 2005 to 2008.

Maroc Telecom considers that tax adjustments will not have a negative impact on its earnings, assets, or cash position. The situation concerning these audits was not modified in any way during the first half of 2012.

The situation remained unchanged in the first half of 2012.

Note 7. Segment data for the first-halves 2012 and 2011

Breakdown of earnings by geographical area

June 30, 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

June 30, 2011

(In millions of MAD)	Morocco	International	Elimination	Total
Revenues	12,545	2,885	(107)	15,323
Earnings from operations	5,576	518		6,094
Net depreciation and impairment of assets	1,640	613		2,252

Note 8. Contractual obligations and contingent assets and liabilities

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

(In millions of MAD)	Total	Due less than 1 year	1 to 5 years	Due more than 5 years
Long-term debts	6,445	5,130	1,297	18
Capital lease obligations	-	-	-	-
Operating leases*	26	1	25	-
Irrevocable purchase obligations	-	-	-	-
Other long-term commitments	-	-	-	-
Total	6,471	5,132	1,322	18

* 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 1,896 million comprising:
  - a MAD 1,330 million commitment entered into by Maroc Telecom in connection with the third agreement signed with the Moroccan government in May 2009;
  - commitments entered into by group subsidiaries with suppliers of fixed assets, for MAD 566 million;
- a commitment by Mauritel for MAD 71 million, in connection with its acquisition of a 3G license;
- commitments through guarantees and endorsements issued to MAD 157 million;
- a commitment for motor-vehicle leases of MAD 16 million;
- a commitment for a long-term satellite lease of MAD 164 million;
- a commitment to guarantee a liability of MAD 21 million relating to the disposal of Maroc Telecom Belgique;
- various commitments for MAD 47 million.

Commitments received

Endorsements and guarantees received amount to MAD 2,269 million.

In the event of disposal to a third party of an interest larger than 40.25% of Medi-1-Sat share capital and resulting in a capital loss, Fipar Holding is committed to returning the 9.75% interest in Medi-1-Sat acquired from Maroc Telecom plus the cost of invested capital (6.03% per year).

In connection with the PACTE universal-service program, Maroc Telecom has committed to extending mobile coverage to 7,338 remote rural areas in Morocco over the 2008-2011 period. This program entails aggregate capital expenditure estimated at MAD 1,159 million.

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

Maroc Telecom