PRESS RELEASE

Rabat, July 22, 2019

H1 2019 CONSOLIDATED RESULTS

Results beyond objectives:

- » **Group's total customer base,** close to 63 million subscribers, **up 3.9%**;
- » **Consolidated revenues up 0.8%** (at constant exchange rates), thanks to the growth in **Mobile Data** revenue in Morocco (+19.7%) and in the subsidiaries (+24.6%);
- » **EBITDA up sharply** (**+5.1%** on a like-for-like basis*), thanks to cost optimization;
- » **Group share of adjusted Net Income up 1.8%** (on a like-for-like basis*);
- » **Adjusted Consolidated Cash Flow From Operations up 30.6%** on a like-for-like basis*.

2019 outlook maintained, at constant scope and exchange rates and excluding IFRS16:

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

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

"Maroc Telecom achieved better-than-target results in the first half of 2019, thanks in part to the success of Data in all its markets, despite the strong competitive intensity. Profitability is improving significantly thanks to cost optimization efforts, which offset the increasing sectoral tax pressure in some subsidiaries' countries.

As an engaged operator in digital transformation in Africa, the Group continues its investment efforts to meet the challenges of the digital age through the development of last generation connectivity infrastructure. "

* *Like-for-like basis refers to unchanged MAD/Ouguiya/ CFA Franc exchange rates and the impact of the neutralization of the application of IFRS 16*

GROUP ADJUSTED* CONSOLIDATED RESULTS

IFRS in MAD million	H1-2018	H1-2019	Change	Change on like-for-like basis[1]
Revenues	**17,939**	**17,844**	**-0.5%**	**+0.8%**
EBITDA	**8,860**	**9,409**	**+6.2%**	**+5.1%**
Margin (%)	49.4%	52.7%	+3.3 pt	+2.1 pt
Adjusted EBITA	**5,540**	**5,862**	**+5.8%**	**+6.4%**
Margin (%)	30.9%	32.9%	+2.0 pt	+1.7 pt
Adjusted Net Income	**3,468**	**3,485**	**+0.5%**	**+1.5%**
Group share of adjusted Net Income	**2,991**	**3,022**	**+1.0%**	**+1.8%**
Margin (%)	16.7%	16.9%	+0.3 pt	+0.2 pt
CAPEX[2]	**3,599**	**3,227**	**-10.3%**	**-8.2%**
Of which frequencies and licenses	480	1,327		
CAPEX/revenue (excluding frequencies and licenses)	17.4%	10.7%	-6.7 pt	-6.7 pt
Adjusted CFFO	**4,230**	**5,728**	**+35.4%**	**+30.6%**
Net debt	**17,129**	**21,034**	**+22.8%**	**+16.3%**
Net debt / EBITDA[3]	1.0x	1.1x		

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

► Customer base

Maroc Telecom Group ended the half year with a total customer base of nearly 63 million subscribers, up 3.9% on the same period the previous year. This increase was originating both from the Mobile and Fixed-Line customer base in Morocco (up 3.2% and 3.6%, respectively) as well as from subsidiaries' Mobile customer base (up 4.1%).

► Revenues

At end-June 2019, Maroc Telecom Group's consolidated revenues[4] amounted to MAD 17,844 million, up 0.8% (at constant exchange rates), thanks to business growth in Morocco, which offset the adverse impact of the decline in Mobile call terminations rates and incoming international revenue in subsidiaries.

► Earnings from operations before depreciation and amortization

Thanks to an active cost optimization policy, which reduced operating expenses, and to the favorable fall in Mobile call termination rates in subsidiaries, the Group's earnings from operations before depreciation and amortization (EBITDA) amounted to MAD 9,409 million, up 6.2% (+5.1% on a like-for-like basis(1)). The EBITDA margin improved by 2.1 points to the high level of 51.5% (on a like-for-like basis(1)).

► Earnings from operations

At the end of June 2019, Maroc Telecom Group's adjusted consolidated earnings from operations (EBITA) (5) amounted to MAD 5,862 million, up 5.8% (+6.4% on a like-for-like basis(1)), supported by the rise in EBITDA. The EBITA margin rose 2.0 points (+1.7 pts on a like-for-like basis(1)) to 32.9%.

► Net Income and Group share of Net Income

In the first half of 2019, adjusted Net Income amounted to MAD 3,485 million and Group share of adjusted Net Income was MAD 3,022 million, up 1.5% and 1.8%, respectively, on a like-for-like basis(1), supported by strong business performance in Morocco.

► Investments

Excluding frequencies and licenses, the optimization of capital expenditures levels leads to a CAPEX/revenue ratio of 10.7%, in line with targets.

► Cash Flow

Adjusted cash flow from operations (CFFO)(6) was MAD 5,728 million, up 35.4% (+30.6% on a like-for-like basis(1)) under the combined effects of higher EBITDA and optimization of investments.

At the end of June 2019, Maroc Telecom Group's consolidated net debt(7) was MAD 21 billion, up 22.8% year-on-year, reflecting the license payments in subsidiaries, the acquisition of Tigo Chad, the payment of dividends to all Maroc Telecom Group shareholders and the impact of IFRS16. Excluding the impact of IFRS 16, the consolidated net debt is up 16.3%.

► Highlights

As part of the implementation of the 2019 Budget Act, the Moroccan Government sold off 8% of the capital and voting rights in Itissalat Al-Maghrib in the form of blocks of shares on June 17, 2019 (6% of capital) and of a public offer sale closed on July 16, 2019 (2% of capital). After the completion of this transaction, the Kingdom of Morocco holds 22% of the capital and voting rights in Maroc Telecom.

Further to the agreement signed on March 14, 2019, Maroc Telecom finalized the acquisition from Millicom of its subsidiary Tigo Chad. The consolidation of this subsidiary will be effective in the second half of 2019.

► 2019 Outlook maintained, at constant scope and exchange rates and excluding IFRS16

Based on recent market changes and to the extent that no new major exceptional event impacts the Group's business, Maroc Telecom has maintained its forecasts for 2019, at constant scope and exchange rates and excluding IFRS 16:

- Stable revenues;
- Stable EBITDA;
- CAPEX of around 15% of revenue (excluding frequencies and licenses).

Review of the Group's activities

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

- ***Morocco***

IFRS in MAD million	H1-2018	H1-2019	Change	Change on like-for-like basis (1)
Revenues	**10,562**	**10,713**	**+1.4%**	
Mobile	**6,784**	**6,959**	**+2.6%**	
Services	6,645	6,794	+2.2%	
Equipment	138	165	+19.0%	
Fixed line	**4,665**	**4,657**	**-0.2%**	
O/w Data Fixed line*	1,472	1,538	+4.5%	
Elimination et other revenues	**-887**	**-903**		
EBITDA	**5,542**	**6,136**	**+10.7%**	**+9.0%**
Margin (%)	52.5%	57.3%	+4.8 pt	+3.9 pt
Adjusted EBITA	**3,679**	**4,170**	**+13.3%**	**+13.2%**
Margin (%)	34.8%	38.9%	+4.1 pt	+4.0 pt
CAPEX(2)	**1,376**	**877**	**-36.3%**	
O/w frequencies and licenses				
CAPEX / CA (excluding frequencies and licenses)	13.0%	8.2%	-4.8 pt	
Adjusted CFFO	**3,186**	**3,818**	**+19.8%**	**+16.7%**
Net Debt	**14,119**	**15,299**	**+8.4%**	**+2.4%**
Net Debt /EBITDA(3)	1.3x	1.2x		

*Fixed-Line Data includes Internet, ADSL TV and corporate Data services

Revenues from activities in Morocco continued to grow, to MAD 10,713 million (+1.4% from the same period of the previous year) thanks to the still-booming Mobile and Fixed-line Data business (+19.7% and +4.5% respectively).

Earnings from operations before depreciation and amortization (EBITDA) in the first half of 2019 amounted to MAD 6,136 million, up 10.7% and +9.0% excluding the impact of the application of IFRS16. This performance reflects revenue growth as well as cost control. EBITDA margin improved by 3.9 points (on a like-for-like basis(1)).

Adjusted earnings from operations (EBITA)(5) amounted to MAD 4,170 million, up 13.3% year-on-year (+13.2% on like-for-like basis(1)) mainly due to the rise in EBITDA. The adjusted EBITA margin therefore improved by 4.0 points (on a like-for-like basis(1)).

In the first six months of 2019, adjusted cash flow from operations (CFFO)(6) amounted to MAD 3,818 million, up 19.8% (16.7% excluding the impact of IFRS 16), mainly thanks to the increase of EBITDA and the optimization of investments.

Mobile

	Unit	H1-2018	H1-2019	Change
Mobile				
Customer base[8]	**(000)**	**18,935**	**19,547**	**+3.2%**
Prepaid	(000)	17,090	17,364	+1.6%
Postpaid	(000)	1,845	2,183	+18.3%
Of which 3G/4G+ internet[9]	**(000)**	**10,084**	**11,119**	**+10.3%**
ARPU[10]	**(MAD/month)**	**57.5**	**57.5**	**+0.1%**

At June 30, 2019, the Mobile customer base[8] was 19.5 million customers, up 3.2% year-on-year, driven by the growth of 18.3% in the postpaid base, and of 1.6% in the prepaid base.

Mobile revenues amounted to MAD 6,959 million, up 2.6%. The 6.5% growth in outgoing revenues largely offset the decline in incoming revenues reflecting the international traffic decline.

Blended ARPU[10] was MAD 57.5 for the first six months of 2019, unchanged from the same period the previous year.

Fixed-Line and Internet

	Unit	H1-2018	H1-2019	Change
Fixed-Line				
Fixed lines	**(000)**	**1,787**	**1,851**	**+3.6%**
Broadband access(11)	**(000)**	**1,439**	**1,529**	**+6.2%**

The Fixed-line customer base is at 1.9 million lines, up 3.6% and the Broadband subscribers rise by 6.2% to 1.5 million lines.

Revenues from Fixed-line and Internet activities posted a slight decrease of 0.2%, due to the decline in revenues from international transit, partly offset by the 4.5% increase in Fixed-line Data revenue.

- ***International***

Financial indicators

IFRS in MAD million	H1-2018	H1-2019	Change	Change on a like-for-like basis [1]
Revenues	**8,146**	**7,824**	**-4.0%**	**-1.0%**
Of which Mobile Services	7,443	7,118	-4.4%	-1.4%
EBITDA	**3,318**	**3,273**	**-1.4%**	**-1.3%**
Margin (%)	40.7%	41.8%	+1.1 pt	-0.1 pt
Adjusted EBITA	**1,861**	**1,692**	**-9.1%**	**-7.0%**
Margin (%)	22.8%	21.6%	-1.2 pt	-1.4 pt
CAPEX[2]	**2,223**	**2,351**	**+5.7%**	**+9.2%**
Of which frequencies and licenses	480	1,327		
CAPEX/Rev (excluding frequencies and licenses)	21.4%	13.1%	-8.3 pt	-8.3 pt
Adjusted CFFO	**1,044**	**1,909**	**+82.9%**	**+73.0%**
Net Debt	**6,583**	**8,698**	**+32.1%**	**+27.9%**
Net debt/EBITDA[3]	1.0x	1.3x		

At the end of June 2019, the Group's international activities recorded revenues of MAD 7,824 million, down 1.0% at constant exchange rates, mainly due to the decline in Mobile call terminations rates as well as the decrease in incoming international revenue facing indirect competition from OTTs' services. Excluding the impact of the decline in call terminations rates, revenues from international activities are up 0.7% at constant exchange rates.

Over the same period, earnings from operations before depreciation and amortization (EBITDA) amounted to MAD 3,273 million, down 1.4% (-1.3% like-for-like[1]) reflecting the combined impacts of the decline in revenues and the weight of taxes and regulatory fees, which represented 4.2% of EBITDA. EBITDA margin was stable (-0.1 pt on like-for-like basis[1]) from the same period of 2018.

In the first half of 2019, adjusted earnings from operations (EBITA)[5] amounted to MAD 1,692 million, down 9.1% (-7.0% on like-for-like basis[1]), representing a margin of 21.6% (down 1.4 pt on a like-for-like basis[1]) from the same period the previous year.

Adjusted cash flow from operations (CFFO)[6] in international activities increased by 82.9% (+73.0% on like-for-like basis[1]), to MAD 1,909 million, with capital expenditures at 13.1% of revenues, excluding frequencies and licenses.

Operating indicators

	Unit	H1-2018	H1-2019	Change
Mobile				
Customer base[8]	**(000)**	**37,818**	**39,372**	
Mauritania		2,160	2,389	+10.6%
Burkina Faso		7,526	8,020	+6.6%
Gabon		1,648	1,648	0.0%
Mali		8,360	7,483	-10.5%
Côte d'Ivoire		8,167	8,899	+9.0%
Benin		4,385	4,362	-0.5%
Togo		3,151	3,608	+14.5%
Niger		2,273	2,810	+23.6%
Central African Republic		147	153	+4.1%
Fixed-Line				
Customer Base	**(000)**	**310**	**322**	
Mauritania		53	57	+7.5%
Burkina Faso		77	77	-0.6%
Gabon		22	22	+1.2%
Mali		159	167	+5.4%
Fixed-line broadband				
Customer base [11]	**(000)**	**111**	**114**	
Mauritania		13	11	-21.3%
Burkina Faso		14	15	+2.6%
Gabon		17	18	+4.2%
Mali		66	71	+6.9%

Notes:

(1) "Like-for-like" refers to unchanged MAD/Ouguiya/ CFA Franc exchange rates and the neutralization of the impact of the application of IFRS 16 on EBITDA, adjusted EBITA, adjusted Net Income, Group share of adjusted Net Income, adjusted CFFO and Net debt.
(2) CAPEX corresponds to purchases of tangible and intangible assets recognized for the period.
(3) The ratio Net Debt/EBITDA excludes the impact of IFRS16 standard.
(4) Maroc Telecom consolidates the following companies in its financial statements: Mauritel, Onatel, Gabon Telecom, Sotelma, Casanet, AT Côte d'Ivoire, Etisalat Benin, AT Togo, AT Niger, and AT Centrafrique.
(5) EBITA corresponds to EBIT before the amortization of intangible assets acquired through business combinations, write-downs of goodwill and other intangible assets acquired through business combinations, and other income and expenses relating to financial investment transactions and transactions with shareholders (except when recognized directly in equity).
(6) CFFO includes net cash flow from operations before tax, as set out in the cash flow statement, as well as the dividends received from companies booked at equity and non-consolidated equity investments. CFFO also includes net capital expenditure, which corresponds to net uses of cash for acquisitions and disposals of tangible and intangible assets.
(7) Loans and other current and non-current liabilities less cash and cash equivalents, including cash held in escrow for bank loans.
(8) The active customer base consists of prepaid customers who have made or received a voice call (excluding ERPT or Call-Center calls) or received an SMS/MMS or used Data services (excluding ERPT services) during the past three months, and postpaid customers who have not terminated their agreements.
(9) The active customer base for 3G and 4G+ mobile Internet includes holders of a postpaid subscription agreement (with or without a voice offer) and holders of a prepaid Internet subscription agreement who have made at least one top-up during the past three months or whose top-up is still valid and who have used the service during that period.
(10) ARPU is defined as revenues (generated by inbound and outbound calls and by data services) net of promotional offers, excluding roaming and equipment sales, divided by the average customer base for the period. In this instance, blended ARPU covers both the prepaid and postpaid segments.
(11) The broadband customer base includes ADSL access and leased lines in Morocco, as well as the ADMA customer base in Mauritania, Burkina Faso and Mali.

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

Maroc Telecom is a full-service telecommunications operator in Morocco and the leader in all of its Fixed-Line, Mobile and Internet business sectors. It has expanded internationally, and currently operates in 11 African countries. Maroc Telecom is listed on both the Casablanca and Paris Stock Exchanges, and its majority shareholders are Société de Participation dans les Télécommunications (SPT*) (53%), and the Kingdom of Morocco (22%).

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

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Appendix 1: Relationship between adjusted financial indicators and published financial indicators

Adjusted EBITA, Adjusted Net Income, Group share of adjusted Net Income, and adjusted CFFO are not strictly accounting measures, and should be considered as additional information. They are a better indicator of the Group's performance as they exclude non-recurring items.

	H1-2018			H1-2019		
(in MAD millions)	Morocco	International	Group	Morocco	International	Group
Adjusted EBITA	**3,679**	**1,861**	**5,540**	**4,170**	**1,692**	**5,862**
Non-recurring items:						
Restructuring costs	-2	+11	+9			
Published EBITA	**3,677**	**1,872**	**5,549**	**4,170**	**1,692**	**5,862**
Adjusted Net Income			**3,468**			**3,485**
Non-recurring items:						
Restructuring costs			+10			
Published Net Income			**3,477**			**3,485**
Adjusted Net Income – Group share			**2,991**			**3,022**
Non-recurring items:						
Restructuring costs			+10			
Published Net Income – Group share			**3,001**			**3,022**
Adjusted CFFO	**3,186**	**1,044**	**4,230**	**3,818**	**1,909**	**5,728**
Non-recurring items:						
Restructuring costs	-2		-2			
License payments		-274	-274		-1,841	-1,841
Published CFFO	**3,185**	**769**	**3,954**	**3,818**	**68**	**3,887**

The first half of 2019 was marked by the payment of MAD 1,841 million for licenses in Burkina Faso, Mali, Togo and Côte d'Ivoire.

The first half of 2018 was marked by the payment of MAD 274 million for licenses for subsidiaries in Gabon and Côte d'Ivoire.

Appendix 2: Impact of the adoption of IFRS 16

IFRS 16 is applied from January 1, 2019, and H1-2018 data represent the application of IAS 17. The like-for-like change excludes the impact of the application of IFRS 16 (MAD+189 million on EBITDA, MAD+15 million on adjusted EBITA, MAD-10 million on adjusted Net Income, MAD-10 million on Group share of adjusted Net Income, MAD+254 million on adjusted CFFO and MAD+1,362 million in Net debt).

As at end-June 2019, the impact of this standard on Maroc Telecom' key indicators are as follows:

	H1-2019		
(in MAD million)	Morocco	International	Group
EBITDA	+98	+91	**+189**
Adjusted EBITA	+6	+9	**+15**
Adjusted Net Income			**-10**
Group share of adjusted Net Income			**-10**
Adjusted CFFO	+101	+154	**+254**
Net Debt	+844	+518	**+1,362**

Appendix 3: Consolidated financial statements

Consolidated Statement of Financial Position

ASSETS (in MAD million)	**12/31/2018**	**6/30/2019**
Goodwill	8,548	8,507
Other intangible assets	7,681	8,737
Property, plant and equipment	31,301	29,945
Right-of-use asset		1,448
Non-current financial assets	299	1,510
Deferred tax assets	224	281
Non-current assets	**48,053**	**50,428**
Inventories	348	338
Trade & other receivables	11,839	12,583
Short-term financial assets	138	111
Cash and cash equivalents	1,700	1,634
Assets available for sale	54	54
Current assets	**14,078**	**14,719**
TOTAL ASSETS	**62,131**	**65,147**

LIABILITIES (in MAD million)	**12/31/2018**	**6/30/2019**
Share capital	5,275	5,275
Consolidated reserves	4,383	4,155
Consolidated net income for the period	6,010	3,022
Shareholders' equity - Group share	**15,668**	**12,452**
Non-controlling interests	3,822	3,552
Shareholders' equity	**19,490**	**16,004**
Non-current provisions	464	445
Borrowings and other long-term financial liabilities	3,475	4,005
Deferred tax liabilities	246	258
Other non-current liabilities		
Non-current liabilities	**4,185**	**4,709**
Trade payables	24,095	23,358
Current tax liabilities	906	1,102
Current provisions	1,325	1,265
Borrowings and other short-term financial liabilities	12,129	18,710
Current liabilities	**38,456**	**44,435**
TOTAL LIABILITIES	**62,131**	**65,147**

Statement of comprehensive income

(In MAD million)	6/30/2018	6/30/2019
Revenues	**17,939**	**17,844**
Cost of purchases	-2,983	**-2,801**
Payroll costs	-1,579	**-1,550**
Taxes	-1,375	**-1,469**
Other operating income and expenses	-2,977	**-2,555**
Net depreciation, amortization, and provisions	-3,475	**-3,607**
Operating earnings	**5,549**	**5,862**
Other income and expenses from ordinary activities	-6	-5
Income from ordinary activities	**5,543**	**5,857**
Income from cash and cash equivalents	1	1
Gross cost of financial debt	-231	-322
Net cost of financial debt	-230	-321
Other financial income and expense	20	-10
Financial income	**-210**	**-331**
Income tax	-1,856	-2,040
Net income	**3,477**	**3,485**
Translation differences resulting from foreign business activities	-113	**-59**
Other income and expenses	-7	**0**
Total comprehensive income for the period	3,358	3,426
Net income	**3,477**	**3,485**
Attributable to equity holders of the parent	3,001	3,022
Non-controlling interests	476	463

Earnings per share	6/30/2018	6/30/2019
Net income attributable to equity holders of the parent (in MAD million)	3,001	3,022
Number of shares at June 30	879,095,340	879,095,340
Net earnings per share (in MAD)	**3.41**	**3.44**
Diluted net earnings per share (in MAD)	**3.41**	**3.44**

Consolidated cash flow statement

(In MAD million)	6/30/2018	6/30/2019
Income from operations	5,549	5,862
Depreciation, amortization, and other restatements	3,476	3,608
Gross cash flow	9,025	9,470
Other changes in net working capital requirement	-1,117	-1,335
Net cash flow from operating activities before tax	7,908	8,135
Income tax paid	-1,571	-1,870
Net cash flow from operating activities (a)	6,338	6,265
Purchase of property, plant and equipment and intangible assets	-3,960	-4,219
Increase in financial assets	-589	-1,206
Disposals of property, plant and equipment and intangible assets	1	2
Decrease in financial assets	163	202
Dividends received from non-consolidated equity investments	1	-42
Net cash flow used in investing activities (b)	-4,383	-5,263
Capital increase	0	0
Dividends paid to shareholders	-5,534	-5,732
Dividends paid by subsidiaries to their non-controlling shareholders	-401	-465
Changes in equity capital (c)	-5,935	-6,197
New borrowings and increase in other long-term financial liabilities	1,315	1,909
Loan repayments and decrease in other long-term financial liabilities	0	0
Change in short-term financial liabilities	2,571	3,665
Net interest paid (cash only)	-269	-403
Other cash items relating to financing activities	-15	-33
Change in borrowings and other financial liabilities (d)	3,602	5,139
Net cash flow used in financing activities (e) = (c) + (d)	-2,333	-1,058
Translation adjustments (f)	47	-10
Total cash flows (a)+(b)+(e)+(f)	-331	-66
Cash and cash equivalents at beginning of period	2,010	1,700
Cash and cash equivalents at end of period	1,678	1,634