PRESS RELEASE

Rabat, October 21, 2019

CONSOLIDATED RESULTS AT SEPTEMBER 30, 2019

Improvements all round:

- Group **customer bases up to nearly 68 million customers**;
- **Increase in Group revenues** (up 0.9% on a like-for-like basis*) thanks to Mobile Data;
- **Steady increase in Consolidated EBITDA** (up 4.9% on a like-for-like basis*) thanks to continued cost-optimization efforts;
- **Group share of adjusted Net Income up** 1.3**%** on a like-for-like basis*;
- **Adjusted Consolidated Cash Flow From Operations up 18.0%** (like-for-like basis*) with capital expenditure at 12.0% of consolidated revenues.

Outlook for 2019 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 group maintains its growth trend with increased revenues, from Data in particular, and its margin improvement thanks to cost optimization. These results strengthen the Group in achieving its annual objectives and confirm the profitability and the relevancy of its business model.

Reference player in all its markets, Maroc Telecom continues to support the changes brought by the digital transformation through infrastructures deployment and enhanced offers to make technological innovation accessible to the largest number of users."

**Like-for-like basis refers to the consolidation of Tigo Chad, 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)	Q3-2018	Q3-2019	Change	Like-for-like change (1)	9M-2018	9M-2019	Change	Like-for-like change (1)
Revenues	9,198	**9,465**	**+2.9%**	**+1.0%**	27,137	**27,308**	**+0.6%**	**+0.9%**
EBITDA	4,615	**4,989**	**+8.1%**	**+4.4%**	13,474	**14,398**	**+6.9%**	**+4.9%**
Margin (%)	50.2%	**52.7%**	**+2.5 pt**	**+1.7 pt**	49.7%	**52.7%**	**+3.1 pt**	**+1.9 pt**
Adjusted EBITA	2,923	**3,126**	**+7.0%**	**+6.1%**	8,462	**8,989**	**+6.2%**	**+6.3%**
Margin (%)	31.8%	***33.0%***	**+1.3 pt**	***+1.6 pt***	*31.2%*	***32.9%***	***+1.7 pt***	***+1.7 pt***
Group Share of adjusted Net Income	1,620	**1,625**	**+0.3%**	**+0.4%**	4,611	**4,647**	**+0.8%**	**+1.3%**
Margin (%)	17.6%	**17.2%**	**-0.4 pt**	**-0.1 pt**	17.0%	**17.0%**	**0.0 pt**	**+0.1 pt**
CAPEX[2]	1,053	**1,377**	**+30.8%**	**+30.3%**	4,652	**4,605**	**-1.0%**	**+0.6%**
Of which frequencies and licenses					*477*	***1,321***		
CAPEX/CA (excluding frequencies and licenses)	11.5%	*14.6%*	**+3.1 pt**	***+3.0 pt***	*15.4%*	***12.0%***	***-3.4 pt***	***-3.4 pt***
Adjusted CFFO	3,197	**3,438**	**+7.5%**	**+0.1%**	7,427	**9,166**	**+23.4%**	**+18.0%**
Net Debt	15,560	**20,188**	**+29.7%**	**+18.5%**	15,560	**20,188**	**+29.7%**	**+18.5%**
Net Debt/EBITDA[3]	0.8x	**1.0x**			0.9x	**1.1x**		

** Financial indicator adjustments are set out in Appendix 1.*

► Customer base

The Group customer base reached 67.6 million at September 30, 2019, up 10.6% year-on-year on a like-for-like basis, driven mainly by a 15.0% growth in the international mobile customer base, the scope of which has been expanded compared with the same period in 2018 with the integration of Tigo Tchad on July 1, 2019.

► Revenues

At end September 2019, Maroc Telecom Group's revenues[4] stood at MAD 27,308 million, up 0.6% (+0.9% on a like-for-like basis[1]), thanks to increased revenues from activities in Morocco (up 1.3%).

► Earnings from operations before depreciation and amortization

Thanks to a decrease in OPEX on a like-for-like[1] basis, and to a gross margin increase, Maroc Telecom Group's EBITDA reached MAD 14,398 million at end September 2019, up 6.9% (+4.9% on a like-for-like basis[1]). The EBITDA margin reached the high level of 52.7% (+1.9 pt on a like-for-like basis[1]).

Earnings from operations

Maroc Telecom Group's adjusted EBITA[5] was up 6.2% compared with the same period in 2018 (+6.3% on a like-for-like basis[1]) to MAD 8,989 million. This increase is mainly a result of an increase in EBITDA. The adjusted operating margin is up by 1.7 pt (on a like-for-like basis[1]) to 32.9%.

Net Income - Group Share

For the first nine months of 2019, the Group share of adjusted Net Income is up 1.3% on a like-for-like[1] basis mainly thanks to improved activities in Morocco.

Capital expenditures

Capital expenditure[2] excluding frequencies and licenses were down 21.4% (-20.5% on a like-for-like basis[1]) and accounted for 12.0% of revenues.

Cash Flow

Adjusted Cash Flows From Operations (CFFO)[6] stood at MAD 9,166 million, up 23.4% (+18.0% on a like-for-like basis[1]) thanks to the increase in EBITDA combined with the streamlining of capital expenditure.

Highlights

Sixth agreement signed by the Government and Maroc Telecom, under which terms Maroc Telecom commits to implementing a program of capital expenditure worth MAD 10 billion over the next three years (2019-2021).

Tigo Chad integration into the consolidation scope of the group's accounts from July 1, 2019.

REVIEW OF GROUP OPERATIONS

Adjustments to "Morocco" and "International" financial indicators are set out in Appendix 1.

- ***Morocco***

(IFRS in MAD million)	Q3-2018	Q3-2019	Change	Like-for-like change [1]	9M-2018	9M-2019	Change	Like-for-like change [1]
Revenues	5,533	**5,599**	**+1.2%**		16,095	**16,312**	**+1.3%**	
Mobile	3,717	**3,760**	**+1.1%**		10,501	**10,719**	**+2,1%**	
Services	3,685	**3,729**	**+1.2%**		10,330	**10,523**	**+1.9%**	
Equipment	33	**31**	**-6.0%**		171	**195**	**+14.2%**	
Fixed lines	2,273	**2,298**	**+1.1%**		6,939	**6,955**	**+0.2%**	
*Of Which Data Fixed**	708	**762**	**+7.6%**		2,180	**2,300**	**+5.5%**	
Eliminations and other revenues	-457	**-458**			-1,345	**- 1,361**		
EBITDA	3,018	**3,209**	**+6.4%**	**+4.2%**	8,558	**9,345**	**+9.2%**	**+7.3%**
Margin	54.5%	**57.3%**	**+2.8 pt**	**+1.6 pt**	53.2%	**57.3%**	**+4.1 pt**	**+3.1 pt**
Adjusted EBITA	2,065	**2,207**	**+6.9%**	***+6.0%***	5,743	**6,377**	**+11.0%**	**+10.6%**
Margin (%)	37.3%	**39.4%**	**+2.1 pt**	***+1.8 pt***	35.7%	**39.1%**	**+3.4 pt**	**+3.3 pt**
CAPEX[2]	414	**856**	**n/a**		1,790	**1,733**	**-3.2%**	
Of which frequencies and licenses								
CAPEX/CA (excluding frequencies and licenses)	7.5%	**15.3%**	**+7.8 pt**		11.1%	**10.6%**	**-0.5 pt**	
Adjusted CFFO	2,302	**2,606**	**+13.2%**	**+10.3%**	5,489	**6,424**	**+17.1%**	**+14.1%**
Net Debt	12,136	**13,739**	**+13.2%**	**+6.2%**	12,136	**13,739**	**+13.2%**	**+6.2%**
Net Debt/EBITDA[3]	1.0x	1.1x			1.1x	**1.1x**		

*Fixed Data includes the internet, broadband TV and data services to businesses

At end September 2019, Morocco's operations generated MAD 16,312 million in revenues, up 1.3%, thanks to steady growth in Mobile Data.

EBITDA for the first nine months of 2019 reached MAD 9,345 million, up 9.2% (+7.3% on a like-for-like basis[1]). This increase is mainly a result of the reduction in operating costs and thus further improving the EBITDA margin to reach the high level of 57.3% (+3.1 pt compared with the same period of the previous year on a like-for-like basis[1]).

As a result of the increase in EBITDA, adjusted EBITA reached MAD 6,377 million, an 11.0% increase, (+10.6% on a like-for-like basis[1]), leading to an adjusted EBITA margin of 39.1% (+3.3 pt on a like-for-like basis[1]).

Adjusted Cash Flows From Operations in Morocco were up 14.1% (on a like-for-like basis[1]) to MAD 6,424 million.

Mobile

	Unit	9M-2018	9M-2019	Change
Mobile				
Customers(7)	**(000)**	**19,670**	**20,281**	**+3.1%**
Prepaid	(000)	17,783	18,031	+1.4%
postpaid	(000)	1,887	2,250	+19.2%
Of which 3G/4G+ internet(8)	**(000)**	**11,408**	**12,328**	**+8.1%**
ARPU(9)	**(MAD/month)**	**59.1**	**58.7**	**-0.7%**

At September 30, 2019, the Mobile customer(7) base included 20.3 million customers, up 3.1% year-on-year, driven by the combined growth of postpaid and prepaid bases of +19.2% and +1.4% respectively.

Mobile revenues were up 2.1% to MAD 10,719 million. The surge in Mobile Data more than offset the decrease in international incoming revenues.

Blended ARPU(9) for the first nine months of 2019, was MAD 58.7, a slight drop of 0.7% year-on-year.

Fixed- Line and Internet

	Unit	9M-2018	9M-2019	Change
Fixed-Line				
Fixed-Line	**(000)**	1,796	**1,865**	**+3.9%**
Broadband access[10]	**(000)**	1,453	**1,548**	**+6.5%**

At end September 2019, the increase in Fixed-Line customers was ongoing (+3.9% year-on-year), bringing the number of lines to 1,865 thousand. There was a 6.5% increase of broadband customers, bringing the total number of subscribers to 1.5 million supported by the high-speed offers.

The Fixed-Line and Internet activities in Morocco generated MAD 6,955 million in revenues, up 0.2% thanks to the growth of customer base.

- ***International***

Financial indicators

(IFRS in MAD million)	Q3-2018	Q3-2019	Change	Like-for-like change (1)	9M-2018	9M-2019	Change	Like-for-like change (1)
Revenues	4,004	**4,169**	**+4.1%**	**-0.1%**	12,150	**11,993**	**-1.3%**	**-0.7%**
Of which mobile services	*3,657*	***3,823***	***+4.5%***	***-0.3%***	*11,100*	***10,941***	***-1.4%***	***+1.5%***
EBITDA	1,598	**1,779**	**+11.4%**	**+4.7%**	4,916	**5,052**	**+2.8%**	**+0.7%**
Margin (%)	39.9%	**42.7%**	**+2.8 pt**	**+1.9 pt**	40.5%	**42.1%**	**+1.7 pt**	**+0.6 pt**
Adjusted EBITA	858	**920**	**+7.2%**	**+6.4%**	2,719	**2,612**	**-3.9%**	**-2.7%**
Margin (%)	21.4%	**22.1%**	**+0.6 pt**	**+1.3 pt**	22.4%	**21.8%**	**-0.6 pt**	**-0.4 pt**
CAPEX(2)	639	**521**	**-18.4%**	-18.4%	2,862	**2,872**	**+0.3%**	**+3.0%**
Of which frequencies and licenses					477	**1,321**		
CAPEX/CA (excluding frequencies and licenses)	*16.0%*	**12.5%**	**-3.5 pt**	-2.8 pt	19.6%	**12.9%**	**-6.7 pt**	**-6.4 pt**
Adjusted CFFO	895	**832**	**-7.0%**	**-23.0%**	1,938	**2,742**	**+41.4%**	**+28.6%**
Net Debt	6,403	**9,313**	**+45.4%**	**+30.5%**	6,403	**9,313**	**+45.4%**	**+30.5%**
Net Debt/EBITDA(3)	1.0x	**1,3x**			1.0x	**1.4x**		

Despite competitive and regulatory pressures, the Group's international activities continued to show strong resilience, with MAD 11,993 million in revenues in the first nine months of the year, a slight decline of 0.7% on a like-for-like basis(1). This change is the result of the impact of the decline of the mobile call termination rate, particularly in Mali and Côte d'Ivoire, and of the decline in international incoming revenues as well due to OTTs impact. Excluding the decline in the call termination rate, revenues are up by 0.9% on a like-for-like basis (1), driven by the growth of Data and Mobile Money services.

At end September 2019, EBITDA stood at MAD 5,052 million, up 0.7% on a like-for-like basis(1). The EBITDA margin at 42.1%, increased by 0.6 pt (like-for-like(1)), thanks to the improvement of the gross margin rate coming from the termination rates cut and decrease in operating expenses, despite new sectoral taxes in some countries.

During the same period, adjusted EBITA decrease by 3.9% (-2.7% like-for-like(1)) to MAD 2,612 million, due to the increase in depreciation charges.

Adjusted Cash Flows From Operations generated by the international activities were up 41.4% (+28.6% like-for-like(1)) to MAD 2,742 million. This performance was due to the increase in EBITDA and the streamlining of capital expenditure.

Operational indicators

	Unit	9M-2018	9M-2019	Change
Mobile				
Customers[7]	(000)	37,757	43,435	
Mauritania		2,392	2,440	+2.0%
Burkina Faso		7,583	8,294	+9.4%
Gabon		1,579	1,601	+1.4%
Mali		7,873	7,395	-6.1%
Côte d'Ivoire		8,219	9,030	+9.9%
Benin		4,334	4,549	+5.0%
Togo		3,288	3,689	+12.2%
Niger		2,353	2,846	+20.9%
Central African Republic		136	160	+17.7%
Chad		-	3,431	-
Fixed-Line				
Customers	(000)	313	324	
Mauritania		54	56	+5.3%
Burkina Faso		77	77	-0.4%
Gabon		22	22	+1.5%
Mali		160	169	+5.4%
Fixed-Line Broadband				
Customers[10]	(000)	111	114	
Mauritania		12	10	-16.6%
Burkina Faso		15	15	+1.1%
Gabon		17	18	+3.2%
Mali		67	72	+6.7%

Notes:

(1) The like-for-like basis illustrates the effects of the consolidation of Tigo Tchad as if it had actually occurred on July 1, 2018, a constant MAD/Ouguiya/ CFA Franc exchange rate and the neutralization of the impact of the application of IFRS 16 on EBITDA, adjusted EBITA, Group share of adjusted Net Income, adjusted CFFO and net debt.
(2) CAPEX refers to acquisitions of tangible and intangible assets recorded over 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, AT Centrafrique, and Tigo Chad since July 1, 2019.
(5) EBITA refers to operational earnings before depreciation from intangible assets associated with business combinations, impairment of goodwill and other intangible assets associated with business combinations and other revenues and charges associated with financial investment transactions and transactions with shareholders (unless these are directly recorded as equity).
(6) CFFO includes net cash flows from operations before tax, as set out in the cash flow table, as well as dividends received from companies consolidated by the equity method and non-consolidated investments. It also includes net industrial capital expenditure, which correspond to net cash outflows associated with acquisitions and disposals of tangible and intangible assets.
(7) The active customer base is made up of pay-as-you-go customers having made or received a call (excluding calls from the relevant operator or Customer Relations Centers) or having sent an SMS/MMS or having used data services (excluding exchanges of technical data with the relevant operator network) in the last three months, and of customers with a current contract.
(8) The active customer base of 3G and 4G+ Mobile Internet includes those with a contract (whether or not this includes calls) and those with a pay-as-you-go subscription to the internet service having topped up at least once in the last three months or whose credit is valid and who have used the service during that period.
(9) ARPU is defined as sales (generated by incoming and outgoing calls and by data services) net of promotions, excluding roaming and sales of devices, divided by the average customer base for the period. Here it refers to the combined ARPU of the pay-as-you-go and contract segments.
(10) The broadband customer base includes broadband, FTTH connections and rented connections and also includes the CDMA customer base in Mauritania, Burkina Faso and Mali.

Maroc Telecom is a global telecommunications operator in Morocco and leader in all of the segments in which it operates: Landline, Mobile and Internet. It has expanded internationally and now has a presence in some eleven countries in Africa. Maroc Telecom is listed simultaneously in Casablanca and Paris and its main shareholders are la Société de Participation dans les Télécommunication (SPT)* (53%) and the Kingdom of Morocco (22%).

**** SPT is a Moroccan company controlled by Etisalat.***

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Note 1: Transition from adjusted financial indicators to published financial indicators

Adjusted EBITDA, adjusted Net Income - Group Share and adjusted CFFO are strictly non-accounting measurements and must be considered as additional data. They illustrate the Group's performance more clearly and exclude exceptional data.

	9M-2018			9M-2019		
(in millions of MAD)	Morocco	International	Group	Morocco	International	Group
Adjusted EBITA	**5,743**	**2,719**	**8,462**	**6,377**	**2,612**	**8,989**
Extraordinary items:						
Restructuring expenses	-2	+11	+9			
Published EBITA	**5,741**	**2,730**	**8,471**	**6,377**	**2,612**	**8,989**
Adjusted Net Income - Group Share			**4,611**			**4,647**
Extraordinary items:						
Restructuring expenses			+10			
Published Net Income - Group Share			**4,621**			**4,647**
Adjusted CFFO	**5,489**	**1,938**	**7,427**	**6,424**	**2,742**	**9,166**
Extraordinary items:						
Restructuring expenses	-2		-2			
Payment of licenses		-528	-528		-1,833	-1,833
Published CFFO	**5,487**	**1,410**	**6,897**	**6,424**	**908**	**7,333**

The first nine months of 2019 were marked by the receipt of MAD1,833 million as partial payments for licenses obtained in Burkina Faso, Mali, Côte d'Ivoire and Togo.

The first nine months of 2018 included the payment of MAD 528 million for licenses obtained in Côte d'Ivoire, Gabon and Togo.

Note 2: Impact of the adoption of IFRS 16

IFRS 16 has been applied since January 1, 2019. 2018 data have been presented in line with IAS 17. Like-for-like change excludes the impact of the application of IFRS 16.

At the end of September 2019, the impact of the application of this standard on the main indicators of Maroc Telecom is as follows:

	9M-2019		
(in millions of MAD)	Morocco	International	Group
EBITDA	**+164**	**+156**	**+320**
Adjusted EBITA	**+24**	**+21**	**+45**
Group Share of adjusted Net Income			**-5**
Adjusted CFFO	+164	+156	**+320**
Net Debt	+846	+663	**+1,509**