PRESS RELEASE

Rabat, April 22, 2019

CONSOLIDATED RESULTS FOR Q1 2019

Continued growth in results:

- **Close to 62 million Group customers**, up 4.8%;
- **Consolidated revenues growth** of 0.8% at constant exchange rates, thanks to the sustained dynamic momentum of Mobile Data;
- **Increased profitability** with an **EBITDA margin of 50.6%** (excluding the impact of IFRS 16)**,** 0.7 pt up at constant exchange rates;
- **Group share of adjusted net income up** 0.5% at constant exchange rates;
- **Strong growth in adjusted consolidated CFFO.**

Maroc Telecom Group outlook for 2019 maintained at constant scope and exchange rates:

- **Stable revenues;**
- **Stable EBITDA;**
- **CAPEX of 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:

« Driven by the expansion of Mobile Data in all of the markets in which it operates, the Maroc Telecom group ended the first quarter with results beyond the objectives.
This dynamic benefits also from the continuous efforts to optimize costs, allowing the Group to maintain a strong profitability despite the increase in tax and sector-related pressure in some countries of our subsidiaries.
Based on these credits and its proven expertise in high-potential markets, Maroc Telecom is pursuing its investment policy to support government strategies to encourage digital technology and reduce the digital divide. »

GROUP CONSOLIDATED ADJUSTED* RESULTS

IFRS in MAD million	Q1-2018	Q1-2019	Change	Change at constant exchange rates(1)
Revenues	**8,994**	**8,948**	**-0.5%**	**+0.8%**
EBITDA	**4,482**	**4,649**	**+3.7%**	**+4.8%**
Margin (%)	*49.8%*	*52.0%*	*+2.1 pt*	*+2.0 pt*
Adjusted EBITA	**2,862**	**2,904**	**+1.5%**	**+2.3%**
Margin (%)	*31.8%*	*32.5%*	*+0.6 pt*	*+0.5 pt*
Adjusted Group share of net income	**1,582**	**1,583**	**+0.1%**	**+0.5%**
Margin (%)	*17.6%*	*17.7%*	*+0.1 pt*	*-0.1 pt*
CAPEX (2)	**1,483**	**2,194**	**+48.0%**	**+51.9%**
o/w licenses & frequencies		*1,334*		
CAPEX/revenues (excluding frequencies & licenses)	*16.5%*	*9.6%*	*-6.9 pt*	*-6.8 pt*
Adjusted CFFO	**1,800**	**2,773**	**+54.0%**	**+55.6%**

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

► Customer base

The Group's customer base reached nearly 62 million at the end of March 2019, up 4.8% year-on-year, driven by the 5.7% growth in the subsidiaries' Mobile customer base and the 5.1% growth in the Fixed-line (+5.1%) and Mobile (+2.8%) customer base in Morocco.

► Revenues

At March-end 2019, the Maroc Telecom group's consolidated revenues (3) amounted to MAD 8,948 million, slightly down by 0.5%. At constant exchange rates, the revenues were up 0.8% thanks to the sustained growth in Mobile Data in Morocco (+18.5%) and in subsidiaries (+23.9%) that more than offset the drop in incoming revenues.

► Earnings from operations before depreciation and amortization

In the first quarter of 2019, Maroc Telecom Group earnings from operations before depreciation and amortization (EBITDA) amounted to MAD 4,649 million, up 3.7% (+4.8% at constant exchange rates). This change includes the impact of the application of IFRS16 (see Appendix 2). Excluding this impact, the Group would have posted a 1.3% EBITDA improvement (+2.3% at constant exchange rates).

The EBITDA margin rate reached the high level of 52.0%, up 2.1 pt (+2.0 pt at constant exchange rates), mainly due to the favorable impact of the decline in mobile termination rates in the subsidiaries and operating costs control. Excluding the IFRS16 impact, the EBITDA margin improved by 0.2 pt (+0.7 pt at constant exchange rates).

► Earnings from operations

At the end of March 2019, Maroc Telecom Group's adjusted consolidated earnings from operations [(4)] (EBITA) amounted to MAD 2,904 million, up 1.5% from the previous year (+2.3% at constant exchange rates). The adjusted operating margin increased by 0.6 pt to reach a high level of 32.5%. Excluding the IFRS16 impact, adjusted EBITA increase by 1.0% (+1.8% at constant exchange rates).

► Group share of net income

Despite the tougher fiscal and regulatory environment in Morocco and in subsidiaries, the Group share of the adjusted net income rose by 0.5% at constant exchange rates, compared to the same period of the previous year.

The impact of IFRS 16 on the Group share of net income remains very limited (see Appendix 2).

► Investment

Consistent with the yearly forecast, the CAPEX excluding frequencies and licenses amounted to MAD 860 million at end of March 2019, down 42.0% (-40.9% at constant exchange rates). They represent 9.6% of revenues.

► Cash flow

The adjusted cash flow from operations (CFFO[(5)]) amounted to MAD 2,773 million, up 54.0% compared to the same period in 2018, due to the combined effect of the increase in EBITDA and the optimization of CAPEX that began in 2018.

► Highlights

In March 2019, Maroc Telecom's subsidiary in Burkina Faso has been granted a global Mobile license for MAD 1,334 million, paid in full in the first quarter of 2019.

On March 14, 2019, Maroc Telecom signed an agreement with Millicom to acquire all the shares of its subsidiary Tigo Tchad, the leading mobile operator in Chad. The closing of the transaction (and consequently its final approval) is subject to certain conditions, in particular the approval of the Chadian authorities.

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	Q1-2018	Q1-2019	Change
Revenues	**5,255**	**5,382**	**+2.4%**
Mobile	**3,364**	**3,472**	**+3.2%**
Services	*3,284*	*3,338*	*+1.6%*
Equipment	*80*	*134*	*+67.9%*
Fixed-Line	**2,322**	**2,356**	**+1.5%**
*Of which Fixed-Line Data**	*728*	*773*	*+6.1%*
Eliminations and other income	-431	-446	
EBITDA	**2,771**	**3,028**	**+9.2%**
Margin (%)	*52.7%*	*56.3%*	*+3.5 pt*
Adjusted EBITA	**1,850**	**2,055**	**+11.1%**
Margin (%)	*35.2%*	*38.2%*	*+3.0 pt*
CAPEX	**591**	**351**	**-40.6%**
o/w licenses & frequencies			
CAPEX/revenues (excluding frequencies & licenses)	*11.2%*	*6.5%*	*-4.7 pt*
Adjusted CFFO	**1,139**	**1,773**	**+55.7%**

*Fixed-line data includes Internet, ADSL TV and Data services to businesses

Activities in Morocco continued to grow and posted a 2.4% increase in revenues to MAD 5,382 million, due to the combined increase in Mobile and Fixed-line revenues, which continue to benefit from the Data market fervor.

Earnings from operations before depreciation and amortization (EBITDA) amounted to MAD 3,028 million, up sharply by 9.2% compared to the same period last year, due to the increase in revenues, decrease in operating costs and the impact of IFRS 16. The EBITDA margin increased by 3.5 pt to reach a high level of 56.3%. Excluding IFRS 16, EBITDA would have increased by 7.4%, and the margin rate by 2.5 pt.

Adjusted earnings from operations (EBITA) were MAD 2,055 million, up a solid 11.1% thanks to the increase in EBITDA. The EBITA margin increased by 3.0 pt year-on-year, to 38.2%. Excluding the impact of IFRS 16, EBITA increased by 10.6% with a corresponding EBITA margin of 38.0% (+2.8 pt vs. Q1 2018).

As of March 31, 2019, adjusted cash flow from operations in Morocco improved by 55.7% to MAD 1,773 million, due to the optimization of CAPEX and good management of Working Capital Requirements (WCR).

Mobile

	Unit	Q1-2018	Q1-2019	Change
Mobile				
Customer base[6]	**(000)**	**18,764**	**19,298**	**+2.8%**
Prepaid	*(000)*	*16,957*	*17,202*	*+1.4%*
Postpaid	*(000)*	*1,807*	*2,096*	*+16.0%*
Of which 3G/4G Internet+ [7]	(000)	9,711	10,961	+12.9%
ARPU[8]	**(MAD/month)**	**57.5**	**56.8**	**-1.3%**

As at March 31, 2019, the Mobile customer base[6] numbered 19.3 million customers, up 2.8% year-on-year, driven by the 16.0% rise in postpaid customers and the +1.4% rise in prepaid customers.

Mobile revenues increased by 3.2% to MAD 3,472 million compared to the same period in 2018. Revenues from outbound services increased by 5.2% thanks to the growth of Mobile Data, offsetting the decline in incoming revenues, which were penalized in particular by the decline in international traffic.

Blended ARPU[8] for the first three months of 2019 amounted to MAD 56.8, down 1.3% compared to the same period in 2018.

Fixed-Line and Internet

	Unit	Q1-2018	Q1-2019	Change
Fixed-Line				
Fixed lines	**(000)**	**1,752**	**1,841**	**+5.1%**
Broadband Access(9)	**(000)**	**1,397**	**1,511**	**+8.2%**

Driven mainly by Double Play offers, the Fixed-line customer base continued to grow, reaching 1.8 million lines at the end of March 2019, up 5.1%. The Broadband customer base grew by 8.2%.

Fixed-line and Internet activities in Morocco generated revenues of MAD 2,356 million, up 1.5% compared to the same period in 2018. Fixed-line Data revenues were up 6.1%.

- ***International***

Financial indicators

IFRS in MAD million	Q1-2018	Q1-2019	Change	Change at constant exchange rates(1)
Revenues	**4,127**	**3,937**	**-4.6%**	**-1.7%**
Of which Mobile Services	*3,777*	*3,581*	*-5.2%*	*-2.3%*
EBITDA	**1,711**	**1,621**	**-5.2%**	**-2.5%**
Margin (%)	*41.5%*	*41.2%*	*-0.3 pt*	*-0.3 pt*
Adjusted EBITA	**1,011**	**849**	**-16.1%**	**-13.7%**
Margin (%)	*24.5%*	*21.6%*	*-2.9 pt*	*-3.0 pt*
CAPEX	**892**	**1,842**	**+106.6%**	**+113.2%**
o/w licenses & frequencies		*1,334*		
CAPEX/revenues (excluding frequencies & licenses)	*21.6%*	*12.9%*	*-8.7 pt*	-8.7 pt
Adjusted CFFO	**661**	**999**	**+51.2%**	**+55.5%**

In a difficult competitive and regulatory environment, the Group's international activities generated revenues of MAD 3,937 million at the end of March 2019, down 1.7% at constant exchange rates, due to the decreases of domestic mobile termination rates and of incoming international traffic. Excluding the impact of the decline in mobile termination rates, the subsidiaries' revenues would be almost stable (-0.4% compared to the same period in 2018).

Over the same period, operating income before depreciation and amortization (EBITDA) decreased by 5.2% (-2.5% at constant exchange rates) to MAD 1,621 million, mainly because of new taxes and sector-related fees. Excluding this effect, EBITDA increased by 3.4% at constant exchange rates and represented a margin rate of 43.6%, thanks to the improvement in the gross margin rate (0.6 pt) and the control of operating costs. Excluding the impact of IFRS 16 (see Appendix 2), EBITDA decreased by 8.6% (-6.0% at constant exchange rates).

Adjusted earnings from operations (EBITA) for the first quarter of 2019 amounted to MAD 849 million, down 16.1% (-13.7% at constant exchange rates), due to the combined effect of lower EBITDA and higher depreciation and amortization expenses stemming from the major investments made in recent years. Excluding the impact of IFRS 16, EBITA decreased by 16.6% (-14.3% at constant exchange rates).

Adjusted cash flow from operations (CFFO) from international activities amounted to MAD 999 million, up 51.2% (+55.5% at constant exchange rates), mainly due to optimized investments (excluding frequencies and licenses), which represented 12.9% of revenues (vs. 21.6% the previous year).

Operating indicators

	Unit	Q1-2018	Q1-2019	Change
Mobile				
Customer base[6]	**(000)**	**36,400**	**38,466**	
Mauritania		2,188	2,400	+9.7%
Burkina Faso		7,368	7,777	+5.6%
Gabon		1,510	1,559	+3.3%
Mali		7,784	7,270	-6.6%
Côte d'Ivoire		7,824	8,734	+11.6%
Benin		4,282	4,351	+1.6%
Togo		3,068	3,547	+15.6%
Niger		2,230	2,679	+20.1%
Central African Republic		146	149	+2.4%
Fixed-Line				
Customer Base	**(000)**	**307**	**320**	
Mauritania		52	56	+8.5%
Burkina Faso		77	77	-0.1%
Gabon		22	22	+0.9%
Mali		156	166	+6.0%
Broadband				
Customer Base[9]	**(000)**	**109**	**113**	
Mauritania		13	11	-14.9%
Burkina Faso		14	15	+5.8%
Gabon		17	17	+2.8%
Mali		65	70	+7.4%

Notes:

(1) At a constant exchange rate for the MAD, Ouguiya and CFA franc.
(2) CAPEX corresponds to purchases of tangible and intangible assets recognized for the period.
(3) Maroc Telecom consolidates the following companies in its financial statements: Mauritel, Onatel, Gabon Telecom, Sotelma and Casanet, as well as the new African subsidiaries (in the Côte d'Ivoire, Benin, Togo, Niger, and the Central African Republic) since their acquisition on January 26, 2015.
(4) 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).
(5) 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.
(6) 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.
(7) 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.
(8) ARPU is defined as revenues (generated by inbound and outbound calls and by data services) net of promotional offers, excluding roaming and equipment sales, divided by the average customer base for the period. In this instance, blended ARPU covers both the prepaid and postpaid segments.
(9) The broadband customer base includes ADSL and FTTH (fiber optic) access and leased lines in Morocco, as well as the CDMA customer base for the historical subsidiaries.

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 ten 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 (30%).

****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 earnings from operations, Group share of adjusted net income, and adjusted cash flow from operations (CFFO), are not strictly accounting measures and should be considered additional information. They are a better indicator of the Group's performance as they exclude non-recurring items.

	Q1- 2018			Q1-2019		
(in MAD millions)	Morocco	International	Group	Morocco	International	Group
Adjusted EBITA	**1,850**	**1,011**	**2,862**	**2,055**	**849**	**2,904**
Non-recurring items:						
Published EBITA	**1,850**	**1,011**	**2,862**	**2,055**	**849**	**2,904**
Group share of adjusted net income			**1,582**			**1,583**
Non-recurring items:						
Group share of published net income			**1,582**			**1,583**
Adjusted CFFO	**1,139**	**661**	**1,800**	**1,773**	**999**	**2,773**
Non-recurring items:						
License payments		-275	-275		-1,625	-1,625
Published CFFO	**1,139**	**386**	**1,525**	**1,773**	**-626**	**1,148**

The first quarter of 2019 was marked by the payment of MAD 1,334 million for the global Mobile license obtained in Burkina Faso and of MAD 292 million corresponding to the first tranche of the Sotelma license, following its extension to 4G, as well as the last tranche of the license in the Côte d'Ivoire.

Appendix 2: Impact of the adoption of IFRS 16

In accordance with IFRS 16 (leases) that came into force in January 2019, leases must be recognized in the balance sheet by recognizing an asset representing the right of use the leased property against a liability. On the income statement, the restatements consist of cancelling the rental charges, amortize the new rights of use and account a financial interest related to the new debt.

In Q1 2019, the impacts of this standard on Maroc Telecom's consolidated results are presented below:

	Q1- 2019		
(in MAD millions)	Morocco	International	Group
EBITDA	**52**	**58**	**110**
EBITDA	**8**	**6**	**14**
Group share of net income			**1.1**