ROYAUME DU MAROC
LE PREMIER MINISTRE

THE TELECOMMUNICATIONSSECTOR EVOLUTION AT 31stMARCH2012

1- Highlightsat 31stMarch 2012

Evolution of Tariffs (ARPM[1]),average usage[2]of fixed and mobile telephonyand the average monthly Internet bill per customer[3]

Mobile :

- The downward trend in mobile prices as measured by average revenue per minute (ARPM "Average Revenue Per Minute") continues. Indeed, the ARPM has dropped from 0.83 DHFoT/min at the end of March 2011 to 0.65 DHFoT/minat the end of March 2011 making a 22% drop.

- The average outgoing use per mobile customer has risen between March 2011 and March 2012 from 50 to 64 minutes/customer/month making a growth in the use of 28%.

Fixe :

- The downward trend in fixed prices as measured by average revenue per minute also continues. Indeed, the ARPM has dropped from 0.97DHFoT/minat the end of March 2011 to 0.86 DHHT/minat the end of March 2012 making a decrease of 11%.

- The average outgoing usage per fixed customer decreased by 7% between March 31, 2011 and March 31, 2012 from 128 minutes per month to 115 minutes per month.

Internet :

- The downward trend in prices measured by the average monthly bill for Internet customer is confirmed. Indeed, it has dropped from 83DHFoT/month/customer at the end of March 2011 to 55DHFoT/month/customer in March 31, 2012 making a decline of 34%.

- For 3G Internet, this bill has dropped from 62DHFoT/month/customerat the end of March 2011 to 38DHFoT/month/customerin March 31,

[1]ARPM: Average revenue per minute of communication is obtained by dividing the turnover free of Tax of the outgoing voice communications by the outgoing traffic in minutes.
[2]The average use is calculated by dividing outgoing traffic in minutes by average subscriber per month in the reporting period.
[3]The average monthly bill per customer is calculated by dividing turnover free of Tax by average Internet subscribers and the period in months.

2012marking a 40% drop. As for ADSL, it decreased from 132DHFoT/month/customerat the end of March 2011 to 127DHFoT/month/customerin March 31, 2012 making a 4% decline.

MOBILE TELEPHONY

- The number of mobile subscribers reached 36 238 612 at the end of March 2012 and continues its upward trend by recording anannually increase of 8.58%anddecreases by 0.86% aver the first quarter of 2012. Thepenetration rate of mobile telephony reached 112.59%at the end of March 2012 against 113.57% at end of December 2011.

- The number of mobile postpaid subscribers recorded a quarterly growth rate of 6.27%at the end of March 2012 against a decrease of 1.18% in the number of prepaid subscribers. The annual growth rate of postpaid subscribers is about 24.45% against 7.92% for prepaid subscribers.

- Outgoing mobile traffic has decreased quarterly by 0.53% and increased annually by 36.39%.

- SMS traffic has decreased quarterly by 23% and increased annually by 35.34%.

FIXED TELEPHONY

- The overall fixed line subscribers reached 3 534 567 at the end of March 2012 by making a slight decrease of 0.88%fromDecember 2011 and of 2.98% from March 2011. The penetration rate of fixed telephony is10.98% at the end of the first quarter of 2012.

- The outgoing fixed traffic during thefirst quarter recorded a decrease of 7.55% from December 2011 and of 12.38% from March 2011.

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INTERNET

- At the end of March 2012, the Internet accounts reached 3 400 899and recorded a quarterly growth rate of 6.88%and annually of 56.51%.The penetration rate of Internet is 10,57% at the end of the first quarter of 2012

- The 3G Internet subscribers (83.28% of the Internet accounts) had aquarterly growth rate of 9.33% and annually of 71.08%.

- The ADSL subscribers with at least 2 Mbits/s speed represent around99% of the accounts at the end of March 2012.

- The 3G Internet accounts combining voice with Data reached1 265 771 and recorded a quarterly growth rate of 16% and annually of 211.03%.

- The 3G Internet “Data only” reached 1 566 384 and recorded a quarterly growth rate of 4.48% and annually of 25.46%.

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2- Quarterly analysis of the market evolution

Mobile telephony market[4]

At the end of the first quarter of 2012, the number of mobile subscribers reached 36 238 612, with a slight quarterly decrease of 0.86%. From March 2011, this number increases by 8.58%.

The penetration rate reached 112.59%at the end of March 2012 against 113.57% in December 2011.

MOBILE ACCOUNTS

MOBILE TELEPHONY (in thousands)	Mar-11	Dec-11	Mar-12
Mobile accounts	33 375	36 554	36 239
Quarterly growth[5]	**1 393**	**404**	**- 315**
QuarterlyGrowth (%)[6]	**4.36%**	**1.12%**	**- 0.86%**
Penetration rate[7]	**104.78%**	**113.57%**	**112.59%**

Through the analysis of the evolution of the number of mobile subscribers for the first quarter of 2012, we notice that the number of subscribers of IAM reached 17194 (in thousands) against 17 126 (in thousands) at the end of December 2011 While the number of mobile subscribers of Medi Telecom reached 11 235(in thousands) (12 035thousands subscribers in December 2011) and for Wana Corporate this number reached 7 810(in thousands) against 7 393 (in thousands) subscribers in December 2011, carrying out a quarterly growth of 0.4% for IAM and of 5.64% for Wana Corporate and a quarterly decrease of 6.65% for Medi Telecom.

In terms of market share, the incumbent operator holds 47.45% of the mobile subscribers market followed by Medi Telecom with 31% and Wana corporate with 21.55%.

[4]This figure includes mobile subscribers to mobile telephony using the 2G and 3G networks.
[5]The growth at the quarter N equals to the difference between the market size of N and N-1.
[6]% of growth at the quarter N equals to the difference between the market size of N and N-1 divided by the market size of N-1.
[7] The penetration rate for mobile telephony is calculated on base of the population projections published by the Statistics Department/HCP and the General census of population 2004. Starting from March of the year N, the reference population for calculating this rate results from Statistics Department/HCP projections of the year N-1.

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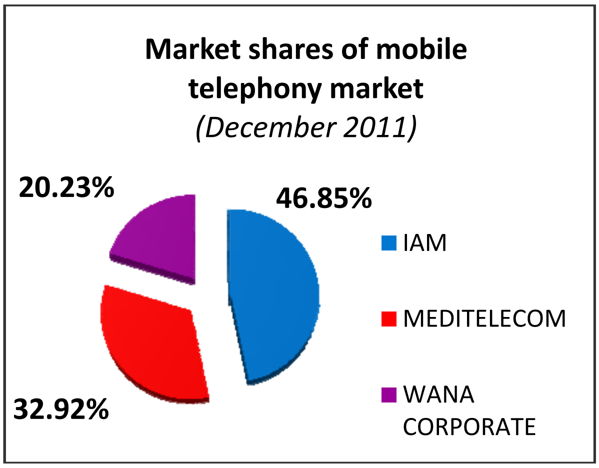
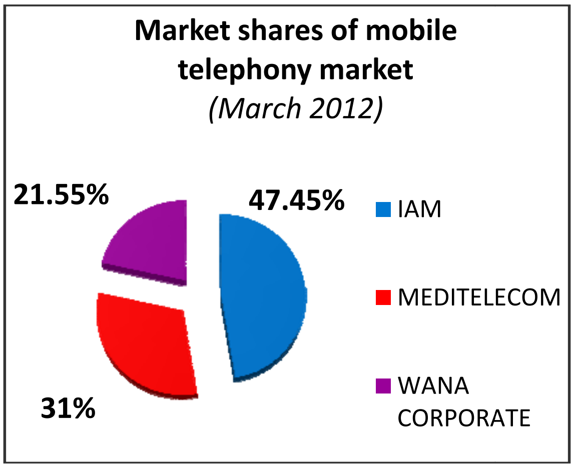
Market Shares at 31st December 2011 Market Shares at 31st March 2012





With regard to the distribution of mobile customers by type of subscription, we notice that there is no change in the structure of the market compared to the previous quarter and that prepaid always prevails with a share of 95.43% (95.74% at the end of December 2011) against 4.57% for post-paid.

The mobile post-paid closed the quarter with a rise by recording a quarterly growth of 6.27% andthe mobile prepaid decreases by 1.18% compared to December 2011. Over a year, the post-paid increases by 24.45% and the prepaid by 7.92%.

Post-paid accounts evolution

POST-PAID MARKET (in thousands)	Mar-11	Dec-11	Mar-12
Post-paidaccounts	1 329	1 557	1 655
Quarterly growth	**100**	**71**	**98**
Quarterly growth (%)	**8.16%**	**4.76%**	**6.27%**
Penetration rate	**4.17%**	**4.84%**	**5.14%**

Prepaid accounts evolution

PREPAID MARKET (in thousands)	Mar-11	Dec-11	Mar-12
Prepaidaccounts	32 046	34 997	34 584
Quarterly growth	**1 293**	**333**	**- 413**
Quarterly growth (%)	**4.20%**	**0.96%**	**- 1.18%**
Penetration rate	**100.61%**	**108.73%**	**107.45%**

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Outgoing Mobile Voice Traffic[8]

At the end of the first quarter of 2012, outgoing Mobile traffic achieved 6 456.49 million minutes which correspond to a slight decrease of 0.53% compared to the last quarter of 2011.Over a year, this traffic increases by 36.39%.

Outgoing Mobile Voice Traffic (in millions min)	1st Quarter 11	4th Quarter 11	1st Quarter 12
Outgoing Mobile Traffic	4 733.94	6 491.05	6 456.49
Quarterly growth	**433.19**	**215.9**	**- 34.56**
Quarterly growth (%)	**10.07%**	**3.44%**	**- 0.53%**

Outgoing SMS Traffic[9]

The number of SMS sent in the first quarter of 2012 is about 1 232.13 million units making a quarterly drop of 23%.Over a year, this traffic increases by 35.34%.

Mobile Outgoing SMS Traffic (in millions)	1st Quarter 11	4th Quarter 11	1st Quarter 12
Outgoing SMS Traffic	910.37	1 599.86	1 232,13
Quarterly growth	**- 190.60**	**106.16**	**- 367.73**
Quarterly growth	**- 17.31%**	**7.11%**	**- 22.99%**

[8]The outgoing voice traffic is the sum of minutes used by customers of the three operators of mobile telephony in a quarter.
[9]The outgoing SMS traffic is the sum of SMS sent by customers of the three operators of mobile telephony in a quarter.

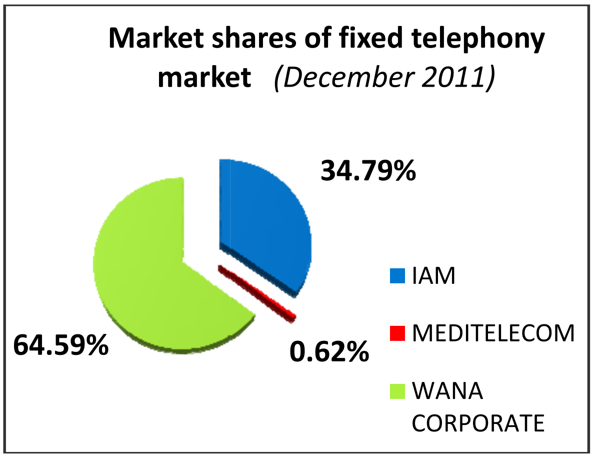
Fixed Telephony Market

At March 31st 2012, the number of subscribers recorded a slight decrease of 0.88% compared to the previous quarter. The total number of subscribers reached 3.534 56710 (against 3 566 076 at the end of December 2011) of which 2 255 463 subscribers used the fixed telephony with restricted mobility.

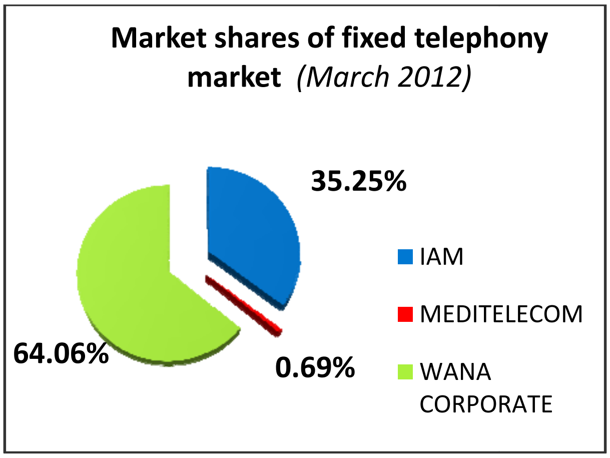
Consequently, the penetration rate of fixed telephony is 10.98% at the end of March 2012 against 11.08% in December 2011.

In terms of market share, WanaCorporate holds 64.06% of the fixed telephony subscriber followed by IAM with 35.25% and Medi Telecom with 0,69%.

Market Shares at 31st December 2011



Market Shares at 31st March 2012



FIXE ACCOUNTS

FIXED TELEPHONY	Mar-11	Dec-11	Mar-12
Fixed accounts	3 643 106	3 566 076	3 534 567
Restrictedmobility	2 377 618	2 294 781	2 255 463
Quarterly growth	- 106 258	42 369	- 31 509
Quarterly growth %	- 2.83%	1.2%	- 0.88%
Penetration rate	11 ;44%	11.08%	10.98%

[10]This figure includes residential and professional subscribers and payphones using fixed telephony network.

Residential subscribers

FIXED TELEPHONY	Mar-11	Dec-11	Mar-12
Residential accounts	3 097 732	3 054 626	3 032 186
Quarterly growth	**- 103 018**	**53 817**	**- 22 440**
Quarterly growth %	**- 3.22%**	**1.79%**	**- 0.73%**

Professional subscribers

FIXED TELEPHONY	Mar-11	Dec-11	Mar-12
Professional accounts	406 344	416 364	421 446
Quarterly growth	**3 316**	**3 454**	**5 082**
Quarterly growth %	**0.82%**	**0.84%**	**1.22%**

Outgoing Fixed Voice Traffic[11]

During the first quarter of 2012, subscribers of fixed telephony and those of fixed telephony with restricted mobility have made1 221.41 million minutes which corresponds to a decrease of 7.55% over a quarter and of 12.38% over a year.

Outgoing Fixed Voice Traffic (in million min)	1st Quarter 11	4th Quarter 11	1st Quarter 12
Outgoing Voice Traffic	1 394	1 321,18	1 221,41
Quarterly growth	**- 105.25**	**1.44**	**- 99.77**
Quarterly growth %	**- 7.02%**	**0.11%**	**- 7.55%**

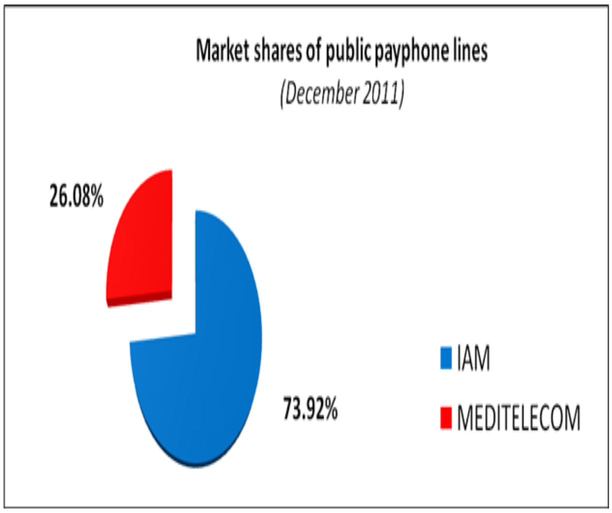
Public Payphones Market

[11]The outgoing voice traffic is the sum of minutes used by the three operator's customers of mobile telephony and restricted mobility in a quarter.

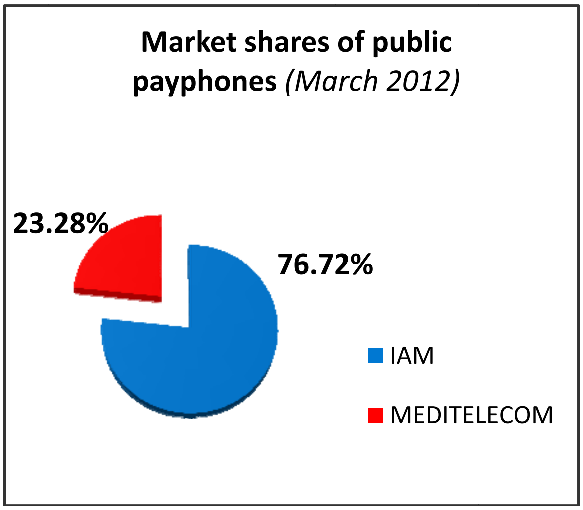
At March 31st 2012, the number of lines in public payphones recordedaquarterly dropof18% compared to December 2011 and of 39.75% compared to March 2011. The total number of lines in public payphones[12] reached 105 498(against 128 636 at the end of December 2011).

Public payphones	Mar-11	Dec-11	Mar-12
Number of lines	175 090	128 636	105 498
Quarterly growth	- 6 490	- 15 176	-23 138
Quarterly growth %	- 3.57%	- 10.55%	-17.99%

Market Shares at 31st December 2011



Market Shares at 31st March 2012



[12]The public payphones includes fixed and GSM phone shops, coin and card public telephones.

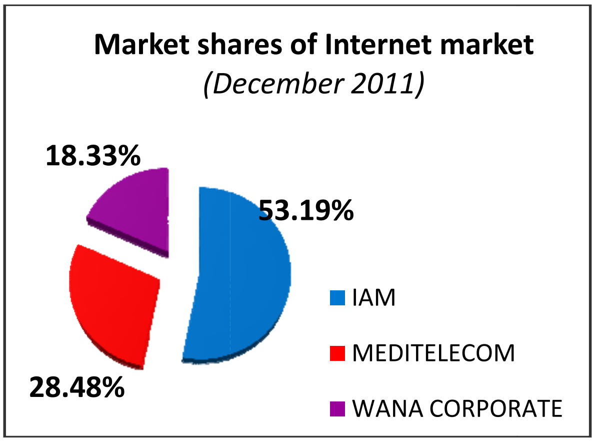
Internet Market

At 31st March 2012, the total Internet subscribers[13] reached 3 400 899carrying out an increase of6.88% over the first quarter of 2012 and of 56.51% compared to March 2011.

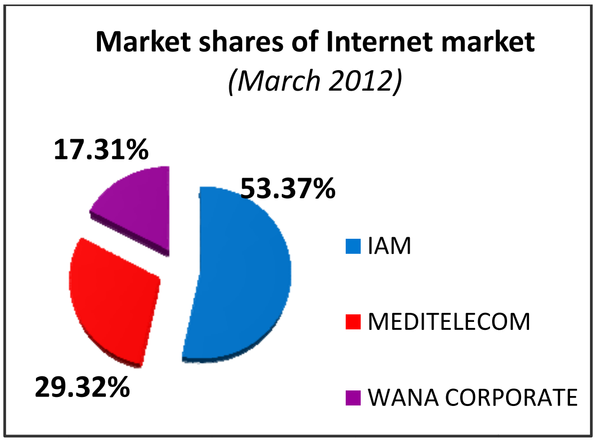
The penetration rate of Internet is 10.57%at the end of March 2012 against 9.89% in December 2011.

In terms of market share, IAM holds 53.37% of the Internet subscribers market followed by Medi Telecom with 29.32% and Wana Corporate with 17,31%.

Market Shares at 31st December 2011



Market Shares at 31st March 2012



Internetaccounts

INTERNET MARKET	Mar-11	Dec-11	Mar-12
Internet accounts	2 172 903	3 182 116	3 400 899
Quarterly growth	**305 940**	**300 143**	**218 783**
Quarterly growth %	**16.39%**	**10.41%**	**6.88%**

The number of the narrowband subscribers reached 819 in March 2012 which corresponds to a decrease of 5.21% over this quarter.

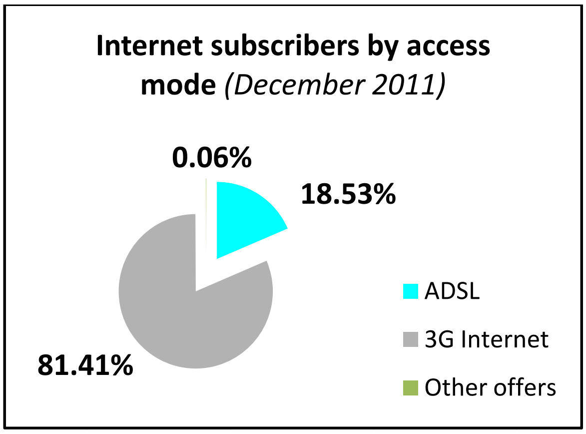
The number of ADSL subscribers' decreases by 3.87% over the first quarter of 2012. The annual evolution of the ADSL accounts is about + 9.97%. The Internet ADSL accounts is estimated at 566 879 at the end of the first quarter of 2012.

[13]Since the first quarter of 2011 and according to the new decision No. 06/11 of 25 January 2011 laying down detailed accounting of the 3G Internet subscribers and given the expansion of this service for Internet data access combined with the 3G mobile phone service as well as the significant development of the mobile phone market that supports this new generation technology (Smart Phones), the Internet observatory is modified. The park 3G Internet is nowpresented in two distinct parts, one relating to the park "Data only" and another for the park "Voice + Data". These two offers will be considered together in calculating the global Internet park while 3G offers combined "Voice + Data " were not recorded so far in the park 3G in previous publications.

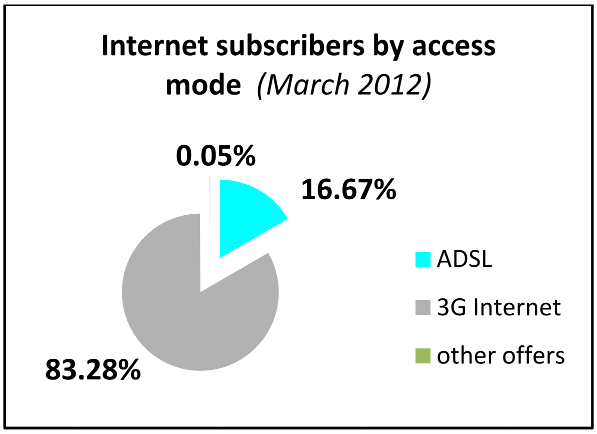
The estimated number of Internet access via Leased Lines (LL) stagnates (+0.58%) over the first quarter of 2012 and increases by 7.39% over a year.This number reached 1 046 subscribers in March 2012.

The distribution of subscribers by access mode is as follows, with a predominance of the 3G internet access, representing 83.28% of the global Internet market and broadband ADSL Internet access with 16.67%.

Internet subscribers by access mode at 31st December 2011



Internet subscribers by access mode at 31st March2012

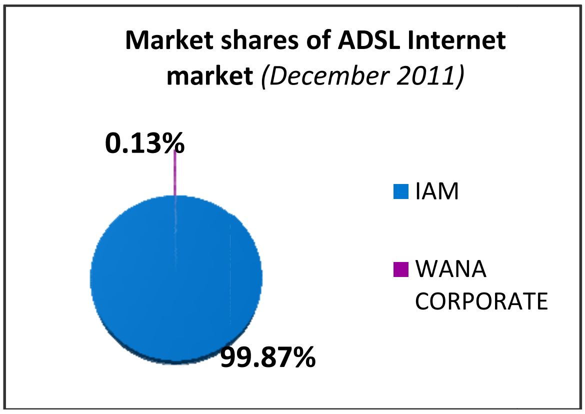


ADSL marketevolution

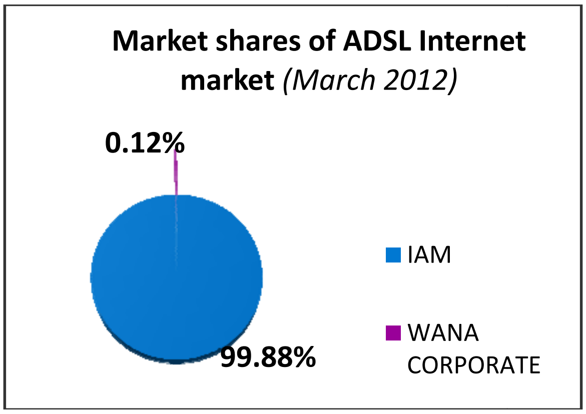
INTERNET ADSL	Mar-11	Dec-11	Mar-12
Internet ADSL accounts	515 464	589 678	566 879
Quarterly growth	**17 824**	**39 170**	**- 22 799**
Quarterly growth %	**3.58%**	**7.12%**	**- 3.87%**

In terms of market share, IAM holds 99.88% of the ADSL Internet accounts.

Market Shares at 31st December 2011



Market Shares at 31st March 2012



The ADSL Internet access accounts is made essentially of 2 Mbit/s which represents the largest share with 49.78% of the ADSL Internet market at the end of March 2012 followed by 8 Mbits/s (24.22%) and 4 Mbits/s (24%).

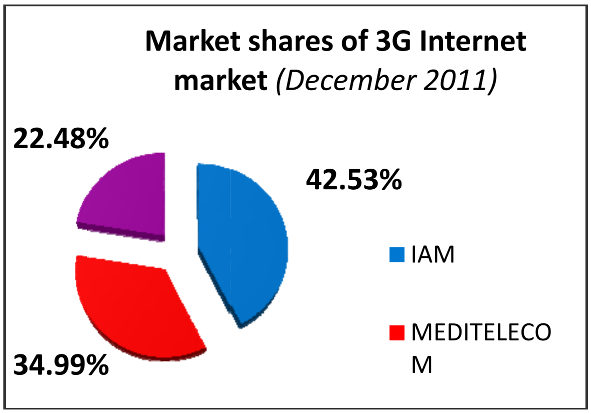
3G Internet Market evolution

At the end of March 2012, the number of 3G Internet subscribers reached 2 832.155 recording anincrease of9.33% over the first quarter of 2012 and 71.08% since March 2011.

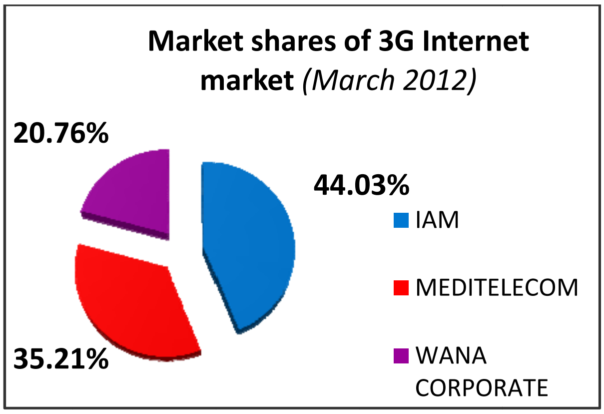
3G INTERNET	Mar-11	Dec-11	Mar-12
3G accounts	1 655 499	2 590 534	2 832 155
Quarterly growth	**289 027**	**260 973**	**241 621**
Quarterly growth %	**21.15%**	**11.20%**	**9.33%**

In terms of market share, IAM holds 44.03% of the 3G Internet accounts followed by Medi Telecom with 35.21% and Wana Corporate with 20.76%.

Market Shares at 31st December 2011



Market Shares at 31st March 2012



The 3G Internet "Data Only" accounts reached 1 566 384 subscribers at the end of March 2012 carrying a growth rate of 4.48% over the previous quarter. The 3G Internet "Voice + Data" accounts have reached 1 265 771 subscribers at the end of March 2012 by achieving a growth rate of 16% compared to the end of December 2011.

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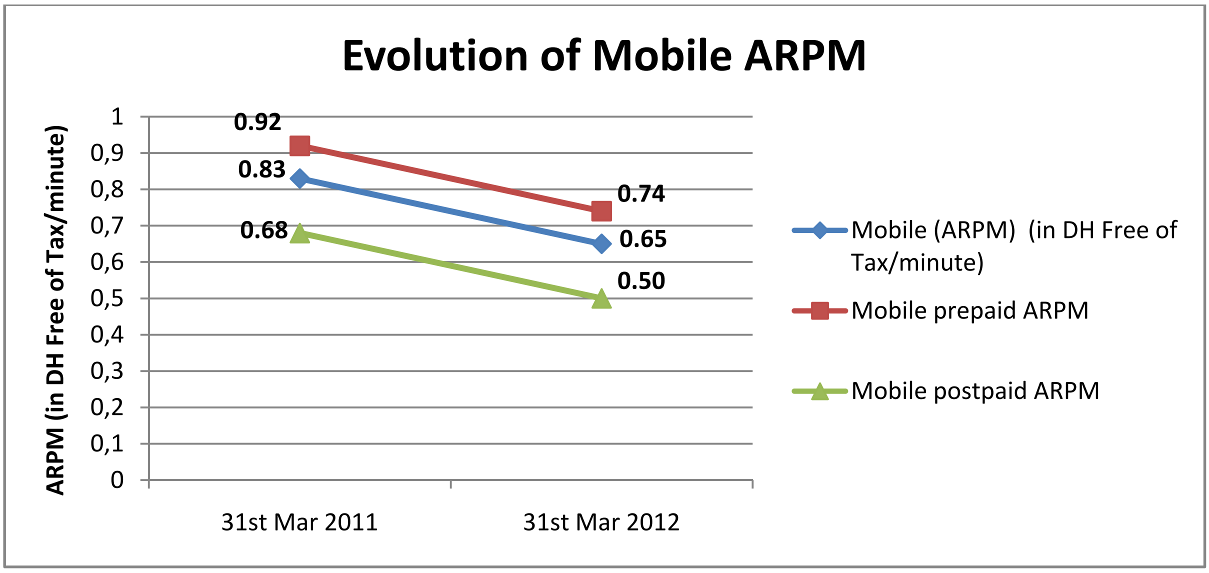
3- Analysis of the trend in prices (ARPM) at the end of the third quarter of 2011 and the average Fixed and Mobile outgoing use per customer and the average Internet monthly bill per customer

MOBILE MARKET

Mobile ARPMEvolution

	31st Mar 2011	31st Mar 2012	Evolution
Average revenue per minute (ARPM) of mobile telephone call (in DH Free of Tax /minute)	**0.83**	**0.65**	**- 22%**
➢ ***Mobile prepaidARPM***	***0.92***	***0.74***	***- 20%***
➢ ***Mobile postpaid ARPM***	***0.68***	***0.50***	***- 26%***



The downward trend in mobile prices as measured by average revenue per minute (ARPM "Average Revenue Per Minute") continues. Indeed, the ARPM has dropped from 0.83DHFoT/min at the end of March 2011 to 0.65DHFoT/minat the end of March 2011 making a 22% drop.

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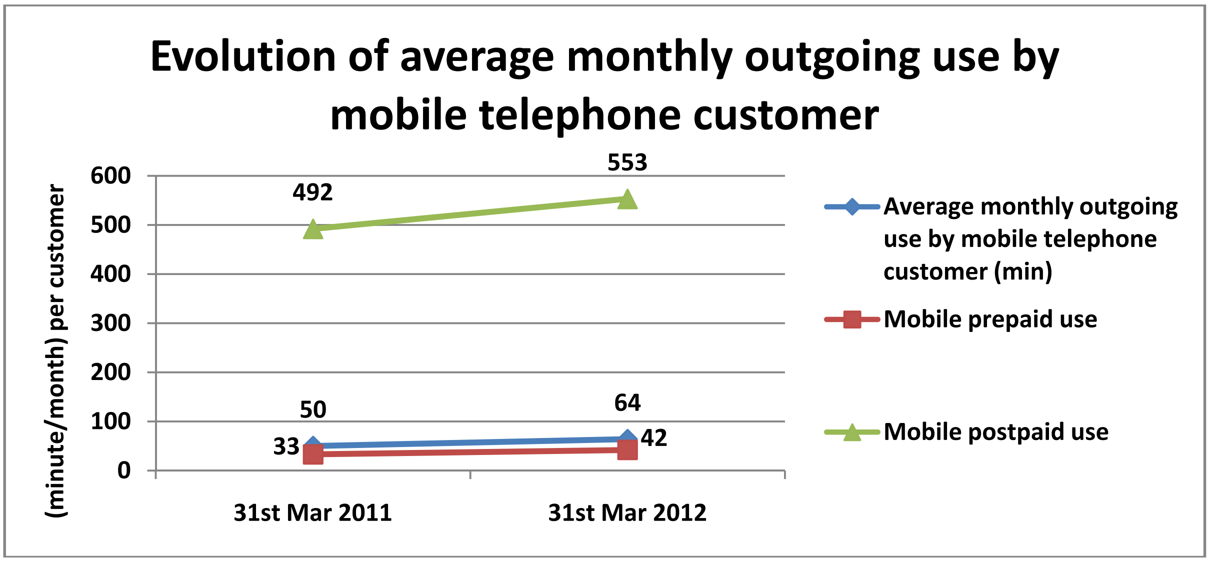
Evolution of average monthly outgoing use by mobile telephone customer[14]

	31st Mar 2011	31st Mar 2012	Evolution
Average monthly outgoing use by mobile telephone customer (in minute/month/customer)	50	64	28%
➢ *Mobile prepaid use*	*33*	*42*	*27%*
➢ *Mobile postpaid use*	*492*	*553*	*12%*



The average outgoing use per mobile customer has risen between March 2011 and March 2012 from 50 to 64 minutes/customer/month making a growth in the use of 28%.

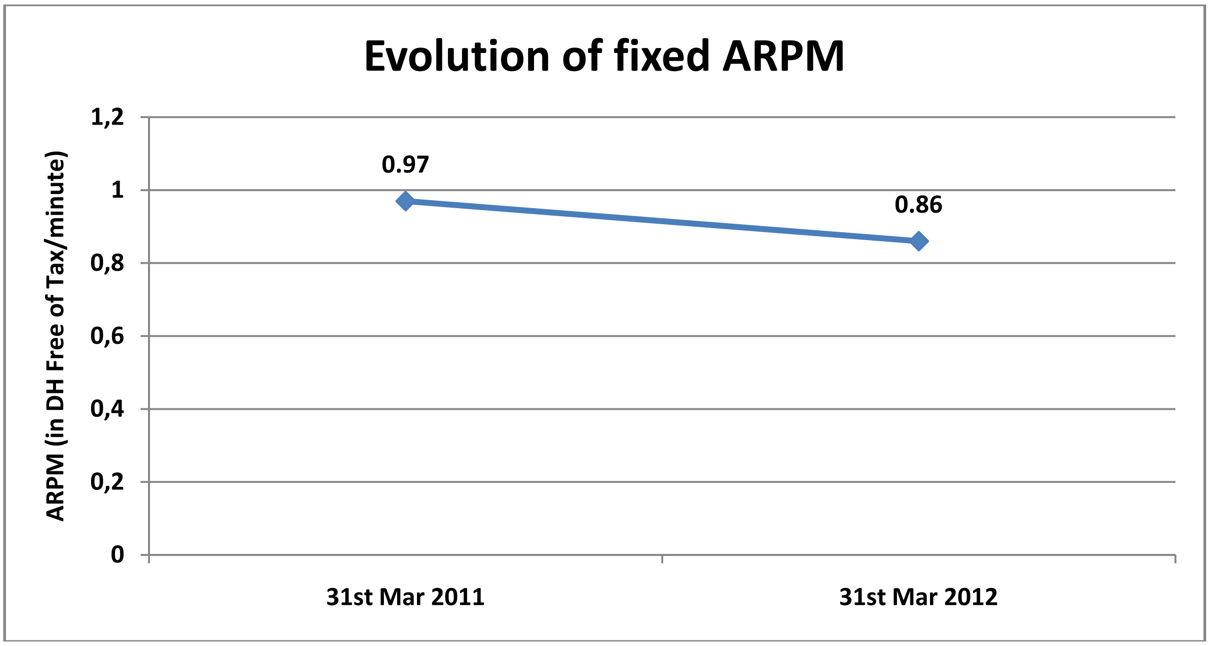
For prepaid usage, it has increased by 27% moving from 33 minutes/month to 42minutes per month while the postpaid use has increased by 12% from 492 minutes/month to 553 minutes per month.

[14]The average monthly outgoing use by mobile telephone customer is obtained by dividing the outgoing mobile telephone voice traffic in minutes by the average number of subscribers to mobile telephony and the period in months.

FIXED MARKET

FixedARPM Evolution

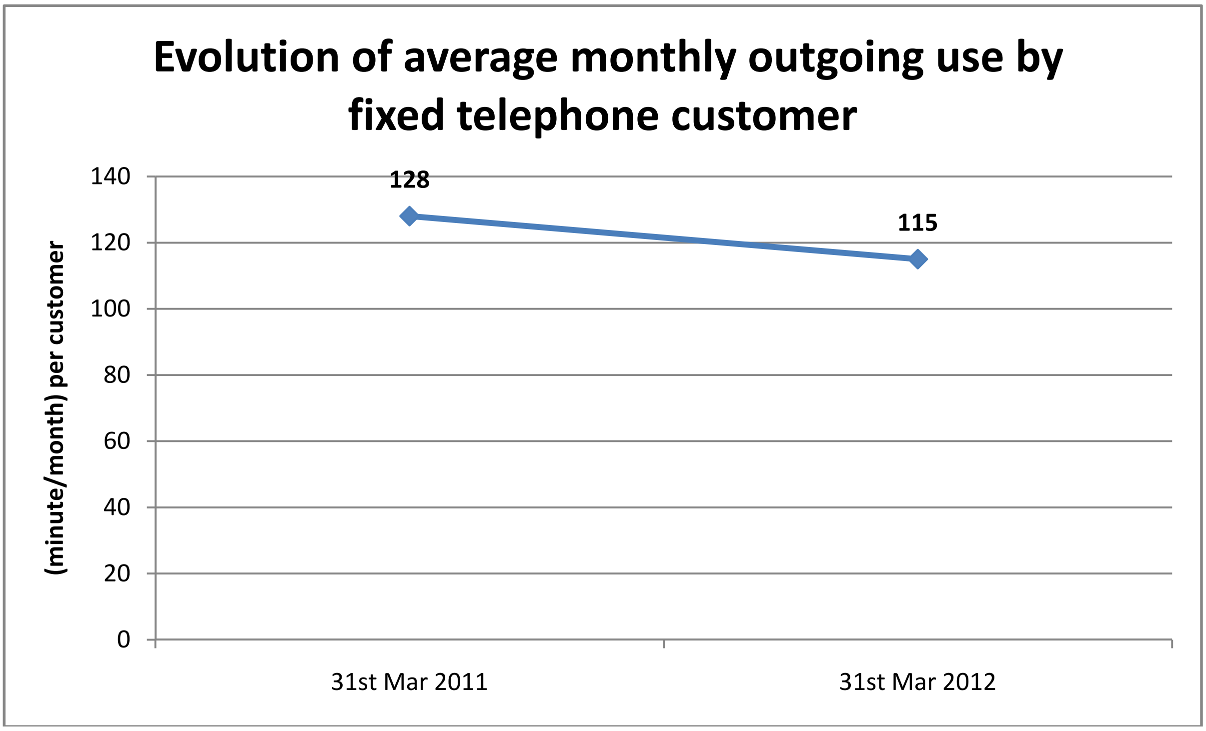
	31st Mar 2011	31st Mar 2012	Evolution
Average revenue per minute (ARPM) of fixed telephone callin DH Free of Tax /minute	0.97	0.86	- 11%



The downward trend in fixed prices as measured by average revenue per minute also continues. Indeed, the ARPM has dropped from 0.97 DHFoT/min at the end of March 2011 to 0.86 DHHT/min at the end of March 2012 making a decrease of 11%.

Evolution of average monthly outgoing use by fixed telephone customer[15]

	31st Mar 2011	31st Mar 2012	Evolution
Average monthly outgoing use by fixed telephone customer (in minute/month/customer)	128	115	- 10%



The average outgoing usage per fixed customer decreased by 7% between March 31, 2011 and March 31, 2012 from 128 minutes per month to 115 minutes per month.

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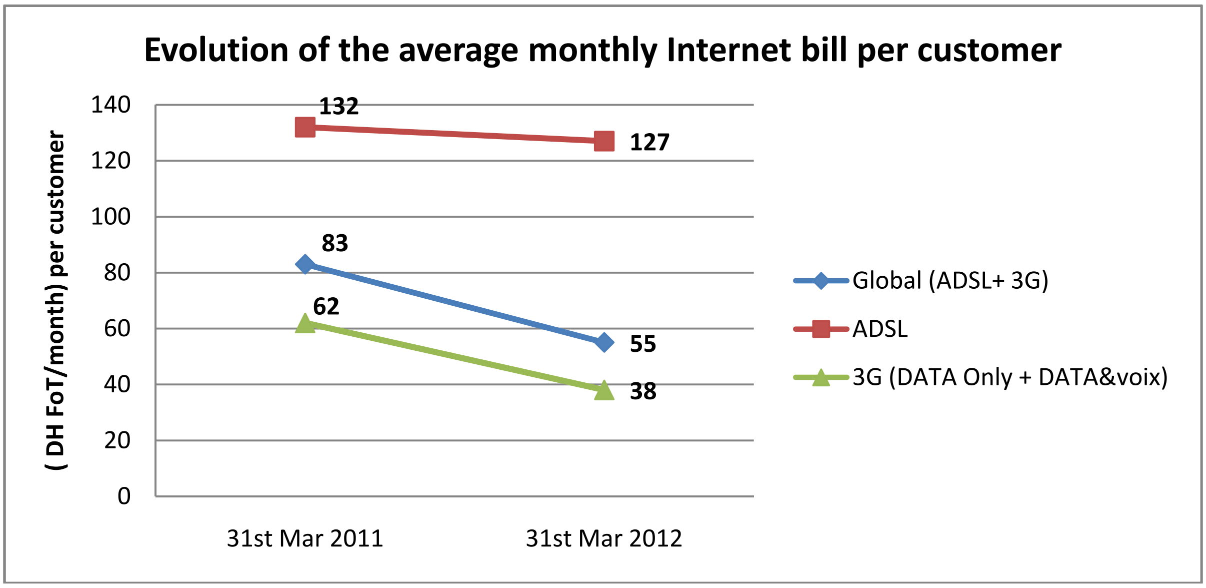
INTERNET MARKET

Evolution of the Internet average monthly bill per customer[16]

	31st Mar 2011	31st Mar 2012	Evolution
Internet average monthly bill per customer (in DH Free of Tax/month/customer)	83	55	-34%
➢ ADSL	*132*	*127*	*- 4%*
➢ 3G Access	*62*	*38*	*-39%*



The downward trend in prices measured by the average monthly bill for Internet customer is confirmed. Indeed, it has dropped from 83 DHFoT/month/customer at the end of March 2011 to 55 DHFoT/month/customer in March 31, 2012 making a decline of 34%.

For 3G Internet, this bill has dropped from 62 DHFoT/month/customerat the end of March 2011 to 38 DHFoT/month/customer in March 31, 2012 marking a 40% drop. As for ADSL, it decreased from 132 DHFoT/month/customerat the end of March 2011 to 127 DHFoT/month/customer in March 31, 2012 making a 4% decline.

[16]The average monthly bill per customer is calculated by dividing turnover free of tax by average Internet subscribers and the period in months.