ROYAUME DU MAROC
LE PREMIER MINISTRE

THE TELECOMMUNICATIONSSECTOR EVOLUTION AT 31st MARCH 2013

1- Highlights at 30st March 2013

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

Mobile Telephony:

- 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 0.65 DHFoT/min at the end of March 2012 to 0.51 DHFoT/min at the end of March 2013 making a 22% drop.

- The average outgoing use per mobile customer has risen between March 2012 and March 2013 from 64 to 72 minutes/customer/month making a growth in the use of 13%.

Fixed Telephony :

- The downward trend in fixed prices as measured by average revenue per minute also continues. Indeed, the ARPM has dropped from 0.86 DHFoT/min at the end of March 2012 to 0.66 DHHT/min at the end of March 2013 making a decrease of 23%.

- The average outgoing usage per fixed customer increased by 2% between March 31, 2012 and March 31, 2013 from 114 minutes per month to 116 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 55 DHFoT/month/customer at the end of March 2012 to 38 DHFoT/month/customer at the end of March 2013 outstanding a decline of 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.

- The bill of 3G Internet has dropped from 38 DHFoT/month/customer at the end of March 2012 to 25 DHFoT/month/customer at the end of March 2013 outstanding a 34% drop. While for ADSL, it moved from 127 DHFoT/month/customer at the end of March 2012 to 99 DHFoT/month/customer at the end of March 2013 making a 22% decline.

MOBILE TELEPHONY

- The number of mobile subscribers reached 39 516 521 at the end of March 2013 recording a quarterly increase of 1.28% and 9.05% compared to the same period of 2012. The penetration rate of mobile telephony reached 121.51% at the end of the first quarter of 2013.

- The number of mobile postpaid subscribers recorded a quarterly growth rate of 4.75% at the end of March 2013 and an annually growth of 17.96%. For the mobile prepaid subscribers, the quarterly growth rate is 1.11% and the annually growth is about 8.62%.

- Outgoing mobile traffic has reached 8.21 billion minutes in the first quarter of 2013 registering a quarterly decrease of 11.95% and an annually growth of 27.23%.

- SMS traffic is growing with about 2.05 billion outgoing SMS during the first quarter of 2013. This figure increased by 1.66% compared to the fourth quarter of 2012 and increased by 66.37% over a year.

FIXED TELEPHONY

- The overall fixed line subscribers reached 3 135 146 at the end of March 2013 by making a quarterly decrease of 4.39% and of 11.3% annually. The penetration rate of fixed telephony is 9.64% at the end of the first quarter of 2013.

- The outgoing fixed traffic during the first quarter reached nearly 1.19 billion minutes and recorded a quarterly increase of 6.39% and a yearly decrease of 2.72%.

INTERNET

- At the end of March 2012, the Internet accounts has exceeded 4 million and reached 4 061 432 by recording a quarterly growth rate of 2.64% and an annually one of 17.89%. The Internet penetration rate is about 12.49% at the end of the first quarter of 2013.

- The ADSL Internet subscribers recorded a quarterly growth rate of 6.02% and an annually one of 18.29%. The ADSL subscribers with at least

4Mbits/s speed represent 99% of the total accounts at the end of March 2013.

- The 3G Internet subscribers (82.16% of the Internet accounts) made a quarterly growth rate of 1.94% and of 17.82% over a year.

- The 3G Internet accounts combining voice with Data reached 1 706 751 and recorded a quarterly growth rate of 3.93% and an annually one of 34.84%.

- The 3G Internet "Data Only" accounts stagnates (- 0.08%) and reached 1 630 167 subscribers at the end of March 2013. Over a year, this figure is growing by 4.07%.

2- Market analysis of the quarterly evolution

Mobile telephony market[4]

At the end of March 2012, the number of mobile subscribers reached 39 516 521, with a quarterly increase of 1.28% and annually of 9.05%. From September 2011, this number increased by 5.91%.

The penetration rate reached 121.51% at the end of March 2013 against 119.97% in December 2012.

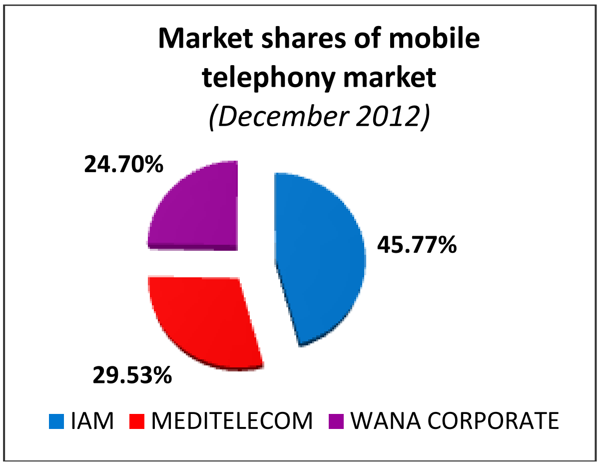
MOBILE ACCOUNTS

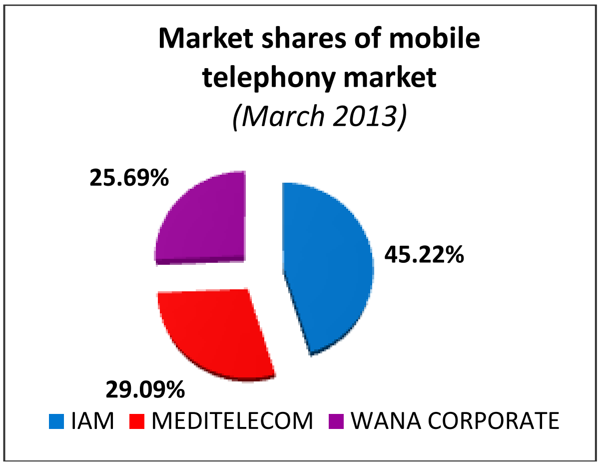
MOBILE TELEPHONY (in thousands)	Mar-12	Dec-12	Mar-13
Mobile accounts	36 239	39 016	39 516
Quarterly growth[5]	**- 315**	**729**	**500**
Quarterly growth (%)[6]	**- 0.86%**	**1.90%**	**1.28%**
Penetration rate[7]	**112.59%**	**119.97%**	**121.51%**

Through the analysis of the mobile subscribers evolution for the first quarter of 2013, we notice that the number of IAM mobile subscribers reached 17 871 (in thousands) against 17 855 (in thousands) at the end of December 2012 While the number of Medi Telecom mobile subscribers reached 11 495 (in thousands) (11 523 thousands subscribers in December 2012) while Wana Corporate mobile subscribers moved from 9 638 (in thousands) subscribers in December 2012 to 10 150 (in thousands) in March 2013. Therefore, the quarterly growth is 5.31% for Wana Corporate, a stagnation for IAM (+0,09%) and a slight decrease of 0,24% for Medi Telecom.

In terms of market share, the incumbent operator holds 45.22% of the mobile subscribers market followed by Medi Telecom with 29.09% and Wana corporate with 25.69%.

[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.





With regard to the distribution of mobile customers by type of subscription, we notice that prepaid mode always prevails with a share of 95.06% against 4.94% for post-paid mode.

The mobile post-paid subscribers closed the quarter with a rise by recording a quarterly growth of 4.75% while the mobile prepaid subscribers increased by 1.11% compared to December 2012. Over a year, the growth for post-paid was about 17.96% against 8.62% for prepaid.

Post-paid accounts evolution

POST-PAID MARKET (in thousands)	Mar-12	Dec-12	Mar-13
Post-paid accounts	1 655	1 863	1 952
Quarterly growth	**98**	**79**	**88**
Quarterly growth (%)	**6.27%**	**4.40%**	**4.75%**
Penetration rate	**5.14%**	**5.73%**	**6.00%**

Pre-paid accounts evolution

PRE-PAID MARKET (in thousands)	Mar-12	Dec-12	Mar-13
Pre-paid accounts	34 584	37 153	37 564
Quarterly growth	**- 413**	**651**	**412**
Quarterly growth (%)	**- 1.18%**	**1.78%**	**1.11%**
Penetration rate	**107.45%**	**114.24%**	**115.51%**

Outgoing Mobile Voice Traffic[8]

At the end of the first quarter of 2013, outgoing mobile traffic achieved 8 214.66 million minutes which correspond to a 11.95% decrease compared to the fourth quarter of 2012. Over a year, this traffic increased by 27.23%.

Outgoing Mobile Voice Traffic (in millions min)	1st Quarter 12	4th Quarter 12	1st Quarter 13
Outgoing Mobile Traffic	6 456,49	9 329,63	8 214,66
Quarterly growth	**- 34.56**	**331.56**	**- 1 114.97**
Quarterly growth (%)	**- 0.53%**	**3.68%**	**- 11.95%**

Outgoing SMS Traffic[9]

The number of outgoing SMS in the first quarter of 2013 is about 2 049.87 million units making a quarterly growth of 1.66%. Over a year, this traffic increased by 66.37%.

Mobile Outgoing SMS Traffic (in million of units)	1st Quarter 12	4th Quarter 12	1st Quarter 13
Outgoing SMS Traffic	1 232,13	2 016,36	2 049,87
Quarterly growth	**- 367.73**	**136.36**	**33.51**
Quarterly growth rate	**- 22.99%**	**7.25%**	**1.66%**

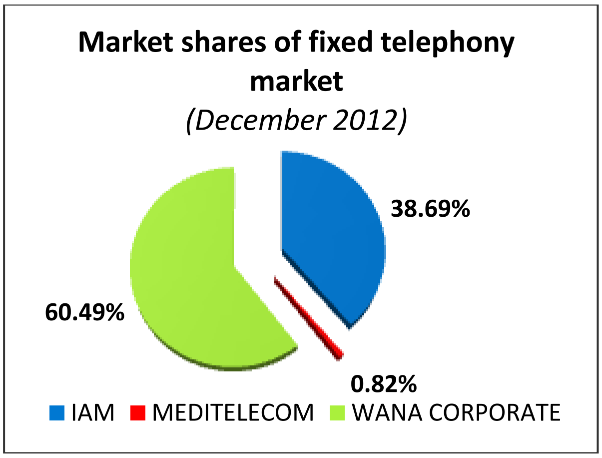
[8] The outgoing voice traffic is the sum of minutes used by the three operator's mobile telephony customers in a quarter.
[9] The outgoing SMS traffic is the sum of outgoing SMS sent by the three operator's mobile telephony customers.

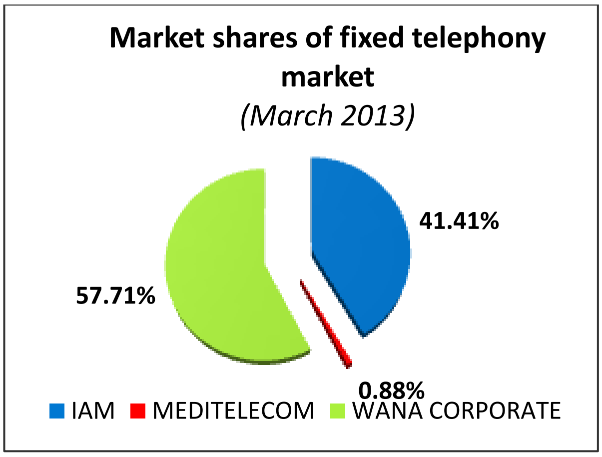
Fixed Telephony Market

At March 31st 2013, the number of subscribers recorded a quarterly decrease of 4.39% and an annually one of 11.3%. The total number of subscribers reached 3 135 146 of which 1 683 178 subscribers use the fixed telephony with restricted mobility.

The fixed telephony penetration rate is 9.64% at the end of March 2013 against 10.08% in December 2012.

In terms of market share, Wana Corporate holds 57.71% of the fixed telephony market followed by IAM with 41.41% and Medi Telecom with 0.88%.





FIXED ACCOUNTS

FIXED TELEPHONY	Mar-12	Dec-12	Mar-13
Fixed accounts	3 534 567	3 279 054	3 135 146
Restricted mobility	2 255 463	1 871 734	1 683 178
Quarterly growth	- 31 509	- 39 603	- 143 908
Quarterly growth %	- 0.88%	- 1.19%	- 4.39%
Penetration rate	10.98%	10.08%	9.64%

Residential subscribers

FIXED TELEPHONY	Mar-12	Dec-12	Mar-13
Residential accounts	3 032 186	2 798 052	2 655 038
Quarterly growth	- 22 440	- 37 041	- 143 014
Quarterly growth %	- 0.73%	- 1.31%	- 5.11%

Professional subscribers

FIXED TELEPHONY	Mar-12	Dec-12	Mar-13
Professional accounts	421 446	426 307	429 553
Quarterly growth	**5 082**	**2 493**	**3 246**
Quarterly growth %	**1.22%**	**0.59%**	**0.76%**

Outgoing Fixe Voice Traffic[10]

During the first quarter of 2013, the fixe voice traffic was about 1 188.20 million minutes which corresponds to a quarterly growth of 6.39% and an annually decrease of 2.72%.

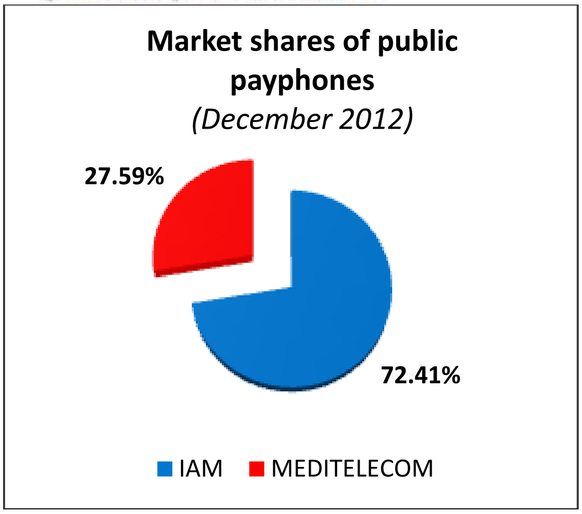
Outgoing Fixed Voice Traffic (in million min)	1st Quarter 12	4th Quarter 12	1st Quarter 13
Outgoing Voice Traffic	1 221,41	1 116,79	1 188,20
Quarterly growth	**- 99.77**	**74.46**	**71.42**
Quarterly growth rate	**- 7.55%**	**7.14%**	**6.39%**

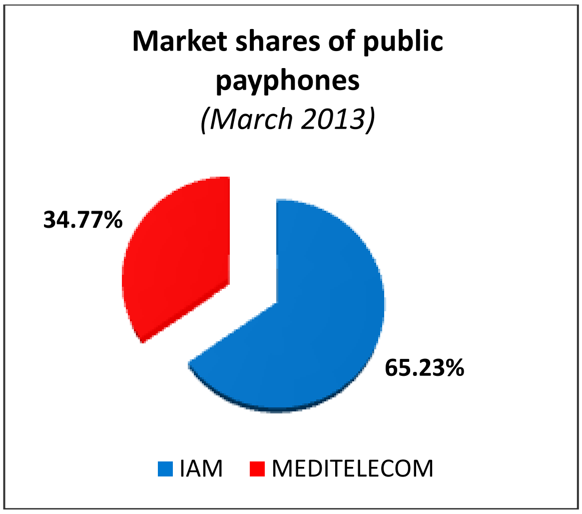
Public Payphones Market

At March 31st 2013, the number of lines in public payphones recorded a quarterly growth of 2.6% and a decrease of 26.54% compared to March 2012. The total number of lines in public payphones[11] reached 77 498 at end of March 2013.

Public payphones	Mar-12	Dec-12	Mar-13
Number of lines	105 498	75 532	77 498
Quarterly growth	**- 23 138**	**- 6 647**	**1 966**
Quarterly growth %	**- 17.99%**	**- 8.09%**	**2.60%**

[10] 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.
[11] The public payphones includes fixed and GSM phone shops, coin and card public telephones.



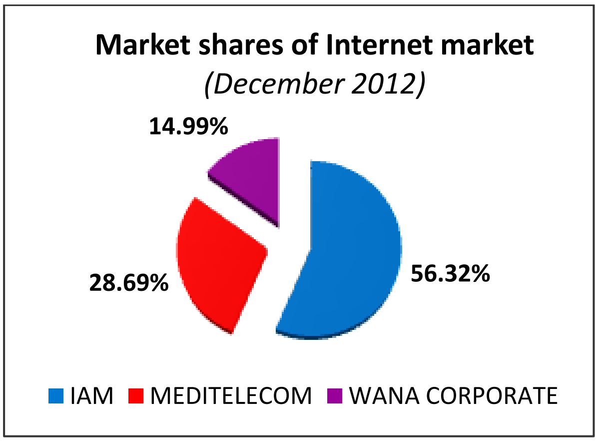


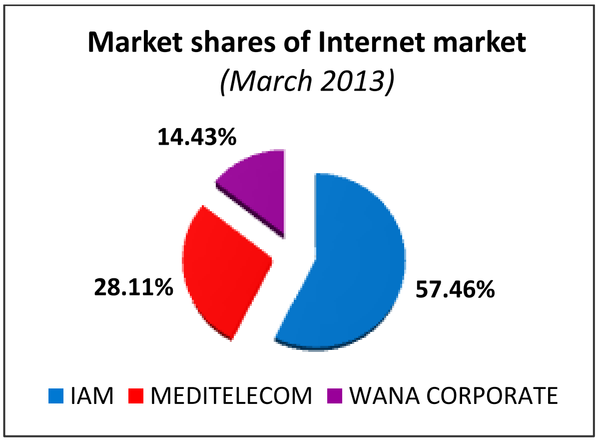
Internet Market

At the end of March 2013, the total Internet subscribers[12] has exceeded 4 million and reached 4 061 432 by recording a quarterly growth rate of 2.64% and an annually one of 17.89%.

The Internet penetration was about 12.49% at the end of March 2013.

In terms of market share, IAM holds 57.46% of the Internet subscribers market followed by Medi Telecom with 28.11% and Wana Corporate with 14.43%.





[12] 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.

Internet accounts

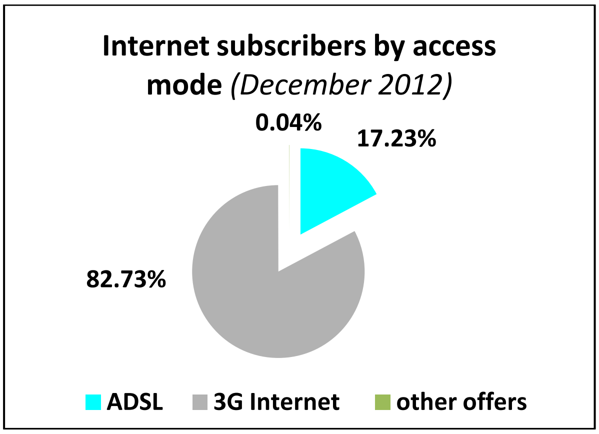
INTERNET MARKET	Mars-12	Dec-12	Mars-13
Internet accounts	3 444 969	3 957 068	4 061 432
Quarterly growth	**262 853**	**80 441**	**104 364**
Quarterly growth %	**8.26%**	**2.08%**	**2.64%**

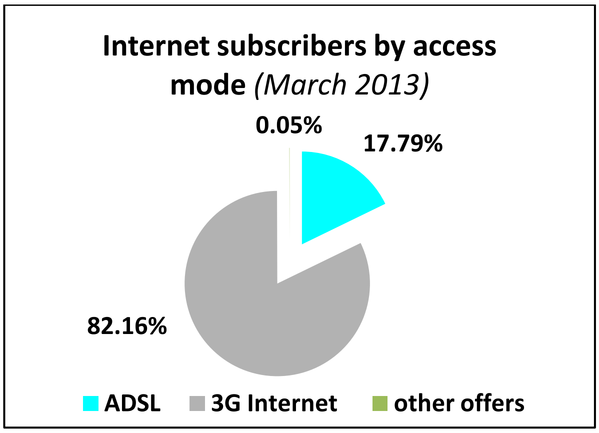
The number of the narrowband subscribers reached 757 in March 2013 which corresponds to a decrease of 2.2% over the first quarter.

The number of ADSL subscribers increased by 6.02% over the first quarter of 2013. The annual evolution of the ADSL accounts is about 18.29%. The Internet ADSL accounts achieved 722 701 at the end of March 2012.

The estimated number of Internet access via Leased Lines (LL) achieved 1 056 at the end of March 2013. This number stagnates (- 0.19%) over a quarter and increased by 0.96% annually.

The 3G internet access, represents 82.16% of the global Internet market followed by the ADSL Internet access with 17.79%.

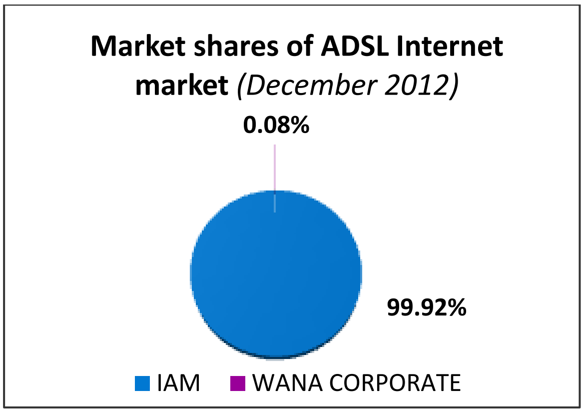


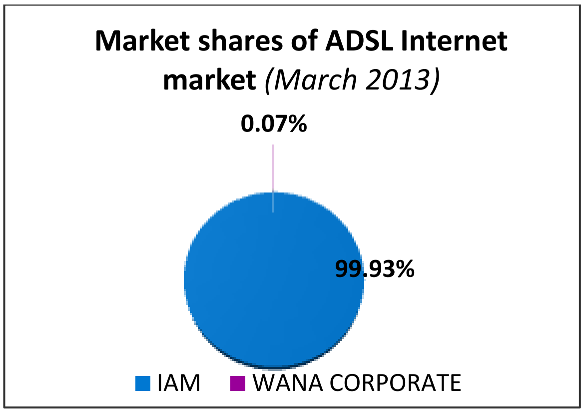


ADSL market evolution

INTERNET ADSL	Mars-12	Dec-12	Mars-13
ADSL accounts	610 949	681 673	722 701
Quarterly growth	**21 271**	**34 911**	**41 028**
Quarterly growth %	**3.61%**	**5.40%**	**6.02%**

In terms of market shares, IAM holds 99.93% of the ADSL Internet accounts.





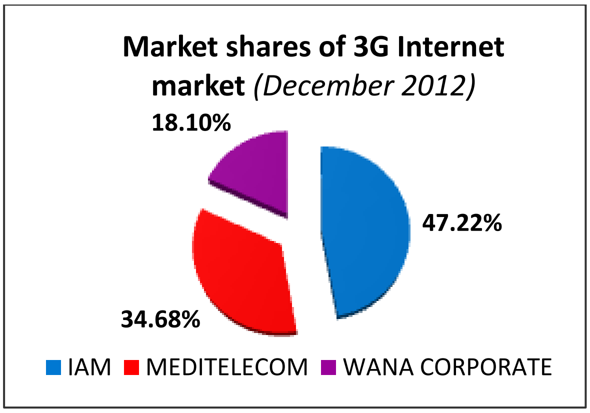
The ADSL Internet access accounts is made essentially of 4 Mbit/s which represents the largest share with 67.14% of the ADSL Internet market followed by 8 Mbits/s (17.63%) and 12 Mbits/s (13.23%) at the end of March 2013.

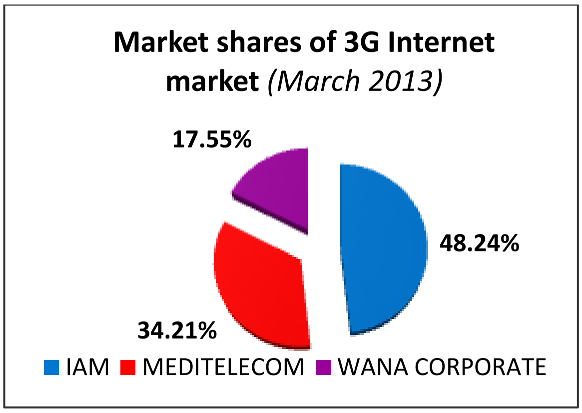
3G Internet market evolution

At the end of March 2013, the number of 3G Internet subscribers reached 3 336 918 recording an increase of 1.94% over the first quarter of 2013 and 17.82% since March 2012.

3G INTERNET	Mars-12	Dec-12	Mars-13
3G accounts	2 832 155	3 273 563	3 336 918
Quarterly growth	**241 621**	**45 560**	**63 355**
Quarterly growthrate	**9.33%**	**1.41%**	**1.94%**

In terms of market share, IAM holds 48.24% of the 3G Internet accounts followed by Medi Telecom with 34.21% and Wana Corporate with 17.55%.





The 3G Internet "Data Only" accounts stagnates (- 0.08%) and reached 1.630.167 (48.85%) subscribers at the end of March 2013.

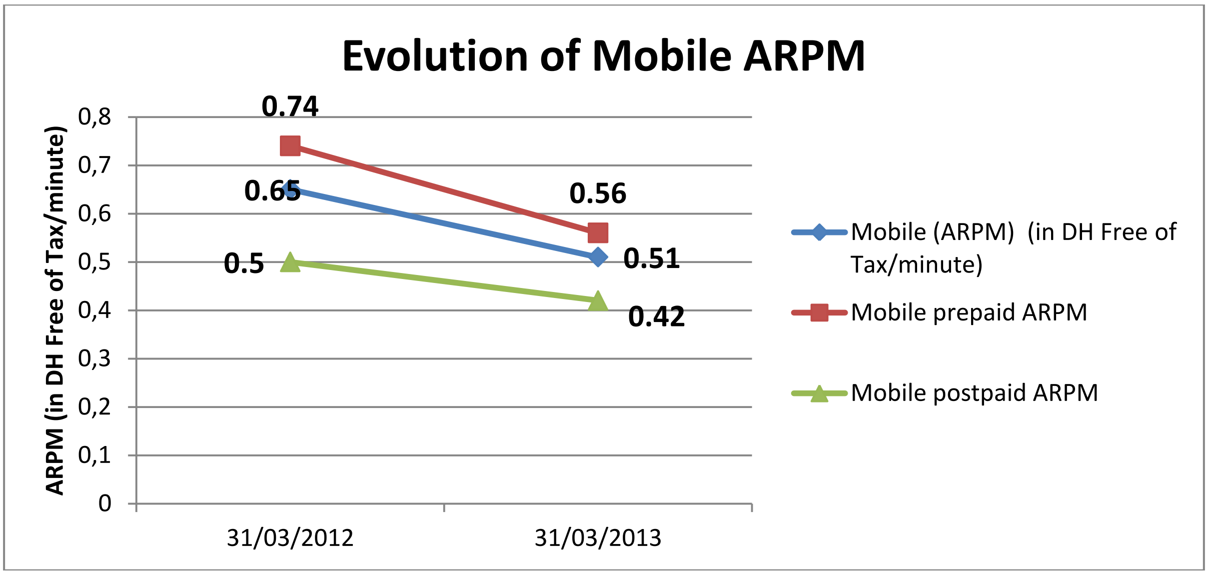
The 3G Internet "Voice + Data" accounts reached 1 706 751 (51.15%) subscribers at the end of March 2013 by achieving a quarterly growth of 3.93%.

3- Analysis of the trend in prices (ARPM), the average Fixed and Mobile outgoing use per customer and of the average Internet monthly bill per customer

MOBILE MARKET

Mobile ARPM Evolution

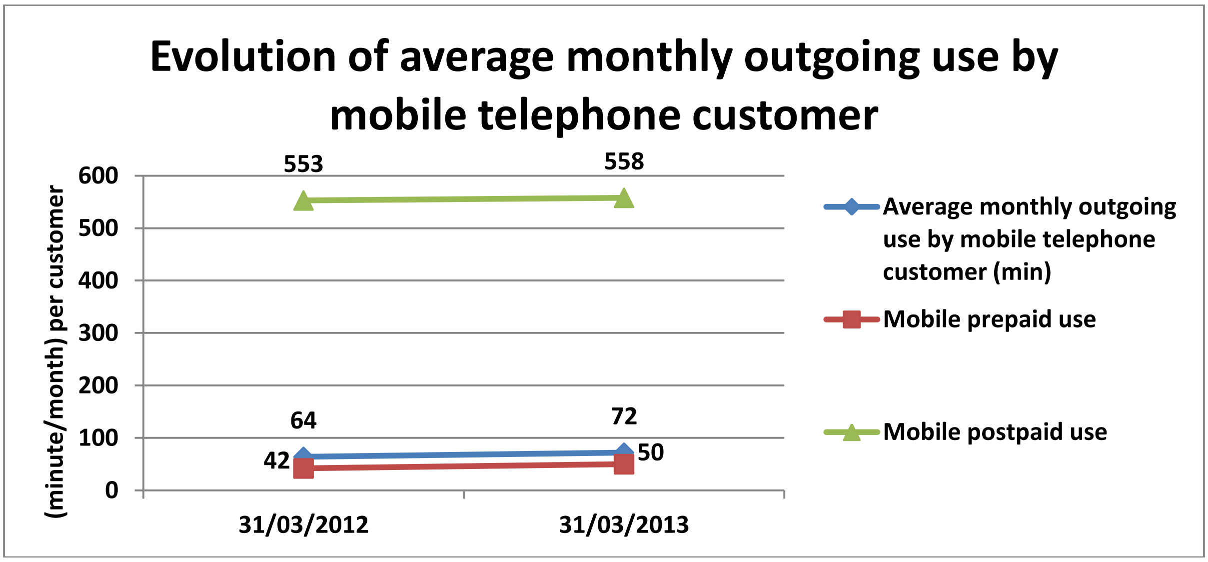
	31/03/2012	31/03/2013	Evolution
Average revenue per minute (ARPM) of mobile telephone (in DH Free of Tax /minute)	**0.65**	**0.51**	**- 22%**
➢ *Mobile prepaidARPM*	*0.74*	*0.56*	*- 24%*
➢ *Mobile postpaid ARPM*	*0.5*	*0.42*	*- 16%*



The downward trend in mobile prices as measured by average revenue per minute (ARPM "Average Revenue Per Minute") continues. Indeed, the ARPM had dropped from 0.65 DHFoT/min at the end of March 2012 to 0.51 DHFoT/min at the end of March 2013 making a 22% drop.

Evolution of average monthly outgoing use by mobile telephone customer[13]

	31/03/2012	31/03/2013	Evolution
Average monthly outgoing use by mobile telephone customer (in minute/month/customer)	**64**	**72**	**13%**
➢ ***Mobile prepaid use***	***42***	***50***	***19%***
➢ ***Mobile postpaid use***	***553***	***558***	***1%***



The average outgoing use per mobile customer has risen between March 2012 and March 2013 from 64 to 72 minutes/customer/month making a growth in the use of 13%.

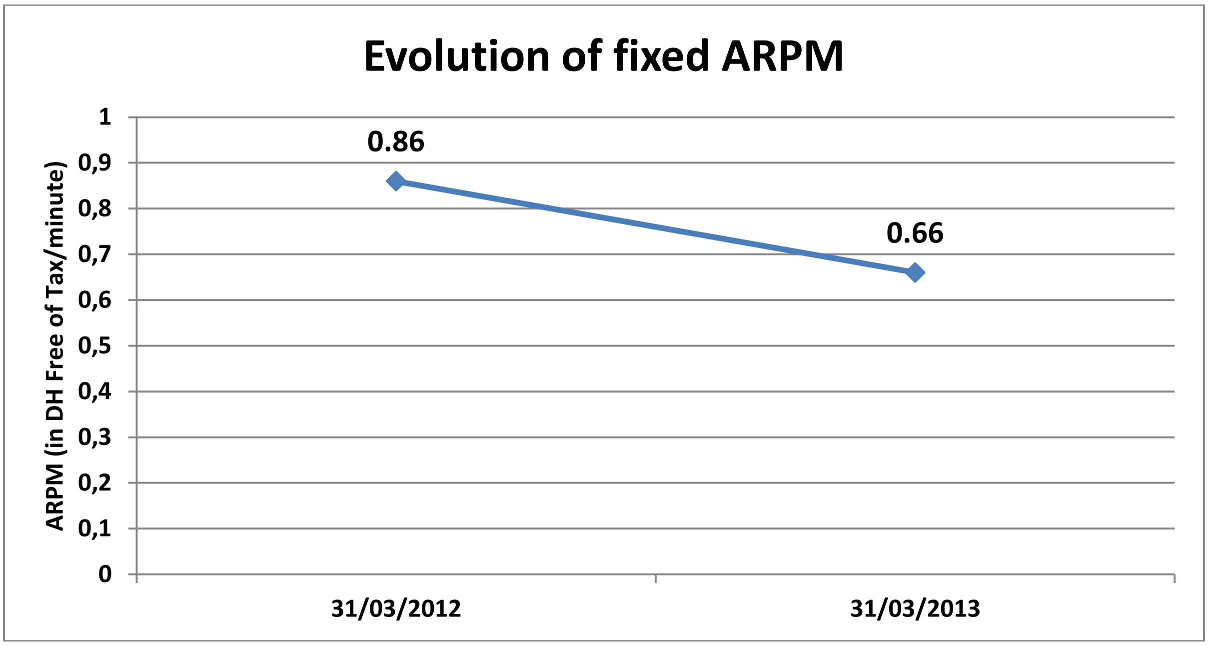
The Pre-paid usage has increased by 19% moving from 42 minutes/month to 50 minutes per month while the postpaid use has increased by 1% from 553 minutes/month to 558 minutes per month.

[13] 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

Fixed ARPM Evolution

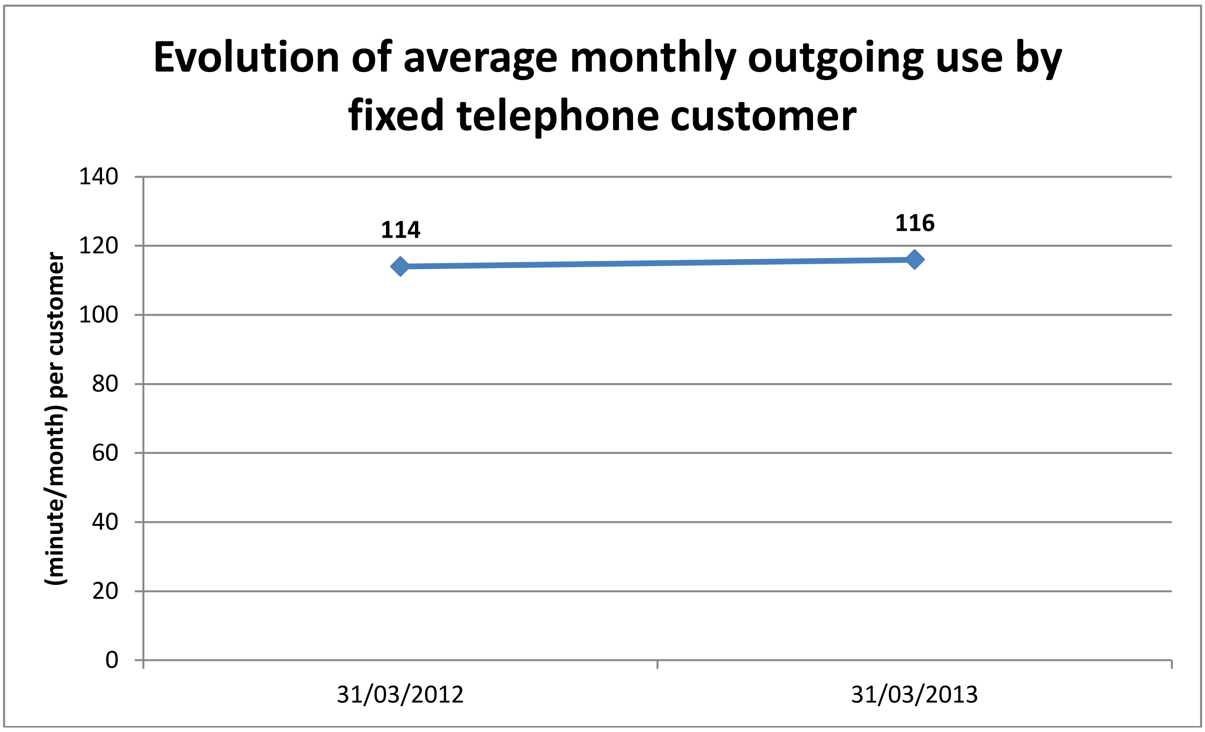
	31/03/2012	31/03/2013	Evolution
Average revenue per minute (ARPM) of fixed telephone in DH Free of Tax /minute	0.86	0.66	- 23%



The downward trend in fixed prices as measured by average revenue per minute also continues. Indeed, the ARPM had dropped from 0.86 DHFoT/min at the end of March 2012 to 0.66 DHHT/min at the end of March 2013 making a decrease of 23%.

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

	31/03/2012	31/03/2013	Evolution
Average monthly outgoing use by fixed telephone customer (in minute/month/customer)	114	116	2%



The average outgoing usage per fixed customer increased by 2% between March 31, 2012 and March 31, 2013 from 114 minutes per month to 116 minutes per month.

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

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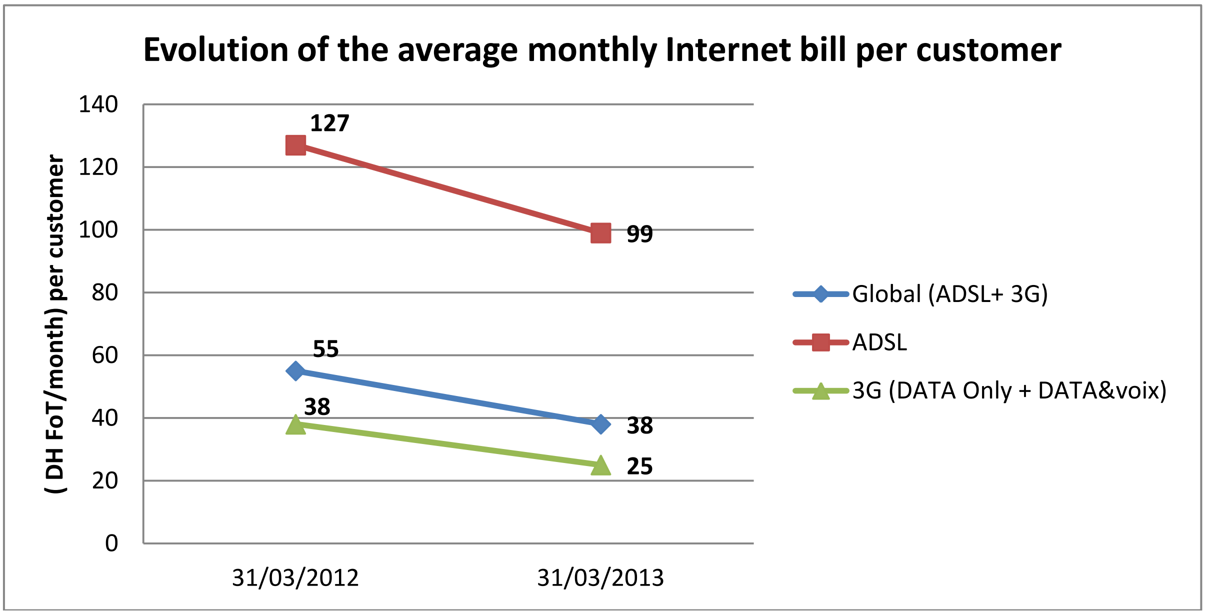
INTERNET MARKET

Evolution of the Internet average monthly bill per customer[15]

	31/03/2012	31/03/2013	Evolution
Internet average monthly bill per customer (in DH Free of Tax/month/customer)	**55**	**38**	**- 31%**
➢ ADSL	***127***	***99***	***- 22%***
➢ 3G Access	***38***	***25***	***- 34%***



The downward trend in prices measured by the average monthly bill for Internet customer is confirmed. Indeed, it had dropped from 55 DHFoT/month/customer at the end of March 2012 to 38 DHFoT/month/customer at the end of March 2013 outstanding a decline of 31%.

The bill of 3G Internet has dropped from 38 DHFoT/month/customer at the end of March 2012 to 25 DHFoT/month/customer at the end of March 2013 outstanding a 34% drop. While for ADSL, it moved from 127 DHFoT/month/customer at the end of March 2012 to 99 DHFoT/month/customer at the end of March 2013 making a 22% decline.

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