ANALYSIS OF THE TELECOMMUNICATIONS SECTOR EVOLUTION AT 30th JUNE 2011

1- Highlights at 30 June 2011

Evolution of Tariffs (ARPM[1]), average usage[2] of fixed and mobile telephony and 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 **1.29 DHFoT/min in the first half (H1) 2010 to 0.78 DHFoT/min** in the first half (H1) 2011 making a **40% drop**.

- The average outgoing use per mobile customer has risen between H1 2010 and H1 2011 from **38 to 55 minutes/customer/month** making a **growth in the use of 46%.**

Fixe :

- The downward trend in fixed prices as measured by average revenue per minute also continues. Indeed, the **ARPM has dropped from 0.81 DHFoT/min** in the first half (S1) in 2010 to **0.69 DHHT/min** in the first half (H1) 2011 making a **decrease of 14%.**

- The average outgoing usage per fixed customer **decreased by 7%** between June 30, 2010 and June 30, 2011 from **141** minutes per month to **131** 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 108 DHFoT/month/customer in the first half (H1) 2010 to 70**

[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 (6 months)
[3]The average monthly bill per customer is calculated by dividing turnover free of Tax by average Internet subscribers and the period in months (6 months).

DHFoT/month/customer in the first half (H1) 2011 making **a decline of 35%**.

- For **3G Internet**, this bill has dropped from **84 DHFoT/month/customer** in the first half (H1) 2010 to **51 DHFoT/month/customer** in the first half (H1) 2011 marking a 40% drop. As for **ADSL**, it increased from **143 DHFoT/month/customer** in the first half (H1) 2010 to **127 DHFoT/month/customer** in the first half (H1) 2011 making a 11% decline.

MOBILE TELEPHONY

- The mobile subscribers continue its upward trend by recording a quarterly increase of **4.79% at the end of the second quarter of 2011** and showing a **penetration rate of 108.66%** against 104.78% at end March 2011.

- The **good performance of the mobile postpaid** observed during the last three quarters have also been confirmed for this quarter with a **quarterly growth rate of 7.19%** higher than the 4.69% recorded by prepaid subscribers. For the same period of 2010, the quarterly growth rate of postpaid was about only 4%. This trend is reflected in the net addition of about 100,000 postpaid subscribers per quarter since the end of the last quarter of 2010.

- Outgoing **mobile traffic** has **exceptionally increased quarterly by 22.83%**, despite an increase in the accounts of only 4.79% somewhat similar to that of previous quarters. As a reminder, the quarterly evolution of this indicator was of the order of 10.07% at end-March and 5.91% in the second quarter of 2010. This trend observed suggests that mobile subscribers tend to communicate more.

- **SMS traffic has rebounded strongly during the second quarter of 2011** by achieving a significant **increase of 26.83%**. For the same period of 2010, the quarterly growth rate of SMS traffic was only 8%.

FIXED TELEPHONY

- The overall **fixed line subscribers has stabilized and has a penetration rate of 11.33%** at the end of the second quarter of 2011.

- Despite the stagnation of the fixed telephony accounts, **outgoing fixed traffic during the second quarter recorded a growth of around 4.19%.**

INTERNET

- The **Internet accounts are still growing** taking advantage of the dynamics experienced by the 3G access and shows a **quarterly growth rate of 7.95%** at the end of the second quarter of this year.

- The **3G Internet subscribers which represent 77.45% of the Internet accounts** had a **quarterly growth rate of 9.74%**. The other component of the Internet accounts namely **ADSL Internet which represents 22.47%** conducted a **quarterly increase of 2.24%.** The growth of ADSL is confirmed for the third consecutive quarters after a period of stagnation. At the end of the second quarter of 2010, this rate did not exceed 0.28%.

- The **ADSL Internet rates have improved** at the end of the second quarter 2011. The ADSL subscribers with at least a **rate of 2 Mbits/s represent 96.46%** of the accounts at the end of June 2011 when there were only **56.51%** at end of March 2011.

- Two quarters after the implementation of the new ANRT decision laying down the procedures for accounting the 3G Internet subscriber by distinguishing two types of services, "Data Only" and "Voice + Data," we notice that **the subscribers accounts combining voice with Data shows a great success and recorded a great quarterly growth rate of 31.51% at the end of June 2011**.

2- Quartely analysis of the market evolution

Mobile telephony market[4]

At the end of the second quarter of 2011, the number of mobile subscribers reached **34 975 076**, with a quarterly growth of **4.8%**.

This situation was reflected positively on the penetration rate which reached **108.6%** at the end of June 2011 against 104.8% in March 2011.

MOBILE ACCOUNTS

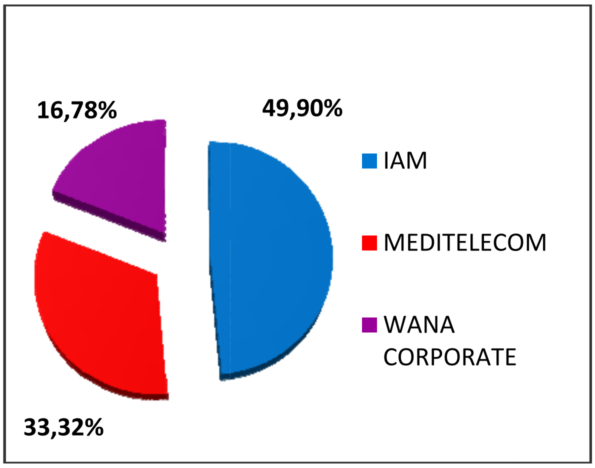
MOBILE TELEPHONY (in thousands)	Jun-10	Mar-11	Jun-11
Mobile accounts	27 879	33 375	34 975
Quarterly growth [5]	**833**	**1 393**	**1 600**
Quarterly Growth (%)[6]	**3.08%**	**4.36%**	**4.79%**
Penetration rate [7]	**88.47%**	**104.78%**	**108.66%**

Through the analysis of the evolution of the number of mobile subscribers for the second quarter of 2011, we notice that the number of subscribers of IAM reached 16 994 (in thousands) against 16 655 (in thousands) at the end of March 2011 While the number of mobile subscribers of Medi Telecom reached 11 353 (in thousands) (11 121thousands subscribers in March 2011) and for Wana Corporate this number reached 6 628 (in thousands) against 5599 (in thousands) subscribers in March 2011, carrying out a quarterly rise of 2.04% for IAM, 2.09% for Medi Telecom and 18.37% for Wana Corporate.

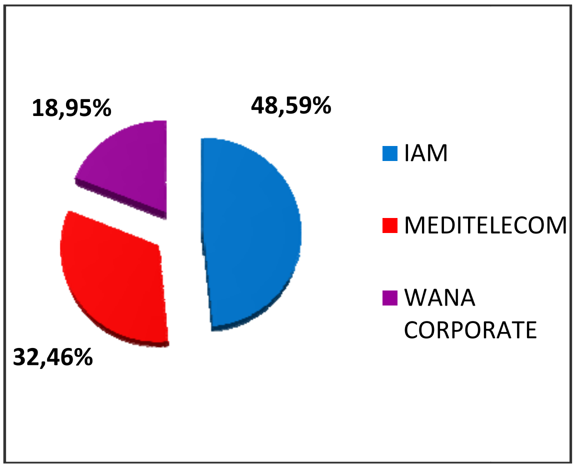
In terms of market share, the incumbent operator holds 48.59% of the mobile subscribers market followed by Medi Telecom with 32.46% and Wana corporate with 18.95%.

[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.

Market Shares at 31st March 2011



Market Shares at 30th June 2011



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 95.93% (96.02% at the end of March 2011) against 4.07% for post-paid.

The two types of subscription closed the quarter with a rise by recording **a growth of 4.69% for prepaid** and **of 7.19% for post-paid** compared to March 2011.

Post-paid accounts evolution

POST-PAID MARKET (in thousands)	Jun-10	Mar-11	Jun-11
Post-paid accounts	1 078	1329	1 425
Quarterly growth	**41**	**100**	**96**
Quarterly growth (%)	**3.99%**	**8.16%**	**7.19%**
Penetration rate	**3.42%**	**4.17%**	**4.43%**

Prepaid accounts evolution

PREPAID MARKET (in thousands)	Jun-10	Mar-11	Jun-11
Prepaid accounts	26 801	32 046	33 550
Quarterly growth	**792**	**1 293**	**1 504**
Quarterly growth (%)	**3.04%**	**4.20%**	**4.69%**
Penetration rate	**85.05%**	**100.61%**	**104.23%**

Outgoing Mobile Voice Traffic[8]

Au terme du second trimestre de l'année 2011, le trafic sortant mobile durant ce trimestre a atteint **5 814,72 million de minutes soit une forte croissance de 22,83%** par rapport au premier trimestre de l'année en cours.

At the end of the second quarter of 2011, outgoing Mobile traffic moving achieved **5814.72 million minutes** which corresponds to a strong growth of **22.83%** compared to the first quarter of this year.

Outgoing Mobile Voice Traffic (in millions min)	2nd Quarter 10	1st Quarter 11	2nd Quarter 11
Outgoing Mobile Traffic	3 035.70	4 733.94	5 814.72
Quarterly growth	**169.37**	**433.19**	**1 080.78**
Quarterly growth (%)	**5.91%**	**10.07%**	**22.83%**

Outgoing SMS Traffic[9]

The number of SMS sent in the second quarter of 2011 is about **1 154.61 million** units making a great quarterly growth rate of **26.83%**.

Mobile Outgoing SMS Traffic (in millions)	2nd Quarter 10	1st Quarter 11	2nd Quarter 11
Outgoing SMS Traffic	870.31	910.37	1 154.61
Quarterly growth	**64.54**	**- 190.60**	**244.24**
Quarterly growth	**8.01%**	**- 17.31%**	**26.83%**

[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.

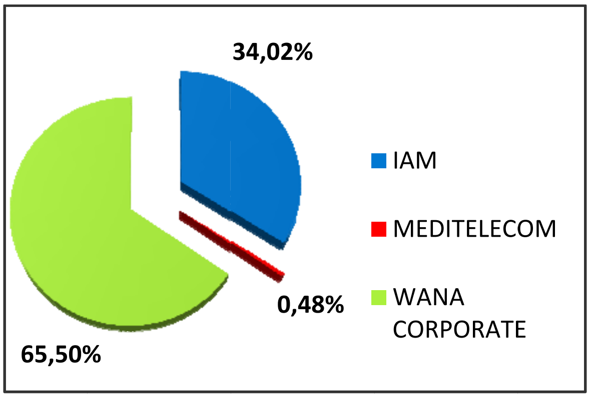
Fixed Telephony Market

At June 30th 2011, the number of subscribers recorded **a stagnation** compared to the previous quarter. The total number of subscribers reached **3 646 318**[10] (against 3 643 106 at the end of March 2011) of which 2 383 290 subscribers used the fixed telephony with restricted mobility.

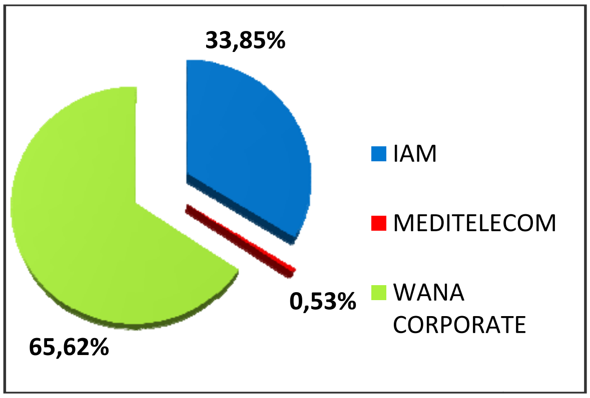
Consequently, the penetration rate of fixed telephony is **11.33%** at the end of June 2011 against 11.44% in March 2010.

In terms of market share, Wana Corporate holds 65.62% of the fixed telephony subscriber followed by IAM with 33.85%.

Market Share at 31st March 2011



Market Shares at 30th June 2011



FIXE ACCOUNTS

FIXED TELEPHONY	Jun-10	Mar-11	Jun-11
Fixed accounts	**3 682 748**	**3 643 106**	**3 646 318**
Restricted mobility	2 425 608	2 377 618	2 383 290
Quarterly growth	**238 090**	**- 106 258**	**3 212**
Quarterly growth %	**6.91%**	**- 2.83%**	**0.09%**
Penetration rate	**11.69%**	**11.44%**	**11.33%**

Residential subscribers

FIXED TELEPHONY	Jun-10	Mar-11	Jun-11
Residential accounts	3 130 860	3 097 732	3 107 030
Quarterly growth	**232 966**	**- 103 018**	**9 298**
Quarterly growth %	**8.04%**	**- 3.22%**	**0.30%**

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

Professional subscribers

FIXED TELEPHONY	Jun-10	Mar-11	Jun-11
Professional accounts	397 891	406 344	411 977
Quarterly growth	**6 488**	**3 316**	**5 633**
Quarterly growth %	**1.66%**	**0.82%**	**1.39%**

Outgoing Fixed Voice Traffic[11]

During the second quarter of 2011, subscribers of fixed telephony and those of fixed telephony with restricted mobility have sent **1 452.36 million minutes** which corresponds to an **increase of 4.19%** compared to the first quarter of 2011.

Outgoing Fixed Voice Traffic (in million min)	2nd Quarter 10	1st Quarter 11	2nd Quarter 11
Outgoing Voice Traffic	1 536.64	1 394	1 452.36
Quarterly growth	**119.37**	**-105.25**	**58.35**
Quarterly growth %	**8.42%**	**-7.02%**	**4.19%**

Public Payphones Market

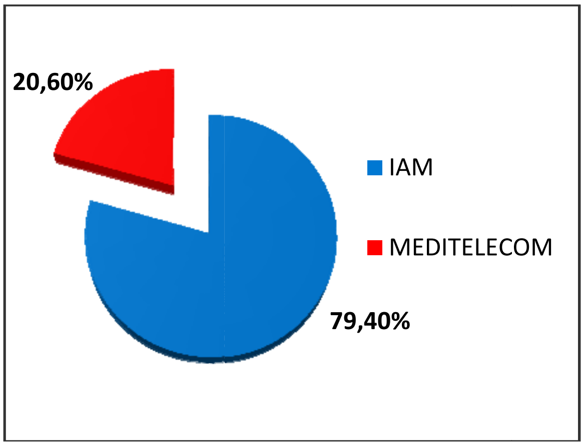
At June 30th 2011, the number of lines in public payphones recorded a **quarterly drop of 1.58%** compared to March 2011. The total number of lines in public payphones[12] reached **162 193** (against 175 090 at the end of March 2011).

Public payphones	Jun-10	Mar-11	Jun-11
Number of lines	188 119	175 090	162 193
Quarterly growth	**2 922**	**- 6 490**	**-12 897**
Quarterly growth %	**1.58%**	**- 3.57%**	**-7.37%**

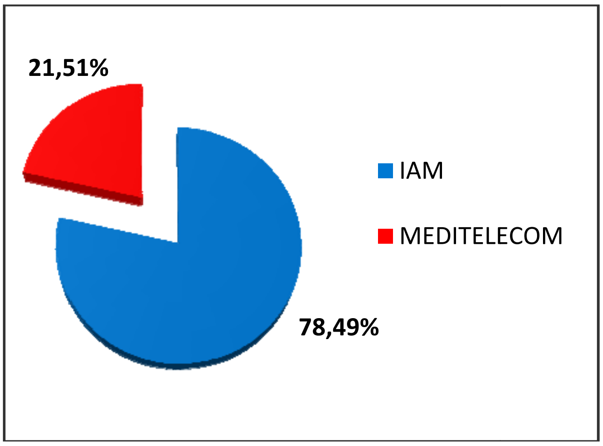
[11] The outgoing voice traffic is the sum of minutes used by the three operator's customers of mobile telephony and restricted mobility in a quarter.

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

Market Share at 31st March 2011



Market Shares at 30th June 2011

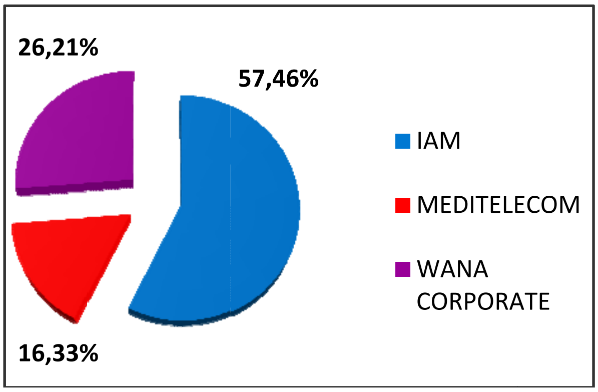


Internet Market

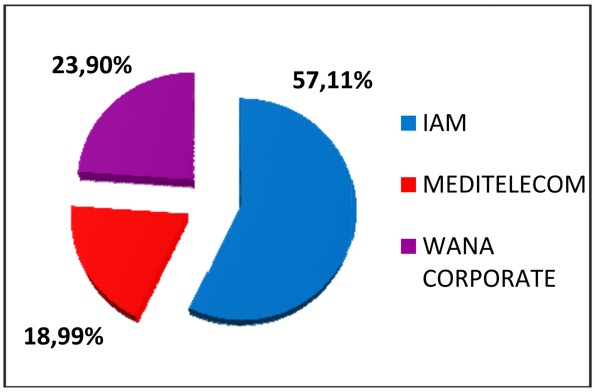
At 30th June 2011, the total Internet subscribers reached **2 345 725** carrying out **an increase of 7.95%** over the second quarter of 2011.

In terms of market share, IAM holds 57.11% of the Internet subscribers market followed by Wana Corporate with 23.9% and Medi Telecom with 18.99%.

Internet Market Share at 31st March 2011



Internet Market Shares at 30th June 2011



ROYAUME DU MAROC
LE PREMIER MINISTRE
ANRT
الوكالة الوطنية لتقنين المواصلات
Agence Nationale de Réglementation des Télécommunications

Internet accounts

INTERNET MARKET	Jun-10	Mar-11	Jun-11
Internet accounts	1 499 505	2 172 903	2 345 725
Quarterly growth	**137 487**	**305 940**	**172 822**
Quarterly growth %	**10.09%**	**16.39%**	**7.95%**

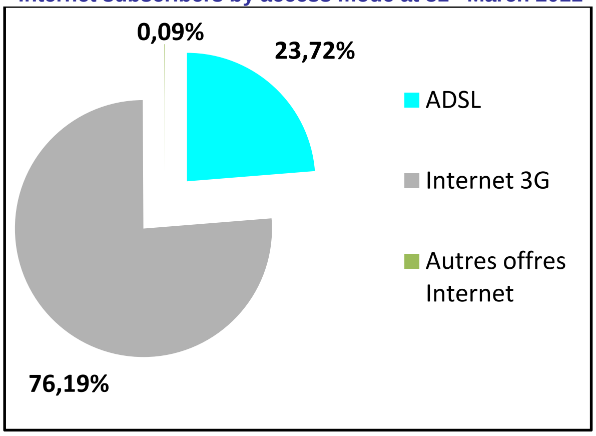
The number of the narrowband subscribers, by including the users of "Internet access without subscription" option reached **914** subscribers in June 2011 which corresponds to a decrease of 5.38% over this quarter.

The number of ADSL subscribers **increases by 2.24%** for the second quarter of 2011. The Internet **ADSL accounts is estimated at 527 016** at the end of the second quarter of 2011.

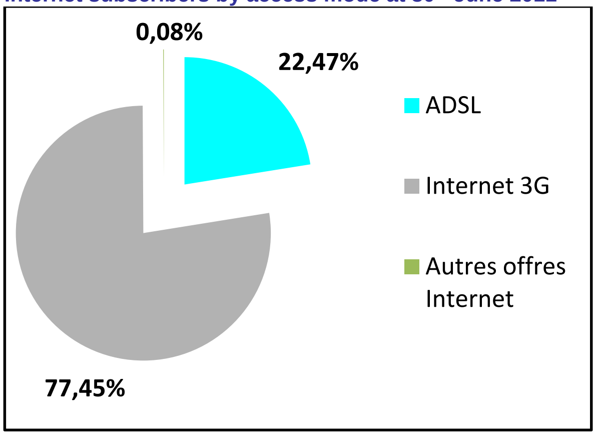
The estimated number of Internet access via Leased Lines (LL) is **growing by 2.98%** for the second quarter of 2011. This number reached **1 003 subscribers** in June 2011.

The distribution of subscribers by access mode is as follows, with a predominance of the 3G Internet access, representing **77.45%** of the global Internet market and broadband ADSL Internet access with 22.47%.

Internet subscribers by access mode at 31st March 2011



Internet subscribers by access mode at 30th June 2011

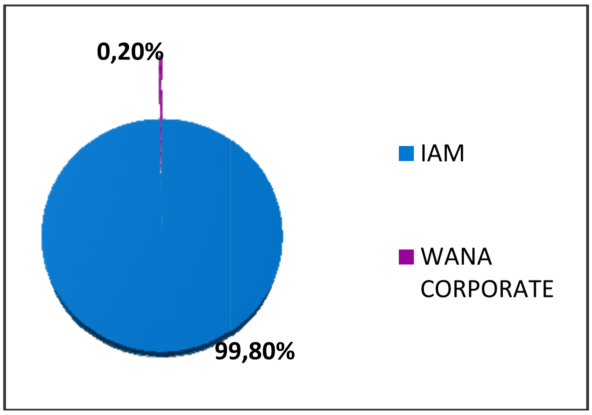


ADSL market evolution

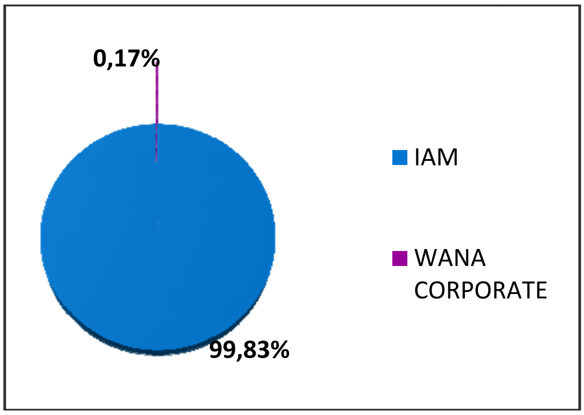
INTERNET ADSL	Jun-10	Mar-11	Jun-11
Internet ADSL accounts	480 304	515 464	527 016
Quarterly growth	**1 334**	**17 824**	**11 552**
Quarterly growth %	**0.28%**	**3.58%**	**2.24%**

In terms of market share, IAM holds 99.83% of the ADSL Internet accounts.

ADSL Market Share at 31st March 2011



ADSL Market Shares at 30th June 2011



The ADSL Internet access accounts is made essentially of 2 Mbit/s which represents the largest share with 41.99% of ADSL subscriptions in June 2011 followed by the 8 Mbit/s (27.28%) and 4 Mbit/s with 26.27%.

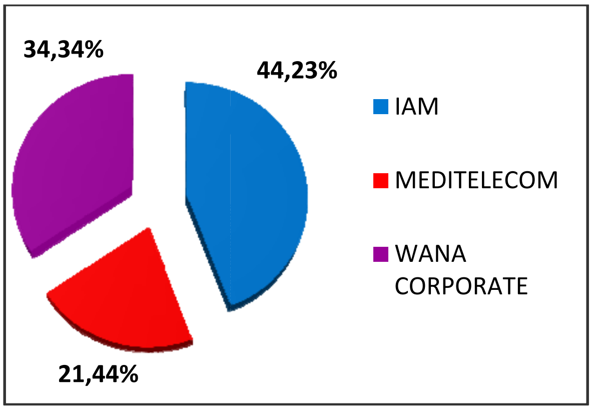
3G Internet Market evolution

At the end of June 2011, the number of 3G Internet subscribers reached **1 816 792** recording an **increase of 9.74%** for the second quarter of 2011.

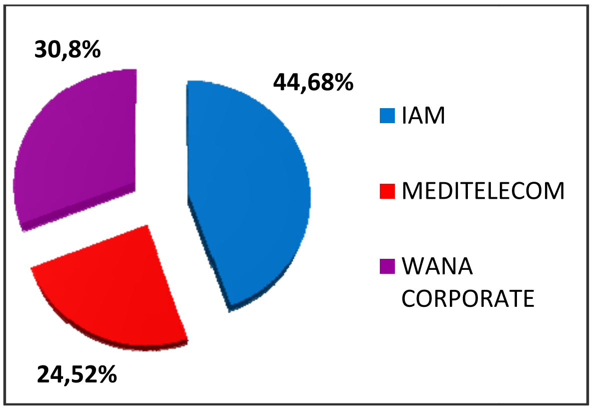
3G INTERNET	Jun-10	Mar-11	Jun-11
3G accounts	1 015 525	1 655 499	1 816 792
Quarterly growth	**136 665**	**289 027**	**161 293**
Quarterly growth %	**15.55%**	**21.15%**	**9.74%**

In terms of market share, IAM holds 44.68% of the 3G Internet access followed by Wana Corporate with 30.8% and Medi Telecom with 24.52%.

3G Market Share at 31st March 2011



3G Market Shares at 30th June 2011



ROYAUME DU MAROC
LE PREMIER MINISTRE
ANRT
الوكالة الوطنية لتقنين المواصلات
Agence Nationale de Réglementation des Télécommunications

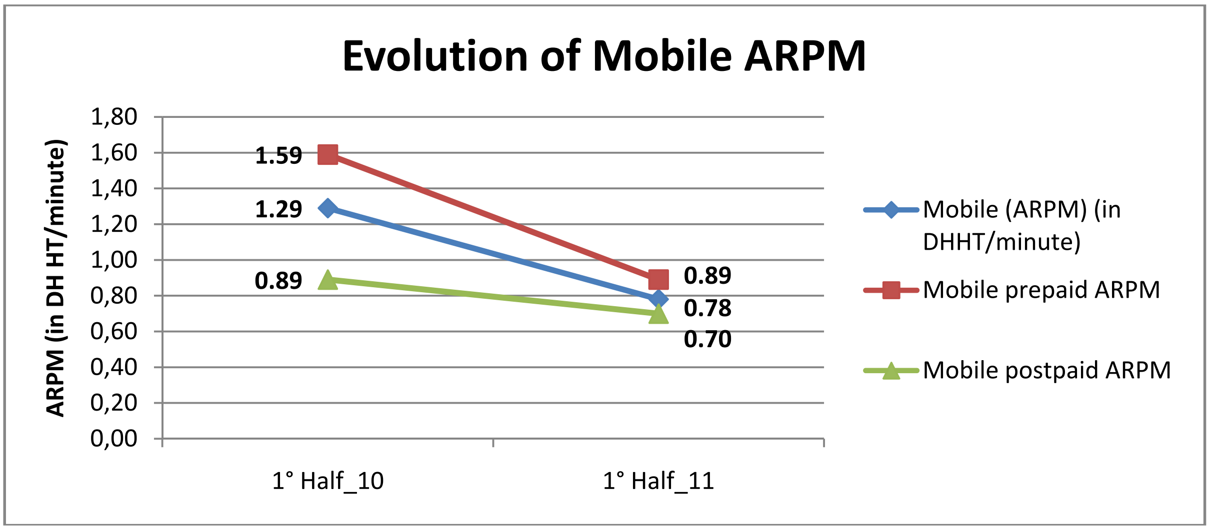
At the end of June 2011, the number of accounts for 3G Internet "Data Only" amounted to **1.281.616 (70.54%)** achieving a quarterly growth rate of **2.65%**, while the number of accounts combining "Voice + Data" reached **535.176 (29.46%)** which corresponds to **31.51%** growth compared to the end of March 2011.

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

MOBILE MARKET

Mobile ARPM Evolution

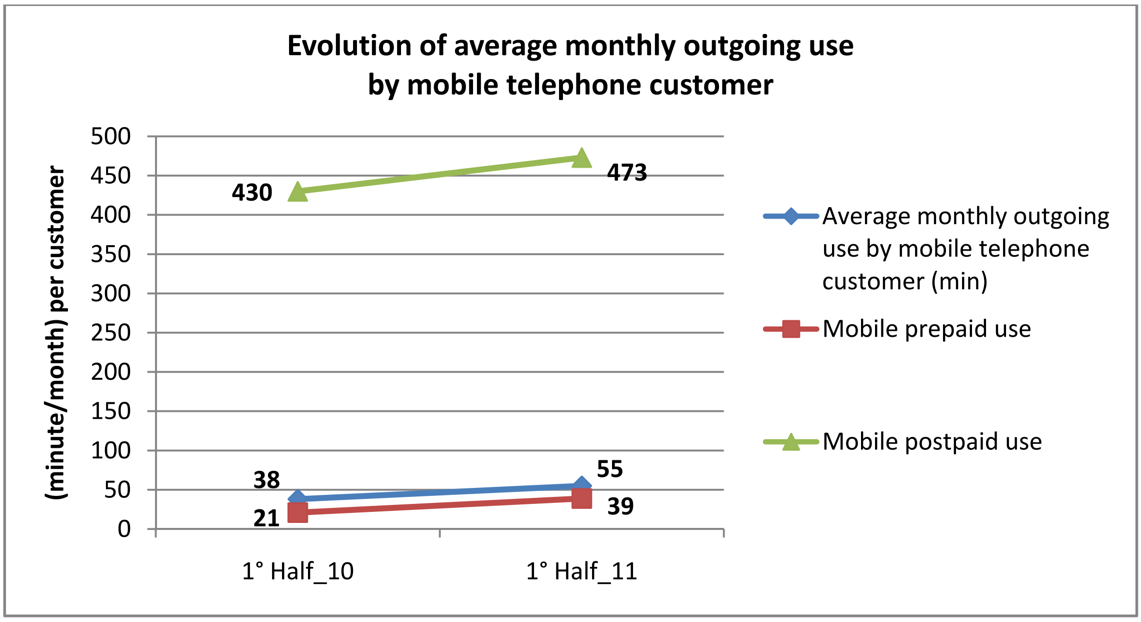
	1st Half 2010	1st Half 2011	Evolution
Mobile Average Revenu per minuste (ARPM) (in DHFoT/minute)	**1.29**	**0.78**	**- 40%**
➢ ***Pre-paid ARPM***	***1.59***	***0.89***	***- 49%***
➢ ***Post-paid ARPM***	***0.89***	***0.70***	***- 21%***



The downward trend in Mobile prices as measured by average revenue per minute "Average Revenue Per Minute" (ARPM) continues. Indeed, ARPM moved from 1.29 DHFoT/min in the first half (H1) 2010 to 0.78 DHFoT/min in the first half (H1) 2011 making a 40% drop.

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

	1st Half 2010	1st Half 2011	Evolution
Average monthly outgoing use by mobile telephone customer (in minute/month/customer)	**38**	**55**	**46%**
➢ ***Mobile prepaid use***	***21***	***39***	***83%***
➢ ***Mobile postpaid use***	***430***	***473***	***10%***



It is interesting to note first of all, the significant increase (**78%** from **5.8 to 10.4 billion minutes**) experienced by the outgoing mobile traffic between June 30, 2010 and June 30, 2011.

Ainsi, l'usage moyen sortant mensuel par client mobile s'est apprécié entre S1 2010 et S1 2011 passant de 38 à 55 minutes/ client/ mois marquant ainsi une croissance de l'usage moyen sortant mensuel par client mobile de 46%.

Therefore, the average mobile outgoing use per customer has increased between H1 2010 and H1 2011 from **38 to 55 minutes/customer/month** making a growth of 46%.

For prepaid usage, it has increased by **49%** moving from 21 minutes/month to **39 minutes per month** while the postpaid use has increased by **10%** from 430 minutes/month to **473 minutes per month**.

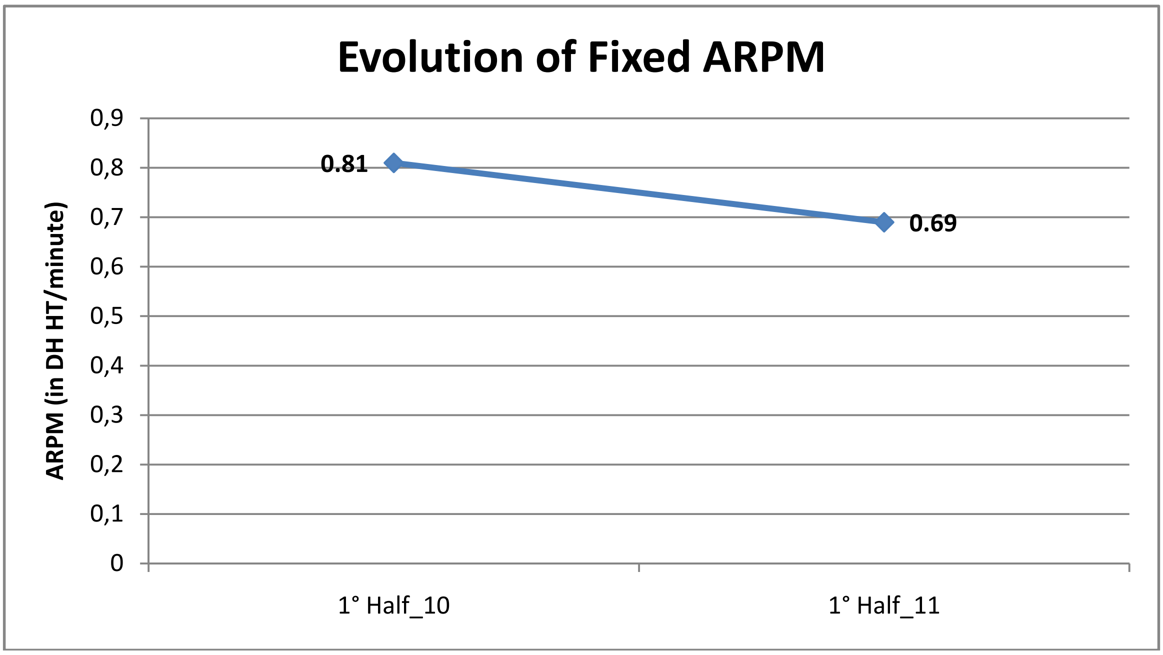
[13]The average monthly outgoing use by mobile telephone customer is obtained by dividing the outgoing mobile telephone voice traffic in minutes by the average number of subscribers to mobile telephony and the period in months (six months).

ROYAUME DU MAROC
LE PREMIER MINISTRE

FIXED MARKET

Fixed ARPM Evolution

	1° Half 2010	1° Half 2011	Evolution
Average revenue per minute (ARPM) of fixed commucation in DHHT/minute	0.81	0.69	- 14%

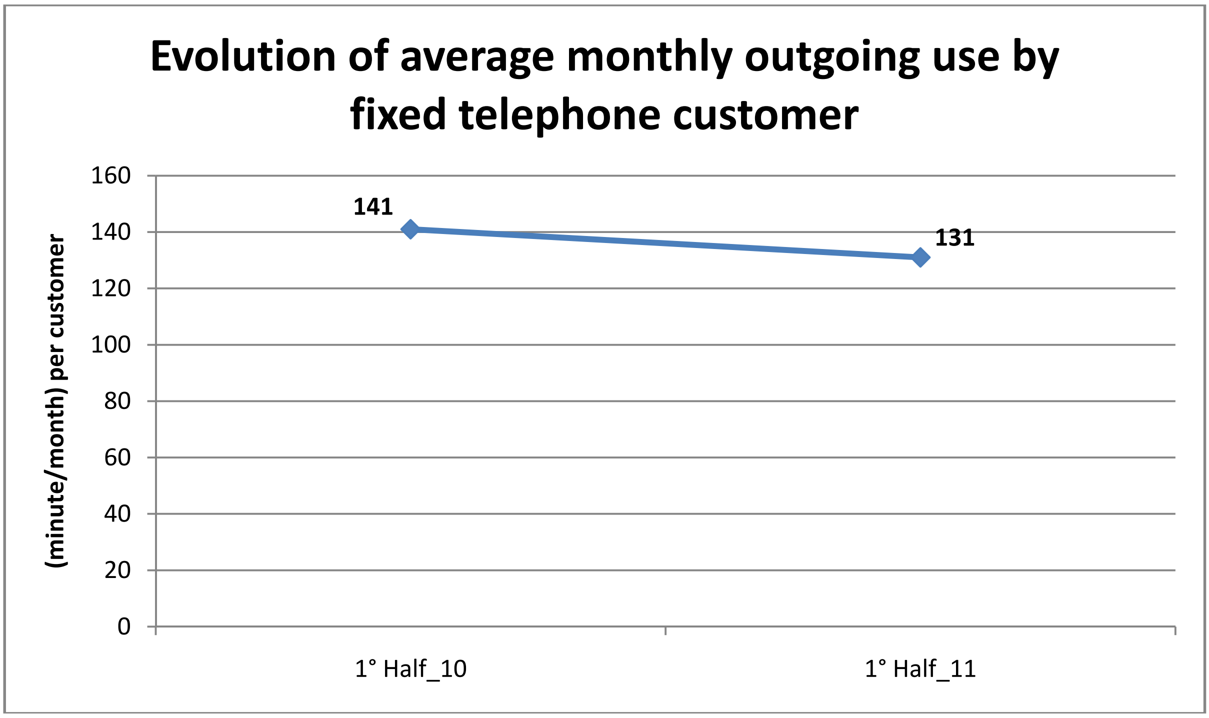


The downward trend in prices as measured by **average fixed revenue per minute (ARPM[14])** also continues. Indeed, the ARPM moved from 0.81 DHFoT/min in the first half (S1) of 2010 to **0.69 DHFoT/min** of the first half (H1) 2011 making a decrease of **14%.**

[14] The average revenue per minute (ARPM) of fixed call, is obtained by dividing the turnover duty of voice fixed outgoing by the outgoing fixed telephone voice traffic in minutes.

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

	1° Half 2010	1° Half 2011	Evolution
Average monthly outgoing use by fixed telephone customer (in minute/month/customer)	141	131	- 7%



The average fixed outgoing usage per customer decreased by **7%** between 30 June 2010 and June 30, 2011 from **141 minutes per month** to **131 minutes per month**.

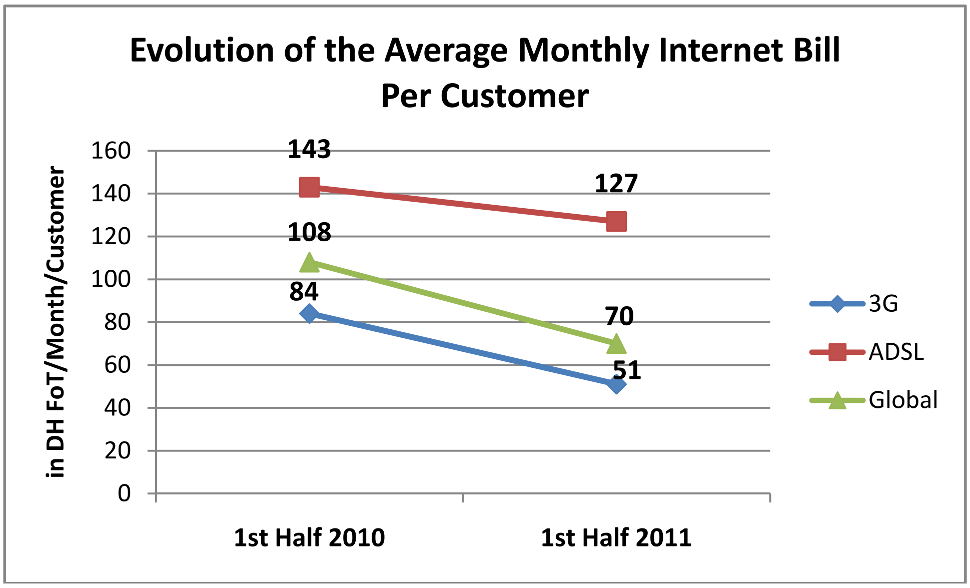
[15] The average monthly outgoing use by fixed telephone customer is obtained by dividing the outgoing fixed telephone voice traffic in minutes by the average number of subscribers to fixed telephony and the period in months (six months).

ROYAUME DU MAROC
LE PREMIER MINISTRE
ANRT
الوكالة الوطنية لتقنين المواصلات
Agence Nationale de Réglementation des Télécommunications

INTERNET MARKET

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

	1st Half 2010	1st Half 2011	Evolution
Internet average monthly bill per customer (in DH Free of Tax/month/customer)	108	70	-35%
➢ ADSL	143	127	-11%
➢ 3G Access	84	51	-40%



- The downward trend in prices measured by the average monthly bill for Internet customer is confirmed. Indeed, it has **dropped from 108 DHFoT/month/customer** in the first half (H1) 2010 **to 70 DHFoT/month/customer** in the first half (H1) 2011 outstanding a **decline of 35%**.
- The bill of 3G Internet has dropped from **84 DHFoT/month/customer** in the first half (H1) 2010 to **51 DHFoT/month/customer** in the first half (H1) 2011 outstanding a **40% drop**. While for ADSL, it moved from **143 DHFoT/month/customer** in the first half (H1) 2010 to **127DHFoT/month/customer** in the first half (H1) 2011 making a 11% 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 (6 months).