Morocco: Opportunities in the ITO / BPO sector
Executive Summary

In 10 years, Morocco has created a World leading Nearshoring platform in ITO/BPO

• 2012: €0.7Bn exported turnover, 57,000 employees, 300+ call centers, 24 of top 50 French IT service Cos
• Nominated "Best Nearshore destination for France and Spain" by Gartner (2011) and "Best Offshoring destination 2012" by the European Outsourcing Association
• Critical mass reached in Customer Service (call center) and development of expertise in several sectors
• Specific know-how & capabilities developed in ITO, positioning Morocco beyond "low-cost only" destination
• Leading worldwide players now present in Morocco with positive experience and feedback

Moroccan Nearshoring platform is based on a combination of 7 attractive features

1. Geographical and cultural proximity
2. Competitive costs
3. Growing number of well-trained human resources
4. Best infrastructures for Offshoring in Africa
5. Major Government subsidies
6. Stable country, both politically and economically
7. Improving personal data protection system
8. Access to fast growing local and regional markets; Casablanca, future hub for North-West Africa

Success stories cover the full range of ITO/BPO players

• IT professionals (e.g. Capgemini, Logica) & BP professionals (e.g. Dell, Atento)
• Originators from large MNCs (e.g. BNPP, AXA) to mid-s companies (e.g. Free)
Moroccan ITO / BPO platform

Moroccan value proposition in ITO / BPO

Success stories in ITO / BPO
Moroccan ITO / BPO: a leading sector for the Moroccan economic growth

Dynamic growth lower than expected

Source: Pacte National pour l’Emergence Industrielle

A sustained job creation

* CAGR: Compounded Annual Growth Rate

Source: Pacte National pour l’Emergence Industrielle
Moroccan ITO / BPO platform in 2012

€0.7 Bn exported turnover\(^1\)
- +15% to 20% growth year on year for 10 years

57 000 employees
- +10% growth year on year for 10 years
- Target: ~100 000 employees in 5 years

Over 300 call centers

24 of top 50 French IT service companies present\(^3\)

Tier 1 rankings
- In Top 30 Offshore Services Locations (Gartner 2011\(^4\))
- Best Nearshore destination for France and Spain (Gartner 2011\(^4\))
- Best Offshoring destination 2012 (European Offshoring Agency)
- 1st employment area in Africa for call centers
- Casanearshore largest Offshoring Business Park in North Africa

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1. Source: Office des Changes Marocain – Moroccan Exchange Office, Exported turnover variations might be caused by fiscal measures or company strategy rather than real variations of the sector; 2. Source: AMDI; 3. Source: 01.NET; in terms of turnover in France for services, includes IT consulting, technical assistance, projects at fixed cost, training, outsourcing, maintenance, management consulting and software services; 4. Gartner 2011 Top 30 Ranking of Offshore Service Locations;
BPO (46 000 FTE): Critical mass reached in customer service along with development of expertise in several sectors

Customer Service (Voice and non voice)

- Amazon
- Webhelp
- Free
- Outsourcia
- Konecta
- Accolade
- Acticall
- Capgemini
- Sitel
- Arvato
- Teleperformance

Back Office

- AXA
- BNP Paribas
- Nestle
- DELL
- FEDRSO
- Genpact

Several leading BPO players now have more employees in Morocco than in France

<table>
<thead>
<tr>
<th>Number of employees (\times 3.3)</th>
<th>Number of employees (\times 1.5)</th>
<th>Number of employees (\times 3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Morocco</td>
<td>France</td>
<td>Morocco</td>
</tr>
<tr>
<td>1,500</td>
<td>1,300</td>
<td>2,000</td>
</tr>
<tr>
<td>5,000</td>
<td>2,000</td>
<td>500</td>
</tr>
<tr>
<td>200</td>
<td>500</td>
<td></td>
</tr>
</tbody>
</table>

Development of areas of expertise allowing for value-added services

- Telecom: Solicitation calls, After sales servicing
- Distance selling: Solicitation calls, Voice signature sales
- Insurance: Claims management, Voice signature sales
- Retail Banking (fast growing): Retail banking services, Solicitation calls, Contract elaboration

“People do not come to Morocco for cheap resources, they come for expertise.”

Youssef Chraibi, CEO of Outsourcia and President of AMRC (2012)

1. Number of employees in 2011, Source: AMDI, BCG Analysis for Back Office BPO, ITO Hardware Management, ITO Data Center, ITO Help Desk; 2. Source: Corporate website, press search; 3. Number of employees in France, including non BPO employees; 4. Association Marocaine de la Relation Client – Moroccan Association for Customer Relationship;
Illustration: Rise in competency with more value added BPO activities in Rabat Technopolis

Note: forecast 2013
Source: Public data Rabat Technopolis, APEBI (Federation for Information technologies, telecommunication and Offshoring)
**ITO (6 000 FTE):** Specific know-how & capabilities developed in ITO, positioning Morocco beyond "low-cost only" destination

### Application dev. & mgmt.
- BNP PARIBAS
- UBISOFT
- IBM
- HP
- Capgemini
- Atos
- Genesys
- Logica
- CA
- Protel
- Steria
- Sopra
- Gfi
- Sofrecom
- T-Systems
- Omnisphere
- Alcatel

### Infrastructure management
- IBM
- Atos
- Bull
- Devoteam
- Sofrecom
- Arcos
- Sitel
- N+ONE
- Datacenters

### Help Desk
- Dell
- Capgemini
- Bull
- Accolade

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**Illustration: ITO projects recently implemented in Morocco**

<table>
<thead>
<tr>
<th>Project Description</th>
<th>FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development and maintenance of all European applications and systems</td>
<td>~150 FTE</td>
</tr>
<tr>
<td><em>(Large French Industrial Goods company)</em></td>
<td></td>
</tr>
<tr>
<td>Development and maintenance of retail bank applications</td>
<td>~1 000 FTE</td>
</tr>
<tr>
<td><em>(Large French universal bank)</em></td>
<td></td>
</tr>
<tr>
<td>Development and maintenance of Front Office applications</td>
<td>~200 FTE</td>
</tr>
<tr>
<td><em>(Large French telecom operator)</em></td>
<td></td>
</tr>
<tr>
<td>Development and maintenance of SAP technologies</td>
<td>~100 FTE</td>
</tr>
<tr>
<td><em>(Large French energy player)</em></td>
<td></td>
</tr>
</tbody>
</table>

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1. Number of employees in 2011, Source: AMDI, BCG Analysis for Back Office BPO, ITO Hardware Management, ITO Data Center, ITO Help Desk
# ITO and BPO services present in Morocco

List of processes and activities (non-exhaustive)

## ITO

<table>
<thead>
<tr>
<th>Branch</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Software Development</td>
<td>• Code or Software development</td>
</tr>
<tr>
<td></td>
<td>• Integration of applications</td>
</tr>
<tr>
<td>Infrastructure Management</td>
<td>• Hosting of infrastructures and networks</td>
</tr>
<tr>
<td></td>
<td>• Remote Computer equipment maintenance</td>
</tr>
<tr>
<td>Application Maintenance</td>
<td>• Help desk</td>
</tr>
<tr>
<td></td>
<td>• Hosting of applications</td>
</tr>
<tr>
<td></td>
<td>• Third Party Application Management</td>
</tr>
</tbody>
</table>

## BPO

### Specific sector activities

<table>
<thead>
<tr>
<th>Branch</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banks</td>
<td>• Credit permission</td>
</tr>
<tr>
<td></td>
<td>• Recovery</td>
</tr>
<tr>
<td></td>
<td>• Management of payment instruments</td>
</tr>
<tr>
<td>Insurance</td>
<td>• Management of mass losses</td>
</tr>
<tr>
<td></td>
<td>• Reclamation Management</td>
</tr>
<tr>
<td>Client Relation Management</td>
<td>• Client support with voice</td>
</tr>
<tr>
<td></td>
<td>• Sales (incoming calls)</td>
</tr>
<tr>
<td></td>
<td>• Sales (outgoing calls)</td>
</tr>
<tr>
<td>Accounting and Finance</td>
<td>• Asset Management</td>
</tr>
<tr>
<td></td>
<td>• Maintenance of client data base (client accounts)</td>
</tr>
<tr>
<td>Human Resources</td>
<td>• Help desk</td>
</tr>
<tr>
<td></td>
<td>• Recovery</td>
</tr>
<tr>
<td>General Back offices</td>
<td>• Accounting for third parties</td>
</tr>
<tr>
<td></td>
<td>• Performance measurement / reporting</td>
</tr>
<tr>
<td></td>
<td>• Validation of financial information</td>
</tr>
<tr>
<td></td>
<td>• Social compliance analysis</td>
</tr>
<tr>
<td></td>
<td>• Recruitment Management</td>
</tr>
<tr>
<td></td>
<td>• Payroll</td>
</tr>
<tr>
<td></td>
<td>• Employee data management</td>
</tr>
<tr>
<td></td>
<td>• Written transcription</td>
</tr>
<tr>
<td></td>
<td>• Client Communication</td>
</tr>
<tr>
<td></td>
<td>• Graphical reporting</td>
</tr>
<tr>
<td></td>
<td>• Entry of non critical data</td>
</tr>
<tr>
<td></td>
<td>• Data entry and critical data control</td>
</tr>
<tr>
<td></td>
<td>• Coding, indexing and document storage</td>
</tr>
</tbody>
</table>

Note: ITO Information Technology Outsourcing, BPO Business Process Outsourcing
Leading worldwide players now present in Morocco with positive experience and feedback

**ATento:**

"Morocco was an early test for Spanish-speaking clients tempted by outsourcing. Today, most of Atento’s offshore activities are based in Columbia and Peru, but the more value-added ones are in Morocco. We manage Back Office operations there for instance."

Abdelaziz Boumahdi, MD of Atento Maroc (2010)

**Iliad**

"Our Moroccan employees have excellent academic backgrounds, we are very selective and provide proper training."

Angélique Berge, Customer Relationship Director of Iliad (2006)

**Back Office BPO**

"Apart from the geographic proximity to France, the choice of AXA France Vie to settle in Morocco is driven by the presence of a qualified and highly competent labor force with strong interest in Insurance and Finance."

Francois Clin, Director of Axa Services Maroc (2009)

**Dell**

"One of the fastest growing emerging country boasting a workforce skilled in the high tech business as well as multilingual, Morocco represents a strategic investment for Dell."

Brian Gladden, Senior VP and CFO of Dell (2010)

**ITO**

"We have big ambitions for Morocco, [...] Several French-speaking companies have already been impressed by the quality of our teams and by the excellence of our facilities at Casanearshore [...]."

Jean-Philippe Bol, CEO of Capgemini Morocco & Capgemini France Technology Services (2010)

**Logica**

"We were attracted to Morocco for a wide range of reasons; [...] political stability, [...] government support, [...] and of course, the education system. [...] We rely on great people prepared to work hard, learn hard and grow and develop with us. We found plenty of those in Morocco, [...] We found it a really excellent experience investing in Morocco."

Andy Green, CEO of Logica (2011)
Moroccan ITO / BPO platform

Moroccan value proposition in ITO / BPO

Success stories in ITO / BPO
Moroccan Nearshoring platform is based on a combination of 8 attractive features:

1. Geographical and cultural proximity to Europe
2. Competitive costs
3. Growing number of well-trained human resources
4. Best infrastructures for Offshoring in Africa
5. Major Government subsidies
6. Stable country, both politically and economically
7. Improving personal data protection system
8. Access to fast growing local and regional markets
Several decisive features to select Moroccan Nearshoring Platform for Large French Industrial Goods Company's ITO

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Weight</th>
<th>Morocco</th>
<th>Romania</th>
<th>Poland</th>
<th>India</th>
<th>Tunisia</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Proximity, Language</td>
<td>High</td>
<td>++</td>
<td>++</td>
<td>+</td>
<td>–</td>
<td>+++</td>
</tr>
<tr>
<td>2 Labor Cost (^1) (France=100)</td>
<td>High</td>
<td>55</td>
<td>52</td>
<td>87</td>
<td>37</td>
<td>41</td>
</tr>
<tr>
<td>3 Availability of HR</td>
<td>High</td>
<td>++</td>
<td>+</td>
<td>+++</td>
<td>+++</td>
<td>+</td>
</tr>
<tr>
<td>4 Political &amp; Economical Stability</td>
<td>Medium</td>
<td>++</td>
<td>++</td>
<td>+++</td>
<td>+++</td>
<td>– –</td>
</tr>
<tr>
<td>5 Infrastructures (Telecom, Business Park)</td>
<td>Low</td>
<td>++</td>
<td>+</td>
<td>+</td>
<td>++</td>
<td>++</td>
</tr>
<tr>
<td>6 Government subsidies</td>
<td>Low</td>
<td>+++</td>
<td>++</td>
<td>+</td>
<td>+++</td>
<td>+</td>
</tr>
<tr>
<td>7 Data Protection</td>
<td>Low</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td>++</td>
<td>+</td>
</tr>
<tr>
<td>Ranking</td>
<td></td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

### Geographical, cultural and linguistic proximity to Europe

#### Large reservoir of employees mastering professional french

**Qualified available labor with excellent french knowledge**
- About 200,000 unemployed people with college degree
- Largest reservoir of people mastering professional french among competing countries

**People mastering written and oral professional french**¹ (# in ’000)  %

<table>
<thead>
<tr>
<th>Country</th>
<th># (# in ’000)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Morocco</td>
<td>5,651</td>
<td>17%</td>
</tr>
<tr>
<td>Tunisia</td>
<td>2,811</td>
<td>28%</td>
</tr>
<tr>
<td>Romania</td>
<td>937</td>
<td>4%</td>
</tr>
<tr>
<td>Turky</td>
<td>750</td>
<td>2%</td>
</tr>
</tbody>
</table>

#### Strong cultural and linguistic ties

**Cultural and linguistic proximity to France and Spain**
- 10 million¹ French-speakers and 5 million² Spanish-speakers (northern Morocco)

**Large number of French and Spanish companies present in Morocco**

#### Adjoining time zones

**1h time difference with France and Spain**

"The cultural and geographic aspects played a role [in BNPP’s] choice of Morocco [for offshoring]. Morocco’s proximity to […] France […] makes contact between our offshoring subsidiary and its clients easier. The minimal time difference between the two countries is yet another asset."

** Corporate Website BNPP Méditerranée IT**

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**Competitive labor costs**

**Net Salary**

*Average net annual salary of Call Center operator*\(^1\) (€/year)*

<table>
<thead>
<tr>
<th>Country</th>
<th>Salary (€/year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>3,250</td>
</tr>
<tr>
<td>Mauritius</td>
<td>3,500</td>
</tr>
<tr>
<td>Tunisia</td>
<td>4,000</td>
</tr>
<tr>
<td>Morocco</td>
<td>5,000</td>
</tr>
<tr>
<td>Romania</td>
<td>5,300</td>
</tr>
<tr>
<td>France</td>
<td>13,200</td>
</tr>
</tbody>
</table>

*Average net annual salary of ITO employee*\(^2\) (€/year)*

<table>
<thead>
<tr>
<th>Country</th>
<th>Salary (€/year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>7,300</td>
</tr>
<tr>
<td>Tunisia</td>
<td>8,100</td>
</tr>
<tr>
<td>Romania</td>
<td>10,300</td>
</tr>
<tr>
<td>Morocco</td>
<td>10,900</td>
</tr>
<tr>
<td>Poland</td>
<td>17,300</td>
</tr>
<tr>
<td>France</td>
<td>19,800</td>
</tr>
</tbody>
</table>

\(^1\) Expert Assessment, BCG Analysis; \(^2\) 2012 Estimates; Source: Offshore Development ITO Salary Report 2008, BCG Analysis;

**Labor Legislation adapted to ITO / BPO specificities**

**Working time**
- 10h daily, 44h weekly or 2288h yearly
- Yearly working hours distributed according to company needs

**Flexibility to absorb daily / weekly peaks**
- Adaptable working shifts
- Permitted weekend / holiday shifts

**Contribution rates**
- Employer: 20%
- Social Security: 5%
74% of costs saved annually for a 400-employee Call Center in France vs. Morocco
59% saved in Year-1 including one-off transfer costs

1. Average net annual salary of entry level Call Center operator in France: €13 200, in Morocco: €5 000 (Source: Expert Assessment, BCG Analysis), of middle management (proxy skilled worker) in France: €22 800, in Morocco: €3 856, of head of Call center (proxy head of IT) in France: €109 181, in Morocco: €52 692 (Source: 2011 Mercer Salary Report) – working hours per week in France: 35h, in Morocco 44h – Employer contribution rate in France: 40%, in Morocco: 20%; Social Security contribution rate in France: 20%, in Morocco: 5%; 2. Based on an average over 3 years of training subsidy per year and per person in Morocco for operators: €550, for middle management: €1 650, for Head of Call Center: €2 700 (Source: Moroccan Ministry of Industry, Commerce and New Technologies); 3. 2800m² Office; Average yearly rent in Lille France: €180/m² (Source: Cushman & Wakefield France Office Marketbeat Report 4Q11); Average yearly rent in Casanearshore: €120/m² (Source Casawave 2011); 4. Costs of duplication, interfaces, management changes, retained in-house capabilities, visits – Illustrative estimation, Source: BCG Analysis; 5. Costs of accessing existing IT resources, termination of existing jobs, project costs, business outages – Illustrative estimation, Source: BCG Analysis; Exchange rates 05/12
Growing number of well-trained human resources (I)

**Development of vocational training**
- **ANAPEC**: Offering fully subsidized training programs tailor-made for employer needs
- **OFPPT**: Network of 297 schools and 140 diploma awarding trainings, 220,000 people in training in 2010 (x4 vs. 2002)

**National Pact for Emergence objective to train 32,000 Call Center operators by 2015**
- Launch of Call Academy in 2008, results in 2011:
  - 700+ young people trained (language, behavioral skills and business courses),
  - 70% insertion rate

**High standard Moroccan engineering schools**
- Partnerships with excellent international universities
  - E.g. Master in Telecom Network and Master in Software Quality

**From 2015 objective of 15,000 engineers per year**

**Top engineers trained abroad**
- 650 Moroccans graduate from top French engineering schools (*Grandes Ecoles*) and US/UK/Canada universities each year
  - 2/3 express desire to establish professional career in Morocco

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Growing number of well-trained human resources (II)

### 56% of Moroccan under 30 years old

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Women</th>
<th>Men</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-9</td>
<td>2,918</td>
<td>3,021</td>
</tr>
<tr>
<td>10-19</td>
<td>2,960</td>
<td>2,989</td>
</tr>
<tr>
<td>20-29</td>
<td>3,022</td>
<td>2,922</td>
</tr>
<tr>
<td>30-39</td>
<td>2,481</td>
<td>2,301</td>
</tr>
<tr>
<td>40-49</td>
<td>1,326</td>
<td>1,769</td>
</tr>
<tr>
<td>50-59</td>
<td>713</td>
<td>665</td>
</tr>
<tr>
<td>60-69</td>
<td>190</td>
<td>139</td>
</tr>
<tr>
<td>70-79</td>
<td>504</td>
<td>422</td>
</tr>
<tr>
<td>80-89</td>
<td>0</td>
<td>13</td>
</tr>
<tr>
<td>90-99</td>
<td>0</td>
<td>24</td>
</tr>
<tr>
<td>100+</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

~18 million Moroccan under 30

### +41% University enrollment since 2001

<table>
<thead>
<tr>
<th>Year</th>
<th>University Enrollment (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1971</td>
<td>1.4%</td>
</tr>
<tr>
<td>1981</td>
<td>5.6%</td>
</tr>
<tr>
<td>1991</td>
<td>10.7%</td>
</tr>
<tr>
<td>2001</td>
<td>10.3%</td>
</tr>
<tr>
<td>2005</td>
<td>11.4%</td>
</tr>
<tr>
<td>2008</td>
<td>12.6%</td>
</tr>
<tr>
<td>2009</td>
<td>13.2%</td>
</tr>
<tr>
<td>2011</td>
<td>14.5%</td>
</tr>
</tbody>
</table>

1. Ratio of total enrollment, regardless of age, to the population of the age group that officially corresponds to University level. Source: World Bank; Source: U.S. Census Bureau, International Data Base, Moroccan government

Growing reservoir of potential human resources for Nearshoring Platform
Best telecom & electricity infrastructures in Africa

Strong connectivity to Europe

More than 70,000 km of submarine cables between Morocco and Europe
- Flow rate superior to 4 terabits/sec
- New cables under construction
- Redundancy

Best network connections in Africa

Deployment of fiber optics across the country
- Complete coverage in Nearshoring Business Parks

Redundancy in Nearshoring Business Parks
- Two points of presence linked to
  - National & international networks via 2 paths
  - Each Park building via two cables

1st African country to launch 3G network with 86% mobile penetration rate in 2010

Broad electricity network

Excellent and reliable electricity network
- 98%+ coverage nationally

Uninterruptible power supply in Nearshoring Business Parks
- 100% office plugs
- 10% lighting

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Electricity Source: ONE (Office National de l'Electricité – National Electricity Office)
Dedicated and upscale Business Parks...

Rabat Technopolis
- Total space: 205,000 m²
- Occupied space: 50,000 m²
- Estimated final date: end 2015
- Number of companies: 23
- Number of jobs created: 3,300
- Estimated exported turnover 2011: €225M
- Forecasted exported turnover 2013: €325M
- Focus: ITO & Back Office BPO

Tétouan Shore
- Total space: 100,000 m²
- Estimated opening date: March 2012
- 95% build, 75% equipped
- Focus: Spanish-speaking

Oujda Shore
- Total space: 20,000 m²
- Estimated opening date: mid 2012
- 30% build, 100% equipped

Casaneachore
- Total space: 270,000 m²
- Occupied space: 140,000 m²
- Estimated final date: end 2012
- Number of companies: 53
- Number of jobs created: 13,000
- Estimated exported turnover 2011: €72M
- Forecasted exported turnover 2016: €550M
- Focus: ITO & Back Office BPO

Fès Shore
- Total space: 130,000 m²
- Estimated opening date: mid 2012
- 80% build, 60% equipped
- Focus: Call Centers

Agadir Shore (in progress)
Marrakech Shore (in progress)

More than 700,000 m² by 2018 conveniently positioned inside industry clusters and close to large cities

Source: Moroccan Ministry of Industry, Commerce and New Technologies
In 2012, Rabat Technopolis and Casanearshore continued their efforts in canvassing ...

<table>
<thead>
<tr>
<th>Casanearshore</th>
<th>Area</th>
<th>Expected area</th>
<th>Occupied area</th>
<th>Turnover (MMAD)</th>
<th>Export turnover 2015</th>
<th>Export turnover 2011</th>
<th>jOBS</th>
<th>Expected jobs</th>
<th>Created jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>270 000</td>
<td>146 000</td>
<td></td>
<td>6 000</td>
<td>2 700</td>
<td></td>
<td>33 000</td>
<td>15 000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Rabat</th>
<th>Technopolis</th>
<th>Area</th>
<th>Expected area</th>
<th>Occupied area</th>
<th>Turnover (MMAD)</th>
<th>Export turnover 2015</th>
<th>Export turnover 2011</th>
<th>jOBS</th>
<th>Expected jobs</th>
<th>Created jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>205 000</td>
<td>58 000</td>
<td></td>
<td>4 500</td>
<td>900</td>
<td></td>
<td>24 000</td>
<td>5 000</td>
<td></td>
</tr>
</tbody>
</table>

Source: Pacte National pour l'Emergence Industrielle
… and three Business Parks became operational

<table>
<thead>
<tr>
<th>Area</th>
<th>Delivery of the first block</th>
<th>Commercialization status</th>
</tr>
</thead>
</table>
| **Fès Shore** | 130 000 m²                  | Two companies are located:  
- **GFIT**  
- **GIANT Link**  

*Negotiations with other companies are underway.* |
| **Tétouan Shore** | 100 000 m²                  | Two companies are located:  
- **LOGITRAVEL**  
- **TOOL FACTORY**  

*Location of one company in progress:  
- **WORLD PAYEMENT SOLUTION**  

*Negotiations with other companies are underway.* |
| **Oujda Shore** | 11 000 m²                   | **Operational**                                                                        |
|                | 2nd quarter 2013            | (1st block: 7 000 m²)                                                                 |
|                | May 2012                    | (1st block: 22 000 m²)                                                                 |
|                | 06/20/2012                  | (1st block: 16 000 m²)                                                                 |
### Fiscal Subsidies

<table>
<thead>
<tr>
<th>Tax Type</th>
<th>General</th>
<th>Specific to Nearshoring</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Tax</td>
<td>• Full exoneration for 5 years</td>
<td>• 43%² discount for the following years</td>
</tr>
<tr>
<td>Income Tax</td>
<td>• Full exoneration for 2 years for first hires out of ANAPEC¹ with income below €550</td>
<td>• 20% cap in Nearshoring Business Parks</td>
</tr>
<tr>
<td>Social Tax</td>
<td>• 1 additional year for permanent contracts</td>
<td></td>
</tr>
</tbody>
</table>

### Training Subsidies for all Moroccan hires in Nearshoring sector

<table>
<thead>
<tr>
<th>(€/year/person)</th>
<th>Operator</th>
<th>Qualified Admin. (BPO)</th>
<th>Technician (ITO)</th>
<th>Engineer</th>
<th>Mgmt.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upon Hiring (Y1)</td>
<td>€550</td>
<td>€2 150</td>
<td>€2 700</td>
<td>€3 150</td>
<td>€2 700</td>
</tr>
<tr>
<td>Cont. Education (Y2&amp;3)</td>
<td>€550</td>
<td>€1 400</td>
<td>€1 800</td>
<td>€2 700</td>
<td>€2 700</td>
</tr>
</tbody>
</table>

¹ Usual Corporate Tax rate: 30\%, Nearshoring Corporate Tax rate: 17.5\%

A device of direct aid has been implemented in the sector of ITO-BPO

- Participation through ANAPEC for the cost of hiring and training employees by paying subsidies to businesses during the first 3 years
- Grants by sector of activity and by profile
- Profiles concerned: Operator, Technician, Engineer and Middle management

![Graph showing the number of people trained from 2007 to 2012 with an average annual growth rate (AAGR) of 104%]

* AAGR: average annual growth rate

Source: Pacte National pour l'Emergence Industrielle
**Stable country, both politically and economically**

Ranked 1st "African Country of the Future" for FDIs by Financial Times¹

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Morocco</td>
</tr>
<tr>
<td>2</td>
<td>South Africa</td>
</tr>
<tr>
<td>3</td>
<td>Mauritius</td>
</tr>
<tr>
<td>4</td>
<td>Egypt</td>
</tr>
<tr>
<td>5</td>
<td>Ghana</td>
</tr>
</tbody>
</table>

Political and economic stability acknowledged worldwide

- Fitch and Moody's confirmed investment grade rating in 2012
  "Morocco is unlikely to suffer contagion from protests in Egypt and Tunisia" – Fitch

- Political stability
  "Morocco has successfully met major challenges thanks to sound macroeconomic policy and political reforms" – IMF – August 2011

- Greatest reforming country
  "Morocco is the most improved economy for doing business among 183 countries analyzed" – The World Bank - October 2011

Ranked most peaceful country in North Africa on the Global Peace Index²
- Ranked 54th out of 158 countries evaluated
- Considered more peaceful than Tunisia, Algeria, Saudi Arabia, Egypt, Ukraine, Brazil or China

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¹ Morocco ranked #1 in Infrastructures, #1 in FDI Strategy, #3 in Economical Potential
² Global Peace Index 2012

Source: FDI Intelligence (The Financial Times Ltd.) 2011/2012
## Improving personal data protection system

<table>
<thead>
<tr>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012 and onwards</th>
</tr>
</thead>
</table>
| **Creation of personal data protection law in Morocco**<br>  
• Formalizes personal data processing activities<br>  
• Creates Supervisory body for control of personal data protection (CNDP<sup>1</sup>)<br>  
• Regulates personal data transfer to foreign countries<br>  
• Defines penalties: Fees up to €3000, Imprisonment for up to 2 years | **Positive evaluation of European Court of Justice General Directorate** | **Ongoing request for**<br>  
• Recognition of adequate level of protection with European Commission<br>  
• Certification of CNDP by World Control Authority | - |
Access to fast growing local and regional markets

High growth of BPO key sectors: Banks and Telco

**Bank**: Strong international growth of local companies thanks to strong presence in Africa: 3 national champions in Africa’s Top Ten

- **Attijariwafa Bank**: #6 (NBI 1.5Mds$, 35Mds$ of assets) – Presence in 7 African countries
- **Groupe Banque Populaire**: #8
- **BMCE Bank**: #9 (NBI 0.8Mds$, 19Mds$ of assets) – Presence in 11 African countries

**Insurance**: Morocco, a base for African development

- **Saham**: West African leader after the acquisition of Collina, present in 12 countries

**Telco**: Maroc Telecom, key player for the sector development in Africa

- 24 M clients, of which 7M (30%) outside of Morocco
- #1 Mauritania, #2 Burkina Faso, #2 Gabon

**Casablanca Finance City**: creating a financial and regional hub

- **Centralized Access to “Greater North-West” African Countries**
- **Privileged access to international decision makers**

Several Multinationals are having North-West African Headquarters in Casablanca

- Consumer (P&G, Nestlé, Unilever), Industry and services (Maersk, Bayer, Siemens)...

"Maroc Telecom, our platform for the development of the Maghreb region, Arabic countries and Africa"

Vivendi, majority shareholder of Maroc Telecom
Synthesis: Morocco value proposition in ITO / BPO

Best cost & proximity trade-off…

... with unique combination of

- ✔ Language skills
- ✔ Dedicated infrastructures
- ✔ Expertise and Know-how
- ✔ Government subsidies
- ✔ Political and economic stability

Offshoring Labor Cost Index, Base 100 for France

Flight time to France (in hours)

1. Average net annual salary of entry level Call Center operator; Source: Expert Assessment, BCG Analysis;
Agenda

Moroccan ITO / BPO platform

Moroccan value proposition in ITO / BPO

Success stories in ITO / BPO
Opening in 2007 in Casanearshore
• Large range of ITO services from application maintenance to project development and support/service desk
• Application maintenance and project development for more than 10 major French companies

2nd site opening in Rabat Technopolis in 2012
• Objective to reach 650 employees by end of 2012

Major role in engineer training in partnership with Moroccan Universities
• Agreements with Hassan 1st University (Settat Faculty of Technical Sciences - FST); Mohammed V University; ENSIAS; EMSI

“We have big ambitions for Morocco, [...]. Several French-speaking companies have already been impressed by the quality of our teams and by the excellence of our facilities at Casanearshore [...].”

Jean-Philippe Bol, CEO of Capgemini Morocco & Capgemini France Technology Services (2010)
Illustration of regional IT company: Logica
Making Morocco a regional hub of ITO

2 sites in Rabat & Casablanca and 750 employees

Logica’s Investment

1st facility established in Rabat in 2004
- Large range of ITO services from application maintenance to project development and support/service desk
- Serving primarily large French companies

Business growth led to expansion with a 2nd site in Casablanca (2006) and relocation of Rabat activities to new premises in Rabat Technopolis (2009)
- 2009: Launch of data management offering in Morocco, partnering with finance, telecom and public players

"We were attracted to Morocco for a wide range of reasons: [...] political stability, [...] government support, [...] and of course, the education system. [...] We rely on great people prepared to work hard, learn hard and grow and develop with us. We found plenty of those in Morocco. [...] We found it a really excellent experience investing in Morocco."

Andy Green, CEO of Logica (2011)
2 sites in Casablanca and 2,000 employees

Dell's Investment

1st site established in Casablanca in 2003
- As a platform of the Montpellier site in France (Southern Europe direction)
- Mainly selling Dell products by telephone to France and Spain customers
- Quickly enjoyed strong growth rate

Major investment in Casaneashore, to develop new activities (2010)
- Dell's largest business center in the EMEA zone: €8M investment, 20,000m² site, 2,000 workers,
- Expanded portfolio to markets other than France and Spain (e.g., Belgium, Canada and Scandinavia)
- New BPO activities: financial services, logistics, IT solutions, marketing, technical support services
- Objective to become one of Dell's strategic sites

"One of the fastest growing emerging country boasting a workforce skilled in the high tech business as well as multilingual, Morocco represents a strategic investment for Dell."

Brian Gladden, Senior VP and CFO of Dell (2010)
Atento’s Investment

1st investment in Morocco in 2000 and continued growth ever since

- 1st facilities in 2000: 1st site in Casablanca and 2nd site in Tangier
- Business growth led to expansion with 3rd site in Tétouan (2001) and a 4th in Meknès (2009)
- 3,000 employees in 2011 overall

From Morocco, Atento serves large French clients and important Spanish companies

- BPO services focusing on customer service
- Alternative to Spanish-speaking call centers based in South-America with more convenient time difference

"Morocco was a first test for Spanish-speaking clients tempted by outsourcing. Today, most of Atento’s activities are based in Columbia and Peru, but the more value-added ones are in Morocco. We manage Back Office Operations there for instance."

2010, Abdelaziz Boumahdi, MD of Atento Maroc
BNP Paribas in Casanearshore

3 companies in Casanearshore

<table>
<thead>
<tr>
<th>City</th>
<th>2004: Creation of IT sub-company BNPP Med IT¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marrakech</td>
<td>• ITO services for BNPP Europe²: Application</td>
</tr>
<tr>
<td></td>
<td>development and maintenance, project development</td>
</tr>
<tr>
<td></td>
<td>and support/service desk</td>
</tr>
<tr>
<td>Agadir</td>
<td>2008: Creation of BP sub-company BNPP Med BP¹</td>
</tr>
<tr>
<td></td>
<td>• BPO services for BNPP Europe²: Management of</td>
</tr>
<tr>
<td></td>
<td>Account payables</td>
</tr>
</tbody>
</table>

1. 90% BNP Paribas et 10% BMCI Bank (Banque Marocaine pour le Commerce et l'Industrie; Moroccan Bank for Commerce and Industry); 2. France, Belgium and Luxemburg mainly; 3. 89% BNP et 11% BMCI; 4. 96% BNP et 11% BMCI

“Geographic and cultural proximity [to France] played an important part in our choice of Morocco. The limited time difference between the two countries is a significant asset. [...] Also, the level of Moroccan schools training engineers and technicians [...] is internationally recognized.”

BNP Paribas Méditerranée IT Corporate Website
2 sites in Casablanca and Mohammedia and 3 external service providers

Free's Investment

2005: 1st call center at Sidi Maarouf near Casablanca (through Iliad subsidiary Total Call)
  • 1700 employees in 2011

2nd call center followed in Mohammedia in 2010 for Free's internet services
  • Managed by the Group's BPO sub-company Call One
  • Technical support at night, over the weekend and on bank holidays

2012: Moroccan-based call centers opening with external service providers
  • Webhelp, Teleperformance, Outsourcia
  • Incoming calls and subscriptions processing for Free mobile services

"Morocco is more attractive than Tunisia for many reasons. Our Moroccan employees have excellent academic backgrounds, we are very selective and provide proper training."

2006, Angélique Berge
Customer relationship Director of Iliad
Metlife in Morocco

2006: Metlife Insurance is established indirectly in Morocco
- Creation of 100 jobs to the moroccan providers (Rabat, Casablanca, Mohammedia et Meknès)
- Distance marketing of insurance products to the French market

2010: Opening of a customer relationship (first Metlife Centre of Excellence in Morocco)
- Creation of 100 direct jobs at startup
- Today, Metlife employs 200 people directly and plans to create 1,000 indirect jobs outsourced to providers in Morocco

« The choice of Rabat for the establishment was also encouraged by telecom network quality available in the city, the abundance of skilled labor and transport facilities.»

Michel Zedde, Manager of the Centre of Excellence of Rabat
1996: Activities started at AXA Assurances Morocco
- Insurance services to individuals and businesses
- Axa Morocco is attached to the South Group

2004: Creation of AXA Services Morocco
- Support services in the field of offshore BPO

2006: AXA Insurance Morocco became a 100% subsidiary of the AXA Group

2008: Opening of a branch in Rabat Agdal
- Operating a call center in order to ensure processing activities within the financial protection

2009: AXA established in Rabat Technopolis.
- Transfer of customer phone support and back office administrative functions.

“In addition to geographical proximity with France, the choice of AXA France life to settle in Morocco is due to the skilled and extremely competent labor, that is highly motivated”

CEO of AXA Services Morocco