

# Alliances Développement Immobilier



## Prospectus Summary

**CAPITAL INCREASE RESERVED TO THE INTERNATIONAL FINANCE CORPORATION  
TOTAL AMOUNT OF THE ISSUE MAD 207 694 912**

|                               |                 |
|-------------------------------|-----------------|
| Number of shares to be issued | 373 552 shares  |
| Issue price                   | MAD 556         |
| Face value                    | MAD 100         |
| Total amount of the operation | MAD 207 694 912 |

### Issue reserved to the International Finance Corporation

|  |
|--|
| <b>Advisory entity and Global Coordinator</b>  |
|   |
| <b>Entity in charge of the operation registration at the Casablanca Stock Market</b> |
|   |

#### **Visa of Conseil Déontologique des Valeurs Mobilières (Financial Authority)**

In accordance with the provisions of the CDVM circular, in application of article 14 of the Decree constituting the law n° 1-93-212 of September 21<sup>st</sup> 1993 related to the Conseil Déontologique des Valeurs Mobilières (CDVM) and to the information required from legal entities issuing securities to the public, as amended and extended, the original of this prospectus has been approved by the CDVM on 24<sup>th</sup> march 2014 under the reference VI/EM/006/2014 .

## WARNING

The CDVM approved on 24<sup>th</sup> march 2014 a prospectus related to Alliances Développement Immobilier increase of capital reserved to the International Finance Corporation, (hereinafter called « Alliances » or the « Company»).

The Prospectus approved by the CDVM is available at any time at the headquarters of the Company and at the financial advisor headquarters. It is also available within a maximum period of 48h at the order collecting bodies.

The prospectus is publicly available at the headquarters of the Casablanca Stock Exchange (Bourse de Casablanca) and on their website [www.casablanca-bourse.com](http://www.casablanca-bourse.com). It's also available on the CDVM web site: [www.cdvm.gov.ma](http://www.cdvm.gov.ma).

## **Partie I.      PRESENTATION OF THE OPERATION**

## I. General background of the operation

The governance bodies of Alliances Développement Immobilier Group and the International Finance Corporation (IFC) approved the principle of an equity investment of the IFC in the capital of Alliances Développement Immobilier through a reserved capital increase with a total amount, including the issue premium, of MAD 207,694,912 corresponding to the exchange value in dirham of USD 25,000,000 (on the basis of an exchange rate USD/MAD of 8.3078).

## II. Objectives of the operation

This operation of capital increase aims to reinforce the equity of Alliances Développement Immobilier Group, ensure the growth of its business and continue its development strategy of the social and intermediate housing activity.

## III. Information about the shares to be issued

|   |   |
|---|---|
| <b>Nature of shares</b>                           | Alliances Développement Immobilier shares   |
| <b>Number of securities</b>                       | 373 552   |
| <b>Face value</b>                                 | 100 MAD   |
| <b>Legal form</b>                                 | To the bearer, fully dematerialized and registered into account at Maroclear.   |
| <b>Issue price</b>                                | MAD 556   |
| <b>Issue premium</b>                              | MAD 456   |
| <b>Operation amount</b>                           | MAD 207 694 912   |
| <b>Payment of securities</b>                      | The shares to be issued will be fully paid up on subscription.  |
| <b>Payment of equity</b>                          | From 04/07/2014 to 04/08/2014   |
| <b>Dividend date</b>                              | 01/01/2014  |
| <b>Listing line</b>                               | The shares resulting from this capital increase will be listed in the 2 <sup>nd</sup> line.   |
| <b>Priority subscription rights</b>               | The Exceptional General Meeting held on March 10, 2014 called to rule on the capital increase decided the cancellation of the preferential subscription rights to reserve the entire capital increase to the International Finance corporation. |
| <b>Negotiability of shares</b>                    | The securities reserved to the International finance Corporation are freely negotiable.   |
| <b>Rights associated with the acquired shares</b> | All shares will have the same rights in both the allocation of profits and the allocation of the liquidation surplus. Each share shall entitle to a voting right in meetings.   |
| <b>Dilution of current shareholders</b>           | At the end of this operation, the current shareholders will be diluted up to 2.96%. Their shares in the ADI capital after the operation will be 97.4% of their shares before the operation.   |

#### IV. Operation schedule

| Number | Stages  | Time limit |
|--------|---|------------|
| 1      | Reception by the Casablanca Stock Exchange of the complete operation file   | 03/24/2014 |
| 2      | Issue of approval notice of the operation by the Casablanca Stock Market  | 03/24/2014 |
| 3      | Receipt by the Casablanca Stock Exchange of the prospectus duly approved by the CDVM                                      | 03/24/2014 |
| 4      | Publishing in the listing note the notice related to the operation  | 03/25/2014 |
| 5      | Publication of a summary of the prospectus in the newspaper of legal notices  | 03/27/2014 |
| 6      | Opening the subscription period (Equity payment)  | 04/07/2014 |
| 7      | Closing the subscription period   | 04/08/2014 |
| 8      | Ratification of the operation by the competent authority  | 04/10/2014 |
| 9      | Reception by the Casablanca Stock Market of the minutes or the operation's ratification letter by the competent authority | 04/11/2014 |
| 10     | Delivery of the new shares  | 04/14/2014 |
| 11     | ✓ Listing of the new shares   | 04/16/2014 |
|        | ✓ Filing the operation with the stock exchange  |            |
|        | ✓ Publishing the operation results in the listing note  |            |
| 12     | Commission deduction by the Casablanca Stock Exchange   | 04/17/2014 |

**Partie II. GENERAL PRESENTATION OF ALLIANCES  
DEVELOPPEMENT IMMOBILIER**

## I. General information

Tableau 1. General information

|                                      |   |
|--------------------------------------|---|
| <b>Company name</b>                  | Alliances Développement Immobilier  |
| <b>Headquarters</b>                  | 16, rue Ali Abderrazak, Casablanca  |
| <b>Phone number</b>                  | 05 22 99 34 84/63   |
| <b>Fax number</b>                    | 05 22 99 34 81  |
| <b>Website</b>                       | www.alliances.co.ma   |
| <b>E-mail</b>                        | infos@alliances.co.ma   |
| <b>Legal form</b>                    | Public Limited Company governed by the provisions of the law n°17-95 promulgated by the Dahir n°1-96-124 of August 30 <sup>th</sup> , 1996 related to Public Limited companies, as modified and supplemented by the law 20-05   |
| <b>Date of establishment</b>         | June 13 <sup>th</sup> , 1994  |
| <b>Life span</b>                     | Life span of the company is fixed in 99 years, except for anticipated dissolution or extension stipulated by the articles of association or the law   |
| <b>Trade Register</b>                | 74703, Casablanca   |
| <b>Financial year</b>                | From de January 1 <sup>st</sup> to December 31 <sup>st</sup>  |
| <b>Share capital on Dec 31, 2013</b> | MAD 1 224 137 600 divided into 12 241 376 shares of MAD 100 each, all of the same category and fully paid up.   |
| <b>Access to legal documents</b>     | The articles of association, the minutes of the General Meetings, the auditor's reports and management reports can be consulted at the headquarters of Alliances Développement Immobilier: 16, rue Ali Abderrazak – Casablanca.   |
| <b>Corporate purpose</b>             | <p>According to article 4 of the articles of association, the Company has as purposes:</p> <ul style="list-style-type: none"> <li>▪ the direct or indirect investment in all operations or companies by way of creation of companies, participation to their constitution, or by capital increase, purchase of shares or social rights or any other way ;</li> <li>▪ the promotion of tourism and real estate sectors by the study, the design, the realization, the construction, the management of any business or company and the direct or indirect sale of any product related to the sectors listed above;</li> <li>▪ the purchase, the sale and the exchange of the securities, all shares of interests;</li> <li>▪ the sale and the exchange of any buildings and real estate units, built or not, the building of all kind of constructions;</li> <li>▪ All operations related to the execution of public and private works particularly those that need on the most advanced techniques as well as regards the design as on that of the execution;</li> <li>▪ the purchase, the construction and the sale of any building for tourism industry in general and in particular the creation of touristic projects, real estate, financial and commercial;</li> <li>▪ deputy control of work;</li> <li>▪ And more generally, any industrial operations, commercial, movable and real, financial being attached directly or indirectly to the purposes above specified or those that might develop the company.</li> </ul> |
| <b>Legal texts</b>                   | Due to its legal form, the Company is governed (i) by the Moroccan law including the law n°17-95 related to Limited Companies as modified and supplemented by the law 20-05 and   |

(ii) by its articles of association.

Due to its activity, the Company is governed by the following legal texts :

- Law n°25-90 promulgated by the Dahir n°1-92-7 of June 17<sup>th</sup>, 1992 related to allotments, housing groups and parceling ;
- Dahir of August 12<sup>th</sup>, 1913 forming code of obligations and contracts, supplemented by the law n°44-00 of October 3<sup>rd</sup>, 2002 related to the sale of housing units before completion ;
- Law n°18-00 of October 3<sup>rd</sup>, 2002 related to the joint ownership of buildings regulation ;
- Article n° 92 of the 2010 finance law instituting tax exemptions for housing developers.

As a public company, the Company is governed by the following regulation texts related to financial markets :

- The general regulation of the CDVM approved by the decree n°822-08 of April 14<sup>th</sup>, 2008 of the Minister of Economy and Finances ;
- Dahir establishing the law n°1-93-211 of September 21<sup>st</sup>, 1993 related to Casablanca Stock Exchange, as modified and supplemented by the laws 34-96, 29-00, 52-01 and 45-06;
- General regulation of Casablanca Stock Exchange as approved by the decree n°499-98 of July 27<sup>th</sup>, 1998 of the Minister of Economy and Finances and amended by the Decree n°1960-01 of October 30<sup>th</sup>, 2001 of the Minister of Economy, Finances, Privatization and Tourism. This text is modified by the amendment of June 2004 come into effect in November 2004 and by the decree n° 1268-08 of July 7<sup>th</sup>, 2008 ;
- Dahir establishing the law n°1-93-212 of September 21<sup>st</sup>, 1993 related to CDVM and information required from legal persons making public offering as modified and supplemented by the law n°23-01, 36-05, and 44-06;
- Dahir n°1-96-246 of January 9<sup>th</sup>, 1997 establishing promulgation of the law n°35-96 related to the creation of the central custodian and the institution of a general scheme of the inscription of certain values (modified and supplemented by the law n°43-02);
- General regulation of the central custodian approved by the decree of the Minister of Economy and Finances n°932-98 of April 16<sup>th</sup>, 1998 and amended by the decree of the Minister of Economy, Finances and Tourism n°1961-01 of October 30<sup>th</sup>, 2001 and by the decree n°77-05 of March 17<sup>th</sup>, 2005;
- Dahir n°1-04-21 of April 21<sup>st</sup>, 2004 establishing promulgation of the law n°26-03 related to the public offerings on the Moroccan stock market as modified and supplemented by the law 46-06.

|   |  |
|---|--|
| <b>Competent court in the event of disputes</b> | Casablanca Business Court  |
| <b>Applicable tax law</b>                       | Alliances Développement Immobilier is subject to a corporate tax of 30% and to a VAT of 20%. |

*Source : Alliances Développement Immobilier*

## II. Shareholding Structure

### II.1. Capital structure background

The table below presents the shareholding history of Alliances Développement Immobilier group:

Tableau 2. Shareholding history

| Shareholders                          | 12/31/2011           |                                    | 12/31/2012           |                                    | 09/30/2013           |                                    |
|---------------------------------------|----------------------|------------------------------------|----------------------|------------------------------------|----------------------|------------------------------------|
|                                       | Number of securities | % of the capital and voting rights | Number of securities | % of the capital and voting rights | Number of securities | % of the capital and voting rights |
| <b>LAZRAQ Family</b>                  | <b>7 278 110</b>     | <b>60,15%</b>                      | <b>7 278 110</b>     | <b>60.15%</b>                      | <b>7 397 133</b>     | <b>60.43%</b>                      |
| Mohamed Alami NAFAKH LAZRAQ           | 7 001 020            | 57.86%                             | 7 001 020            | 57.86%                             | 7 120 043            | 58.16%                             |
| Farida EL BELGHAMI                    | 136 730              | 1.13%                              | 136 730              | 1.13%                              | 136 730              | 1.12%                              |
| Othman NAFAKH LAZRAQ                  | 45 980               | 0.38%                              | 45 980               | 0.38%                              | 45 980               | 0.38%                              |
| Mouna NAFAKH LAZRAQ                   | 45 980               | 0.38%                              | 45 980               | 0.38%                              | 45 980               | 0.38%                              |
| Omar NAFAKH LAZRAQ                    | 45 980               | 0.38%                              | 45 980               | 0.38%                              | 45 980               | 0.38%                              |
| Mustafa NAFAKH LAZRAQ                 | 2 420                | 0.02%                              | 2 420                | 0.02%                              | 2 420                | 0.02%                              |
| <b>Managers</b>                       | <b>40</b>            | <b>0.00%</b>                       | <b>40</b>            | <b>0.00%</b>                       | <b>40</b>            | <b>0.00%</b>                       |
| Karim BELMAACHI                       | 10                   | 0.00%                              | 10                   | 0.00%                              | 10                   | 0.00%                              |
| Younes SEBTI                          | 10                   | 0.00%                              | 10                   | 0.00%                              | 10                   | 0.00%                              |
| Jamal HAMD AOUI                       | 10                   | 0.00%                              | 10                   | 0.00%                              | 10                   | 0.00%                              |
| Ahmed AMLOUL                          | 10                   | 0.00%                              | 10                   | 0.00%                              | 10                   | 0.00%                              |
| <b>Investors *</b>                    | <b>1 179 750</b>     | <b>9.75%</b>                       | <b>2 066 419</b>     | <b>17.08%</b>                      | <b>2 088 055</b>     | <b>17.06%</b>                      |
| MAMDA                                 | 272 250              | 2.25%                              | 290 227              | 2.40%                              | 292 837              | 2.39%                              |
| MCMA                                  | 272 250              | 2.25%                              | 283 677              | 2.34%                              | 293 066              | 2.39%                              |
| SOMED                                 | 181 500              | 1.50%                              | 30 470               | 0.25%                              | 30 470               | 0.25%                              |
| RCAR                                  | -                    | -                                  | 614 680              | 5.08%                              | 614 680              | 5.02%                              |
| Wafa Assurance                        | 181 500              | 1.50%                              | 211 638              | 1.75%                              | 211 638              | 1.73%                              |
| CIMR                                  | 181 500              | 1.50%                              | 181 818              | 1.50%                              | 191 455              | 1.56%                              |
| SCR                                   | -                    | -                                  | 181 500              | 1.50%                              | 181 500              | 1.48%                              |
| Upline Investment Fonds               | 90 750               | 0.75%                              | 90 909               | 0.75%                              | 90 909               | 0.74%                              |
| SMCD                                  | -                    | -                                  | 181 500              | 1.50%                              | 181 500              | 1.48%                              |
| <b>Other shareholders</b>             | <b>3 615 986</b>     | <b>29.88%</b>                      | <b>2 742 981</b>     | <b>22.67%</b>                      | <b>2 756 148</b>     | <b>22.52%</b>                      |
| <b>Treasury shares of the company</b> | <b>26 114</b>        | <b>0.22%</b>                       | <b>12 450</b>        | <b>0.10%</b>                       | <b>0</b>             | <b>0.00%</b>                       |
| <b>Total</b>                          | <b>12 100 000</b>    | <b>100.00%</b>                     | <b>12 100 000</b>    | <b>100.00%</b>                     | <b>12 241 376</b>    | <b>100.00%</b>                     |

Source : Alliances Développement Immobilier

Alliances Développement Immobilier has a family majority shareholding represented by its founding shareholder, Mr Mohamed Alami NAFAKH LAZRAQ.

As directors, Mr. Karim BELMAACHI, Mr. Younes Sebti, Mr. HAMD AOUI, Mr. Jamal Ahmed AMLOUL each hold 10 shares of warranty.

In 2008, Alliances Développement Immobilier opened its capital to institutional investors under a private investment. On December 31<sup>st</sup>, 2011, these investors were holding about 9.8/ of the share capital.

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### III. Administrative bodies

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Articles 11 to 19 of Alliances Développement Immobilier articles of association related to the composition, methods of convocations, functions, operations and quorums of the Board of Directors of the Company Alliances Développement Immobilier comply with law n° 17-95 related to limited companies as amended and supplemented by law N°. 20-05.

Articles 11 and 12 of the company articles of association provide the following in the administration of the company:

- The company is managed by a Board of Directors composed of at least three members and no more than fifteen members ;
- The Board of Directors shall appoint from among its members a Chairman, a natural person who exercises his functions for the duration of his term of office
- The Council also appoints, on the proposal of the President, the person to perform the duties of secretary and can even be taken outside of its members and shareholders

The chairmanship of the Board of Directors of Alliances Développement Immobilier is provided by Mohamed Alami NAFAKH LAZRAQ whose mandate for this function has been renewed by the Annual General Meeting held on June 21<sup>st</sup>, 2012.

The composition of the Board of Directors of Alliances Développement Immobilier on June 30<sup>th</sup>, 2013 is composed as follows:

Tableau 3. Composition of the Board of Directors of Alliances group on June 30<sup>th</sup>, 2013

| Board of Director Members   | Current Position        | Date of appointment or reappointment | Expiry date of the term                     | Relationship with the chairman |
|---|-------------------------|--------------------------------------|---|--------------------------------|
| <b>M. Mohamed Alami NAFAKH LAZRAQ</b><br>Chief Executive Officer                    | Chief Executive Officer | 06/21/2012                           | AGM approving the 2017 financial statements | Himself                        |
| <b>M. Mohamed Mustafa NAFAKH LAZRAQ</b>   | Director                | 06/27/2011                           | AGM approving the 2016 financial statements | Brother                        |
| <b>Mme Farida EL BELGHAMI</b>   | Director                | 06/21/2012                           | AGM approving the 2017 financial statements | Wife                           |
| <b>M. Karim BELMAACHI</b><br>Managing Director                                      | Director                | 02/09/2009                           | AGM approving the 2013 financial statements | None                           |
| <b>M. Younes SEBTI</b><br>Managing Director of Finance and Support Department       | Director                | 06/14/2010                           | AGM approving the 2013 financial statements | None                           |
| <b>M. Jamal HAMD AOUI</b><br>Chairman Advisor in charge of Development              | Director                | 06/09/2008                           | AGM approving the 2013 financial statements | None                           |
| <b>M. Ahmed AMLOUL</b><br>Managing Director of Alliances Darna                      | Director                | 06/09/2008                           | AGM approving the 2013 financial statements | None                           |
| <b>CIMR</b> represented by<br><b>M. Khalid CHEDDADI</b> – Chief Executive Officer   | Director                | 06/09/2008                           | AGM approving the 2013 financial statements | None                           |
| <b>MAMDA</b> represented by<br><b>M. Hicham Benlemrah</b> – Chief Executive Officer | Director                | 06/09/2008                           | AGM approving the 2013 financial statements | None                           |

Source : Alliances Développement Immobilier

The Board of Directors is chaired by Mr. Mohamed Alami NAFAKH LAZRAQ, Chief Executive Officer of Alliances Développement Immobilier. It is also composed of Mr. Mohamed Mustafa NAFAKH LAZRAQ, Mrs. Farida EL BELGHAMI, as well as four directors from the management of the Company and two members representing the investors who subscribed to the capital increase of February 2008.

It should be noted that after the capital increase reserved to the IFC, subject of this prospectus, a seat in the Board of Directors of Alliances Développement Immobilier will be allocated to an independent directors (appointed by the International Finance Corporation).

## IV. Management bodies

### IV.1. The company management

The list of Alliances Développement Immobilier Executive Committee members is available as follows:

Tableau 4. Major members of the Executive Committee of Alliances Développement Immobilier on June 30, 2013

| Name                                   | Position         | Date within the group |
|--|------------------|-----------------------|
| <b>Mr. Mohamed Alami NAFAKH LAZRAQ</b> | President        | 09/01/1994            |
| <b>Mr. Karim BELMAACHI</b>             | Committee member | 11/01/2008            |
| <b>Mr. Jamal HAMDAOUI</b>              | Committee member | 01/01/1998            |
| <b>Mr. Ahmed AMLOUL</b>                | Committee member | 06/01/2007            |
| <b>Mr. Younes SEBTI</b>                | Committee member | 09/01/2009            |
| <b>Mr. Youssef KABBAJ</b>              | Committee member | 05/01/2009            |
| <b>Mr. Othman LAZRAQ</b>               | Committee member | 01/02/2012            |
| <b>Mrs. Hynd CHKILI</b>                | Committee member | 10/01/2012            |
| <b>Mr. Yves DELMAR</b>                 | Committee member | 01/06/2013            |

*Source : Alliances Développement Immobilier*

**Partie III.      ACTIVITIES OF ALLIANCES DEVELOPPEMENT  
IMMOBILIER**

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## I. Alliances Développement Immobilier Group Membership

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Alliances Développement Immobilier is owned in majority by the Nafakh Lazraq family (exclusively individuals), represented by Mr. Mohamed Alami Nafakh Lazraq, majority shareholder and CEO of the Company.

Currently, Alliances Développement Immobilier does not belong to any group.

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## II. Subsidiaries of Alliances Développement Immobilier

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### II.1. Legal structure

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The organizational chart of Alliances Développement Immobilier presented hereafter and taking into account the subsidiaries of the Company is structured according to several spheres of activity:

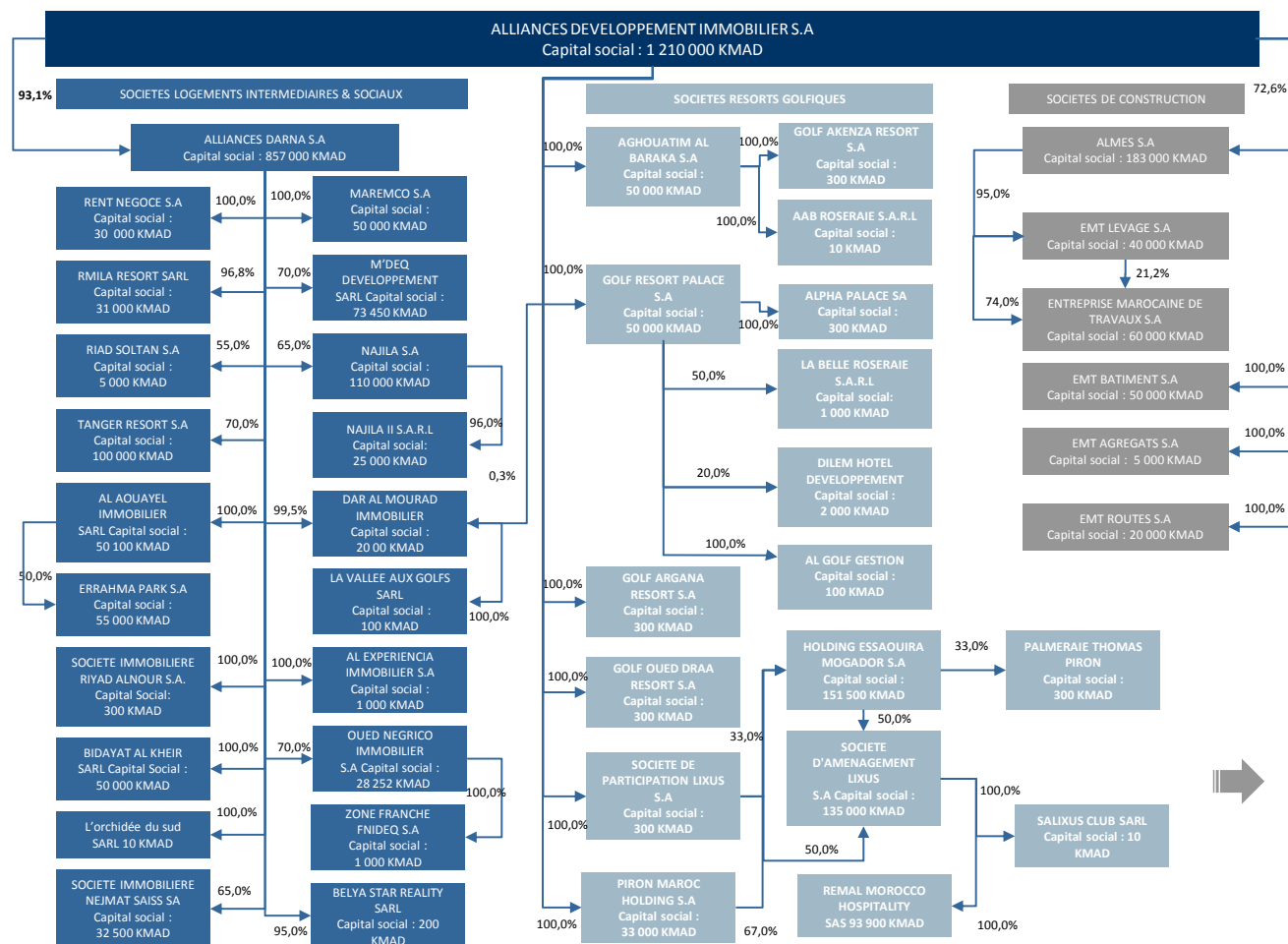
- Services subsidiaries, holders of know-how in terms of development, realization, marketing and asset management;
- Special purpose vehicles dedicated to the property development on the three segments of the real estate and tourist sector:
  - Subsidiaries of promotion of projects in the residential real estate business;
  - Subsidiaries of promotion of projects in the golf resorts business;
  - Subsidiaries of promotion of projects in the intermediate housing business,
- Subsidiaries of construction (EMT Bâtiment and EMT).

In 2011, the Alliances group updated its organizational structure. Alliances Développement Immobilier is now acting as a holding company, providing strategic functions. It also has fully autonomous subsidiaries in the golf resorts and intermediate housing businesses which now enjoy an autonomous management, and dedicated technical, commercial and financial teams.

Other changes have been made to the existing business units, in particular the regrouping of residential and golf business units onto a single business unit in charge of the development of high end products.

The legal structure of Alliances Développement Immobilier is as follows:

**Alliances Développement Immobilier's holdings as on 06/30/2013**





## II.2. ADI activity

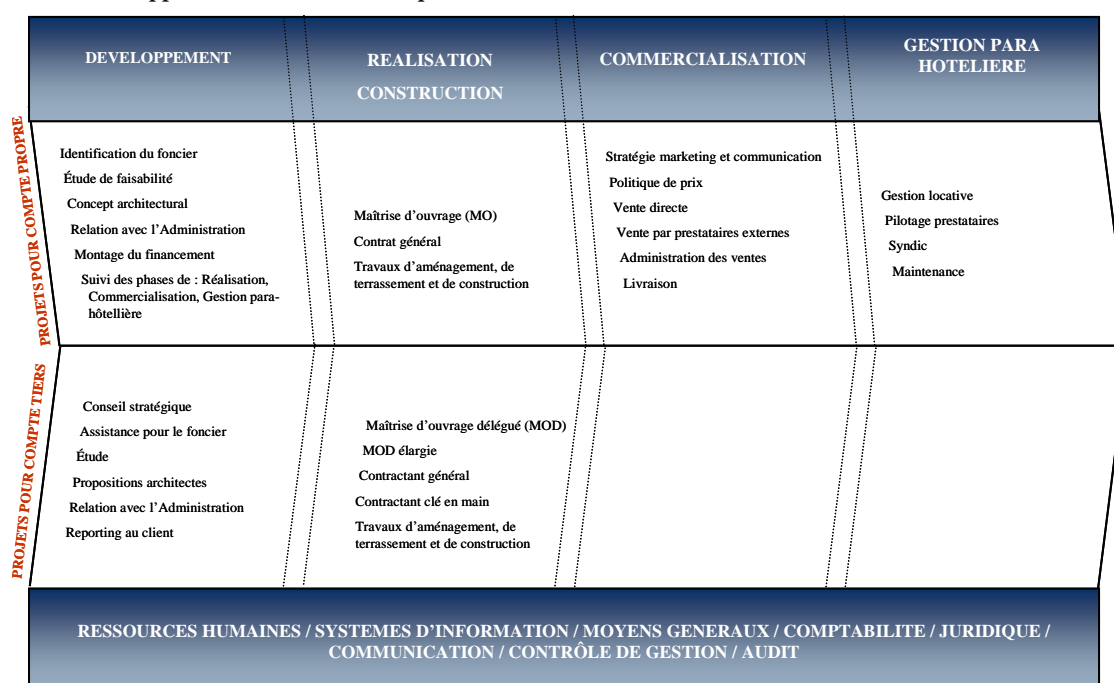
### II.2.1. Presentation of Alliances Développement Immobilier activity

Since its creation in 1994, the company Alliances Développement Immobilier is specialized in the Project management support (study, assembly and control) of real estate and touristic great scale achievements for international investors and Moroccans institutional. Thus, the Alliances Group has been distinguished as leader in the building industry of hotel units in Morocco by being the main partner of the institutional investors and Major Hotel chains (Accor group, Four Seasons Hotels and Resorts , Club Med, Tui, Lucien Barrière, etc).

Nowadays, the Alliances group is the first integrated real estate and touristic operator in Morocco. It exercises the four activities which compose the real estate and touristic value chain:

- Property development ;
- Implementation and construction ;
- Commercialization ;
- Real estate and para hotels assets.

#### Alliances Développement Immobilier Group value chain



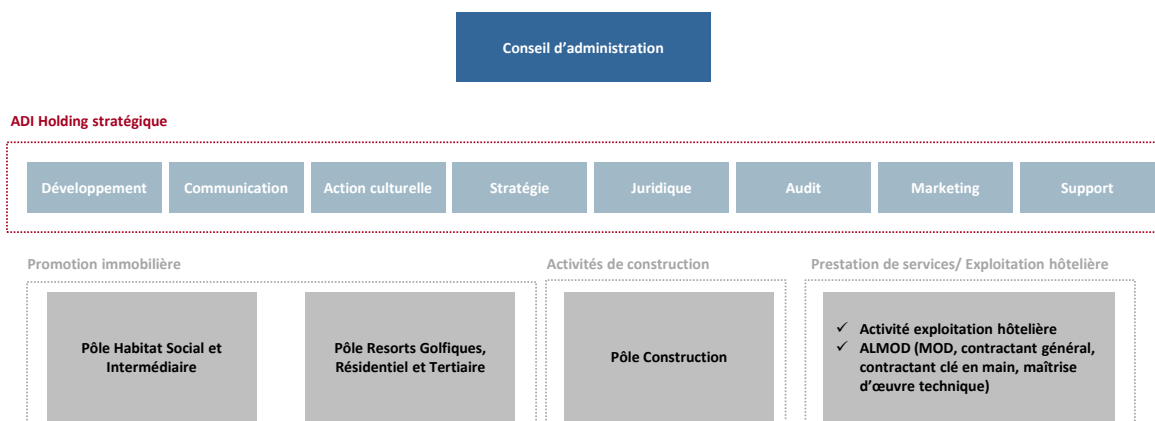
Source : Alliances Développement Immobilier

The activities of the group are presented as follows:

- Promotion of golf resorts, of residential and tertiary real estate and of intermediate housing, covering all levels of the touristic and residential real estate;
- Activity of Project Management Support (PMS, PMS extended, EPC contract) for the development and the achievement for customers, including hotels units and touristic areas;
- Earthworks, development and construction for the group companies and third parties;
- Para hotel management.

## II.2.2. Overview of the activities of Alliances Développement Immobilier

Alliances Développement Immobilier activities overview as of 12-31-2012



Source : Alliances Développement Immobilier

### (a) Promotion activities

The promotion activities deal with operations carried out by Alliances group in the MPS area for its own use. Alliances Développement Immobilier (contracting authority) launches the real estate achievements and undertakes the funding coordination of transactions. In fact, the company undertakes the follow up regarding the designing and carrying out of real estate programs (choice of the fields, definition and study of the programs, contracting deals, follow-up of constructions, sales of finished products and after sales service).

#### i) Golf resorts and Residential tertiary housing

##### ▪ Golf resorts

The golf resorts are developed on the most attractive Moroccan destination such as Marrakech (Al Maaden, Akenza), Agadir/Taghazout (Lixus Port). Designed by international well known architects and designers, these very high-ends resorts include golf, riads and luxury villas, as well as hotels.

The implementation of a golf and residential and hotel units management (delegated to hotel and para hotel specialized chains) allows Alliances Développement Immobilier to preserve the control of its projects on a long term, and thus, to make durable its incomes.

##### ▪ Residential tertiary sector

Alliances group anticipates the development opportunities and the local and foreigners customers' needs on the touristic and residential segment by capitalizing on the experience accumulated within the framework of projects under development and through the market studies made by national and international offices.

Thus, Alliances group develops a high standards quality offer for tourist residences (apartments, riads, villas) fulfilling the increasingly high requirements of its customers, composed by locals and foreigners and by Moroccan expatriates.

#### ii) Intermediate and social housing

The group achievements in the intermediate and social segment are linked to the diversification of the offer. Indeed, Alliances group strongly wants to show its diversification by actively operating through the sector of the intermediate housing thanks to its subsidiary Darna Alliances gathering all the subsidiaries of development of projects of intermediate and social housing.

Thus, Alliances Développement Immobilier is implied in the national policy of reducing the deficit of social housing, and aims taking opportunities on this segment generated by a high demand and a favorable tax environment for developers.

Eventually, Alliances Darna has concluded several conventions within the 2010 finance law, benefiting subsequently from tax incentives granted for social housing construction at a cost of sale inferior to 250 KMAD (excluding VAT). At the signature of the latter conventions, Alliances Darna is bind to develop a minimum of 500 social housing units within a 5 years period.

The convention signed at this day, concerns over 127 484 social housing units at 250 KMAD (excluding VAT).

The group's objective is also to offer, through a panel of intermediate and social conceptualized housing by national and global expertise, a high standard architecture and urban planning, meeting the sustainable development requirements.

This concern for the respect of the sustainable development standards results in the development of landscape oriented projects, displaying abundant green areas, and also in the integration of appropriated development initiatives in the project's conception (craftsman villages, training schools, etc.).

iii) Performance of services

▪ Project management

The services activity concerns project management operations for the benefit of local and global institutional clients (ACCOR, SOMED, TUI-Nouvelles frontières, Actif Invest, H Pertners, etc.) that requires Alliances group expertise to achieve their real estate projects.

Also, Alliances group subsidiaries specialized in real estate activities are using the services of Alliances Développement Immobilier or its specialized subsidiary, ALMOD, for carrying out their projects through a services contract.

Alliances Développement S.A, was historically in charge of the overall performance of services activities.

In 2011, the group re-organized its activities by which Alliances Développement Immobilier S.A became a strategic holding, gathering autonomous subsidiaries.

The new services contracts shall be managed, from now on, by ALMOD which is fully destined to undertake services activities.

ALMOD, (agent or the deputy contractor) has been authorized by the contractor to manage a certain number of projects on its behalf, through an agency agreement. Such agreement defines the operations under ALMOD's responsibility, such as the contractor and supplier selection, market and project management, etc.

ALMOD's terms of intervention vary according to each real estate and tourism program specifics:

**Delegated Contracting Owner:**

Followed-up of by design offices and architects work:

- 1) To assist the contractor by mobilizing a team in charge of ensuring the good fulfillment of the project in the technical, legal and financial plan ;
- 2) To ensure the interface between the investor and the rest of the project's participants ;
- 3) To ensure the respect of the project's budget and completion dates;
- 4) To ensure the optimization of construction costs within the respect of quality standards and time limit;

In such contracts, ALMOD's revenues are based on a percentage of the overall amount of the project's investment which is accounted as the company's turnover without any cost of counterpart. Subcontractors' invoices are established on behalf of the contractor and ALMOD does not account the undertaken projects as inventories.

**General Contractor:** Complete support of the operation with a commitment of ensuring a budgetary transparence towards the Project Manager:

- 1) To ensure the complete achievement of the project by the general contractor at an inclusive price respecting the time limit and budget requirements;
- 2) To ensure the respect of completion time limits.

In such contracts, ALMOD's turnover is the cost of the project plus a payment based on a percentage of the project cost (estimated between 8% and 11%) with the entirety of the project's costs as for counterpart. Subcontractor's invoices are established on behalf of ALMOD and projects are accounted as inventories.

**Turnkey Contractor:** Complete support of the project at a price defined by the Project Manager. ALMOD's intervention is fully independent at this stage (subsequent profit and losses assumed by ALMOD) :

- 1) To achieve the turnkey project by the contractor at a fixed and firm price within the time limit agreed by the contract. The contractor will assume all profit and losses inherent to the project;
- 2) To ensure the respect of completion periods.

In such contracts, ALMOD's turnover is an inclusive price including the entirety of the project's costs as counterpart (subsequent profit and losses assumed by ALMOD). Subcontractor's invoices are established on behalf of ALMOD

and the project is accounted as inventories. In the case of delays postponing the delivery of the project, ALMOD will be paying default interests to its client.

Regardless of the contract type, ALMOD will be managing all the technical specifics linked to the project. The group, thus, proposes to manage all the technical performances of services to come up with a customized offer for its clients:

- 1) Global technical mission, that includes all the participants of the project (architects, landscape designers, decorators, technical consultants, etc.);
- 2) The contractor shall have a unique and dedicated interlocutor within the project management framework;
- 3) The respect of completion time limits and budget requirements.

ALMOD's areas of intervention in the performance of services activity remains essentially in the hotel segment.

At this stage, Alliances Group has established strong partnership with international tourism leading operators. It benefits therefore, from a sound expertise in the achievement of touristic units and remains a prominent player in this activity.

Indeed, Alliances Développement Immobilier is the number one operator in terms of hotels developed during the last decade. It intervenes as:

- 1) Contracting turn-key or controls of work deputy actors of reference such as the Accor group, TUI, Mediterranean Club, Lucien Barrière, Park Hyatt, Raids;
- 2) Investor in the construction of luxury residences and hotels. The Alliances group in particular took in charge the financial montage for the realization of a residential unit and hotel Four Seasons in Marrakech while investing at with dimensions Investment Company hotel Kingdom Hotel Investments held mainly by prince Waleed Ibn Talal. The participation of 11% held by the Alliances Group in the company project (EHC Morocco) was yielded to investment fund ALHIF.

In this kind of contracts, the remuneration of ALMOD or Alliances Immobilierest Development based on a percentage of the amount of investment of the project entered in turnover without any load on the other hand. The invoices of the subcontractors are established in the name of the owner and Alliances Développement Immobilier does not enter the projects in stocks.

#### **(b) Building activities**

Through its acquisitions of EMT (Entreprise Marocaine des Travaux), EMT Levage, EMT Route and EMT Agrégats, Alliances Développement Immobilier created a Construction division, which at the same time enables it to supplement its range of services integrated, to be present on the whole chain value, to position its services with the best international standards and to accompany the large building sites by infrastructures of Morocco.

In 2010, the group reinforced its pole construction with the creation of company EMT Bâtiment with the objective to cover the whole chain value of construction thanks to the following companies:

- EMT: realization of complex works (dams, airport works, fitting outs,...) ;
- EMT Levage: hiring and sale of hoisting equipment and special transport;
- EMT Bâtiment: construction of buildings any trade;
- EMT Routes: construction of roads;
- EMT Agrégats: exploitation of careers.

#### **(c) Activities of Para-hotel management**

The activity of para-hotel management is carried out by ALGEST which developed an expert testimony in para-hotel management and intervenes for this reason in management and marketing of the apartments and the villas entrusted in rental management and in the installation of structures of marketing for the units in rental management.

**Partie IV. FINANCIAL DATA OF ALLIANCES  
DEVELOPPEMENT IMMOBILIER**

## I. The Consolidated Income statement- consolidated accounts

The following table presents the main consolidated indicators of group Alliances profits & losses statement in last three financial years:

| In KMAD                                     | 2010             | 2010 pro forma   | 2011             | 2011 pro forma   | Var 11-10 pro forma | 2012             | Var 12-11 pro forma |
|---|------------------|------------------|------------------|------------------|---------------------|------------------|---------------------|
| Turnover                                    | 2 611 800        | 2 637 959        | 4 341 075        | 4 341 075        | 64.6%               | 4 003 387        | -7.8%               |
| Change in product inventories               | 933 806          | 975 235          | 1 003 933        | 1 003 933        | 2.9%                | 2 100 880        | >100.0%             |
| Assets manufactured by the company itself   | 2 577            | 2 577            | 21 022           | 21 022           | >100.0%             | 13 144           | -37.5%              |
| <b>Production</b>                           | <b>3 548 183</b> | <b>3 615 771</b> | <b>5 366 030</b> | <b>5 366 030</b> | <b>48.4%</b>        | <b>6 117 412</b> | <b>14.0%</b>        |
| - Consumed operating Supplies               | 2 134 658        | 2 202 816        | 3 367 846        | 3 367 846        | 52.9%               | 3 996 477        | 18.7%               |
| - Other external expenses                   | 240 003          | 240 789          | 260 851          | 260 851          | 8.3%                | 321 496          | 23.2%               |
| <b>Consumables of the year</b>              | <b>2 374 661</b> | <b>2 443 605</b> | <b>3 628 697</b> | <b>3 628 697</b> | <b>48.5%</b>        | <b>4 317 974</b> | <b>19.0%</b>        |
| <b>Added Value</b>                          | <b>1 173 522</b> | <b>1 172 166</b> | <b>1 737 333</b> | <b>1 737 333</b> | <b>48.2%</b>        | <b>1 799 438</b> | <b>3.6%</b>         |
| - Taxes                                     | 22 567           | 22 652           | 61 059           | 61 059           | >100.0%             | 30 670           | -49.8%              |
| - Employees expenses                        | 264 285          | 265 425          | 343 085          | 343 085          | 29.3%               | 432 573          | 26.1%               |
| <b>Gross Operating Income</b>               | <b>886 670</b>   | <b>884 089</b>   | <b>1 333 189</b> | <b>1 333 189</b> | <b>50.8%</b>        | <b>1 336 195</b> | <b>0.2%</b>         |
| + Other operating revenues                  | 25 785           | 25 785           | 32 639           | 32 639           | 26.6%               | 0                | -100.0%             |
| - Other operating expenses                  | 22 929           | 22 929           | 1 626            | 1 626            | -92.9%              | 7 247            | >100.0%             |
| + operating reversals. expenses transfer    | 1645             | 1 646            | 159 793          | 159 793          | >100.0%             | 99 787           | -37.6%              |
| - Operating amortizations and depreciations | 96 648           | 96 777           | 169 844          | 169 844          | 75.5%               | 94 535           | -44.3%              |
| <b>Operating income</b>                     | <b>794 523</b>   | <b>791 814</b>   | <b>1 354 152</b> | <b>1 354 152</b> | <b>71.0%</b>        | <b>1 334 200</b> | <b>-1.5%</b>        |
| <i>Operating income/Turnover</i>            | <i>30.4%</i>     | <i>30.0%</i>     | <i>31.2%</i>     | <i>31.2%</i>     | <i>1.2pts</i>       | <i>33.3%</i>     | <i>2.1pts</i>       |
| + Financial revenues                        | 22 086           | 22 331           | 13 047           | 13 047           | -41.6%              | 43 176           | >100.0%             |
| - Financial expenses                        | 217 892          | 218 119          | 298 965          | 298 965          | 37.1%               | 465 899          | 55.8%               |
| <b>Financial income</b>                     | <b>-195 806</b>  | <b>-195 787</b>  | <b>-285 919</b>  | <b>-285 919</b>  | <b>na</b>           | <b>-422 723</b>  | <b>47.8%</b>        |
| <b>Current income before taxes</b>          | <b>598 717</b>   | <b>596 027</b>   | <b>1 068 233</b> | <b>1 068 233</b> | <b>79.2%</b>        | <b>911 477</b>   | <b>-14.7%</b>       |
| + Non current revenues                      | 157 443          | 158 162          | 181 298          | 181 298          | 14.6%               | 462 261          | >100.0%             |
| - Non current expenses                      | 132 667          | 133 989          | 111 054          | 111 054          | -17.1%              | 131 194          | 18.1%               |
| <b>Non current income</b>                   | <b>24 776</b>    | <b>24 174</b>    | <b>70 245</b>    | <b>70 245</b>    | <b>&gt;100.0%</b>   | <b>331 067</b>   | <b>&gt;100.0%</b>   |
| <b>Income before taxes</b>                  | <b>623 493</b>   | <b>620 201</b>   | <b>1 138 478</b> | <b>1 138 478</b> | <b>83.6%</b>        | <b>1 242 544</b> | <b>9.1%</b>         |
| - Corporate taxes                           | 167 506          | 167 616          | 166 615          | 166 615          | -0.6%               | 108 979          | -34.6%              |
| - Differed taxes                            | -285             | -287             | -23 794          | -23 794          | >100.0%             | 4 956            | -120.8%             |
| - Amortization of goodwill                  | 28 394           | 28 394           | 39 603           | 39 603           | 39.5%               | 49 962           | 26.2%               |
| + Reversals on amortizations of goodwill    | 4 686            | 4 686            | 13 808           | 13 808           | >100.0%             | 10 457           | -24.3%              |
| <b>Income after tax</b>                     | <b>432 564</b>   | <b>429 163</b>   | <b>969 863</b>   | <b>969 863</b>   | <b>&gt;100.0%</b>   | <b>1 089 104</b> | <b>12.3%</b>        |
| Income of equity affiliates                 | -654             | -654             | 3 129            | 3 129            | ns                  | 1 630            | -47.9%              |
| <b>Consolidate income</b>                   | <b>431 910</b>   | <b>428 509</b>   | <b>972 992</b>   | <b>972 992</b>   | <b>&gt;100.0%</b>   | <b>1 090 735</b> | <b>12.1%</b>        |
| <i>CI/TO</i>                                | <i>16.5%</i>     | <i>16.2%</i>     | <i>22.4%</i>     | <i>22.4%</i>     | <i>6.2pts</i>       | <i>27.2%</i>     | <i>4.8pts</i>       |
| <b>Net income. Group share</b>              | <b>423 681</b>   | <b>422 661</b>   | <b>832 041</b>   | <b>774 700</b>   | <b>96.9%</b>        | <b>874 949</b>   | <b>12.9%</b>        |
| Minority interests                          | 8 229            | 5 849            | 140 951          | 198 292          | >100.0%             | 215 785          | 8.8%                |

Source: Alliances Développement Immobilier

## II. The balance sheet – Consolidated accounts

### II.1. Main indicators of the consolidated balance sheet for the years 2011 pro forma and 2012

The following table presents the main indicators of the consolidated balance sheet of Alliances Développement Immobilier for the financial years 2011 pro forma and 2012:

| In KMAD                                      |                   |                   |                   |                     |
|--|-------------------|-------------------|-------------------|---------------------|
| Assets                                       | 2011              | 2011 pro forma    | 2012              | Var 12-11 pro forma |
| <b>Fixed assets</b>                          | <b>1 902 845</b>  | <b>1 902 845</b>  | <b>1 950 804</b>  | <b>2.5%</b>         |
| <i>Fixed assets/Total assets (in %)</i>      | <i>11.4%</i>      | <i>11.1%</i>      | <i>9.3%</i>       | <i>-1.8pts</i>      |
| Goodwill                                     | 688 551           | 688 551           | 679 554           | -1.3%               |
| Intangible fixed assets                      | 12 479            | 12 479            | 13 433            | 7.6%                |
| Tangible fixed assets                        | 946 060           | 946 060           | 994 302           | 5.1%                |
| Financial fixed assets                       | 179 269           | 179 269           | 180 288           | 0.6%                |
| Equity method securities                     | 5 727             | 5 727             | 4 547             | -20.6%              |
| Differed taxes assets                        | 70 758            | 70 758            | 78 681            | 11.2%               |
| <b>Current assets</b>                        | <b>14 302 581</b> | <b>14 836 606</b> | <b>18 432 210</b> | <b>24.2%</b>        |
| <i>Current assets / Total assets (in %)</i>  | <i>86,1%</i>      | <i>86.5%</i>      | <i>88.2%</i>      | <i>1.7pts</i>       |
| Inventories                                  | 6 723 678         | 7 257 703         | 9 707 260         | 33.8%               |
| Liabilities of the current assets            | 7 488 117         | 7 488 117         | 8 264 597         | 10.4%               |
| <i>Suppliers, advances and installments</i>  | <i>699 159</i>    | <i>699 159</i>    | <i>395 453</i>    | <i>-43.4%</i>       |
| <i>Customers</i>                             | <i>4 452 375</i>  | <i>4 452 375</i>  | <i>5 104 911</i>  | <i>14.7%</i>        |
| <i>Staff</i>                                 | <i>1 570</i>      | <i>1 570</i>      | <i>1 430</i>      | <i>-8.9%</i>        |
| <i>Debtor's state</i>                        | <i>1 810 907</i>  | <i>1 810 907</i>  | <i>2 144 191</i>  | <i>18.4%</i>        |
| <i>Shareholders accounts</i>                 | <i>80 067</i>     | <i>80 067</i>     | <i>136 362</i>    | <i>70.3%</i>        |
| <i>Other receivables</i>                     | <i>326 572</i>    | <i>326 572</i>    | <i>366 383</i>    | <i>12.2%</i>        |
| <i>Adjustment-Assets</i>                     | <i>117 466</i>    | <i>117 466</i>    | <i>115 866</i>    | <i>-1.4%</i>        |
| Securities and investment values             | 90 786            | 90 786            | 460 152           | >100%               |
| <b>Treasury – Assets</b>                     | <b>414 951</b>    | <b>414 951</b>    | <b>509 396</b>    | <b>22.8%</b>        |
| <i>Treasury Assets / Total assets (in %)</i> | <i>2.5%</i>       | <i>2.4%</i>       | <i>2.4%</i>       | <i>0.0pts</i>       |
| <b>Total Assets</b>                          | <b>16 620 377</b> | <b>17 154 402</b> | <b>20 892 210</b> | <b>21.8%</b>        |

| Equity & liabilities   | 2011             | 2011 pro forma   | 2012              | Var 12-11 pro forma |
|--|------------------|------------------|-------------------|---------------------|
| <b>Long term resources</b>   | <b>8 987 996</b> | <b>9 192 372</b> | <b>12 492 140</b> | <b>35.9%</b>        |
| <i>Long term resources / Total equity &amp; liabilities (in %)</i> | <i>54.1%</i>     | <i>53.6%</i>     | <i>59.8%</i>      | <i>6.2pts</i>       |
| Equity (group share)   | 3 436 672        | 3 545 707        | 4 064 369         | 14.6%               |
| <i>Equity capital</i>  | <i>1 210 000</i> | <i>1 210 000</i> | <i>1 210 000</i>  | <i>0.0%</i>         |
| <i>Issue Premiums</i>  | <i>643 500</i>   | <i>643 500</i>   | <i>643 500</i>    | <i>0.0%</i>         |
| <i>Consolidated Reserves</i>                                       | <i>751 104</i>   | <i>917 480</i>   | <i>1 335 922</i>  | <i>45.6%</i>        |
| <i>Currency Translation adjustments</i>                            | <i>26</i>        | <i>26</i>        | <i>-3</i>         | <i>&lt;-100%</i>    |
| <i>Net Income (group share)</i>                                    | <i>832 041</i>   | <i>774 700</i>   | <i>874 949</i>    | <i>12.9%</i>        |
| Minority interest  | 518 755          | 576 096          | 896 360           | 55.6%               |
| Bonds redeemable in shares   | -                | -                | 1 000 000         | 100%                |
| Financial debt   | 4 687 017        | 4 725 017        | 6 066 216         | 28.4%               |
| Liabilities differed taxes   | 299 089          | 299 089          | 430 027           | 43.8%               |
| Long term provisions for liabilities and costs                     | 46 462           | 46 462           | 35 169            | -24.3%              |

|  |                   |                   |                   |                |
|--|-------------------|-------------------|-------------------|----------------|
| <b>Current liabilities</b>                                       | <b>5 838 754</b>  | <b>5 955 424</b>  | <b>6 337 184</b>  | <b>6.4%</b>    |
| <i>Current liabilities/Total equity &amp; liabilities (in %)</i> | <i>35.1%</i>      | <i>34.7%</i>      | <i>30.3%</i>      | <i>-4.4pts</i> |
| Suppliers payables   | 2 094 473         | 2 126 397         | 2 492 642         | 17.2%          |
| Customers advances and installments                              | 2 215 924         | 2 263 121         | 1 789 164         | -20.9%         |
| Employees and social organisms payables                          | 35 790            | 35 790            | 39 721            | 11.0%          |
| Tax payables   | 891 334           | 891 334           | 1 000 128         | 12.2%          |
| Assets adjustment accounts                                       | 193 236           | 193 236           | 288 920           | 49.5%          |
| Shareholders accounts  | 225 262           | 225 262           | 545 047           | >100%          |
| Other Debts  | 84 683            | 122 233           | 122 396           | 0.1%           |
| Other Provisions for liabilities and charges                     | 98 051            | 98 051            | 59 164            | -39.7%         |
| <b>Overdrafts</b>  | <b>1 793 627</b>  | <b>2 006 606</b>  | <b>2 062 886</b>  | <b>2.8%</b>    |
| <i>Overdrafts / Total equity &amp; liabilities (in %)</i>        | <i>10.8%</i>      | <i>11.7%</i>      | <i>9.9%</i>       | <i>-1.8pts</i> |
| <b>Total equity liabilities</b>                                  | <b>16 620 377</b> | <b>17 154 402</b> | <b>20 892 210</b> | <b>21.8%</b>   |

Source: Alliances Développement Immobilier

## II.2. Main indicators of the consolidated balance sheet for the financial year 2010 pro forma and 2011

The following table presents the main indicators of the consolidated balance sheet group Alliances in 2010. 2010 Pro forma and 2011:

| In KMAD  | 2010              | 2010 pro forma    | 2011              | Var. 11/10 pro forma |
|--|-------------------|-------------------|-------------------|----------------------|
| <b>Assets</b>  |                   |                   |                   |                      |
| <b>Fixed assets</b>  | <b>1 245 764</b>  | <b>1 288 386</b>  | <b>1 902 845</b>  | <b>47,7%</b>         |
| <i>Fixed assets/Total assets (in %)</i>                            | <i>11,2%</i>      | <i>11,3%</i>      | <i>11,4%</i>      | <i>0,2pts</i>        |
| Goodwill   | 639 140           | 681 733           | 688 551           | 1,0%                 |
| Intangible fixed assets  | 10 956            | 10 958            | 12 479            | 13,9%                |
| Tangible fixed assets  | 456 181           | 456 207           | 946 060           | 107,4%               |
| Financial fixed assets   | 83 955            | 83 956            | 179 269           | 113,5%               |
| Equity method securities   | 20 847            | 20 847            | 5 727             | -72,5%               |
| Differed taxes assets  | 34 685            | 34 685            | 70 758            | 104,0%               |
| <b>Current assets</b>  | <b>9 128 592</b>  | <b>9 520 830</b>  | <b>14 302 581</b> | <b>50,2%</b>         |
| <i>Current assets / Total assets (in %)</i>                        | <i>82,3%</i>      | <i>83,3%</i>      | <i>86,1%</i>      | <i>2,8pts</i>        |
| Inventories  | 5 617 715         | 5 963 453         | 6 723 678         | 12,7%                |
| Liabilities of current assets                                      | 3 500 891         | 3 547 392         | 7 488 116         | 111,1%               |
| <i>Suppliers. advances and adjustments</i>                         | <i>302 093</i>    | <i>314 929</i>    | <i>699 159</i>    | <i>&gt;100,0%</i>    |
| <i>Customers</i>   | <i>2 050 373</i>  | <i>2 051 720</i>  | <i>4 452 375</i>  | <i>&gt;100,0%</i>    |
| <i>Staff</i>   | <i>36</i>         | <i>44</i>         | <i>1 570</i>      | <i>&gt;100,0%</i>    |
| <i>Debtor state</i>  | <i>886 065</i>    | <i>913 570</i>    | <i>1 810 907</i>  | <i>98,2%</i>         |
| <i>Shareholders accounts</i>                                       | <i>90 448</i>     | <i>90 448</i>     | <i>80 067</i>     | <i>-11,5%</i>        |
| <i>Other receivables</i>   | <i>121 383</i>    | <i>123 560</i>    | <i>326 572</i>    | <i>&gt;100,0%</i>    |
| Investment securities  | 50 493            | 53 121            | 117 466           | >100,0%              |
| Securities and investment values                                   | 9 986             | 9 986             | 90 786            | NS                   |
| <b>Cash and cash equivalent</b>                                    | <b>721 173</b>    | <b>626 476</b>    | <b>414 951</b>    | <b>-33,8%</b>        |
| <i>Cash and cash equivalent / Total assets (in %)</i>              | <i>6,5%</i>       | <i>5,5%</i>       | <i>2,5%</i>       | <i>-3,0pts</i>       |
| <b>Total assets</b>  | <b>11 095 529</b> | <b>11 435 692</b> | <b>16 620 377</b> | <b>45,3%</b>         |
| <b>Equity &amp; liabilities</b>                                    |                   |                   |                   |                      |
| <b>Long term resources</b>   | <b>5 983 057</b>  | <b>6 218 402</b>  | <b>8 987 996</b>  | <b>44,5%</b>         |
| <i>Long term resources / Total equity &amp; liabilities (in %)</i> | <i>53,9%</i>      | <i>54,38%</i>     | <i>54,08%</i>     | <i>-0,3pts</i>       |
| Equity (group share)   | 2 722 599         | 2 721 667         | 3 436 672         | 26,3%                |
| <i>Equity capital</i>  | <i>1210000</i>    | <i>1210000</i>    | <i>1 210 000</i>  | <i>0,0%</i>          |
| <i>Issue Premiums</i>  | <i>643 500</i>    | <i>643 500</i>    | <i>643 500</i>    | <i>0,0%</i>          |
| <i>Consolidated Reserves</i>                                       | <i>445 423</i>    | <i>445 512</i>    | <i>751 104</i>    | <i>68,6%</i>         |
| <i>Currency Translation adjustments</i>                            | <i>-5</i>         | <i>-5,386</i>     | <i>26</i>         | <i>-582,7%</i>       |
| <i>Net Income (group share)</i>                                    | <i>423 681</i>    | <i>422 661</i>    | <i>832 041</i>    | <i>96,9%</i>         |
| Minority interest  | 121 005           | 328 595           | 518 755           | 57,9%                |
| Financial debt   | 2 828 961         | 2 841 356         | 4 687 017         | 65,0%                |
| Liabilities differed taxes   | 268 848           | 285 139           | 299 089           | 4,9%                 |
| Long term provisions for liabilities and charges                   | 41 644            | 41 644            | 46 462            | 11,6%                |
| <b>Current liabilities</b>   | <b>3 424 163</b>  | <b>3 528 981</b>  | <b>5 838 754</b>  | <b>65,5%</b>         |
| <i>Current liabilities / Total equity &amp; liabilities (in %)</i> | <i>30,9%</i>      | <i>30,9%</i>      | <i>35,1%</i>      | <i>4,3pts</i>        |
| Suppliers payables   | 1 210 176         | 1 219 797         | 2 094 473         | 71,7%                |
| Customers advances and installments                                | 1 444 927         | 1 513 824         | 2 215 924         | 46,4%                |
| Employees and social organisms payables                            | 23 884            | 23 922            | 35 790            | 49,6%                |
| Tax payables   | 341 817           | 345 302           | 891 334           | 158,1%               |
| Assets adjustment accounts   | 138 976           | 139 271           | 193 236           | 38,7%                |

|   |                  |                  |                  |                |
|---|------------------|------------------|------------------|----------------|
| Shareholders accounts                                     | 117 038          | 139 519          | 225 262          | 61,5%          |
| Other Debts   | 61 430           | 61 430           | 84 683           | 37,9%          |
| Other Provisions for liabilities and charges              | 85 916           | 85 916           | 98 051           | 14,1%          |
| <b>Overdrafts</b>   | <b>1 688 309</b> | <b>1 688 309</b> | <b>1 793 627</b> | <b>6,2%</b>    |
| <i>Overdrafts / Total equity &amp; liabilities (in %)</i> | <i>15,2%</i>     | <i>14,8%</i>     | <i>10,8%</i>     | <i>-4,0pts</i> |
| Total equity liabilities                                  | 11 095 529       | 11 435 692       | 16 620 377       | 45,3%          |

Source: Alliances Développement Immobilier

**Partie V. QUARTERLY FINANCIAL DATA OF ALLIANCES  
DEVELOPPEMENT IMMOBILIER GROUP**

## I. The consolidated income statement on June 30, 2012 and June 30, 2013

The following table presents the main indicators of the consolidated profits & losses statement of Alliances Développement Immobilier Group on June 30, 2012 and June 30, 2013:

Tableau 5. Consolidated profits & losses statement of Alliances Développement Immobilier on June 30, 2012 and June 30, 2013

| In KMAD                                     | 06/30/2012       | 06/30/2013       | Variation      |
|---|------------------|------------------|----------------|
| Turnover                                    | 1 914 411        | 1 803 035        | -5,8%          |
| Change in product inventories               | 988 478          | 856 243          | -13,38%        |
| Assets manufactured by the company itself   | 6 171            | 14 700           | >100,0%        |
| <b>Production</b>                           | <b>2 909 060</b> | <b>2 673 978</b> | <b>-8,1%</b>   |
| - Consumed operating Supplies               | 1 849 557        | 1 543 277        | -16,6%         |
| - Other external expenses                   | 164 820          | 163 119          | -1,0%          |
| <b>Consumables of the year</b>              | <b>2 014 377</b> | <b>1 706 396</b> | <b>-15,3%</b>  |
| <b>Added Value</b>                          | <b>894 683</b>   | <b>967 582</b>   | <b>8,1%</b>    |
| - Taxes                                     | 8 382            | 25 973           | >100,0%        |
| - Employees expenses                        | 199 585          | 278 602          | 39,6%          |
| <b>Gross Operating Income</b>               | <b>686 716</b>   | <b>663 007</b>   | <b>-3,5%</b>   |
| + Other operating revenues                  | 6                | 9 521            | >100,0%        |
| - Other operating expenses                  | 7 182            | 15 394           | >100,0%        |
| + operating reversals. expenses transfer    | 69 706           | 7 830            | -88,8%         |
| - Operating amortizations and depreciations | 41 608           | 75 705           | 81,9%          |
| <b>Operating income</b>                     | <b>707 638</b>   | <b>589 260</b>   | <b>-16,7%</b>  |
| <i>Operating income/Turnover</i>            | <i>37,0%</i>     | <i>32,7%</i>     | <i>-4,3pts</i> |
| + Financial revenues                        | 7 793            | 73 138           | >100,0%        |
| - Financial expenses                        | 204 669          | 272 006          | 32,9%          |
| <b>Financial income</b>                     | <b>-196 877</b>  | <b>-198 868</b>  | <b>1,0%</b>    |
| <b>Current income before taxes</b>          | <b>510 761</b>   | <b>390 392</b>   | <b>-23,6%</b>  |
| + Non current revenues                      | 4 198            | 1 796            | -57,2%         |
| - Non current expenses                      | 35 950           | 12 149           | -66,2%         |
| <b>Non current income</b>                   | <b>-31 752</b>   | <b>-10 353</b>   | <b>-67,4%</b>  |
| <b>Income before taxes</b>                  | <b>479 009</b>   | <b>380 039</b>   | <b>-20,7%</b>  |
| - Corporate taxes                           | 74 814           | 63 003           | -15,8%         |
| - Differed taxes                            | -2 743           | -18 767          | >100,0%        |
| - Amortization of goodwill                  | 24 861           | 24 966           | 0,4%           |
| + Reversals on amortizations of goodwill    | 5 229            | 819              | -84,3%         |
| <b>Income after tax</b>                     | <b>387 306</b>   | <b>311 655</b>   | <b>-19,5%</b>  |
| Income of equity affiliates                 | 807              | 1 205            | 49,3%          |
| <b>Consolidated income</b>                  | <b>388 113</b>   | <b>312 861</b>   | <b>-19,4%</b>  |
| <i>NI/TO</i>                                | <i>20,3%</i>     | <i>17,4%</i>     | <i>-2,9pts</i> |
| <b>Net income. Group share</b>              | <b>274 136</b>   | <b>245 623</b>   | <b>-10,4%</b>  |
| Minority interests                          | 113 976          | 67 237           | -41,0%         |

Source: Alliances Développement Immobilier

## II. The quarterly consolidated balance sheet

The following table presents the main indicators of the consolidated balance sheet of Alliances Développement Immobilier Group on December 30, 2012 and on June 30, 2013:

Tableau 6. Consolidated balance sheet on December 31, 2012 and on June 30, 2013

| In KMAD                                      |                   |                   |                |
|--|-------------------|-------------------|----------------|
| ASSETS                                       | 12/31/2012        | 06/30/2013        | Variation      |
| <b>Fixed assets</b>                          | <b>1 950 804</b>  | <b>2 158 614</b>  | <b>10.7%</b>   |
| <i>Fixed assets/ Total assets (in %)</i>     | <i>9.3%</i>       | <i>10.0%</i>      | <i>+0.6pts</i> |
| Goodwill                                     | 679 554           | 755 344           | 11.2%          |
| Intangible fixed assets                      | 13 433            | 15 813            | 17.7%          |
| Tangible fixed assets                        | 994 302           | 1 029 110         | 3.5%           |
| Financial fixed assets                       | 180 288           | 269 315           | 49.4%          |
| Equity method securities                     | 4 547             | 4 236             | -6.9%          |
| Differed taxes assets                        | 78 681            | 84 796            | 7.8%           |
| <b>Current assets</b>                        | <b>18 432 010</b> | <b>19 173 121</b> | <b>4.0%</b>    |
| <i>Current assets / Total assets (in %)</i>  | <i>88.2%</i>      | <i>88.7%</i>      | <i>+0.5pts</i> |
| Inventories                                  | 9 707 260         | 10 621 433        | 9.4%           |
| Liabilities of the current assets            | 8 264 597         | 8 411 910         | 1.8%           |
| <i>Suppliers, advances and installments</i>  | <i>395 453</i>    | <i>539 062</i>    | <i>36.3%</i>   |
| <i>Customers</i>                             | <i>5 104 911</i>  | <i>4 827 916</i>  | <i>-5.4%</i>   |
| <i>Staff</i>                                 | <i>1 430</i>      | <i>1 284</i>      | <i>-10.2%</i>  |
| <i>Debtor's state</i>                        | <i>2 144 191</i>  | <i>2 265 245</i>  | <i>5.6%</i>    |
| <i>Shareholders accounts</i>                 | <i>136 362</i>    | <i>140 555</i>    | <i>3.1%</i>    |
| <i>Other receivables</i>                     | <i>366 383</i>    | <i>522 983</i>    | <i>42.7%</i>   |
| <i>Adjustment-Assets</i>                     | <i>115 866</i>    | <i>114 866</i>    | <i>-0.9%</i>   |
| Securities and investment values             | 460 152           | 139 778           | -69.6%         |
| <b>Treasury – Assets</b>                     | <b>509 396</b>    | <b>286 395</b>    | <b>-43.8%</b>  |
| <i>Treasury Assets / Total assets (in %)</i> | <i>2.4%</i>       | <i>1.3%</i>       | <i>-1.1pts</i> |
| <b>Total Assets</b>                          | <b>20 892 210</b> | <b>21 618 131</b> | <b>3.5%</b>    |

Source: Alliances Développement Immobilier

| Equity & liabilities   | 31/12/2012        | 30/06/2013        | Variation      |
|--|-------------------|-------------------|----------------|
| <b>Long term resources</b>   | <b>12 492 140</b> | <b>12 449 479</b> | <b>-0.3%</b>   |
| <i>Long term resources / Total equity &amp; liabilities (in %)</i> | <i>59.8%</i>      | <i>57.6%</i>      | <i>-2.2pts</i> |
| Equity (group share)   | 4 064 369         | 4 053 023         | -0.3%          |
| <i>Equity capital</i>  | <i>1 210 000</i>  | <i>1 210 000</i>  | 0.0%           |
| <i>Issue Premiums</i>  | <i>643 500</i>    | <i>643 500</i>    | 0.0%           |
| <i>Consolidated Reserves</i>                                       | <i>1 335 922</i>  | <i>1 953 900</i>  | 46.3%          |
| <i>Currency Translation adjustments</i>                            | <i>-3</i>         | <i>-1</i>         | -73.8%         |
| <i>Net Income (group share)</i>                                    | <i>874 949</i>    | <i>245 623</i>    | -71.9%         |
| Minority interest  | 896 360           | 939 782           | 4.8%           |
| Bonds redeemable in shares   | 1 000 000         | 1 000 000         | 0.0%           |
| Financial debt   | 6 066 216         | 6 005 292         | -1.0%          |
| Liabilities differed taxes   | 430 027           | 417 033           | -3.0%          |
| Long term provisions for liabilities and charges                   | 35 169            | 34 350            | -2.3%          |
| <b>Current liabilities</b>   | <b>6 337 184</b>  | <b>7 033 693</b>  | <b>11.0%</b>   |
| <i>Current liabilities / Total equity &amp; liabilities (in %)</i> | <i>30.3%</i>      | <i>32.5%</i>      | <i>2.2pts</i>  |
| Suppliers payables   | 2 492 642         | 2 820 905         | 13.2%          |
| Customers advances and installments                                | 1 789 164         | 1 723 668         | -3.7%          |
| Employees and social organisms payables                            | 39 721            | 59 240            | 49.1%          |
| Tax payables   | 1 000 128         | 978 701           | -2.1%          |
| Assets adjustment accounts   | 288 920           | 413 957           | 43.3%          |
| Shareholders accounts  | 545 047           | 790 211           | 45.0%          |
| Other Debts  | 122 396           | 157 731           | 28.9%          |
| Other Provisions for liabilities and charges                       | 59 164            | 89 279            | 50.9%          |
| <b>Overdrafts</b>  | <b>2 062 886</b>  | <b>2 134 959</b>  | <b>3.5%</b>    |
| <i>Overdrafts / Total equity &amp; liabilities (in %)</i>          | <i>9.9%</i>       | <i>9.9%</i>       | <i>0.0pts</i>  |
| <b>Total equity liabilities</b>                                    | <b>20 892 210</b> | <b>21 618 131</b> | <b>3.5%</b>    |

Source: Alliances Développement Immobilier

## **Partie VI. RISK FACTORS**

The integrated management of risks is a continuous process in the group Alliances, genuine shutter in the global strategy, and a priority of the Board of Directors.

The investors are invited to take into account all the sector of activity risks described in the present Prospectus. They represent the inherent risks to Alliances Développement Immobilier Group.

## **I. Risks related to the sector of activity**

### **I.1. Risks related to the economic environment**

The results and the growth prospects of “Alliances Développement Immobilier” are strongly influenced by the national economic conditions, by the international economic growth and by the level of interest rates.

However, Alliances group knew how to diversify its businesses and, by the same occasion, its income sources:

- Property development which gathers three independent markets:
  - Golfic, tourist one and second homes ;
  - Social ;
  - High standard residential.
- The performance of service which consists of the assistance in the realization of hotels and residential on behalf of investors ;
- Construction (roads, dams, buildings...).

### **I.2. Risks related to competition**

The absence of barriers at the entry level combined with the favorable perspectives that the sector offers, is continuously attracting several operators on the real estate market. The multiplication of players, as well national as international, could cause:

- an erosion of margins, consequence of an increasing competition ;
- an increase in the cost of land in certain zones which is due to a strong demand of the property developers;
- a more difficult access to financing sources;
- a more restricted choice of the subcontractors.

### **I.3. Risks related to the change of the tax systems**

The evolution of the tax regulation and in particular the reduction in the tax incentives granted to investors and to purchasers could have a negative influence on the real estate market and could consequently influence the financial situation of the sector operator.

However, the risk is restricted since the measurements established by 2010 law of finance are guaranteed until 2020, and thus offering a tax stability within the framework of social housing construction.

## **II. Risks related to the field of activity of Alliances Développement Immobilier**

### **II.1. Risks related to the increase in the land cost**

Attractive credit terms combined with an important deficit in housing have caused the accentuation of the demand and, hence, the establishment of the cost of land in urban area in a growing trend for a few more years.

In the same way, the cost of land in touristic areas could also continue to increase as it has these last years, drawn in by an exacerbated competition between operators of the sector, as well as by a strong demand.

The increase in the cost of land would have a direct impact on the margins generated by Alliances Développement Immobilier. This risk would be more important if the company did not manage to reflect this increase on the final prices applied to the sale.

In order to attenuate this risk, it is advisable to note, at the level of Alliances Développement Immobilier :

- The importance of the land reserves made secured by the Company;

- The signature of investment convention within the framework of public – private partnerships for the realization of many programs of golf resorts, and programs of intermediate housing, allowing Alliances Développement Immobilier to benefit from a stock of additional significant land ;
- The strong presence of the company on segments of the market such as the top-of-the-range golf resorts or high standing real estate. These segments are characterized by a less sensitivity of the demand to prices, compared to segments such as the social housing or the intermediate housing.

In addition, at the national scale, the public authorities consider the widening of the urban perimeter of several cities of the kingdom as well as the creation of 15 new towns by 2020. The land available should consequently increase significantly, thus attenuating the rise in costs of land.

## II.2. Risks related to sub-contracting

Within the framework of the real estate programs initiated by Alliances Développement Immobilier, the latter calls outsourcing companies for housing construction. For this purpose, Alliances Développement Immobilier prepares specifications considering the realization dates as well as the quality of the required services. The subcontracting project is subject to restricted tender offers for preselected companies, on the basis of their reference and their capacities.

A risk factor would rise from the unavailability of sufficient number of companies qualified to be able to satisfy the requirements related to the specifications in terms of quality of the services or completion deadlines. This risk, potentially induced by the multiplication of the competitors, could also have consequences on the prices charged by the subcontractors.

Nevertheless, and in order to attenuate this risk, it is advisable to announce that Alliances Développement Immobilier established with its partners a trust relationship based on a rigorous respect of payment deadlines.

Moreover, the group carries out since 2006, a prospection of international partners of quality in order to limit the risk related to a possible deficiency of companies qualified on the national level.

Lastly, the group has since June 2009, a division called “construction”.

## II.3. Risks related to the variations of the real estate market

A decrease in the national or foreign demand (due to the international conjuncture) would influence in a negative way the health of the sector in general, and the volume of business of Alliances Développement Immobilier.

Nevertheless, it is advisable to recall that the market is characterized by an increasing demand in residences which is explained partly by an increase in demography and a phenomenon of massive rural depopulation caused by recurring droughts since the 1980s. This accelerated urbanization was accompanied by an anarchistic development of cities, related to a lack of infrastructures reception involving an important deficit in housing which rose by 840,000 units for an annual production of about 122,000 residences on the national scale.

Moreover, in precondition to the starting of important real estate projects, Alliances Développement Immobilier conducts a relevant market study upstream in order to be sure of the commercial success of the project on the one hand and to choose an adapted positioning on the other one.

At last, one of the key elements of the strategy adopted by Alliances Développement Immobilier consists in privileging in its range of products known as liquid to the products image of intermediate housing, and this, in a logic of risk diversification.

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### III. Financial Risks

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#### III.1. Risks related to the interest rates

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A significant rise of the debtor interest rates applied to the credit contracted by the purchasers would constitute a restrictive factor as for the households demand for housing.

It would thus result a relatively important potential impact from it on the turnover of Alliances Développement Immobilier and more particularly on volume from business generated by the segment of intermediate housing.

To attenuate this risk, it should be emphasized that Alliances group systematically signs conventions with its banking partners so that the future purchasers of its products can be given credits at attractive rates.

#### III.2. Risks related to financing sources access

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The development of the group necessarily passes by external financing needs. Alliances Développement Immobilier finances its needs through its equities, the credit lines and by the customers advances. In theory, the company manages to anticipate its growing needs in financing.

## **WARNING**

The above information only represents a part of the prospectus approved by the Conseil Déontologique des Valeurs Mobilières (CDVM) under the reference number VI/EM/006/2014 on 24<sup>th</sup> march 2014.

The CDVM recommends reading the full prospectus available to public in French.