



الهيئة المغربية لسوق الرساميل
AUTORITÉ MAROCAINE DU MARCHÉ DES CAPITALAUX

**Admissibility Decision of Mandatory Takeover bid project of
Ciments du Maroc shares on the initiative of HeidelbergCement
France SAS**

Pursuant to Article 31 of Law No. 26-03 relating to public offerings on the stock market as amended and supplemented, the Moroccan Capital Market Authority (AMMC) examined the mandatory Takeover Bid project of Ciments du Maroc shares filed under Article 18 of the said Law, by HeidelbergCement France SAS on July 4th, 2016.

Following this deposit, the AMMC has requested, under the provisions of Article 30 of the aforementioned Law, the Casablanca Stock Exchange to proceed with the suspension of trading Ciments du Maroc shares as from July 4th, 2016.

1- The general framework of the operation

○ **Acquisition by HeidelbergCement France SAS of a 45% stake in the company Italcementi**

As of 1st July 2016, HeidelbergCement France SAS acquired from Italmobiliare and HeidelbergCement AG a stake representing 45% of capital and voting rights in Italcementi. This transaction was completed in accordance with the acquisition agreement between HeidelbergCement AG and Italmobiliare dated on July 28th, 2015 and subsequent acquisition contracts.

○ **Impact of the acquisition on the Ciments Morocco**

In Morocco, the acquisition by HeidelbergCement France SAS Italcementi of 45% of the share capital and voting rights has resulted in an indirect equity participation in Ciments du Maroc, of 62.31% of the capital and voting rights, and an indirect crossing up the threshold of 40% of Ciments du Maroc voting rights which triggers the obligation to file a takeover bid on Ciments du Maroc shares.

2- Terms of the offer

The mandatory Takeover bid targets the acquisition of Ciments du Maroc shares not held by the Heidelberg Group, which is 5,441,450 shares, at a unit price of 1130 dirhams.

Other Ciments du Maroc shareholders will have the opportunity to provide fully or partially, their shares to the offer.

The operation initiator, is committed to acquire firmly and irrevocably all shares tendered to the takeover bid by the shareholders of Ciments du Maroc.

No waiver threshold is provided as part of this public mandatory takeover bid.

3- Intentions of the initiators:

HeidelbergCement France SAS intends to stop its purchases on Ciments du Maroc shares, with the exception of shares tendered in connection with the mandatory takeover bid on Ciments du Maroc shares.

4- Examination of admissibility :

With reference to the provisions of Articles 13 and 32 of the aforementioned Law, the AMMC has assessed the proposed takeover bid in terms of the following:



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▼ The characteristics of the proposed offer

The AMMC has examined the characteristics of the proposed offer to the principles of the Article 13 and in particular the principles of transparency and equal treatment of shareholders. As such, the AMMC noted that the equal treatment requirement is met since the offer is addressed to Ciments du Maroc share holders constituting the market float.

In addition, the Multi-criteria analysis used for pricing has been reviewed by the AMMC and assessed as follows:

- **Stock prices Approach:** this method is based on the analysis of the closing market price of the Ciments du Maroc shares on July 4th, 2016 and over the 12 months preceding that date. The valuation used is the average of the weighted average prices over the last month, the last 3 months, the last 6 months and the last 12 months. The value of Ciments du Maroc share which results from the application of this method is **1 190 dirhams** ;
- **Discounting future cash flows:** the assessment is based on the future cash flows arising from Ciments du Maroc business plan over the period between 2016 and 2019. These flows are discounted at a weighted average capital cost of 10.15%. The growth rate to infinity used is 2%. The value of Ciments du Maroc share resulting from the application of this method is **1 088 dirhams** .
- **Transactions Comparables method :** this method is applied to Ciments du Maroc 2016 financial aggregates multiple of a sample of transactions that targeted comparable companies. The multiple used is the multiple of EBITDA. The value of Ciments du Maroc share resulting from the application of this method is **1 088 dirhams**;
- **Market prices comparables method:** the evaluation is performed on the basis of multiple national and international sample of listed companies with comparable financial and operational features. The multiples used are the multiple of EBIT and EBITDA for the years 2016 and 2017. The value of Ciments du Maroc share resulting from the application of this method is **1 004 dirhams**.

A summary of the valuation made by the financial advisor is included in the following table:

Approach	Share Value (Dhs)	Weighting	Premium/discount of the offer price
Approach according to the stock exchange price	1 190		-5,1%
<i>The last price till July 4th, 2016</i>	<i>1 140</i>		<i>-0,9%</i>
<i>Average 1 month</i>	<i>1 176</i>	40,00%	<i>-3,9%</i>
<i>Average 3 months</i>	<i>1 216</i>		<i>-7,1%</i>
<i>Average 6 months</i>	<i>1 183</i>		<i>-4,5%</i>
<i>Average 12 months</i>	<i>1 186</i>		<i>-4,7%</i>
Discounting future cash flows	1 088	35,00%	3,9%
Transactions comparables	1 088	25,00%	3,9%
Market price comparables	1 004	0%	12,5%
Weighted value	1 129		0,1%

Source : BMCI

The price per share held in the framework of the takeover bid stood at **1 130 dirhams per share**.

Given the foregoing, the AMMC considers the methods used as relevant and commonly used, based on known, accurate, objective, significant and multiple criteria that correspond to the characteristics of the target company. Also, the AMMC deems the characteristics of the offer to be consistent with the principles set out in Article 13 above.



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▼ National strategic interests

Pursuant to Article 29 of the aforementioned law 26-03, the AMMC has filed, the offer project with the Minister of Economy and Finance for its assessment with regards to national strategic interest. The Minister has not expressed any objection to the said project.

5- AMMC Decisions:

▼ Agreement to the proposed offer

In light of all the above elements, the AMMC declares admissible the proposed takeover bid initiated by HeidelbergCement France SAS on Ciments du Maroc shares at a price of 1 130 dirhams per share.

▼ Schedule

The final schedule of the operation will be determined later. It must first be approved by the Casablanca Stock Exchange.

▼ Resumption of trading Ciments du Maroc share

The AMMC will request the Casablanca Stock Exchange to resume trading Ciments du Maroc share on August, 5th, 2016.

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