

Pursuant to Article 31 of Law No. 26-03 relating to public offerings on the stock market as amended and supplemented, the CDVM examined the mandatory Takeover Bid project of Cosumar shares filed under Article 18 of the said Law, by WILMAR SUGAR HOLDINGS Pte. Ltd. (a subsidiary of WILMAR INTERNATIONAL LIMITED - WILMAR Group), acting in concert with AXA Assurance Maroc, CMR, CNIA Saada Assurance, MAMDA , RCAR, RMA Asset Management and Wafa Assurance on January 24th, 2014.

Following this deposit, the CDVM has requested, under the provisions of Article 30 of the aforementioned Law, the Casablanca Stock Exchange to proceed with the suspension of trading COSUMAR shares as from January 29th, 2014.

## **1 – The general framework of the operation**

### **o Strategic orientations of SNI**

Following the merger of the two holdings ONA and SNI announced on March 2010, a strategic reorganization has been operated for all the subsidiaries of the merged entity. This strategic reorganization consists of:

- An evolution of the merged entity from the status of a multi-business operational group towards that of an investment and portfolio holding, which implies selling the control of the subsidiaries that have reached a perennial stage of development;
- A reduction of ownership and control to levels that would allow the stock market to hold a more significant stake in the subsidiaries by increasing their market float;

### **o Transfer of SNI a stake of 27.5 % of Cosumar capital to Wilmar International**

On April 15th, 2013, SNI and Wilmar International announced that they have concluded a transaction on the stock exchange whereby the national investment company transferred to Wilmar Sugar Holdings Pte a stake of 27.5 % of Cosumar capital for a price of 2000 Dhs per share ex-dividend.

### **o Transfer of SNI a stake of 15.2 % to a consortium of Moroccan institutional investors**

In Accordance with the guidelines mentioned above, SNI sold in January 22nd, 2014 blocks of Cosumar shares to a consortium composed of Moroccan institutional investors: AXA Assurance Maroc, CMR, CNIA Saada Assurance, MAMDA , RCAR, RMA Asset Management and Wafa Assurance. This transfer covered 15.2 % of the capital at a price of 1,900 dhs per share dividend included.

Following this operation, the consortium of investors mentioned above holds 26.5% of share capital and voting rights of Cosumar.

The table below shows the breakdown of capital and voting rights of Cosumar after the transaction:

Shareholders	Number of shares	% Capital and voting rights
Wilmar Sugar Holdings	1 152 541	27,50%
Wafa Assurances	298 210	7,12%
RCAR	293 234	7,00%
CMR	179 809	4,29%
MAMDA	141 574	3,38%
CNIA Saada Assurances	95 719	2,28%
RMA Watanya*	62 631	1,49%
AXA Assurances Maroc	39 538	0,94%
<b>Controlling interest</b>	<b>2 263 256</b>	<b>54,00%</b>
CIMR	538 607	12,85%
Moroccan institutional investors**	401 998	9,59%
SNI	381 719	9,11%
Float	605 477	14,45%
<b>Total</b>	<b>4 191 057</b>	<b>100,00%</b>

\* via its fund RMA Cap Dynamique

\*\*MCMA, SCR, CDG, CFG, Wafa Gestion

Source: Attijari Finances Corp

Simultaneously with the acquisition of blocks of shares by the Moroccan institutional investors mentioned above, they have concluded on January 22nd, 2014 a shareholders' agreement with Wilmar sugar Holdings Pte, forming a controlling interest of 54 % of Cosumar capital and voting rights. Accordingly, Wilmar Sugar Holdings Pte and the Moroccan institutional investors above are acting in concert within the meaning of Article 10 of Law 26-03 relating to public offerings on the stock market.

## **2 - Terms of the offer**

The mandatory takeover bid targets the acquisition of Cosumar shares not held by Wilmar sugar Holdings Pte and the Moroccan institutional investors mentioned above or SNI, which is 1,546,082 shares, at a price of **1,900** dirhams.

In the letter sent to the CDVM, SNI undertakes unconditionally and irrevocably not to provide Cosumar shares it holds in response to the public mandatory takeover bid.

Other shareholders will have the possibility to provide fully or partially, their shares to the offer. The initiators of the transaction, undertake to acquire firmly and irrevocably all shares tendered in the takeover bid by the shareholders of Cosumar.

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

## **3 – Intentions of the initiators:**

The Moroccan institutional investors mentioned above are alone purchasers of the shares tendered in the takeover bid.

## **4 - Examination of admissibility**

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

## ✚ The characteristics of the proposed offer

The CDVM 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 CDVM noted that the criterion of equal treatment is met as the offer targets all Cosumar shares not held by Wilmar sugar holdings or by the Moroccan institutional investors mentioned above or SNI.

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

o **Stock prices Approach** : this method is based on the analysis of the closing market price of the Cosumar shares on January 9th, 2014 and over the 36 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, the last 12 months, the last 24 months and the last 36 months rolling and closing price on January 9th, 2014. The value of Cosumar share which results from the application of this method is **1 880** dirhams.

o **Discounting future cash flows**: the assessment is based on the future cash flows arising from Cosumar business plan over the period between 2014-2018. These flows are discounted at a weighted average capital cost of 9.3%. The growth rate to infinity used is 1.5%. The value of Cosumar share resulting from the application of this method is **1 985** dirhams.

o **Market prices comparables method** : The assessment is performed on the basis of a multiple of international companies sample operating in the same sector or making part of their business in the same sector of Cosumar . The multiple used is the multiple of EBITDA. The value of Cosumar share resulting from the application of this method is **1 841** dirhams.

o **Transactions Comparables method** : This method involves applying the average multiple of a sample of transactions carried within peer international companies. The multiple used is the multiple of EBITDA. The value of Cosumar share resulting from the application of this method is **1 866** dirhams.

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

In MAD	Value share	per Premium/discount*
<b>Approach according to the stock exchange price</b>	<b>1 880</b>	1,10%
The last price till January 9th, 2014	1 900	
Average 1 month	1 952	
Average 3 months	1 922	
Average 6 months	1 922	
Average 12 months	1 895	
Average 24 months	1 778	
Average 36 months	1 787	
<b>Discounting future cash flows</b>	<b>1 985</b>	-4,30%
<b>Market price comparables</b>	<b>1 841</b>	3,20%
<b>Transactions Comparables</b>	<b>1 866</b>	1,80%

\* Implied Premium in the offered price compared to the average of the period in question  
Source: Attijari Finances Corp

The price per share held in the framework of the takeover bid stood at **1,900** dirhams.

Given the foregoing, the CDVM 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 CDVM deems the characteristics of the offer to be consistent with the principles set out in Article 13 above.

▼ **National strategic interests**

Pursuant to Article 29 of the aforementioned law 26-03, the CDVM has filed on January 30<sup>th</sup>, 2014, the offer project with the Minister of Economy and Finance for its assessment in terms of interest national strategic. The Minister has not expressed any objection thereto.

**6- CDVM DECISIONS**

▼ **Agreement to the proposed offer**

In view of all the foregoing, the CDVM declares admissible the proposed takeover bid initiated by Wilmar sugar holding and the consortium of Moroccan institutional investors on Cosumar shares at a price of 1,900 dirhams (dividend included).

▼ **Schedule**

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

▼ **Resumption of trading Cosumar share**

The CDVM will request the Casablanca Stock Exchange to resume trading Cosumar share on Wednesday, February 12<sup>th</sup>, 2014.

Rabat, February 10<sup>th</sup>, 2014

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