

## Prospectus Summary

ISSUE OF A NON-LISTED DEBENTURE LOAN REDEEMABLE IN 7 YEARS

OVERALL AMOUNT OF THE ISSUE: 2 000 000 000 MAD

	Tranche A : Non-listed floating rate bonds redeemable in 7 years	Tranche B : Non-listed fixed rate bonds redeemable in 7 years
Ceiling	2 000 000 KMAD	
Maximum number of securities	20 000 Bonds	
Nominal value	100 000 MAD	
Maturity	7 years	
Rates	<p><u>Floating rate</u> with reference to the full 52-week rate determined on the basis of the treasury bonds secondary market benchmark curve increased by a risk premium.</p> <p>For the first year, the reference rate is the full rate of the 52 weeks treasury bonds calculated on the basis of the secondary curve published by Bank Al Maghrib on January 25<sup>th</sup>, 2017, increased by a risk premium.</p>	<p><u>Fixed rate</u> with reference to the treasury bonds seven-years benchmark curve on the secondary market published by Bank Al-Maghrib on January 25<sup>th</sup>, 2017, increased by a risk premium</p>
Risk premium	145 Basis points	155 Basis points
Tradability	Over the counter	
Repayment	Straight-line depreciation	
Allocation method	In proportion to the demand	

SUBSCRIPTION PERIOD: FROM JANUARY 30, 2017 TO FEBRUARY 1<sup>ST</sup>, 2017

SUBSCRIPTION RESERVED FOR HOLDERS OF CIMAT 2012 BONDS (MA0000091738, MA0000021560, MA0000091746, MA0000091753, AND MA0000091761)

Financial Advisor and Global Coordinator	
	
Placement Agent	Domiciliary institution ensuring the financial services of the issuer
	

### Approval of the Moroccan Capital Market Authority

In accordance with the provisions set forth by the AMMC (Moroccan Capital Market Authority) Circular, pursuant to Article 14 of the Dahir No. 1-93-212 of 21 September 1993, as amended and supplemented, the original version of this prospectus was approved by the AMMC on January 19<sup>th</sup>, 2017 under reference VI/EM/003/2017.

## DISCLAIMER

The Moroccan Capital Market Authority (AMMC) approved on January 19<sup>th</sup>, 2017, a Prospectus concerning a bond loan issued by CIMAT.

The Prospectus approved by the AMMC is available any time at the headquarters of CIMAT and through its financial advisors. It shall also be available within a maximum deadline of 48 hours, through Placement Agents.

The prospectus is also available for the general public at the AMMC website: [www.ammc.ma](http://www.ammc.ma)

## Part I. TRANSACTION OVERVIEW

## I. Transaction framework

The Ordinary General Meeting of August 29, 2016, having heard the report of the Board of Directors, has authorized, pursuant to the provisions of articles 292 and Law No. 17-95 on public limited companies, as amended and supplemented, a bond issue by CIMAT, on one or more occasions and for a period of five (5) years from this Meeting, for a maximum nominal amount of two billion dirhams (2 000 000 000 MAD) divided into a maximum of 20 000 bonds with a par value of 100 000 dirhams, each issued at par.

In this regard, the Ordinary General Meeting has delegated all powers to the Board of Directors to proceed with the issuance of the aforementioned bond loan, on one or more occasions within a period of five (5) years, and to lay down the terms and conditions thereof.

The Ordinary General Meeting has decided to limit the amount of the bond to the amounts actually subscribed in accordance with article 298 of Law No. 17-95 relating to public limited companies, as amended and supplemented by Law no. 20-05.

As part of the delegation of powers granted by the Extraordinary General Meeting of August 29, 2016, the Board of Directors, meeting on 17 01 2017, decided for a bond issue of an aggregate nominal amount of 2 000 000 000 MAD (two billion dirhams), which is broken down into:

- Tranche A at an annually adjustable rate:

The said tranche is tradable over-the-counter and shall be redeemable by constant depreciation over a period of 7 years and shall cover a maximum amount of 2 000 000 000 MAD with a nominal value of 100 000 MAD per bond. The rate is adjustable with reference to the full 52-week rate determined on the basis of the secondary market benchmark curve of the treasury bills as published by Bank Al Maghrib, increased by a risk premium of 145 basis points.

- Tranche B at a fixed rate:

The said tranche is tradable over-the-counter and shall be redeemable by constant depreciation over a period of 7 years and shall cover a maximum amount of 2 000 000 000 MAD with a nominal value of 100 000 MAD per bond. The nominal interest rate is fixed with reference to the rates benchmark curve of the treasury bills second market as published by Bank Al Maghrib, increased by a risk premium of 155 basis points.

The Board of Directors has also decided to reserve the bond issue to holders of bonds issued by CIMAT in connection with the bond issue amounting to 3 000 000 000 MAD covered by the AMMC on June 19, 2012 under reference No VI / EM / 023/2012 and whose final repayment is due, in accordance with the tranche concerned, on 6 July 2017 and 06 July 2019.

It should be noted that the total amount of the debenture loan to be awarded on tranches A and B for all investors will in no case exceed the amount of two billion dirhams (2 000 000 000 dirhams).

The Board of Directors, using the powers conferred upon it by the Ordinary General Assembly of the Company's Shareholders on August 29, 2016 according to its first resolution, has set the terms and conditions of the bond issue, and has delegated to the Chief Executive Officer of CIMAT the powers necessary to prepare and determine the terms of the subscription for the Bonds, and to set the start and end date of the subscription period, as well as the vesting date of the debenture loan and in general all the terms and conditions relating to the bond issue or its schedule.

In addition, the Board of Directors also authorized the repurchase by CIMAT, from the subscribers who requested to subscribe to the aforementioned bond loan, bonds issued in 2012 expiring on July 6, 2017 and the 06 July 2019 in order to cancel them in compliance with legal and regulatory provisions. The repurchase prices are as follows:

ISIN Code	Listing	Nature of rates	Reference rate	Valuation risk premium	Redemption price
MA0000091738	Non-listed	Floating	2,2467%(*)	40 pbs	102 258,69
MA0000021560	Listed	Fixed	2,2467%(*)	40 pbs	104 230,55
MA0000091746	Non-listed	Fixed	2,2467%(*)	40 pbs	104 230,55

MA0000091753	Non-listed	Floating	2,2467%(*)	50 pbs	102 316,80
MA0000091761	Non-listed	Fixed	2,5948%**)	50 pbs	109 070,51

(\*) Treasury bills rates relating to residual maturity (difference in number of days between 06/07/2017 and 06/02/2017 of the CIMAT bond calculated at the level of the secondary market yield curve published by Bank Al Maghrib on 16/01/2017

(\*\*) Treasury bills rates relating to residual maturity (difference in number of days between 06/07/2019 and 06/02/2017 of the CIMAT bond calculated at the level of the secondary market yield curve published by Bank Al Maghrib on 16/01/2017

The Board of Directors has delegated to the Chief Executive Officer of the Company the necessary powers to determine any other terms and conditions for the redemption of existing Bonds issued by the Company.

Held on November 7, 2016, the General Assembly of the holders of bonds issued by CIMAT on July 6, 2012, approved the issue by Company, in one or several tranches, of a debenture loan of an aggregate maximum amount of two billion Dirhams (2 000 000 000 MAD), divided into a maximum of twenty thousand (20 000) bonds with a par value of one hundred thousand Dirhams (100 000 MAD) each issued at par, for the reprofiling of the Company's private debt.

## II. Characteristics of the transaction

The present Debenture Loan issue, subject of the present Prospectus, will be divided into 2 tranches:

- **A non-listed tranche A at an annually adjustable rate:**

The said tranche is tradable over-the-counter (non-listed) with a risk premium of 145 basis points. The said tranche shall be redeemable by constant depreciation over a period of 7 years and shall cover a maximum amount of 2 000 000 000 MAD with a nominal value of 100 000 MAD per bond. The rate is adjustable with reference to the 52-week full rate determined on the basis of the secondary market benchmark curve of the treasury bills. For the first year, the nominal interest rate for this tranche is the full monetary rate of the 52-week Treasury Bills calculated on the basis of the yield curve for the treasury bills on the secondary market as published by Bank Al Maghrib on January 25, 2017, increased by a risk premium of 145 basis points.

- **A non-listed tranche B at a fixed rate:**

The said tranche is tradable over-the-counter and shall be redeemable by constant depreciation over a period of 7 years and shall cover a maximum amount of 2 000 000 000 MAD with a nominal value of 100 000 MAD per bond. The nominal interest rate is fixed with reference to the rate of 7-year Treasury bills calculated on the basis of the yield curve of the treasury bills on the secondary market as published on January 25, 2017 by Bank Al Maghrib, increased by A risk premium of 155 basis points.

The total amount to be allocated in respect of the two above-mentioned tranches shall in no case exceed the amount of 2 000 000 000 MAD.

The present bond issue shall be reserved for all holders of bonds issued by CIMAT in 2012 and whose final repayment is expected to take place on July 6, 2017 and July 6, 2019 (the "Existing Bonds"), who wish to participate in the exchange of Existing Bonds for new bonds whose issue is detailed in the present Prospectus. The maximum number of new Bonds to be allocated is 20 000 securities with a nominal unitary value of 100 000 MAD, or the maximum amount of 2 000 000 000 MAD.

The following table shows the lines of Existing Bonds:

Table 1. The lines of Existing Bonds on November 11, 2016

ISIN Code	Listing on the Casablanca Stock Exchange	Rate	Number of Securities	Outstanding (MMAD)	Issue Risk Premium	Nominal Rate	Maturity Date	Payment Frequency
MA0000091738	Non-Listed	Floating	16 550	1 655,0	125 pbs	3,44% <sup>(*)</sup>	06/07/2017	Annual
MA0000021560	Listed	Fixed	561	56,1	135 pbs	5,38%	06/07/2017	Annual
MA0000091746	Non-Listed	Fixed	1 216	121,6	135 pbs	5,38%	06/07/2017	Annual
MA0000091753	Non-Listed	Floating	11 300	1 130,0	135 pbs	3,44% <sup>(**)</sup>	06/07/2019	Annual
MA0000091761	Non-Listed	Fixed	373	37,3	145 pbs	5,62%	06/07/2019	Annual

(\*) 4,78% on 06/07/2013, 5,41% on 06/07/2014, 4,44% on 06/07/2015, 3,79% on 06/07/2016 and 3,34% on 06/07/2017

(\*\*) 4,88% on 06/07/2013, 5,51% on 06/07/2014, 4,54% on 06/07/2015, 3,89% on 06/07/2016 and 3,44% au 06/07/2017

It should be noted that the purpose of this transaction, subject of the present Prospectus, is intended for holders of the bonds redeemable at the end of July 06, 2017 and July 06, 2019. Moreover, the Company invests its cash surplus in investment securities so as to be able to meet the repayment of maturities of the Debenture Loan issued in 2012 expected in July 2017 and 2019. At the end of June 2016, The balance of this account amounts to 845 MMAD.

It should be noted that following the announcement of the results of this transaction, CIMAT undertakes to set aside a reserve to cover the repayment of bonds maturing on 6 July 2017 that have not been the subject of a reprofiling in respect to this bond issue.

## II.1. Characteristics of Tranche A securities (floating rate bonds)

Type of Securities	Non-listed bonds dematerialized by registration with the authorized affiliates, and mandatorily admitted for transactions with the Central Depository (Maroclear) and registered.
Legal form	Bearer bonds.
Tranche ceiling	2 000 000 000 MAD.
Maximum number of bonds to be issued	20 000 securities.
Nominal unit value	100 000 MAD.
Maturity	7 years.
Subscription period	From January 30, 2017 to February 1 <sup>st</sup> , 2017 inclusive.
Date of possession	February 6, 2017
Maturity date	February 6, 2024
Issuance price	At par, i.e. 100 000 MAD.
Interest payment	<p>Interest shall be served annually on the anniversary dates of the possession of the bonds, i.e. on February 6<sup>th</sup> of each year.</p> <p>Their payment shall take place on the same anniversary day or on the following business day if the said date is a holiday.</p> <p>Due to the annual revision of the nominal rate, interests shall be calculated on a monetary basis:</p> <p>[Outstanding capital x nominal rate x (exact number of days / 360 days)]</p> <p>No deferral of interest shall be possible in connection with this issue.</p>
Risk premium	145 basis points.
Nominal interest rate	<p>Annually variable rate.</p> <p>The nominal interest rate for the first year is determined in reference to the full monetary rate of the 52 weeks Treasury Bills calculated on the basis of the rate benchmark curve of Treasury Bills of the secondary market as published by Bank Al-Maghrib on January 25, 2017, plus a risk premium of 145 basis points.</p> <p>The nominal interest rate shall be published by CIMAT on the January 27, 2017 in a legal gazette.</p> <p>For the following years, during each coupon payment date, the monetary treasury bills 52-week benchmark rate shall be determined on the basis of the last curve of the secondary market of the Treasury Bonds as published by Bank Al-Maghrib 5 trading days before the date of payment of the coupon. The resulting reference rate shall be increased by a risk premium of 145 basis points, and shall be communicated to bond holders by CIMAT 3 working days before the payment anniversary.</p> <p>The nominal interest rate shall be published by CIMAT in a legal gazette 3</p>

	working days before the payment anniversary.
Calculation method	<p>In the event where the reference rate is not observed directly on the curve of the reference rates of the secondary market, interest rate determination shall be realized through linear interpolation using the two points flanking the full 52 weeks maturity (monetary basis). This interpolation shall be made after the conversion of the rate immediately above the maturity of 52 weeks (actuarial basis) to the equivalent monetary rate according to the following formula:</p> $((\text{Actuarial rate} + 1)^{(k/n)} - 1) \times 360 / k;$ <p>Whereas:</p> <p>k: Maturity of the actuarial rate to be determined (immediately above 52 weeks)</p> <p>n: exact number of days (365 or 366 days).</p>
Coupon calculation agent	BMCE Bank of Africa
Allocation method	In proportion to the demand (refer to part VII.6.2).
Repayment of the principal	<p>Annual straight-line depreciation on each anniversary date of the issue or on the following business day if the anniversary date is a holiday.</p> <p>In the case of merger, demerger or partial contribution of assets of Ciments de l'Atlas occurring during the tenor of the bond and causing the transfer of assets in favor of a distinct legal entity, the rights and obligations arising from the bonds (subject of the present issuance) shall be automatically transferred the substituting legal entity in the rights and obligations of the Company.</p>
Early redemption	<p>The Company undertakes not to proceed with the early repayment of the bonds subject of the present issuance, except in the case of an authorization from the body of debt holders acting under the provisions of Law No. 17-95 on limited liability companies, as amended and modified.</p> <p>However, the Company reserves the right to buy back its bonds on the secondary market at any given time, in compliance with legal and regulatory requirements, provided that these purchases will have no effect on an investor willing to hold his/her securities until their normal maturity, nor on the normal depreciation schedule. Otherwise, repurchased bonds shall be canceled.</p>
Assimilation clause	<p>There is no assimilation of bonds of Tranche A to securities of a previous issue.</p> <p>In the event the Company subsequently issues new securities identical in all respects to those of previously issued bonds, it may proceed, without the consent of previous bond holders, to the assimilation of all subsequent security issuances, thereby unifying all transactions with regard to their management and trading.</p>
Rank/Subordination	<p>The Tranche A bonds constitute direct, general, unconditional and non-subordinated engagement of the Company.</p> <p>The bonds issued by the Company shall rank equally with each other and rank equally with all other debts of the Company, present or future, unsecured and not privileged under the law, with a fixed term.</p>
Rating	The present bond issuance has not been the subject of any rating request.
Guarantee	No guarantees.
Representation of bondholders	Pending the holding of the General Meeting of bondholders, the Board of management of the Company has appointed Mr. Mohamed Hdid, chartered

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accountant based in Casablanca, as temporary provisional trustee.

This decision shall take effect concurrently with the beginning of the subscription period. To be noted that the appointed provisional trustee is the same for tranches A and B of the issuance, since both tranches are grouped into one single body.

In addition, the Board of Directors of CIMAT undertakes to convene the general meeting of bondholders to appoint the permanent representative of the bondholders, within a period of 60 days from the date of possession.

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Tradability	Tranche A bonds are tradable over the counter. There is no restriction imposed by the terms of the present issuance on the free transferability of Tranche A bonds.
Governing law	Moroccan Law
Competent Court	Commercial Court of Casablanca

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## II.2. Characteristics of Tranche B securities (fixed rate bonds)

Type of Securities	In addition, the Board of Directors of CIMAT undertakes to convene the general meeting of bondholders to appoint the final representative of the bondholders, within a period of 60 days from the date Of enjoyment.
Legal form	Bearer bonds.
Tranche ceiling	2 000 000 000 MAD.
Maximum number of bonds to be issued	20 000 securities.
Nominal unit value	100 000 MAD.
Maturity	7 years.
Subscription period	From January 30, 2017 to February 1 <sup>st</sup> , 2017 inclusive.
Date of possession	February 06, 2017
Maturity date	February 06, 2024
Issuance price	At par, i.e. 100 000 MAD.
Interest payment	<p>Interest shall be served annually on the anniversary dates of the possession of the bonds, i.e. on February 06 of each year.</p> <p>Their payment shall take place on the same anniversary day or on the following business day if the said date is a holiday.</p> <p>Interests shall be calculated on the basis of the following formula:            [Outstanding capital x nominal rate]</p> <p>No deferral of interest shall be possible in connection with this issue.</p>
Risk premium	155 basis points (pbs).
Nominal interest rate	<p>Fixed rate.</p> <p>The nominal interest rate is determined on the basis of the curve of the benchmark rates of the zero coupon treasury bills of a 7 years maturity published by Bank Al-Maghrib on January 25, 2017, plus a risk premium of 155 basis points.</p> <p>The nominal interest rate shall be published by CIMAT on January 27, 2017 in a legal gazette.</p>
Calculation method	The nominal interest rate will allow to obtain, for a bond, a price equal to 100%, at the date of possession, of the nominal value by discounting the future flows generated by this bond at the treasury bill Zero Coupon rates plus a risk premium of 155 basis points.
Coupon calculation agent	BMCE Bank of Africa
Allocation method	In proportion to the demand (refer to part VII.6.2).
Repayment of the principal	<p>Annual straight-line depreciation on each anniversary date of the issue or on the following business day if the anniversary date is a holiday.</p> <p>In the case of merger, demerger or partial contribution of assets of Ciments de l'Atlas occurring during the tenor of the bond and causing the transfer of assets in favor of a distinct legal entity, the rights and obligations arising from the bonds (subject of the present issuance) shall be automatically transferred the substituting legal entity in the rights and obligations of the Company.</p>
Early redemption	The Company undertakes not to proceed with the early repayment of the bonds subject of the present issuance, except in the case of an authorization from the body of debt holders acting under the provisions of Law No. 17-95

	<p>on limited liability companies, as amended and modified.</p> <p>However, the Company reserves the right to buy back its bonds on the secondary market at any given time, in compliance with legal and regulatory requirements, provided that these purchases will have no effect on an investor willing to hold his/her securities until their normal maturity, nor on the normal depreciation schedule. Otherwise, repurchased bonds shall be canceled.</p>
Assimilation clause	<p>There is no assimilation of bonds of Tranche B to securities of a previous issue.</p> <p>In the event the Company subsequently issues new securities identical in all respects to those of previously issued bonds, it may proceed, without the consent of previous bond holders, to the assimilation of all subsequent security issuances, thereby unifying all transactions with regard to their management and trading.</p>
Rank/Subordination	<p>The Tranche B bonds constitute direct, general, unconditional and non-subordinated engagement of the Company.</p> <p>The bonds issued by the Company shall rank equally with each other and rank equally with all other debts of the Company, present or future, unsecured and not privileged under the law, with a fixed term.</p>
Rating	The present bond issuance has not been the subject of any rating request.
Guarantee	No guarantees.
Representation of bondholders	<p>Pending the holding of the General Meeting of bondholders, the Board of management of the Company has appointed Mr. Mohamed Hdid, chartered accountant based in Casablanca, as temporary provisional trustee.</p> <p>This decision shall take effect concurrently with the beginning of the subscription period. To be noted that the appointed provisional trustee is the same for tranches A and B of the issuance, since both tranches are grouped into one single body.</p> <p>In addition, the Board of Directors of CIMAT undertakes to convene the general meeting of bondholders to appoint the permanent representative of the bondholders, within a period of 60 days from the date of possession.</p>
Tradability	<p>Tranche B bonds are tradable over the counter (non-listed in the Casablanca Stock Exchange).</p> <p>There is no restriction imposed by the terms of the present issuance on the free transferability of Tranche B bonds.</p>
Governing law	Moroccan Law
Competent Court	Commercial Court of Casablanca

### III. Transaction objectives

It should be recalled that the Company issued a debenture loan in the amount of 3 000 000 000 MAD approved by the Moroccan Authority for Capital Markets (AMMC) on June 19, 2012 under reference number VI/EM/023/2012 (hereinafter the "Existing Bonds"). The said debenture loan is redeemable in fine, depending on the tranche, on July 6, 2017 and on July 6, 2019.

Thus, through the intended debenture loan, CIMAT aims to re-profile the outstanding amount of its private debt, through the issuance of new bonds reserved for holders of Existing Bonds.

Investors wishing to subscribe to the debenture loan will therefore be invited to participate in an exchange transaction which will result in a redemption by CIMAT of Existing Bonds under the condition of subscribing to the same number of Securities in connection with the proposed bond issue.

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CIMAT shall reimburse the remainder which has not been subject to a reprofiling and which will expire on July 6, 2017 and July 6, 2019 respectively.

The Company undertakes to set aside, after the closure of the subscription period, a monthly reserve to cover the repayment of bonds maturing on July 6, 2017, and which have not been the subject of a reprofiling under this bond issue (see Appendix VI of the present Prospectus).

#### IV. Transaction schedule

Subscription will be opened by the placement body. The schedule of the transaction is as follows:

Table 2. Bond issue schedule

Order	Steps	Date
1	Approval of the AMMC	January 19, 2017
2	Publication of an extract of the Prospectus in a legal gazette.	January 23, 2017
3	Observance of the reference rates on the interest rates curve published by Bank Al-Maghrib	January 25, 2017
4	Publication of the nominal rates in a legal gazette	January 27, 2017
5	Opening of the subscription period / repurchase	January 30, 2017
6	Closure of the subscription period / repurchase	February 1, 2017
7	Payment / Delivery.	February 06, 2017
8	Delisting of existing Bonds in the event of a total redemption.	February 08, 2017
9	Announcement of the transaction's outcome by Company in a legal gazette.	February 08, 2017

#### V. Financial intermediaries

The financial intermediaries involved in the present debenture loan are as follows:

Table 3. Financial intermediaries

Placement agent and financial intermediaries	Legal name	Address
Counselor and Global Coordinator	BMCE Capital Conseil	63, Boulevard My Youssef, Casablanca
Placement and Centralizing Agent	BMCE Bank of Africa	140, Boulevard Hassan II, Casablanca
Calculating Agent	BMCE Bank of Africa	140, Boulevard Hassan II, Casablanca
Domiciliary institution proving financial service of the issuer	BMCE Bank of Africa	140, Boulevard Hassan II, Casablanca

#### VI. Method for determining the redemption price of Existing Bonds

The redemption by the company CIMAT of Existing Bonds shall be made in cash and shall correspond to the date of the payment / delivery, i.e. on February 06, 2017 for the unitary price of Existing Bonds. On February 06, 2017, the unitary price is equal to the accrued bond price.

The following table sets forth the redemption prices of the Existing Bonds and the method used to determine them:

Table 1. Characteristics for determining the redemption price of Existing Bonds

ISIN Code	Listing	Rate	Reference rate	Valuation risk premium	Redemption price
MA0000091738	Non-listed	Floating	2,2467%(*)	40 pbs	102 258,69
MA0000021560	Listed	Fixed	2,2467%(*)	40 pbs	104 230,55
MA0000091746	Non-listed	Fixed	2,2467%(*)	40 pbs	104 230,55
MA0000091753	Non-listed	Floating	2,2467%(*)	50 pbs	102 316,80
MA0000091761	Non-listed	Fixed	2,5948%**)	50 pbs	109 070,51

(\*) Treasury bills rates relating to residual maturity (difference in number of days between 06/07/2017 and 06/02/2017 of the CIMAT bond calculated at the level of the secondary market yield curve published by Bank Al Maghrib on 16/01/2017

(\*\*) Treasury bills rates relating to residual maturity (difference in number of days between 06/07/2019 and 06/02/2017 of the CIMAT bond calculated at the level of the secondary market yield curve published by Bank Al Maghrib on 16/01/2017

The redemption price corresponds to the accrued coupon price as at 6 February 2017 and calculated on the basis of the discounting of future cash flows of the CIMAT bond on the basis of treasury bill rates of 2.2467% for floating rate bonds maturing on July 6, 2017, and 2.5948% for fixed rate bonds maturing on July 6, 2019 (observed at the level of the secondary market rate curve published by Bank Al Maghrib on 16 / 01/2017) plus a risk premium of 40 basis points (bonds maturing in July 2017) and 50 basis points (bonds maturing in July 2019).

The following table shows the redemption price between the accrued coupon and the coupon price:

ISIN Code	Rate nature	Redemption price	Price	Accrued coupon
MA0000091738	Floating	102 258,69	100 263,97	1 994,72
MA0000021560	Fixed	104 230,55	101 017,49	3 213,06
MA0000091746	Fixed	104 230,55	101 017,49	3 213,06
MA0000091753	Floating	102 316,80	100 262,36	2 054,44
MA0000091761	Fixed	109 070,51	105 760,10	3 310,41

## Part II. INFORMATION ABOUT THE ISSUER

## I. General information about Ciments de l'Atlas

Table 2. General information about Ciments de l'Atlas

Corporate name	Ciments de l'Atlas
Headquarters	Km 7 Route de Rabat, Ain Sebaâ, Casablanca.
Capital social à ce jour Share capital as of this day	1 200 000 000 MAD consisting of 24 000 000 shares, each share of a nominal value of 50 MAD, representing contributions in cash and numbered from 1 to 24 000 000, all of the same class and fully paid for.
Corporate purpose	<p>According to article 5 of the by-laws, the corporate purpose of the Company is as follows:</p> <ul style="list-style-type: none"> <li>▪ The production, distribution, purchase, sale, import, export and the commercialization of cement, its derivatives and related materials;</li> <li>▪ All activities related to standard cement and concrete, special concrete and aggregates;</li> <li>▪ Operation of cement plants, grinding, bagging and distribution centers;</li> <li>▪ The operation of any quarry and the extraction of raw materials, in particular those necessary for the production of cement;</li> <li>▪ Delivery, pumping of concrete and any related activities;</li> <li>▪ And more generally, all financial, tangible and intangible, transactions that could relate directly or indirectly to the purpose of the company.</li> </ul>

Source: CIMAT

## II. Shareholding of CIMAT

### II.1. Capital structure history

The following table shows the history of CIMAT's shareholding over the last three years.

Table 3. Shareholding history

Shareholders	31/12/2013		31/12/2014		31/12/2015	
	Number of securities	% of the share capital and voting rights	Number of securities	% of the share capital and voting rights	Number of securities	% of the share capital and voting rights
Mr. Anas Sefrioui	8 999 994	75,0%	17 999 988	75,0%	1	0,0%
Mrs. Kenza Sefrioui	2	0,0%	4	0,0%	3	0,0%
O.I.P.	3 000 002	25,0%	6 000 004	25,0%	23 999 992	100,0%
Mrs. Alia Sefrioui	1	0,0%	2	0,0%	2	0,0%
Mr. Malik Sefrioui	1	0,0%	2	0,0%	2	0,0%
<b>Total</b>	<b>12 000 000</b>	<b>100,0%</b>	<b>24 000 000</b>	<b>100,0%</b>	<b>24 000 000</b>	<b>100,0%</b>

Source: CIMAT

At the date of publication of the present Prospectus, CIMAT's main shareholder is the Omnium des Industries et de la Promotion (OIP), which holds directly 100.0% of the shares and voting rights constituting the share capital of the Company.

Over the past three years, the Company's shareholding has seen the rise of the Omnium des Industries et de la Promotion (OIP) company in the capital of CIMAT, rising from 25% in 2013 to 100% in 2015.

It should be noted that the Société Omnium des Industries et de la Promotion is 89.04% owned by the Sefrioui family and includes some of its shareholdings.

As of 31/12/2015, none of the shareholders listed above holds double voting shares or preference shares.

## III. Administrative and management bodies of the issuer

### III.1. Board of management

The composition of the Board of Management of CIMAT, as of June 23, 2016, is as follows:

Table 4. Composition of the Board of Management of CIMAT as of June 23, 2016

Members of the Board of Management	Current position	Date of appointment or reappointment	Date of warrant expiry	Relationship with the Company
Mr. Anas Sefrioui	CEO	23/06/2016	31/12/2021	Shareholder
Mrs. Kenza Sefrioui	Administrator	23/06/2016	31/12/2021	Shareholder
Omnium des Industries et de la Promotion	Administrator	23/06/2016	31/12/2021	Shareholder

Source: CIMAT

### III.2. Management bodies

In accordance with the provisions of Article 18 of the bylaws, the Board of Management decided that the General Management of the Company will be carried out by the Chairman of the Board of Management, thus taking the title of Chairman and Chief Executive Officer. The latter shall be vested with the broadest powers to act on behalf of the Company.

In addition to the Chairman and Chief Executive Officer, CIMAT's management bodies include all the department directors, namely (i) General Management, (ii) Operations Department, (iii) Marketing & Sales Department, (iv) Administration and Finance Department, (v) Human Resources Department, and a Deputy CEO and a CEO Adviser.

The following table provides a presentation of CIMAT's governing bodies as of December 31, 2015:

Table 5. Key executives of CIMAT

Key executives of CIMAT	Function
Mr. Anas Sefrioui	Chief Executive Officer
Mr. Malik Sefrioui	Vice CEO
Mrs Kenza Sefrioui	Director (Attached to the Vice-CEO)
Mr. Saad Sefrioui	CEO Advisor
Mr. Rachid Iben Khayat	Deputy Managing Director and Acting Human Resources Manager
Mr. Mohamed Naciri	Chief Operating Officer
Mr. Omar Ameziane Hassani	Chief Financial Officer
Mr. Hatim Khattabi	Marketing and Sales Manager

Source: CIMAT

### IV. The business of the issuer

Created in June 2007, CIMAT specializes in the production and marketing of all hydraulic binders used in construction and public works, including clinker, cement, concrete and aggregates.

At the end of 2015, CIMAT's main activities concentrated on the production and sale of cement and ready-mixed concrete.

To this date, CIMAT owns and operates two cement plants with a total capacity of 3.2 million tons of cement per year located in Ben Ahmed and Beni Mellal and commissioned in April 2010 and January 2011 respectively.

#### IV.1. History of CIMAT

The key events that have marked CIMAT's business since its inception are summarized as follows:

Table 6. History de CIMAT

2007	<ul style="list-style-type: none"> <li>June: Creation of CIMAT by Mr. Anas Sefrioui with a share capital of 300 KMAD.</li> <li>July: CIMAT signs an investment agreement with the State.</li> </ul>
2008	<ul style="list-style-type: none"> <li>April: CIMAT signs a contract to build two cement plants with the German prime contractor Polysius.</li> </ul>
2009	<ul style="list-style-type: none"> <li>February and October: Realization of two capital increases by clearing receivables by Anas Sefrioui and bringing the capital of CIMAT to 50 MAD then 600 MMAD.</li> </ul>

2010	<ul style="list-style-type: none"> <li>▪ April:               <ul style="list-style-type: none"> <li>- Start of the first cement grinder at Ben Ahmed;</li> <li>- Sale of the first bag of cement from the Ben Ahmed factory;</li> <li>- Starting the SAP software package;</li> </ul> </li> <li>▪ June: Realization of a share capital increase by contribution in kind reserved for the shareholders of Omnium des Industries et de la Promotion (OIP) bringing the capital of CIMAT to 800 MMAD;</li> <li>▪ December:               <ul style="list-style-type: none"> <li>- Start of the kiln and the second cement grinder at the Ben Ahmed factory;</li> <li>- Start of production of clinker at Ben Ahmed;</li> <li>- Start of sales of cement from the Béni Mellal plant;</li> <li>- Creation of the subsidiary Bétons et Granulats du Maroc (BGM<sup>1</sup>), 51% of its shares is owned by CIMAT.</li> </ul> </li> </ul>
2011	<ul style="list-style-type: none"> <li>▪ January: Launch of Béni Mellal's Bagging and Shipping Workshops.</li> <li>▪ June :               <ul style="list-style-type: none"> <li>- Starting of the first cement grinder in Béni Mellal;</li> <li>- Creation of the Ciments de l'Atlas Granulats<sup>2</sup> Company (CIMAT Aggregates);</li> </ul> </li> <li>▪ December:               <ul style="list-style-type: none"> <li>- Start of the kiln of the Béni Mellal plant;</li> <li>- Start of the clinker production in Béni Mellal.</li> </ul> </li> <li>▪ CIMAT contribution in the share capital of Real Fly (created in November 2010) through capital increases reserved for CIMAT.</li> </ul>
2012	<ul style="list-style-type: none"> <li>▪ April: Implementation of a capital increase by the incorporation of current accounts of partners bringing the capital of CIMAT to 1 100 MMAD.</li> <li>▪ September: Implementation of a capital increase by the incorporation of current accounts of partners bringing the capital of CIMAT to 1 200 MMAD.</li> <li>▪ Opening of CIMAT on the export market.</li> </ul>
2013	<ul style="list-style-type: none"> <li>▪ Establishment of an industrial device aiming at the recovery of alternative combustibles .</li> </ul>
2014	<ul style="list-style-type: none"> <li>▪ Merger of CIMAT and CIMAT Béton.</li> <li>▪ Launch of the distribution platform for the city of Salé.</li> </ul>
2015	<ul style="list-style-type: none"> <li>▪ Change of the shareholding of CIMAT with a majority stake in OIP.</li> </ul>

Source: CIMAT

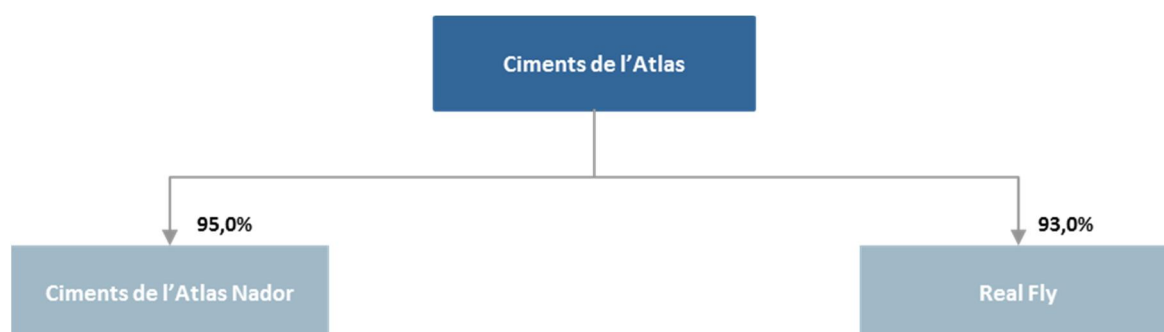
#### IV.2. Legal organizational chart of CIMAT

On December 31, 2012, the legal organizational chart of CIMAT is as follows:

<sup>1</sup> On July 11, 2012, the Extraordinary General Meeting decided, on the proposal of the Board of Management, to change the name of the company BETONS ET GRANULATS DU MAROC which became CIMENTS DE L'ATLAS BETONS, abbreviated as CIMAT BETONS.

<sup>2</sup> CIMAT Granulats is a shell company with no activity, and whose share capital amounted to 100 KMAD by the end 2015.

Figure 1. Legal organizational chart of CIMAT



Source: CIMAT

To this day, CIMAT holds (i) 95.0% of the share capital of CIMAT NADOR (established in 2013) and (ii) 93.0% of the Real Fly company (acquired by CIMAT in 2011).

#### IV.3. Overview of CIMAT NADOR

Ciments de l'Atlas Nador, 95% owned by CIMAT, is a limited liability company created on February 14, 2013. It specializes in the production and marketing of cement and its derivatives, as well as the production and commercialization of concrete and aggregates.

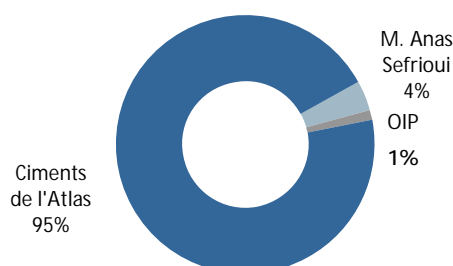
Cement of the Atlas Nador is a project for the development, construction and operation of a cement plant in Nador, with a capacity of 1.1 million tons of clinker, i.e. more than two million (2 000 000) tons of Cement, consisting of a clinker production unit and a cement grinding and packaging unit.

The following table presents the main legal information of Cimnat Nador:

Table 7. Information about CIMAT Nador

Corporate name	Ciments de L'Atlas Nador
Date of establishment	February 14, 2013
Headquarters	Km 7 Route de Rabat, Ain Sebaâ, Casablanca
Legal form	Limited liability Company
Business of the Company	Production and marketing of cement and its derivatives Production and marketing of concretes and aggregates
Share Capital	20 000 000 MAD as of December 31, 2015, consisting of 200 000 shares with a nominal value of MAD 100 each
Purpose of the Company	<p>According to article 2 of the by-laws, the corporate purpose of the Company is as follows:</p> <ul style="list-style-type: none"> <li>▪ The production, distribution, purchase, sale, import, export and the commercialization of cement, its derivatives and related materials;</li> <li>▪ All activities related to standard cement and concrete, special concrete and aggregates;</li> <li>▪ Operation of cement plants, grinding, bagging and distribution centers;</li> <li>▪ The operation of any quarry and the extraction of raw materials, in particular those necessary for the production of cement;</li> <li>▪ And more generally, all financial, tangible and intangible, transactions that could relate directly or indirectly to the purpose of the company.</li> </ul>
Fiscal year	From January 1st, to December 31

Breakdown of the share capital and voting rights of Cimat Nador as at 31 December 2015



In addition, each of the following shareholders holds one share in Cimat Nador:

- Mrs. Alia Sefrioui;
- Mrs. Mounia Benzakri;
- Mrs. Kenza Sefrioui.

The main financial aggregates of CIMAT Nador during the period 2013-2015 are as follows:

Table 8. The main financial aggregates of CIMAT Nador during the period 2013-2015

In KMAD	2013	2014	2015
Turnover	-	-	-
Share capital	1 000	20 000	20 000
Equity	781	3 123	735
Partners' current accounts (liabilities)	36 000	63 000	43 000
Net debt	-11 079	-28 092	-6 392
Net profit	-219	-2 409	- 2 387
Dividends paid to CIMAT	-	-	-

Source: CIMAT

Since the CIMAT Nador plant is under construction, the company did not generate turnover for the period 2013-2015.

#### IV.4. Overview of Real Fly

Established in November 2010, Real Fly is a business aviation company.

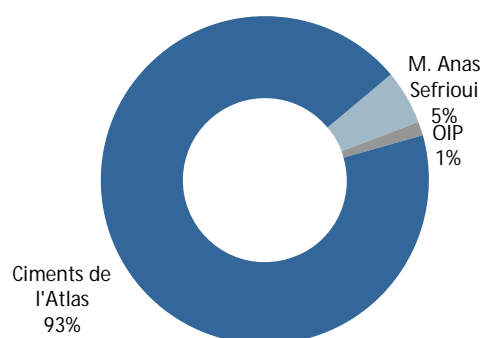
To this date, Real Fly has one plane. Its turnover consists of the rents generated by the availability of this aircraft for other companies owned by Mr. Sefrioui.

In 2015, the rents invoiced by Real Fly to CIMAT amounted to 25.8 MMAD.

Table 9. Information about Real Fly

Corporate name	Real Fly
Date of establishment	November 09, 2010
Headquarters	Km 7 Route de Rabat, Ain Sebaâ, Casablanca
Legal form	Limited liability Company
Business of the Company	Private jets lease for business trips
Share capital	15 000 000 MAD as on December 31, 2015, consisting of 150 000 shares with a nominal value of 100 each
Corporate purpose	<p>According to article 3 of the by-laws of Real Fly, the corporate purpose of the Company is as follows:</p> <ul style="list-style-type: none"> <li>▪ Regular or irregular public transport of passengers (domestic and international) for tourism or other purposes;</li> <li>▪ Domestic and international air transport of goods;</li> <li>▪ More generally, any air transport activity;</li> <li>▪ The purchase, charter and rental of any equipment and supplies relating to the operation of air services and any air transport activity;</li> <li>▪ The conclusion of any agreement and the execution of any commercial and financial transaction useful for the achievement of its corporate purpose;</li> <li>▪ And more generally, all financial, tangible and intangible, transactions that could relate directly or indirectly to the purpose of the company.</li> </ul>
Fiscal year	From January 1st, to December 31,

Breakdown of the share capital and voting rights as at 31 December 2015



Source: CIMAT

The main financial aggregates of Real Fly during the 2013-2015 period are as follows:

Table 10. The main financial aggregates of Real Fly during the 2013-2015 period

In KMAD	2013	2014	2015
Turnover	40 621	31 363	32 373
Share capital	15 000	15 000	15 000
Equity	12 004	12 572	13 272
Partners' current accounts (liabilities)	10 000	10 000	10 000
Net debt	-3 783	-4 100	-4 372
Net profit	12 578	569	700
Dividends paid to CIMAT	-	-	-

Source: CIMAT

Revenue from Real Fly decreased over the 2013-2015 period from 40.6 MMAD in 2013 to 32.4 MMAD in 2015. This decrease is due to a reduction in the number of flight hours charged to companies owned by Mr. Sefrioui.

#### IV.5. Business of CIMAT Group

The CIMAT group is an industrial establishment specializing in the creation and operation of cement plants and all building materials as well as the production and marketing of all hydraulic binders that can be used in construction and public works, in particular Clinker, cement and concretes.

The main activities of the CIMAT group focus on the production of cement and ready-mixed concrete.

##### Cement

CIMAT operates two cement plants in Ben Ahmed and Béni Mellal with an annual capacity of 1.6 million tons of cement, commissioned in April 2010 and January 2011 respectively.

In the same foot steps of big cement companies, CIMAT offers a range of cement products including (i) CPJ 35, CPJ 45, CPJ 55 and CPA 65 cements. In 2015, the Company achieved a turnover of 2 554 MMAD for a sales volume of cement and clinker of 3 202 Kt, resulting in a market share of 14.07%.

Its main customers include distributors (80.7% of the Company's business volume in 2015) and pre-casters (8.1%).

##### Ready-mixed concrete

CIMAT is anchored on the national market through eight concrete plants located in the regions of Casablanca, Rabat, Sale and the Tangier.

CIMAT offers a range of ready-mixed concrete that meets the needs of its customers which includes standard concrete and special concretes. CIMAT is positioned throughout the value chain ranging from delivery to pumping, as well as technical assistance in the choice of ready-mix concrete, dimensioning and installation.

## Part III. FINANCIAL INFORMATION ABOUT THE ISSUER

## I. Consolidated balance sheet of CIMAT over the period 2013 – June 2016

The following table lays out the main indicators of the consolidated balance sheet of CIMAT group as at 31/12/2013, 31/12/2014, 31/12/2015 and 30/06/2016

Table 11. Consolidated balance sheet of CIMAT group

Assets - In KMAD	2013	Total % of the balance sheet	2014	Total % of the balance sheet	2015	Total % of the balance sheet	30/06/20 16	Total % of the balance sheet	Var 13-14	Var 14-15
Goodwill	7 169	0%	8 624	0%	8 624	0%	8 624	0%	20%	-
Intangible assets	7 987	0%	6 339	0%	3 883	0%	2 666	0%	-21%	-39%
Tangible assets	5 429 465	82%	5 297 533	78%	5 066 318	69%	4 975 652	66%	-2%	-4%
Other financial assets	-	-	-	-	-	0%	-	0%	n.a	n.a
Deferred tax assets	15 125	0%	18 643	0%	10 893	0%	9 883	0%	23%	-42%
Other non-current assets	13 740	0%	13 993	0%	14 343	0%	14 343	0%	2%	3%
<b>Total non-current assets</b>	<b>5 473 486</b>	<b>83%</b>	<b>5 345 132</b>	<b>78%</b>	<b>5 104 061</b>	<b>69%</b>	<b>5 011 168</b>	<b>66%</b>	<b>-2%</b>	<b>-5%</b>
Stocks d in-process production	179 862	3%	200 389	3%	189 129	3%	186 953	2%	11%	-6%
Net trade receivables	512 241	8%	603 457	9%	623 738	8%	711 567	9%	18%	3%
Other receivables	119 602	2%	216 450	3%	416 398	6%	547 006	7%	81%	92%
Cash and Cash equivalent	341 646	5%	448 572	7%	1 039 667	14%	1 129 746	15%	31%	132%
<b>Total current assets</b>	<b>1 153 351</b>	<b>17%</b>	<b>1 468 867</b>	<b>22%</b>	<b>2 268 932</b>	<b>31%</b>	<b>2 575 272</b>	<b>34%</b>	<b>27%</b>	<b>54%</b>
<b>Total Assets</b>	<b>6 626 837</b>	<b>100%</b>	<b>6 814 000</b>	<b>100%</b>	<b>7 372 993</b>	<b>100%</b>	<b>7 586 440</b>	<b>100%</b>	<b>3%</b>	<b>8%</b>

Source: CIMAT

Liabilities – In KMAD	2013	Total % of the balance sheet	2014	Total % of the balance sheet	2015	Total % of the balance sheet	30/06/2016		Total % of the balance sheet	Var 14-15
Assets	1 200 000	18%	1 200 000	18%	1 200 000	16%	1 200 000	16%	-	-
Reserves	457 406	7%	879 172	13%	1 339 223	18%	1 359 045	18%	92%	52%
Turnover	420 616	6%	460 050	7%	519 823	7%	323 435	4%	9%	13%
Shareholders' equity (group share)	2 078 022	31%	2 539 223	37%	3 059 045	41%	2 882 480	38%	22%	20%
Reserves (share of minority interests)	3 627	0%	1 077	0%	1 124	0%	1 248	0%	-70%	4%
Turnover (share of minority interests)	(1 537)	-0%	47	0%	124	0%	-100	0%	-103%	163%
Shareholders' equity (share of minority interests)	2 090	0%	1 124	0%	1 248	0%	1 148	0%	-46%	11%
Equity	2 080 112	31%	2 540 347	37%	3 060 294	42%	2 883 629	38%	22%	20%
Amounts owed to credit institutions	3 118 365	47%	3 099 354	45%	3 072 424	42%	3 065 439	40%	-1%	-1%
Non-current provisions	2 232	0%	2 758	0%	4 073	0%	4 315	0%	24%	48%
deferred tax liability	1 181	0%	4 592	0%	5 129	0%	8 918	0%	289%	12%
Total non-current Liabilities	3 121 777	47%	3 106 704	46%	3 081 626	42%	3 078 672	41%	-0%	-1%
Current provisions	-	-	-	-	-	0%	23 573	0%	n.a	n.a
Amounts owed to credit institutions CT	279 129	4%	203 935	3%	306 740	4%	304 108	4%	-27%	50%
Trade payables	366 712	6%	397 770	6%	400 109	5%	272 666	4%	8%	1%
Other current liabilities	779 106	12%	565 245	8%	524 225	7%	1 023 792	13%	-27%	-7%
Total current liabilities	1 424 947	22%	1 166 949	17%	1 231 074	17%	1 624 139	21%	-18%	5%
Total Liabilities	6 626 837	100%	6 814 000	100%	7 372 993	100%	7 586 440	100%	3%	8%

Source: CIMAT

## II. Consolidated statement of cash flows of CIMAT over the period 2013 – June 2016

The following table shows the historical data of Consolidated Cash Flows statement of CIMAT Group over the 2013-2015 period:

Table 12. Statement of cash flows for CIMAT Group

In KMAD	2013	2014	2015	Var 13-14	Var 14-15
Turnover	2 361 195	2 398 027	2 677 255	1,6%	11,6%
Other operating revenues	15 302	116 508	17 091	661,4%	(85,3%)
Revenues from ordinary activities	2 376 498	2 514 535	2 694 347	5,8%	7,2%
Purchases consumed	(1 224 761)	(1 254 620)	(1 347 295)	2,4%	7,4%
Payroll	(126 131)	(167 597)	(191 131)	32,9%	14,0%
Taxes	(9 455)	(18 077)	(19 636)	91,2%	8,6%
Other operating revenues and expenses	(0)	(0)	1	(77,8%)	n/s
Net depreciation, amortization and provisions allowances	(280 215)	(290 789)	(296 368)	3,8%	1,9%
Expenses from ordinary activities	(1 640 562)	(1 731 082)	(1 854 429)	5,5%	7,1%
Current operating income	735 936	783 453	839 918	6,5%	7,2%
Disposal of assets	(3 553)	(492)	(659)	(86,1%)	33,9%
Restructuring charges	-	-	-	-	-
Divestment of subsidiaries and shareholding	-	-	-	-	-
Negative goodwill	-	-	-	-	-
Other non-current operating income and expenses	(7 222)	(8 855)	(10 772)	22,6%	21,6%
Operating income	725 160	774 105	828 487	6,7%	7,0%
Net debt cost	(162 996)	(171 203)	(150 537)	5,0%	(12,1%)
Other financial revenue	6 069	27 560	33 801	354,1%	22,6%
Other financial expenses	(16 091)	(8 649)	(17 216)	(46,2%)	99,1%
Financial income	(173 018)	(152 292)	(133 952)	(12,0%)	(12,0%)
Pre-tax income from consolidated companies	552 142	621 813	694 535	12,6%	11,7%
corporate tax	(132 480)	(161 817)	(166 301)	22,1%	2,8%
Differed tax	(583)	101	(8 287)	n/s	n/s
Net income from consolidated companies	419 079	460 098	519 947	9,8%	13,0%
Income from equity affiliates	-	-	-	-	-
Net income from ongoing operations	419 079	460 098	519 947	9,8%	13,0%
Net income from discontinued operations	-	-	-	-	-
Income of consolidated companies	419 079	460 098	519 947	9,8%	13,0%
Minority interests	(1 537)	47	124	n/s	163,3%
Net income – Group share	420 616	460 050	519 823	9,4%	13,0%
Basic earnings per share (In MAD)	35	19	22	(45,2%)	13,0%
Diluted earnings per share (In MAD)	35	19	22	(45,2%)	13,0%

The following table shows the historical data of CIMAT Group Consolidated statement of cash flows as on June 30, 2015 and June 30, 2016:

Table 13. Consolidated statement of cash flows of CIMAT Group on June 30, 2015 and June 30, 2016:

In KMAD	30/06/2015	30/06/2016	Variation
Turnover	1 330 789	1 334 060	0%
Other operating revenues	25 714	58 685	128%
Operating revenues	1 356 503	1 392 745	3%
Purchases consumed	(356 797)	(345 970)	-3%
Other external charges	(290 318)	(264 908)	-9%
Payroll	(90 291)	(103 418)	15%
Taxes	(9 002)	(13 237)	47%
Other operating revenues and expenses	(0)	(0)	0%
Operating allowances	(150 807)	(165 239)	10%
Operating costs	(897 216)	(892 772)	0%
Current operating income	459 287	499 973	9%
Non-current income	(6 030)	(2 083)	-65%
Financial income	(64 713)	(50 776)	-22%
Pre-tax income from consolidated companies	388 544	447 113	15%
Corporate tax	(88 856)	(119 291)	34%
Differed tax	(4 617)	(4 487)	-3%
Net income from consolidated companies	295 070	323 335	10%
share in net income of consolidated companies	-	-	-
Net income from consolidated companies	295 070	323 335	10%
Minority interests	(139)	(100)	-28%
The net income - Group share	295 209	323 435	10%
Number of shares (*1000)	24 000	12 000	-50%
Earnings per share (In MAD)	12,30	26,95	125%

## Part IV. RISK FACTORS

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## I. Risks related to the real estate and construction sector

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The cement sector is highly dependent on the construction sector, whose activity remains closely linked to the pace of housing construction and to the number of public, tourist and industrial infrastructure projects.

The cement industry is therefore vulnerable to some factors such as purchasing power in general, population growth and urbanization, lending conditions in the real estate segment, and public policies in housing and infrastructure extension/renewal plans.

### I.1. Public works sector

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The development of the cement sector over the past decade has been directly stimulated by Morocco's policy of upgrading and expanding infrastructure.

The current state of the Morocco's economy, characterized by huge pressure on public finances (particularly in terms of budget deficit and liquidity drying), is likely to slow down the pace of public investment in infrastructure. Such a situation could have an adverse impact on the national demand for cement and concrete.

### I.2. Real estate sector

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Despite its intrinsic growth potential, the real estate sector is experiencing some slowdown due to the cyclical decline in housing demand, particularly in the mid-range and high-end segments, mainly caused by (i) the decline in solvent demand caused by an increase in prices, (ii) a tightening of lending conditions, and (iii) a decline in the demand of Moroccans living abroad due to the financial crisis hitting the world in general and Europe in particular.

On one hand, the effect of these risk factors is, however, mitigated by the stimulating effect of the government's proactive policies to combat substandard housing. This policy provides a guarantee for the conditions for the development of a sufficient supply to cover national housing needs and the mechanical effect of population growth.

On the other hand, the tourist real estate sector, which is one of the cement market outlets, remains subject to the risk of a slowdown in investment in hotel infrastructure as a result of the decline in demand from tourist generating countries.

### I.3. Seasonality of the construction sector

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The market of cement and, more generally, building materials remains affected by seasonal real estate activity (due in particular to rainfall). Periods marked by heavy rainfall could affect the level of production in the construction sector and thus slow down sales volumes of cement and concrete.

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## II. Environmental and security risks

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### II.1. Environmental risks

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The production of cement requires the combustion of fossil fuels and therefore leads to the emission of gases which may be harmful to the environment. In this regard, the evolution of ecological movements combined with a greater mobilization of public opinion against industries emitting greenhouse gases would constitute a risk factor for Moroccan cement manufacturers.

On this basis, any changes in the Kingdom's regulations relating to gas emissions which are not known at the date of publication of the present Prospectus could result in additional costs to be borne by the Company (special taxes, additional investments, etc.) .

It should also be noted that the cement industry is subject to many other environmental, health and safety regulations, including the control of waste from cement plants, environmental protection, pollution abatement, ISO certification, health and safety of workers, production standards, etc.

Any reinforcement, modification and/or amendment of these regulatory provisions which are not known at the date of publication of the present Prospectus could have an impact on the volume, terms and/or operating profitability of the cement industry.

In addition, the plants owned by the Company produce or have produced industrial waste that has been disposed of in accordance with current legislation. In the event of more restrictive and retroactive legislation, the Company may incur material penalties for (i) soil investigations or decontamination, (ii) damage to its on-site staff, or (iii) contamination of natural resources.

In order to have a better grasp of the aforementioned risk factors, it should be noted that since its inception, the Company has been committed to an environmental policy based on "sustainable development". In this regard, 15% of the total investment reserved for the construction of the two CIMAT cement plants was devoted to measures and equipment for the protection of the environment.

As a result, the Company has deployed several environmental devices that can be summarized in the following:

- The reduction of dust emissions at production sites to 20 mg / Nm<sup>3</sup> (vs. 50 mg / Nm<sup>3</sup> under Moroccan regulations)<sup>3</sup>;
- Equipment of all points deemed critical with specific dust collectors;
- The covering of storage halls for materials and fuels to avoid dust dispersal;
- The implementation of preventive measures at quarries, namely, (i) the equipment of the rigs with a de-dusting system, (ii) the watering of the access roads, (iii) the limitation of the vehicles speed (iv) the installation of a de-dusting system on the crushers and (v) the creation of a truck cleaning area;
- A rationalized selection of materials and fuels through analyzing these materials to eliminate any harmful elements likely to generate emissions exceeding the limits set by legislation and sectoral agreements;
- The carrying out of annual measurement campaigns by an independent and accredited body with the objective of controlling gas emissions and their impact on the surrounding environment;
- The integration of greenhouse gas reduction in CIMAT's investment policy, in particular through a rigorous choice of production technologies in view of environmental requirements;
- The introduction of specific technologies to reduce greenhouse gas emissions generated by the manufacture of clinker (frequency inverters, high-efficiency turbines enabling a substantial reduction in specific electricity consumption, etc.);
- A systematic and continuous analysis of gas emissions from furnaces;
- The implementation of a development strategy to the use of clinker substitution additives in order to reduce fuel consumption (use of ash and pozzolana, industrial trials of clinker mineralization, Etc.);
- Implementation of the "Bilan Carbone" approach developed by the French Agency for the Environment and Energy Management for keeping track of greenhouse gas emissions;
- The implementation of several processes for the protection of water resources<sup>4</sup>: common filter dedusting, recycling of water used in production, off-site diversion of external waters in order to avoid contamination, protection of groundwater from infiltration of materials, establishment of treatment plants for sanitary and water used for extinguishing fires, etc. ;
- The implementation of a controlled landfill at the production sites;
- Planting plants at production sites and the progressive rehabilitation of the quarries exploited by the company;
- The adoption of a development plan for the Béni Mellal quarry to preserve the landscape of the mountainside; Etc.

## II.2. Security risks

<sup>3</sup> The actual measurements carried out by the public research and testing laboratory LPEE reveal emission levels of less than 3 mg / Nm<sup>3</sup>.

<sup>4</sup> Specific water consumption for kiln cooling is 31 l / ton of cement, a ratio among the lowest ratios in the industry.

Cement production requires the implementation of complex industrial operations that pose a risk of accidents for workers. CIMAT places occupational safety at the heart of its policy and follows a demanding and controlled vigilance system to minimize the number of accidents.

As a result, CIMAT has developed several programs aimed at enhancing safety at production sites in order to preserve people and property beyond just complying with current regulations.

The security program includes:

- Conducting legal compliance audits of various production sites;
- Conducting hygiene, sanitary and restaurant facilities compliance audits at the workplaces;
- Continuous risk assessment and monitoring;
- Analysis and corrective action after each incident;
- Awareness campaigns and training of staff;
- Improved operating techniques.

In addition, industrial risks are covered by yearly renewable insurance policies.

However, the risk of industrial accidents can not be totally eliminated despite the implementation of these preventive measures.

### III. Competition risks

CIMAT operates in an environment characterized mainly by (i) strong demand from building and public works players, (ii) volatility in energy costs, and (iii) gradual strengthening of environmental regulations.

The Company is therefore subject to a number of risks related to its commercial, regulatory and competitive environment as well as to industrial and human risks related to its own operations.

The reinforcement of the production capacity of the operators in the context of a slowdown in the demand for cement could have a double effect on the activity of the Company:

- A slowdown in sales growth as a result of the increase in over production;
- Stronger pressure on trade margins.

To address this risk, several commercial measures are implemented by CIMAT, including:

- Regional diversification;
- The enrichment and diversification of the product mix;
- Continuous monitoring of the market and competition;
- Involvement in the entire value chain of the cement sector;
- Customer loyalty;
- Diversification of distribution channels;
- The consolidation of geographical positioning in all regions of Morocco;
- Improved product quality;
- Development of after-sales service and technical assistance;
- Establishment of long-term partnerships with key clients.

### IV. Production risks

The Company's profitability remains highly dependent on its industrial performance, which itself remains linked to the full availability of production capacity. Interruption of production due to a failure of a centerpiece (crusher, furnace, etc.), social movements, accidents or force majeure could cause a significant reduction in productivity of the society.

In order to assess the risk of industrial breakdowns, however, it is necessary to consider the maintenance policies adopted by the Company, in accordance with the international standards of CIMAT. This policy is based

on preventive maintenance and curative maintenance and enables the organization and reliability of interventions according to a computerized management and monitoring system.

It should also be noted that these risk factors are covered by insurance policies covering damage to property as well as operating losses resulting from such damage.

## V. Risks associated with assets

### V.1. Assets depreciation risk

As the cement industry is capital-intensive, any change in technologies or standards could lead to a risk of obsolescence of current assets and compel cement manufacturers to invest in upgrading, which may have a huge impact on the Company.

## VI. Market risk

CIMAT is exposed to currency exchange risks, as well as other market risks related in particular to the price of certain petroleum-based fuels.

### VI.1. Currency exchange risk

CIMAT conducts transactions for a part of its purchases in foreign currency, in particular the US dollar. These purchases mainly concern petcoke.

It should be noted that for foreign currency purchases (notably petcoke), the Company hedges against currency risk through the use of a term hedge, in accordance with its periodic expectations on the evolution of major currencies.

### VI.2. Risk related to energy costs

The energy cost, consisting mainly of petcoke, electricity and fuel, is one of the most significant cost factors in the load structure of a cement plant. Thus, any increase in these costs could adversely affect the profit margins of cement manufacturers.

Moreover, the inefficiency of alternative fuels or the non-respect of supply commitments by suppliers could also negatively impact the activity of cement manufacturers.

In this regard, CIMAT consumes large quantities of combustible materials and thus remains subject to a risk of continuous variation in the prices of such materials as well as the costs of their transport.

However, in order to mitigate this risk, the following should be considered:

- In order to optimize its fuel consumption, CIMAT develops the use of alternative fuels. In this regard, an agreement has been signed by CIMAT with an oil group for the recovery of waste oils generated by service stations;
- Whereas for the cost of electricity:
  - ✓ CIMAT has chosen, at the time of drawing up the contract for the construction of its production units, recent technologies enabling it to achieve significant energy savings;
  - ✓ On the operational level, the Company operates cement mills during peak and off-peak hours, thus avoiding peak hours that generate higher costs.

### VI.3. Risks related to the availability of raw materials

CIMAT has its own limestone reserves. These quarries are estimated to last for 68 years for Ben Ahmed and 82 years for Beni Mellal, and therefore do not present a risk of depletion in the medium term.

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#### VI.4. Risks related to customers' portfolio

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As a trading company, CIMAT could be exposed to a counterparty risk related to its customers' portfolio in the event that one of them represents a significant part of the Company's turnover.

This risk remains very low given the fragmented customer structure. Indeed, the Company's top 10 customers represent less than 29% of the cement sales for the fiscal year of 2015.

#### VI.5. Risk related to interest rates

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Ciments de l'Atlas is exposed to interest rate risk in the context of (i) the 2012 bond issue and (ii) the present bond issue. The benchmark rate taken into account for tranches A and D of the 2012 bond issue and the reference rate taken into account in tranche A of the present bond issue corresponds to an indexable floating rate on the full 52 weeks rate determined on the basis of the secondary curve published by Bank Al Maghrib.

As a result, the upward movement of the revised rate could result in additional financial expenses to the Company.

## DISCLAIMER

The information contained in the present prospectus summary is only a part of the prospectus approved by the Moroccan Authority of Capital Markets (AMMC) under the reference number VI/EM/003/2017 on January 19<sup>th</sup>, 2017.

The AMMC advises reading the full prospectus available for the public in French.