

Pursuant to Article 31 of Law No. 26-03 related to public offers on the stock market as amended and supplemented, the CDVM examined the public buyout offer project of FERTIMA securities filed by Charaf Corporation Holding on September 16th, 2013.

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 of FERTIMA securities starting from September 17th, 2013.

1 - Objectives and intentions of Charaf Corporation Holding

The Board of Directors of Charaf Corporation Holding, which was held on August 5th, 2013, has decided to initiate a buyout offer on all the securities it does not hold, that is 130 202 securities representing 11.32% of the capital and voting rights of FERTIMA.

In addition, FERTIMA board of directors held on September 13th, 2013 authorized and approved the principle of delisting FERTIMA securities from trading on the Casablanca Stock Exchange. The said Board took note of the fact that the said delisting requires from Charaf Holding Corporation to initiate a public buyout offer in accordance with Article 20a of the aforementioned Law 26-03.

On the eve of filing the buyout offer, subject of this admissibility decision, the shareholding of FERTIMA is as follows:

	Number of shares	% of capital
		88,68%
Charaf Corporation Holding	1 019 798	7,31%
Asma invest	84 065	
Others	46 137	4,01%
TOTAL	1 150 000	100%

Source : FERTIMA

2 - Terms of the Offer

This buyout offer concerns the acquisition by Charaf Corporation Holding of all FERTIMA securities it does not hold, namely 130 202 securities at a price of 214 Dhs. The shareholders of FERTIMA will have the possibility to provide fully or partially, their shares to the offer.

Charaf Corporation Holding agreed to acquire, firmly and irrevocably, all securities tendered to the buyout offer by FERTIMA shareholders.

No waiver threshold is considered by the initiator Charaf Corporation Holding under this transaction.

3 - Examination of admissibility

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

- ✚ The characteristics of the proposed offer

The CDVM has examined the characteristics of the proposed offering 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 the holders of FERTIMA securities not held by Charaf Corporation Holding.

In addition, the valuation of securities subject to the buyout offer was carried by the independent evaluator, whose appointment has been previously approved by the CDVM.

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

- **Discounted cash flow:** The valuation is based on free cash flows discounted at FERTIMA's weighted average cost of capital of 6.09% and a growth rate to infinity of cash flow of 1.5% plus the value of non operational assets held by the company. The value of FERTIMA security coming out of the application of this method is 307.42 Dhs per share.

- **Assets Method:** The valuation is performed taking into account the value of the net assets plus the estimated gains on asset, minus any adjustments to be made such as the elimination of non-tangible assets. This method sets the value of FERTIMA share at 166.32 Dhs.

- **Average stock prices :** The valuation is made on the basis of the average of the weighted average prices of FERTIMA observed over periods of 1, 3, 6 and 12 months prior to August 30th, 2013. The price resulting from this method is 141.5 Dhs per share.

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In the following table a summary of the valuation made by the independent evaluator:

	Share value Dhs	Weighting	Weighted value
DCF Method	307,42	40%	122,97
Stock prices method	141,50	35%	49,53
Assets method	166,32	25%	41,58
Value of FERTIMA security		100%	214,08

Source: Saaidi & Hdid Consultants

Given the foregoing, the CDVM considers that the methods used meet the significant, multiple, and objective evaluation criteria. Similarly, these criteria are relevant and commonly used, and correspond to the characteristics of the target company. Also, the CDVM considers that the characteristics of the offer are consistent with the principles set out in Article 13 mentioned above.

✚ Opinion of the independent evaluator

Pursuant to Article 25 of the 26-03 law related to public offers on the stock market as amended and supplemented, Saaidi & Hdid Consultants, represented by Mohamed HDID, was commissioned by Charaf Corporation Holding as an Independent evaluator to conduct an assessment of FERTIMA securities.

The independent evaluator task was to:

- Understand the company's business including analysis of documents and review of financial statements;
- Assess the overall consistency of the Company business plan and cash flow by examining assumptions ;
- Carry out an independent assessment of FERTIMA securities according to several methods ;
- Study the sensitivity of the values obtained varying according to certain structural parameters;
- Assess the price of 214 Dirhams per share opted for the operation;
- Establish the findings of the independent assessment.

The attestation of the independent evaluator concluded the fairness of the price offered to minority shareholders and confirms that it has been established according to relevant and commonly used assessment methods, using known, accurate, objective, and significant and multiple criteria.

+ National Strategic Interests

Pursuant to Article 29 of the aforementioned law 26-03, the CDVM has filed on September 16th, 2013, the offer project with the Minister of Economy and Finance for its assessment in terms of national strategic interests. The Minister has not expressed any objection thereto.

4 - CDVM DECISIONS

• Agreement to the proposed offer

In view of all the foregoing, the CDVM declares admissible the proposed buyout offer of Charaf Corporation Holding on FERTIMA securities at a price of 214 Dhs.

• Schedule

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

• Resumption of trading FERTIMA securities

The CDVM will request the Casablanca Stock Exchange to resume trading of FERTIMA securities on Wednesday, December 4th, 2013.

Rabat, December 3rd, 2013

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