

Pursuant to Article 31 of Law No. 26-03 related to public offerings on the stock market as amended and supplemented by Law 46-06, the CDVM examined the public buyout offer project of SCE Company filed by HOLICHEM on August 15th, 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 SCE securities starting from August 16th, 2013.

1 - Objectives and intentions of HOLICHEM

The Board of Directors of SCE, which was held on August 12th, 2013, has decided in principle the delisting of SCE securities from the Casablanca Stock Exchange.

The general meeting of shareholders of HOLICHEM on August 12th, 2013 and after taking note of the decision of the SCE Board to request the delisting of its securities from trading on the Casablanca Stock Exchange has decided to initiate a buyout offer in accordance with Article 20bis of the aforementioned Law 26-03.

HOLICHEM filed a proposed buyout offer, subject of this admissibility decision. This buyout offer is prior to delisting the SCE securities of the Casablanca Stock Exchange and targets 46,660 SCE securities not held by HOLICHEM.

The listing of the SCE securities, which results from a historical situation, does not meet a strategic need of the company. In addition, SCE securities suffer from a lack of liquidity associated with low visibility in trading on the Casablanca Stock Exchange with respect to the low coverage of the securities by financial analysts.

Given these elements and to provide an opportunity for minority shareholders to withdraw from the capital of the Company prior to delisting SCE securities, the largest shareholder, HOLICHEM, initiated this buyout offer.

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

	Number of shares	% of capital
HOLICHEM Ltd	569 788	92,43%
Other Minority shareholders	46 660	7,57%
TOTAL	616 448	100%

Source : SCE

2 - Terms of the Offer

This buyout offer concerns the acquisition by HOLICHEM of all SCE securities it does not hold, namely 46,660 securities at a price of 395 Dhs.

The shareholders of SCE Company will have the possibility to provide fully or partially, their shares to the offer.

HOLICHEM Ltd agreed to acquire, firmly and irrevocably, all securities tendered to the buyout offer by the SCE shareholders.

No waiver threshold is considered by the initiator HOLICHEM in the frame of 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 SCE securities not held by HOLICHEM.

In addition, the valuation of securities subject to the buyout offer was carried by the independent evaluator Mazars Audit & Conseil, 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 SCE's weighted average cost of capital of 11.51 % and a perpetual growth rate of cash flow of 1%. The central value of the SCE security coming out of the application of this method is 316.9 Dhs per share.

- Assets Method: The valuation is performed by the revaluation of various assets and liabilities of the company increased by a goodwill. This method sets the value of SCE security at 597 Dhs holding a weighted average cost of capital of 11.51 % and a risk free rate of 3.84 %.

- Average stock prices : The valuation is made on the basis of the average of the weighted average prices of the SCE observed over periods of 1, 3, 6 and 12 months prior to August 1st, 2013. The price resulting from this method is 276.6 Dhs per share, after deducting a dividend of 15 Dirhams.

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

	Share value Dhs	Weighting	premium / discount offered
DCF Method	316,9	40%	24,76%
Stock prices method	276,6	35%	42,8
Assets method	597	25%	-33,8%
Value of SCE security	373	100%	5,9%

Source: MAZARS Audit & Conseil

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 offerings on the stock market as amended and supplemented, Mazars Audit & Conseil, represented by Naoufal EL Khatib, was commissioned by HOLICHEM as an Independent evaluator to conduct an assessment of SCE Company.

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 SCE securities according to several methods ;
- Study the sensitivity of the securities obtained varying according to certain structural parameters;
- Establish the findings of the independent assessment.

The fairness 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, significant and multiple criteria.

L'autorité qui veille sur votre épargne

Conseil Déontologique des Valeurs Mobilières

🚩 National Strategic Interests

Pursuant to Article 29 of the aforementioned law 26-03, the CDVM has filed on August 16th, 2013, 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 to the buyout offer project.

4 - CDVM DECISIONS

• Agreement to the proposed offer

In view of all the foregoing, the CDVM declares admissible the proposed buyout offer of HOLICHEM on SCE securities at a price of 395 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 SCE securities

The CDVM will request the Casablanca Stock Exchange to resume trading of SCE securities on Tuesday, September 3rd, 2013.

Rabat, August 30th, 2013

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