

PROSPECTUS SUMMARY

Douja Promotion Groupe Addoha



Commercial Paper Issuance Program

Annual Update of prospectus for 2013 with enlargement of the ceiling

Issuance Program Maximum : MAD 1 000 000 000

PAR VALUE: MAD 100 000

Financial Advisor and Global Coordinator

BMCE CAPITAL 
CONSEIL

Investment agent

BMCE BANK 

VISA OF CONSEIL DEONTOLOGIQUE DES VALEURS MOBILIERES (CDVM)

In compliance with the provisions of article 18 of Dahir n° 1-95-3 of 24 Chaabane 1415 (26 January 1995) enacting law N° 35-94 pursuant to certain negotiable securities as amended and completed. The original of this prospectus has been submitted for assessment by the CDVM, which has approved it on 01/08/2014 under reference VI/EM/021/2014.

The visa of the CDVM implies neither approval of the opportunity offered by this operation nor the authentication of the information contained therein. Approval has been given after examination of the pertinence and coherence of the information provided in view of the operation proposed to investors.

WARNING

The Conseil Déontologique des Valeurs Mobilières (CDVM) approved on 01/08/2014 a prospectus relating to the issue of commercial papers by Douja Promotion Groupe Addoha. The prospectus approved by the CDVM is available at any time at the headquarters of Douja Promotion Groupe Addoha and at the financial advisor. It is also available within a maximum deadline of 48 hours from the order collection entities. It is also available on the CDVM website (www.cdvm.gov.ma).

Partie I. PRESENTATION OF THE TRANSACTION

I. Objective of the transaction

Douja Promotion Groupe Addoha aims to the issue of a commercial paper program in order to:

- Optimize the cost of short term financing by total or partial substitution of the existing bank loans and overdrafts by commercial papers ;
- Meet its needs for spot cash resulting from variations in need for working capital during the year (caused by fluctuation in the payment deadlines of the various corporate counterparts;
- Diversify the sources of financing to allow better negotiations with financial partners ;
- Consolidate the image of the group among institutional investors through a spreading visibility in the capital market.

II. Commercial Paper Characteristics

Table I – Information on securities to be issued

Nature of securities	Dematerialized Commercial Paper registered at the Central Custodian (Maroclear) and registered in the books of entitled affiliates.
Legal form	Bearer commercial paper
Program maximum	MAD 1 000 000 000.
Maximum number of securities	10 000 securities
Nominal value	MAD 100 000.
Maturity	10 days to 12 months.
Date of entitlement	Upon payment.
Interest rate	Determined at each issue according to market conditions.
Interest	Accrued interest.
Coupon payment	<i>At maturity</i> . i.e. upon due date of each paper.
Reimbursement of principal	<i>At maturity</i> . i.e. upon due date of each paper.
Assimilation clause	The issued Commercial Papers are in no way assimilated to any previous issued securities.
Trading	Freely tradable on the secondary market. Commercial Papers are negotiable by mutual agreement. Negotiability is ensured by BMCE Bank.
Guarantee	The issue does not benefit of any guarantee.

III. Investment agent - financial intermediaries

Table 2 – Investment agent

Advisor and Coordinator	BMCE Capital Conseil 63.Bd Moulay Youssef – Casablanca
Investment agent	BMCE Bank 140. Avenue Hassan II – 20000 Casablanca
Securities accounts manager	BMCE Bank 140. Avenue Hassan II – 20000 Casablanca
Central custodian	Maroclear Route 1077 par route d'El Jadida. 18 Cité Laia – 20200 Casablanca

Partie II. INFORMATION ABOUT THE ISSUER

I. General information

Tableau 1 General information

Corporate Name	Corporate Name: « Douja Promotion Groupe Addoha S.A. ». It is also known under the commercial name of « Groupe Addoha »-
Registered office	Km 7, Route de Rabat, Ain Sebâa, Casablanca
Phone	+212 5 22 67 99 00
Fax	+212 5 22 35 17 63
Website	www.groupeaddoha.com
Email	douja.promotion@addoha.ma
Legal form	Public Limited Company with a Board of Directors
Date of incorporation	April 18 th 1988
Life span	99 years except in case of early dissolution or extension as stipulated by the corporate articles of association or by the law
Registered Capital (December 31st, 2013)	MAD 3,225,571,180.00 divided into 322,557,118.00 shares of MAD 10 each all of the same category and fully paid up.
Financial year	From January 1st to December 31st.
Number of registration in Trade Register	52 045 – Casablanca
Competent Court in the event of litigation	Commercial Court of Casablanca.
Place for consulting legal documents	The corporate, accounting and legal documents to be communicated by way of the law and the Articles of association to the shareholders and third parties can be consulted at the headquarters of Douja Promotion Groupe Addoha. Km 7. Route de Rabat. Ain Sebâa. Casablanca.
Purpose	<p>According to article 5 of the by-laws. the direct purpose of the company either on its own behalf or on behalf of a third party in Morocco or in any other country:</p> <ul style="list-style-type: none">▪ All real estate operations as spelled out by Royal Decree n° 1.85.100 of 17 August 1985 with regard to enactments of law n°15-85 instituting support for real estate investment. in particular;▪ Acquisition of built up or non-built up land as well as any other property located in Morocco;▪ Operation and development of the said land through the division of lots. Site preparation. fitting out, equipment and edification of the said building(s) for residential, commercial, professional, industrial or other uses;▪ Transformation of building property. sale in co-ownership per lot or unit;▪ Establishment of deeds testifying to any changes occurring with regard to any real estate property;▪ Setting up and management of syndicates for all buildings in compliance with the co-ownership rules related thereto including exercise of the management function;▪ And generally, all real estate or moveable property operations directly or indirectly attached to the purpose of the company.

Source: Douja Promotion Groupe Addoha

II. Capital and shareholding structure

The below Table provides the historical background of the shareholders of Douja Promotion Groupe Addoha in the period from 2011 to 2014:

Tableau 2 Historical background of shareholders between December 31st, 2011 and May 15th, 2014

Shareholders	12/31/2011			12/31/2012			12/31/2013			06/30/2014		
	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights
SEFRIQUI family	176 448 805	56.02 %	56.02%	176 448 805	56.02%	56.02%	182 447 367	56.56 %	56.56%	182 447 367	56.56%	56.56%
<i>Mr. Anas SEFRIQUI</i>	<i>176 422 005</i>	<i>56.01%</i>	<i>56.01%</i>	<i>176 422 005</i>	<i>56.01%</i>	<i>56.01%</i>	<i>182 420 353</i>	<i>56.55%</i>	<i>56.55%</i>	<i>182 420 353</i>	<i>56.55%</i>	<i>56.55%</i>
<i>Mrs. Mounia BENZEKRI</i>	<i>5 360</i>	<i>-</i>	<i>-</i>	<i>5 360</i>	<i>-</i>	<i>-</i>	<i>5 360</i>	<i>-</i>	<i>-</i>	<i>5 360</i>	<i>-</i>	<i>-</i>
<i>Mss Alia SEFRIQUI</i>	<i>5 360</i>	<i>-</i>	<i>-</i>	<i>5 360</i>	<i>-</i>	<i>-</i>	<i>5 360</i>	<i>-</i>	<i>-</i>	<i>5 360</i>	<i>-</i>	<i>-</i>
<i>Mss Kenza SEFRIQUI</i>	<i>5 360</i>	<i>-</i>	<i>-</i>	<i>5 360</i>	<i>-</i>	<i>-</i>	<i>5 360</i>	<i>-</i>	<i>-</i>	<i>5 360</i>	<i>-</i>	<i>-</i>
<i>Mr. Malik SEFRIQUI</i>	<i>5 360</i>	<i>-</i>	<i>-</i>	<i>5 360</i>	<i>-</i>	<i>-</i>	<i>5 360</i>	<i>-</i>	<i>-</i>	<i>5 360</i>	<i>-</i>	<i>-</i>
<i>O.I.P.</i>	<i>5 360</i>	<i>-</i>	<i>-</i>	<i>5 360</i>	<i>-</i>	<i>-</i>	<i>5 574</i>	<i>-</i>	<i>-</i>	<i>5 574</i>	<i>-</i>	<i>-</i>
Stock market float¹	138 551 195	43.98 %	43.98%	138 551 195	43.98%	43.98%	140 109 751	43.44 %	43.44%	140 109 751	43.44%	43.44%
Total	315 000 000	100%	100%	315 000 000	100%	100%	322 557 118	100.0 %	100.0%	322 557 118	100.0%	100.0%

Source: Douja Promotion Groupe Addoha

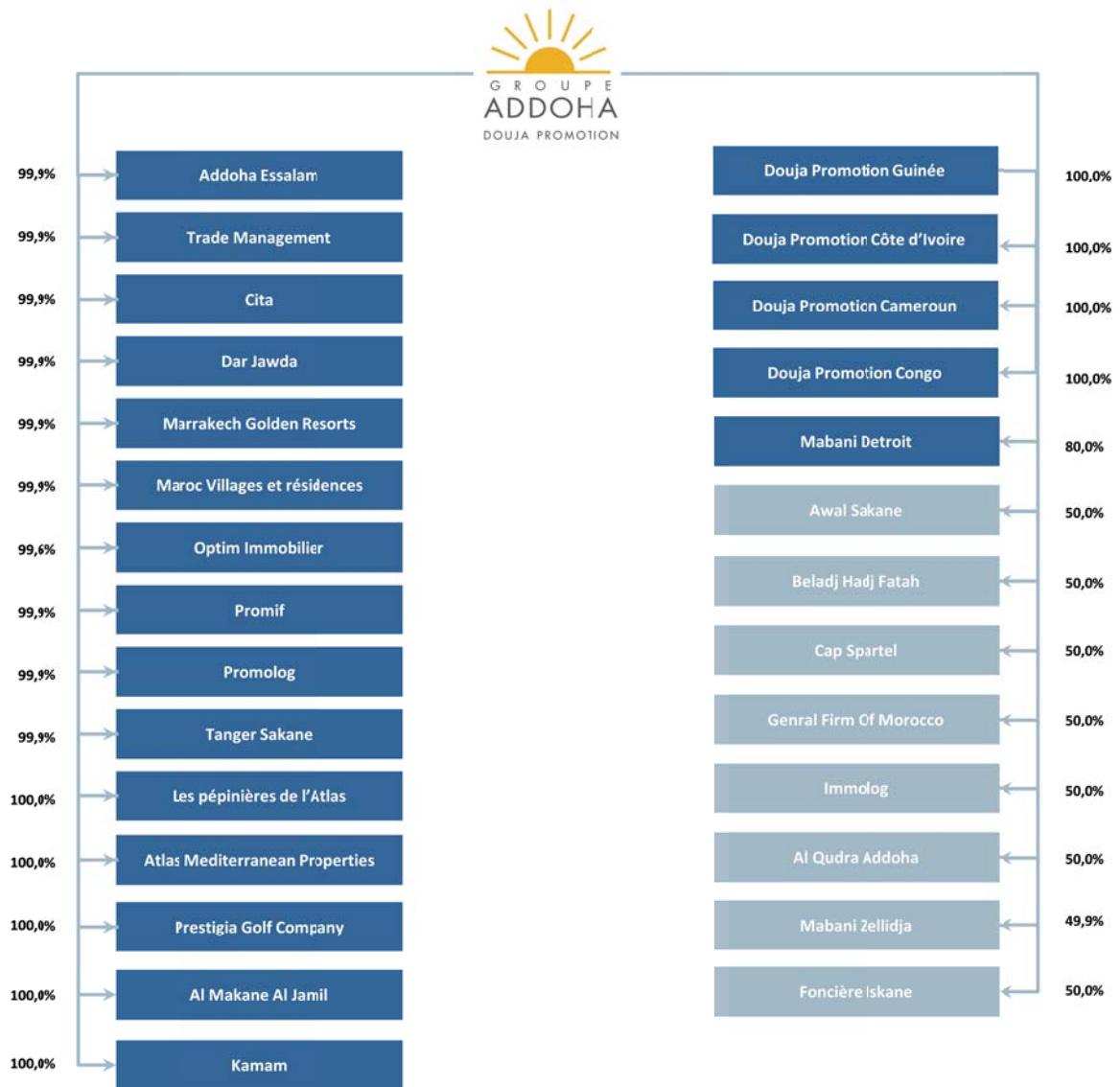
On May 15th, 2014, the shareholding of Douja Promotion Groupe Addoha is owned in majority by SEFRIQUI family with a participating interest amounting to 56.56%. The stock market float represents a participating interest of 43.44% of the share capital of Douja Promotion Groupe Addoha. Moreover, the RCAR participated in the Company's capital in November 2013 after the purchase of 4 772 557 shares of Douja Promotion groupe Addoha crossing upward the Group's participation threshold by 5%, thus reaching 6.48% of the capital.

¹ Including more than 6.3% held by RCAR (Régime Collectif d'allocation de Retraite), an institution of social welfare whose purpose is to guarantee personal rights for risks of old age, incapacity and death. RCAR is one of the major institutional investors in the country.

III. Legal flowchart

On December 31st, 2012 the legal flowchart of Douja Promotion Groupe Addoha was as follows:

Figure 1 Participating interests held by Douja Promotion Groupe Addoha December 31st, 2013



Source: Douja Promotion Groupe Addoha

IV. Activity of Douja Promotion Groupe Addoha

WARNING

NB: On December 31st, 2013, the (completed, under construction and have not been launched) social and intermediary programs of Douja Promotion Groupe Addoha include in total 390 097 houses and those related to the (completed, under construction and have not been launched) luxury programs include 37 442 units.

The overall consistencies of the projects set out above are not stopped as they are under construction or have not been launched yet. Thus, they change from a year to the next according to the new modifications introduced by Douja Promotion Groupe Addoha or its subsidiaries on the concerned projects.

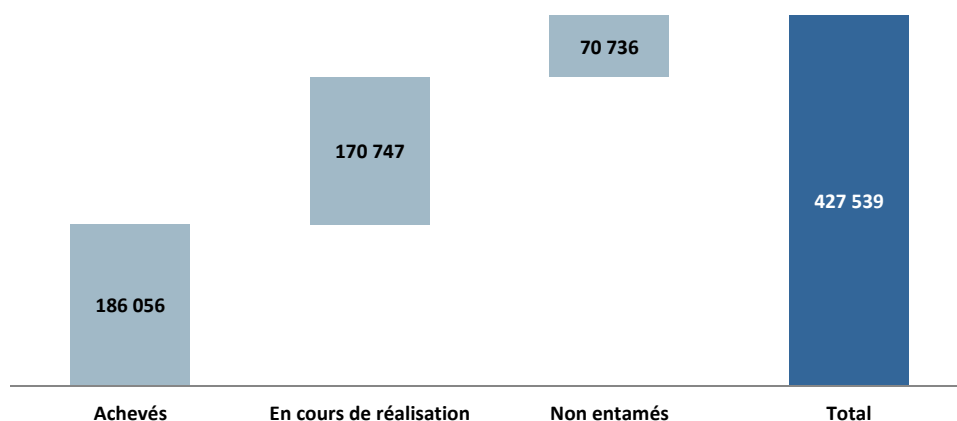
IV.1. General overview

The activity of Douja Promotion Groupe Addoha consists of the carrying out of social and high-end housing programs. The principal activity of the group is social real estate.

Since 2006, the Company has highly reinforced its high-end business materialized by the acquisition of lands dedicated to high-end programs and the creation of subsidiaries with notorious national and foreign partners in order to carry out the real estate and tourist programs.

At the end of 2013, housing programs developed by the group, including the activity of its subsidiaries in the social, intermediate and high-end segments is as follows:

Figure 2 Cumulative projects' production in all segments combined over the period 1995 - 2013 (in units)



Source: Douja Promotion Groupe Addoha

On December 31st, 2013, the programs completed, in process of completion and not yet initiated by Addoha group, all segments combined, amount to 427 539 units divided as follows:

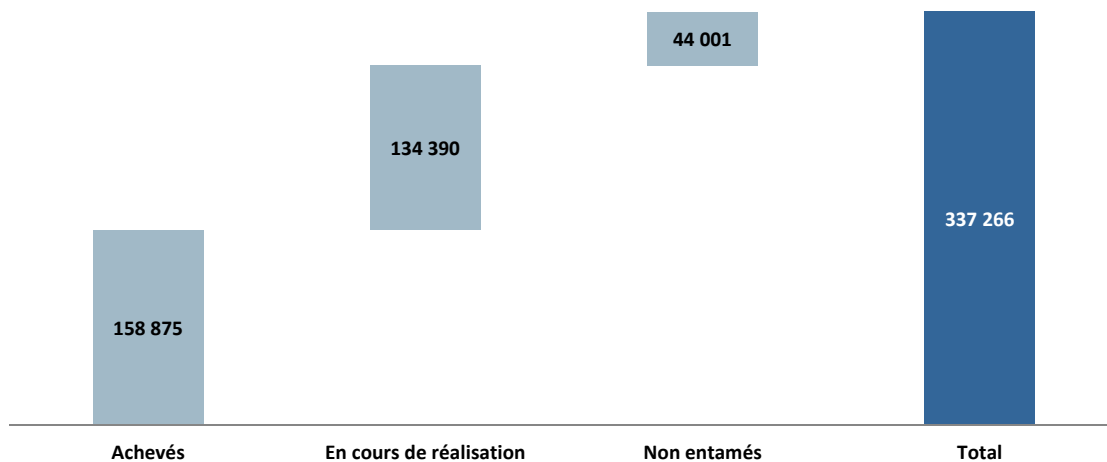
Housing units completed: 186 056;

Housing units in process of completion: 170 747;

Housing units not yet initiated: 70 736.

The below graph presents the projects completed by Douja Promotion Groupe Addoha and the subsidiaries for the social segment as well as the programs which have not been launched yet and the pending programs as of December 31st, 2013:

Figure 3 Cumulative projects production in the social segment on December 31st, 2013 (in units)



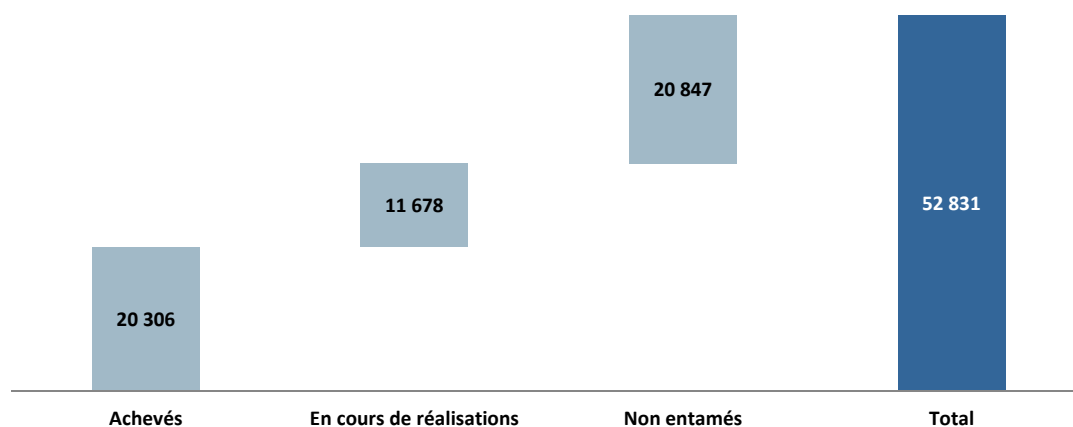
Source: Douja Promotion Groupe Addoha

In the social segment, the group has entirely completed 158,875 units and is in the process of completing real estate programs amounting to 134,390 units.

Other projects not yet initiated are expected to bring this number to 44,001 units in the coming years.

The achievements of Douja Promotion Groupe Addoha and its subsidiaries in the intermediate segment as well as the programs which have not been launched yet and the pending programs are schematized in the following graph:

Figure 4 Cumulative projects production for the intermediate segment on December 31, 2013 (in units)

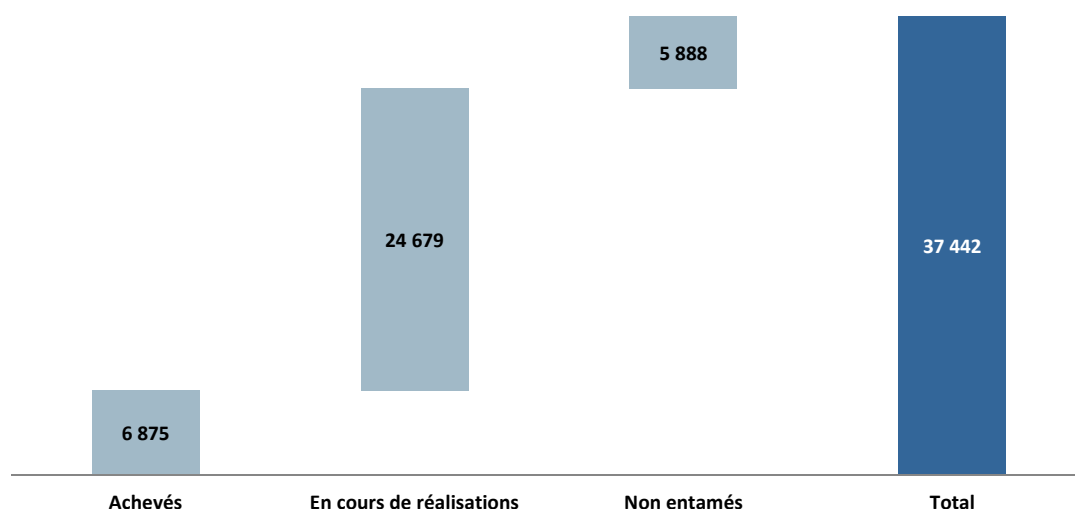


Source: Douja Promotion Groupe Addoha

As shown by the above graph on December 31st, 2013, the completed units in the intermediate segment come to 20 306 housing units. Other programs are in the process of completion and amounts to 11 678 units. Furthermore, intermediate real estate projects are slated for launch to the tune of 20 847 units.

The graph below presents the accomplishments, the programs that have not been initiated yet and projects in the process of completion of Douja Promotion Groupe Addoha and the subsidiaries in the high-en segment.

Figure 5 Cumulative accomplishments in high-end segment on December 31, 2013 (in units)



Source: Douja Promotion Groupe Addoha

On December 31st, 2013 Groupe Addoha completed and delivered 6 875 units in the high-end segment.

At the end of December 2013, the high-end segment programs in the process of completion amounted to 24 679 units. The programs not yet initiated amount to 5 888 units.

Since its incorporation, the Company has taken the lead in the segment of housing, relying in particular on:

- A strong experience in property development through the construction of nearly 428,083 housing units in all segments until the end of 2013;
- A close collaboration with the banks for the establishment of favorable conditions in favor of clients;
- The establishment in 2004 of a single point of contact within the registered office of the Company for carrying out, in return of a nominal sum, all the formalities related to acquisition of houses;
- A real partnership with the leading local providers (Building and Public Works' operators, civil engineers, survey and control offices);
- A perfect proficiency in administrative procedures and a proved experience in obtaining authorizations and dispensations;
- Optimal quality approach making the Company the first real estate developer at the Arab-African level to receive ISO 9001: 2000 for all activities of the Company;
- The granting of a ten-year warranty to the purchasers;
- A strong brand with a great reputation among the Moroccan public.

Partie III. CONSOLIDATED FINANCIAL DATA

I. Consolidated profit and loss statement

WARNING

Given the transition of the publications of Douja Promotion Groupe Addoha from the Moroccan standards to the IFRS in 2013, and for a better comparability between the analyzed financial years, the presentation of the financial analysis of the profit and loss account is divided into two parts. The first part presents the analysis of the consolidated financial years 2011 and 2012 on the basis of the Moroccan standards, and the second concerns the analysis of the financial years 2012 and 2013 according to IFRS.

The breakdown of other operating expenses and other operating earnings in the analysis of the consolidated statement of the financial years 2011, 2012 and 2013 detailed below is based on internal data of the issuer.

Finally, it should be noted that (i) the financial statements consolidated by Moroccan standards for the financial years 2011 and 2012 are certified by the Statutory Auditors, the financial statements consolidated by IFRS for the financial year 2013 are certified by the Statutory Auditors and the financial statements consolidated by IFRS for the financial years 2012 and 2011 have not been certified and have been established for reasons of comparability.

I.1. Profit and loss statement over the period 2011-2012 (Moroccan standards)

The following table represents the major indicators of the consolidated profit and loss statement of Douja Promotion Groupe Addoha for the financial years 2011 and 2012:

In thousands of MAD	2011	2012	Var. 12/11
Turnover	9 332 632	9 418 980	0.9%
Inventory changes	-574 883	-75 047	-86.9%
Fixed assets produced by the company for itself	-	1 291	N.A
Production	8 757 749	9 345 224	6.7%
Purchases consumed of materials and goods	6 137 263	6 414 335	4.5%
Other external expenses	272 493	197 986	-27.3%
Consumption	6 409 756	6 612 321	3.2%
Value added	2 347 993	2 732 903	16.4%
	<i>VA/TO</i>	<i>25.2%</i>	<i>29.0%</i>
Taxes	13 700	8 257	-39.7%
Payroll expenses	212 768	231 291	8.7%
EBITDA	2 121 525	2 493 355	17.5%
	<i>GOS/TO</i>	<i>22.7%</i>	<i>26.5%</i>
Other operating income	909	150 008	N.S
Other operating expenses	1 200	1 000	-16.7%
Operating write downs	116 041	7 360	-93.7%
Operating depreciations	90 303	34 863	-61.4%
Transfer of expenses	46 486	0	-
Operating income	2 193 458	2 614 860	19.2%
	<i>Operating margin (OI/CA)</i>	<i>23.5%</i>	<i>27.8%</i>
Financial products	258 515	331 819	28.4%
Financial expenses	527 235	576 866	9.4%
Financial income	-268 720	-245 047	-8.8%
Pre-tax current income	1 924 738	2 369 812	23.1%
Exceptional products	124 664	38 201	-69.4%
Exceptional expenses	31 700	141 008	N.S
Exceptional income	92 964	-102 807	N.S
Pre-tax income	2 017 701	2 267 005	12.40%
Income tax	83 967	309 771	N.S
Net income of consolidated companies	1 933 734	1 957 234	1.20%
Quota of corporate income by equity method	-3609	-242	93.3%
Depreciation of purchased goodwill	532	532	0.0%
Minority interest	94 639	73 239	-22.6%
Net income (group share)	1 834 954	1 883 221	2.6%
	<i>Net margin (NI/TO)</i>	<i>19.7%²</i>	<i>20.0%</i>
			<i>0.3 pt</i>

Source: Douja Promotion Groupe Addoha

² Non-restated net margin of the exceptional land sale operation by SAS. This operation restated leaves a net margin of 22.2%. i.e. the same level registered in 2010.

I.2. Profit and loss statement over the period 2012-2013 (IFRS)

The following table represents the major indicators of the consolidated profit and loss statement of Douja Promotion Groupe Addoha for the financial years 2012 and 2013 according to IFRS:

In thousands of MAD	2012	2013	Var. 13/12	
Turnover	9 419 638	9 450 777	0.3%	
Inventory changes	-84 768	-467 865	N.S	
Fixed assets produced by the company for itself	0	0	N.A	
Production	9 334 870	8 982 912	-3.8%	
Purchases consumed of materials and goods	6 430 699	6 486 353	0.9%	
Other external expenses	202 372	168 071	-16.9%	
Consumption	6 633 071	6 654 424	0.3%	
Value added	2 701 799	2 328 488	-13.8%	
	<i>VA / TO</i>	<i>28.7%</i>	<i>24.6%</i>	<i>-4.0 pts</i>
Payroll expenses	231 935	233 532	0.7%	
Taxes	8 274	13 694	65.5%	
Gross operating surplus	2 461 590	2 081 262	-15.5%	
	<i>EBITDA/TO</i>	<i>26.1%</i>	<i>22.0%</i>	<i>-4.1 pts</i>
Other operating income and expenses	142 549	111 195	-22.0%	
Operating write downs	19 803	105 083	N.S	
Operating depreciations	39 373	57 921	47.1%	
Transfer of expenses	0	0	N.A	
Current operating income	2 584 569	2 239 618	-13.3%	
	<i>OI/TO</i>	<i>27.4%</i>	<i>23.7%</i>	<i>-3.7 pts</i>
Transfer of shares	715	-477	N.S	
Other non-current operating income and expenses	-149 497	-37 505	74.9%	
Operating income	2 435 787	2 201 637	-9.6%	
Net borrowing cost	543 439	660 231	21.5%	
Other financial income	314 201	413 591	31.6%	
Other financial expenses	6 985	781	-88.8%	
Financial income	-236 223	-247 421	-4.7%	
Pre-tax income from consolidated companies	2 199 563	1 954 216	-11.2%	
Corporate tax	322 592	255 281	-20.9%	
Differed tax	13 551	-10 282	N.S	
Net income from consolidated companies	1 863 420	1 709 217	-8.3%	
Income from associates (equity method)	242	3 389	N.S	
Net income from continuing operation	1 863 178	1 705 828	-8.4%	
Net income from discontinued activities	0	0	N.A	
Income of the consolidated group	1 863 178	1 705 828	-8.4%	
Minority interests	64 153	23 995	-62.6%	
Net income – Group share	1 799 025	1 681 833	-6.5%	
	<i>Net margin (NI-GS/TO)</i>	<i>19.1%</i>	<i>17.8%</i>	<i>-1.3 pt</i>
Basic earnings per share (in MAD) – <i>(NI-GS/number of shares)</i>	5.71	5.21	-8.7%	

Source: Douja Promotion Groupe Addoha

II. Balance sheet

II.1. Consolidated balance sheet over the period 2011-2012 (Moroccan standards)

The following table represents the major indicators of the consolidated balance sheet of Douja Promotion Groupe Addoha for the financial years 2011 and 2012:

In thousands of MAD	2011	2012	Var. 12/11
ASSETS			
Fixed assets	703 444	588 536	-16.3%
Goodwill	5 412	4 879	-9.8%
Intangible fixed assets	5 007	3 538	-29.3%
Tangible fixed assets	495 981	270 377	-45.5%
Financial fixed assets	24 044	17 172	-28.6%
Securities by equity method	1 387	156 891	>100%
Deferred taxes on assets	171 613	135 678	-20.9%
Current assets	29 758 913	33 529 343	12.7%
Inventories	18 569 901	19 924 096	7.3%
Supplier advances and installments	1 152 380	1 390 889	20.7%
Customers and related accounts	6 651 661	8 479 467	27.5%
Payroll	736	1 435	95.0%
Debtor statements	3 054 705	3 071 672	0.6%
Sundry debts	329 530	661 784	>100%
Availabilities	207 435	138 265	-33.3%
Cash investments in marketable securities	-	-	Na
Availabilities	207 435	138 265	-33.3%
Total Assets	30 669 792	34 256 143	11.7%
LIABILITIES			
Equity of consolidated entity	10 518 238	11 893 346	13.1%
Shareholders' equity (group share)	10 099 266	11 400 928	12.9%
Capital	3 150 000	3 150 000	0.0%
Premiums	3 293 401	3 293 401	0.0%
Consolidated reserves	1 820 911	3 074 305	68.8%
Net income group share	1 834 954	1 883 221	2.6%
Minority interest	418 972	492 418	17.5%
Provisions for risks and expenses	6 635	9 670	45.7%
Financial debts	5 820 510	6 376 682	9.6%
Deferred taxes liabilities	659 047	589 280	-10.6%
Current liabilities	10 795 938	11 613 821	7.6%
Suppliers	4 058 279	4 461 654	9.9%
Customer advances and installments	4 641 508	4 265 021	-8.1%
Payroll and social entities	24 980	28 228	13.0%
Creditor statements	958 475	1 493 669	55.8%
Sundry debts	1 056 618	1 255 180	18.8%
Other provisions	56 078	110 069	96.3%
Overdrafts	2 869 423	3 773 344	31.5%
Total Liabilities	30 669 792	34 256 143	11.7%

Source: Douja Promotion Groupe Addoha

II.2. Consolidated balance sheet over the period 2012-2013 (IFRS)

The following table represents the major indicators of the consolidated balance sheet (IFRS) of Douja Promotion Groupe Addoha for the financial years 2011, 2012 and 2013:

Assets - In thousands of MAD	2011	2012	2013	Var. 12/11	Var. 13/12
Goodwill	452	452	452	0.0%	0.0%
Intangible fixed assets	5 007	3 538	3 251	-29.3%	-8.1%
Tangible fixed assets	496 768	271 355	281 317	-45.4%	3.7%
Investment property	0	0	59 018	N.A	N.S
Investments in equity	0	116 132	112 827	N.A	-2.8%
Other financial assets	29 044	17 172	17 397	-40.9%	1.3%
Deferred taxes' assets	272 870	237 844	259 585	-12.8%	9.1%
Other non-current assets	0	0	0	N.A	N.A
Total non-current assets	804 142	646 493	733 847	-19.6%	13.5%
Inventories	15 558 385	17 241 704	17 798 609	10.8%	3.2%
Receivables	6 621 699	8 352 469	10 320 617	26.1%	23.6%
Other current receivables	4 550 525	5 233 874	5 671 755	15.0%	8.4%
Other financial assets	0	0	0	N.A	N.A
Cash and cash equivalents	208 673	137 812	213 470	-34.0%	54.9%
Total current assets	26 939 281	30 965 858	34 004 451	14.9%	9.8%
Total Assets	27 743 423	31 612 351	34 738 298	13.9%	9.9%

Liabilities - In thousands of MAD	2011	2012	2013	Var. 12/11	Var. 13/12
Capital	3 150 000	3 150 000	3 225 571	0.0%	2.4%
Issue and merger premiums	2 772 395	2 770 313	3 034 812	-0.1%	9.5%
Consolidated reserves	276 129	1 771 958	2 882 900	N.S	62.7%
Net income – Group share	1 834 954	1 799 024	1 681 834	-2.0%	-6.5%
Currency translation adjustment	0	0	0	N.A	N.A
Shareholders' equity – group share	8 033 478	9 491 294	10 825 116	18.1%	14.1%
Minority reserves	174 209	268 848	262 684	54.3%	-2.3%
Minority income	94 639	64 153	23 995	-32.2%	-62.6%
Shareholders' equity – minority share	268 848	333 002	286 678	23.9%	-13.9%
Shareholders' equity of the group	8 302 326	9 824 296	11 111 795	18.3%	13.1%
Non-current financial debts	5 809 965	6 376 550	6 220 501	9.8%	-2.4%
Non-current provisions	1 635	1 635	1 635	0.0%	0.0%
Employee benefits	0	0	0	N.A	N.A
Other non-current liabilities	0	0	0	N.A	N.A
Deferred tax liability	85 114	97 629	112 995	14.7%	15.7%
Total of non-current liabilities	5 896 715	6 475 814	6 335 132	9.8%	-2.2%
Current provisions	60 574	180 081	212 884	197.3%	18.2%
Current financial debts	2 875 090	3 773 849	3 763 934	31.3%	-0.3%
Trade payables	3 934 505	4 356 106	5 686 016	10.7%	30.5%
Other current liabilities	6 674 213	7 002 204	7 628 538	4.9%	8.9%
Total current debts	13 544 383	15 312 241	17 291 371	13.1%	12.9%
Total Liabilities	27 743 423	31 612 351	34 738 298	13.9%	9.9%

Source: Douja Promotion Groupe Addoha.

Partie IV. RISK FACTORS

I. Risks related to the choice of building and public works' contractors

Douja Promotion Groupe Addoha subcontracts « turnkey » operations for the building of dwelling units to external building and public works contractors on the basis of specifications indicating the prices, quality of services and also the relevant completion time limits.

Non availability of a sufficient number of qualified companies in a position to meet the requirements of the specifications could constitute a risk factor likely to impact the completion time limit and/or the quality of service. For lack of competition this could also lead to higher price offerings.

To mitigate this risk, as of 2002 the company searched the international market and identified foreign enterprises with top-flight references in building and public works along with organizational structures allowing them to offer service at prices and within deadlines compliant with the requirements stipulated in the specifications.

The said contractors on behalf of Douja Promotion Groupe Addoha have already built thousands of dwelling units in a framework of strict adherence to the terms and conditions put forth by the company (deadlines, quality and security, etc.) at competitive prices given the large volume of building programs entailed.

Moreover, in return of the exclusivity granted to Douja Promotion Groupe Addoha by these contractors, it ensures to them the full use of their production capacity.

Also to be pointed out is that to meet the requirements of the large number of new programs launched by the company, it is now negotiating agreements with several other international contractors.

II. Risks related to land

Increase of land prices constitutes a risk over the past few years due to galloping demographics and easier access to credit. However, this risk is mitigated by the determination of the State to create 15 new towns by 2020 constituting additional land offerings in urban areas.

Increasingly expensive land prices tend to negatively impact profit margins.

To confront this risk, Douja Promotion Groupe Addoha has adopted the measures hereafter:

Setting up partnerships with public bodies in the framework of which the said bodies agree to marshal land for sale to the Company;

Decision to extend its field of action through the completion of several programs in Casablanca, Tangier, Agadir, Marrakech, Rabat-Salé, Fez-Tamesna and in several Sub-Saharan African countries (Guinea, Côte d'Ivoire, Cameroon, Congo Brazzaville, Mali, Ghana, Senegal and Niger).

Diversification of its programs by initiating intermediate segment projects not subject to ceiling prices set by public administration.

To be pointed out is that the public authorities are upholding their determination to widen the urban scope of several cities of Morocco, in particular Casablanca.

However, this risk has been mitigated by the adoption of a new budget of 2010 pursuant to the rise in social dwelling units prices to MAD 250 000, enabling developers to make up for the risk of the rising cost of land. A higher price of sale allows the keeping of the company margins.

III. Competition risk

The absence of barriers at the entry level combined with the favorable perspectives that the sector offers, is continuously attracting several operators on the real estate market. The multiplication of both local and international operators could engender a twofold effect:

- Erosion of profit margins resulting from continuously rising competition;
- More expensive land prices in certain areas attracting demand from real estate developers.

IV. Risks relating to the increase in interest rates

An important increasing of debtor interests applied to loans contracted by buyers could cause a limitation of housing demand.

This could result in a potential impact on the turnover of Douja Promotion Groupe Addoha and more particularly on the business volume generated by the social housing segment.

To mitigate this risk, it should be noted that Douja Promotion Groupe Addoha systematically signed agreements with its banking partners to allow its future purchasers to benefit from loans at attractive interest rates.

This risk also affects the Company at the level of its debt and interests payment capacity. To cope with this situation, the Group established a rigorous follow-up of the outstanding of its financial debts which allowed an appropriate anticipation of the payment of its future payments and, therefore, to take the appropriate measures.

V. Risks related to the decrease in demand

An overall drop in national or foreign demand (owing to the international economic situation) is likely to negatively influence the soundness of the sector in general and the business volume in particular.

Nevertheless, to be recalled is that in 2013 the global housing deficit was assessed at 840 000 dwelling units at an annual production rate of some 166 556 dwelling units at the national level³.

Further, in advance of the startup of large scale real estate projects Douja Promotion Groupe Addoha is carrying out upstream a pertinent market study to allow a commercial success of the project as well as to choose well adapted positioning.

To conclude, one of the key elements of the strategy adopted by Douja Promotion Groupe Addoha consists of placing emphasis in its portfolio on so-called « liquid » products mirroring intermediate dwelling projects within a logic of risk diversification.

³ Ministry of Housing

WARNING

The above information only represents a part of the prospectus approved by Conseil Déontologique des Valeurs Mobilières (CDVM) on 01/08/2014 under the reference number VI/EM/021/2014.

The CDVM advises reading the full prospectus available in French.