

INFORMATION NOTE SUMMARY

2013 UPDATE OF THE INFORMATION NOTE

ISSUANCE PROGRAM MAXIMUM: MAD 500 000 000
NOMINAL VALUE: MAD 100 000

FINANCIAL ADVISOR

CFG FINANCE



PLACEMENT AGENT

CFG GROUP



VISA OF CONSEIL DEONTOLOGIQUE DES VALEURS MOBILIERES (FINANCIAL AUTHORITY)

In accordance with the CDVM Circular taken pursuant to Article 18 of the Dahir No. 1-95-3 of January 26th 1995 relative to the Conseil Déontologique des Valeurs Mobilières (CDVM) and the information required by legal persons with public offering as amended and supplemented, the original of this present note has been Approved by the CDVM on May 9th 2014 under the reference number VI/EM/009/2014.

WARNING

The Conseil Déontologique des Valeurs Mobilières (CDVM) referred on May 9th 2014 a circular relating to the issuance of commercial paper by Mutandis SCA. The information note approved by the CDVM is available at any time at the headquarters of Mutandis SCA and at the financial advisor. It is also made available within 48 hours at Casablanca Finance Group. It is also available on the CDVM website (www.cdvm.gov.ma).

I. TRANSACTION PRESENTATION

1. TRANSACTION OBJECTIVES

The company wishes to issue a program of commercial paper in order to :

- Optimise the short term cost of financing by replacing, partially or totally, existing bank debt by commercial paper;
- Face sporadic cash needs linked to the management of its financial portfolio.

2. TRANSACTION CHARACTERISTICS

Nature of the securities	Dematerialised commercial paper registered at the central custodian (Maroclear) and registered in the books of entitled affiliates.
Form of the securities	Bearer security
Program maximum	MAD 500 000 000
Number of securities	5 000
Nominal value	MAD 100 000
Maturity	From 10 days up to 12 months – to be defined at each issuance
Date of entitlement	Date of settlement
Interest rate	Determined at each issuance depending on market conditions
Interest	Accrued interest
Payment of coupon	At maturity
Reimbursement of principal	At maturity
Trading	Freely tradable on the secondary market
Guaranty	None

3. PLACEMENT AGENT AND FINANCIAL INTERMEDIARIES

Advisor and coordinator	CFG Finance 5-7 rue Ibnou Toufail, Quartier Palmier – Casablanca
Placement agent	CFG Group 5-7 rue Ibnou Toufail, Quartier Palmier – Casablanca
Securities account manager	CFG Group 5-7 rue Ibnou Toufail, Quartier Palmier – Casablanca
Central custodian	Maroclear Route 1077 par route d'El Jadida, 18 Cité Laia – Casablanca

II. INFORMATION ABOUT THE ISSUER

1. OVERVIEW

Legal name	Mutandis SCA
Headquarter address	5/7, rue Ibnou Toufail, quartier Palmier - Casablanca
Legal form	Société en commandite par actions (SCA)
Share capital as of December 31st 2013	MAD 1.217.764.100, fully paid out, divided into 12.177.641 shares of MAD 100 each, all being of the same category
Company object	<p>According to the 2nd article of the bylaws, the Company object consists in :</p> <ul style="list-style-type: none">- direct or indirect investments, in any company, existing or to be created, by way of subscription to the capital or share acquisitions, as shareholder or partner ;- taking interests, in any form, and in any transaction or company no matter the object ; <p>- the management and the sale of investment stakes;</p> <p>- the purchase, the sale or the exchange of trading securities;</p> <p>- providing advisory, study or other services;</p> <p>And more generally, any commercial, industrial, financial or real estate transaction that could be directly or indirectly linked to its activity or that could help its achievements.</p>

Source : Mutandis SCA

2. SHAREHOLDING

	December 31st 2013	
	Number of shares	% of capital and voting rights
Adil Douiri	1 408 115	11 ,6%
Mohamed Ben Thami Tazi	1 195 000	9,8%
RMA Watanya	1 174 806	9,6%
BMCE Bank	1 174 805	9,6%
Arnela Capital Privado	1 076 922	8,8%
Chaâbi Capital Investissement	952 379	7,8%
Holmarcom	600 000	4 ,9%
Best Financière / Label Vie	500 000	4,1%
CFG Group	500 000	4,1%
Holpar	454 545	3,7%
Sub-total	9 036 572	74,2%
Several small shareholders	3 141 069	25,8%
TOTAL	12 177 641	100,0%

Source : Mutandis SCA

The « various small shareholders » are in fact 57 shareholders with a share capital up to 3.4%.

3. COMMERCIAL PAPER ISSUED

To date, Mutandis SCA has issued commercial paper as follows:

Date of Entitlement	Date of Maturity	Amount (in MAD)	Maturity	Interest Rate	Spread
Issued and reimbursed					
01/11/2011	30/10/2012	150 000 000	1 an	4,20%	75 bps
24/11/2011	22/11/2012	31 500 000	1 an	4,25%	75 bps
31/01/2012	02/05/2012	11 000 000	3 mois	4,00%	60 bps
29/02/2012	30/05/2012	10 000 000	3 mois	4,05%	60 bps
30/04/2012	30/07/2012	11 000 000	3 mois	4,00%	62 bps
28/05/2012	27/08/2012	10 000 000	3 mois	4,00%	62 bps
27/07/2012	26/10/2012	3 000 000	3 mois	4,00%	64 bps
27/08/2012	27/09/2012	10 000000	1 mois	4,00%	61 bps
27/09/2012	22/11/2012	10 000000	2 mois	4,00%	60 bps
29/10/2012	28/01/2013	53 000 000	3 mois	4,00%	60 bps
29/10/2012	29/04/2013	60 000 000	6 mois	4,20%	65 bps
29/10/2012	28/10/2013	50 000 000	1 an	4,50%	75 bps
21/11/2012	20/11/2013	20 000 000	1 an	4,50%	75 bps
20/12/2012	19/07/2013	24 000 000	7 mois	4,55%	94 bps
28/01/2013	27/01/2014	11 700 000	1 an	4,50%	46 bps
28/01/2013	27/01/2014	41 300 000	1 an	4,80%	76 bps
29/04/2013	19/07/2013	15 000 000	3 mois	4,80%	83 bps
29/04/2013	20/11/2013	8 000 000	6 mois	5,05%	93 bps
06/06/2013	20/11/2013	5 000 000	6 mois	4,97%	90 bps
06/06/2013	06/03/2014	44 900 000	9 mois	5,10%	93 bps
19/07/2013	20/11/2013	10 000 000	4 mois	4,70%	87 bps
Total issued and reimbursed		589 400 000			
Ongoing					
29/04/2013	28/04/2014	15 000 000	1 an	5,20%	94 bps
19/07/2013	28/04/2014	29 000 000	9 mois	4,95%	93 bps
28/10/2013	28/04/2014	35 000 000	6 mois	5,00%	128 bps
28/10/2013	27/10/2014	15 000 000	1 an	5,10%	100 bps
20/11/2013	19/11/2014	9 700 000	1 an	5,10%	100 bps
27/01/2014	26/01/2015	33 500 000	1 an	5,00%	115 bps
27/01/2014	27/10/2014	25 000 000	9 mois	4,85%	109 bps
27/01/2014	27/06/2014	15 000 000	5 mois	4,50%	100 bps
06/02/2014	05/02/2015	42 900 000	1 an	5,00%	115 bps
06/03/2014	05/03/2015	34 300 000	1 an	4,90%	136 bps
Total ongoing		254 400 000			

Source : Mutandis SCA

4. GENERAL MANAGER AND SUPERVISORY BOARD

▪ General manager and other managers

As per the 14th article of the bylaws, Mutandis SCA has one or several managers, a partner or not, a company or private individual, nominated by the limited partners, unanimously. As per the same article, the company Mugest SARL has been nominated as general manager, for an unlimited period of time. Mugest SARL, has a share capital of MAD 1.600.000, is located at 5-7 rue Ibnou Toufail in Casablanca, and is represented by Mr Adil Douiri.

Alongside its general manager, Mutandis SCA has 8 managers, among which, one director in charge of exports and a chief financial officer, and 6 managers, in charge of the different subsidiaries of the Group, depending on their needs, and who sometimes have a corporate officer function.

▪ Supervisory Board

The composition of the Supervisory Board is as follows:

Member Name	Function	Date of Nomination	Mandate Expiry
Karim Ayouche (in replacement of Mr Driss Jettou)	Member of the Supervisory Board	March 20th 2014	Annual Shareholder Meeting for the period ending 2016
Najib Hakim Belmaachi	Chairman of the Supervisory Board	March 20th 2014	Annual Shareholder Meeting for the period ending 2016
Souad Benbachir	Member of the Supervisory Board	March 20th 2014	Annual Shareholder Meeting for the period ending 2016
Zouhair Bennani	Member of the Supervisory Board	March 20th 2014	Annual Shareholder Meeting for the period ending 2016
Zouheir Bensaid	Member of the Supervisory Board	March 20th 2014	Annual Shareholder Meeting for the period ending 2016
Mohamed Hassan Bensalah	Member of the Supervisory Board	March 20th 2014	Annual Shareholder Meeting for the period ending 2016
Mohamed Ben Thami Tazi	Member of the Supervisory Board	March 20th 2014	Annual Shareholder Meeting for the period ending 2016
Manuel Jove Capellan	Member of the Supervisory Board	March 20th 2014	Annual Shareholder Meeting for the period ending 2016
Choukry Oimdina	Vice - Chairman of the Supervisory Board	March 20th 2014	Annual Shareholder Meeting for the period ending 2016

Source : Mutandis SCA

III. ACTIVITY OF MUTANDIS SCA

1. INVESTMENTS OVERVIEW



Source : Mutandis SCA

The percentages presented above are percentages of interest. For some companies, the percentage of control differs from the percentage of interest (please refer to section V.).

2. PRESENTATION OF THE MAIN SECTORS OF ACTIVITY OF MUTANDIS GROUP

2.1 FOOD INDUSTRY

	% of interest 31/12/2013	Date of acquisition or creation by Mutandis	Activity	Description
Food Industry				
CMB Plastique	100.00%	2009	Food Industry / Packaging	Manufacturing of PET bottles and caps
LGMC Industries	65,08%	2009	Food Industry	Production of fish and apricot cans
Moja Fishing	65.08%	2011	Fishing	Owner and operator of a fishing boat
Pelagic Armador	65.08%	2012	Fishing	Owner and operator of a fishing boat
Rio Glace	35.79%	2013	Fishing	Fish processing and freezing

Source : Mutandis SCA

2.2 LUXURY HANDICRAFT

	% of interest 31/12/2013	Date of acquisition or creation by Mutandis	Activity	Description
Luxury Handicraft				
Fenyadi			Handicraft	Holding company
Amira Bougies	89.28%	2008	Handicraft	Decoration candles
Via Notti			Handicraft	Home linen
Akkal			Handicraft	Ceramic objects

Source : Mutandis SCA

The luxury handicraft group is composed of Fenyadi, that absorbed the three operational companies, Amira Bougies, Via Notti and Akkal in 2011. They were formerly held by Mutandis via the holding company Fenyadi. In 2014, Mutandis plans to transfer the majority of the capital of Fenyadi to a private investor.

2.3 SPECIALISED DISTRIBUTION

	% of interest 31/12/2013	Date of acquisition or creation by Mutandis	Activity	Description
Specialised Distribution				
Isham Finance	68.59%	2010	Distribution	Holding company (companies specialised in car distribution)
Univers Motors	68.58%	2010	Distribution	Exclusive importer of the Honda brand in Morocco and sole shareholder of Bavaria Motors and UMGP
Bavaria Motors	68.57%	2010	Distribution	Dealer in Casablanca and Tangier of UMGP
UMGP	68.54%	2010	Distribution	Exclusive importer of the Seat and Chery brands in Morocco
Avical	68.57%	2010	Real Estate	Owner of a land parcel
UMP	63.10%	2012	Distribution	Importer of Ferrari

Source : Mutandis SCA

2.4 HYGIENE INDUSTRY

	% of interest 31/12/2013	Date of acquisition or creation by Mutandis	Activity	Description
Hygiene				
Distra	100,00%	2008	Hygiene	Production of detergents and hygiene products for the house

Source : Mutandis SCA

2.5 NON STRATEGIC FINANCIAL INVESTMENTS

The non strategic financial portfolio, which represents a minor part of total assets, is managed in an opportunistic manner, with the aim of generating a financial result that is able to cover the operating expenses of the holding.

	% of interest 31/12/2013	Date of acquisition or creation by Mutandis	Activity	Description
Financial Investments				
Financière First	80%	2008	Financial Holding	Owner of 4.3% of Société Brasseries du Maroc
Financière Seconde	100%	2009	Financial Holding	Shareholder of I Transactions
I Transactions	100%	2010	Real Estate	None
Mutandis Palmeraie	100%	2010	Real Estate	Owner of a land parcel in Bouskoura
Villa Roosevelt	43%	2011	Real Estate	Owner of Villa Roosevelt
Immorente Invest	69%	2011	Investment Fund	Commercial rental real estate
Idraj	79%	2011	Investment Fund	Management of trading securities and investment in other companies
CFG Group	11%	2013	Bank	Banking activities

Source : Mutandis SCA

Idraj SCA and Immorente Invest SCA are two funds managed by the bank CFG Group, respectively specialised in pre-IPO investments and rental real estate. Mutandis is the founding shareholder of both funds, that are currently undergoing a fund raising. Idraj and Immorente are not consolidated, as Mutandis does not control these entities.

CFG Group is a Bank Al Maghrib – approved banking establishment.

IV. RISK FACTORS

1. MARKET RISK

The activity of Mutandis Group is linked to the evolution of the sectors of activity the Group is operating in as well as to the national economic environment. However, the diversification of the sectors of activity of Mutandis Group is mitigating this risk. Mutandis operates in various sectors like handicraft, the food industry, as well as specialized distribution.

2. INTEREST RATE RISK

As of December 31st 2013, fixed rate loans and financial debt represent the majority of the outstanding amounts of Mutandis Group. Consequently, the Mutandis Group has a limited exposure to interest rate variations.

3. RISK RELATED TO THE EVOLUTION OF RAW MATERIALS PRICES

The Mutandis Group operates today in several sectors that partly depend on the evolution of raw material prices all over the World.

Indeed, as regards the fish can activity, one of the main raw material used is for packaging, and especially packaging in white steel. The price of the white steel boxes is very much linked to the course of steel worldwide. An increase in the price of steel automatically impacts the price paid for packaging purchases.

Similarly, edible oil is an input used in the production of fish cans, and raw edible oil is a food related raw material which course is volatile worldwide.

Moreover, one of the main input in the food packaging activity of Mutandis Group is the PET (Polyéthylène téréphtalate) which is derived from oil. Its price depends on the evolution of oil prices worldwide.

Finally, some of the inputs used in the production of detergents are based on phosphate derivatives or oil derivatives. These inputs are mechanically impacted by the value of phosphate and oil based products.

However, in most cases, Mutandis is able to progressively pass the increase in raw material costs on its products' sale prices, in particular, as regards the fish cans, as international demand is exceeding offer. It is the case for food packaging as well, as the contracts are often indexed on raw material.

A delay between the increase in the cost of raw materials and its repercussion on the sale price of finished goods can happen.

Besides, as regards detergents, some of the products of Mutandis Group have a smaller market share than the leading multinational companies in the market. For these products, the ability of Mutandis to increase its sale prices depends on the willingness of these leaders to increase prices themselves.

Contrarily, a decrease in the cost of raw materials would mechanically improve the margins of Mutandis Group.

4. FOREIGN EXCHANGE RISK

The third paragraph above outlines some risks linked to the evolution of the course of raw materials; the price of raw materials in Dirham results from the evolution of the course of the material, with the evolution of the Dirham with respect to other currencies on top of it.

Therefore, an increase of the US Dollar, the Euro, the British Pound or the Japanese Yen against the Dirham, would increase the price of raw materials and the purchases of Mutandis Group. Depending on the products, the latter would be able to, partially or entirely, pass the increase on to the consumer.

Contrarily, an increase of the Dirham against one of these four currencies would decrease the cost of supplies for Mutandis.

5. RISK OF COMPETITION

All subsidiaries of the Mutandis Group evolve in a very competitive environment.

V. FINANCIAL DATA

1. SCOPE AND CONSOLIDATION METHOD (LAST THREE YEARS)

Subsidiaries	2011			2012			2013		
	% interest	% control	Method	% interest	% control	Method	% interest	% control	Method
Mutandis SCA	100,00%	100,00%	Full Consolidation	100,00%	100,00%	Full Consolidation	100,00%	100,00%	Full Consolidation
Food Industry									
CMB Plastique	100,00%	100,00%	Full Consolidation	100,00%	100,00%	Full Consolidation	100,00%	100,00%	Full Consolidation
LGMC Industries	65,07%	65,07%	Full Consolidation	65,07%	65,07%	Full Consolidation	65,08%	65,08%	Full Consolidation
Yam Fish	33,19%	51,00%	Full Consolidation	33,19%	51,00%	Full Consolidation	33,19%	51,00%	Full Consolidation
Moja Fishing	65,08%	100,00%	Full Consolidation	65,08%	100,00%	Full Consolidation	65,08%	100,00%	Full Consolidation
Pesca Consorcio	22,78%	35,00%	Equity Method						
Pelagic Armador				65,08%	100,00%	Full Consolidation	65,08%	100,00%	Full Consolidation
Rio Glace							35,79%	55,00%	Full Consolidation
Luxury Handicraft									
Fenyadi	76,20%	76,20%	Full Consolidation	89,28	89,28%	Full Consolidation	89,28	89,28%	Full Consolidation
Akkal									
Via Notti			Fusionnés avec Fenyadi						
Amira Bougies									
Hygiene									
Distra	99,99%	99,99%	Full Consolidation	99,99%	99,99%	Full Consolidation	99,99%	99,99%	Full Consolidation
Specialised Distribution									
Isham Finance	66,67%	66,67%	Full Consolidation	66,67%	66,67%	Full Consolidation	68,59%	68,59%	Full Consolidation
Univers Motors	66,66%	99,99%	Full Consolidation	66,66%	99,99%	Full Consolidation	68,58%	99,99%	Full Consolidation
Bavaria Motors	66,66%	99,98%	Full Consolidation	66,66%	99,98%	Full Consolidation	68,57%	99,98%	Full Consolidation
UMGP	66,66%	99,99%	Full Consolidation	66,66%	99,99%	Full Consolidation	68,54%	99,93%	Full Consolidation
Avical	66,65%	99,98%	Full Consolidation	66,66%	99,98%	Full Consolidation	68,57%	99,98%	Full Consolidation
Al Jabbar	66,67%	100,00%	Full Consolidation						
Univers Motors Premium				66,66%	100,00%	Full Consolidation	63,10%	92,00%	Full Consolidation
Financial Portfolio									
Financière First	80,00%	80,00%	Full Consolidation	80,00%	80,00%	Full Consolidation	80,00%	80,00%	Full Consolidation
Mutandis Palmeraie	100,00%	100,00%	Full Consolidation	100,00%	100,00%	Full Consolidation	100,00%	100,00%	Full Consolidation
Financière Seconde	99,96%	99,96%	Full Consolidation	99,96%	99,96%	Full Consolidation	99,96%	99,96%	Full Consolidation
I Transactions	99,82%	99,92%	Full Consolidation						
Villa Roosevelt				28,40%	28,40%	Equity Method	43,40%	43,40%	Equity Method

Source: Mutandis Group

2. IFRS CONSOLIDATED ASSETS

En KDh	2011	2012	2013
Goodwill	1 054 245	1 054 245	1 072 709
Intangible assets	88 666	88 983	82 509
Property, plant, equipment	371 621	319 100	323 265
Investment Property	108 102	131 738	142 992
Non current assets to be abandoned or sold	3 274	0	
Equity accounted-affiliates	10 748	26 685	39 735
Other financial assets	602 293	671 689	524 427
Financial assets available for sale	599 578	652 844	522 798
Non consolidated financial assets	59	59	59
Other assets	2 657	18 786	1 570
Tax receivables	41 162	20 066	12 498
Non-current assets	2 280 111	2 312 505	2 198 136
Inventories	315 273	394 032	259 301
Trade accounts and other receivables	261 780	306 729	342 083
Current tax assets	108 402	122 451	97 864
Other receivables	106 063	180 071	35 125
Other current assets	2 062	1 257	777
Money market holdings	74 579	33 580	70 488
Cash	100 657	107 383	48 487
Current assets	968 814	1 145 503	854 125
Non current assets to be abandoned or sold			42 200
Total Assets	3 248 926	3 458 008	3 094 461

Source : Mutandis Group

3. IFRS CONSOLIDATED LIABILITIES

En KDh	2011	2012	2013
Share capital	1 187 264	1 200 264	1 217 764
Share premium	47 413	50 013	55 186
Capital gains / losses on assets revaluation	48 627	58 735	61 665
Other reserves	14 877	19 264	2 097
Net income group share	7 764	4 998	-1 099
Share attributable to ordinary shareholders of the parent	1 305 945	1 333 274	1 335 613
Minority interests	403 770	419 772	393 175
Consolidated shareholder's equity	1 709 715	1 753 046	1 728 787
Long term borrowings	733 400	653 283	394 773
Other provisions	1 507	3 200	2 988
Deferred tax liabilities	23 338	21 824	27 946
Other long term non current liabilities	446	335	0
Non-current liabilities	758 692	678 642	425 707
Borrowings (within one year)	254 650	343 429	341 758
Bank overdrafts	62 792	174 629	120 994
Provisions (within one year)	1 854	2 202	1 868
Trade payables and related accounts	318 624	313 483	313 827
Current income tax liabilities	59 315	82 854	75 479
Other payables	83 286	109 723	74 150
Current liabilities	780 520	1 026 320	928 076
Liabilities linked to assets to be abandoned or sold			11 890
Total liabilities	3 248 926	3 458 008	3 094 461

Source : Mutandis Group

4. IFRS CONSOLIDATED PROFIT AND LOSS STATEMENT

En KDh	2011	2012	2013
Sales	1 334 227	1 592 796	1 489 534
Change in inventories in process and finished goods	11 109	39 316	-29 448
Other current revenues	604	890	780
Purchases	-1 028 743	-1 204 750	-1 059 681
Other operating expenses	-125 421	-132 306	-143 174
Staff costs	-145 211	-171 346	-156 672
Taxes	-5 560	-4 676	-8 784
Depreciation allowance	-33 145	-41 452	-44 865
Provision allowance		-1 242	-1 333
Other revenues and expenses	222	2 004	2 900
Net income from ordinary activities	8 081	79 233	49 258
Income from sales of consolidated assets	0	-1 546	0
Provision allowance	129		
Other operating revenues and expenses	10 384	7 273	-2 699
Operating profit	18 594	84 961	46 559
Income from cash and cash equivalents	4 523	2 987	2 889
Cost of gross financial debt	-63 776	-64 040	-54 015
Cost of net financial debt	-59 253	-61 053	-51 126
Dividends received	24 707	27 241	13 701
FX income	1 104	6 684	3 173
Capital gains / losses on sales of financial assets	-	3 631	32 793
Other financial revenues and expenses	603	1 871	-1 230
Income from non current activities	-	-	9 641
Financial income and expenses	26 414	39 428	58 078
Income before taxes	-14 245	63 335	53 511
Income tax	836	-45 043	-35 301
Net income	-13 409	18 293	18 210
Income from companies consolidated by the equity method		-2 723	-3 232
Income from activities to be disposed of or abandoned	21 339	0	-12 427
Net income of consolidated companies	7 930	15 570	2 551
Of which net income group share	7 764	4 998	-1 099
Of which minority interests	166	10 572	3 651
Net income per share (in MAD / share)	0,65	0,42	-0,09

Source : Mutandis Group

WARNING

The above information only represents a part of the Information Note approved by the Conseil Déontologique des Valeurs Mobilières (CDVM) on May 9th 2014 under the reference number VI/EM/009/2014. The CDVM advises reading the full information note available in French.