

ALLIANCES

Prospectus Summary




ISSUANCE OF BONDS REDEEMABLE IN SHARES

TOTAL AMOUNT OF THE TRANSACTION: 1 BILLION MAD

	Unlisted Bonds
Maximum issue amount	1.000.000.000 MAD
Maximum number of Bonds redeemable in shares	10,000,000
Nominal par value	100 MAD
Maturity	2 years and 8 months
Nominal interest rate	5% tax excl as set in the restructuring plan implemented by Alliances Développement Immobilier Group.
Nominal risk premium	217 basis points The risk premium results from the difference between the nominal interest rate set within the Alliances Développement Immobilier Group restructuring plan and the reference rate of 2.83% determined on the secondary curve as published on August 11, 2015 by Bank Al-Maghrib.
Unit issue price	100 MAD
Tradability	OTC
Reimbursement	At maturity in ADI shares

SUBSCRIPTION PERIOD: FROM AUGUST 24, 2015 TO AUGUST 26, 2015, INCLUSIVE

SUBSCRIPTION RESERVED FOR HOLDERS OF THE 2012 BRS BEARING THE CODE ISIN MA0000091852

Financial advisor and General Coordinator	
	
Centralizing bank	Paying agent providing the financial service for the issuer
	

APPROVAL OF THE CONSEIL DEONTOLOGIQUE DES VALEURS MOBILIERES

Pursuant to the circular of the CDVM, taken pursuant to Article 14 of Dahir constituting Law No. 1-93-212 of 21 September 1993 concerning the CDVM and the information required by legal persons making public offering as amended and supplemented, the original version of this Prospectus has been approved by the CDVM on August 17th, 2015 under reference No VI/EM/023/2015.

DISCLAIMER

The Conseil Déontologique des Valeurs Mobilières (CDVM) approved on August 17, 2015, a prospectus relating to the issue of non-listed Bonds redeemable in shares by Alliances Développement Immobilier Company (hereafter referred to as « Alliances » or the « Company »).

The prospectus approved by the CDVM is available at any time at the Alliances Développement Immobilier headquarters and through its financial advisor. It is also available within a maximum time frame of 48 hours at the order collecting institutions.

It is also available at the CDVM website www.cdvm.gov.ma

Partie I. TRANSACTION OVERVIEW

II. Objectives of the transaction

The issuance of the Bonds Redeemable in Shares, object of the present Prospectus, falls under the strategic restructuring plan launched by the Alliances group and aims at providing an exchange offer to current holders of the 2012 bonds bearing the code ISIN MA0000091852.

Thus, the said 2012 bonds are the subject of a Buy-back offer by Alliances Développement Immobilier Company.

III. Intention of major shareholders

It should be noted that Mr Alami Nafakh Lazraq holds an amount of 200.000.000 MAD of the 2012 bonds.

Acting as the majority shareholder of the Alliances Développement Immobilier Company, Mr. Mohammed Alami Nafakh Lazraq commits to take part, partially or totally, in the exchange transaction in order to try and maintain his stake in the company's capital at the current level, so at a maximum level of 56.4% of the company's capital.

IV. Information relating to the securities to be issued

The present issue consists of fixed rate bonds, tradable OTC and ultimately redeemable in shares of a maturity of 2 years and 8 months. The characteristics of the Bonds Redeemable in Shares are as follows:

Nature of securities	Non listed Bonds Redeemable in Shares, dematerialized by registration in the central depository (Maroclear) and registered in accounts at authorized affiliates.
Legal form	Bearer bonds
Maximum number of BRS to be issued	10.000.000 BRS
Maximum amount	1.000.000.000 MAD
Nominal par value	100 MAD
Unit issue price	At par, or 100 MAD
Maturity	2 years and 8 months The expiry date of the term of 2 years and 8 months is designated hereinafter as the "Maturity Date".
Subscription period	From 24/08/2015 to 26/08/2015 inclusive
Entitlement date	August 28, 2015
Due date	Monday, April 30, 2018
Redemption Date	The redemption date corresponds to the due date
Redemption parity	<p>The BRS shall be redeemed in new shares of the Company to be issued at a price that shall be set at the Redemption Date.</p> <p>The issue price of a share shall be equal to the weighted average of the Company's shares over the last three months preceding the Maturity Date as observed in the central market of the Casablanca stock exchange, to which a 20% discount is applied, rounded to the next integer, given that - in any case - pursuant to article 185 of Law No. 17-95, the issue price shall not be less than the nominal value of Company's shares.</p> <p>The weighted average price is obtained by dividing the total value of the trade in shares in dirhams on the total number of shares traded over the last three months preceding the Maturity Date. The redemption parity shall be equal to the division of the price of the new shares issued on the nominal value of the BRS.</p> <p>If the number of shares to which the repayment of bonds redeemable in shares, on the due date, does not correspond to an integer, the BRS holders shall receive the integer of shares immediately below and in this case, they shall receive a cash amount equal to the fractional share by the fractional value of the share calculated on the basis of the issue price on the Maturity Date.</p>
Nominal risk premium	217 pbs The risk premium results from the difference between the nominal interest rate set within the Alliances Développement Immobilier Group restructuring plan of 5%, and the reference rate of 2.83% determined on the secondary curve as published on August 11, 2015 by Bank Al-Maghrib.
Nominal interest rate	5% tax excl as set in the restructuring plan implemented by Alliances Développement Immobilier Group.
Method of calculation of coupons	<p>1st Coupon = nominal value * nominal interest rate</p> <p>2nd Coupon = nominal value * nominal interest rate</p> <p>3rd Coupon = nominal value * nominal interest rate * 245/365</p>

Payment of interest	<p>Interest shall be annually served at the anniversary of the entitlement date, i.e. August 28 of each year and April 30, 2018 for the last coupon.</p> <p>At the date of redemption of the BRS, interest due for the year of reimbursement shall be paid on a pro rata basis.</p> <p>Payment of interests shall take place on the same day or on the following working day if the said date is not a business day.</p> <p>Interest shall cease to accrue once the Shares have been issued upon redemption of BRS in 2015 on the Maturity Date. No postponement of the interest shall be possible under this transaction.</p>
Rank of the BRS	<p>The principal and interests of the BRS are unsecured obligations, direct, general, unconditional, unsubordinated and unsecured and coming (subject to the exceptions set forth by the regulations in force) and rank equally amongst themselves and pari passu with all other unsecured debts and guarantees, present or future, of Alliances Développement Immobilier.</p>
Tradability of securities	<p>OTC (over the counter).</p> <p>There is no restriction imposed by the terms of issue on the free transferability of the bonds.</p>
Assimilation clause	<p>There is no assimilation of the BRS subject of this Prospectus to the securities of a previous issue.</p> <p>In case Alliances Développement Immobilier subsequently issues new securities having, in all regards, the rights that are identical to those of this issue, it may, without requiring the bearers' consent, carry out the assimilation of all the securities of the successive issues; thus unifying all their management and trading operations.</p>
Rights attached	<p>The BRS grant their holders a right to the annual coupon and repayment, in fine, of the principle in new shares of the Company.</p>
Reimbursement guarantee of the issue	<p>This issue is not subject to any guarantee.</p>
Issue rating	<p>This issue is not subject to any rating request..</p>
Applicable law	<p>Moroccan law</p>
Competent court	<p>Casablanca Trade Court</p>

VI. Characteristics of the securities issued in redemption of the BRS

Legal form	Bearer shares
Entitlement date	The shares earn dividends as of the first day of the current fiscal year on the date of issue and will entitle to dividends for the financial year in which the redemption of the MRS has been completed
Rights attached to the new shares	<p>Once the Board of Directors of Alliances Développement Immobilier decides on the capital increase by issuing shares in redemption of the BRS, the issuer shall liaise with the Casablanca Stock Exchange in order to define the characteristics of the new shares and the listing date.</p> <p>The shares issued as redemption for the BRS shall, from their issuance, be subject to all the provisions of Alliances Développement Immobilier statutes and they shall qualify under the fiscal year of the repayment year and subsequent fiscal years, with equal value nominal, with the same dividend that may be allocated to other shares holding the same entitlement.</p> <p>It is specified, in particular, that each share gives right in the sharing of profits and liquidation proceeds to a share equal to the percentage of share capital it represents. In addition, these shares are subject to all statutory provisions in particular those regarding the distribution of profits and shareholders' meetings.</p>
Listing of the new shares resulting from the redemption of the BRS	The shares issued as redemption for the BRS shall be listed on the Casablanca Stock Exchange on the same line as the existing shares.
Processing of odd-lots in the redemption of the BRS	On the Maturity Date, if the number of shares to which the redemption of the BRS is entitled, does not correspond to a integer, the BRS holders shall receive a integer of shares immediately below, and in this case, they will receive a cash amount equal to the fractional share by the fractional value of the share calculated on the basis of the issue price of the new shares on the Maturity Date.

VIII. Transaction Schedule

Order	Steps	Dates
1	Approval of the Prospectus by the CDVM	8/17/2015
2	Publication of the prospectus extract in a legal announcement newspaper	8/19/2015
3	Opening of the subscription period	8/24/2015
4	Closing of the subscription period	8/26/2015
5	Subscription order centralization	8/26/2015
6	Subscription order allotment	8/26/2015
7	Payment / Delivery	8/28/2015
8	Publication of the transaction results by the issuer in a legal announcement newspaper	9/1/2015

IX. Financial intermediaries

The financial intermediaries acting in connection to this issue of Notes Redeemable in Shares are as follows:

Financial intermediaries	Legal name	Address
Financial advisor and Global Coordinator	BMCE Capital Conseil	63, Boulevard My Youssef, Casablanca
Centralizing body	BMCE Bank	140, Boulevard My Youssef, Casablanca
Paying agent providing the financial service for the issuer	BMCE Bank	140, Boulevard My Youssef, Casablanca

**Partie II. GENERAL OVERVIEW OF ALLIANCES DÉVELOPPEMENT
IMMOBILIER**

I. General Information

Corporate name	Alliances Développement Immobilier
Headquarters	16, rue Ali Abderrazak, Casablanca
Phone number	05 22 99 34 84/63
Fax number	05 22 99 34 84/81
Website	www.alliances.co.ma
E-mail	infos@alliances.co.ma
Legal form	Limited Liability Company governed by the provisions of Law n°17-95 promulgated by Dahir n°1-96-124 of August 30th, 1996 related to Limited Liability companies, as amended and supplemented by Law 20-05
Date of establishment	June 13, 1994
Life span	the life span of the company is fixed in 99 years, barring dissolution before this date or an extension thereof as provided by law
Trade Register	74703, Casablanca
Financial year	From January 1st to December 31st
Share capital on Dec 31, 2014	1.261.492.800 MAD divided into 12.614.928 shares of 100 MAD each, all of the same category and fully paid up
Consultation of legal documents	The articles of association, the minutes of the General Assemblies, the auditor's reports and management reports can be consulted at the headquarters of Alliances Développement Immobilier 16, rue Ali Abderrazak, Casablanca
Purpose of company	<p>According to Article 4 of the Articles of Association, the company has as purpose:</p> <ul style="list-style-type: none"> ▪ The direct or indirect participation in all transactions or ventures by way of creating companies, participating in their establishment, or by increasing capital, purchasing shares or social rights, or any other way ; ▪ The promotion of tourism and real estate sectors through the study, the design, the realization, the construction, the management of any business or company and the direct or indirect marketing of any product related to the sectors listed above; ▪ The purchase, sale and exchange of the securities and all shares of interests; ▪ The purchase, sale and exchange of any buildings and real estate units, built or not, the building of all kind of constructions; ▪ All operations related to the execution of public and private works particularly those that need the most advanced techniques as regards the design and the execution; ▪ The purchase, construction and sale of any building for the tourism industry in general, and the creation of tourist, real estate, financial and commercial projects; ▪ Delegated projects management; ▪ And more generally, any industrial, commercial, financial, securities and real estate transactions, linked directly or indirectly to the above-listed purposes, or those that can lead to the development of the company.
Laws and Regulations	<p>Regarding its legal form, the Company is governed by the Moroccan law and by Law n°17-95 as well as by its Articles of Association.</p> <p>Regarding its activity, Alliances Développement Immobilier is governed by the following</p>

	<p>legal texts:</p> <ul style="list-style-type: none"> ▪ Law n°25-90 promulgated by Dahir n°1-92-7 of June 17th, 1992 related to allotments, housing groups and parceling; ▪ Law n° 17-95 promulgated by Dahir n° 1-96-124 of August 30th, 1996 relating to Limited Liability Companies as amended and supplemented by Law n° 20-05; ▪ Dahir of August 12th, 1913 constituting the code of obligations and contracts, supplemented by Law n°44-00 of October 3rd, 2002 relating to the sale of housing units before completion ; ▪ Law n°18-00 of October 3rd, 2002 related to buildings joint ownership regulation ; ▪ Article n° 92 of the 2010 Finance Law instituting tax exemptions for real estate developers; ▪ Article n° 247 of the 2012 Finance Law instituting tax exemptions for real estate developers; ▪ Article n° 247 of the 2013 Finance Law instituting new tax exemptions for real estate developers; <p>Regarding its listing in the Casablanca Stock Exchange Market, the Company is governed by the following laws and regulations related to the financial market:</p> <ul style="list-style-type: none"> ▪ The general regulation of the CDVM approved by the Minister of Economy and Finances' Decree n°822-08 of April 14th, 2008; ▪ Dahir establishing Law n°1-93-211 of September 21st, 1993 related to Casablanca Stock Exchange Market, as modified and supplemented by Laws 34-96, 29-00, 52-01, 45-06 and 43-09; ▪ General regulation of Casablanca Stock Exchange Market as approved by the Minister of Economy and Finances' Decree n°1268-08 of July 7th, 2008, as amended and supplemented by the Minister of Economy, Finances' Decree n°30-14 of January 6th, 2014; ▪ Dahir establishing Law n°1-93-212 of September 21st, 1993 related to CDVM and information required from legal persons publically trading as modified and supplemented by Law n°23-01, 36-05, and 44-06; ▪ Dahir n°1-96-246 of January 9th, 1997 promulgating Law n°35-96 related to the creation of the central depository and the establishment a general accounting system for certain securities (as amended and extended by Law n° 43-02); ▪ General regulation of the central depository approved by the decree of the Minister of Economy and Finances n°932-98 dated April 16th, 1998 and amended by the decree of the Minister of Economy, Finances and Tourism n°1961-01 dated October 30th, 2001 and by Decree n°77-05 dated March 17th, 2005; ▪ Dahir n°1-04-21 of April 21st, 2004 promulgating Law n°26-03 related to public bids on the Moroccan STOCK market, as modified and supplemented by Law 46-06; ▪ CDVM Circular.
<p>Competent court in the event of disputes</p>	<p>Casablanca Commercial Court</p>
<p>Applicable tax law</p>	<p>Alliances Développement Immobilier is subject to corporate tax of 30% and to VAT of 20%.</p>

Source: Alliances Développement Immobilier

II. Information on the Share Capital of Alliances Développement Immobilier

II.1. Overview of the capital structure

The table below shows the history of the shareholding of Alliances Développement Immobilier Group:

Shareholders	12/31/2012		12/31/2013		12/31/2014		6/30/2015	
	Number of Shares	% of capital and voting rights	Number of Shares	% of capital and voting rights	Number of Shares	% of capital and voting rights	Number of Shares	% of capital and voting rights
Famille LAZRAQ	7,278,100	60.15%	7,397,123	60.43%	7,397,133	58.64%	7,397,133	58.64%
Mohamed Alami NAFakh LAZRAQ	7,001,010	57.86%	7,120,033	58.16%	7,120,043	56.44%	7,120,043	56.44%
Farida EL BELGHAMI	136,730	1.13%	136,730	1.12%	136,730	1.08%	136,730	1.08%
Othman NAFakh LAZRAQ	45,980	0.38%	45,980	0.38%	45,980	0.36%	45,980	0.36%
Mouna NAFakh LAZRAQ	45,980	0.38%	45,980	0.38%	45,980	0.36%	45,980	0.36%
Omar NAFakh LAZRAQ	45,980	0.38%	45,980	0.38%	45,980	0.36%	45,980	0.36%
Mustafa NAFakh LAZRAQ	2,420	0.02%	2,420	0.02%	2,420	0.02%	2,420	0.02%
Managers	40	0.00%	40	0.00%	30	0.00%	30	0.00%
Younes SEBTI	10	0.00%	10	0.00%	10	0.00%	10	0.00%
Jamal HAMD AOUI	10	0.00%	10	0.00%	10	0.00%	10	0.00%
Ahmed AMLOUL	10	0.00%	10	0.00%	10	0.00%	10	0.00%
Karim Belmaachi	10	0.00%	10	0.00%	0	0.00%	0	0.00%
RCAR	614,680	5.08%	614,680	5.02%	614,680	4.87%	614,680	4.87%
SFI	-	-	-	-	373,552	2.96%	373,552	2.96%
Others	4 194 730	34,67%	4 229 533	34,55%	4 229 533	33,53%	4 229 533	33,53%
Treasury shares	12,450	0.10%	-	-	-	-	-	-
Total	12,100,000	100.00%	12,241,376	100.00%	12,614,928	100.00%	12,614,928	100.00%

Source: Alliances Développement Immobilier

The shares of Alliances Développement Immobilier are mainly held by the family represented by its founding shareholder Mr. Mohamed Alami NAFakh LAZRAQ.

In July 2014, Mr. Belmaâchi resigned from his position as director.

The Board of Directors as represented by Mr. Younès SEBTI, Mr. Jamal HAMD AOUI and Mr. Ahmed AMLOUL each held 10 qualifying shares by the end of December 2014.

III. Administrative bodies

Articles 11 to 19 of the Statute of Alliances Développement Immobilier relating to the composition, the summons modes, attributions, functioning and the quorums of the Board of Directors of the Company comply with Law No. 17- 95.

Articles 11 and 12 of the bylaws of the Company stipulate the following regarding the management of the company:

- The company is managed by a Board of Directors composed of nine members;
- The Board of Directors appoints a Chairperson, a physical person, among its members performing their duties for the duration of their mandate;
- The Board also appoints, on the recommendation of the chairman, the person to act as secretary and who can be chosen even outside of the members of the board and shareholders.

In addition, it was decided on July 24, 2015 to delete the words "Official Bulletin" in Article 21 paragraph 6 of the bylaws and Article 28 paragraph 6 of the Articles of the Company in order to, respectively, bring these paragraphs in line with the provisions of Article 121 and Article 156 of the Law, which removed the requirement of publication in the Official Bulletin of the notice and summary statements for the past financial year.

The Chairmanship of the Board of Management of Alliances Développement Immobilier is taken by Mr. Mohamed Alami Nafakh Lazraq whose mandate for this function was renewed by the Annual General Meeting held on June 21, 2012.

The composition of the Board of Alliances Développement Immobilier on July 24, 2015 is as follows:

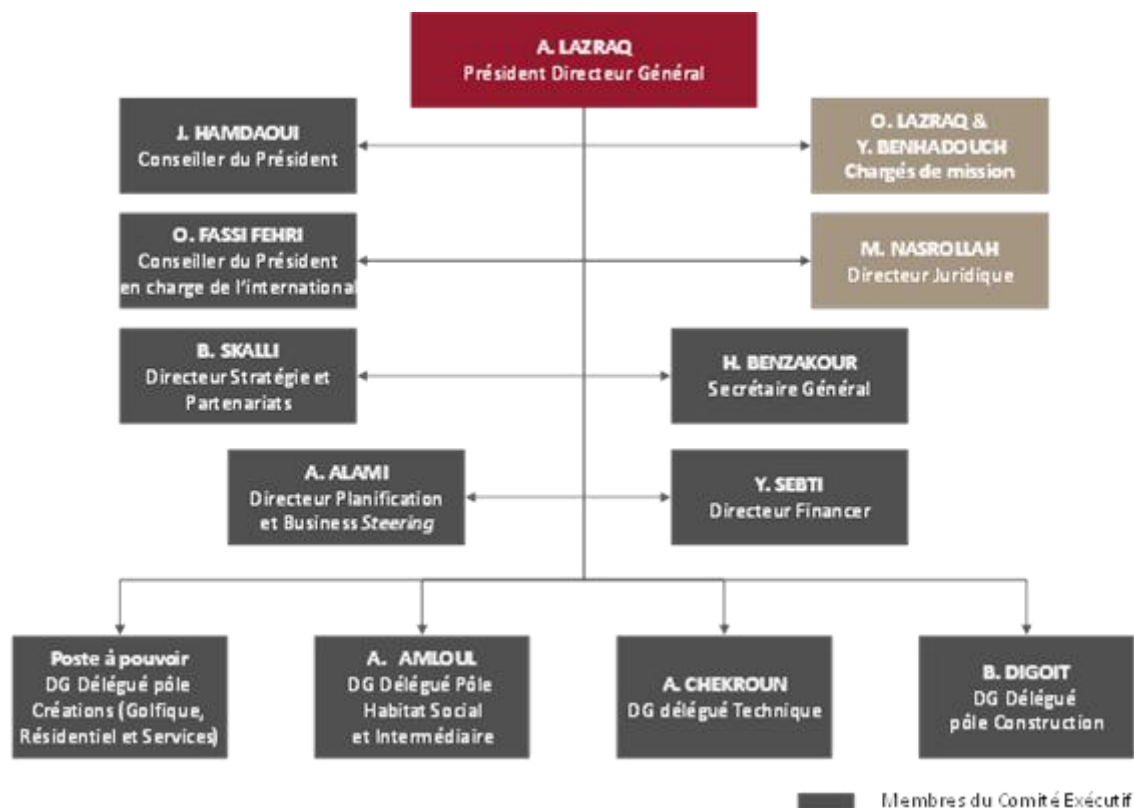
Board members	Current position	Date of appointment or term renewal	Term of office expiration	Relationship to the Chairman of the board
Mr. Mohamed Alami NAFAKH LAZRAQ CEO	CEO	6/21/2012	AGM called to approve the financial statements for 2017	Himself
Mr. Mohamed Mustafa NAFAKH LAZRAQ	Manager	6/27/2011	AGM called to approve the financial statements for 2016	Brother
Mrs. Farida EL BELGHAMI	Manager	6/21/2012	AGM called to approve the financial statements for 2017	Spouse
Mr. Younes SEBTI Financial manager	Manager	6/25/2014	AGM called to approve the financial statements for 2019	None
Jamal HAMD AOUI Advisor to the Chairman for Development	Manager	6/25/2014	AGM called to approve the financial statements for 2019	None
Mr. Ahmed AMLOUL Managing director of Alliances Darna	Manager	6/25/2014	AGM called to approve the financial statements for 2019	None
Mr. Ali CHEKROUN – Deputy Managing Director in charge of the technical function	Manager	7/24/2015	AGM called to approve the financial statements for 2020	None
Mr. Marc Gérard Danier LAMY	Manager	7/24/2015	AGM called to approve the financial statements for 2019	None
Mr. Bertrand Marie Alexis JULIEN-LAFERRIERE	Manager	7/24/2015	AGM called to approve the financial statements for 2019	None

Source: Alliances Développement Immobilier

The Board of Directors is chaired by Mr. Mohamed Alami Nafakh Lazraq, CEO of Alliances Développement Immobilier. It is also composed of Mr. Mohamed Mustafa Nafakh Lazraq, Mrs. Farida EL BELGHAMI, four directors from the Company's management and Mr. Marc Gérard Danier LAMY and Mr. Bertrand Marie Alexis JULIEN-LAFERRIERE replacing the CIMR and the MAMDA who resigned as members of the board in 2015.

V. Legal Organization Chart

On May 31st 2015, the functional organization chart of Alliances Développement Immobilier was as follows:



Source: Alliances Développement Immobilier

VI. Management bodies

VI.1. Management of the Company

The list of members of the Executive Committee of Alliances Développement Immobilier is divided as follows:

Name	Function	Date of entry in the group
Mr. Mohamed Alami NAFKHA LAZRAQ	CEO	9/1/1994
Jamal HAMD AOUI	Committee member	1/1/1998
Mr. Ahmed AMLOUL	Committee member	6/1/2007
Mr. Younes SEBTI	Committee member	9/1/2009
Mr. Ali CHEKROUN	Committee member	3/6/2015
Mr. Otmane FASSI FEHRI	Committee member	8/25/2014
Mr. Hakim BENZAKOUR	Committee member	6/2/2014
Mr. Bernard DIGOIT	Committee member	3/1/2012
Mr. Brahim SKALLI	Committee member	12/1/2012
Mr. Amine ALAMI	Committee member	5/11/2015

Source: Alliances Développement Immobilier

Partie III. ACTIVITY OF ALLIANCES DEVELOPPEMENT IMMOBILIER

I. History

Alliances Développement Immobilier (ADI) was founded in 1994 by Mr. Mohamed Alami Nafakh Lazraq. Since its inception, the company has specialized in the planning, installation and conduct of real estate and tourism major achievements for international investors and Moroccan institutions. Thus, Alliances Développement Immobilier Group has managed to successfully lead all development projects entrusted by national and international institutions that have favored its partnership (Accor, Four Seasons Hotels and Resorts, Club Med, TUI, Lucien Barrière, etc.).

Alliances has diversified its activity over the years to position itself today as the first real estate and tourist operator in Morocco integrated in the entire value creation chain: development, construction, promotion, marketing and management.

The creations of various subsidiaries of services and projects are also included as part of the overall strategy of integration of the group. Progressively, the group's positioning has evolved from a service provider to a real estate developer in four complementary market segments and which also provides a full range of real estate services.

The various project companies were created according to the market segment in which each company is operating, and based on the concluded partnership model. Subsidiaries of services have been created to respond market demand (e.g. Algest) and to provide services to projects subsidiaries (e.g. Alvi regarding residential and golf sectors). Construction subsidiaries have allowed for their part to specialize in the construction sector, making Alliances a partner of major projects in the Kingdom.

In 2012, the Group proceeded with the issuance of bonds redeemable in shares for an amount of 1bn MAD in connection with the financing of the group's development plan.

In 2013, Alliance started operating in Sub-Saharan Africa, by entering Ivory Coast and Senegal markets.

In 2014, the group updated its organizational structure. ADI now acts as a holding company with strategic functions and integrated subsidiaries within sectors that have their own autonomy of management of their technical teams, business and finances.

Other changes were made in the existing sectors, especially the grouping of residential and golfing sectors in a single real estate development division of high standing since 2014 under the brand "Alliances Creations".

In 2014, the group carried out a capital increase in favor of the International Finance Corporation, in the amount of 207.7 MMAD.

In February 2015, Alliances Développement Immobilier carried out a bond issuance in the amount of 1 bn MAD aiming to replace the bond issued by the company on March 5, 2010 and expiring March 5, 2015.

In addition, the Group has focused on developing a strategic plan adapted to the changing market conditions to strengthen its fundamentals and to sort out its financial situation. This plan aims to deleverage the group by 2016 and increase its liquidity in order to allow Alliances Développement Immobilier to carry on the development of its projects under satisfactory conditions.

Bearing in mind the financial difficulties of the companies EMT, Leverage, EMT Route, EMT Bâtiment et EMT, an amicable settlement was opened on April 13, 2015 at the request of the managers of EMT, Leverage, EMT Route, EMT Bâtiment et EMT in accordance with Articles 550 and following of the commercial Code. Under this procedure, Mr. Abderrahim Lahjouji was appointed as conciliator with the mission to ensure the operation of the business and to seek an agreement with creditors. Subsequently, a court order was made by the Chairman of Casablanca Commercial Court May 8, 2015. This order suspends and prohibits any legal action by all creditors, whose claims originated prior to the said order and seeking for EMT Leverage, EMT Routes, EMT Bâtiment and EMT, to pay an amount of money or the resolution of a contract for non-payment of the said amount.

It should be noted that on August 13, 2015, the amicable conciliation period has ended. Mr. Lahjouji, acting in his capacity of conciliator, will soon meet with the President of the Casablanca Commercial Court to brief him about his mission. Following this meeting, the President of the Casablanca Commercial Court will rule on the next proceedings.

II. Group Membership

Alliances Développement Immobilier is majority owned by the family Nafakh Lazraq, represented by Mr. Mohamed Alami Nafakh Lazraq, majority shareholder and Chief Executive Officer of the company.

To date, Alliances Développement Immobilier is not part of any group.

III. Subsidiarie of Alliances Développement Immobilier

III.1. Organization chart of the Company

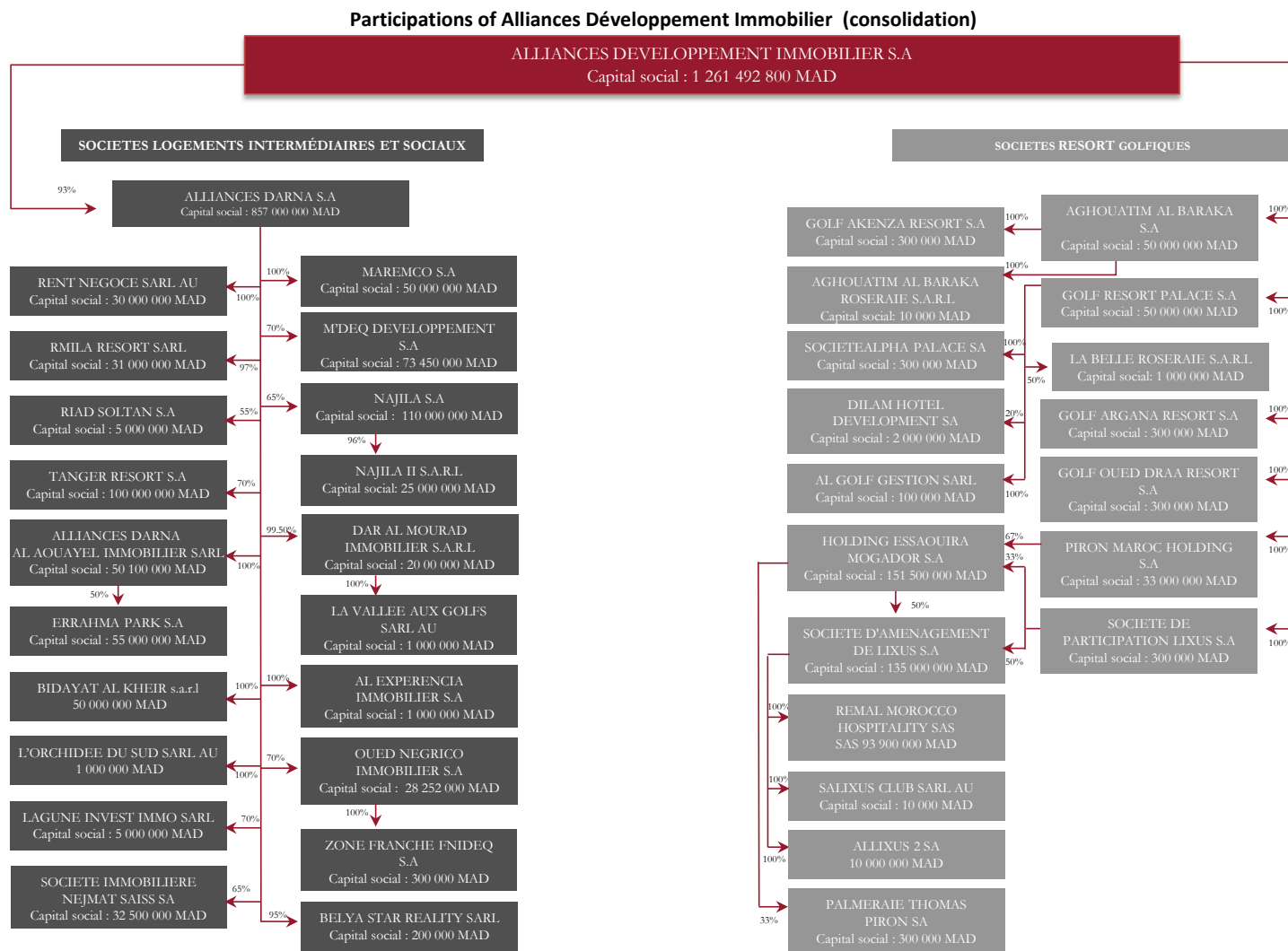
The organization chart of Alliances Développement Immobilier presented below includes all the subsidiaries of the Company and is structured according several sectors of activity:

- Real estate development projects subsidiaries on three segments of the real estate and tourism sector:
 - ✓ Project development subsidiaries of social housing and intermediate housing;
 - ✓ Project development subsidiaries of residential real estate;
 - ✓ Project development subsidiaries of hotels and golf resorts;
- Service subsidiaries with expertise in development, production, marketing and asset management;
- Construction subsidiary.

In 2011, the group Alliances Développement Immobilier updated its organizational structure. Alliances Développement Immobilier now acts as a holding company with strategic functions with subsidiaries whether in the golf resorts sector or in the social housing sector and intermediaries that now have independent management and their own technical, commercial and financial teams.

Other changes were made in the existing sectors, especially the grouping of residential and golf resorts sectors in a single high standing real estate development division.

The organization chart of Alliances Développement Immobilier is as follows:



III.2. Business activity of ADI

III.2.1. Presentation of the business activity of Alliances Développement Immobilier

Since its inception in 1994, the Alliances Développement Immobilier Company has specialized in delegated project management (design, execution and management) of real estate and tourism major projects for international investors and Moroccan institutions. Thus, the Alliances Développement Immobilier Group has positioned itself as a leader in the construction of hotels in Morocco being the preferred partner of institutional and international chains (Accor, Four Seasons Hotels and Resorts, Club Med, Tui, Lucien Barrière, etc.).

Today, the Alliances Développement Immobilier Group is the leading integrated real estate and tourist operator in Morocco. It has three business lines that make up the real estate value creation chain:

- Development ;
- Execution and construction;
- Marketing.

The value chain of Alliances Développement Immobilier Group

	Développement	Réalisation	Commercialisation
Projets pour compte propre	<ul style="list-style-type: none"> ▪ Identification du foncier ; ▪ Etude de faisabilité ; ▪ Concept Architectural ; ▪ Relation avec l'administration ; ▪ Montage du financement ; ▪ Suivi de phases de réalisation et commercialisation. 	<ul style="list-style-type: none"> ▪ Maîtrise d'ouvrage (MO) ; ▪ Contrat général. 	<ul style="list-style-type: none"> ▪ Stratégie marketing et communication ; ▪ Politique de prix ; ▪ Vente directe ; ▪ Vente par prestataires externes ; ▪ Administration des ventes ; ▪ Livraison.
Projets pour compte de tiers	<ul style="list-style-type: none"> ▪ Conseil stratégique ; ▪ Assistance pour le foncier ; ▪ Etude ; ▪ Propositions architectes ; ▪ Relation avec l'Administration ; ▪ Reporting au client. 	<ul style="list-style-type: none"> ▪ Maîtrise d'ouvrage déléguée (MOD) ; ▪ MOD élargie ; ▪ Contractant général ; ▪ Contractant clé en main . 	

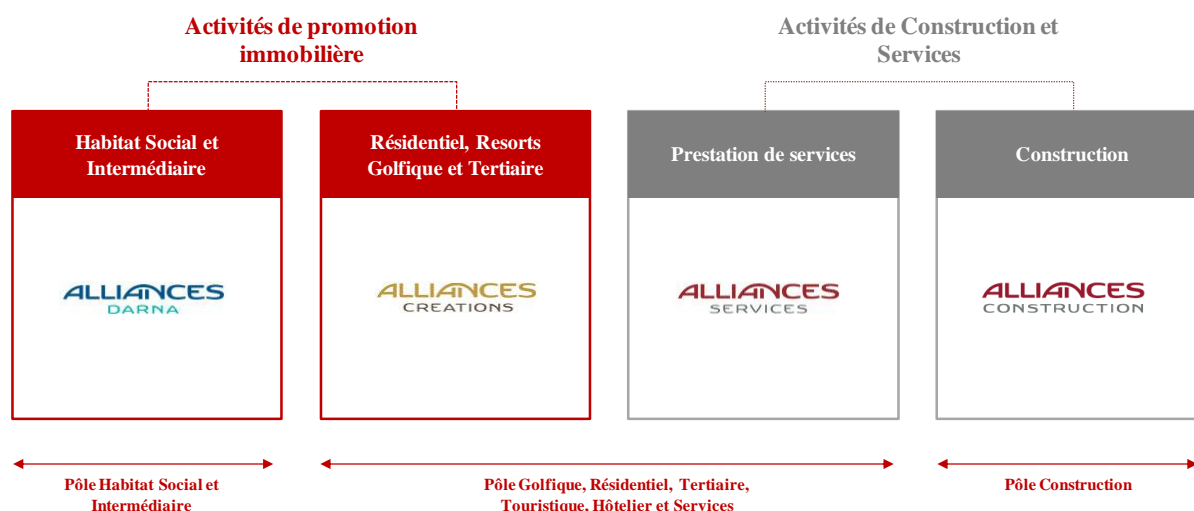
Source: Alliances Développement Immobilier

The Group's business activity is divided as follows:

- The promotion of golf resorts, residential and commercial property and social and intermediate housing thus covering all the range of levels of tourism and residential real estate;
- The provision of project management services (MOD, MOD expanded, general contractor services) for the development and execution of projects on behalf of third parties.

III.2.2. OVERVIEW OF BUSINESS LINES OF ALLIANCES DÉVELOPPEMENT IMMOBILIER

Overview of the businesses of Alliances Développement Immobilier Group on 12.31.2014



Source: Alliances Développement Immobilier

(a) Promotional activity

i) Social and intermediate housing

The group's achievements in the social and intermediate segments fall under the diversification of product offering. In fact, Alliances Développement Immobilier, now, endeavors to highlight its diversification by actively operating throughout the sector of social and intermediate housing through its subsidiary Alliances Darna comprising all the subsidiaries of project development for social intermediary and housing.

In this regard, Alliances Développement Immobilier takes part in the national strategy aiming at the resorption of deficit in social housing, and aims to seize the opportunities of this market segment created by strong demand and a favorable tax environment for developers.

Thus, Alliances Darna has signed several agreements in the framework of the 2010 Finance Act with the aim of taking advantage of tax benefits for the construction of social housing of a price lower or equals to 250 KMAD tax excl. By signing these agreements, Alliances Darna is required to produce a minimum of 500 social housing units over a period of 5 years.

The group will also provide through the social and intermediate housing sector, conceptualized by national and international skills, an urban planning and a quality architecture mindful for sustainable development. This concern for sustainable development translates into landscape projects providing abundant green spaces, but also the integration into the design of projects and recovery of certain notions of appropriate development (craft village, training schools, etc.).

ii) Golfing and Residential Resorts / Tertiary sector

▪ Golfing resorts:

The golfing resorts are developed in the top destinations of Morocco. Designed by internationally renowned architects and designers, these very high-end complexes are built around a golf course, riads and luxury villas and hotels.

The establishment of a management offering for golf, hotel and residential units (delegated to specialized hotel groups) allows Alliances Développement Immobilier to maintain control of its projects in the long term, and thus sustain its revenues.

▪ Residential / Commercial:

The Alliances Développement Immobilier Group anticipates growth opportunities and the needs of local and foreign clients in the segment of residential and tourism real estate capitalizing on the experience accumulated in the framework of development projects in progress as well as through conducting market studies by national and international firms.

Thus, the Alliances Développement Immobilier Group develops a range of quality tourist accommodation (apartments, riads, villas) to meet the requirements of increasingly higher expectations of its clientele composed of local, foreign and Moroccan nationals residing abroad.

(b) Procurement of services activities

▪ Project management

The activities of services procurement to operation carried out by MOD on behalf of Moroccan and international clients (Accor, Somed, TUI-Nouvelles frontières, Actif invest, H Partners, etc.) that use the expertise of Alliances Développement Immobilier to carry out their building projects.

It should be noted that the subsidiaries specialized in promotional activities employ Alliances Développement Immobilier or its subsidiary Alliances MOD for their projects through a procurement of services contract.

Before, Alliances Développement Immobilier was responsible for all services procurement. But in 2011, the group carried out a restructuring of its activities through which Alliances Développement Immobilier S.A. became a strategic holding with autonomous subsidiaries.

The new services procurement contracts are now managed by Alliances MOD company which specializes fully in this sector.

Alliances MOD (agent or delegated contractor) receives the contracting authority permission to manage a number of projects on its behalf, through an engagement agreement. This agreement establishes the missions of Alliances MOD, including the selection of contractors and suppliers, management of work contracts, and other types of benefits.

Alliances MOD intervention methods vary depending on the specificities of each real estate and tourism program:

Delegated Project Management (MOD): ensures the follow up of projects except BET (consultants) and architects

- 1) Support for the developer by the establishment of a team to ensure control of the project on technical, financial and legal levels;
- 2) Interface with the investor and all stakeholders in the project;
- 3) Ensure compliance with the budget and the delays of the implementation of the project ;
- 4) Optimize the cost of production in compliance with quality standards and deadlines.

In such contracts, the remuneration of Alliances MOD is based on a percentage of the amount invested in the project recognized as revenue without charge in return. The subcontractor invoices are issued on behalf of the developer and Alliances MOD does not account the projects in its inventories.

General Contractor: full carrying out of the operation with a budget transparency vis-à-vis the client

- 1) Implementation of the project by the general contractor for a fixed price within the agreed time within the set budget;
- 2) Respect of the project deadlines.

This type of contract is signed by Alliances Développement Immobilier because Alliances MOD has no financial basis to meet the expenses related to the project.

In such contracts, the turnover of Alliances Développement Immobilier is the cost of the project plus a remuneration based on a percentage of the project cost (usually between 8% and 11%) in consideration to all expenses related to the project. The subcontractor invoices are issued in the name of Alliances Développement Immobilier and projects are entered in the inventories of Alliances Développement Immobilier.

Turnkey contract: Complete handling of the project at a budget set by the client. This type of contract is signed by Alliances développement immobilier that acts in total independence (loss or gain for Alliances MOD).

1) Execution of the project through a turnkey contract for a fixed price and within the agreed upon time frame assuming financial risks thereto;

2) Respect of the budget and the time frame.

In this type of contract Alliances Développement Immobilier expects a flat turnover and bear all expenses related to the project (loss or gain on Alliances MOD). The subcontractor invoices are issued in the name of Alliances Développement Immobilier and projects are entered in the inventories of Alliances Développement Immobilier. In case of a delay in delivery, Alliances Développement Immobilier must pay default interest to the client.

Regardless of the type of contract, Alliances Développement Immobilier and Alliances MOD manage all technical specifications related to the project. The group proposes to manage all the technical services to implement a customized offer adapted to the needs of its clients:

1) Technical Global Mission that integrates all project stakeholders (architects, landscape architects, interior designers, technical consultants, etc.);

2) The project owner has a single contact person in terms of the technical specificities of the project;

3) Respect of the budget and the time frame.

Regarding the service procurement domains in which Alliances MOD operates, they focus primarily on the hotels sector.

(c) Construction activities

Through its acquisition of EMT (Entreprise Marocaine des Travaux), EMT Levage et la création d'EMT Bâtiment, EMT Routes et EMT Agrégats, Alliances Développement Immobilier created a construction division, which allows it both to complete its range of integrated services, to be present on the entire value chain to position its services to the highest international standards and support major infrastructure projects in Morocco.

The construction division is composed of the following:

- EMT: construction of complex structures (dams, airport work, special facilities, etc.);
- EMT Levage: rental and sales of special lifting, handling and transport equipment;
- EMT Bâtiment : construction of all sorts of buildings;
- EMT Routes: construction of routes;
- EMT Agrégats : operation of quarries.

However, the group's companies are in financial difficulties and have initiated mutual agreement procedures under Article 550 of the Commercial Code.

**Partie IV. FINANCIAL STATEMENT OF ALLIANCES DÉVELOPPEMENT
IMMOBILIER**

I. Analysis of income and expenses accounts - Consolidated Financial Statements

The following table shows the main indicators of the cash management of consolidated statements of Alliances Développement Immobilier over the last three years:

In KMAD	2012	2013	Var 13-12	2014	Var 14-13
Turnover	4,003,387	4,266,764	6.6%	2,932,352	-31.3%
Change in product inventories	2,100,880	1,525,030	-27.4%	558,198	-63.4%
Capitalized production	13,144	25,068	90.7%	8,648	-65.5%
Production	6,117,412	5,816,862	-4.9%	3,499,198	-39.8%
- Purchases of materials and supplies	3,996,477	3,415,864	-14.5%	2,833,354	-17.1%
- Other external expenses	321,496	363,517	13.1%	375,055	3.2%
Operating expenses	4,317,974	3,779,380	-12.5%	3,208,409	-15.1%
Added value	1,799,438	2,037,482	13.2%	290,789	-85.7%
- Taxes	30,670	62,036	>100,0%	44,178	-28.8%
Staff expenses	432,573	558,987	29.2%	636,388	13.8%
Gross operating profit (EBITDA)	1,336,195	1,416,458	6.0%	-389,777	<-100,0%
+ Other operating revenues	0	8,679	>100,0%	5,256	-39.4%
- Other operating expenses	7,247	22,486	>100,0%	31,722	41.1%
+ operating reversal, transfer expenses	99,787	53,743	-46.1%	79,793	48.5%
- Operating expenses	94,535	92,002	-2.7%	159,836	73.7%
Operating income	1,334,200	1,364,392	2.3%	-496,286	<-100,0%
<i>Operating income/Turnover</i>	<i>33.3%</i>	<i>32.0%</i>	<i>-1.3pts</i>	<i>-16.92%</i>	<i>n.a.</i>
+ Financial income	43,176	171,008	>100,0%	138,878	-18.8%
- Financial expenses	465,899	610,723	31.1%	603,962	-1.1%
Financial income	-422,723	-439,715	-4.0%	-465,084	5.8%
Current pre-tax income	911,477	924,677	1.5%	-961,370	<-100,0%
+ Non current revenues	462,261	39,963	-91.4%	41,886	4.8%
- Non current expenses	131,194	35,109	-73.2%	94,735	169.8%
Non current income	331,067	4,854	-98.5%	-52,849	<-100,0%
Pre-taxes income	1,242,544	929,531	-25.2%	-1,014,219	<-100,0%
- Income tax	108,979	164,920	51.3%	69,355	-57.9%
- Differed taxes	4,956	-9,337	Ns	6,301	<-100,0%
- Amortization of goodwill	49,962	51,628	3.3%	52,517	1.7%
+ Reversals on amortizations of goodwill	10,457	1,638	-84.3%	1,638	0.0%
Post-tax income	1,089,104	723,958	-33.5%	-1,140,753	<-100,0%
Income of equity affiliates	1,630	1,299	-20.3%	1,048	-19.3%
Net income	1,090,735	725,257	-33.5%	-1,139,705	<-100,0%
<i>NI/TO</i>	<i>27.3%</i>	<i>17.0%</i>	<i>-10.2pts</i>	<i>-38.9%</i>	<i><-100,0%</i>
Net income, Group share	874,949	580,322	-33.7%	-968,696	<-100,0%
Minority share	215,785	144,935	-32.8%	-171,010	<-100,0%

Source: Alliances Développement Immobilier

I.1. The main indicators of the consolidated balance sheets for the 2012, 2013 and 2014 fiscal years

The following table details the main indicators of the consolidated balance sheets for the 2012, 2013 and 2014 fiscal years of Alliances Développement Immobilier:

In KMAD					
ASSETS	2012	2013	Var 13-12	2014	Var 14-13
Fixed assets	1 950 804	2,019,946	3,5%	1,839,535	-8.9%
<i>Fixed assets / Total assets (in %)</i>	<i>9,3%</i>	<i>9.00%</i>	<i>-0,3pts</i>	<i>8.25%</i>	<i>-8.3%</i>
Goodwill	679 554	629,237	-7,4%	485,696	-22.8%
Intangible fixed assets	13 433	17,015	26,7%	20,558	20.8%
Tangible fixed assets	994 302	1,046,668	5,3%	1,106,032	5.7%
Financial fixed assets	180 288	244,369	35,5%	173,696	-28.9%
Equity method securities	4 547	4,330	-4,8%	4,446	2.7%
Differed taxes assets	78 681	78,327	-0,5%	49,107	-37.3%
Current assets	18 432 010	20,106,902	9,1%	20,244,036	0.7%
<i>Current assets / Total assets (in %)</i>	<i>88,2%</i>	<i>89.60%</i>	<i>1,4pts</i>	<i>90.80%</i>	<i>1.3%</i>
Inventories	9 707 260	11,378,486	17,2%	12,363,855	8.7%
Receivables on current assets	8 264 597	8,651,062	4,7%	7,792,445	-9.9%
<i>Suppliers, advances and installments</i>	<i>395 453</i>	<i>307,679</i>	<i>-22,2%</i>	<i>326,393</i>	<i>6.1%</i>
<i>Clients</i>	<i>5 104 911</i>	<i>5,070,773</i>	<i>-0,7%</i>	<i>4,357,082</i>	<i>-14.1%</i>
<i>Staff</i>	<i>1 430</i>	<i>1,167</i>	<i>-18,4%</i>	<i>4,290</i>	<i>267.6%</i>
<i>Debtor's state</i>	<i>2 144 191</i>	<i>2,400,707</i>	<i>12,0%</i>	<i>2,301,451</i>	<i>-4.1%</i>
<i>Shareholders' accounts</i>	<i>136 362</i>	<i>139,827</i>	<i>2,5%</i>	<i>142,569</i>	<i>2.0%</i>
<i>Other receivables</i>	<i>366 383</i>	<i>629,893</i>	<i>71,9%</i>	<i>560,776</i>	<i>-11.0%</i>
<i>Adjustment-Assets</i>	<i>115 866</i>	<i>101,017</i>	<i>-12,8%</i>	<i>99,884</i>	<i>-1.1%</i>
Securities and investment securities	460 152	77,354	-83,2%	87,736	13.4%
Treasury – Assets	509 396	302,864	40,5%	212,727	-29.8%
<i>Treasury assets / Total assets (in %)</i>	<i>2,4%</i>	<i>1.40%</i>	<i>-1,1pts</i>	<i>0.95%</i>	<i>-31.9%</i>
Total assets	20 892 210	22,429,712	7,4%	22,296,298	-0.6%

Source: Alliances Développement Immobilier

LIABILITIES	2012	2013	Var 13-12	2014	Var 14-13
Permanent capitals	12 492 140	12,621,182	1,0%	11,522,520	-8.7%
<i>Permanent capitals / Total liabilities (in %)</i>	<i>59,8%</i>	<i>56.30%</i>	<i>-3,5pts</i>	<i>51.68%</i>	<i>-8.2%</i>
Equity (group share)	4 064 369	4,385,760	7,9%	3,451,869	-21.3%
<i>including equity capital</i>	<i>1 210 000</i>	<i>1,224,138</i>	<i>1,2%</i>	<i>1,261,493</i>	<i>3.1%</i>
<i>including issue premiums</i>	<i>643 500</i>	<i>700,050</i>	<i>8,8%</i>	<i>870,390</i>	<i>24.3%</i>
<i>including consolidated reserves</i>	<i>1 335 922</i>	<i>1,881,275</i>	<i>40,8%</i>	<i>2,288,622</i>	<i>21.7%</i>
<i>including currency exchange adjustments</i>	<i>-2,5</i>	<i>-25</i>	<i><-100,0%</i>	<i>60</i>	<i><-100,0%</i>
<i>including net income (group share)</i>	<i>874 949</i>	<i>580,322</i>	<i>-33,7%</i>	<i>-968,696</i>	<i><-100,0%</i>
Minority interest	896 360	851,649	-5,0%	507,503	-40.4%
Bonds redeemable in shares	1 000 000	1,000,000	0%	1,000,000	0.0%
Financial debt	6 066 216	5,948,738	-1,9%	6,121,276	2.9%
Liabilities differed taxes	430 027	402,169	-6,5%	403,428	0.3%
Long term provisions for liabilities and costs	35 169	32,865	-6,6%	38,444	17.0%
Current liabilities	6 337 184	7,622,019	20,3%	8,092,253	6.2%
<i>Current liabilities / Total liabilities (in %)</i>	<i>30,3%</i>	<i>34.00%</i>	<i>3,6pts</i>	<i>36.29%</i>	<i>6.7%</i>
Suppliers	2 492 642	3,515,120	41,0%	3,858,286	9.8%
Customers advances and installments	1 789 164	1,543,499	-13,7%	1,751,203	13.5%
Staff and social	39 721	48,072	21,0%	97,714	>100,0%
Creditors' state	1 000 128	1,193,508	19,3%	1,116,249	-6.5%
Liabilities adjustment accounts	288 920	411,305	42,4%	421,607	2.5%
Current accounts of associates	545 047	637,564	17,0%	684,408	7.3%
Other debts	122 396	217,622	77,8%	128,353	-41.0%
Other Provisions for liabilities and charges	59 164	55,327	-6,5%	34,433	-37.8%
Treasury - Liabilities	2 062 886	2,186,511	6,0%	2,681,524	22.6%
<i>Treasury liabilities / Total liabilities (in %)</i>	<i>9,9%</i>	<i>9.80%</i>	<i>-0,1pts</i>	<i>12.03%</i>	<i>22.7%</i>
Total liabilities	20 892 210	22,429,712	7,4%	22,296,297	-0.6%

Source: Alliances Développement Immobilier

Partie V. RISK FACTORS

Before making any investment decision, prospective investors should carefully consider all risks described in the present Prospectus. This section is not intended to be exhaustive, other risks and uncertainties not known to the Company or that it currently deems to be insignificant could also affect its business. Potential investors are required to make a personal and independent assessment of all investment considerations in bonds redeemable in shares and also read the detailed information set out in other parts of this Prospectus.

I. Risks related to the group

I.1. Risks related to the construction division

The troubles facing EMT, EMT Levage, EMT Bâtiment et EMT Routes companies (the "**Construction Division**") led them to seek an amicable settlement. By order dated April 13, 2015, the President of the Casablanca Commercial Court acceded to their request and appointed a conciliator to assist them in their negotiations with their creditors for a period of three months, renewable once for an additional period one month. By order dated May 8, 2015, the President of the Casablanca Commercial Court ordered the provisional suspension of proceedings of creditors whose claims predate the passing of the said order.

In the absence of visibility on the outcome of such amicable settlement procedures, the Company is not able to decide on the future of the Construction Division of the Company.

Assuming that the current negotiations with creditors of the Construction Division fail within the aforementioned period, EMT, EMT Levage, EMT Bâtiment et EMT Routes would be the subject of a collective procedure: court settlement or liquidation.

The consequences of opening insolvency proceedings against one or more companies of the Construction Division could include:

- Activation of securities and guarantees given by the Company for the Construction Division companies;
- Risk of litigation against the Company related to insolvency proceedings opened against one or several companies of the Construction Division;
- Disruption of supplier credit available for the Alliances Développement Immobilier group;
- Financing difficulties for the Company.

All these risks could have an effect on the financial position of the Company and on its solvency.

A restructuring plan is being negotiated with all the stakeholders.

It should be noted that on August 13, 2015, the amicable conciliation period has ended. Mr. Lahjouji, acting in his capacity of conciliator, will soon meet with the President of the Casablanca Commercial Court to brief him about his mission. Following this meeting, the President of the Casablanca Commercial Court will rule on the next proceedings.

At the date of approval of this Prospectus, the construction division companies have reached arrangements with some creditors- On this basis, the President of the Casablanca Commercial Court may (according to a legal opinion commissioned by ADI):

- Approve the agreement and grant to the companies concerned a payment time limit, as stipulated in the law in force, for loans not included in the agreement. The agreement suspends for the duration of its execution all legal actions and all individual lawsuits seeking payment of claims that are the subject of the lawsuit. In case of breach of the resulting commitments of the agreement, the court shall rescind the said agreement as well as proceeding with the forfeiture of all agreed deadlines for payments ;
- Forward the file to the Chamber in charge of the treatment of corporate difficulties which can rule on either the opening of the insolvency or liquidation proceedings.

I.2. Risks related to the economic environment

The output and growth prospects of Alliances Développement Immobilier are heavily influenced by national economic conditions, international economic growth and the level of interest rates.

I.3. Risks related to competition

The absence of barriers to entry combined with the favorable perspectives that the sector offers are continuously attracting several operators in the real estate market. The multiplication of national as well as international players, may lead to:

- a decrease in margins, due to an increasing competition;
- an increase in the cost of land in certain zones due to higher demand from real estate developers;
- a more difficult access to financing sources;
- a more restricted choice of subcontractors.

I.4. Risks related to tax system changes

Despite the fact that the measures established by the 2010 Finance Act relating to the construction of social housing are guaranteed until 2020, changes in tax regulations and in particular the reduction in tax benefits to investors and purchasers may have a negative influence on the real estate market and consequently affect the financial situation of the sector.

I.5. Risks related to the rise of land costs

Attractive credit terms combined with an important deficit in housing units have increased the demand; and hence, have led to the continuous rising of prices of land in urban areas since few years.

In the same way, the cost of land in tourist areas may also continue to rise, due to increasing competition between sector operators, as well as to the strong demand.

The increase in the cost of land would have a direct impact on the profits generated by Alliances Développement Immobilier. This risk would have been higher, hadn't the company been able to reflect this increase in the final sale prices especially for activities other than golf resorts and luxury projects.

I.6. Risks related to sub-contracting

Within the framework of the real estate programs initiated by Alliances Développement Immobilier, the latter uses the services of outsourcing companies for housing construction. For this purpose, Alliances Développement Immobilier has devised specifications underlining the deadlines as well as the quality of the services required. The subcontracting projects are subject to restricted tender offers by preselected companies, on the basis of their background and qualifications.

A risk factor rises from the unavailability of sufficient number of qualified companies, able to satisfy the requirements laid down in the specifications, in terms of services quality or deadlines. This risk, potentially induced by the multiplication of the competitors, could also have consequences on the prices charged by the subcontractors and can impact profit margins generated by Alliances Développement Immobilier.

I.7. Risks related to the changes in the real estate market

A decrease in the national or foreign demand (due to weak international economic growth) would negatively influence the sector in general, and the volume of business of Alliances Développement Immobilier.

I.8. Risks related to interest rates

A significant rise in the debtor's interest rates applied to the credit contracted by the purchasers would constitute a restrictive factor as for the demand on households.

Although the Alliances Développement Immobilier group has entered into agreements with its banking partners so that future buyers of the products of the group can benefit from attractive rates for credit, a significant increase in rates of interest could have a relatively large impact on the revenue of Alliances Développement Immobilier and more particularly on the volume of business generated by the segment of intermediate housing.

I.9. Risks related to debts

The currently high level of debt ratio of Alliances Développement Immobilier could possibly pose a risk to the solvency of the Group.

I.10. Risks linked to the access to funding

The development of the group necessarily passes by external financing needs Alliances Développement Immobilier finances its needs through its equities, the credit lines and by the clients advances. The difficulties encountered in the Construction Division and its effect on the financial condition of the Company could have a negative effect on the ability of the Company to get advantageous financing, in the event that these difficulties would not be solved by an agreement with creditors of the Construction Division and, more generally, depending on the success of the financial restructuring plan initiated by the Alliances Développement Immobilier group.

II. Risks related to the issued securities Risks related to the market price of bonds redeemable in shares of Alliances Développement Immobilier

The bonds redeemable in shares are exclusively repaid in shares of Alliances development Immobilier.

The market price of the bonds redeemable in shares may fluctuate and fall depending on the fluctuation of the stock prices of Alliances Développement Immobilier which could fall below the issue price of the BRS subject of this Prospectus.

II.2. Risks related to stock prices of Alliances Développement Immobilier

The bonds redeemable in shares being repaid in shares of Alliances Développement Immobilier on the basis of a ratio dependent valuation of Alliances Développement Immobilier shares upon the redemption of the bonds redeemable in shares, holders shall receive an inferior number of Alliances Développement Immobilier shares if the market price of the Company increased and a higher number of the same shares if the share market price of the Company declined.

The Bonds Redeemable in Shares investor shall see a loss on repayment if the issue price of new shares calculated according to the formula agreed upon in this Prospectus is less than the share price on the date of repayment. In the event that the difficulties of the Construction Division would not be resolved by a satisfactory agreement with creditors within the set period, the stock market price of Alliances Développement Immobilier could drop significantly.

Partie VI. LITIGATIONS, CONTENTIOUS CASES AND EXCEPTIONAL EVENTS

At the date of publication of this Prospectus, the Company Alliances Développement Immobilier faces several litigations related to financial difficulties faced by the construction division of the group including EMT, EMT Bâtiments et EMT Routes companies.

The principal legal proceedings involving the Company Alliances Développement Immobilier are as follows:

- Litigation between Alliances Développement Immobilier and CIH on a surety granted by Alliances Développement Immobilier as part of a funding granted by the CIH to EMT Routes company. The dispute amounts to 16 626 358.25 MAD. This dispute is the object of a preventive seizure by the banks;
- Litigation between Alliances Développement Immobilier and CIH on a surety granted by Alliances Développement Immobilier as part of a funding granted by the CIH to EMT Bâtiment company. The dispute amounts to 24,564,519.87 MAD. This dispute is the object of a preventive seizure by the banks;

The main ongoing litigations in the construction division are:

EMT Levage :

- Litigation with Total Maroc for unpaid bills amounting to 1,494,802.47MAD. ;
- Litigation with Pneurama for unpaid bills amounting to 549,744MAD. The court has not ruled in the case yet.

EMT :

- Litigation with Ajdigue for unpaid bills amounting to 1,785,420 MAD.
- Litigation with Avenir Béton for unpaid bills amounting to 981,868 MAD.
- Litigation with Bennis Trans for unpaid bills amounting to 904,085 MAD.
- Litigation with Best Travaux for unpaid bills amounting to 3,301,347 MAD.
- Litigation with Best Travaux for unpaid bills amounting to 792,114 MAD.
- Litigation with BMCI Leasing for unpaid bills amounting to 1,233,417 MAD.
- Litigation with Buzzichelli for unpaid bills amounting to 1,482,293 MAD.
- Litigation with Buzzichelli for unpaid bills amounting to 689,190 MAD.
- Litigation with Buzzichelli for unpaid bills amounting to 689,190 MAD.
- Litigation with Drapor for unpaid bills amounting to 6,480,000 MAD.
- Litigation with Decat Logistique for unpaid bills amounting to 519,249 MAD.
- Litigation with Euro Grue for unpaid bills amounting to 872,827 MAD.
- Litigation with Euro Grue for unpaid bills amounting to 618,787 MAD.
- Litigation with Euro Grue for unpaid bills amounting to 547,459 MAD.
- Litigation with Ijial Travaux for unpaid bills amounting to 1,240,800 MAD.
- Litigation with LPEE for unpaid bills amounting to 7,267,791 MAD.
- Litigation with LPEE for unpaid bills amounting to 2,178,684 MAD.
- Litigation with Maroc Etanche Sofima for unpaid bills amounting to 789,836 MAD.
- Litigation with Maroc Leasing for unpaid bills amounting to 1,235,960 MAD.
- Litigation with MDC Ingenierie for unpaid bills amounting to 1,176,000 MAD.
- Litigation with Pneumatique Bensouda for unpaid bills amounting to 950,260 MAD.
- Litigation with Pneurama for unpaid bills amounting to 1,100,583 MAD.
- Litigation with Protech Maroc for unpaid bills amounting to 1,281,139 MAD.
- Litigation with Revel Maroc for unpaid bills amounting to 1,434,836 MAD.
- Litigation with Rodav for unpaid bills amounting to 1,289,552 MAD.
- Litigation with Romitra for unpaid bills amounting to 508,860 MAD.
- Litigation with Somo Tram for unpaid bills amounting to 4,152,545 MAD.
- Litigation with Soyocotrap for unpaid bills amounting to 2,524,643 MAD.
- Litigation with TP Alliances for unpaid bills amounting to 1,801,166 MAD.
- Litigation with Wafa Bail for unpaid bills amounting to 1,174,936 MAD.
- Litigation with STNT for unpaid bills amounting to 11,149,017 MAD.
- Litigation with Al Yassine for unpaid bills amounting to 2,655,379 MAD.
- Litigation with Mechraa land over a land lease agreement in the amount of 600,000 MAD

- Litigation with EMTL Levage for unpaid bills amounting to 83,996,414 MAD.
- Litigation with SMETRAP for unpaid bills amounting to 10,324,565 MAD.
- Litigation with Assystem for unpaid bills amounting to 814,845 MAD.
- Litigation with SODAP Maroc for unpaid bills amounting to 934,336.40 MAD.
- Litigation with Decat Logistique for unpaid bills amounting to 519,249 MAD.
- Litigation with Plastima for unpaid bills amounting to 729,695 MAD.
- Litigation with Enematrat for unpaid bills amounting to 603,792 MAD.
- Litigation with SDCC for unpaid bills amounting to 6,084,967 MAD.
- Litigation with GTR for unpaid bills amounting to 5,889,154 MAD.
- Litigation with Polyquip for unpaid bills amounting to 1,512,750 MAD.
- Litigation with Echouaif El Hassan for unpaid bills amounting to 6,965,016 MAD.
- Litigation with BES for unpaid bills amounting to 882,235 MAD.
- Litigation with PREFA Maroc for unpaid bills amounting to 2,484,423 MAD.
- Litigation with Salim Trans for unpaid bills amounting to 904,085 MAD.
- Litigation with SODAP Maroc for unpaid bills amounting to 1,535,782 MAD.
- Litigation with Zindi Bureau for unpaid bills amounting to 813,688 MAD.
- Litigation with ETCL for unpaid bills amounting to 1,776,695 MAD.
- Litigation with Polyequip for unpaid bills amounting to 1,080,472 MAD.
- Litigation with Sodap for unpaid bills amounting to 1,818,270 MAD.
- Litigation with Best Travaux for unpaid bills amounting to 761,154 MAD.
- Litigation with TPM for unpaid bills amounting to 2,717,512 MAD.

EMT Bâtiment :

- Litigation with Cosnortium Universal de Bâtiment for unpaid additional work regarding Riad Bernoussi project for 19,000,000 MAD;
- Litigation with Accad Group for unpaid additional work regarding Riad Bernoussi project for 3,897,298 MAD;
- Litigation with SPA for unpaid carpentry work regarding the University Mohamed VI project for 3,468,000 MAD
- Litigation with Socorec for unpaid bills amounting to 1,931,885 MAD
- Litigation with Fonex Alluminium for unpaid bills amounting to 856,100 MAD
- Litigation with Fermespa for unpaid bills amounting to 1,553,820 MAD.
- Litigation with Famasser for unpaid bills amounting to 630,261 MAD.
- Litigation with Hiliti Maroc for unpaid bills amounting to 1,037,284 MAD.
- Litigation with Sofima for unpaid bills amounting to 798,836 MAD.
- Litigation with Wissolide for unpaid bills amounting to 1,062,439 MAD.
- Litigation with Tractra for unpaid bills amounting to 1,830,979 MAD.
- Litigation with Approvisionnement Technique for unpaid bills amounting to 1,374,842 MAD.
- Litigation with Novometal for unpaid bills amounting to 2,124,877 MAD.
- Litigation with SADET for unpaid bills amounting to 1,176,941 MAD.
- Litigation with Capital Ceramique for unpaid bills amounting to 756,772 MAD.
- Litigation with Sonachame for unpaid bills amounting to 8,324,094 MAD.
- Litigation with Holcim Maroc for unpaid bills amounting to 19,143,549 MAD.
- Litigation with Smetrap for unpaid bills amounting to 827,532 MAD.
- Litigation with Unilec for unpaid bills amounting to 629,343 MAD.
- Litigation with Technoelec Doghmi for unpaid bills amounting to 1,600,000 MAD
- Litigation with Multicolles for unpaid bills amounting to 6,110,727 MAD.
- Litigation with Multicolles for unpaid bills amounting to 2,269,781 MAD
- Litigation with Menara Prefa for unpaid bills amounting to 13,714,309 MAD.
- Litigation with Gilmafer for unpaid bills amounting to 1,722,667 MAD

- Litigation with Maroc Leasing for unpaid bills amounting to 5,836,338 MAD.
- Litigation with Comptoir Massar for unpaid bills amounting to 928,666 MAD
- Litigation with Briws for unpaid bills amounting to 536,898 MAD.
- Litigation with FRMS for unpaid bills amounting to 969,173 MAD.

EMT Routes :

- Litigation with Ciments du Maroc for unpaid bills amounting to 1,986,567 MAD.

Thus, the distribution of ongoing litigation by nature is presented below:

In MAD	Amount
Unpaid bills	2,044,546
EMT Levage	2,044,546
<i>% total</i>	<i>0.7%</i>
Unpaid bills	29,437,616
Unpaid instruments	73,527,940
Other	95,735,824
EMT	198,701,380
<i>% total</i>	<i>64.8%</i>
Unpaid bills	9,309,099
Unpaid instruments	66,254,933
Other	28,549,379
EMT Bâtiment	104,113,411
<i>% total</i>	<i>33.9%</i>
Unpaid bills	1,986,567
EMT Routes	1,986,567
<i>% total</i>	<i>0.6%</i>
Total	306,845,905
<i>Unpaid bills</i>	<i>42,777,828</i>
<i>Unpaid instruments</i>	<i>139,782,873</i>
<i>Other</i>	<i>124,285,203</i>

Source: Alliances Développement Immobilier

A presentation of the progress of conciliation proceedings conducted within the construction division companies is presented in part VI.II - Alliances Développement Immobilier Group outlook.

DISCLAIMER

The aforementioned information constitute only a part of the prospectus approved by the Conseil Déontologique des Valeurs Mobilières (CDVM) under reference N° VI/EM/023/2015 on August 17th, 2015.

The CDVM recommends reading of the entire prospectus available for the public in French.