



LES EAUX MINÉRALES D'OULMÈS S.A.
(Oulmès Mineral Waters S.A.)
PROSPECTUS SUMMARY

COMMERCIAL PAPER ISSUANCE PROGRAM

Issuance Program Ceiling: MAD 100,000,000
Face value: MAD 100,000

RESERVED TO THE INVESTORS LISTED IN THE PROSPECTUS
(SUBSCRIPTION METHODS SECTION)

FINANCIAL ADVISOR AND GLOBAL COORDINATOR



UNDERWRITING BODY



APPROVAL OF THE *CONSEIL DEONTOLOGIQUE DES VALEURS MOBILIERES*
(Financial Authority)

In accordance with article 18 of *Dahir* 1-95-3 of 24 Sha'aban 1415 (26 January 1995) promulgating Law 35-94 on certain negotiable debt securities, as amended and supplemented, the original of the present prospectus summary was approved by the *Conseil Déontologique des Valeurs Mobilières*, under the reference number VI/EM/024/2013 on 19th September, 2013.

WARNING

On 19th September 2013, the *Conseil Déontologique des Valeurs Mobilières* (CDVM) approved a prospectus related to the implementation of a commercial paper issuance program by *Les Eaux Minérales d'Oulmès*.

The prospectus approved by CDVM may be consulted at any time at the registered headquarters of *Les Eaux Minérales d'Oulmès* and at its financial advisor, BNCI Finance. It will also be made available at the headquarters of the placement agents.

The prospectus is also available on the CDVM website www.cdvm.gov.ma.

I. OVERALL VIEW OF THE ISSUANCE PROGRAM

I. OBJECTIVES OF THE ISSUE

"Les Eaux Minérales d'Oulmès" Company wishes to embark on a commercial paper issuance programme for the following reasons:

- To optimize its short-term financing costs by wholly or partially replacing its existing bank borrowing with its own commercial paper;
- To meet the working capital requirements generated by its various investments;
- To diversify its sources of finance to enhance its negotiating position with its financial partners;
- To meet specific needs for cash resulting from changes in its need for working capital over the year (driven by fluctuations in the time taken to pay by the Company's counterparties in the high season);
- To consolidate its image among institutional investors by enhancing its profile on the capital markets.

II. INFORMATION ON THE SECURITIES TO BE ISSUED

| | |
|---------------------------------|--|
| Nature of securities | Negotiable debt securities dematerialized by registration with the Central Depository (Maroclear) and registered in an account with authorized affiliates. |
| Legal form | Commercial paper out to bearer |
| Issuance program ceiling | MAD 100,000,000 |
| Face value | MAD 100,000 |
| Maturity | From 10 days to 12 months. To be determined for each issue. |
| Entitlement Date | Date of payment |
| Interest rate | Determined for each issue depending on market conditions |
| Interest | Post-counted |
| Coupon payment | In fine, at due date of each commercial paper |
| Repayment | In fine, at due date of each commercial paper |
| Assimilation clause | The commercial paper issued is not assimilated to any previous issue. |
| Negotiability | No restriction is imposed by the conditions of the issuance in regards to the negotiability of the issued commercial paper. The securities are negotiable by mutual agreement. |
| Guarantee | The issue is not the subject of any guarantee. |

III. FINANCIAL INTERMEDIARIES

| Type of financial intermediary | Title | Address |
|---|--------------|---|
| Financial Advisor & Global Coordinator | BMCI Finance | 26 Place des Nations Unies, 20 000 Casablanca |
| Underwriting body | BMCI | 26 Place des Nations Unies, 20 000 Casablanca |
| Domiciliation agent, providing the Issuer's financial service | BMCI | 26 Place des Nations Unies, 20 000 Casablanca |

II. **P**RESENTATION OF “**L**ES **E**AUX **M**INÉRALES D’**O**ULMÈS” **C**OMPANY

I. GENERAL INFORMATION

| | |
|---|---|
| Company name | <i>Les Eaux Minérales d'Oulmès</i> |
| Head Quarter | Zone Industrielle de Bouskoura, 20180 Casablanca, Morocco |
| Telephone | +212 522 334742 |
| Fax | +212 522 334752/334907 |
| Website | www.oulmes.ma |
| Legal form | Moroccan limited company (<i>Société Anonyme</i>) with a Board of Directors |
| Date of creation | 7 March 1934 under the company name <i>Société des Eaux Minérales d'Oulmès</i> |
| Lifetime | 99 years |
| Trade Register | No. 2215, Casablanca |
| Fiscal year | 1 January–31 December |
| Purpose (Extract: article 3 of the articles of association) | <p>"The Company's objective is:</p> <ul style="list-style-type: none"> - The sourcing and utilization, import, export, industry and trade, in all their forms, of all mineral waters and all waters termed "spring waters" from Morocco and elsewhere, together with all products derived therefrom, natural gas, etc.; - The production, purchase and sale of sparkling beverages, table waters, beers, lemonades, soft drinks and derivatives; - The acquisition, creation, leasing, and direct or indirect operation of any and all workshops, factories or warehouses destined for the above objectives; - The production, purchase, sale, import, export, leasing of any and all materiel relating to its industry or business; - The creation, acquisition, operation of any and all establishments, spas, hotels, casinos, theatres, bars, refreshment stalls etc., playing fields, sports grounds etc., that may be directly or indirectly useful towards the Company's development, towards the sale or exploitation of mineral waters; - Any and all real estate transactions, in particular the purchase, subdivision, sale, exchange of any and all buildings of any kind whether constructed or not yet constructed, the construction of all building projects, the conduct of all works and installation of facilities on behalf of the Company; - The direct or indirect operation of said buildings, taking leasehold of any and all buildings; - Obtaining any and all concessions, authorizations to exploit water sources, etc., from the competent authorities; - Obtaining, purchasing, selling, exploiting any and all |

patents, licences, brands and procedures relating to its industry or its business;

- And, more generally, any and all transactions of a commercial, industrial, financial, real estate or other property nature relating directly or indirectly to the Company's objective or to any and all similar or auxiliary objectives;
- The Company's participation by any and all means in any and all operations, transactions, enterprises and companies that may relate directly or indirectly to the Company's objective, in particular through the creation of new companies, contributions, sponsorship, subscription to or purchase of Company shares or Company rights, mergers, alliance, joint ventures or otherwise."

Share capital (as of 30 June 2013)

MAD 198,000,000 comprising 1,980,000 shares of face value MAD 100 each.

Legal documents

The Company accounting and legal documents that must be made public under the law and also pursuant to the Company's articles of association may be consulted at the Company's registered office.

Legislation applicable to the issuer

By reason of its legal form, "*Les Eaux Minérales d'Oulmès*" is governed by Law 17-95 promulgated by *Dahir* 1-96-124 of 30 August 1996 on limited companies as amended and supplemented the *Dahir* enacting Law 1-08-18 of 23 May 2008 promulgating Law 20-05.

By reason of its activity, the Company is subject to the provisions of Law 10-95 on water as supplemented and amended by Law 19-98 promulgated by *Dahir* 1-99-174 of 16 Rabi' I 1420 (30 June 1999).

By reason of its listing on the Casablanca Stock Exchange, it is subject to all the legal and regulatory provisions relating to the financial markets, and in particular:

- The *Dahir* promulgating Law 1-93-211 of 21 September 1993 on the Casablanca Stock Exchange, amended and supplemented by laws 34-96, 29-00, 52-01 and 54-06;
- The General Regulations of the Casablanca Stock Exchange approved by Decree of the Minister of the Economy and Finance no. 499-98 of 27 July 1998 and amended by order of the Minister of the Economy, Finance, Privatization and Tourism no. 1960-01 of 30 October 2001. The latter order was amended in the draft amendment of June 2004 that entered into force in November 2004 and by order 1268-08 of 07 July 2008;
- The *Dahir* promulgating Law 1-93-212 of 21 September 1993 on the *Conseil Déontologique des Valeurs Mobilières* and the information required from legal persons whose shares are publicly traded, as amended and supplemented by laws 23-01, 36-05 and 44-06;
- *Dahir* 1-96-246 of 9 January 1997 promulgating Law 35-96 on the creation of a central depository and the establishment of a general procedure for registering certain securities in accounts (amended and supplemented by Law 43-02);
- The General Regulations of the central depository approved by order of the Ministry of the Economy,

Finance, Privatization and Tourism no. 1961-01 of 30 October 2001;

- *Dahir* 1-04-21 of 21 April 2004 promulgating Law 26-03 on public offerings on the Moroccan Stock Market as amended by Law 46-06;
- The General Regulations of the *Conseil Déontologique des Valeurs Mobilières* approved by order of the Minister of the Economy and Finance no. 822-08 of 14 April 2008.

Tax regime

The company is subject to a number of taxes and duties:

- VAT at 20% (payment regime: paid on receipt of payment since 2008);
- Corporation Tax of 30%;
- Domestic consumption tax:
 - MAD 8 per hectolitre for waters
 - MAD 30 per hectolitre for flavoured waters containing less than 6% juice.
- Social contributions at (2013 Finance Act):
 - 0.5% on net accounting income from MAD 15 million and up to MAD 25 million exclusive;
 - 1% on net accounting income from MAD 25 million and up to MAD 50 million exclusive;
 - 1.5% on net accounting income from MAD 50 million up to MAD 100 million exclusive;
 - 2% on net accounting income of MAD 100 million and above.
- Municipal tax at a maximum rate of 10 centimes per litre of fraction of a litre of mineral or table waters to be delivered for consumption in bottled form;
- Sales for export are exempted from VAT, domestic consumption tax and recovery of the subsidy on sugar.

Competent court in the event of dispute

Casablanca Commercial Court.

II. INFORMATION CONCERNING THE ISSUER'S SHARE CAPITAL

On December 31st 2012, Les Eaux Minérales d'Oulmès Company's capital stands at MAD 198,000,000. It is fully paid up and comprises 1,980,000 shares of a nominal value of MAD 100, all in the same category.

Shareholding structure

| Shareholders | 12/2010 | 2010 share* | 12/2011 | 2011 share* | 12/2012 | 2012 share* |
|--------------|---------|-------------|---------|-------------|---------|-------------|
| HOLMARCOM | 478 451 | 24.16% | 478 451 | 24.16% | 478 451 | 24.16% |
| OMI | 421 959 | 21.31% | 421 959 | 21.31% | 421 959 | 21.31% |
| ATLANTA | 379 082 | 19.15% | 379 082 | 19.15% | 379 082 | 19.15% |
| SOCHEPAR | 222 087 | 11.22% | 222 087 | 11.22% | 222 087 | 11.22% |
| SANAD | 198 000 | 10.00% | 198 000 | 10.00% | 198 000 | 10.00% |

| | | | | | | |
|-------------------------------|------------------|----------------|------------------|----------------|------------------|----------------|
| BENSALAH Estate and Children | 85 258 | 4.31% | 85 258 | 4.31% | 85 258 | 4.31% |
| Various members of the public | 195 163 | 9.86% | 195 163 | 9.86% | 195 163 | 9.86% |
| TOTAL | 1 980 000 | 100.00% | 1 980 000 | 100.00% | 1 980 000 | 100.00% |

* Each share held carries one voting right.
Source: Les Eaux Minérales d'Oulmès

III. MAIN MANAGERS

As of 25 July 2013, the composition of the Board of Directors of "Les Eaux Minérales d'Oulmès" Company was as follows.

| Name | Position | Date of most recent nomination | Expiry of term of office | Relationship |
|--|--|--------------------------------|---|--|
| Mr. Mohamed Hassan BENSALAH | Chairman and CEO, shareholder | OGM of 24/05/2011 | OGM convened to approve the accounts for the year to 31/12/2016 | Himself |
| Ms. Latifa BENSALAH née EL MOUTARAJJI | Director, shareholder | OGM of 07/05/2008 | OGM convened to approve the accounts for the year to 31/12/2013 | Mother |
| Ms. Miriem BENSALAH CHAQUOUN | Director, Deputy CEO, shareholder, salaried employee | OGM of 20/05/2010 | OGM convened to approve the accounts for the year to 31/12/2015 | Sister |
| Mr. Moulay Amine EL ALAOUI | Independent Director | OGM of 20/05/2010 | OGM convened to approve the accounts for the year to 31/12/2015 | - |
| Mr. Mustapha FARIS | Independent Director | OGM of 27/05/2013 | OGM convened to approve the accounts for the year to 31/12/2018 | - |
| Mr. Abdeltif TAHIRI | Independent Director | OGM of 20/05/2010 | OGM convened to approve the accounts for the year to 31/12/2015 | - |
| HOLMARCOM, represented by Mr. Mohamed Hassan BENSALAH - CEO | Director, shareholder | OGM of 24/05/2012 | OGM convened to approve the accounts for the year to 31/12/2017 | - |
| SANAD, represented by Mr. Abdelilah LAAMARTI (Deputy CEO) | Director, shareholder | OGM of 24/05/2012 | OGM convened to approve the accounts for the year to 31/12/2017 | Mr Mohamed Hassan Bensaleh is himself CEO of SANAD |
| ATLANTA, represented by Mr. Jalal Benckroun (Deputy CEO) | Director, shareholder | OGM of 24/05/2012 | OGM convened to approve the accounts for the year to 31/12/2017 | Mr Mohamed Hassan Bensaleh is himself CEO of ATLANTA |
| OMI, represented by Mr. Karim CHIOUAR (Deputy CEO- Group) | Director, shareholder | OGM of 24/05/2012 | OGM convened to approve the accounts for the year to 31/12/2017 | Mr Mohamed Hassan Bensaleh is himself CEO of OMI |

Source: Les Eaux Minérales d'Oulmès

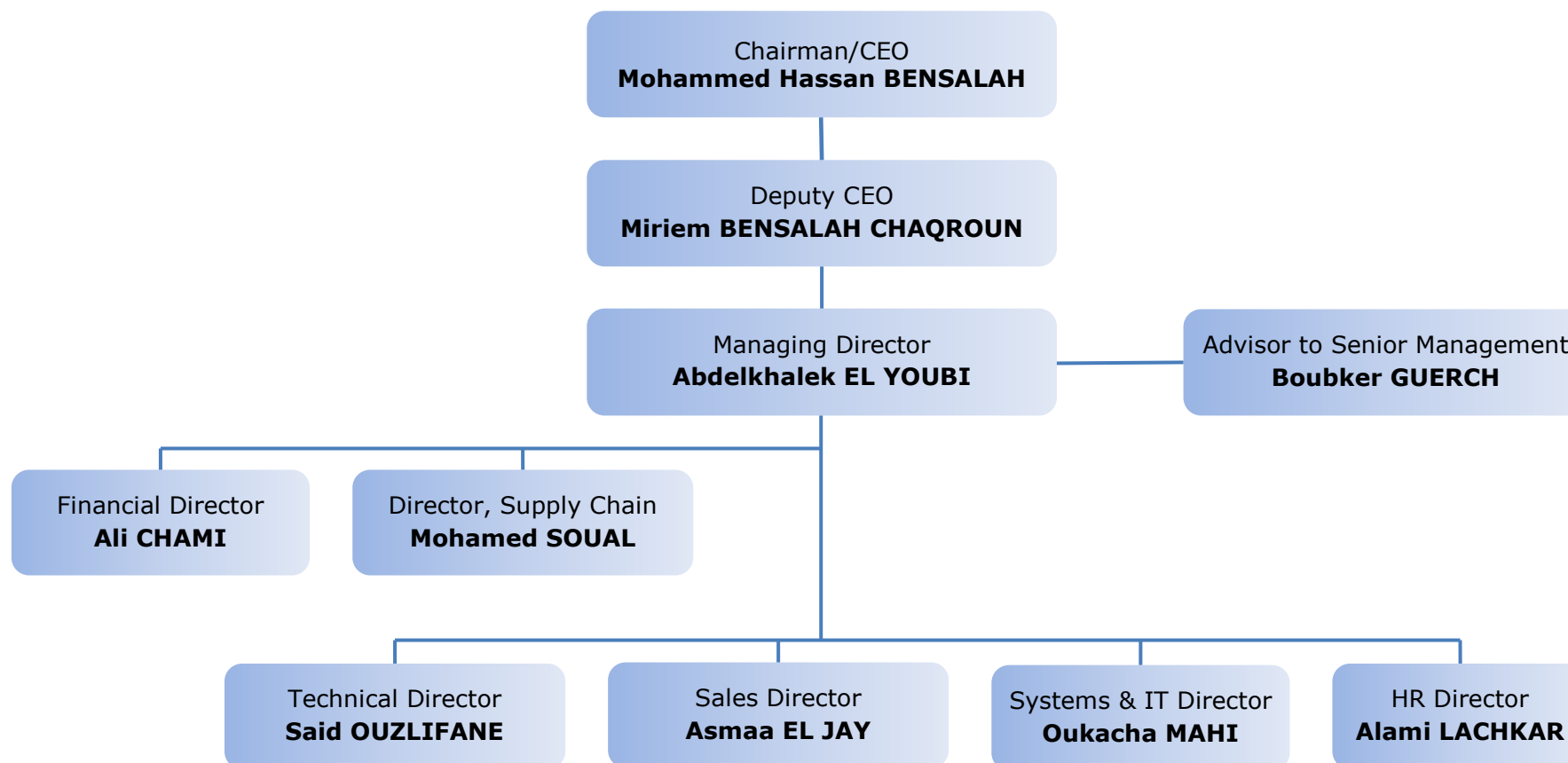
IV. GOVERNING BODIES

On May 30TH2013, the principal officers of Les Eaux Minérales d'Oulmès were the following.

| Name | Date of entry into post | Position |
|------|-------------------------|----------|
|------|-------------------------|----------|

| | | |
|-------------------------------------|---------------|---------------------------------------|
| Mr. Mohamed Hassan Bensalah | 1993 | Chairman/CEO |
| Ms. Miriem Bensalah Chaqroun | November 1989 | Deputy CEO |
| Mr. Abdelkhalek El Youbi | 1995 | Director |
| Mr. Ali Chami | January 2007 | Administrative and Financial Director |
| Mr. Boubker Guerch | 1971 | Advisor to Senior Management |
| Mr. Mohamed Soual | 2000 | Director, Supply Chain |
| Mr. Kamal Dalil | April 2002 | Director, Sales |
| Ms. Asmaa Eljay | May 2007 | Director, Marketing |
| Mr. Oukacha Mahi | July 2001 | Director, Systems and IT |
| Mr. Alami Lachkar | November 2009 | Director, Human Resources |
| Mr. Said Ouzlifane | February 2002 | Technical Director |

Organizational chart of Les Eaux Minérales d'Oulmès Company – Posts



Source: Les Eaux Minérales d'Oulmès

IV. **A**CTIVITIES OF *LES EAUX MINÉRALES D'OULMÈS*
COMPANY

I. STRATEGIC ACTIVITIES¹

Les Eaux Minérales d'Oulmès Company's activities include the following:

- The sourcing, utilization and marketing of natural still mineral water, natural sparkling mineral water, and any and all products derived therefrom, such as carbon dioxide, etc.;
- The production and marketing of purified still water;
- The production of preforms to meet the needs of the Oulmès company.

It should be noted that until 31 December 2010, the company used to make and market soft drinks.

II. PRODUCT LINES

1. Natural mineral waters segment

Les Eaux Minérales d'Oulmès Company operates two concessions within a radius of 30 km of Oulmès itself. In order to protect the water sources from any and all forms of pollution, the Company has set up a protection perimeter, in accordance with Law 10-95.

- Principal provisions of the first operating concession of the Sidi Ali Chérif and Lalla Haya springs:
 - Date obtained: 1934
 - Date renewed: 1 December 2010, for 25 years.

There are two springs that rise in this area and are used by *Les Eaux Minérales d'Oulmès*: Sidi Ali Chérif and Lalla Haya.

- Principal provisions of the second operating concession for the Hammou Aguemguem spring:
 - Date obtained: 10 January 2009, for 30 years.

| | Sidi Ali Chérif | Lalla Haya | Hammou Aguemguem |
|---------------------|--|---|---|
| Locations | In Khemisset province, these springs of natural mineral water rise in the heart of the Zayan [1] volcanic massif, at an altitude of 1,100 m on the western slopes of the Middle Atlas. | | |
| | This spring lies in the bed of the Wadi Talat Narsset, a small tributary on the right bank of Wadi Aguenhour, at about 3 km from Tarmilate. | The springs are on the banks of Wadi Aguenhour, at an altitude of 552 m, at the foot of the Tarmilate plateau and the Zguit massif. | This spring ² rises out of the basalt of the Middle Atlas mountains 4 km from Oulmès itself and 25 km from Tarmilate bottling plant, on the road to Khenifra . |
| Date first marketed | 1978 | 1934 | 2009 |
| Type of product | Natural still mineral water | Natural sparkling mineral water | Natural still mineral water |
| Product brand | Sidi Ali | Oulmès | Ain Atlas |
| Product description | Natural mineral water originating underground and emerging at the surface at a temperature of 19°C. As it rises towards the surface, it picks up minerals and trace elements. | A naturally sparkling mineral water (8 grams/litre of CO ₂) which emerges from granite rocks through fissures at a temperature of 42.6°C. | A natural mineral water which forms under the Earth's crust. It is pure, shielded against any surface pollution. Particularly rich in trace elements of all kinds. |
| Packaging/Format | Packsof: - 12x33 cl PET bottles - 12x50 cl PET bottles - 6x150 cl PET bottles | <u>Traditional (<i>Oulmès classique</i>)</u> Packs of: - 12x50 cl PET bottles - 6x100 cl PET bottles | Packs of - 12x50 cl PET bottles - 12x33 cl PET bottles (launched in 2013) - 6x150 cl PET bottles |

² Hammou Aguemguem has officially been a natural mineral water since mid-2012. It should be recalled that to be a water from a natural spring, the company must prove that its physical and chemical components remain stable for a certain period (generally four seasons, i.e., one year). After this, once the water is on the market and if the company wants to label its water "natural mineral water", it must provide a study proving that its spring water is of therapeutic interest. Generally, the company turns to a panel of multidisciplinary university researchers including several medical doctors to carry out the study. Their report is then annexed to a request for official certification addressed to the Spa Committee (*Comité de Thermalisme*), under the Ministry of Health, which rule on the application. The certification process is a long one, and two years is how long it usually takes, based on empirical data from the field.

[1] The Zayan massif is essentially an eruptive massif built up by very ancient volcanism, dating from the end of the Paleozoic, and more recent volcanism, at the end of the Tertiary.

| Sidi Ali Chérif | Lalla Haya | Hammou Aguemguem |
|------------------------------------|---|-------------------------|
| - 6×75 cl PET bottles (sports cap) | Plastic crates of: | - 2×5 litre PET bottles |
| 1 litre and 75 cl glass bottles | - 30×25 cl in returnable glass bottles | |
| <u>Flavoured Sidi Ali water</u> | - 12×90 cl in returnable glass bottles | |
| - 12×33 cl PET bottles | - 12×100 cl in returnable glass bottles | |
| | Packs of: | |
| | - 6×25 cl cans | |
| | - 12×25 cl cans | |
| | <u>Light (Oulmès légère)</u> | |
| | - 12×50 cl PET bottles | |
| | - 6×100 cl PET bottles | |

2. Table water segment

Since 2001, *Les Eaux Minérales d'Oulmès* Company has also taken a position in the table water market with its launch of its Bahia brand. This product is bottled at sites in Casablanca and Tan Tan. It should be noted that a new production site to bottle Bahia table waters in TAN TAN came on line towards end 2010.

The Casablanca site uses water supplied by Lydec, the local utility.

The Tan Tan site has a concession to operate a wall that provides drinkable water:

- Date concession obtained: 24 September 2012, for 30 years.

Bahia is a purified table water. In fact, it undergoes demineralization by reverse osmosis,³ together with deodorization and disinfection.

Bahia table water is both produced and packaged at the Bouskoura III site:

- In 18.9 litre PET water-cooler containers.

Additionally, Bahia table water is bottled at both the Tan Tan AND the Bouskoura III sites:

- In packs of 6×150 cl PET bottles
- In packs of 2×5 litre PET bottles.

³ In reverse osmosis, mechanical pressure is applied to an impure solution in order to force the water in it to pass through a semi-permeable membrane. The process is called reverse osmosis because in normal osmosis, pure water would go in the opposite direction in order to dilute the impurities.

III. COMMERCIAL AND GEOGRAPHICAL POSITIONING OF OULMÈS MINERAL WATERS

Breakdown of gross sales before reductions, discounts and rebates by volume and value per product type (in thousand MAD)

| Activity/Brand | 2010 | | 2011 | | 2012 | | Change 2011-2010 | | Change 2012-2011 | | Mean annual rate of growth | |
|------------------------------|-----------------------|-------------------|-----------------------|-------------------|-----------------------|-------------------|------------------|---------------|------------------|---------------|----------------------------|---------------|
| | Volume in '000 litres | Sales in '000 MAD | Volume in '000 litres | Sales in '000 MAD | Volume in '000 litres | Sales in '000 MAD | Volume | Sales | Volume | Sales | Volume | Sales |
| Natural Mineral Water | 290 300 | 749 182 | 322 109 | 840 268 | 360 048 | 978 707 | 11.00% | 12.20% | 11.80% | 16.50% | 11.40% | 14.30% |
| Share | 73.0% | 84.8% | 74.6% | 85.8% | 74.4% | 86.4% | 1.6 pts | 1.0 pts | -0.2 pts | 0.6 pts | - | - |
| Sidi Ali | 232 528 | 581 413 | 256 761 | 655 668 | 279 774 | 768 396 | 10.40% | 12.80% | 9.00% | 17.20% | 9.70% | 15.00% |
| Share | 80.1% | 77.6% | 79.7% | 78.0% | 77.7% | 78.5% | -0.4 pts | 0.4 pts | -2.0 pts | 0.5 pts | - | - |
| Oulmès | 31 412 | 132 362 | 33 068 | 140 196 | 34 732 | 146 755 | 5.30% | 5.90% | 5.00% | 4.70% | 5.20% | 5.30% |
| Share | 10.8% | 17.7% | 10.3% | 16.7% | 9.6% | 15.0% | -0.6 pts | -1.0 pts | -0.6 pts | -1.7 pts | - | - |
| Ain Atlas | 26 361 | 35 407 | 32 280 | 44 404 | 45 542 | 63 557 | 22.50% | 25.40% | 41.10% | 43.10% | 31.40% | 34.0% |
| Share | 9.1% | 4.7% | 10.0% | 5.3% | 12.6% | 6.5% | 0.9 pts | 0.6 pts | 2.6 pts | 1.2 pts | - | - |
| Table Water | 107 501 | 134 339 | 109 948 | 138 637 | 123 710 | 154 639 | 2.30% | 3.20% | 12.50% | 11.50% | 7.40% | 7.40% |
| Share | 27.0% | 15.2% | 25.4% | 14.2% | 25.6% | 13.6% | -1.6 pts | -1.0 pts | 0.1 pts | -0.5 pts | - | - |
| Bahia | 107 501 | 134 339 | 109 948 | 138 637 | 123 710 | 154 639 | 2.30% | 3.20% | 12.50% | 11.50% | 7.40% | 7.40% |
| Share | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | - | - | - | - | - | - |
| Overall total | 397 801 | 883 521 | 432 057 | 978 905 | 483 758 | 1 133 347 | 8.60% | 10.80% | 12.00% | 15.80% | 10.30% | 13.30% |

Source: Les Eaux Minérales d'Oulmès

**IV. FINANCIAL SITUATION OF *LES EAUX MINÉRALES
D'OULMÈS* – ANNUAL COMPANY ACCOUNTS**

I. INCOME AND EXPENSES ACCOUNT OF *LES EAUX MINÉRALES D'OULMÈS* COMPANY

The table below sets forth in detail the changes in the Income and Expenses account of *Les Eaux Minérales d'Oulmès* Company for the financial years ending 31 December 2010 pro forma, 2011 and 2012.

| In thousand MAD | 2010 | | | 2011 S | 2012 S | Change 2010 pro forma-2011 S | Change 2011-2012 S | Mean annual rate of growth |
|---|-----------------|-------------------|------------------|------------------|------------------|------------------------------|--------------------|----------------------------|
| | Soft drinks | Water (pro forma) | Total (Company) | | | | | |
| Operating income | | | | | | | | |
| Sale of merchandise (as is) | 0 | 757 | 757 | 74 180 | 40 | >100% | -99.9% | -77.0% |
| Sale of goods and services produced | 340 012 | 875 363 | 1 215 375 | 1 026 200 | 1 129 250 | 17.2% | 10.0% | 13.6% |
| Turnover | 340 012 | 876 119 | 1 216 132 | 1 100 380 | 1 129 289 | 25.6% | 2.6% | 13.5% |
| Change in product inventory (+ or -) | -3 633 | -436 | -4 069 | -8 174 | -1 250 | >100% | -84.7% | - |
| Assets manufactured by the company itself | 0 | 0 | 0 | 8 887 | 0 | | | |
| Operating subsidies | 6 535 | 0 | 6 535 | 0 | | | | |
| Operating reversals: transfer of charges | 2 670 | 7 243 | 9 912 | 25 962 | 13 605 | >100% | -47.6% | 37.1% |
| Total | 345 584 | 882 926 | 1 228 510 | 1 127 054 | 1 141 645 | 27.6% | 1.3% | 13.7% |
| Operating charges | | | | | | | | |
| Costs of goods sold | 0 | 1 447 | 1 447 | 67 481 | 6 318 | >100% | -90.6% | >100% |
| Costs of supplies and consumables | 242 223 | 295 613 | 537 836 | 420 561 | 397 756 | 42.3% | -5.4% | 16.0% |
| Other external charges | 84 212 | 209 154 | 293 365 | 286 318 | 297 609 | 36.9% | 3.9% | 19.3% |
| Taxes and duties | 29 409 | 76 223 | 105 632 | 86 986 | 94 505 | 14.1% | 8.6% | 11.3% |
| Personnel charges | 33 300 | 88 728 | 122 027 | 108 115 | 126 998 | 21.9% | 17.5% | 19.6% |
| Other operating charges | 379 | 971 | 1 350 | 1 406 | 1 375 | 44.9% | -2.2% | 19.0% |
| Operating charges to provisions | 62 566 | 61 475 | 124 041 | 104 335 | 101 674 | 69.7% | -2.6% | 28.6% |
| Total | 452 089 | 733 610 | 1 185 699 | 1 075 202 | 1 026 236 | 46.6% | -4.6% | 18.3% |
| Operating income | -106 505 | 149 316 | 42 811 | 51 852 | 115 410 | -65.3% | >100% | -12.1% |
| Financial income | | | | | | | | |
| Exchange gains | 3 541 | 1 354 | 4 895 | 1 327 | 827 | -2.0% | -37.7% | -21.9% |

| In thousand MAD | 2010 | | | 2011 S | 2012 S | Change 2010 pro forma-2011 S | Change 2011-2012 S | Mean annual rate of growth |
|---|-----------------|-------------------|-----------------|----------------|----------------|------------------------------|--------------------|----------------------------|
| | Soft drinks | Water (pro forma) | Total (Company) | | | | | |
| Interest and other financial income | 0 | 0 | 0 | 0 | 95 | | | |
| Financial reversals: transfer of charges | 130 | 333 | 463 | 186 | 59 | -44.2% | -68.4% | -58.0% |
| Total | 3 671 | 1 687 | 5 358 | 1 514 | 980 | -10.3% | -35.2% | -23.8% |
| Financial charges | | | 0 | | | | | |
| Interest charges | 8 296 | 21 275 | 29 571 | 21 936 | 20764 | 3.1% | -5.3% | -1.2% |
| Exchange losses | 1 778 | 1 464 | 3 242 | 1 218 | 1231 | -16.8% | 1.1% | -8.3% |
| Financial provisions | 52 | 134 | 186 | 59 | 90 | -56.0% | 53.1% | -17.9% |
| Total | 10 127 | 22 873 | 32 999 | 23 212 | 22 085 | 1.5% | -4.9% | -1.7% |
| Financial result | -6 456 | -21 186 | -27 641 | -21 699 | -21 105 | -2.4% | 2.7% | |
| Recurrent income | -112 961 | 128 130 | 15 170 | 30 154 | 94 305 | -76.5% | 212.7% | -14.2% |
| Non-recurrent income | | | | | | | | |
| Income from disposal of assets | 411 637 | 75 | 411 712 | 318 | 235 | >100% | -26.2% | 77.3% |
| Other non-recurrent income | 0 | 3 013 | 3 013 | 3 179 | 4 803 | 5.5% | 51.1% | 26.3% |
| Total | 411 637 | 3 088 | 414 725 | 3 497 | 5 037 | 13.3% | 44.1% | 27.7% |
| Non-recurrent charges | | | 0 | | | | | |
| Net amortization values of assets disposed of | 252 742 | 0 | 252 742 | 104 | 234 | - | >100% | |
| Other non-recurrent charges | 18 374 | 1 462 | 19 836 | 400 | 1 631 | -72.6% | >100% | 5.6% |
| Non-recurrent depreciation and provisions | 0 | 0 | 0 | 0 | 966 | | | |
| Total | 271 115 | 1 462 | 272 577 | 505 | 2 831 | -65.5% | >100% | 39.1% |
| Non-operating income | 140 522 | 1 626 | 142 148 | 2 992 | 2207 | 84.0% | -26.2% | 16.5% |
| Profit before tax | 27 561 | 129 756 | 157 318 | 33 146 | 96 512 | -74.5% | >100% | -13.8% |
| Tax on profit | 10 979 | 38 927 | 49 906 | 8 655 | 31 517 | -77.8% | >100% | -10.0% |
| Net result | 16 583 | 90 829 | 107 412 | 24 491 | 64 995 | -73.0% | >100% | -15.4% |

Source: Les Eaux Minérales d'Oulmès

II. BALANCE SHEET ANALYSIS

The following table sets forth the historical balance sheet data for *Les Eaux Minérales d'Oulmès* for the financial years ending 31 December 2010 pro forma, 2011 and 2012.

| In thousand MAD | 2010 | | | 2011 S | 2012 S | Change 2010 pro forma-2011 S | Change 2011-2012 S | Mean annual rate of growth |
|---|----------------|-------------------|-----------------|------------------|------------------|------------------------------|--------------------|----------------------------|
| | Soft drinks | Water (pro forma) | Total (Company) | | | | | |
| Nil-value assets | 3103 | 1034 | 4137 | 15 865 | 15 938 | >100% | 0.5% | 96.3% |
| Intangible assets | 0 | 4841 | 4841 | 5 322 | 5 755 | 9.9% | 8.1% | 9.0% |
| Tangible assets | 0 | 579 845 | 579 845 | 685 065 | 748 453 | 18.1% | 9.3% | 13.6% |
| Financial assets | 235 | 1414 | 1649 | 1 649 | 1 413 | 16.6% | -14.3% | 0.0% |
| Translation adjustments | 0 | 0 | 0 | 0 | 0 | | | |
| Fixed assets | 3338 | 587 134 | 590 471 | 707 901 | 771 560 | 20.6% | 9.0% | 14.6% |
| Stocks | 81 703 | 57 376 | 139 078 | 65 493 | 107 674 | 14.1% | 64.4% | 37.0% |
| Operating receivables | 517 260 | 248 026 | 765 286 | 305 479 | 275 019 | 23.2% | -10.0% | 5.3% |
| Marketable securities | 0 | 58 | 58 | 58 | 58 | 0.0% | 0.0% | 0.0% |
| Translation adjustments | 52 | 134 | 186 | 59 | 90 | -56.0% | 52.5% | -18.0% |
| Current assets | 599 015 | 305 593 | 904 608 | 371 088 | 382 841 | 21.4% | 3.2% | 11.9% |
| Cash assets | | 9 012 | | 10 636 | 29 063 | | 173.3% | |
| Total assets | | 1 504 092 | | 1 089 625 | 1 183 463 | -27.6% | 8.6% | -11.3% |
| Own capital | | 540 377 | | 446 068 | 487 302 | -17.5% | 9.2% | -5.0% |
| Shareholders' or staff equity | | 0 | | 0 | 0 | - | | - |
| Financing debts | | 124 168 | | 88 591 | 50 738 | -28.7% | -42.7% | -36.1% |
| Long-term provisions for contingent liabilities and charges | | 0 | | 0 | 0 | - | | - |
| Translation adjustments | | 0 | | 0 | 0 | - | | - |
| Long-term financing | | 664 545 | | 534 659 | 538 041 | -19.5% | 0.6% | -10.0% |
| Debts on current liabilities | 137 048 | 228 977 | 366 024 | 247 217 | 317 053 | 8.0% | 28.2% | 17.7% |
| Other provisions for contingent liabilities and charges | 7 665 | 134 | 7 799 | 789 | 1 786 | >100% | 126.4% | >100% |
| Translation adjustments | 80 | 74 | 155 | 98 | 49 | 32.4% | -50.0% | -19.0% |
| Current liabilities | 144 793 | 229 185 | 373 978 | 248 103 | 318 888 | 8.2% | 28.5% | 18.0% |
| Cash liabilities | | 465 569 | | 306 863 | 326 535 | -34.1% | 6.4% | -16.3% |
| Total liabilities | | 1 504 092 | | 1 089 625 | 1 183 463 | -27.6% | 8.6% | -11.3% |

Source: *Les Eaux Minérales d'Oulmès*

IV. RISK FACTORS

I. RISK FROM COMPETITION

The current operators in the mineral water sector do confront a risk of the entry onto the market of new local products. However, given the scale of the financial, human and operational investment involved in such an operation, the chances of it succeeding are negligible.

The fall in customs duty is favouring imports of foreign mineral waters. However, the effect of such imports should be limited, given the significant barriers resulting from the lack of a distribution network and the significant transport costs.

Given its low market value relative to its volume, "Water" cannot be profitably marketed as a product unless it follows the proximity principle. That said, customs duties can be as much as 25% before VAT.

In 2012, imported mineral waters represented less than 0.6% of total sales volume.

II. REGULATORY RISK

In addition to the risks faced by the sector as a whole, the company also faces the following risks:

- The risk that its concession will not be renewed: in this regard, however, the State has undertaken not to grant any similar concession for the use of mineral waters for bottling within 30 km of the Oulmès triangulation point without a prior invitation to *Les Eaux Minérales d'Oulmès* Company to submit a concession application that will, all things being equal, have priority over all other analogous applications. Currently, the Company has two concessions that are being operated: the Sidi Ali/Oulmès application that was signed in 2010 for the following 25 years, and the Ain Atlas concession that was signed in 2009 for the next 30 years.
- The risk of the concession's being bought back: the State can buy the concession back at any time. In the event that the State takes advantage of this provision, it would be obliged to warn the concession-holder at least two years in advance.
- The risk of the Company losing its authorization: Law 10-95 sets forth conditions and prerequisites for exploiting natural resources. Only non-compliance with those regulatory conditions can provide cause to modify the concession contract unless the public interest is threatened (which would be in the event of force majeure), in which case such modification, reduction or revocation may give rise to a right to compensation to the holder of the authorization, if the holder is directly prejudiced thereby.
- Since 1933, when the first concession was granted, *Les Eaux Minérales d'Oulmès* has always taken care to abide scrupulously by the conditions set in the concession contracts:
 - Creation of an R&D department which works in close cooperation with the Basin Agency in order to keep the Company in a state of constant alert to ensure that its operations are progressing properly. The Agency coordinates sampling, water capture and transmission of all information to the State's oversight bodies;
 - Creation of a "Quality Directorate" that can intervene at any time anywhere along the production chain in order to verify that the water that has been conceded is in constant compliance with the State's obligations in health matters. That is why samples are taken every half hour to be sent for chemical, sanitary and mineralogical analysis.

Most recently, *Les Eaux Minérales d'Oulmès* Company has diversified its activities by launching a table water, so that the Company's dependence on natural mineral water is reduced.

III. EXCHANGE RATE RISK

The exchange rate risk affects imported packaging products (PET, preforms and caps). However, this risk is very small since the principal import currencies, i.e., the euro and the US dollar, have a correlation coefficient that is very strongly negative (close to -1).

IV. RISK FROM CLIENT DEFAULT

The risk from default among *Les Eaux Minérales d'Oulmès* Company's clients is very low because sales are spread over a whole set of distribution channels, each of which has several tens if not hundreds of clients. This fact means that the Company's dependence on any one client and the impact of any one client's default is very slight given the size of the Company.

V. HEALTH HAZARD RISK

By reason of its activity in the industrial processing of all waters termed “spring waters”, the *Les Eaux Minérales d’Oulmès* Company is exposed to a health hazard risk in the process of producing bottled waters. To counter it, the Company has put in place a whole process aimed at improving the quality of the products it markets.

VI. ENVIRONMENTAL RISK

In the production of natural and sparkling mineral waters, and table water, water use is the principal input to the production process, and on the other hand is also used to clean the glass containers and bottle crates that will hold the final product. To achieve this, some sites dispose of wastewater into the urban sewerage systems of the cities where the plants are located, which could have a possible negative environmental impact.

In an awareness of the issue, in 2011 the Company engaged in a process toward certification in environmental management under ISO 14000, which it successfully obtained in 2012.

In that context, *Les Eaux Minérales d’Oulmès* Company has taken the following specific actions:

- ✓ Designing lightweight, environmentally friendly packaging.
- ✓ Putting in place and environmental protection charter.
- ✓ Protecting the Oulmès forest surrounding the Tarmilate plant and raising awareness among the local farmers about the dangers of pesticides.
- ✓ Preserving the springs by means of three protective cordons (sanitary, close in, further out).
- ✓ Planting trees around the water sources it uses.

VII. RISK FROM CHANGES IN TAXATION

In June 2013, *Les Eaux Minérales d’Oulmès* Company received notice of tax audit from the General Directorate of Taxes.

The audit work was to be on corporation tax, general income tax and value added tax for tax years that were not stipulated. The procedure, which is theoretically to take a year at most, began in July 2013. On the date of issuance, the Company has not received any notification of a possible tax adjustment and therefore has nothing that it can say concerning the conclusions of the audit exercise. A tax audit is nothing unusual in the life of a company, and Oulmès is not in the least concerned about it.

In any event, the Company will defend its fiscal rights by all means at its disposal in the event that it receives a tax assessment that it does not believe is justified.

Warning

The above information represents only part of the prospectus approved by the *Conseil Déontologique des Valeurs Mobilières* (CDVM) under reference no.VI/EM/024/2013 on 19TH September 2013.

The CDVM advises reading the entire prospectus available to the public in French.