



MAGHREB STEEL

PROSPECTUS SUMMARY

Issue of Commercial Paper

(Update in 2011)

ISSUE PROGRAM CEILING: MAD 1 500 000 000

FACE VALUE: MAD 100 000

Financial Advisor

BMCE CAPITAL 
CONSEIL

Book Runner

BMCE BANK 

Approval of *Conseil Déontologique des Valeurs Mobilières* (Financial Authority)

In compliance with the provisions of 18 of Dahir n° 1-95- of 24 Chaabane 1415 (26 January 1995) enacting law n° 35-94 pursuant to certain negotiable debt securities, the original version of the present information note a submitted for approval by the Stock Market Ethics Board (CDVM) which affixed its stamp thereto on Septembre 26th, 2012 under reference n° VI/EM/034/2012.

The visa of the Stock Market Ethics Board in no way implies approval of the opportunity afforded by the operation or authentication of the information contained herein. It was accorded after examination of the pertinence and coherence of the information given in view of the operation proposed to the investors.

Warning

The *Conseil déontologique des valeurs mobilières* (CDVM) stamped on an information record pursuant to the issue of commercial papers by Maghreb Steel.

The CDVM information report approved by CDVM is available at any time at the Maghreb Steel headquarters and from the financial advisor. It is also consultable within a maximum timeframe of 48 hours at the order collector institutions.

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

PART I – INTRODUCTION TO THE OPERATION

I. Objectives

- To substitute a part of the cash facility and reduce refinancing in currency of the import of raw materials;
- To confront rising working capital needs of the company brought on by the jump in activity;
- To diversify the sources of financing for better negotiations with the company's financial partners thereby optimizing cash flow and reducing financial costs.

II. Characteristics of Commercial papers to be issued

Table 1 – Information on securities to be issued

Nature of securities	Marketable debt securities dematerialized by registration in the central depository (Maroclear) and placed on accounts at authorized affiliates.
Legal form of securities	Treasury bills written out to bearer
Issue ceiling	MAD 1 500 000 000
Par value	MAD 100 000
Maturity	From 10 days to 12 months
Date of entitlement	At date of payment
Interest rate	Determined for each issue in accordance with market conditions
Interest	Post-account
Payment of coupon	In fine, i.e. at the expiry date of each bill
Repayment of capital	In fine, i.e. at the expiry date of each bill
Assimilation clause	The Commercial papers issued in no way will be assimilated into the securities of a previous issue
Negotiability of securities	No restriction is imposed by the terms of issue on the negotiability of the Commercial papers issued. The securities are tradable over the counter.
Guarantee	This issue is not attached to any guarantee

III. Issued commercial papers market

Table 2 – Issues not yet expired on 26 June 2012

Global Amount	Duration	Entitlement	Due date	Par value
150 000 000	12 months	03/01/2012	28/12/2012	4.55%
150 000 000	12 months	04/01/2012	02/01/2013	4.55%
50 000 000	12 months	09/01/2012	07/01/2013	4.55%
250 000 000	12 months	29/02/2012	27/02/2013	4.55%
100 000 000	12 months	20/03/2012	19/03/2013	4.70%
90 000 000	12 months	11/04/2012	10/04/2013	4.50%
100 000 000	3 months	16/05/2012	16/08/2012	4.10%
50 000 000	12 months	23/05/2012	22/05/2013	4.55%
20 000 000	12 months	05/06/2012	04/06/2013	4.55%

Source: BMCE Bank

The outstanding Commercial papers issued by Maghreb Steel amount to MAD 960,0 Mn on June 26th, 2012.

IV. Body entrusted with investment – financial intermediaries

Financial Advisor	BMCE Capital Conseil 63 boulevard Moulay Youssef, Casablanca
Book Runner	BMCE Bank 140 avenue Hassan II, Casablanca
Entity holding securities accounts	BMCE Bank 140 avenue Hassan II, Casablanca

PART II – INTRODUCTION TO MAGHREB STEEL

V. General information

Table 4 – General information

Corporate Name	▪ Maghreb Steel
Headquarters	▪ Route nationale 9 Km 10 - (AEROCLUB TIT MELLIL) Boulevard Ahl Loughlam BP: 3553 – 20600 – Casablanca.
Telephone number	▪ + 212 5 22 76 25 00
Fax number	▪ + 212 5 22 76 25 01
E-mail	▪ maghrebsteel@maghrebsteel.ma
Website	▪ www.maghrebsteel.ma
Legal form	▪ Business corporation operating under law n° 17-95 dated 30 August 1996 pursuant to business corporations as amended and completed by law n°20-05 of 23 May 2008
Date set up	▪ 1975
Life span	▪ The life span is set at 99 years except in the event of early wind up or extension as stipulated by the by-laws and/or by the law
Purpose <i>Article 3 of by-laws</i>	<ul style="list-style-type: none"> ▪ The corporate purpose is as follows: <ul style="list-style-type: none"> ▶ The purchase, sale, representation, import, export and dissemination of all forms and by all means of all the ferrous metal or non ferrous products and all other products manufactured or not; ▶ The creation and operation of an industry for the manufacture of all ferrous or non ferrous metal tubes of all kinds either black or galvanized; ▶ Exploitation of all patents; ▶ The creation, acquisition, lease, rental or running of all steel industry activities; ▶ The acquisition of any urban, rural, built up or non built up property and the edification of any structure or the beneficial use of the said property; ▶ More generally all commercial, industrial real estate or moveable property and financial trades directly or indirectly attached to the aforementioned purposes likely to favor any direct or indirect stakes in any form whatsoever in companies having similar or closely related purposes.
Fiscal Year	▪ The fiscal year begins on January 1 st and ends on December 31 st

**Registered capital
(on June 30th, 2012)**

- MAD 1 800 000 000 at par value of MAD 100
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**Place for consultation
of legal documents**

- The corporate, accounting and legal documents the communication of which is specified by the by-laws can be consulted at Maghreb Steel
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**Registration Number
in Trade Register**

- Casablanca Trade Register 33 929.
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VI. Information on Maghreb Steel equity

VI.1. Background of shareholders over the past three fiscal years

The table hereafter depicts the situation of the shareholders of Maghreb Steel over the past three fiscal years:

Table 5 : Maghreb Steel shareholder over the past three years

Shareholders	Dec 31 st . 2009		Dec 31 st . 2010		Dec 31 st , 2011	
	Number of shares	% of capital and voting rights	Number of shares	% of capital and voting rights	Number of shares	% of capital and voting rights
ABELOUAHAB SEKKAT	2 697 000	29,97%	4 045 500	29,97%	4 045 500	22,48%
Ste Bled Solb	-	n/a	-	n/a	3 980 338	22,11%
El Fadel SEKKAT	1 237 500	13,75%	1 856 250	13,75%	1 856 250	10,31%
Fouad SEKKAT	1 237 500	13,75%	1 856 250	13,75%	1 856 250	10,31%
Rachid SEKKAT	1 237 500	13,75%	1 856 250	13,75%	1 856 250	10,31%
Driss SEKKAT	900 000	10,00%	1 350 000	10,00%	1 375 424	7,64%
Leila SEKKAT	617 250	6,86%	925 875	6,86%	925 875	5,14%
Moussa SAMIR	450 000	5,00%	675 000	5,00%	900 000	5,00%
Abdellah SAMIR	450 000	5,00%	675 000	5,00%	540 000	3,00%
Batoul MEKOUAR	168 750	1,88%	253 125	1,88%	253 125	1,41%
Fondation SEKKAT	-	n/a	-	n/a	225 989	1,26%
Ste Les Trois amis	-	-	-	-	150 000	0,83%
Association Al Akhawayne	-	n/a	-	n/a	28 249	0,16%
Yassine BENMLIH	1 500	0,02%	2 250	0,02%	2 250	0,01%
Mohsine SEKKAT	1 500	0,02%	2 250	0,02%	2 250	0,01%
Youssef SEKKAT	1 500	0,02%	2 250	0,02%	2 250	0,01%
Total	9 000 000	100%	13 500 000	100%	18 000 000	100%

Source: Maghreb Steel

In 2009, the Company proceeded to a first capital increase of KMAD 450 000 one fourth of which (KMAD 112.5) was released in 2009. The remainder of this capital increase was released in April 2010. In July 2010, Maghreb Steel proceeded to the 2nd capital increase of KMAD 450 000. The latter was subscribed and fully paid up in the same month. Further, some shareholders gave up their preferential subscription rights to the benefit of the Sekkat Foundation, the Akhawayne Association and Société Bled Solb.

Bled Solb is a business corporation created in 2005 by the historical shareholders of Maghreb Steel. Its registered capital amounts to MAD 100 000 majority held by the Sekkat family. The sole asset of Bled Solb is a plot of land of 180 ha. A part of the said land is to be used for the building of the new steel complex of Maghreb Steel.

In August 2010, Mr. Driss Sekkat handed over 150 000 company shares to « Trois amis ». This is a company operating in the real estate development sector majority held by Mr. Driss SEKKAT.

VII. Administration and management bodies

VII.1. Legal provisions

According to article 19 of the by-laws, Maghreb Steel is administered by a Board of Directors consisting of three to twelve members from among the shareholders and appointed by either the Ordinary General Meeting or the Extraordinary General Meeting in the event of merger or division for a term of six (6) years.

In addition « a wage earner of the company can be appointed Administrator only if his/her work contract corresponds to an effective position » and « the number of administrators linked to the company a work contract cannot exceed one third of the members of the Board of Directors ».

VII.1.1. Board of Directors

Table 6 – Make-up of the Maghreb Steel Board of Directors on December 31st, 2011

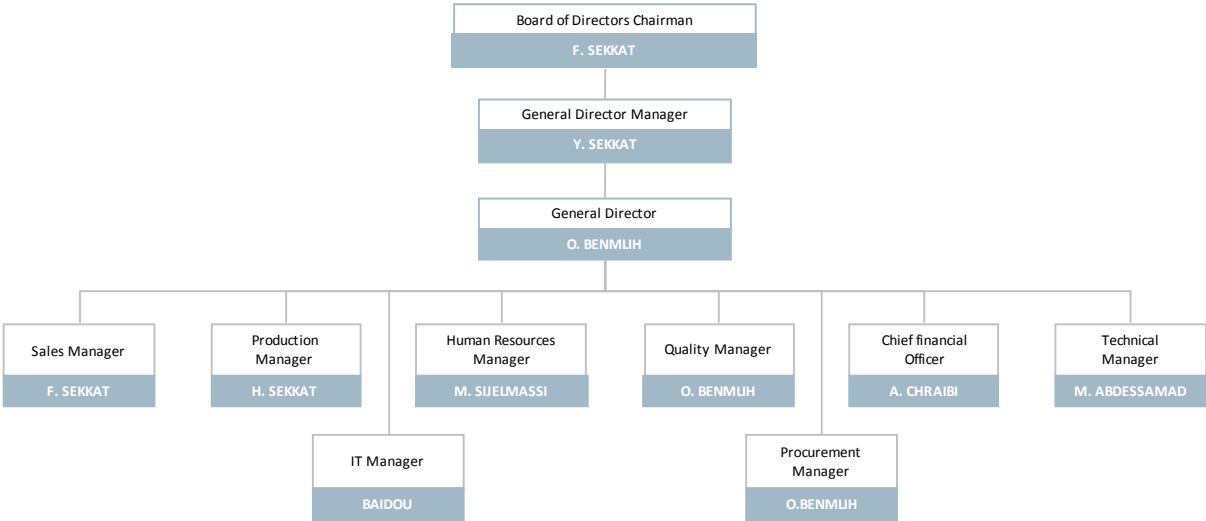
Name	Position	Address	Beginning of term	Expiry of term	Relationship
Mr. El Fadel SEKKAT	Chairman Board of Directors	Longchamps, Rue 7 n°1, Casablanca	November 26th, 2004 ¹	Dec 31st, 2017	-
Mr. Youssef SEKKAT	Administrator General Manager	18, Rue Ibnou Katir, Casablanca	November 26th, 2004	Dec 31st, 2017	Cousin of Chairman
Mr. Abdelwahab SEKKAT	Administrator	Piste Ouled Haddou, n°13 les Crêtes Casablanca	November 26th, 2004	Dec 31st, 2017	Uncle of Chairman
Mr. Abdellah SAMIR	Administrator	Avenue Masset, Villa Nadia, Casablanca	November 26th, 2004	Dec 31st, 2017	No relation
Mr. Driss SEKKAT	Administrator	Aïn Diab Nord – Rue D, Casablanca	November 26th, 2004	Dec 31st, 2017	Uncle of Chairman
Mr. Fouad SEKKAT	Administrator	38, Avenue de l'Hermitage, Casablanca	November 26th, 2004	Dec 31st, 2017	Brother of Chairman
Mr. Rachid SEKKAT	Administrator	38, Avenue de l'Hermitage, Casablanca	November 26th, 2004	Dec 31st, 2017	Brother of Chairman
Mr. Yassine BENMLIH	Administrator	Longchamps, Hay el Hana, Casablanca	June 30th, 2006	Dec 31st, 2017	Nephew of Chairman
Mr. Mohsine SEKKAT	Administrator	Lot Lakraker, Route de Mekka, Californie, Casablanca	June 30th, 2006	Dec 31st, 2017	Cousin of Chairman
M. Fayçal SEKKAT	Administrator	141 Bd Atlantide Polo, Casablanca	June 30th, 2012	Dec 31st, 2017	Nephew of Chairman
M. Hamza SEKKAT	Administrator	45 Bd Ghandi , Résidence Yasmine Maarif, Casablanca	June 30th, 2012	Dec 31st, 2017	Nephew of Chairman

Source: Maghreb Steel

¹ Further to the death of Mr. Mohamed SEKKAT, all the Administrators were reappointed upon the holding of the Extraordinary General Meeting of November 10 2004. Moreover, to be pointed out is that the terms of the Administrators were extended by decision of the OGM of June 30th, 2006.

VII.1.2. Management

Flowchart of Maghreb Steel on June 30th, 2012



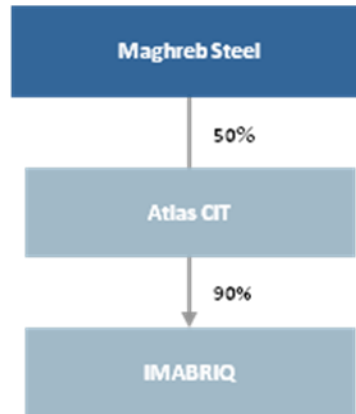
Source: Maghreb Steel

PART III – ACTIVITY, MARKET AND COMPETITION

VIII. Activity of Maghreb Steel

VIII.1. Subsidiaries of Maghreb Steel on June 30th, 2012

Figure 3. Subsidiaries of Maghreb Steel on June 30th, 2012



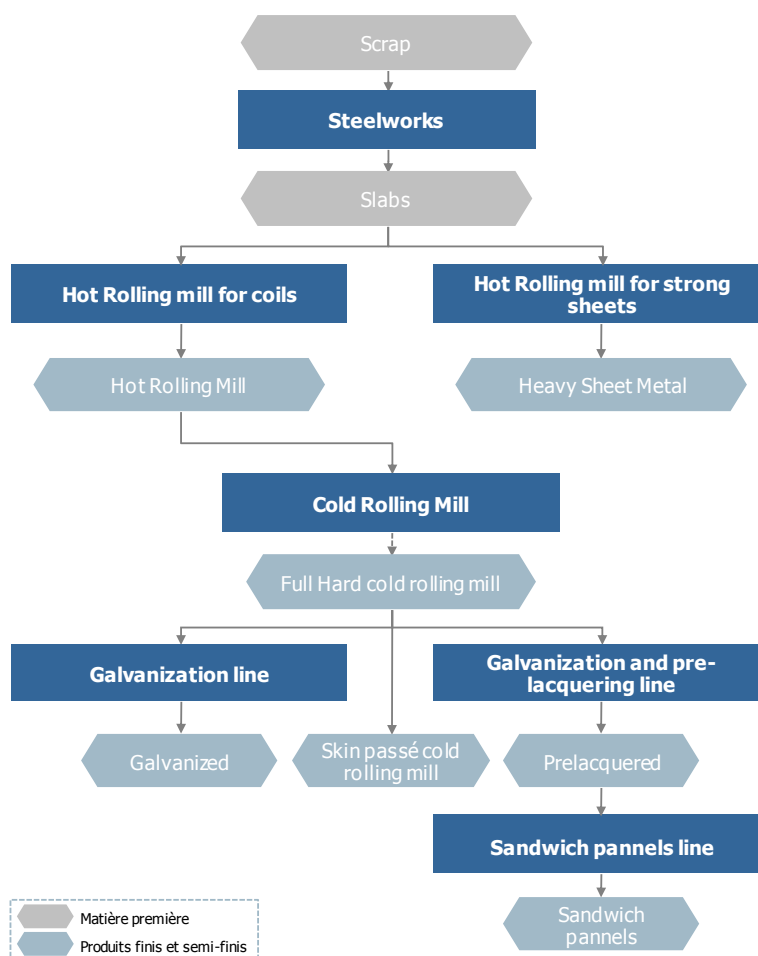
Source: Maghreb Steel

On grounds of profitability, Maghreb Steel Europe was wound up in 2011 and therefore Maghreb Steel was released from the partnership with this company. Maghreb Steel still holds its stake in IMABRIQ placed in stand-by since the time of its creation.

VIII.2. Les métiers de Maghreb Steel

VIII.2.1. Production of sheet metal and sandwich panels

Sheet metal and sandwich panel production process



Source: Maghreb Steel

In 2009, the output of galvanized and pre-lacquered sheet metals constituted the prime activity of Maghreb Steel accounting for nearly 78% of total production. In 2010, the output of hot rolled items became the leading activity accounting for 43% of galvanized and pre-lacquered sheet metals further to the commissioning of a hot coil rolling mill. Hot rolled products met with much success in 2011 representing 66% of the global output of Maghreb Steel. With the installation of the hot rolling mill in 2010, the company sought to gain full mastery over the production line by an upstream integration process.

Upon completion of fiscal years 2010 and 2011, sales results for cold rolled items fell from 15.6% to 11.9% in global turnover to the benefit of hot rolled items which saw its share rise from 11.1% in 2010 to 26.7% in 2011. The output of sandwich panels made it possible to reach a turnover of KMAD 135 011 in 2011, i.e. up by 51% compared to the previous year.

In 2011 global sales of hot rolled items amounted to KMAD 693 680, i.e. growth of 223%. This trend is explainable by the rise in sales for export rising from KMAD 50 815 in 2010 to 236 578 in 2011, as well as the jump in local sales amounting to MAD 457 102 in 2011 vs. KMAD 163 663 in 2010.

Morocco's leading sheet metal producer; at the end of 2011 Maghreb Steel accounted for approximately 85%² for galvanized and pre-lacquered sheet metal. Competition on this market comes from « *Steel Centers* », active in cutting and business activities. That is why they are for the most part among the company's customers.

VIII.2.2. Trading

Maghreb Steel continues to develop its trading activity through the basic resale of zinc and zinc by-products.

Indeed, the company plays the role of a central purchasing unit for local resellers able to take advantage of reasonable prices from international intermediaries thanks to the large volume of orders.

The said intermediaries obtain zinc supplies primarily from Spain and Algeria.

VIII.2.3. Engineering Service

Maghreb Steel has an engineering division employing 150 persons. This division enables the company to look after the construction and technical studies part. In the framework of the rolling mill complex project it handled the technical studies and the construction of metal frameworks.

This division also heavily partook in the industrial construction work on the hot rolling mill complex, particularly with regard to the boiler works, metal parts assembly and iron works, etc.

To be noted is that in 1994 Maghreb Steel installed two galvanization and pre-lacquering line with a capacity of 145 000 tons, on behalf of a third party in Libya entailing a global amount of USD 45 million.

This service also participated to a considerable degree in the upstream irrigation project.

VIII.2.4. Other

The company also offers other services, in particular:

- Cutting which consists of cutting the metal sheet coil via flatteners (machines that cut the coil widthwise), or metal strips via roll cutters (machines that cut the coil lengthwise, basically for tube making);
- Production of zinc oxide that the company makes from zinc waste generated by galvanization. This related activity enables Maghreb Steel to optimize management of its raw materials.
 - ▶ In 2010, sales of zinc, zinc oxides and by-products amounted to KMAD 1 335, i.e. up by 197% compared to 2009.
 - ▶ In 2011, sales of zinc, zinc oxides and by-products amounted to KMAD 3 960 KMAD, i.e. up by 197% compared to 2010.

² Source: Maghreb Steel

PART IV – FINANCIAL SITUATION OF MAGHREB STEEL

IX. Consolidated management balance statement

Table 7 – Consolidation management balance statement 2009-2011

KMAD	2009	2010	Var.%	2011	Var.%
Sale of goods (as is)	46 225	117 459	154.1%	11 696	(90.0%)
Goods purchased and resold	56 164	90 155	60.5%	10 957	(87.8%)
Gross margins for as is sales	(9 939)	27 304	n.s.	739	(97.3%)
FY output	1 684 584	2 449 205	45.4%	3 575 028	46.0%
Sales of goods and services produced	1 582 874	1 865 953	17.9%	2 597 738	39.2%
Changes ins inventories	(173 760)	202 717	n.s.	717 106	253.7%
Fixed assets produced by the company for itself	275 471	380 535	38.1%	260 184	(31.6%)
Consumption during FY	1 833 587	2 060 501	12.4%	3 258 107	58.1%
Material and supplies purchased and consumed	1 762 215	1 943 247	10.3%	3 140 743	61.6%
Other external expenses	71 372	117 254	64.3%	117 365	0.1%
Value added	(158 942)	416 008	n.s.	317 660	(23.6%)
Operating subsidies	647	636	(1.7%)	626	(1.6%)
Taxes and duty	1 444	10 623	635.7%	2 206	(79.2%)
Payroll expenses	162 619	209 590	28.9%	231 885	10.6%
Gross operating surplus (EBE)	(322 357)	196 430	n.s.	84 194	(57.1%)
Other operating proceeds	-	1 308	n.a.	-	n.a.
Other operating expenses	-	-	n.a.	-	n.a.
Operating write downs transfer of expenses	235 683	16 395	(93.0%)	36 637	123.5%
Allocation to operation	91 078	148 162	62.7%	188 407	27.2%
Operating income (- or +)	(177 752)	65 972	n.s.	(67 575)	n.s.
Financial income	(32 798)	(65 716)	(100.4%)	(87 818)	n.s.
Current income	(210 550)	256	n.s.	(155 393)	n.s.
Non current income (- or +)	498	1 467	194.5%	(1 197)	(181,6%)
Income tax	(52 481)	11 763	n.s.	(42 547)	n.s.
Net income of FY (integrated enterprises)	(157 571)	(10 041)	93.6%	(114 043)	n.s.
Quota in income of enterprises included by the equity method	-	-	n.a.	-	-
Allocations to depreciation of goodwill	(16)	(16)	n.a.	(16)	-
Consolidated net income	(157 587)	(10 057)	93.6%	(114 059)	n.s.
Minority income	371	211	(43.1%)	-	-
Net income group share	(157 216)	(9 846)	n.s.	(114 059)	n.s.

Source: Maghreb Steel

X. Consolidated balance sheet of Maghreb Steel

Table 8 - Assets of Maghreb Steel consolidated balance sheet

Consolidate income in KMAD	2009	2010	Var.%	2011	Var.%
Written off fixed assets	-	-	n.a.	-	n.a.
Intangible fixed assets	2 201	2 514	14.2%	2 192	(12,8%)
Tangible fixed assets	2 477 603	4 245 348	71.3%	5 153 322	21,4%
Land	7 128	7 128	-	7 128	-
Buildings	106 898	200 488	87.6%	196 939	(1.8%)
Technical, material and tooling facilities	377 278	1 765 045	367.8%	1 939 027	9.9%
Transport equipment	3 923	3 626	(7.6%)	4 278	18.0%
Furniture, office supplies and miscellaneous installations	5 413	7 843	44.9%	8 275	5.5%
Other tangible fixed assets	-	11		54	370.4%
Current tangible fixed assets	1 976 964	2 261 206	14.4%	2 997 619	32.6%
Financial fixed assets	5 691	7 081	24.4%	26 592	275.5%
Goodwill - Assets	696	2 267	225.7%	3 049	34.5%
Total fixed assets	2 486 192	4 257 209	71.2%	5 185 154	21.8%
Inventories	1 079 876	1 217 042	12.7%	1 920 505	57.8%
Debts	828 083	1 049 884	26.8%	1 194 288	13.8%
Suppliers, debtors, advances and installments	1 408	5 641	300.6%	1 348	(76.1%)
Customers and related accounts	607 266	498 164	(18.0%)	568 182	14.1%
Payroll	722	854	18.3%	79	(9%0.7%)
State	137 942	468 514	239.6%	497 690	6.2%
Differed tax statement	74 673	66 378	(11.1%)	123 789	86.5
Shareholders' accounts	-	-	-	-	-
Other debtors	2 132	9 157	329.5%	2 088	(77.2%)
Asset equalization account	3 940	1 176	(70.1%)	1 112	(5.5%)
Investment securities	-	6 000	-	-	-
Conversion differentials - Assets (current items)	11 908	351	(97.0%)	14 612	4 059,5%
Total current assets	1 919 867	2 273 277	18.4%	3 129 405	37,7%
Cash flow – Assets	229 932	103 177	(55.1%)	107 595	4,3%
Grand total	4 635 990	6 633 664	43.1%	8 422 154	27,0%

Source: Maghreb Steel

Table 9 – Consolidated liabilities

Consolidated liabilities in KMAD	2009	2010	Var.%	2011	Var.%
Shareholders' equity and similar	1 053 376	1 819 897	72,8%	1 702 038	(6,5%)
<i>Including shareholders' equity</i>	1 047 530	1 815 945	73,4%	1 699 750	(6,4%)
<i>Including minority interests</i>	302	36	(88,2%)	-	-
<i>Including assimilated shareholders' equity</i>	5 545	3 916	(29,4%)	2 288	(41,6%)
Financing debts	882 373	2 248 596	154,8%	2 805 890	24,8%
Sustainable provisions for risks and expenses	696	2 267	225,7%	3 049	34,5%
Conversion differential liabilities	1 303	2 451	88,1%	754	(69,2%)
Permanent capital	1 937 748	4 073 210	110,2%	4 511 731	10,8%
Current liabilities	493 924	744 092	50,6%	1 131 556	52,1%
Suppliers and related accounts	299 991	576 720	92,2%	641 165	11,2%
Creditor clients, advances and installments	28 298	16 260	(42,5%)	12 122	(25,4%)
Payroll	337	407	20,8%	639	56,9%
Social organisms	9 525	9 483	(0,4%)	9 996	5,4%
State	78 793	103 114	30,9%	109 571	6,3%
Differed tax statement	1 439	9	(99,4%)	-	-
Shareholders' accounts	615	615	0,0%	615	-
Other debtors	10 289	4 909	(52,3%)	11 783	140,0%
Equalization account	51 776	31 661	(38,8%)	330 757	944,7%
Other provisions for risks and expenses	12 088	387	(96,8%)	14 682	3 693,4%
Conversion differential – Liabilities	773	527	(31,8%)	226	(57,0%)
Cash flow – Liabilities	2 204 319	1 816 362	(17,6%)	2 778 867	53,0%
Grand total liabilities	4 635 991	6 633 664	43,1%	8 422 154	27,0%

Source: Maghreb Steel

PART V – RISK FACTORS

XI. Risk factors

XI.1. Supply risk

Maghreb Steel directs the whole of its inputs to foreign suppliers. Thus it has to grapple with the risk of unavailability of raw materials. In periods of high demand hot rolled mill becomes more scarce and costly and supplies more difficult.

To alleviate this risk the company is attempting to diversity its sources of supply in the world and enters into partnerships with international traders.

XI.2. Risk connected to fluctuating international prices

The corporate activity remains contingent on the situation of steel prices on the international market and resultantly is subject to the effects of any fluctuation in the hot rolled product prices.

Like any activity dependent on international prices Maghreb Steel builds up inventories in the event a drop in prices to mitigate any substantial change in purchases during periods of skyrocketing prices.

XI.3. Exchange risk

Like importing companies Maghreb Steel has to grapple with fluctuations of the dirham against the USD.

In 2011 Maghreb Steel reported 41.2% of its turnover for exports. Export sales are listed in Euros for European countries and in USD for the United States, North African countries and the Middle East. This situation makes it possible to cover on average 50% of its imports. For the rest the company regularly turns to time coverage products.

Through its export activities the company manages to smoothen out the exchange risk on imports paid in currency. Indeed, certain imports (in USD) are swapped in Euros to cover the exchange risk corresponding to exports in Euros. The company resorts to time purchases for imports sold locally.

XI.4. Risk in connection with competition

Maghreb Steel enjoys a strong position on its markets. However, it remains exposed to competition from importers expected to react strongly further to the lifting of customs barriers.

This intensification can lead to a voluntary drop in sales prices eventually affecting future profit margins.

XI.5. Risk in connection exports

Revenues attributable to exports by Maghreb Steel tend to fluctuate along the lines set by international prices for cold rolled, galvanized and pre-lacquered sheet metals.

The company is trying to diversity its export markets and to enter into trading partnerships with its customers.

XI.6. Risk in connection with lifting of customs barriers

Entering into force on 1st March 2003 via the free trade agreement between Morocco and the European Union consisting of a reduction of 10% per year of customs duty on finished products imported from the EU, and more particularly for flat iron or steel products, should lead to a jump in imports.

Also to be noted is that European products do not pose a true risk to the development of Maghreb Steel's activities keeping in mind that the major share of the company's exports goes to Europe.

Furthermore, the quadripartite agreement signed by Morocco with Egypt, Jordan and Tunisia is not expected to constitute any threat affecting the activity of Maghreb Steel. These countries cannot expect to have substantial exports to the extent in which their output capacity barely covers local consumption.

Warning

The aforesaid information is only a part of the information record approved by the CDVM under reference n° VI/EM/034/2012 dated on September 26th, 2012.

The CDVM recommends reading of the entire information record available in the French.