

RESIDENCES DAR SAADA S.A.

PROSPECTUS SUMMARY

COMMERCIAL PAPER ISSUANCE PROGRAM

Annual update from financial year 2013

ISSUANCE PROGRAM CEILING: MAD 500,000,000

PER VALUE: MAD 100,000

Joint advisor and overall coordinator



Joint advisor and overall coordinator



Joint leader of the syndicate of underwriters



Joint leader of the syndicate of underwriters



Approval by the *Conseil Déontologique des Valeurs Mobilières* (CDVM)

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 was submitted for assessment by the *Conseil Déontologique des Valeurs Mobilières*, the Moroccan securities commission, which approved it under its reference number VI/EM/030/2014 of September 29th, 2014.

The CDVM approval neither implies endorsement of the issue's timeline nor authenticates the information presented. It was granted after an examination of the relevance and consistency of the information given in the context of the issue offered to investors.

I. Characteristics of the commercial paper to be issued

The characteristics of the commercial paper to be issued are as follows:

Nature of securities	Negotiable debt securities, dematerialized by registration with the Central Depository (Maroclear) and registered in an account with authorized affiliates.
Legal form	Bearer
Issue ceiling	MAD 500,000,000
Face value per security	MAD 100,000
Maturity	From 10 days to 12 months
Vesting date	Date of settlement
Interest rate	Determined for each issue depending on market conditions.
Interest	Paid on maturity
Coupon payment	Bullet repayment, i.e., on the maturity of each security.
Negotiability	Over the counter. There are no restrictions on the free negotiability of this commercial paper imposed by the conditions of issuance.
Repayment of principal	Bullet repayment, i.e., on the maturity of each security.
Consolidation clause	There is no consolidation of the securities that are the subject of the present prospectus with securities in any previous issue.
Guarantee	The securities issued by the Résidences Dar Saada S.A. are not the subject of any particular guarantee.

II. Advisors and Placement Syndicate

Financial intermediary	Name	Address
Advisors	Upline Corporate Finance	37, Bd Abdellatif Ben Kaddour, Casablanca
	CFG Finance	5-7, Rue Ibnou Toufail, 20100 Casablanca
Placement Syndicate	BCP	101, Bd Zerktouni, Casablanca
	CFG Group	5-7, Rue Ibnou Toufail, 20100 Casablanca
Custodian	CFG Marchés	5-7, Rue Ibnou Toufail, 20100 Casablanca

III. Objectives of the Program

With this commercial paper issuance program, Résidences Dar Saada's objective is:

- To meet the specific cash requirements generated by its variation of working capital over the year.
- To optimize its financing costs.
- To diversify its financing sources.

IV. Information on the Issuer

1. Activity

Residences Dar Saada's activity is the promotion of social and economic housing units. The company has a comprehensive offer which allows it to provide its customers with various products:

- Economic housing, benefiting from the convention and tax benefits of the finance law of 2013 and which are characterized by surface areas ranging from 50 to 80 m² and a maximum selling price of 250 000 DH before tax;
- Social housing, intended for low-income households and of which surface areas are between 50 and 60 m². Their price does not exceed 140 000 dhs;
- Medium-end housing not benefiting from any state convention, targeting the middle class. Their price varies according to the surface area of the apartment;
- Villas of which prices vary based on their location and surface area ;
- Lands serviced and landscaped as for villas, buildings, or others (hospitals, schools, mosque..)
- Commerce and equipment offered a part of the residential program.

The table below gives an overall view of Résidences Dar Saada's various projects and land reserves as of 31 December 2013:

Project	Surface Area (in ha)	Global Offer (in units)	Sales starting date	Delivery starting date
Achieved projects	87,8	14 384		
Agadir	7,7	1 299		
Nzaha	7,7	1 299	2010	2012
Casablanca	29,9	3 659		
Mediouna (lotissement)	11,0	394	2008	2010
Jnane Nouaceur	18,9	3 265	2008	2011
Marrakech	45,1	8 363		
Saada I	23,5	3 647	2003	2006
Saada II	2,6	794	2006	2009
Saada III	17,9	3 269	2008	2010
Dyar Marrakech	1,1	653	2010	2013
Tangier	5,1	1 063		
Jardins de l'Atlantique (Ilot 19)	5,1	1 063	2009	2014
Projects under Construction	394,3	34 673		
Agadir	8,6	2 346		
Jnane Adrar	8,6	2 346	2010	2012
Casablanca	183,3	16 608		
Fadaat Rahma	13,9	1 915	2011	2013
Bassatines Rahma I	68,3	7 923	2012	2014
Fadaat Elyassamine	3,7	799	2012	2014
Jnane El Menzeh	56,5	958	2012	2015
Manazil Mediouna	5,3	1 231	2014	2015
Dyar Al Ghofrane	35,6	3 782	2013	2015
Fès	124,3	7 428		
Bouhayrat Saiss	124,3	7 428	2012	2013
Marrakech	33,5	2 195		
Targa Garden	21,0	313	2007	2010
Targa Resort	12,5	1 882	2013	2015
Skhirat	10,0	2 258		
Jawharat Skhirat	10,0	2 258	2013	2015
Tangier	7,8	2 117		
Dyar El Boughaz (Ilot 20)	3,9	769	2009	2014
Dyar El Boughaz (Ilot 14)	3,9	1 348	2012	2015
Oujda	26,8	1 721		
Oujda	26,8	1 721	2014	2016
Projets in development	65,7	7 766		
Casablanca	65,7	7 766		
Bassatines Rahma II	27,9	3 377	2014	2016
Jnane Nouaceur 2	21,5	1 999	2013	2016
Jnane Nouaceur 3	16,3	2 390	2015	2017
S/Total projects	547,8	56 823		
S/Total land bank	364,6			
Marrakech	230,5			
Casablanca	134,1			
TOTAL	912,4			

Source: Résidences Dar Saada

The table below shows Résidences Dar Saada's performance in terms of turnover over the past three years.

In MDH	2011	2012	2013	Cumulative 2011-2013
Housing Sales	339	703	1 112	2 154
<i>% variation</i>	-47%	>100%	58%	
Economic and social housing	61	567	658	1 286
<i>% of total</i>	18%	81%	16%	
Medium-end housing	122	99	59	280
<i>% of total</i>	36%	14%	-41%	
Lands	135	28	363	526
<i>% of total</i>	40%	4%	>100%	
Villas	16	9	13	38
<i>% of total</i>	5%	1%	39%	
Commerces and others	5	0	21	26
<i>% of total</i>	1%	0%	>100%	

Source : Résidences Dar Saada

The table below shows Résidences Dar Saada's performance in terms of numbers of units over the past three years.

In Units	2011	2012	2013	Cumulative 2011-2013
Units Sold	878	2 856	3732	7 466
<i>% variation</i>	-58,90%	>100%	31,00%	
Economic and social housing	344	2 374	2725	5 443
<i>% of total</i>	39%	83%	15%	
Medium-end housing	432	351	153	936
<i>% of total</i>	49%	12%	-56%	
Land	69	91	741	901
<i>% of total</i>	8%	3%	>100%	
Villas	7	4	5	16
<i>% of total</i>	1%	0%	25%	
Commerces and others	26	36	108	170
<i>% of total</i>	3%	1%	>100%	

Source : Résidences Dar Saada

Over the last three years, Résidences Dar Saada delivered 7 466 units for a cumulated turnover of 2 154 MDH.

In 2011, Résidences Dar Saada delivered 878 units, of which 344 social housing units in the following projects: Jnane Nouaceur, Jnane Mediouna, Targa Garden, Saada I, Saada II and Saada III.

In 2012, Résidences Dar Saada delivered 2 856 units of which 2 374 social housing units, mainly as part of the projects Jnane Nouaceur and Saada III.

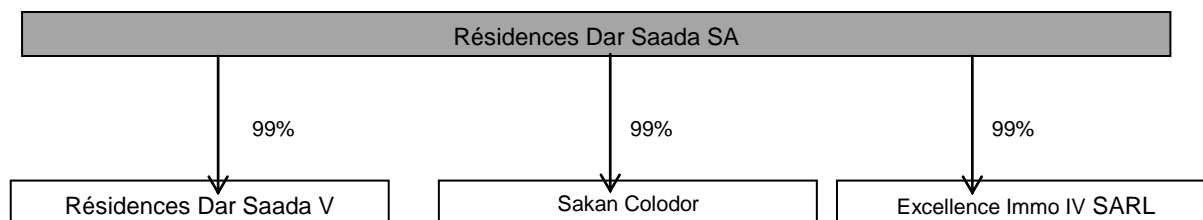
In 2013, Résidences Dar Saada delivered 3 732 units of which 2 725 social housing, mainly as part of the projects Fadaat Rahma, Jnane Nouaceur, Jnane Adrar, Dyar Marrakech and Dyar Nzaha.

2. Shareholding Structure

The following table shows Résidences Dar Saada's shareholding structure as of 31 December 2013:

Shareholders	31/12/2008		31/12/2009		31/12/2010		31/12/2011		31/12/2012		31/12/2013	
	Shares	% of capital and voting rights	Shares	% of capital and voting rights	Shares	% of capital and voting rights	Shares	% of capital and voting rights	Shares	% of capital and voting rights	Shares	% of capital and voting rights
Abdelali Berrada Sounni	490 000	50,00%	500 000	12,50%	500 960	12,50%	500 960	8,60%	500 960	8,60%	500 960	8,60%
Hicham Berrada Sounni	98 000	10,00%	100 000	2,50%	100 360	2,50%	100 360	1,70%	100 360	1,70%	100 360	1,70%
Saad Berrada Sounni	98 000	10,00%	100 000	2,50%	100 360	2,50%	100 360	1,70%	100 360	1,70%	100 360	1,70%
Naima Benmoussa	98 000	10,00%	100 000	2,50%	100 240	2,50%	100 240	1,70%	100 240	1,70%	100 240	1,70%
Nabila Berrada Sounni	98 000	10,00%	100 000	2,50%	100 240	2,50%	100 240	1,70%	100 240	1,70%	100 240	1,70%
Hanaa Berrada Sounni	98 000	10,00%	100 000	2,50%	100 240	2,50%	100 240	1,70%	100 240	1,70%	100 240	1,70%
Groupe Palmeraie Développement	-	-	3 000 000	75,00%	3 000 000	75,00%	3 000 000	51,50%	3 000 000	51,50%	3 000 000	51,50%
North Africa Holding Company	-	-	-	-	-	-	607 263	10,40%	607 263	10,40%	607 263	10,40%
Aabar Investments PJS	-	-	-	-	-	-	607 263	10,40%	607 263	10,40%	607 263	10,40%
RMA Watanya	-	-	-	-	-	-	202 421	3,50%	202 421	3,50%	202 421	3,50%
Wafa Assurance	-	-	-	-	-	-	202 421	3,50%	202 421	3,50%	202 421	3,50%
Idraj SCA	-	-	-	-	-	-	202 421	3,50%	202 421	3,50%	202 421	3,50%
TOTAL	980 000	100,00%	4 000 000	100,00%	4 002 400	100,00%	5 824 189	100,00%	5 824 189	100,00%	5 824 189	100,00%

3. Legal Organizational Structure



V. Financial Data

1. Balance Sheet

The following table shows the principal indicators on the Résidences Dar Saada balance sheets over the 2011–2013 period.

In MDH	2011	2012	2013	Var.11-12	Var.12-13
Goodwill	-	-	55,6	<i>n.a</i>	<i>n.a</i>
Intangible assets	1,2	5,7	6,1	> 100%	6,6%
Tangible assets	9,6	25,9	30,1	> 100%	16,2%
Financial assets	0,6	1,1	0,7	81,3%	(42,5%)
Fixed assets	11,4	32,7	92,5	> 100%	> 100%
Inventories	2 913,6	4 007,9	5 100,8	37,6%	27,3%
Accounts receivables	249,3	194,0	174,7	(22,2%)	(9,9%)
Other receivables	674,5	799,7	963,6	18,6%	20,5%
Current Assets	3 837,4	5 001,6	6 239,1	30,3%	24,7%
Marketable Securities	-	311,2	-	<i>n.a</i>	(100%)
Cash	82,8	288,7	281,7	> 100%	(2,4%)
Total Cash Assets	82,8	599,9	281,7	> 100%	(53,0%)
Assets	3 931,6	5 634,2	6 613,2	43,3%	17,4%
Capital	582,4	582,4	582,4	-	-
Acquisition and Merger Premium	740,5	740,5	740,5	-	-
Consolidated reserves	248,1	342,8	418,5	38,2%	22,1%
Consolidated Income	94,8	149,8	305,6	58,0%	> 100%
Shareholders equity Excluding Minority Interests	1 665,7	1 815,5	2 047,0	9,0%	12,7%
Minority interests	-	0,0	0,0	<i>n.a</i>	> 100%
Total Shareholder's equity	1 665,7	1 815,6	2 047,1	9,0%	12,8%
Provisions	-	-	-	-	-
Financial Debts	819,5	1 943,7	2 605,6	> 100%	34,1%
Current Liabilities	1 287,8	1 780,1	1 943,1	<i>n.a</i>	9,2%
Suppliers	400,7	536,5	634,6	33,9%	18,3%
Other current liabilities	887,2	1 243,6	1 308,5		5,2%
Negative Cash Balance	158,5	94,8	17,5	(40,2%)	(81,6%)
Total Liabilities	3 931,6	5 634,2	6 613,2	43,3%	17,4%

2. Income Statement

The following table presents the consolidated income statement of Résidences Dar Saada over the period 2011 -2013:

In MDH	2011	2012	2013	Var.11-12	Var.12-13
Total revenues	746,9	1 073,7	1 527,9	44%	42%
Turnover	343,0	705,5	1 115,8	> 100%	58,2%
Other revenues	404,0	368,2	412,2	(8,9%)	11,9%
Operating Expenses	645,6	895,1	1 156,9	38,6%	29,3%
Purchases	497,7	730,6	941,9	46,8%	28,9%
Salaries expenses	11,9	35,2	46,8	> 100%	32,9%
Other operating expenses	83,0	74,9	110,2	(9,7%)	47,0%
Taxes	51,9	51,3	51,4	(1,1%)	0,2%
Depreciation and amortization	1,1	3,1	6,7	> 100%	> 100%
Operating Income	101,3	178,6	371,0	76,3%	> 100%
Financial Revenues	87,1	91,8	143,3	5,4%	56,1%
Financial Expenses	73,6	110,9	157,6	50,7%	42,1%
Financial income	13,4	(19,1)	(14,3)	n.a	(25,0%)
Recurrent Income	114,7	159,5	356,6	0,0	> 100%
Non recurrent revenues	13,0	6,5	9,6	(50,2%)	47,9%
Non recurrent expenses	0,2	2,9	11,9	> 100%	> 100%
Non recurrent Income	12,8	3,5	(2,4)	(72,5%)	n.a
Income Tax	32,8	13,2	48,7	(59,7%)	> 100%
Net Income	94,8	149,8	305,6	58,0%	> 100%

VI. Risk Factors

Within the context of its overall strategy, risk management is a primary focus for the management of Résidences Dar Saada.

This prospectus sets forth the risks inherent in the Résidences Dar Saada Company's economic sector, and in its economic activity.

I. Risk of Tax regime change

Changes in the tax regulations, and in particular the elimination of the tax advantages granted to property developers and purchases of social housing, could have a significant impact on Résidences Dar Saada's performance. However, the risk of this is not great because the agreements signed in the context of the 2010 Finance Law are guaranteed for 10 years (i.e., until 2020), and this gives property developers tax stability.

II. Risk of Competition

The increasing demand for social housing, together with the tax advantages mentioned above, is attracting many operators who want to invest in the social housing sector. As a result, the risk of a number of Moroccan and foreign operators entering the arena is significant. Such a situation would

result in a shrinkage in Résidences Dar Saada's margins because of a probable fall in sales prices, increasingly expensive prices for land, and increased production costs.

To mitigate this risk, Résidences Dar Saada has a strategy of differentiating itself from the competition by offering high-quality customer services and sales prices in line with the market average.

III. Risk of an increase in land prices

The mismatch between demand and supply in social housing, particularly along the major Rabat-Casablanca axis, has resulted in an increase in the cost of land in urban areas. This upwards trend in land prices might put downwards pressure on the profit margins of the companies involved in social housing, as the sales price is capped at MAD 250,000.

There is protection against this risk, in the form of the Company's own actions and also government measures.

- A Company strategy based on geographical diversification targeted on areas with high potential and a shortage of housing (Tangier, Fes, etc.).
- The Company has signed investment agreements with the State that allowed the Company to secure additional land.
- The Government is planning to extend urban boundaries with a view to creating 15 new towns by 2020 around the major urban centers.

IV. Risk related to the choice of the construction company

With the aim of providing high-quality product, Résidences Dar Saada relies on its traditional partners to carry out its projects. Partners are chosen based on their references, their technical qualifications and their financial capacities. These operators must be capable of meeting the requirements of the specifications documents for the various projects in terms of quality and timely delivery.

The relationships of confidence and loyalty that Résidences Dar Saada has established with its partners mean that it can overcome the risk of subcontractors not being available because of competition.

V. Risk related to interest rates

Despite the major housing shortage, there is nevertheless a risk of a fall-off in demand for housing that could come about as a result of a significant rise in interest rates on mortgages.

The risk of interest rates going up is one that property developers themselves also face, as construction activity is often financed through bank debt.

WARNING

The above information represents only part of the prospectus approved by the *Conseil Déontologique des Valeurs Mobilières (CDVM)* under reference no. VI/EM/030/2014 of September 29th, 2014. The CDVM advises reading the entire prospectus available to the public in French.