



# Centrale Danone

## PROSPECTUS SUMMARY

### MANDATORY BUY OUT OFFER TARGETING CENTRALE DANONE SHARES NOT HELD BY COMPAGNIE GERVAIS DANONE

on the initiative of

COMPAGNIE GERVAIS DANONE

THIS OFFER DOES NOT INTEND THE DELISTING OF CDA

#### MANDATORY BUY OUT OFFER TARGETING CENTRALE DANONE SHARES

NUMBER OF CONCERNED SHARES	389 878 shares
PRICE PER SHARE	MAD 1 200
MAXIMUM AMOUNT OF THE OFFER	MAD 467 853 600
OFFER PERIOD	FROM FEBRUARY 08 <sup>TH</sup> TO FEBRUARY 26 <sup>TH</sup> 2016, INCLUSIVE

Advisory Body and global  
Coordinator



Body in charge of the  
registration of the operation



Attijariwafa bank  
BOURSE

Independent Valuator



A. SAAIDI ET ASSOCIES  
Commissaires aux Comptes

Bodies in charge of order  
collection

All banks and Stock Market  
companies

#### APPROVAL OF CONSEIL DEONTOLOGIQUE DES VALEURS MOBILIERES (FINANCIAL AUTHORITY)

In accordance with the provisions of CDVM circular effective as of April 1<sup>st</sup>, 2012, taken in accordance with Article 14 of Dahir No. 1-93-212 dated September 21<sup>st</sup>, 1993, related to the Conseil Déontologique des Valeurs Mobilières - CDVM- and to the information required from corporate entities making public offerings, as amended and supplemented, and Article 36 of Law No. 26-03 related to public offers of the stock market as amended and supplemented by Law No. 46-06, the original copy of the present prospectus has been approved by CDVM on January, 29<sup>th</sup> 2016 under reference No. VI/EM/001/2016.

## **WARNING**

The Conseil Déontologique des Valeurs Mobilières (CDVM) approved on January, 29<sup>th</sup> 2016 a prospectus related to the mandatory Buy Out offer targeting Centrale Danone shares that are not held by Compagnie Gervais Danone.

The prospectus approved by the CDVM is available at:

- the headquarters of Centrale Danone, Tour Crystal 1, Boulevard Sidi Mohamed Ben Abdellah, Marina, Casablanca;
- the headquarters of Compagnie Gervais Danone at 17, Boulevard Haussmann, Paris, France;
- the headquarters of ATTIJARI Finances Corp. at 163, Avenue Hassan II, 20000, Casablanca.

The prospectus is available to the public at the headquarters of Casablanca Stock Exchange and on its website [www.casablanca-bourse.com](http://www.casablanca-bourse.com). It is also available on CDVM website [www.cdvm.gov.ma](http://www.cdvm.gov.ma).

## **PART I: PRESENTATION OF THE OPERATION**

### **I. OBJECTIVES OF THE OFFER**

#### **I.1. Motives of the Offer**

The Offer, subject of the present prospectus, results from the crossing of the 95% threshold of Centrale Danone capital and voting rights by Compagnie Gervais Danone. Consequently, and in accordance with the legal and regulatory provisions in force, the Offer will cover all Central Danone shares that are not held by Compagnie Gervais Danone.

#### **I.2. Intentions of the initiator**

Compagnie Gervais Danone does not intend to delist Centrale Danone shares from the Casablanca Stock Exchange and intends to restore the free float in the medium term. To this end, it reserves the possibility to examine several alternatives that can increase the free float, taking into consideration the evolution of the market conditions.

### **II. STRUCTURE OF THE OFFER**

#### **I.1 NUMBER OF CONCERNED SHARES**

The mandatory buy out offer shall concern all shares constituting the float of Centrale Danone in the Stock Exchange, i.e. 389 878 shares representing 4.14% of the capital and voting rights of the company shares.

#### **I.2 PRICE OF THE OFFER**

The Initiator proposes to Centrale Danone shareholders to purchase Centrale Danone shares at the unit price of MAD 1 200 per share.

#### **I.3 AMOUNT OF THE OFFER**

The maximum amount of the Offer is MAD 467 853 600, excluding ancillary costs.

#### **I.4 DIVIDEND DATE OF SHARES SUBJECT OF THE OFFER**

Centrale Danone shares carry dividend rights from January 1<sup>st</sup>, 2015.

#### **I.5 OPENING DATE OF THE OFFER**

The Offer shall start on January 08<sup>th</sup>, 2016.

#### **I.6 CLOSING DATE OF THE OFFER**

The Offer shall be closed on February 26<sup>th</sup>, 2016 inclusive.

#### **I.7 DURATION OF THE OFFER**

The duration of the Offer is the period between its opening and closing dates, according to the schedule of the Offer subject of the present prospectus, i.e. 15 market days.

#### **I.8 WAIVER THRESHOLD**

Due to the mandatory nature of this Offer, no waiver threshold shall be considered by the Initiator as part of the Offer. Compagnie Gervais Danone agrees to acquire firmly and irrevocably all shares brought by Central Danone minority shareholders within the framework of the Offer.

#### **I.9 DATE OF PAYMENT AND DELIVERY**

The date of payment and delivery is set for March 14<sup>th</sup>, 2016.

### III. APPRECIATION ELEMENTS OF THE OFFER'S TERMS

The report of the independent Valuator was submitted to the Conseil Déontologique des Valeurs Mobilières on December 14<sup>th</sup>, 2015, within the framework of the Buy Out project Offer. *A.Saïdi et Associés* firm, represented by Mr. Nawfal Amar, was designated by Compagnie Gervais Danone as an independent Valuator after prior approval of CDVM and in accordance with Article 25 of the aforesaid Law No. 26-03.

### IV. VALUATION SUMMARY

The table below summarizes the valuation methods adopted by *A.Saïdi et Associés* firm represented by Mr. Nawfal Amar as well as their weighting:

Valuation method	Weighting	Value per share
Stock market price	25%	1 328
Discounting of future cash flows	25%	1 191
Stock market comparables	25%	993
Comparable transactions	25%	1 284
<b>Adopted valuation</b>		<b>1 199</b>

## V. SCHEDULE OF THE OFFER

Order	Stages	Deadline
1	Reception of the complete file of the offer by Casablanca Stock Market	January 28 <sup>th</sup> , 2016
2	Issue of the approval notice of Casablanca Stock Exchange on the mandatory public Buy Out Offer	January 29 <sup>th</sup> , 2016
3	Reception of the prospectus approved by CDVM	January 29 <sup>th</sup> , 2016
4	Publication in the stock list of the notice related to the mandatory Buy Out Offer	February 1 <sup>st</sup> , 2016
5	Publication of the extract of the prospectus by the initiator	February 04 <sup>th</sup> , 2016
6	Opening of the mandatory Buy Out Offer duration	February 08 <sup>th</sup> , 2016
7	Closing of the mandatory Buy Out Offer duration	February 26 <sup>th</sup> , 2016
8	Reception, by Casablanca Stock Exchange, of orders' files of Centrale Danone share contribution before noon	February 29 <sup>th</sup> , 2016
9	Centralization and consolidation of security contribution orders by Casablanca Stock Exchange	March 02 <sup>th</sup> , 2016
10	Sending a summary of security contribution orders to CDVM	March 03 <sup>th</sup> , 2016
11	- Continuation of CDVM of the mandatory Buy Out Offer (positive or closed) - Announcement by Casablanca Stock Exchange, in the Official list, in the case where CDVM declares the Offer as closed	March 04 <sup>th</sup> , 2016
12	Delivery, by Casablanca Stock Exchange, of the mandatory Buy Out Offer results to order collectors	March 07 <sup>th</sup> , 2016
13	- Registration in the Stock Exchange of the transactions related to the mandatory Buy Out Offer - Announcement of the mandatory Buy Out Offer results by the Stock Exchange in the stock list	March 09 <sup>th</sup> , 2016
14	Publication of the mandatory Buy Out Offer results in a legal announcement newspaper by the initiator of the Offer	March 11 <sup>th</sup> , 2016
15	Payment / Delivery	March 14 <sup>th</sup> , 2016

## **PART II: PRESENTATION OF THE INITIATOR**

The initiator of the buy out offer is Compagnie Gervais Danone (CGD).

CGD is a holding company that does not carry out any commercial or industrial activities and that holds interests in companies that are active in the sector of Fresh Dairy Products and Waters, particularly those of Groupe Danone. 99.99% of CGD capital is owned by the company Danone SA, while the remaining capital is owned by six shareholders also belonging to Groupe Danone.

### **I. PRESENTATION OF COMPAGNIE GERVAIS DANONE**

#### **I.1. INFORMATION ON THE SHARE CAPITAL OF COMPAGNIE GERVAIS DANONE**

Since 1984, more than 99.9% of the share capital of Compagnie Gervais Danone has been held by Danone SA (formerly called BSN, then Groupe Danone), the capital balance being held by six shareholders in accordance with the law (these six shareholders also belong to Groupe Danone).

#### **I.2. MEMBERS OF THE BOARD OF DIRECTORS**

The Board of Directors of the Compagnie Gervais Danone is constituted on November 30<sup>th</sup>, 2015, as follows:

<b>Members of the Board of Directors</b>	<b>Main function</b>	<b>Appointment date of Administrators</b>	<b>Reappointment date (date of the General Meeting)</b>
<b>Olivier Boulay</b>	Chief Executive Officer	09/26/2011	General Meeting approving the 2016 financial statements
<b>Yves Pellegrino</b>	Managing Director and Administrator	02/09/2012	General Meeting approving the 2016 financial statements
<b>DANONE SA (represented by Carles Vall)</b>	Administrator	05/14/2004	General Meeting approving the 2015 financial statements
<b>Régis Massuyeau</b>	Administrator	09/23/2013	General Meeting approving the 2016 financial statements

*Source : Compagnie Gervais Danone*

### PART III: GENERAL PRESENTATION OF CENTRALE DANONE

Central Danone is the leader of dairy products in Morocco with more than 60% <sup>[1]</sup> of market shares in 2014. This positioning is the fruit of long years in which the company has developed its know-how, expertise, skill and proximity that make of it one of the most important companies in the Moroccan dairy industry.

#### **I.1. INFORMATION ON THE SHARE CAPITAL OF CENTRALE DANONE**

The shareholding of Centrale Danone over the three last financial years is presented as follows:

Shareholders	12/31/2012		31/12/2013		31/12/2014	
	Number of securities	% of capital and voting rights	Number of securities	% of capital and voting rights	Number of securities	% of capital and voting rights
Compagnie Gervais Danone	2 752 780	29.22%	6 473 179	68.72%	8 559 122	90.86%
SNI	6 079 012	64.53%	2 520 136	26.75%	471 000	5.00%
Other shareholders	588 208	6.24%	426 685	4.53%	389 878	4.14%
<b>Total</b>	<b>9 420 000</b>	<b>100.00%</b>	<b>9 420 000</b>	<b>100.00%</b>	<b>9 420 000</b>	<b>100.00%</b>

Source: Centrale Danone SA

The shareholding of Centrale Danone on December 11<sup>th</sup>, 2015, before and after the transfer operations is presented as follows:

Shareholders	Before the operation		on 12/11/2015 after the operation	
	Number of securities	% of capital	Number of securities	% of capital
Compagnie Gervais Danone	8 559 122	90.86% <sup>1</sup>	9 030 122	95.86%
SNI	471 000	5.00%	0	0.00%
Other shareholders	389 878	4.14%	389 878	4.14%
<b>Total</b>	<b>9 420 000</b>	<b>100.00%</b>	<b>9 420 000</b>	<b>100.00%</b>

Source: Centrale Danone SA

#### **I.2. MEMBERS OF THE BOARD OF DIRECTORS**

Members of Centrale Danone SA Board of Directors on November 30<sup>th</sup>, 2015, are listed as follows:

Members of the Board of Directors	Current function	Appointment date	Date of OGM ratifying the appointment	Expiry date of appointment
<b>Jacques Ponty</b> <sup>2</sup> ( <i>intuitu personae</i> )	Chief Executive Officer	02/22/2013*	06/28/2013	General Meeting approving the 2018 financial statements
<b>COMPAGNIE GERVAIS DANONE</b> , [represented by <i>Thomas Rondot</i> ]	Administrator	05/25/2011	05/25/2011	General Meeting approving the 2019 financial statements
<b>DANONE</b> , [represented by <i>Pierre André Térissé</i> ]	Administrator	05/21/2008	05/21/2008	General Meeting approving the 2019 financial statements
<b>Carles Vall</b> ( <i>intuitu personae</i> )	Administrator	03/03/2015	06/12/2015	General Meeting approving the 2018 financial statements

Source: Centrale Danone S.A.

<sup>[1]</sup> Value market share in 2014 (source : Centrale Danone)

<sup>1</sup> Compagnie Gervais Danone acquired during summer 2014 in the market 36 605 shares representing 0.39% of the company's capital and voting rights, increasing its shares after the acquisition operation of November 2014 to 90.86%.

<sup>2</sup> The Board of Directors of Central Danone decided, on December 14<sup>th</sup>, 2015, to appoint Mr. Didier Lamblin as the Chief Executive Officer of Central Danone as of February 1<sup>st</sup>, 2016. The appointment of Mr. Lamblin as an administrator and Chairman of Centrale Danone Board of Directors shall expire during the OGM called to approve the financial statements at 31/12/ 2018.\* Jacques Ponty was appointed as Director on February 22nd, 2013. His appointment as Managing Director was decided during the Board of Directors on March 18th, 2013.

### I.3. PRESENTATION OF CENTRALE DANONE CONSOLIDATED FINANCIAL STATEMENTS

#### Income and expenditure consolidated statements

The following table displays the historical data of the consolidated income statement of Centrale Danone group over the period 2012 – S1 2015:

In MAD million	2012	2013	2014	Var.13/ 12	Var.14/ 13	S1 2014	S1 2015	Var. S1 15 / S1 14
Turnover	6 730	7 007	7 043	4.1%	0.5%	3 387	3 296	-2.7%
Other operating revenues	38	1	28	-98.3%	>100%	38	37	-0.8%
<b>Ordinary operating revenues</b>	<b>6 767</b>	<b>7 008</b>	<b>7 071</b>	<b>3.6%</b>	<b>0.9%</b>	<b>3 425</b>	<b>3 333</b>	<b>-2.7%</b>
Purchases	4 210	4 440	4 647	5.5%	4.7%	2 180	2 026	-7.1%
Other external costs	906	1 011	1 134	11.6%	12.2%	538	577	7.4%
Staff costs	619	775	697	25.2%	-10.2%	352	392	11.2%
Taxes and duties	3	8	20	>100%	>100%	6	35	>100%
Depreciation and operating provisions	366	358	406	-2.2%	13.7%	203	248	22.1%
Other net income and operating costs	-31	-170	-35	>100%	-79.3%	-11	-10	-3.1%
<b>Current operating costs</b>	<b>6 073</b>	<b>6 421</b>	<b>6 868</b>	<b>5.7%</b>	<b>7.0%</b>	<b>3 268</b>	<b>3 267</b>	<b>0.0%</b>
<b>Current operating income</b>	<b>694</b>	<b>587</b>	<b>203</b>	<b>-15.5%</b>	<b>-65.4%</b>	<b>157</b>	<b>67</b>	<b>-57.5%</b>
<i>Current operating income (REXC/CA)</i>	<i>10.3%</i>	<i>8.4%</i>	<i>2.9%</i>	<i>-1.9 pts</i>	<i>-5.5 pts</i>	<i>4.6%</i>	<i>2.0%</i>	<i>-2.6 pts</i>
Disposals of assets	23	-13	21	<-100%	>100%	4	18	>100%
Disposals of subsidiaries and investments	-	-	-	Ns	Ns	-	-	Ns
Income on financial instruments	-	-9	9	Ns	>100%	-1	5	>100%
Other non-current income and operating costs	-61	-187	-31	<-100%	83.6%	-13	-7	47.4%
<b>Other income and operating costs</b>	<b>-38</b>	<b>-209</b>	<b>-1</b>	<b>&lt;-100%</b>	<b>99.7%</b>	<b>-11</b>	<b>15</b>	<b>&gt;100%</b>
<b>Income from operating activities</b>	<b>656</b>	<b>378</b>	<b>202</b>	<b>-42.4%</b>	<b>-46.4%</b>	<b>146</b>	<b>82</b>	<b>-43.8%</b>
Net cost of financial debt	27	38	50	40.9%	30.8%	16	23	43.4%
Other financial income	1	0	0	-68.2%	-25.5%	0	0	-24.6%
Other financial costs	35	0	33	-100.0%	>100%	15	8	-48.8%
<b>Financial income</b>	<b>10</b>	<b>-38</b>	<b>-83</b>	<b>Ns</b>	<b>Ns</b>	<b>-31</b>	<b>-31</b>	<b>1.2%</b>
<b>Pre-tax profit</b>	<b>667</b>	<b>340</b>	<b>120</b>	<b>-48.9%</b>	<b>-64.8%</b>	<b>115</b>	<b>51</b>	<b>-55.5%</b>
<i>Pre-tax margin (RAI/CA)</i>	<i>9.9%</i>	<i>4.9%</i>	<i>1.7%</i>	<i>-5.0 pts</i>	<i>-3.2 pts</i>	<i>3.4%</i>	<i>1.5%</i>	<i>-1.8 pts</i>
Taxes on profits	211	130	61	-38.3%	-53.4%	46	50	9.8%
Deferred taxes	17	10	-18	-37.1%	<-100%	-3	8	>100%
<b>Net income</b>	<b>472</b>	<b>221</b>	<b>41</b>	<b>-53.3%</b>	<b>-81.3%</b>	<b>66</b>	<b>9</b>	<b>-86.2%</b>
<i>Net margin (RN/CA)</i>	<i>7.0%</i>	<i>3.1%</i>	<i>0.6%</i>	<i>-3.9 pts</i>	<i>-2.6 pts</i>	<i>2.0%</i>	<i>0.3%</i>	<i>-1.7 pts</i>
Income share of Equity affiliates	-	-	-	Ns	Ns	-	-	Ns
<b>Net income from on-going operations</b>	<b>472</b>	<b>221</b>	<b>41</b>	<b>-53.3%</b>	<b>-81.3%</b>	<b>66</b>	<b>9</b>	<b>-86.2%</b>
Net income from discontinued operations	-	-	-	Ns	Ns	-	-	Ns
<b>Consolidated income</b>	<b>472</b>	<b>221</b>	<b>41</b>	<b>-53.3%</b>	<b>-81.3%</b>	<b>66</b>	<b>9</b>	<b>-86.2%</b>
Minority interests	-	-	-	Ns	Ns	-	-	Ns
<b>Net income – share of the Group</b>	<b>472</b>	<b>221</b>	<b>41</b>	<b>-53.3%</b>	<b>-81.3%</b>	<b>66</b>	<b>9</b>	<b>-86.2%</b>

Source : Centrale Danone SA

## Consolidated balance sheet - Assets

In MAD million	2012	2013	2014	Var.13/12	Var.14/13	S1 2015	Var. S1.15 / 14
<b>Assets</b>							
Goodwill	-	-	-	Ns	Ns	-	Ns
Net intangible assets	-	0	0	Ns	Ns	0	Ns
Net tangible assets	2 737	2 765	2 730	1.1%	-1.3%	2 607	-4.5%
Biological assets <sup>3</sup>	48	52	52	8.3%	0.0%	52	0.0%
Net investment properties	2	2	2	0.0%	0.0%	2	0.0%
Investments in associates	-	-	-	Ns	Ns	-	Ns
Other financial assets	9	8	7	-15.1%	-9.8%	6	-19.2%
- Hedging derivatives				Ns	Ns		Ns
- Financial assets at fair value through profit or loss				Ns	Ns		Ns
- Loans and receivables	4	2	4	-35.4%	45.9%	2	-36.5%
- Financial assets held till maturity date	-	-	-	Ns	Ns	-	Ns
- Assets available for sale	5	5	3	0.0%	-36.6%	3	0.0%
Debts of corporate taxes	-	-	-	Ns	Ns	-	Ns
Assets deferred taxes	101	111	89	9.9%	-19.9%	93	4.9%
Other non-current debtors	-9	-8	-8	9.1%	9.3%	-8	-0.4%
<b>Non-current assets</b>	<b>2 889</b>	<b>2 931</b>	<b>2 873</b>	<b>1.5%</b>	<b>-2.0%</b>	<b>2 753</b>	<b>-4.2%</b>
Other financial assets	12	17	20	40.8%	16.3%	22	12.9%
- Hedging derivatives			9	Ns	Ns	14	54.7%
- Financial assets at fair value through profit or loss				Ns	Ns		Ns
- Assets available for sale <sup>4</sup>				Ns	Ns		Ns
- Financial assets held till maturity date				Ns	Ns		Ns
- Loans, receivables and investment	12	17	11	40.8%	-36.1%	9	-21.4%
Non-current assets held for sale	-	-	-	Ns	Ns	-	Ns
Stocks and work-in-progress	590	406	623	-31.2%	53.4%	764	22.6%
Customer receivables	262	192	183	-26.7%	-4.9%	130	-29.0%
Other current debtors	202	284	227	40.3%	-20.2%	207	-8.5%
Cash and cash equivalents	662	121	206	-81.7%	69.4%	190	-7.6%
<b>Current assets</b>	<b>1 730</b>	<b>1 021</b>	<b>1 258</b>	<b>-41.0%</b>	<b>23.2%</b>	<b>1 313</b>	<b>4.4%</b>
<b>Total Assets</b>	<b>4 618</b>	<b>3 952</b>	<b>4 132</b>	<b>-14.4%</b>	<b>4.5%</b>	<b>4 066</b>	<b>-1.6%</b>

Source: Centrale Danone SA.

<sup>3</sup> heifers

<sup>4</sup> SCI Jamila, Celaco et les Textiles

## Consolidated balance sheet - Liabilities

In MAD million	2012	2013	2014	Var.13/12	Var.14/13	S1 2015	Var. S1.15 / S1.14
<b>Liabilities</b>							
Capital	94	94	94	0.0%	0.0%	94	0.0%
Issue and merger premiums			-	Ns	Ns	-	Ns
Reserves	1 059	1 037	945	-2.0%	-8.9%	938	-0.8%
Conversion rate adjustment			-	Ns	Ns	-	Ns
Net income (group' share)	472	221	41	-53.3%	-81.3%	9	-77.7%
<b>Equities attributable to common shareholders of the parent company</b>	<b>1 626</b>	<b>1 352</b>	<b>1 080</b>	<b>-16.8%</b>	<b>-20.1%</b>	<b>1 041</b>	<b>-3.6%</b>
<b>Minority interests</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>Ns</b>	<b>Ns</b>	<b>-</b>	<b>Ns</b>
<b>Consolidated shareholders equity</b>	<b>1 626</b>	<b>1 352</b>	<b>1 080</b>	<b>-16.8%</b>	<b>-20.1%</b>	<b>1 041</b>	<b>-3.6%</b>
Provisions	2	2	4	40.3%	70.1%	21	>100%
Employee benefits	183	191	222	4.0%	16.1%	232	4.6%
Non-current financial debts	170	142	114	-15.9%	-20.2%	40	-64.7%
- Hedging derivatives	-	-	-	Ns	Ns	-	Ns
- Amounts owed to credit institutions	170	142	114	-15.9%	-20.2%	-	-100.0%
- Debts represented by a security	-	-	-	Ns	Ns	-	Ns
- Debts related to financial lease	-	-	-	Ns	Ns	40	Ns
Debts of corporate taxes	-	-	-	Ns	Ns	-	Ns
Deferred tax liabilities	336	329	338	-2.1%	2.7%	314	-7.2%
Non-current debts to suppliers	-	-	-	Ns	Ns	-	Ns
Other non-current creditors	-	2	0	Ns	-86.7%	1	>100%
<b>Non-current liabilities</b>	<b>691</b>	<b>667</b>	<b>678</b>	<b>-3.5%</b>	<b>1.6%</b>	<b>607</b>	<b>-10.4%</b>
Provisions	24	43	99	81.4%	>100%	145	46.3%
Current financial debts	934	743	828	-20.4%	11.4%	971	17.3%
- Hedging derivatives		9	9	Ns	0.0%	9	0.0%
- Amounts owed to credit institutions	934	734	819	-21.4%	11.5%	962	17.5%
- Debts represented by a security	-	-	-	Ns	Ns	-	Ns
-Debts related to financial lease contracts	-	-	-	Ns	Ns	-	Ns
Current debts to suppliers	1 002	846	1 100	-15.5%	30.0%	1 023	-7.0%
Liabilities related to non-current assets held for sale	-	-	-	Ns	Ns	-	Ns
Other current creditors	341	300	347	-12.0%	15.6%	279	-19.5%
<b>Current liabilities</b>	<b>2 301</b>	<b>1 933</b>	<b>2 373</b>	<b>-16.0%</b>	<b>22.8%</b>	<b>2 418</b>	<b>1.9%</b>
<b>Total liabilities</b>	<b>4 618</b>	<b>3 952</b>	<b>4 132</b>	<b>-14.4%</b>	<b>4.5%</b>	<b>4 066</b>	<b>-1.6%</b>

Source: Centrale Danone SA.

## Cash flow table

In MAD million	2012	2013	2014	Var.13/12	Var.14/13	S1 2015	Var. S1.15 / S1.14
Net consolidated income	472	221	41	-53.3%	-81.3%	9	-77.7%
<b>Adjustments for:</b>				<i>Ns</i>	<i>Ns</i>		<i>Ns</i>
Deduction of depreciations and provisions	360	392	436	8.9%	11.4%	253	-42.1%
Deduction of reevaluation profits/losses (fair value)	-3	5	2	>100%	-55.9%	2	-29.4%
Dividend income	-31	-0	-0	-98.9%	-13.9%	-	-100.0%
<b>Cash flow after net cost of debt and tax</b>	<b>775</b>	<b>630</b>	<b>458</b>	<b>-18.7%</b>	<b>-27.3%</b>	<b>246</b>	<b>-46.3%</b>
Deduction of income taxes	194	120	79	-38.4%	-34.4%	42	-46.7%
Deduction of the net financial debts cost	27	38	50	41.2%	30.8%	23	-53.5%
<b>Cash flow before net cost of debt and tax</b>	<b>996</b>	<b>788</b>	<b>587</b>	<b>-20.9%</b>	<b>-25.5%</b>	<b>311</b>	<b>-47.0%</b>
Impact of changes of the need for working capital	-4	-21	171	<-100%	>100%	-212	<-100%
Deferred taxes	-	-	-	<i>Ns</i>	<i>Ns</i>	-	<i>Ns</i>
Paid taxes	-211	-130	-61	-38.3%	-53.4%	-50	-17.5%
<b>Net cash flow related to operational activities</b>	<b>781</b>	<b>637</b>	<b>697</b>	<b>-18.5%</b>	<b>9.5%</b>	<b>49</b>	<b>-92.9%</b>
Impact of changes in scope	-	-	-	<i>Ns</i>	<i>Ns</i>	-	<i>Ns</i>
Acquisition of tangible and intangible assets	-407	-439	-377	7.7%	-14.1%	-135	-64.1%
Acquisition of financial assets	-	-	-	<i>Ns</i>	<i>Ns</i>	-	<i>Ns</i>
Change in other financial assets	7	-3	5	<-100%	>100%	4	-18.6%
Investment grants received	-	1	3	<i>Ns</i>	>100%	-	-100.0%
Transfers of tangible and intangible assets	65	10	37	-84.9%	>100%	21	-43.3%
Transfers of financial assets	-	-	-	<i>Ns</i>	<i>Ns</i>	-	<i>Ns</i>
Received dividends	31	0	0	-98.9%	-13.9%	-	-100.0%
Financial interests paid	-27	-38	-50	41.2%	30.8%	-23	-53.5%
<b>Net cash flow related to investment activities</b>	<b>-332</b>	<b>-469</b>	<b>-383</b>	<b>41.4%</b>	<b>-18.5%</b>	<b>-134</b>	<b>-64.9%</b>
Effects of changes in the Scope of Consolidation	-207	-	-	-100.0%	<i>Ns</i>	-	<i>Ns</i>
Dividends paid to shareholders of the parent Company	-484	-479	-271	-1.0%	-43.5%	-	-100.0%
Dividends paid to minority	-9	-	-	-100.0%	<i>Ns</i>	-1	<i>Ns</i>
Dividends paid to minority	-	-	-	<i>Ns</i>	<i>Ns</i>	-	<i>Ns</i>
Issue of new borrowings	-30	-27	-29	-9.2%	6.8%	-114	>100%
Repayment of borrowings	-	-	-	<i>Ns</i>	<i>Ns</i>	40	<i>Ns</i>
Repayment of debts resulting from lease contract	-	-	-	<i>Ns</i>	<i>Ns</i>	-	<i>Ns</i>
Net decrease (increase) of loans	-	-	-	<i>Ns</i>	<i>Ns</i>	-	<i>Ns</i>
Net decrease (increase) of investments	-	-	-	<i>Ns</i>	<i>Ns</i>	-	<i>Ns</i>
Changes of current accounts	-	-	-	<i>Ns</i>	<i>Ns</i>	-	<i>Ns</i>
Others cash Flow from financing activities	-4	-2	-16	-41.8%	>100%	-	-100.0%
<b>Net cash flows resulting from financing activities</b>	<b>-734</b>	<b>-509</b>	<b>-315</b>	<b>-30.6%</b>	<b>-38.1%</b>	<b>-74</b>	<b>-76.4%</b>
Impact of changes of exchange rates	-	-	-	<i>Ns</i>	<i>Ns</i>	-	<i>Ns</i>
Impact of changes of accounting methods and principles	-	-	-	<i>Ns</i>	<i>Ns</i>	-	<i>Ns</i>
<b>Change of cash and cash equivalents</b>	<b>-284</b>	<b>-341</b>	<b>-0</b>	<b>20.0%</b>	<b>-99.9%</b>	<b>-159</b>	<b>&gt;100%</b>
Net cash and cash equivalents at the opening	12	-272	-613	<-100%	<-100%	-613	0.0%
Net cash and cash equivalents at the closing	-272	-613	-613	<-100%	0.0%	-772	-26.0%
Net cash and cash equivalents at the closing including hedging derivatives	-272	-622	-622	<-100%	0.0%	-781	-25.6%

#### **PART IV: CENTRALE DANONE RISK FACTORS**

Centrale Danone is subject to the risk related to non-alignment of Upstream-Downstream growth. In fact, as the major business activity of Centrale Danone is producing and commercializing milk and dairy products, there is a risk of shortage in raw materials, especially raw milk in the quantity and in conformity with the objectives and the market requirements.

**WARNING**

**The aforementioned information only represents a part of the prospectus approved by the *Conseil Déontologique des Valeurs Mobilières* (CDVM) under het reference number VI/EM/001/2016 on January, 29<sup>th</sup> 2016. CDVM recommends reading the full prospectus available to the public in French.**