

SUMMARY OF PROSPECTUS

MANDATORY PUBLIC BUYOUT OFFER OF BRANOMA (BRASSERIE DU NORD MAROCAIN) ON THE CASABLANCA STOCK EXCHANGE IN THE PERSPECTIVE OF BRANOMA'S DELISTING

BRASSERIES DU NORD MAROCAIN **BRANOMA**

ON THE INITIATIVE OF SOCIÉTÉ DES BRASSERIES DU MAROC



NUMBER OF SHARES TARGETED: 46,001

PRICE PER SHARE: 1,770 DIRHAMS

MAXIMUM AMOUNT OF OFFER: 81,421,770 DIRHAMS

OFFER PERIOD: 1 NOVEMBER 2012 TO 30 NOVEMBER 2012 INCLUSIVE

ADVISORY BODY AND GLOBAL COORDINATOR: SOCIÉTÉ GÉNÉRALE MAROCAINE DE BANQUES



BODY RESPONSIBLE FOR THE RECORDING AND THE REGISTERING OF THE TRANSACTION: SOGÉCAPITAL BOURSE

Sogécapital Bourse



In accordance with the CDVM Circular taken pursuant to Article 14 of the Dahir No. 1-93-212 of September 21st 1993 relative to the Conseil Déontologique des Valeurs Mobilières (CDVM) and the information required by legal persons with public offering as amended and supplemented, the original of this present prospectus has been Approved by the CDVM on October 23rd 2012 under the reference VI/EM/036/2012

WARNING

The CDVM visa does not imply the approval of the appropriateness of the transaction nor the authentication of the information presented. It was granted after review of the relevance and consistency of the information given in the context of the proposed transaction to investors.

The Conseil Déontologique des Valeurs Mobilières (CDVM) on October 23rd, 2012, approved the prospectus of the mandatory public buyout offer of BRANOMA launched on the initiative of Société des Brasseries du Maroc.

The prospectus approved by the CDVM is available at any time:

- On the CDVM website (www.cdvm.gov.ma);
- At the headquarters of the Casablanca Stock Exchange and on its website www.casablanca-bourse.com;
- At the headquarters of Société des Brasseries du Maroc, Boulevard Ahl Loghlam, Ain Sebaa – Casablanca ;
- At the headquarters of BRANOMA, Rue Ibn El Qadhi – 2100 – Fès ;
- At the headquarters of Société Générale Marocaine de Banques au 55, Bd Abdelmoumen, Casablanca.

Part I. Presentation of the transaction

I.1. Characteristics of the transaction

I.1.a. Legal framework

Article 6 of Dahir 1-04-21 of 1 Rabii I 1425 (21 April 2004) promulgating Law 26-03 on public offerings on the stock market, as amended and supplemented, defines public buyout offers as the procedure whereby physical or legal persons holding a majority, either alone or together within the meaning of article 10 of Dahir 1-04-21, of the voting shares in a company whose shares are listed, must make it publicly known that they intend to buy back the securities, as described in article 2 of the Dahir, of the said company, in order to allow physical and legal shareholders in that company that do not form part of the majority shareholding person or group to withdraw from that company's share capital.

The Board of Directors of BRANOMA met on the 20th September 2012, and decided in principle to delist BRANOMA from the Casablanca Stock Exchange. The Board of Directors took note of the fact that the delisting entailed the obligation on the part of the physical and legal persons holding, alone or together, the majority of the Company's share capital, on their own initiative and prior to the effective delisting, to make a public buyout offer in accordance with article 20 *bis* of Law 26-03 as amended and supplemented by Law 46-06.

The Board of Directors of *Société des Brasseries du Maroc* met on the 20th September 2012, and decided to authorize the company to initiate a public buyout offer for all shares not held by the company, i.e., 9.2% of the share capital and voting rights in the *Brasseries du Nord Marocain* representing 46,001 shares. The Board of Directors decided that the price offered would be 1,770 MAD per share.

The project of the public buyout offer for BRANOMA was filed with CDVM on the 20th September 2012. The admissibility agreement for the transaction was published on the 5th October 2012.

I.1.b. Factors for assessing the offer

BRANOMA's valuation as described in the prospectus was carried out by *Société Générale Marocaine de Banques* as the Advisory Body and reviewed by Saaïdi & Hdid Consultants as an Independent Expert.

The price offered by the initiator of the present offer is 1,770 MAD per share.

In the context of the proposed transaction, *Société Générale Marocaine de Banques* carried out its work of assessing the value of BRANOMA using the following methods:

- Discounted Cash Flows (DCFs);
- Stock market price method;
- Peer group comparables.

I.2. Goal of the operation

The principal shareholder in BRANOMA, *Société des Brasseries du Maroc*, initiated the present public buyout offer in order to give the minority shareholders in BRANOMA an opportunity to tender their shares before BRANOMA shares are delisted.

Given:

- That BRANOMA's listing on the Stock Exchange is the consequence of a historical situation (the Company has been listed on the Casablanca Stock Exchange since 1974) and does not answer to any strategic necessity on the part of the Company or of its majority shareholder, which is also listed on the Casablanca Stock Exchange;
- That there is a lack of liquidity in BRANOMA shares trading (14 shares on average per day changing hands over the past 12 months, for a total volume of 7.4 MMAD), coupled with a lack of visibility on the Casablanca Stock Exchange, with local financial analysts not covering the company;
- That the amount of the floating capital is low (some 9.2%), equivalent to a mark to market value of 64.5 MMAD as of 14th September 2012;

Société des Brasseries du Maroc has decided to initiate the public buyout offer transaction for BRANOMA in consequence of its decision to delist BRANOMA shares from the Casablanca Stock Exchange.

I.3. Timeline for the operation

Ordre	Stage	Deadline
1	Admissibility agreement by the CDVM	05/10/2012
2	Public announcement of the admissibility agreement by the CDVM	05/10/2012
3	Transaction documents are sent to the Casablanca Stock Exchange (CSE)	23/10/2012
4	Issuance by the Casablanca Stock Exchange of an approval notice	23/10/2012
5	Validation of the prospectus by the CDVM (visa)	23/10/2012
6	Receipt by the Exchange of the approved prospectus	23/10/2012
7	Publishing of the delisting transaction in the stock market report	24/10/2012
8	Publishing of a summary of the prospectus in a newspaper	25/10/2012
9	Opening of the public buyout offer	01/11/2012
10	Closing of the public buyout offer	30/11/2012
11	Receipt of the the shares sell orders by the CSE before 12:00 hours/noon	03/12/2012
12	Processing by the CSE of the shares sell orders	04/12/2012
13	Sending of a summary statement of the public buyout orders to CDVM	05/12/2012
14	Follow up by the CDVM of the delisting transaction (approved or dismissed)	06/12/2012
15	Announcement in the stock market report should the CDVM declares the transaction dismissed	06/12/2012
16	Issuance of the results of the transaction to Order Collectors	07/12/2012
17	Publication of the delisting transaction notice in the stock market report. Publication by the CSE of a press release related to the transaction in a newspaper	07/12/2012
18	Recording of the operations related to the delisting transaction announcement of the results of the delisting transaction by CSE	11/12/2012
19	Settlement of the shares concerned by the delisting operation	14/12/2012
20	Delisting of Branoma's shares from the CSE	15/02/2013

Part II. Information concerning the issuer

II.1. Activity

Société des Brasseries du Nord Marocain (BRANOMA) specializes in producing and distributing beers. The company also distributes different brands of wine and mineral water.

II.2. Shareholders

Shareholders	Address	In % of capital and voting rights			
		2008	2009	2010	2011
<i>Société des Brasseries du Maroc</i>	Bd. Ahl Loghlam, Ain Sebaa, 20450 Casablanca	79.22%	88.79%	90.80%	90.80%
Others	-	20.78%	11.21%	9.20%	9.20%

Source: BRANOMA

II.3. Board of Directors

The composition of BRANOMA's Board of Directors as of the 30th June 2012 was as follows:

Governor	Position	Date of appointment	Date of expiration of term of office
Mr. Pierre Castel	Chairman of the Board	MBD ¹ of 26/05/2003	MBD approving the accounts for the financial year ending 31 December 2014
<i>Société des Brasseries du Maroc</i> , represented by Mr. Jean Marie Grosbois	Governor	MBD of 26/05/2003	MBD approving the accounts for the financial year ending 31 December 2014
Mr. Michel Palu	Governor	MBD of 26/05/2003	MBD approving the accounts for the financial year ending 31 December 2014
Mr. Jean Claude Palu	Governor	MBD of 26/05/2003	MBD approving the accounts for the financial year ending 31 December 2014
Mr. Guy Declercq	Governor	MBD of 26/05/2003	MBD approving the accounts for the financial year ending 31 December 2014

Source: BRANOMA

¹ MBD : Meeting of the Board of Directors

Part III. Financial data

III.1. Balance sheet

In thousand MAD	2009	2010	Ev. 10/09	2011	Ev. 11/10
FIXED ASSETS	119 010	111 781	-6.1%	112 200	0.4%
Written off capital assets	-	-	-	-	-
Preliminary expenses	-	-	-	-	-
Charges to be spread over several years	-	-	-	-	-
Intangible assets	-	-	-	-	-
Patents, brand names, rights and similar	-	-	-	-	-
Goodwill	-	-	-	-	-
Tangible assets	117 080	110 043	-6.0%	110 925	0.8%
Land	12 331	12 331	0.0%	12 331	0.0%
Buildings	29 008	27 084	-6.6%	25 737	-5.0%
Technical installations, hardware and workshop	68 783	64 113	-6.8%	63 670	-0.7%
Transport equipment	557	2 691	383.0%	3 242	20.5%
Furnishings, office supplies and other fittings	1 655	1 628	-1.6%	1 368	-15.9%
Other tangible assets	626	551	-12.0%	602	9.3%
Current tangible assets	4 120	1 645	-60.1%	3 975	141.6%
Fixed financial assets	1 931	1 738	-10.0%	1 275	-26.6%
Long-term loans	1 645	1 452	-11.7%	990	-31.9%
Other financial receivables	286	286	0.0%	286	0.0%
Unrealized foreign exchange gains	-	-	-	-	-
CURRENT ASSETS	222 627	172 905	-22.3%	224 028	29.6%
Stocks	25 849	17 024	-34.1%	15 100	-11.3%
Merchandise	14 715	6 060	-58.8%	4 002	-34.0%
Consumable materials and supplies	7 013	5 747	-18.0%	6 700	16.6%
Product in progress	3 087	2 820	-8.7%	2 629	-6.8%
Finished product	1 034	2 396	131.8%	1 770	-26.1%
CURRENT ASSET CREDITS	52 611	64 467	22.5%	99 042	53.6%
Suppliers, debtors, advances and down payments	6 495	7 783	19.8%	8 433	8.4%
Receivables and related accounts	33 860	42 549	25.7%	77 298	81.7%
Staff	1 427	1 298	-9.0%	1 044	-19.6%
State	10 425	11 791	13.1%	11 035	-6.4%
Partner's accounts	-	-	-	-	-
Other receivables	27	793	2826.5%	588	-25.8%
Prepayments & accrued income	377	252	-33.2%	643	155.3%
INVESTMENT SECURITIES	144 168	91 414	-36.6%	109 886	20.2%
Unrealized foreign exchange gains	-	-	-	-	-
CASH ASSETS	5 366	18 280	240.6%	7 098	-61.2%
TOTAL ASSETS	347 004	302 965	-12.7%	343 327	13.3%

Source: BRANOMA

In thousand MAD	2009	2010	Ev. 10/09	2011	Ev. 11/10
PERMANENT CAPITAL	219 349	193 957	-11,6%	214 700	10,7%
Equity	214 413	167 622	-21,8%	188 233	12,3%
<i>Share capital</i>	50 000	50 000	0,0%	50 000	0,0%
<i>Legal reserve</i>	5 000	5 000	0,0%	5 000	0,0%
<i>Other reserves</i>	60 642	65 677	8,3%	69 802	6,3%
<i>Retained earnings</i>	26 689	1 736	-93,5%	2 819	62,4%
<i>Net result for the year</i>	72 082	45 209	-37,3%	60 611	34,1%
Quasi-equity	4 937	472	-90,4%	0	-100,0%
<i>Investment subsidy</i>	-	-	-	-	-
<i>Regulatory provisions</i>	4 937	472	-90,4%	0	-100,0%
Financing liabilities	-	-	-	-	-
<i>Bond issues</i>	-	-	-	-	-
<i>Other financing liabilities</i>	-	-	-	-	-
LONG-TERM PROVISIONS FOR CONTINGENCIES	-	25 863		26 467	2,3%
Unrealized foreign exchange losses	-	-	-	-	-
CURRENT LIABILITIES	126 887	109 003	-14,1%	128 627	18,0%
Suppliers & supplier accounts	47 500	35 191	-25,9%	39 693	12,8%
Clients in credit, accounting & auditing	42 115	44 527	5,7%	61 128	37,3%
Staff	2 636	2 813	6,7%	3 718	32,2%
Social security	1 826	1 815	-0,6%	1 894	4,3%
State	19 574	19 498	-0,4%	15 920	-18,4%
Partner's accounts	754	969	28,5%	1 000	3,2%
Other creditors	4 548	1 928	-57,6%	3 547	84,0%
Deferred credits	500	500	0,0%	502	0,4%
Other provisions for liabilities & charges	7 434	1 763	-76,3%	1 223	-30,6%
Unrealized foreign exchange losses	-	-	-	-	-
CASH LIABILITIES	767	6	-99,3%	0	-100,0%
TOTAL LIABILITIES	347 004	302 965	-12,7%	343 327	13,3%

Source: BRANOMA

III.2. Cash flow statement

In thousand MAD	2009	2010	Ev. 10/09	2011	Ev. 11/10	CAGR 09/11
Sales of goods	126 061	150 821	19.6%	175 426	16.3%	18.0%
Resale of purchased goods	110 077	130 829	18.9%	154 813	18.3%	18.6%
Gross margin of sales	15 985	19 992	25.1%	20 613	3.1%	13.6%
<i>Gross margin of sales</i>	<i>12.7%</i>	<i>13.3%</i>		<i>11.8%</i>		
Production sold	326 177	345 490	5.9%	361 988	4.8%	5.3%
Stock variation	-785	1 095	-239.5%	-817	-174.6%	
Fixed assets produced by the company itself	-	-	-	-	-	-
Production for the year	325 392	346 585	6.5%	361 171	4.2%	5.4%
Purchase of raw materials	44 281	37 711	-14.8%	37 079	-1.7%	-8.5%
Other external costs	35 133	45 983	30.9%	64 332	39.9%	35.3%
Added value	261 963	282 883	8.0%	280 372	-0.9%	3.5%
<i>Added Value Margin</i>	<i>57.9%</i>	<i>57.0%</i>		<i>52.2%</i>		
Operating subsidies	-	-	-	-	-	-
Taxes	125 631	152 441	21.3%	152 987	0.4%	10.4%
Staff costs	20 954	21 057	0.5%	21 855	3.8%	2.1%
EBITDA	115 378	109 385	-5.2%	105 530	-3.5%	-4.4%
<i>EBITDA margin</i>	<i>25.5%</i>	<i>22.0%</i>		<i>19.6%</i>		
Other operating revenues	-	-	-	-	-	-
Other operating costs	575	500	-13.0%	500	0.0%	-6.7%
Operating reversals	688	698	1.4%	685	-1.9%	-0.2%
Operating provision	18 240	20 983	15.0%	24 990	19.1%	17.0%
Operating profit	97 251	88 599	-8.9%	80 725	-8.9%	-8.9%
<i>Operating profit margin</i>	<i>21.5%</i>	<i>17.9%</i>		<i>15.0%</i>		
Financial result	3 999	3 861	-3.5%	3 387	-12.3%	-8.0%
Current result	101 250	92 460	-8.7%	84 112	-9.0%	-8.9%
Non-operating earnings	1 988	-19 160	-1064%	3 631	119.0%	35.2%
Taxes on profit	31 155	28 091	-9.8%	27 132	-3.4%	-6.7%
Net Income	72 082	45 209	-37.3%	60 611	34.1%	-8.3%
<i>Net income margin</i>	<i>15.9%</i>	<i>9.1%</i>		<i>11.3%</i>		

Source: BRANOMA

Part IV. Risks

IV.1. Procurement risk

The company makes most of its purchases from SBM and consequently bears the same procurement risk as SBM.

IV.2. Customer failure risk

The risk of failure on the part of Branoma's clients is very low, given the fact that:

- 75% of sales are paid in cash with retailers and resellers. Branoma gives some resellers additional time to pay if they lodge a bank guarantee covering their commitments.
- 25% of sales are to major distribution companies, whose payment terms are 30 days/month end. These companies are reputable, their operations are of long standing and set to continue, and they therefore present no risk to the company.

IV.3. Foreign exchange risk

The company is not exposed to foreign exchange risk inasmuch as that it has no recurrent import or export operations on its books. However, the company may be obliged to make *ad hoc* purchases abroad of machinery and spare parts.

IV.4. Competition risk

Groupe des *Brasseries du Maroc* holds a market share of approximately 98% of the Moroccan beer market and has no significant competitor that could influence the Group's strategy.

Brewing is a highly capitalistic industry, and the scope for a new actor arriving on the scene is therefore limited.

IV.5. Regulatory risk

The company is heavily exposed to regulatory changes by the Authorities over beers and alcoholic beverages as a whole (production, distribution and consumption). Even one change in the regulatory framework (TIC², SICPA marking, and specific VAT arrangements) could have major repercussions for the group and its financial results.

IV.6. Operational risk

As a consequence of its activity which consists in transforming agricultural products into products for human consumption, the company is exposed to sanitary risks in the manufacturing process. However, the company has put in place procedures that have resulted in the Branoma plant receiving ISO 22000 certification in area of food safety.

² Taxe Intérieur de Consommation

IV.7. Environmental risk

Water is needed to produce beer, and water is both an input into the production process and is also used to wash the glass vessels and the crates used in packaging the final product. As a result, all the company's sites use the urban sewerage systems in the towns and cities where it has its plants to take away the wastewater. This wastewater can be damaging to the environment.

In order to protect the environment, and in collaboration with the bodies responsible for wastewater treatment and disposal, Groupe des Brasseries du Maroc has engaged on an investment program to build wastewater treatment stations. At that time, Groupe des Brasseries du Maroc carried out Environmental Impact Studies for all its production and bottling sites.

As a result, Branoma is the first company in the group to have built a wastewater treatment station, at its production unit in Fez.

WARNING

The information above is only some of the information given in the prospectus approved by the *Conseil Déontologique des Valeurs Mobilières (CDVM)* under reference VI/EM/036/2012 on October 23rd 2012. CDVM recommends that the prospectus made available to the public in French to be read entirely.