



Lesieur Cristal

PROSPECTUS SUMMARY

PUBLIC OFFERING AT THE INITIATIVE OF SNI

**PUBLIC OFFERING RELATING TO THE SALE OF 6,291,229 LESIEUR CRISTAL
SHARES REPRESENTING 22.8% OF THE SHARE CAPITAL**

NUMBER OF SHARES FOR SALE (Cum Dividend)	6,291,229 shares
SALE PRICE	Order Type I : 85 dirhams per share Order Type II : 93 dirhams per share
TOTAL OFFERING SIZE	580,806,257 dirhams
SUBSCRIPTION PERIOD	FROM May 26 TO May 30 2014 INCLUSIVE

Excluding money market (OPCVM monétaires)

Advisory bank	Institution responsible for registration		Underwriting syndicate lead manager
 Attijariwafa bank CORPORATE FINANCE	<u>Seller side</u> ATTIJARI <i>Intermédiation</i>	<u>Buyer side</u> <i>All Stock brokers</i>	ATTIJARI <i>Intermédiation</i>

Members of the underwriting syndicate



VISA OF THE *CONSEIL DEONTOLOGIQUE DES VALEURS MOBILIERES* SECURITIES REGULATOR

Pursuant to the provisions of the CDVM circular, in application of Article 14 of the *Dahir* establishing law No.1-93-212 of 21 September 1993 relating to the *Conseil Déontologique des Valeurs Mobilières* (CDVM) securities regulator and information required of legal entities making public offerings, amended and supplemented, the original version of this prospectus has been approved by the CDVM at May 16th, 2014 with the reference number VI/EM/011/2014.

WARNING

The *Conseil Déontologique des Valeurs Mobilières* (CDVM) securities regulator approved a prospectus on May 16th, 2014 relating to a public offering of Lesieur Cristal's shares.

The CDVM-approved prospectus may be consulted at any time or within 48 hours' notice at the following locations:

- At Lesieur Cristal's head office, 1 rue Caporal Corbi, BP 3095 Roches Noires, Casablanca 20300;
- At Attijari Finances Corp's head office, 163 avenue Hassan II, 20000 Casablanca;
- At the offices of the institutions responsible for collecting subscription orders.

The prospectus is also available to the public at the Casablanca Stock Exchange's head office and on its website at www.casablanca-bourse.com. It is also available on the CDVM's website at www.cdvm.gov.ma.

PART I: TRANSACTION OVERVIEW

I. OFFERING SUMMARY

I.1 TOTAL OFFERING SIZE

The total offering size will be 580,806,257 dirhams, based on :

- Order Type I : a price of 85dirhams per share ;
- Order Type II : a price of 93dirhams per share.

I.2 LISTING

Those Lesieur Cristal shares, which are the subject of this transaction, are listed on the 1st compartment of the Casablanca Stock Exchange.

I.3 OFFERING TERMS

Order type	I	II
Subscribers	<ul style="list-style-type: none"> ▪ Lesieur Cristal SA permanent employees ▪ SNI SA permanent employees 	<ul style="list-style-type: none"> ▪ Resident or non-resident Moroccan or foreign natural persons; ▪ Moroccan or foreign legal entities not belonging to any of the categories listed below proving more than one year of existence on May 15, 2014 ; ▪ Moroccan qualified investors as defined by Article III.1.21 of the CDVM circular including: <ul style="list-style-type: none"> ✓ UCITS (excluding money market – OPCVM monétaires); ✓ Insurance and reinsurance companies; ✓ Pension funds; ✓ CDG; ✓ Venture Capital Investment Organisation, as governed by law No. 41-05 ; ✓ Banks; ✓ Financial companies, as defined by Article 14 of Law No. 34-03. ▪ Approved foreign investment institutions.
Number of shares	537,755	5,756,474
Amount	45,454,175 DH	535,352,082 DH
% of total offering	8.5%	91.5%
Maximum subscription	-	629,123 securities or 58,508,439 DH
Members of the underwriting syndicate	Attijariwafa bank	<ul style="list-style-type: none"> <li style="width: 50%;">▪ Al Barid Bank <li style="width: 50%;">▪ CFG Marchés <li style="width: 50%;">▪ Alma Finance <li style="width: 50%;">▪ Crédit Agricole du Maroc <li style="width: 50%;">▪ Art Bourse <li style="width: 50%;">▪ Crédit du Maroc <li style="width: 50%;">▪ Atlas Capital Bourse <li style="width: 50%;">▪ Crédit du Maroc Capital <li style="width: 50%;">▪ Attijari Intermédiation <li style="width: 50%;">▪ CIH Bank <li style="width: 50%;">▪ Attijariwafa bank <li style="width: 50%;">▪ Eurobourse <li style="width: 50%;">▪ Banque Centrale Populaire <li style="width: 50%;">▪ ICF Al Wassit <li style="width: 50%;">▪ BMCE Bank <li style="width: 50%;">▪ MENA.C.P. <li style="width: 50%;">▪ BMCE Captial Bourse <li style="width: 50%;">▪ M.S.I.N <li style="width: 50%;">▪ BMCI <li style="width: 50%;">▪ Société Générale Marocaine de Banques <li style="width: 50%;">▪ BMCI Bourse <li style="width: 50%;">▪ Sogecapital Bourse <li style="width: 50%;">▪ Capital Trust Securities <li style="width: 50%;">▪ Wafa Bourse <li style="width: 50%;">▪ CDG Capital Bourse <li style="width: 50%;">▪ Wafa Bourse <li style="width: 50%;">▪ CFG Group

<p>Subscription cover</p>	<p>50% cover provided by a personal down-payment or 100% cover provided by bank loan</p>	<ul style="list-style-type: none"> ■ Natural persons : 50% cover provided by an actual deposit (cheque or cash) or 100% cover provided by collateral of securities (listed shares, treasury bills or mutual funds); ■ Moroccan or foreign legal entities : 50% cover provided by an actual deposit (cheque or cash) or 100% cover provided by collateral of securities (listed shares, treasury bills or mutual funds) ; ■ Qualified Moroccan investors : subscription cover is not required ; ■ For foreign institutionals (i) proving more than one year of existence, or (ii) a customer of a member of the underwriting syndicate who have made a transaction on the primary or secondary market within the Casablanca Stock Exchange : subscription cover is not required ; ■ For foreign institutionals (i) not proving more than one year of existence, nor (ii) a customer of a member of the underwriting syndicate who have made a transaction on the primary or secondary market within the Casablanca Stock Exchange : 30% cover provided by an actual deposit (cheque or cash) or 100% cover provided by a bank guarantee.
<p>Allocation process</p>	<p>Iterative method</p>	<ul style="list-style-type: none"> ■ 1st allocation: allocation, based on the iterative method (at the rate of one share per subscriber), of up to 100 securities per subscribing applicant; ■ 2nd allocation: allocation of the remaining balance pro-rata to the number of securities applied for above 100 shares.
<p>Transfer rules</p>	<p>If the number of shares is fewer than the number offered under order type I, the remaining balance will be transferred to II</p>	<p>If the number of shares is fewer than the number offered under order type II, the remaining balance will be transferred to I</p>

I.4 OFFERING STRUCTURE

The offering is based on 2 types of order:

Order type I: Reserved for Lesieur Cristal SA permanent employees and SNI SA permanent employees who have a permanent employment contract, regardless of seniority.

Order type II: Reserved for:

- Resident or non-resident Moroccan or foreign natural persons;
- Moroccan or foreign legal entities (excluding those Moroccan or foreign qualified investors listed below) and justifying more than a year of existence on May 15, 2014;
- Moroccan qualified investors¹ as defined by Article III.1.21 of the CDVM circular including:
 - ✓ Moroccan equity and diversified mutual funds (OPCVM) (governed by the *Dahir* establishing Law No.1-93-213 of 4 Rabi II 1414 (21 September 1993);
 - ✓ Insurance and reinsurance companies governed by Law 17-99 establishing the Insurance Code;
 - ✓ Pension funds;
 - ✓ *Caisse de Dépôt et de Gestion* (CDG);
 - ✓ Venture Capital Investment Organisation, as governed by law No. 41-05 ;
 - ✓ Banks;
 - ✓ Financial companies, as defined by Article 14 of Law No. 34-03.
- Approved foreign investment institutions.

The maximum number of shares that can be applied for under this order type is 10% of the total number of shares offered (i.e. 629,123 securities).

I.5 TRANSFER CLAUSE (IF APPLICABLE)

If the number of shares applied for under each order type is less than the corresponding offer, Attijari Intermédiation, lead manager of the underwriting syndicate, in partnership with Attijari Finances Corp, global advisor and coordinator, Lesieur Cristal and the Casablanca Stock Exchange will allocate the difference to the other order type.

¹ Excluding money market (OPCVM monétaires)

I.6 INFORMATION RELATING TO THE SECURITIES FOR SALE

Type of securities	Lesieur Cristal shares, all of the same class
Legal form of shares	Bearer shares
Number of shares for sale	6,291,229 shares
Sale price	Order Type I : The subscription price has been set at 85 dirhams per share ; Order Type II : The subscription price has been set at 93 dirhams per share.
Nominal value	10 DH
Restrictions on the shares	The shares are fully paid-up and free of all restrictions
Entitlement date	January 1, 2013
Trading compartment	1 st compartment
Trading line	1 st line
Tradability of shares	The shares in question can be freely traded. No statutory clause restricts trading in Lesieur Cristal's shares.
Rights attached	All shares confer the same rights relating to the distribution of earnings as well as the distribution of dividends on liquidation. Each share confers entitlement to one voting right at shareholder meetings.

II. VALUATION SUMMARY

The table below summarises the various valuation methods used:

DH	Value per share	Weighting	Discount*	
			In comparison with 85 dhs per share	In comparison with 93 dhs per share
Share price-based approach	105.4	25%		
Closing price 14-05-2014	106.9		19.3%	11.7%
Average price 1 month	107.7		21.0%	13.6%
Average price 3 months	105.8		19.6%	12.1%
Average price 6 months	105.3		19.3%	11.7%
Average price 12 months	103.0		17.5%	9.7%
Average price 24 months	103.9		18.2%	10.5%
Average price 36 months	105.0		19.1%	11.5%
Discounted cash flow method**	123.2	25%	31.0%	24.5%
Comparable multiples***	139.2	25%	38.9%	33.2%
Comparable transactions	127.3	25%	33.2%	26.9%

* Implied sales price premium compared to the value per share for Lesieur Cristal shares

** Core value based on a WACC of 9.3% and a perpetuity growth rate of 2.0%

*** Average value

In order to arrive at a value for Lesieur Cristal shares, a weighting factor was applied to the various valuation methods.

The summary of the four valuation methods used resulted in a valuation for Lesieur Cristal of MAD 3,419,704,718 million or 123.8 dirhams per share.

The sales price of Lesieur Cristal shares, in respect of this Public Offering, includes a discount of :

- Order Type I : -31.3% by comparison with the value per share obtained after aggregating the various methods ;
- Order Type II : -24.9% by comparison with the value per share obtained after aggregating the various methods.

Compared to the valuation resulting from applying the discounted cash flow method, the sales price of Lesieur Cristal shares reflects a discount of :

- Order Type I : -31.0% by comparison with the value per share obtained from applying the discounted cash flow method ;
- Order Type II : -24.5% by comparison with the value per share obtained from applying the discounted cash flow method.

III. TRANSACTION AIMS

This transaction primarily aims to:

- Enable SNI to conclude a first transaction by which it will transfer control of one of the companies within its portfolio, as part of its own corporate restructuring process, which was announced in March 2010, for the purpose of: (i) changing the company's mission to that of an investment holding company and (ii) ceding control of those companies which have reached a certain level of sustainable development;

- Increase the company's free-float from 11.5% to 34.3%. The share of the company's share capital held by financial markets in the broadest possible sense (including institutional investors) will as a result be 59%;
- Enable the general public, in addition to the company's employees, to benefit from the growth prospects of the nation's leading company in the oil, body care and home care sectors.

IV. TRANSACTION SCHEDULE

Order	Stage	Deadline
1	Casablanca Stock Exchange receives the complement of the folder in respect of Lesieur Cristal's public offering	May 15, 2014
2	Casablanca Stock Exchange issues an approval notice concerning the transaction	May 16, 2014
3	Casablanca Stock Exchange receives the CDVM-approved prospectus	May 16, 2014
4	A notice relating to Lesieur Cristal's public offering is published in the Stock Exchange's Official notice	May 19, 2014
5	Initiating company publishes an excerpt of the CDVM-approved prospectus in a legal notices newspaper.	May 20, 2014
6	Subscription period opens	May 26, 2014
7	Subscription period closes	May 30, 2014
8	Casablanca Stock Exchange receives subscriptions (before 12am)	June 2, 2014
9	Casablanca Stock Exchange centralises and processes subscriptions	June 3, 2014
10	Processing of rejections and allocation securities	June 4, 2014
11	Distribution of the allocation to underwriting syndicate members (from 02pm)	June 5, 2014
12	Transaction is registered Official announcement of the transaction result in the Official Bulletin	June 9, 2014
13	Delivery and settlement	June 12, 2014

PART II: GENERAL INFORMATION ABOUT LESIEUR CRISTAL

I. INFORMATION ABOUT LESIEUR CRISTAL'S SHARE CAPITAL

The table below shows Lesieur Cristal's shareholder base over the past 3 financial years:

Shareholders	31/12/2011		31/12/2012		31/12/2013	
	Number of securities	% of share capital and voting rights	Number of securities	% of share capital and voting rights	Number of securities	% of share capital and voting rights
Oléosud	-	-	11,328,919	41.00%	11,328,919	41.00%
SNI	21,063,920	76.23%	6,320,501	22.87%	6,530,656	23.63%
Wafa Assurance	1,474,893	5.34%	1,724,096	6.24%	1,724,096	6.24%
CIMR	215,708	0.78%	1,724,096	6.24%	1,724,096	6.24%
MAMDA-MCMA	573,231	2.07%	1,724,094	6.24%	1,724,094	6.24%
CMR	241,431	0.87%	1,649,279	5.97%	1,649,279	5.97%
Free-float	4,062,327	14.70%	3,160,525	11.44%	2,950,370	10.68%
Total	27,631,510	100.00%	27,631,510	100.00%	27,631,510	100.00%

Source: Lesieur Cristal SA

Changes to the shareholder base between 2009 and 2011

Lesieur Cristal's shareholder base was generally stable over the period 2009-2011. The only significant change over this period was the concentration of stakes held by ONA and SNI with the latter. At 31/12/2010, SNI held almost 76.2% of the company's share capital (following its merger with ONA in 2010).

Changes to the shareholder base since 31/12/2011

In 2012, SNI sold a 41% controlling interest in the share capital and voting rights to Sofiprotéol Group

On 10 February 2012, Sofiprotéol, through its subsidiary Oléosud, became the key shareholder in Lesieur Cristal with 41% of the share capital and voting rights.

In 2012, SNI sold a 12.9% stake in the share capital and voting rights to a group of institutional investors

On 10 February 2012, SNI sold a 12.9% stake in the share capital and voting rights to four leading institutions as follows:

- Sale of a 4.72% stake in Lesieur Cristal's share capital and voting rights to CIMR, taking the latter's total holding in the company's share capital and voting rights to 5.5%;
- Sale of a 4.63% stake in Lesieur Cristal's share capital and voting rights to CMR, taking the latter's total holding in the company's share capital and voting rights to 5.5%;
- Sale of a 3.43% stake in Lesieur Cristal's share capital and voting rights to MAMDA-MCMA, taking the latter's total holding in the company's share capital and voting rights to 5.5%;
- Sale of a 0.16% stake in Lesieur Cristal's share capital and voting rights to Wafa Assurance, taking the latter's total holding in the company's share capital and voting rights to 5.5%;

The aforementioned institutional investors subsequently hold, on an individual basis, a 5.5% stake in the company's share capital and collectively hold 22.0% of the company's share capital.

As a result of these transactions, SNI's stake in Lesieur Cristal's share capital and voting rights was 22.3%.

The table below shows Lesieur Cristal's shareholder base before and after the sales in 2012:

Shareholders	31/12/2011		Sales		After sales (post 10/02/2012)	
	Number of securities	% of share capital	Number of shares sold (-) or acquired (+)	Share price	Number of securities	% of share capital
Oléosud	-	-	+ 11,328,919	115	11,328,919	41.00%
SNI	21,063,920	76.23%	- 14,902,588		6,161,332	22.30%
Wafa Assurance	1,474,893	5.34%	+ 44,840	110	1,519,733	5.50%
CIMR	215,708	0.78%	+ 1,304,025	110	1,519,733	5.50%
MAMDA-MCMA	573,231	2.07%	+ 946,502	110	1,519,733	5.50%
CMR	241,431	0.87%	+ 1,278,302	110	1,519,733	5.50%
Free-float	4,062,327	14.70%			4,062,327	14.70%
Total	27,631,510	100.00%	-		27,631,510	100.00%

Source: Lesieur Cristal SA

Mandatory bid for Lesieur Cristal's outstanding shares in 2012

As a result of Oléosud and the institutional investors breaching the 40% threshold specified in Law No. 26-03 relating to public offerings on the stock market, CIMR, CMR, MAMDA-MCMA, Wafa Assurance and Oléosud, acting in concert, initiated a mandatory bid for those Lesieur Cristal shares not already held. The mandatory bid enabled the institutional investors to collect 817,451 Lesieur Cristal shares, representing 2.96% of the company's share capital and voting rights.

As a result, Lesieur Cristal's shareholder base was as follows:

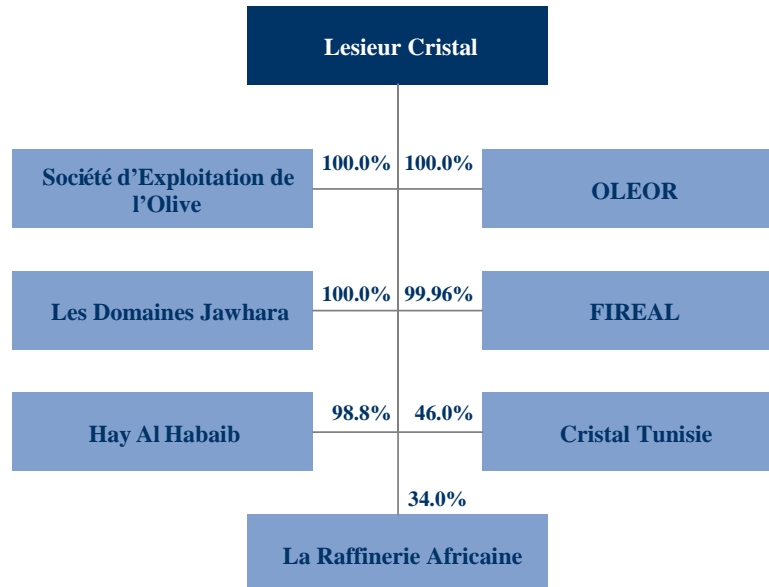
	Before mandatory bid		After mandatory bid (18/04/2012)	
	Number of shares held	%	Number of shares held	%
Oléosud	11,328,919	41.00%	11,328,919	41.00%
CMR	1,519,733	5.50%	1,724,096	6.24%
CIMR	1,519,733	5.50%	1,724,096	6.24%
MAMDA-MCMA	1,519,733	5.50%	1,724,095	6.24%
WAFSA ASSURANCE	1,519,733	5.50%	1,724,096	6.24%
Initiators of the mandatory bid	17,407,851	63.00%	18,225,302	65.96%
SNI	6,161,332	22.30%	6,161,332	22.30%
Free-float	4,062,327	14.70%	3,244,876	11.74%
Total	27,631,510	100.00%	27,631,510	100.00%

Source: Lesieur Cristal SA

II. LESIEUR CRISTAL'S ORGANISATIONAL CHART

The organisational chart below highlights Lesieur Cristal's main subsidiaries which constitute the Group's scope of consolidation.

Lesieur Cristal's scope of consolidation at 31 December 2013 (% held)



Source: Lesieur Cristal SA

III. LESIEUR CRISTAL'S SUMMARY FINANCIAL STATEMENTS (PARENT COMPANY)

III.1. ANALYSIS OF THE MANAGEMENT ACCOUNTING STATEMENT

The table below provides a summary of the historical data from the Lesieur Cristal SA's management accounting statement for the financial years 2011-2013:

MAD millions	2011 ²	2012	2013	Change 12/11	Change 13/12
Sale of goods (in current state)	19	17	60	-9.0%	>100.0%
Cost of goods sold	18	15	92	-17.4%	>100.0%
Gross margin on sale of goods in current state	1	2	-32	>100.0%	<-100.0%
Production for the period	3,908	4,044	4,043	3.5%	0.0%
Sale of finished goods and services	3,838	4,080	4,059	6.3%	-0.5%
Change in inventories	70	-36	-16	<-100.0%	-55.2%
Plant, property and equipment produced by the company for internal use	0	0	0	Ns	Ns
Consumption for the period	3,584	3,533	3,463	-1.4%	-2.0%
Purchases of materials and supplies	3,333	3,287	3,205	-1.4%	-2.5%
Other external expenses	250	246	258	-1.7%	4.9%
Value added	326	513	547	57.7%	6.7%
Operating subsidies	15	4	0	-76.9%	-92.5%
Taxes other than on income	6	6	6	4.4%	-4.7%
Employee expenses	210	211	214	0.7%	1.1%
Gross operating income	125	299	328	>100.0%	9.7%
Other operating revenues	0	0	0	Ns	-19.5%
Other operating expenses	0	1	1	83.3%	-1.4%
Operating write-backs, expenses transfers	17	16	0	-4.4%	-98.1%
Operating provisions	88	78	71	-11.4%	-9.3%
Operating income	53	236	257	>100.0%	8.5%
Financial income	-12	-19	-5	61.5%	-72.9%
Recurring income	41	217	251	>100.0%	15.8%
Non-recurring income	0	-46	-1	<-100.0%	-96.9%
Corporation tax	12	53	77	>100.0%	45.5%
Net income for the period	29	119	173	>100.0%	46.1%

Source: Lesieur Cristal SA

It is worth noting that, in 2013, a number of items that should have normally been recognised under "Sale of goods in current state", such as olive oil sales totalling MAD 26.2 million and personal care products totalling MAD 9.5 million, were recognised under "Sale of finished goods and services" while the purchases related to these products were correctly recognised under "Cost of goods sold".

The table below shows the first few accounting entries of the restated 2013 management accounting statement which includes the sale of the goods and services in question restated correctly under "Sale of goods in current state".

MAD millions	2011	2012	2013	Change 12/11	Change 13/12
Sale of goods (in current state)	19	17	96	-9.0%	>100.0%
Cost of goods sold	18	15	92	-17.4%	>100.0%
Gross margin on sale of goods in current state	1	2	4	>100.0%	55.1%
Production for the period	3,908	4,044	4,007	3.5%	-0.9%
Sale of finished goods and services	3,838	4,080	4,023	6.3%	-1.4%
Change in inventories	70	-36	-16	<-100.0%	-55.2%

Source: Lesieur Cristal SA

² 2011 revenue has been restated under "Other operating revenues" for reasons of comparability ("Other operating revenues" were included in revenue for financial years 2012 and 2013).

III.2. BALANCE SHEET

The table below provides details of Lesieur Cristal SA's balance sheet for the financial years 2011-2013:

MAD millions	2011	2012	2013	Change 12/11	Change 13/12
ASSETS					
Capitalised costs	1	3	5	82.5%	96.3%
Intangible assets	70	69	68	-1.6%	-1.1%
Property, plant & equipment	389	362	366	-6.9%	1.0%
Non-current financial assets	177	168	177	-5.1%	5.4%
Translation adjustments	-	-	-	Ns	Ns
Non-current assets	637	601	616	-5.6%	2.5%
Current assets	2,025	2,214	2,267	9.3%	2.4%
Inventories	823	897	773	9.0%	-13.8%
Current receivables	1,015	1,063	1,186	4.8%	11.6%
Available-for-sale securities	187	254	307	35.3%	21.2%
Exchange adjustments	-	-	-	Ns	Ns
Cash & cash equivalents	85	105	95	23.2%	-9.4%
Total ASSETS	2,747	2,919	2,978	6.3%	2.0%
LIABILITIES					
Long-term financing	1,410	1,510	1,566	7.1%	3.7%
Shareholders' equity	1,190	1,309	1,366	10.0%	4.4%
Shareholders' equity equivalent	98	95	91	-3.1%	-4.7%
<i>Investment subsidies</i>	-	-	-	Ns	Ns
<i>Statutory provisions for amortisation</i>	98	95	91	-3.1%	-4.7%
Long-term borrowings	56	40	52	-28.6%	29.8%
Provisions for contingencies and charges	65	65	57	0.1%	-12.9%
Translation adjustments	-	-	-	Ns	Ns
Current payables	1,234	1,370	1,311	11.0%	-4.4%
Other provisions for contingencies and charges	1	3	4	>100.0%	31.9%
Exchange adjustments	-	-	-	Ns	Ns
Cash & cash equivalents	102	36	97	-64.4%	>100.0%
Total LIABILITIES	2,747	2,919	2,978	6.3%	2.0%

Source: Lesieur Cristal SA

III.3. CASH FLOW STATEMENT

The table below shows Lesieur Cristal SA's sources and uses of funds for the financial years 2011-2013:

MAD millions	2011	2012	2013	Change 12/11	Change 13/12
Stable sources during the period					
Net free cash flow	-49	184	105	<-100.0%	-42.6%
Free cash flow	103	184	221	79.1%	20.6%
Dividend distributions	152	0	116	-100.0%	Ns
Disposals and reductions of non-current assets	10	16	4	63.3%	-77.0%
Disposal of intangible assets				Ns	Ns
Disposal of property, plant & equipment	2	7	3	>100.0%	-50.4%
Disposal of non-current financial assets		1	0	Ns	-55.4%
Recovery of non-current receivables	8	9	0	5.0%	-100.0%
Increase in shareholders' equity				Ns	Ns
Increase in share capital				Ns	Ns
Investment subsidies				Ns	Ns
Increase in long-term borrowings (net of redemption premiums)			28	Ns	Ns
Total stable sources	-39	200	137	<-100.0%	-31.5%
Long-term uses during the period					
Acquisition and increases of non-current assets	46	48	79	5.9%	64.4%
Acquisition of intangible assets	3	4	9	56.6%	99.9%
Acquisition of property, plant & equipment	32	37	36	17.6%	-4.8%
Acquisition of non-current financial assets	6	0	11	-100.0%	Ns
Increase in other non-current assets	5	6	24	24.7%	>100.0%
Repayment of shareholders' equity and equivalent				Ns	Ns
Repayment of long-term borrowings	16	16	16	0.0%	0.0%
Capitalised costs				Ns	Ns
Total stable uses	62	64	95	4.4%	48.4%
Change in total working capital requirement	-159	50	112	<-100.0%	>100.0%
Change in cash & cash equivalents	58	151	-17	>100.0%	<-100.0%
Cash & cash equivalents at end of financial year	171	322	305	88.8%	-5.2%

Source: Lesieur Cristal SA

PART III: RISK FACTORS

I. ECONOMIC RISK

Given that Lesieur Cristal's main business activity involves the sale of food and care products, the company's future revenues and earnings significantly depend on consumer spending and, accordingly on consumers' purchasing power.

Therefore, a contraction or weaker than expected growth in the Moroccan economy can have an unfavourable impact on the growth or profitability of Lesieur Cristal's business and lead to a fall in its revenues and earnings.

II. RISK RELATED TO RISING RAW MATERIAL PRICES

Lesieur Cristal, like any other manufacturing company, is exposed to the risk of a rise in the price of the raw materials used in its manufacturing process.

The international oilseed and crude oil market is typically characterised by price volatility due to several global factors impacting both supply (crop year, inventory levels, etc.) and demand (household and industrial consumption, etc.). The speculative behaviour of some stakeholders also has an impact.

Lesieur Cristal thus remains exposed to the risk of fluctuations in the price of imported raw materials and a number of exported goods.

Lesieur Cristal's degree of exposure to all these risks however, is offset by the company's strategy which involves (i) using hedging instruments to protect against the risk of rising raw materials prices and (ii) securing a growing proportion of its supplies via its own upstream domestic agricultural activity.

III. FOREIGN EXCHANGE RISK

In its day-to-day operations, Lesieur Cristal imports raw materials from overseas suppliers. It also exports its products to foreign countries, although to a lesser extent.

Lesieur Cristal is thus exposed to fluctuations in foreign exchange rates to the extent that the composition of foreign currency-denominated receipts and payments differ.

Unfavourable exchange rate fluctuations therefore have a negative impact on the company's profitability.

To reduce uncertainty surrounding future revenues and purchases, Lesieur Cristal has implemented a real-time forex hedging strategy, using futures and options as a function of market conditions.

IV. COMPETITION-RELATED RISKS

IV.1. DOMESTIC COMPETITION

Business risk encompasses risks which result in a loss of market share: (i) loss of competitiveness *vis-à-vis* its competitors, (ii) similar or alternative products entering the market, or (iii) new competitors entering the market. Furthermore, such risk can be explained by the removal of tariffs and growing economic liberalisation (a rising number of commercial and free-trade agreements).

Nevertheless, Lesieur Cristal has strong fundamentals due to its competitive production costs, strong brand reputation, high quality products and highly experienced human resources.

IV.2. INTERNATIONAL COMPETITION

On the international stage, Lesieur Cristal faces competitive risks which may be exacerbated by the impact from industry deregulation, resulting in the arrival of new international operators.

To counter potential risks, Lesieur Cristal is consolidating its position as market leader in its domestic market and capitalising on the strength of its portfolio of brands.

V. INDUSTRIAL RISK

The industrial risk to which the company may be exposed is primarily related to possible fires or explosions. Such industrial risk could also have a harmful effect on the environment or on employees' health, resulting in a halt in the production process, hampering the company's operations.

Lesieur Cristal, in addition to having experienced personnel, is committed to employing a rigorous safety policy (see Part V Title XII) and, within such a framework, complying with all industry standards.

In addition to the regular prevention measures adopted, the company has taken out a number of different insurance policies (workplace accident insurance, third party liability insurance, fire, floods, etc.).

VI. HYGIENE AND FOOD SAFETY RISK

Lesieur Cristal, like the rest of the food industry, is confronted with hygiene and food safety risk and could be at the centre of a food-related incident faced by a consumer.

This may have disastrous consequences on the way Lesieur Cristal is perceived by consumers and significantly impact the latter's confidence in the company's products.

To counter such a risk, Lesieur Cristal complies strictly with the HACCP system and has a flawless production process.

VII. HUMAN RESOURCES-RELATED RISK

As with all large companies, human nature poses a risk to Lesieur Cristal. The human factor is vital to the development of its business activities, whether upstream (strategic vision and company's growth strategy) or downstream (production). The company is therefore reliant on an effective recruitment process, employee loyalty and a good working environment within the organisation.

In this respect, Lesieur Cristal, when recruiting, endeavours to select candidates with the most suitable profiles and offer them competitive working conditions. The company also endeavours to retain its employees and earn their loyalty through appropriate human resources management.

VIII. FREE TRADE AGREEMENTS WITH THE EUROPEAN UNION RELATED RISK

The agricultural agreement with the European Union, which entered into force in October 2012, provides tariff dismantling for oils over 5 years. Some oils, including refined palm oil, were dismantled from the date of implementation of the agreement.

However, this risk would be effective if the price of sunflower oil (European) became structurally lower than the price of soybean oil (U.S.), which historically is not the case, at most an on-time reconciliation.

Even though, Lesieur Cristal could manage this risk through:

- strength and brand awareness ;
- the extent of the distribution network ;
- cost competitiveness that are part of a dynamic of continuous improvement and operational excellence ;
- involvement at the upstream agricultural development of sunflower cultivation in Morocco, in partnership with the shareholder, the Sofiprotéol group, one of the major operators in the sector sunflower and rapeseed in Europe .

WARNING

The aforementioned information constitutes only a small part of the CDVM-approved prospectus with reference number VI/EM/011/2014 dated at May 16th,2014. The CDVM recommends that interested parties read the entire prospectus which is available to the public in French.