



Ciments du Maroc

## SUMMARY PROSPECTUS

**MANDATORY PUBLIC TENDER OFFER  
FOR SHARES OF CIMENTS DU MAROC**

By

**HeidelbergCement France SAS**

Subsidiary of

**HEIDELBERGCEMENT**

### MANDATORY PUBLIC TENDER OFFER FOR SHARES OF CIMENTS DU MAROC

<b>NUMBER OF SHARES CONCERNED</b>	5,441,450 shares
<b>PRICE PER SHARE</b>	MAD 1,130
<b>MAXIMUM OFFER AMOUNT</b>	MAD 6,148,838,500
<b>OFFER PERIOD</b>	From 29 August to 6 September 2016

Financial Adviser and Global Coordinator



**BMCI**  
GROUPE BNP PARIBAS

Centralising Agent



**BMCI BOURSE**  
GROUPE BNP PARIBAS

#### AUTHORISATION FROM THE MOROCCAN FINANCIAL MARKET AUTHORITY

In accordance with the provisions of the circular of the Moroccan Financial Market Authority (AMMC) pursuant to Article 14 of the Dahir (Royal Decree) promulgating Law No. 1-93-212 of 21 September 1993, and Article 36 of Law No. 26-03 relating to public tender offers, as amended and supplemented by Law No. 46-06, the original of this prospectus was authorised by the AMMC on 19/08/ 2016 with reference VI/EM/019/2016.

## NOTICE

On 19/08/2016 the Moroccan Financial Market Authority authorised a prospectus relating to a mandatory public tender offer on the shares of CEMENTS DU MAROC by HeidelbergCement France SAS

Copies of the prospectus authorised by the AMMC are available at the following locations:

- at the registered office of Ciments du Maroc, 621, Boulevard Panoramique 20150 Casablanca;
- at the registered office of BMCI, 26, Place des Nations-Unis 20050, Casablanca;
- at the registered office of HeidelbergCement France SAS, 6 rue Henri Barbusse 60150 Thourotte France.

Furthermore:

- it will be available on the AMMC website ([www.ammc.ma](http://www.ammc.ma));
- it will be available to the public at the registered office of the Casablanca Stock Exchange and on its website.

## Part II. Description of the transaction

## **I. Objective of the Offer**

### **I.1 Reasons for the transaction**

By virtue of the applicable laws and regulations, the objective of the Offer is to acquire the shares of Ciments du Maroc which are not indirectly held by the HC Group.

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

#### **II.2.1. Maintenance of the current shareholding structure**

The offeror's objective is to maintain an investor base made up both of first rank Moroccan and international institutional investors and of private investors. This will enable Ciments du Maroc to maintain its close relationship with its shareholders and to share its future prospects with them.

With the exception of the shares contributed as part of the Offer by Ciments du Maroc shareholders, the HC Group has no plans to continue acquiring shares of Ciments du Maroc within the twelve months following the Offer.

## **II. Offer structure**

### **II.1 Number of shares concerned**

The Offer concerns all the shares not held indirectly by the HC Group on the date of this prospectus, namely 5,441,450 shares representing 37.69 % of the share capital and voting rights of Ciments du Maroc.

### **II.2 Offer price**

The Offeror proposes to purchase the shares of Ciments du Maroc shareholders at a price of MAD **1,130** per share.

### **II.3 Offer amount**

The Offer concerns 5,441,450 shares priced at MAD 1,130 per share, namely a maximum total amount of MAD 6,148,838,500 excluding ancillary costs.

### **II.4 Settlement of the Offer shares**

The Ciments du Maroc shares concerned by the Offer are entitled to a dividend as of 1 January 2016.

### **II.5 Offer opening date**

The Offer will open on 29 August 2016.

### **II.6 Offer closing date**

The Offer will close on 6 September 2016.

## II.7 Term of the Offer

The term of the Offer is the period between the Offer opening date and the Offer closing date, namely 7 stock exchange trading days.

## II.8 Waiver threshold

Because of its mandatory nature, the Offeror will not apply any threshold for withdrawal of the Offer. The Offeror firmly and irrevocably undertakes to acquire all the shares tendered by the shareholders.

## II.9 Settlement and delivery date

The proposed date for settlement and delivery is 23 September 2016.

## III. Criteria for evaluating the Offer price

### V.6 Summary of valuations

The following table summarises the various valuation methods used in determining the implied value per share:

Method	Value per share (MAD)	Weight	premium/discount
<b>Share price approach</b>	<b>1,190</b>		<b>-5.10%</b>
Price at 04-07-2016	1,140		-0.90%
1 month weighted average	1,176	<b>40%</b>	-3.90%
3 months weighted average	1,216		-7.10%
6 months weighted average	1,183		-4.50%
12 months weighted average	1,186		-4.70%
<b>Discounted Cash Flows</b>	<b>1,088</b>	<b>35.00%</b>	<b>3.90%</b>
<b>Transaction multiples</b>	<b>1,088</b>	<b>25.00%</b>	<b>3.90%</b>
<b>Trading multiples</b>	<b>1,004</b>	<b>0%</b>	<b>12.50%</b>
<b>Weighted average</b>	<b>1,129</b>		<b>0.10%</b>

From BMCI

The price per share used for the public tender offer is MAD 1,130 per share.

#### IV. Offer timetable

Order	Stages	Date
1	Receipt by the Casablanca Stock Exchange of the complete Offer documentation	18/08/2016
2	Issuance of the notice of approval of the Offer by the Casablanca Stock Exchange	19/08/2016
3	Receipt by the Casablanca Stock Exchange of the prospectus by the AMMC	19/08/2016
4	Publication of the Offer notice in the Official List ( <i>Bulletin de la Cote</i> )	22/08/2016
5	Publication of the extract of the prospectus by the Offeror in a legal gazette	23/08/2016
6	Opening of the term of the Offer	29/08/2016
7	Closing of the term of the Offer	06/09/2016
8	Receipt by the Casablanca Stock Exchange of orders to tender securities before 12am	07/09/2016
9	Centralisation, consolidation and processing of orders to tender shares by the Casablanca Stock Exchange	08/09/2016
10	Summary of orders to tender shares sent to the AMMC	09/09/2016
11	- Receipt of the AMMC ruling (approval or rejection) - Publication by the Casablanca Stock Exchange of the announcement in the Official List if the AMMC rejects the transaction	15/09/2016
12	Publication by the Casablanca Stock Exchange of the results of the Offer for order receiving agents	16/09/2016
13	- Registration of Offer transactions - Publication of the Offer results in the Official List (by the Stock Exchange)	20/09/2016
14	Settlement/delivery	23/09/2016
15	Publication of the results of the transaction by the Offeror in a legal gazette	23/09/2016

**Part IV. Presentation of the  
HC Group  
(Group to which the Offeror belongs)**

## Part III. Presentation of the Offeror

### I. General Description

The company initiating the public tender offer is HeidelbergCement France SAS (hereinafter “HC France”), a company indirectly wholly owned by HeidelbergCement AG (hereinafter “HC AG”).

As at 4 July 2016, the share capital of HC France totalled EUR 1,482,000,000 consisting of 148,200,000 shares, each with a par value of EUR 10.

#### I.5.2.1 Composition of the Board of Directors

Members of the Board of Directors	Principal position	Date of election	End of term of office
Bruno Thibaut	Chairman	16 December 2015	Date of the shareholders’ meeting adopting the financial statements for the year ended 31 December 2017
David Flory	Director	16 December 2015	Date of the shareholders’ meeting adopting the financial statements for the year ended 31 December 2017
Laurent Mulders	Director	16 December 2015	Date of the shareholders’ meeting adopting the financial statements for the year ended 31 December 2017

#### I.3 Information on the share capital of HC AG

As at 31 December 2015, the share capital of HC AG totalled EUR 563,749,431 consisting of 187,916,477 shares with no par value.

#### I.4 Information on the shareholders of HC AG

On the basis of the information delivered to HC AG, its shareholding structure has changed over the last five financial years as follows:

### 31 December 2015

Shareholder	Number of shares	% of share capital	% of voting rights
Ludwig Merckle (via VEMOS 2 Beteiligungen GmbH)	49,230,203	26%	26%
Stephen A. Schwarzman and Maximilian Management LLC (via First Eagle Investment Management, LLC)	13,804,055	7%	7%
The Capital Group Companies, Inc.	9,524,372	5%	5%
BlackRock, Inc.	7,703,270	4%	4%
Others	107,654,577	57%	57%
<b>Total</b>	<b>187,916,477</b>	<b>100%</b>	<b>100%</b>

### 31 December 2014

Shareholder	Number of shares	% of share capital	% of voting rights
Ludwig Merckle	47,610,981	25%	25%
Arnhold and S. Bleichroeder Holdings, Inc. (via First Eagle Investment Management, LLC)	9,606,645	5%	5%
BlackRock, Inc.	7,703,270	4%	4%
Others	122,995,581	65%	65%
<b>Total</b>	<b>187,916,477</b>	<b>100%</b>	<b>100%</b>

### 31 December 2013

Shareholder	Number of shares	% of share capital	% of voting rights
Ludwig Merckle	47,074,927	25%	25%
Arnhold and S. Bleichroeder Holdings, Inc. (via First Eagle Investment Management, LLC)	9,606,645	5%	5%
BlackRock, Inc.	9,602,501	5%	5%
Others	121,215,927	65%	65%
<b>Total</b>	<b>187,500,000</b>	<b>100%</b>	<b>100%</b>

### 31 December 2012

Shareholder	Number of shares	% of share capital	% of voting rights
Ludwig Merckle	47,074,927	25%	25%
Arnhold and S. Bleichroeder Holdings, Inc. (via First Eagle Investment Management, LLC)	9,606,645	5%	5%
BlackRock, Inc.	9,363,800	5%	5%
Artisan Partners Limited Partnership	5,645,081	3%	3%
Others	115,809,547	62%	62%
<b>Total</b>	<b>187,500,000</b>	<b>100%</b>	<b>100%</b>

31 December 2011

Shareholder	Number of shares	% of share capital	% of voting rights
Ludwig Merckle	47,074,927	25%	25%
Arnhold and S. Bleichroeder Holdings, Inc. (via First Eagle Investment Management, LLC)	9,606,645	5%	5%
BlackRock, Inc.	9,059,021	5%	5%
Artisan Partners Limited Partnership	5,787,327	3%	3%
Others	115,972,080	62%	62%
<b>Total</b>	<b>187,500,000</b>	<b>100%</b>	<b>100%</b>

## I.9 Supervisory and management bodies

### I.9.1.1 Members of the supervisory board

The Supervisory Board of HC AG is composed of the following members:

Members	Main function	Nomination date	Mandate's termination date
Fritz-Jürgen Heckmann	Chairman	8 May 2003 (Chairman since 1 Feb 2005)	2019
Heinz Schmitt	Deputy Chairman	6 May 2004 (Deputy Chairman since 7 May 2009)	2019
Josef Heumann	i) Member of the Personnel Committee ii) Chairman of the Council of Employees at the Burglengenfeld plant	6 May 2004	2019
Gabriele Kailing	Member of the Supervisory Board	7 May 2014	2019
Hans Georg Kraut	i) Director of the Schelklingen plant of HeidelbergCement AG ii) Member of the Personnel Committee iii) Member of the Arbitration Committee	6 May 2004	2019
Ludwig Merckle	i) Chairman of the Personnel Committee ii) Chairman of the Audit Committee iii) Member of the Nomination Committee	2 June 1999	2019
Tobias Merkle	i) Member of the Nomination Committee ii) Member of the Arbitration Committee	23 May 2006	2019
Alan Murray	i) Former member of the Managing Board of HeidelbergCement AG ii) Member of the Personnel Committee	21 January 2010	2019
Dr. Jürgen M. Schneider	Member of the Audit Committee	7 May 2014	2019
Werner Schraeder	i) Chairman of the General Council of Employees of HeidelbergCement AG ii) Chairman of the Council of Employees at the Ennigerloh plant of HeidelbergCement AG iii) Member of the Audit Committee	7 May 2009	2019
Frank-Dirk Steininger	Member of the Audit Committee	11 June 2008	2019
Univ.-Prof. Dr. Marion Weissenberger-Eibl	Member of the Supervisory Board	3 July 2012	2019

## VI. Consolidated financial position of HC AG

### VI.2 Consolidated income statement

(In M€)	Fiscal year ended 31 December				
	2013	2014	2015	Var. 13-14	Var. 14-15
Revenue	12,128	12,614	13,465	4.0%	6.7%
Change in finished good and WIP	18	17	23	(2.3%)	35.7%
Own work capitalised	14	10	9	(24.4%)	(13.7%)
<b>Operating revenue</b>	<b>12,159</b>	<b>12,642</b>	<b>13,497</b>	<b>4.0%</b>	<b>6.8%</b>
Other operating income	340	293	355	(14.0%)	21.5%
Material costs	(5,115)	(5,320)	(5,477)	(4.0%)	(3.0%)
Employee and personnel costs	(1,969)	(2,050)	(2,274)	(4.1%)	(10.9%)
Other operating expenses	(3,337)	(3,447)	(3,689)	(3.3%)	(7.0%)
Results from joint venture	144	171	201	18.3%	17.9%
<b>Operating income before depreciation (OIBD)</b>	<b>2,224</b>	<b>2,288</b>	<b>2,613</b>	<b>2.9%</b>	<b>14.2%</b>
Depreciation and amortisation	(704)	(693)	(767)	1.6%	(10.6%)
<b>Operating income</b>	<b>1,520</b>	<b>1,595</b>	<b>1,846</b>	<b>5.0%</b>	<b>15.7%</b>
Additional ordinary income	327	26	85	(92.2%)	232.2%
Additional ordinary expenses	(314)	(89)	(97)	71.7%	(9.2%)
Additional ordinary result	13	(63)	(12)	n/s	80.6%
Result from associates	23	27	29	15.1%	7.5%
Result from other participations	3	1	1	(54.8%)	(42.9%)
Result from participations	26	28	30	6.8%	5.0%
<b>Earning before interest and taxes (EBIT)</b>	<b>1,559</b>	<b>1,560</b>	<b>1,863</b>	<b>0.1%</b>	<b>19.4%</b>
Interest income	78	93	73	19.5%	(21.6%)
Interest expenses	(559)	(555)	(469)	0.6%	15.5%
Foreign exchange losses	(6)	(43)	(35)	(588.9%)	18.7%
Other financial result	(50)	(124)	(118)	(147.5%)	4.3%
Financial result	(537)	(629)	(550)	(17.1%)	12.6%
<b>Profit before tax from continuing operations</b>	<b>1,022</b>	<b>931</b>	<b>1,313</b>	<b>(8.9%)</b>	<b>41.1%</b>
Income taxes	(212)	(65)	(295)	69.5%	(356.6%)
<b>Net income from continuing operations</b>	<b>810</b>	<b>866</b>	<b>1,019</b>	<b>6.9%</b>	<b>17.6%</b>
Net loss from discounted operations	123	(179)	(36)	n/s	80.0%
<b>Profit for the financial year</b>	<b>933</b>	<b>687</b>	<b>983</b>	<b>(26.3%)</b>	<b>43.1%</b>
Thereof non-controlling interests	(197)	(202)	(183)	(2.5%)	9.2%
<b>Thereof group share of profit</b>	<b>736</b>	<b>486</b>	<b>800</b>	<b>(34.0%)</b>	<b>64.8%</b>

### VI.3 Consolidated balance sheet

Consolidated balance sheet		31 December				
(In M€)	2013	2014	2015	Var. 13-14	Var. 14-15	
<b>Assets</b>						
<b>Non-current assets</b>	<b>21,845</b>	<b>22,509</b>	<b>23,668</b>	<b>3.0%</b>	<b>5.1%</b>	
<b>Intangible assets</b>	<b>9,648</b>	<b>9,865</b>	<b>10,439</b>	<b>2.2%</b>	<b>5.8%</b>	
Goodwill	9,405	9,605	10,181	2.1%	6.0%	
Other intangible assets	243	260	258	6.8%	(0.7%)	
<b>Property, plant and equipment</b>	<b>9,494</b>	<b>9,493</b>	<b>9,871</b>	<b>(0.0%)</b>	<b>4.0%</b>	
Land and buildings	4,685	4,765	4,997	1.7%	4.9%	
Plant and machinery	3,712	3,595	3,672	(3.1%)	2.1%	
Other operating equipment	284	284	272	0.1%	(4.3%)	
Prepayments and assets under construction	812	848	930	4.4%	9.6%	
<b>Financial assets</b>	<b>1,776</b>	<b>1,832</b>	<b>1,832</b>	<b>3.2%</b>	<b>(0.0%)</b>	
Investments in joint ventures	1,298	1,363	1,453	5.0%	6.6%	
Investments in associates	266	274	254	2.9%	(7.2%)	
Financial investments	57	66	69	16.5%	4.2%	
Loans and derivative financial instruments	155	129	56	(16.6%)	(56.7%)	
<b>Fixed assets</b>	<b>20,918</b>	<b>21,190</b>	<b>22,142</b>	<b>1.3%</b>	<b>4.5%</b>	
Deferred taxes	396	688	805	73.7%	16.9%	
Other non-current receivables	515	616	711	19.6%	15.3%	
Non-current income tax assets	16	14	10	(9.4%)	(27.8%)	
<b>Current assets</b>	<b>4,401</b>	<b>4,244</b>	<b>4,707</b>	<b>(3.6%)</b>	<b>10.9%</b>	
Raw materials and consumables	587	615	613	4.7%	(0.2%)	
Work in progress	167	180	188	7.5%	4.7%	
Finished goods and goods for resale	639	574	617	(10.1%)	7.5%	
Prepayments	18	29	26	58.6%	(10.1%)	
<b>Inventories</b>	<b>1,411</b>	<b>1,397</b>	<b>1,444</b>	<b>(1.0%)</b>	<b>3.4%</b>	
Current interest-bearing receivables	121	115	169	(4.6%)	46.3%	
Trade receivables	1,101	1,057	1,215	(3.9%)	14.9%	
Other current operating receivables	346	354	396	2.4%	11.8%	
Current income tax assets	45	56	58	23.7%	4.3%	
<b>Receivables and other assets</b>	<b>1,612</b>	<b>1,582</b>	<b>1,837</b>	<b>(1.9%)</b>	<b>16.1%</b>	
Derivative financial instruments	27	37	75	39.2%	103.5%	
Cash and cash equivalent	1,351	1,228	1,351	(9.1%)	10.0%	
Assets held for sale and discontinued operations	31	1,380	-	n/s	(100.0%)	
<b>Balance sheet total</b>	<b>26,276</b>	<b>28,133</b>	<b>28,374</b>	<b>7.1%</b>	<b>0.9%</b>	

#### VI.4 Consolidated cash flow statement

(In M€)	Fiscal year ended 31 December				
	2013	2014	2015	Var. 13-14	Var. 14-15
Net income from continuing operations	810	866	1,019	7.0%	17.6%
Income taxes	212	65	295	(69.5%)	356.6%
Interest income/expenses	481	462	396	(3.9%)	(14.3%)
Dividends received	163	157	183	(3.5%)	16.7%
Interest received	105	193	92	83.8%	(52.4%)
Interest paid	(621)	(634)	(584)	(2.1%)	7.9%
Income taxes paid	(387)	(315)	(353)	18.5%	(12.1%)
Depreciation, amortisation, and impairment	884	753	801	(14.8%)	6.5%
Elimination of other non-cash items	(363)	77	(72)	n/s	n/s
<b>Cash flow</b>	<b>1,284</b>	<b>1,624</b>	<b>1,777</b>	<b>26.5%</b>	<b>9.4%</b>
Changes in operating assets	39	(124)	(145)	n/s	(16.4%)
Changes in operating liabilities	147	97	123	(33.8%)	26.0%
Changes in working capital	186	(27)	(22)	n/s	18.1%
Decrease in provisions through cash payments	(365)	(223)	(244)	39.1%	(9.7%)
<b>Cash flow from operating activities-continuing operations</b>	<b>1,105</b>	<b>1,374</b>	<b>1,511</b>	<b>24.4%</b>	<b>9.9%</b>
Cash flow from operating activities-discontinued operations	62	106	(62)	70.8%	n/s
<b>Cash flow from operating activities</b>	<b>1,167</b>	<b>1,480</b>	<b>1,449</b>	<b>26.8%</b>	<b>(2.1%)</b>
Intangible assets	(19)	(18)	(23)	5.3%	(31.1%)
Property, plant and equipment	(842)	(924)	(885)	(9.7%)	4.2%
Subsidiaries and other business units	(73)	(149)	(65)	(104.7%)	56.5%
Other financial assets, associates, and joint ventures	(307)	(35)	(29)	88.7%	15.8%
<b>Investments (cash inflow)</b>	<b>(1,240)</b>	<b>(1,125)</b>	<b>(1,002)</b>	<b>9.3%</b>	<b>10.9%</b>
Subsidiaries and other business units	2	23	77	913.0%	231.3%
Other fixed assets	196	121	152	(38.4%)	25.8%
<b>Divestments (cash inflow)</b>	<b>198</b>	<b>144</b>	<b>229</b>	<b>(27.3%)</b>	<b>59.1%</b>
Cash from changes in consolidation scope	9	22	21	149.4%	(5.5%)
<b>Cash flow from investing activities-continuing operations</b>	<b>(1,034)</b>	<b>(959)</b>	<b>(752)</b>	<b>7.2%</b>	<b>21.5%</b>
Cash flow from investing activities-discontinued operations	(3)	(14)	1,245	(300.0%)	n/s
<b>Cash flow from investing activities</b>	<b>(1,037)</b>	<b>(973)</b>	<b>493</b>	<b>6.2%</b>	<b>n/s</b>

(In M€)	Fiscal year ended 31 December				
	2013	2014	2015	Var. 13-14	Var. 14-15
Capital increase / decrease- non-controlling shareholders	3	1	(3)	(70.6%)	n/s
Dividend payments- HeidelbergCements AG	(88)	(113)	(141)	(27.7%)	(25.2%)
Dividend payments- non-controlling shareholders	(92)	(166)	(228)	(80.7%)	(37.3%)
Decrease in ownership interests in subsidiaries	-	1	1	n/s	-
Increase in ownership interests in subsidiaries	(110)	(18)	(16)	83.7%	13.9%
Proceeds from bond issuance and loans	817	575	50	(29.6%)	(91.4%)
Repayment of bonds and loans	(929)	(1,153)	(1,385)	(24.1%)	(20.2%)
Changes in short-term interest-bearing liabilities	482	155	(100)	(67.8%)	n/s
Cash flow from financing activities-continuing operations	83	(717)	(1,822)	n/s	(154.2%)
Cash flow from financing activities-discontinued operations	(0)	(1)	(5)	(625.0%)	(231.0%)
<b>Cash flow from financing activities</b>	<b>83</b>	<b>(718)</b>	<b>(1,827)</b>	<b>n/s</b>	<b>(154.3%)</b>
Net change in cash and cash equivalent-continuing operations	154	(302)	(1,064)	n/s	(252.3%)
Net change in cash and cash equivalent-discontinued operations	58	91	1,179	55.5%	1202.5%
<b>Net change in cash and cash equivalents</b>	<b>213</b>	<b>(211)</b>	<b>115</b>	<b>n/s</b>	<b>n/s</b>
Effects of exchange rate changes	(228)	88	7	n/s	(92.0%)
Cash and cash equivalent at 1 January	1,367	1,351	1,228	(1.1%)	(9.1%)
Cash and cash equivalent at 31 December	1,351	1,228	1,351	(9.1%)	10.0%
Reclassification of cash and cash equivalent according to IFRS 5	(0)	-	-	100.0%	n/s
<b>Cash and cash equivalents presented in the balance sheet at 31 December</b>	<b>1,351</b>	<b>1,228</b>	<b>1,351</b>	<b>(9.1%)</b>	<b>10.0%</b>

## Risk factors

### III.1 Risk management policy

HeidelbergCement's risk management policy is based on its marketing and sales strategy, which itself is based on safeguarding the group and sustainably increasing the group's value. All companies must be forward-looking and therefore expose themselves to certain risks. It is the task of the managing board to identify these risks, to understand them, to assess them and systematically to contain them. Each manager must make this a priority. The group is exposed to different types of risks that it accepts instead of avoiding, provided they are consistent with the legal and ethical principles of the company's business and are rewarded by the opportunities that they present. Opportunity and risk management at HeidelbergCement is closely linked to the planning and monitoring systems applied group-wide. Opportunities are recorded in the annual operational plan and regularly assessed as part of monthly financial reporting. The regional divisions as well as the central group departments are directly responsible for identifying opportunities and initiating their operation.

### III.2 Risk management system

As part of its duties, the HC AG managing board must implement and oversee a risk management and internal control system. It also defines the scope and organisation of the established systems. The Supervisory Board and the Audit Committee also review the effectiveness of the risk management system on a regular basis. HeidelbergCement has established transparent regulations, establishing the skills and responsibilities for risk management that are based on the group's structure. The application of a code of conduct, and of guidelines and specific principles across the group ensure effective and systematic risk management. The standardised internal control and risk management system at HeidelbergCement is based on financial resources, operational planning, and the risk management strategy established by the managing board. It comprises several components that are carefully coordinated and systematically incorporated into the structure and working methods of the organization. The essential components of the risk management system are:

- drawing up guidelines (Risk Management Policy), which set out the general conditions for effective and methodical risk management within the group. In addition to this document, the group's Code of Conduct defines the applicable standards for:
- coordination of risk management, within the group's Insurance and Operational Risks department;
- managers responsible for risk at country level;
- open and direct communication of quantified risks between the managing board and country management; and
- standardised and regular reporting at group and country level.

### III.3 Risk factors

The following is a summary of the principal risks that could have a material adverse effect on the group's operating results, financial position and business. For further details, see the prospectus

relating to the EMTN programme of HC AG and HeidelbergCement Finance Luxembourg SA dated 18 March 2016, pages 40 to 71, and to the first supplement of the prospectus dated 10 May 2016. The following presentation of risk factors is a summary of the detailed description included in the prospectus for the HC AG medium term note issuance programme, as updated.

### **III.3.1. Market and business-related risks**

The slowdown of the pace of growth of the global economy could affect HC Group's business and operating income.

The group's business is dependent on the development of the construction industry and is therefore particularly exposed to the risk of cyclical market movements and weather conditions.

There is a risk of overcapacity in the event of a cyclical weakness in the construction industry, a significant drop in demand, or an increase in capacity.

The group's business is partly based on government-funded building activities. The reduction or transfer of government budgets could therefore have a negative impact on the group's revenues.

The increase in energy prices represents a significant risk for the HC Group.

Its long-term success is dependent upon securing and maintaining reserves for the production of cement, aggregates and concrete in strategically located areas.

An increase in raw materials prices or an interruption in their supply could adversely affect HC Group's business and operating income.

The availability and cost of transportation also represents a significant risk.

Currency rate fluctuations could lead to negative effects on revenue and profit.

A substantial amount of HC Group's assets are intangible assets, including goodwill. The group has recently had to recognise charges for goodwill impairment, and if market and industry conditions deteriorate or if interest rates rise, further impairment charges may be recognised.

The success of the HC Group depends on its ability to recruit qualified staff, with specific technical knowledge, particularly for key positions.

It also depends on the sound operation of its information and communication technology.

More intense competition could also adversely affect HC Group's revenue, profits and market share.

HC Group's compliance controls and procedures may not be sufficient to prevent or discover violations of the law and other group-wide risk management and control procedures may be inadequate or not be adhered to.

HC Group is exposed to general political, economic, legal and taxation risks as well as exceptional external incidents in countries in various stages of development in which it has significant operations or interests.

HC Group's insurance coverage may not be sufficient.

HC Group does not control the activity of the businesses in which it is not the (only) controlling shareholder and is limited in its action to the rights of minority investors in some of its subsidiaries.

HC Group is also subject to risks that future acquisitions and participation in joint ventures may not be successful.

### **III.3.2 Risks related to HC Group's capital structure**

Because it has a relatively significant level of indebtedness, the HC Group is bound by certain financial covenants and undertakings and requires a high level of refinancing.

Substantial cash flows are required to cover HC Group's debt service expenditure and an increase in market interest rates or a downgrade in HC Group's credit rating may increase its interest expenses.

### **III.3.3 Risks related to tax, regulations and other legal risks**

In its business activities, the HC Group is exposed to litigation and to fines for breaches of antitrust law.

Regulations regarding carbon dioxide emissions, an unfavourable allocation of rights to emit carbon dioxide, or other air emission related concerns could have a material adverse effect on HC Group's business, financial position and operating income.

The group is subject to European Union carbon emission laws and related risks.

The group is subject to North American carbon emission laws and related risks.

HC Group is subject to a large number of environmental and health and safety laws and regulations.

This therefore exposes it to risks related to the release of hazardous substances or other contamination of the environment, including risks arising from the infringement of the U.S. Comprehensive Environmental Response, Compensation and Liability Act.

The group is also exposed to the risks associated with asbestos-related claims arising out of its former activities in the United States.

Other risks may arise from these same activities that are not related to environmental contamination and asbestos exposure.

The Group's insurance policies may not cover some of the consequences of this litigation.

HC Group is subject to significant reclamation, re-cultivation and quarry closure obligations which may not be sufficiently covered by its provisions. It is required to maintain financial guarantees to meet these obligations.

One of these legal risks includes risks under ongoing litigation and potential disputes that could expose members of the HC Group to liability.

The group could be subject to claims for taxes for previous years.

In the same area, risks related to the acquisition of Hanson and to its resultant financing and restructuring should also be noted.

The capital increase entered in the Commercial Register on 22 September 2009 is another source of risk.

Tax-related risks might arise if HC Group's interest expenses are refused.

Conversely, any change in tax laws and tax-related cases could have an adverse effect on the group's business, its financial position and operating income.

HC AG is exposed to risks relating to the planned acquisition of Italcementi and other future acquisitions and divestments.

HC AG is exposed to risks relating to legal proceedings in which Italcementi Group is involved.

The HeidelbergCement and Italcementi groups are bound by obligations to their employees relating to retirement and health care. The calculation of these obligations takes into account a certain number of criteria, particularly the discount rate, the expected return on plan assets, future salary increases and the mortality tables applicable to plan beneficiaries, which may vary from the rates actually experienced in the future.

HC Group may also occasionally be exposed to politically motivated legal action.

**Part V. General overview of Ciments du Maroc**

## I. Information concerning the share capital of Ciments du Maroc

### I.1 General information

As at the date of this prospectus, the share capital of Ciments du Maroc is MAD 1,443,600,400, fully paid up. It consists of 14,436,004 shares, each with a par value of MAD 100.

#### I.1.1 Changes in shareholder structure over the past five financial years

##### Changes in shareholder structure between 2011 and 2015

The shareholder structure of Ciments du Maroc over the last five financial years is as follows:

Shareholders	31/12/2011		31/12/2012		31/12/2013		31/12/2014		31/12/2015	
	Number of shares	% of capital	Number of shares	% of capital	Number of shares	% of capital	Number of shares	% of capital	Number of shares	% of capital
<b>Ciments Français (direct participation)</b>	20	0.0%	20	0.0%	20	0.0%	20	0.0%	20	0.0%
<b>Ciments Français (indirect participation)</b>	8 994 534	62.3%	8 994 534	62.3%	8 994 534	62.3%	8 994 534	62.3%	8 994 534	62.3%
<i>of which Cocimar</i>	8 486 768	58.8%	8 486 768	58.8%	8 486 768	58.8%	8 486 768	58.8%	8 486 768	58.8%
<i>of which Procimar</i>	507 746	3.5%	507 746	3.5%	507 746	3.5%	507 746	3.5%	507 746	3.5%
<i>of which COFIPAR</i>	10	0.0%	10	0.0%	10	0.0%	10	0.0%	10	0.0%
<i>of which MENAF</i>	10	0.0%	10	0.0%	10	0.0%	10	0.0%	10	0.0%
<b>Total owned by Ciments Français</b>	8 994 554	62.3%	8 994 554	62.3%	8 994 554	62.3%	8 994 554	62.3%	8 994 554	62.3%
<b>Italcementi (via Ciments Français)</b>	8 994 554	62.3%	8 994 554	62.3%	8 994 554	62.3%	8 994 554	62.3%	8 994 554	62.3%
CIMR	1 125 610	7.8%	1 125 610	7.8%	1 125 610	7.8%	1 190 620	8.2%	1 192 570	8.3%
FIPAR Holding	1 275 452	8.8%	1 276 375	8.8%	1 275 452	8.8%	1 216 915	8.4%	857 556	5.9%
Abou Dabai fund	776 160	5.4%	776 160	5.4%	776 160	5.4%	776 160	5.4%	791 160	5.5%
Other Shareholders	2 264 228	15.7%	2 263 345	15.7%	2 264 228	15.7%	2 257 755	15.6%	2 600 164	18.0%
<b>Total</b>	14 436 004	100.0%	14 436 044	100.0%	14 436 004	100.0%	14 436 004	100.0%	14 436 004	100.0%

Sources: Ciments du Maroc

The main shareholders of Ciments du Maroc are institutional capital-based investors comprising five legal entities: Ciments Français (through Cocimar, Procimar, Cofipar and Menaf, as shown below), CIMR, FIPAR Holding and the Abu Dhabi Fund for Development.

## VII.1 Membership of the Board of Directors

The members of the Board of Directors of Ciments du Maroc at 19 July 2016 are as follows:

Members of the Board of Directors	Current function	Title	Number of shares held	Date of first appointment	Date of AGMs ratifying the appointment	Date of expiry of terms of office
<b>Mohamed Chaibi</b>	Chairman	Non-executive	10	06/04/1990	07/04/2014	AGM adopting the 2017 annual financial statements
<b>Abdellatif Zaghoun</b>	Deputy Chairman	Minority representative	5	13/04/2015	13/04/2015	AGM adopting the 2017 annual financial statements
<b>Mustapha Faris</b>	Director	Independent	10	01/08/2007	29/03/2016	AGM adopting the 2019 annual financial statements
<b>Abdallah Belkeziz</b>	Director	Independent	12,000	19/11/1992	07/04/2014	AGM adopting the 2017 annual financial statements
<b>Nabil Francis</b>	Director	General Manager - Country	5	19/07/2016	19/07/2016	AGM adopting the 2018 annual financial statements
<b>Hakan Gurdal</b>	Director	Member of the Managing Board of HeidelbergCement AG	5	19/07/2016	19/07/2016	AGM adopting the 2018 annual financial statements
<b>Ciments Français</b> <i>(Represented by David Flory)</i>	Director	Director of HC France	20	19/11/1992	07/04/2014	AGM adopting the 2017 annual financial statements
<b>COFIPAR</b> <i>(Represented by Gary Whitehead)</i>	Director	CFO HeidelbergCement Afrique (Scancem International DA)	10	23/02/2009	13/04/2015	AGM adopting the 2018 annual financial statements
<b>MENAF</b> <i>(Represented by Francesco Brambilla)</i>	Director	Regional Director Intelligence Marketing and Sales Processes for Africa & East Med. Region (HeidelbergCement AG)	10	23/02/2009	13/04/2015	AGM adopting the 2018 annual financial statements
<b>COCIMAR</b> <i>(Represented by Antonio Clausi)</i>	Director	Regional Director Africa & East Med. region HeidelbergCement Technology (HeidelbergCement AG)	8,486,768	05/03/2013	13/04/2015	AGM adopting the 2018 annual financial statements
<b>Fipar HOLDING</b> <i>(Represented by Mohamed Amine Benhalima)</i>	Director	Minority representative CEO (Fipar Holding)	857,556	06/02/2004	13/04/2015	AGM adopting the 2018 annual financial statements
<b>CIMR</b> <i>(Represented by Khalid Cheddadi)</i>	Director	Minority representative Managing Director (CIMR)	1,192,570	19/11/1992	13/04/2015	AGM adopting the 2018 annual financial statements
<b>ABU DHABI FUND FOR DEVELOPMENT</b> <i>(Represented by Adel Abdullah Hosni)</i>	Director	Minority representative Manager (ADFD)	791,160	29/11/1999	13/04/2015	AGM adopting the 2018 annual financial statements

Source: Ciments du Maroc

Following the meeting of the Board of Directors held on 19 July 2016, Messrs. Hassan Gurdal and Nabil Francis were unanimously appointed as directors to replace Messrs. Agustino Nuzzolo and Mario Domenico Bracci.

Mr. Mario Bracci will be replaced in his position as Managing Director by Mr. Nabil Francis with effect from 1 September 2016.

**Part VIII. Financial analysis of Ciments du Maroc**

## I. Presentation of the individual financial statements

### I.1. Annual individual financial statements

#### I.1.1 Statement of management accounts<sup>1</sup>

The following table shows the historical data from the Ciments du Maroc statement of management accounts for the period in question:

(In MADm)	2013	2013 PF	2014	2015	Var. 13PF-14	Var. 14-15
Sales before completion	-	-	-	1	n/s	n/s
Resale of purchased materials	(0)	(0)	-	(1)	(100.0%)	n/s
Gross margin on sales before completion	(0)	(0)	-	0	(100.0%)	n/s
Goods and services sold	2,880	3,514	3,154	3,353	(10.2%)	6.3%
Change in products inventory	39	38	69	166	81.4%	141.6%
Assets produced by the company for itself	47	48	56	27	16.4%	(51.4%)
Production of the financial year	2,966	3,599	3,279	3,546	(8.9%)	8.2%
Purchase of materials and supply used during the financial year	(1,066)	(1,469)	(1,306)	(1,401)	(11.1%)	7.2%
Other external expenses	(242)	(395)	(355)	(371)	(10.0%)	4.5%
Consumption of the financial year	(1,308)	(1,863)	(1,661)	(1,772)	(10.9%)	6.7%
<b>Value added</b>	<b>1,658</b>	<b>1,736</b>	<b>1,617</b>	<b>1,775</b>	<b>(6.8%)</b>	<b>9.7%</b>
Subsidies	-	-	-	-	n/s	n/s
Taxes	(20)	(26)	(22)	(23)	(15.8%)	5.5%
Employees costs	(205)	(246)	(254)	(261)	3.0%	2.9%
<b>Operating profit</b>	<b>1,433</b>	<b>1,463</b>	<b>1,342</b>	<b>1,490</b>	<b>(8.3%)</b>	<b>11.1%</b>
Additional ordinary income	0	0	-	-	(100.0%)	n/s
Additional ordinary expenses	(4)	(7)	(5)	(22)	(34.5%)	362.7%
Releases of provisions and expense reclassifications	15	18	51	34	187.2%	(32.2%)
Provisions	(447)	(472)	(484)	(504)	2.6%	4.1%
<b>Earning before interest and taxes (EBIT)</b>	<b>996</b>	<b>1,002</b>	<b>903</b>	<b>998</b>	<b>(9.8%)</b>	<b>10.5%</b>
<b>Financial result</b>	<b>31</b>	<b>33</b>	<b>191</b>	<b>430</b>	<b>486.4%</b>	<b>124.7%</b>
<b>Profit before tax from continuing operations</b>	<b>1,028</b>	<b>1,034</b>	<b>1,095</b>	<b>1,428</b>	<b>5.8%</b>	<b>30.5%</b>
<b>Profit from discounted operations</b>	<b>24</b>	<b>31</b>	<b>(43)</b>	<b>(28)</b>	<b>n/s</b>	<b>(35.8%)</b>
Income taxes	(279)	(284)	(256)	(380)	(9.6%)	48.0%
<b>Net income</b>	<b>773</b>	<b>782</b>	<b>795</b>	<b>1,021</b>	<b>1.7%</b>	<b>28.4%</b>

<sup>1</sup> The values presented for 2013 are pro forma in order to take into account the merger-absorption of Bétomar completed by Ciments du Maroc in June 2014.

### I.1.2. Balance sheet

The balance sheet of Ciments du Maroc for the period in question is as follows:

(In MADm)	2013	2013 PF	2014	2015	Var.13PF-14	Var. 14-15
<b>Non current assets</b>	<b>5,136</b>	<b>5,394</b>	<b>5,236</b>	<b>5,137</b>	<b>(2.9%)</b>	<b>(1.9%)</b>
Other assets	21	25	26	16	2.4%	(36.5%)
Intangible assets	289	332	333	328	0.4%	(1.4%)
Property plant and equipment	3,311	3,511	3,429	3,125	(2.3%)	(8.9%)
Financial assets	1,514	1,526	1,448	1,667	(5.1%)	15.2%
Conversion gains on non current assets	-	-	-	-	n/s	n/s
<b>Current assets</b>	<b>1,492</b>	<b>1,846</b>	<b>2,050</b>	<b>2,345</b>	<b>11.0%</b>	<b>14.4%</b>
Inventory	435	487	453	566	(7.0%)	25.0%
Marchandises	0	0	0	0	219.3%	255.5%
Matières et fournitures consommables	294	324	316	397	(2.3%)	25.3%
Produits en cours	-	-	-	-	n/s	n/s
Produits intermédiaires et produits résiduels	117	121	99	119	(18.5%)	20.2%
Produits finis	24	42	38	50	(9.5%)	33.7%
Accounts receivable	592	867	860	999	(0.7%)	16.1%
Associates	464	491	735	779	49.6%	6.0%
Conversion gains on non current assets	1	1	2	0	27.1%	(69.4%)
<b>Cash</b>	<b>84</b>	<b>86</b>	<b>70</b>	<b>120</b>	<b>(19.5%)</b>	<b>72.6%</b>
<b>Asset cash</b>	<b>84</b>	<b>86</b>	<b>70</b>	<b>120</b>	<b>(19.5%)</b>	<b>72.6%</b>
<b>Total</b>	<b>6,712</b>	<b>7,327</b>	<b>7,355</b>	<b>7,601</b>	<b>0.4%</b>	<b>3.4%</b>

(In MADm)	2013	2013 PF	2014	2015	Var.13PF-14	Var. 14-15
<b>Non current liabilities</b>	<b>5,793</b>	<b>6,220</b>	<b>6,380</b>	<b>6,282</b>	<b>2.6%</b>	<b>(1.5%)</b>
Equity	5,690	6,099	6,240	6,134	2.3%	(1.7%)
Other equity-like liabilities	2	3	4	4	23.9%	(2.2%)
Long term debt	-	-	-	-	n/s	n/s
Long term provisions	100	119	136	144	14.6%	5.7%
Conversion gains on non current liabilities	-	-	-	-	n/s	n/s
<b>Current liabilities</b>	<b>728</b>	<b>913</b>	<b>775</b>	<b>1,128</b>	<b>(15.1%)</b>	<b>45.5%</b>
Short term debt	717	901	740	1,114	(17.9%)	50.6%
Short term provisions	11	12	35	14	199.2%	(61.3%)
Conversion gains on current liabilities	1	1	1	1	42.6%	27.0%
<b>Cash</b>	<b>191</b>	<b>193</b>	<b>200</b>	<b>191</b>	<b>3.4%</b>	<b>(4.2%)</b>
Liability cash	191	193	200	191	3.4%	(4.2%)
<b>Total</b>	<b>6,712</b>	<b>7,327</b>	<b>7,355</b>	<b>7,601</b>	<b>0.4%</b>	<b>3.4%</b>

### I.1.3. Cash flow statement

The statement of Ciments du Maroc's sources and application of funds over the years 2013-2015 is as follows:

(In MADm)	2013	2013 PF	2014	2015	Var. 13PF-14	Var. 14-15
<b>Sources of funds of the financial year</b>						
<b>Cash flow</b>	<b>694</b>	<b>717</b>	<b>605</b>	<b>151</b>	<b>(15.6%)</b>	<b>(75.1%)</b>
+ Gross cash flow	1,272	1,294	1,254	1,277	(3.1%)	1.8%
- Dividends	577	577	650	1,126	12.5%	73.3%
<b>Sale of non current assets</b>	<b>43</b>	<b>56</b>	<b>79</b>	<b>25</b>	<b>41.9%</b>	<b>(68.3%)</b>
+ Sale of intangible assets	-	-	-	-	n/s	n/s
+ Sales of PP&E	36	49	0	0	(100.0%)	362.6%
+ Sale of financial assets	0	-	79	-	n/s	(100.0%)
+ Reclaim of receivables	7	7	-	25	(100.0%)	n/s
<b>Capital increase</b>	<b>-</b>	<b>-</b>	<b>405</b>	<b>-</b>	<b>n/s</b>	<b>(100.0%)</b>
+ Merger contribution of Betomar	-	-	405	-	n/s	(100.0%)
+ Investment subsidies	-	-	-	-	n/s	n/s
<b>Financing provisions</b>	<b>-</b>	<b>-</b>	<b>29</b>	<b>-</b>	<b>n/s</b>	<b>(100.0%)</b>
<b>Total</b>	<b>737</b>	<b>773</b>	<b>1,118</b>	<b>176</b>	<b>44.7%</b>	<b>(84.3%)</b>
<b>Uses of funds of the financial year</b>						
<b>Acquisitions and increase in assets</b>	<b>236</b>	<b>260</b>	<b>619</b>	<b>174</b>	<b>137.7%</b>	<b>(71.8%)</b>
+ Purchase of intangible assets	20	20	48	0	139.0%	(99.8%)
+ Purchase of PP&E	216	240	558	147	132.2%	(73.8%)
+ Receivables and merger contribution	-	-	12	-	n/s	(100.0%)
+ Purchase of financial assets	-	-	0	6	n/s	3872.7%
+ Increase in receivables	-	-	1	22	n/s	3448.5%
<b>Equity repayment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>n/s</b>	<b>n/s</b>
<b>Debt repayment</b>	<b>330</b>	<b>330</b>	<b>-</b>	<b>-</b>	<b>(100.0%)</b>	<b>n/s</b>
<b>Non marketable uses of funds</b>	<b>4</b>	<b>5</b>	<b>13</b>	<b>0</b>	<b>186.6%</b>	<b>(98.7%)</b>
<b>Total</b>	<b>570</b>	<b>595</b>	<b>632</b>	<b>174</b>	<b>6.3%</b>	<b>(72.4%)</b>
<b>Change in financing requirements</b>	<b>126</b>	<b>141</b>	<b>508</b>	<b>(58)</b>	<b>260.2%</b>	<b>n/s</b>
<b>Change in cash</b>	<b>41</b>	<b>36</b>	<b>(23)</b>	<b>59</b>	<b>n/s</b>	<b>n/s</b>
<b>Total</b>	<b>738</b>	<b>773</b>	<b>1,141</b>	<b>233</b>	<b>47.6%</b>	<b>(79.5%)</b>

## I.2 Interim accounts

### II.1. Statement of management accounts

(In MADm)	S1 2015	S1 2016	Var. S1 15 - S1 16
Sales before completion	1	-	(100.0%)
Resale of purchased materials	(1)	-	(100.0%)
Gross margin on sales before completion	(0)	-	(100.0%)
Goods and services sold	1,746	1,796	2.8%
Change in products inventory	25	122	389.9%
Assets produced by the company for itself	21	4	(81.8%)
Production of the financial year	1,791	1,921	7.2%
Purchase of materials and supply used during the financial year	(730)	(748)	2.5%
Other external expenses	(199)	(211)	5.7%
Consumption of the financial year	(929)	(959)	3.2%
<b>Value added</b>	<b>862</b>	<b>962</b>	<b>11.6%</b>
Subsidies	-	-	n/s
Taxes	(12)	(12)	0.2%
Employees costs	(142)	(141)	(1.0%)
<b>Operating profit</b>	<b>708</b>	<b>809</b>	<b>14.3%</b>
Additional ordinary income	-	-	n/s
Additional ordinary expenses	(19)	(2)	(91.4%)
Releases of provisions and expense reclassifications	31	22	(28.7%)
Provisions	(248)	(283)	14.3%
<b>Earning before interest and taxes (EBIT)</b>	<b>472</b>	<b>547</b>	<b>15.7%</b>
<b>Financial result</b>	<b>210</b>	<b>150</b>	<b>(28.9%)</b>
<b>Profit before tax from continuing operations</b>	<b>683</b>	<b>696</b>	<b>2.0%</b>
<b>Profit from discounted operations</b>	<b>(6)</b>	<b>(11)</b>	<b>(69.0%)</b>
Income taxes	(145)	(172)	18.8%
<b>Net income</b>	<b>531</b>	<b>513</b>	<b>(3.5%)</b>

## II.2.2 Balance sheet

(In MADm)	2015	S1 2016	Var. 2015 -S1 16
<b>Non current assets</b>	<b>5,137</b>	<b>4,940</b>	<b>(3.8%)</b>
Other assets	16	14	(15.1%)
Intangible assets	328	326	(0.7%)
Property plant and equipment	3,125	2,932	(6.2%)
Financial assets	1,667	1,668	0.0%
Conversion gains on non current assets	-	-	n/s
<b>Current assets</b>	<b>2,345</b>	<b>2,890</b>	<b>23.2%</b>
Inventory	566	476	(16.0%)
Marchandises	0	0	443.7%
Matières et fournitures consommables	397	284	n/s
Produits en cours	-	-	n/s
Produits intermédiaires et produits résiduels	119	146	n/s
Produits finis	50	46	n/s
Accounts receivable	999	961	(3.8%)
Associates	779	1,453	86.5%
Conversion gains on non current assets	0	0	n/s
<b>Cash</b>	<b>120</b>	<b>97</b>	<b>(19.5%)</b>
<b>Asset cash</b>	<b>120</b>	<b>97</b>	<b>(19.5%)</b>
<b>Total</b>	<b>7,601</b>	<b>7,926</b>	<b>4.3%</b>

(In MADm)	2015	S1 2016	Var. 2015 -S1 16
<b>Non current liabilities</b>	<b>6,282</b>	<b>6,004</b>	<b>(4.4%)</b>
Equity	6,134	5,854	(4.6%)
Other equity-like liabilities	4	3	(5.2%)
Long term debt	-	-	n/s
Long term provisions	144	146	1.8%
Conversion gains on non current liabilities	-	-	n/s
<b>Current liabilities</b>	<b>1,128</b>	<b>1,646</b>	<b>45.9%</b>
Short term debt	1,114	1,627	46.1%
Short term provisions	14	19	37.4%
Conversion gains on current liabilities	1	1	n/s
<b>Cash</b>	<b>191</b>	<b>277</b>	<b>44.7%</b>
Liability cash	191	277	44.7%
<b>Total</b>	<b>7,601</b>	<b>7,926</b>	<b>4.3%</b>

## II. Presentation of the consolidated financial statements

### II.1. Consolidated annual financial statements

#### II.1.1 Balance sheet

(In MADm)	2013	2014	2015	Var. 13-14	Var. 14-15
<b>Non current assets</b>	<b>5,371</b>	<b>5,174</b>	<b>5,068</b>	<b>(3.7%)</b>	<b>(2.0%)</b>
Goodwill	2	2	1	(20.0%)	(25.0%)
Intangible assets	299	293	289	(1.7%)	(1.6%)
Property, plant and equipment	3,705	3,520	3,198	(5.0%)	(9.1%)
Financial assets	1,322	1,322	1,543	0.0%	16.7%
Deffered tax asset	43	35	37	(17.0%)	4.0%
Associates	1	1	-	0.4%	(100.0%)
<b>Current assets</b>	<b>2,081</b>	<b>2,309</b>	<b>2,735</b>	<b>10.9%</b>	<b>18.5%</b>
Inventory	505	477	586	(5.6%)	22.9%
Accounts receivable	718	665	613	(7.3%)	(7.8%)
Other receivables	118	145	364	22.8%	150.7%
Available for sale financial assets	649	949	1,039	46.2%	9.5%
Cash	91	72	133	(20.9%)	84.5%
<b>Total assets</b>	<b>7,452</b>	<b>7,483</b>	<b>7,803</b>	<b>0.4%</b>	<b>4.3%</b>
<b>Equity attributable to parent</b>	<b>6,167</b>	<b>6,304</b>	<b>6,255</b>	<b>2.2%</b>	<b>(0.8%)</b>
Equity	1,444	1,444	1,444	-	-
Premiums	201	514	115	155.9%	(77.6%)
Retained earnings	3,714	3,544	3,619	(4.6%)	2.1%
Net income	809	802	1,078	(0.9%)	34.4%
Minority interests	30	31	35	3.0%	13.5%
Provisions	119	137	145	14.6%	5.8%
<b>Debt</b>	<b>1,135</b>	<b>1,012</b>	<b>1,369</b>	<b>(10.9%)</b>	<b>35.3%</b>
Financial debt	-	-	-	n/s	n/s
Accounts payable	458	444	514	(3.0%)	15.7%
Other debt	484	368	664	(24.0%)	80.4%
Liability cash	193	200	191	3.3%	(4.2%)
<b>Total liabilities</b>	<b>7,452</b>	<b>7,483</b>	<b>7,803</b>	<b>0.4%</b>	<b>4.3%</b>

## II.1.2 Cash flow statement

(In MMAD)	2013	2014	2015	Var. 13-14	Var. 14-15
Consolidated net income	820	813	1,093	-0.8%	34.4%
Expenses not affecting cash flow or unrelated to continued operations					
- Depreciation and Amortization	567	463	267	-18.4%	-42.4%
- Reclaim of investing subsidies	-	-	-	n/s	n/s
- Change in deferred taxes	(1)	7	(1)	n/s	n/s
- Gain or loss on sale of PP&E	(42)	1	0	n/s	-91.4%
- Attributable to consolidated companies	1	0	-	-99.4%	-100.0%
Gross cash flow	1,344	1,284	1,359	-4.5%	5.8%
Dividends received from consolidated companies	-	-	-	n/s	n/s
Change in Working capital requirement	233	(77)	90	n/s	n/s
<b>Cash flow from operations</b>	<b>1,577</b>	<b>1,207</b>	<b>1,448</b>	<b>-23.4%</b>	<b>20.0%</b>
Acquisition of assets net of taxes	(253)	(272)	(150)	7.8%	-45.0%
Sale of assets net of taxes	49	0	0	-100.0%	382.4%
Change in financial assets	7	(1)	(3)	n/s	n/s
Change in perimeter	-	-	-	n/s	n/s
<b>Cash flow from investing activities</b>	<b>(197)</b>	<b>(273)</b>	<b>(152)</b>	<b>38.4%</b>	<b>-44.2%</b>
Dividend paid to shareholders of parent company	(577)	(650)	(1,126)	12.5%	73.3%
Dividend paid to minority shareholders of subsidiaries	(9)	(10)	(11)	16.7%	8.6%
Capital increase	-	-	-	n/s	n/s
Debt issue	-	-	-	n/s	n/s
Debt repayment	(330)	-	-	-100.0%	n/s
<b>Cash flow from financing activities</b>	<b>(916)</b>	<b>(660)</b>	<b>(1,137)</b>	<b>-28.0%</b>	<b>72.3%</b>
<b>Change in net cash position</b>	<b>464</b>	<b>274</b>	<b>159</b>	<b>-40.8%</b>	<b>-42.1%</b>
Cash at the beginning of the period	83	547	821	557.8%	50.2%
Cash at the end of the period	547	821	980	50.2%	19.3%
Impact of foreign currency	-	-	-	n/s	n/s
<b>Change in net cash position</b>	<b>464</b>	<b>274</b>	<b>159</b>	<b>-40.8%</b>	<b>-42.1%</b>

### II.1.3 Statement of income and expenses

(In MADm)	2013	2014	2015	Var. 13-14	Var. 14-15
Revenue	3,632	3,454	3,740	(4.9%)	8.3%
Other revenue from activities	104	176	220	69.6%	24.9%
Purchase used during the financial year	(1,827)	(1,812)	(1,952)	(0.8%)	7.7%
Employees costs	(252)	(260)	(268)	3.1%	3.1%
Other operating expenses	(8)	(5)	(23)	(32.4%)	328.2%
Taxes	(26)	(22)	(23)	(15.8%)	5.5%
Depreciation	(494)	(508)	(518)	2.7%	2.1%
<b>Operating revenue</b>	<b>1,129</b>	<b>1,024</b>	<b>1,177</b>	<b>(9.3%)</b>	<b>14.8%</b>
Financial result	(53)	95	323	n/s	241.5%
<b>Operating profit</b>	<b>1,076</b>	<b>1,119</b>	<b>1,499</b>	<b>4.0%</b>	<b>34.0%</b>
Non recurring income	26	(42)	(28)	n/s	33.8%
Impôts sur les résultats	(283)	(264)	(378)	(6.8%)	43.4%
<b>Consolidated net income</b>	<b>820</b>	<b>813</b>	<b>1,093</b>	<b>(0.8%)</b>	<b>34.4%</b>
Attributable to consolidated companies	1	0	-	(99.4%)	(100.0%)
Provision on Goodwill impairment	(0)	(0)	(0)	-	-
<b>Consolidated net income</b>	<b>820</b>	<b>813</b>	<b>1,093</b>	<b>(0.8%)</b>	<b>34.5%</b>
Attributable to minority interests	(11)	(11)	(15)	2.3%	36.7%
<b>Attributable to parent company</b>	<b>809</b>	<b>802</b>	<b>1,078</b>	<b>(0.9%)</b>	<b>34.4%</b>
<b>Consolidated net income per share</b>	<b>57</b>	<b>56</b>	<b>76</b>	<b>(1.8%)</b>	<b>35.7%</b>

## II.2 Consolidated interim accounts:

### II.2.1 Balance sheet

#### Assets

(In MADm)	2015	S1 2016	Var 15 - S1 16
<b>Other assets</b>	<b>(0)</b>	<b>(0)</b>	<b>n/s</b>
Gross value	35	39	9.58%
Depreciation	(35)	(39)	9.59%
<b>Intangible assets</b>	<b>289</b>	<b>286</b>	<b>-0.84%</b>
Gross value	324	324	
Depreciation	(35)	(38)	6.88%
<b>Tangible assets</b>	<b>3,198</b>	<b>3,005</b>	<b>-6.05%</b>
Gross value	8,806	8,869	0.72%
Depreciation	(5,607)	(5,864)	4.58%
<b>Financial assets</b>	<b>1,543</b>	<b>1,536</b>	<b>-0.46%</b>
Gross value	1,673	1,666	-0.43%
Provisions	(130)	(130)	
Goodwill	10	1	-87.50%
Goodwill impairment	(8)		-100.00%
Deferred taxes	37	41	12.57%
<b>Conversion gains on non current assets</b>	<b>(0)</b>	<b>(0)</b>	<b>n/s</b>
<b>Total non current assets</b>	<b>5,068</b>	<b>4,870</b>	<b>-3.92%</b>
<b>Inventory</b>	<b>586</b>	<b>504</b>	<b>-13.98%</b>
<b>Prepaid expenses</b>	<b>977</b>	<b>894</b>	<b>-8.49%</b>
Suppliers	8	14	76.40%
Customers	613	544	-11.24%
Employees	3	2	-36.53%
State	295	240	-18.79%
Shareholders	0	0	n/s
Other creditors	34	57	66.28%
Adjustement account	23	37	60.12%
<b>Titres &amp; Valeurs De Placement</b>	<b>1,039</b>	<b>1,749</b>	<b>68.40%</b>
<b>Conversion gains current assets</b>	<b>0</b>	<b>0</b>	<b>n/s</b>
<b>Total current assets</b>	<b>2,602</b>	<b>3,148</b>	<b>20.95%</b>
Cash asset	133	107	-19.57%
<b>Total cash assets</b>	<b>133</b>	<b>107</b>	<b>-19.57%</b>
<b>Total assets</b>	<b>7,803</b>	<b>8,124</b>	<b>4.11%</b>

## Liabilities

(In MADm)	2015	S1 2016	Var 15 - S1 16
<b>Equity</b>	<b>6,290</b>	<b>5,985</b>	<b>-4.84%</b>
Share capital	1,444	1,444	0.00%
Issue premiums	115	120	4.34%
Retained earnings	3,619	3,896	7.66%
<b>Net income of the financial year</b>	<b>1,078</b>	<b>494</b>	<b>-54.20%</b>
Minority interests	35	32	-7.88%
<b>Other equity-like liabilities</b>	<b>0</b>	<b>0</b>	<b>84.25%</b>
Investment subsidies			
Mandatory provisions	0	0	84.25%
<b>Financing debt</b>			
<b>Provisions</b>	<b>145</b>	<b>147</b>	<b>1.79%</b>
<b>Total resources</b>	<b>6,434</b>	<b>6,132</b>	<b>-4.69%</b>
<b>Current debts</b>	<b>1,163</b>	<b>1,695</b>	<b>45.73%</b>
Suppliers	514	475	-7.49%
Customers	18	18	4.62%
Employees	16	25	51.68%
Social organisations	28	27	-2.31%
State	517	284	-45.06%
Account credit to associate company	7	807	12168.36%
Others	64	58	-8.69%
Regularisation account	0		-100.00%
<b>Other provisions</b>	<b>14</b>	<b>19</b>	<b>37.54%</b>
<b>Conversion gains on current liabilities</b>	<b>1</b>	<b>1</b>	<b>-25.09%</b>
<b>Total short term liabilities</b>	<b>1,178</b>	<b>1,715</b>	<b>45.57%</b>
Liability cash	191	277	44.73%
<b>Total liability cash</b>	<b>191</b>	<b>277</b>	<b>44.73%</b>
<b>Total</b>	<b>7,803</b>	<b>8,124</b>	<b>4.11%</b>

## II.2.2 Statement of management accounts

(In MADm)	S1 2015	S1 2016	Var S1 15 - S1 16
<b>Sales</b>	<b>1 929</b>	<b>2 007</b>	<b>4.1%</b>
Change in inventory	27	123	349.8%
Ancillary products	5	3	-38.6%
Expenses not attributable to the fiscal year	0	0	n/s
Capitalized production	21	4	-80.3%
<b>Total production</b>	<b>1 982</b>	<b>2 137</b>	<b>7.8%</b>
Expenses and consumptions	(1 021)	(1 052)	3.0%
<b>Value added</b>	<b>961</b>	<b>1 085</b>	<b>13.0%</b>
Employees costs	(146)	(145)	-0.7%
Taxes	(12)	(12)	0.2%
<b>Operating profit</b>	<b>803</b>	<b>928</b>	<b>15.7%</b>
Depreciation	(238)	(242)	1.9%
Reclaim of provisions on non current assets	6	(27)	-594.5%
Reclaim of legal provisions	(3)	(4)	28.9%
Other expenses	(19)	(2)	-91.5%
Expenses transfer	10	0	-96.6%
Drawback / Export	2	2	3.3%
<b>Earning before interest and taxes (EBIT)</b>	<b>561</b>	<b>655</b>	<b>16.9%</b>
Financial result	100	28	-72.1%
<b>Profit before tax from continuing operations</b>	<b>661</b>	<b>683</b>	<b>3.4%</b>
Loss from non continuing operations	(7)	(11)	73.9%
Income tax	(153)	(168)	10.1%
<b>Consolidated net income</b>	<b>501</b>	<b>504</b>	<b>0.5%</b>
Provision on Goodwill impairment	(0)	(0)	n/s
Attributable to consolidated companies	(0)	0	n/s
<b>Consolidated net income</b>	<b>501</b>	<b>503</b>	
Net income attributable to parent company	493	494	0.0%
Net income attributable to minority interests	8	10	30.0%
<b>Cash flow</b>	<b>747</b>	<b>765</b>	<b>2.4%</b>

## II.2.3 Cash flow statement

Consolidated Cash Flow statement (In MADm)	S1 2015	S1 2016	Var	
			S1 15	S1 16
<b>Consolidated net income</b>	<b>1,093</b>	<b>504</b>		<b>-53.94%</b>
Expenses not affecting cash flow or unrelated to continued operations				
- Depreciation and Amortization	267	265		-0.73%
- Reclaim of investing subsidies	0	0		n/s
- Change in deferred taxes	-1	-4		161.95%
- Gain or loss on sale of PP&E	0	0		n/s
- Attributable to consolidated companies	0	0		n/s
<b>Gross cash flow</b>	<b>1,359</b>	<b>765</b>		<b>-43.73%</b>
Dividend received from consolidated companies	0	0		n/s
Change in working capital requirement	90	-103		-215.31%
<b>Cash flow from operations</b>	<b>1,448</b>	<b>661</b>		<b>-54.35%</b>
Acquisition of assets net of taxes	-150	-63		-57.89%
Sale of assets net of taxes	0	0		n/s
Change in financial assets	-3	7		-363.12%
Change in perimeter	0	0		n/s
<b>Cash flow from financing activities</b>	<b>-152</b>	<b>-56</b>		<b>-63.33%</b>
Dividend paid to shareholders of parent company	-1,126	0		-100.00%
Dividend paid to minority shareholders of subsidiaries	-11	-6		-44.08%
Capital increase	0	0		n/s
Debt issue	0	0		n/s
Debt repayment	0	0		n/s
<b>Cash flow from financing activities</b>	<b>-1,137</b>	<b>-6</b>		<b>-99.45%</b>
<b>Change in net cash position</b>	<b>159</b>	<b>599</b>		<b>277.15%</b>
Cash at the beginning of the period	821	980		19.34%
Cash at the end of the period	980	1,579		61.12%
Impact of foreign currency				
<b>Change in net cash position</b>	<b>159</b>	<b>599</b>		<b>277.15%</b>

**Part X. Risk Factors**

Ciments du Maroc operates in a sector which exposes it to a variety of risks and uncertainties (availability of resources, operating risks, financial risks, compliance risks, etc.) which may impact its business activities, its financial position, its revenue or its outlook. In particular, consolidation in the construction sector could lead to overcapacity of production in certain markets, which could result in a loss of market share and a downward pressure on prices.

Management of the risks (internal and external, industrial, political, social and financial) is part of the decision-making and management processes of Ciments du Maroc and is an essential component of its system of governance. It is designed to support the continuity and improvement of performance through the preservation of assets. The Risk and Compliance programme of the Italcementi Group provides a structured approach to risk management which is an integral part of the development strategy and supports improvements in performance.

The risk management process consists of the following components:

- An organisational framework which defines the methodology and roles and responsibilities of the Primary Risk Owner;
- A process to identify, analyse and handle risks on the basis of the strategies clearly defined in the Risk Management Guidelines;
- Ongoing management designed to continually update risk mapping and manage the action plans required to reduce exposure to risks. The quantification of risks and opportunities is another component of the company's main management processes, including the budget year, income projections, and the analysis of major investment projects. The Monte Carlo method is used in order to provide the maximum exposure to risk factors and an estimate of the probability of achieving the targets set.

In addition, the Italcementi Group monitors the application of the prevention and safety programmes designed for employees at plants. These programmes are rounded off with an integrated financial risk and insurance management policy.

## **I. Risks relating to the seasonal nature of the business**

Construction work is affected by weather conditions. During the winter, in particular, bad weather may make construction projects more difficult to complete. The level of activity declines, resulting in a drop in demand for construction materials. It should be noted that general maintenance of the industrial facilities with its related costs also takes place in the winter months. These conditions generate significant volatility in the quarterly financial position of the Company.

## II. Competitive risk

The absence of barriers to entry and the favourable opportunities for profits offered by the sector encourage new capacity in the market. In this regard, several projects have currently been announced, both by existing operators and by potential newcomers.

An increase in the production capacity of operators at a time of sluggish demand for cement could affect Ciments du Maroc's business in two ways:

- A slowdown in the growth of the Company's sales as a result of an increase in production overcapacity;
- Stronger pressure on sales margins.

## III. Risk relating to the Construction and Public Works sector

The cement sector is heavily dependent on construction and public works, which remains closely tied to the rate of housing construction and to the number of public, tourist and industrial infrastructure projects.

As a result, the cement industry remains sensitive to certain factors, including purchasing power in general, demographic growth and urbanisation, household loan terms in the real estate segment, and public policy on housing and the expansion/replacement of infrastructure.

## IV. Risk related to the real estate sector

Despite its innate potential for growth, there is a risk of slowdown in the real estate sector because of the drop in demand for housing, particularly in the mid and high-end segments, as a result of (i) an increase in prices combined with a decline in purchasing power, (ii) tougher loan terms as liquidities dry up, and (iii) a decline in demand from Moroccans living abroad because of the global crisis in general, and in Europe in particular.

## V. Risk related to changes in public works policy

The growth of the cement sector over the last decade was directly encouraged by the policy to upgrade and expand infrastructure implemented by the Moroccan government.

The current economic position, marked by pressures on public finances (driven by a budget deficit and less liquidity) could slow down the pace of public investments in infrastructure. Such a situation could have a negative impact on domestic demand for cement and concrete.

## VI. Production risk

The Company's profitability remains heavily dependent on its industrial performance, which itself is dependent on complete availability of production resources. As a result, an interruption in

production because of a breakdown in a key component (grinder, kiln, etc.), labour movements, accidents or an event of force majeure may cause the Company's productivity to drop significantly.

In order to assess the risk of occurrence of industrial breakdowns, one should consider the maintenance policy adopted by the Company, which complies with the international standards of the Italcementi Group. This policy is based on preventive maintenance and corrective maintenance, enabling reliable action to be organised and controlled by a computerised management and monitoring system. For more details on this maintenance policy, please refer to Part VII of this prospectus.

It should also be noted that these risk factors are covered by insurance policies for property damage and for the operating losses resulting from this damage.

## **VII. Safety risk**

Cement production requires complex industrial operations to be carried out which generate a risk of accidents for workers. Ciments du Maroc places safety in the workplace at the centre of its social policy and follows a strict and controlled monitoring programme to minimise the number of accidents.

In particular, Ciments du Maroc has developed several programmes designed to enhance safety at production sites in order to protect employees and assets and ensure compliance with current regulations. For more details on this safety policy, please refer to Part VII of this prospectus.

## **VIII. Risk of asset depreciation**

As the cement industry is a capital-intensive industry, any change in technology or standards may lead to a risk of obsolescence of current assets, forcing cement manufacturers to make potentially substantial investments in upgrades.

## **IX. Market, credit and liquidity risks**

### **IX.1 Market risk**

Ciments du Maroc limits its activity to the management of positions resulting from its industrial and marketing and sales activity, and excludes any speculative transactions.

### **IX.2 Currency Risk**

The Company is exposed to foreign exchange risk on its operating flows and its outstanding financing obligations denominated in currencies other than the local currency.

Ciments du Maroc operates primarily in the domestic market. As a result, invoices and operating costs are denominated in the same currency, and the exposure of operating flows to currency risk is not significant, with the exception of the purchases of fuel, spare parts and investments linked to construction of new plants.

### **IX.3 Credit and counterparty risks**

Ciments du Maroc is exposed to credit risk in the event of default by a customer or counterparty.

Customers who want to take advantage of payment terms are subject to prior verification procedures. In addition, the management of customer receivables is regularly monitored in accordance with the Group's procedures. The concentration of the credit risk on trade receivables is limited insofar as the customer base of Ciments du Maroc is broad, without dependence on any one customer.

As for the customer credit risk, a policy to manage maximum limits has been implemented for many years. It is coupled, firstly, with the provision of secure guarantees by customers and, secondly, by the use of customer credit insurance.

### **IX.4 Liquidity risk**

Cash and cash equivalents essentially consist of very liquid short-term investments with negligible risk of changes in value (time deposits, money market UCITS).

Under the terms of the centralised financial policy, the available confirmed lines of credit must be sufficient at all times to cover debt payments over a two-year period.

## **X. Risk on raw materials and energy products**

The raw materials necessary for the production of cement and granulates are extracted from quarries. Ciments du Maroc has sufficient reserves to cover its medium and long-term supply needs. On the other hand, in the future, the Company could be refused permits to operate new quarries or lose the current permits. The risk of shortages is assessed by rigorously monitoring the estimate of reserves and closely monitoring operating concessions and renewals of these concessions.

Ciments du Maroc is exposed to a risk of price volatility on some of its energy supplies, primarily petcoke and electricity. It limits this risk by developing, whenever possible, the use of replacement fuels and improving the thermal efficiency of its plants and the use of wind energy.

## **XI. Legal risks**

The Legal Department monitors all the Company's disputes, providing support and control with the assistance of the group's legal counsel if necessary. As part of the normal operations of Ciments du Maroc and its subsidiaries, disputes may arise with third parties and legal proceedings may be initiated. Provisions are established on the basis of an assessment of the risks attached to each case when an estimate of the cost is possible.

To the best of the Company's knowledge, there are no governmental, judicial or arbitration proceedings or an exceptional event which might have, or has had during the last 12 months, a material impact on the financial position, results, business and outlook of Ciments du Maroc, other than those described in Part XI of this prospectus.

## **XII. Compliance risks**

Ciments du Maroc is subject to specific regulations concerning the quality of the products it sells, its quarries, operating licenses, the environment and the clean-up of the industrial sites at the end of their life cycle. Specific monitoring is established to guarantee compliance with applicable Moroccan standards.

Likewise, the Risk and Compliance programme has enabled targeted training activities to be developed and procedures and recommendations to be circulated designed to guarantee that employees apply the tax, labour, administrative and environmental laws to which the Group is subject in all the countries where it operates. This programme is updated each year on the basis of changes in regulations.

## **XIII. Information risks**

Malfunctions of the information systems, such as viruses, breakdowns and accidents, can significantly affect operating income. In collaboration with the group, Ciment du Maroc considers that it has implemented all the security measures required to limit losses, while optimising the cost of risk management.

## **XIV. Retention of personnel**

The growth of the Company's operations depends critically on its ability to attract and retain qualified personnel, particularly in technical areas. Competition for such people has increased significantly in recent years.

## **XV. Local residents and human factors**

The installation of production sites generates both interest and anxiety in the neighbouring area (residents and communities). There are high expectations about jobs and assistance for local development. The nature of these operations may also lead to complaints regarding fumes.

Ciments du Maroc attaches great importance to these matters, while conducting a policy of proximity which consists in seeking the best course of action for the community to prevent, or even avoid, conflicts. When there are disagreements, the Company favours dialogue and develops appropriate actions according to its resources and constraints.

The same is true for internal complaints, which are handled as part of the framework of the social policy aimed at continuous development of the human element.

## **XVI. Environmental risks**

The operation of a cement plant requires the use of certain hazardous waste products as substitute fuels. These result in gaseous emissions that have a direct impact on its natural environment.

Generally, the main environmental risks faced by the Company are (i) contamination of the soil in its quarries and (ii) pollution of the environment.

Since 2013, all of Ciments du Maroc's production sites have had an environmental management system certified under the international ISO 14001 standard. This certification reflects a desire to make a long-term commitment to an industrial environmental policy which takes into account all environmental impacts. Moreover, in 2014 Ciments du Maroc certified the energy management system at its Aït Baha site in compliance with ISO 50001. With this certification, the Aït Baha plant becomes the first cements works in Morocco to obtain this certification. This is a major milestone for Ciments du Maroc, a groundbreaker in both the energy and the environmental fields.

Ciments du Maroc undertakes to clean up the quarries it has operated, as and when extraction progresses, in compliance with regulatory requirements and with the standards and good practices of Italcementi Group.

#### AMMC notice

**The above information is only an extract of the prospectus approved by the Moroccan Financial Market Authority under the reference VI/EM/019/2016 on 19/08/2016. The AMMC recommends that the prospectus in French, made available to the public, be read in full.**