

اوطو هول Auto Hall

PROSPECTUS SUMMARY

CAPITAL INCREASE THROUGH OPTIONAL CONVERSION OF EXCEPTIONAL DIVIDENDS INTO NEW ACTIONS AUTO HALL

NUMBER OF MAXIMUM SHARES TO BE ISSUED: 1,282,447 SHARES

ISSUANCE PRICE : MAD 96.0

NOMINAL VALUE: MAD 10

MAXIMUM AMOUNT OF THE OPERATION : MAD 123,114,912

PERIOD OF SUBSCRIPTION : FROM 19/12/2017 TO 18/01/ 2018 INCLUSIVE

**ISSUANCE RESERVED FOR HOLDERS OF ATH SHARES ON THE EVE OF THE
CUTTING-OFF OF THE EXCEPTIONAL DIVIDENDS**

**Global Counseling and Coordination Body
ATTIJARI FINANCES CORP.**



Body in charge of the operation registration in the Casablanca Stock Exchange ATTIJARI INTERMEDIATION	Centralizing Body ATTIJARIWAFABANK
The logo for Attijariwafa bank Bourse, featuring a stylized 'W' symbol above the text 'Attijariwafa bank' and 'BOURSE' below it.	The logo for Attijariwafa bank, featuring a stylized 'W' symbol above the text 'التجاري وفا بنك' and 'Attijariwafa bank' below it.

Approval of the AMMC (Moroccan Capital Market Authority)

In accordance with the provisions of the circular of the AMMC (Moroccan Capital Market Authority), as of April 1st 2012 as amended and supplemented in application of Article 14 of Dahir providing Law n° 1-93-212 of September 21st, 1993, as amended and supplemented, the original copy of the prospectus herein has been approved by the AMMC on December 6th 2017 under reference n° VI/EM/035/2017

WARNING

The AMMC (Moroccan Capital Market Authority) approved on December 6st 2017 a prospectus relating to the increase through optional conversion of exceptional dividends into new Auto Hall shares.

The prospectus approved by the AMMC is available at any time at the following places. . It is also available within 48 hours' notice at the offices of the institutions responsible for collecting subscription orders:

- **Auto Hall headquarters: 64, avenue Lalla Yacout – Casablanca.**
- **Attijari Finances Corp.: 163, avenue Hassan II - Casablanca.**

The prospectus is at the disposal of the public at the headquarters of the Casablanca Stock Exchange and on its website www.casablanca-bourse.com. It is also available on the AMMC website (www.ammc.ma).

PART I.

PRESENTATION OF THE OPERATION

I.1 OBJECTIVES OF THE CAPITAL INCREASE

The main objective of the capital increase through optional conversion of exceptional dividends into Auto Hall shares is to reinforce the Company's capital.

I.2 INTENTIONS OF THE MAIN SHAREHOLDERS

To the knowledge of the company's managing board, the main shareholders of AUTO HALL will participate at least in part to the capital increase through optional conversion of exceptional dividends into shares of the company, the subject of the following prospectus.

I.3 MAXIMUM AMOUNT OF THE OPERATION

In the event all the shareholders lift up the option of the dividend payment in ATH shares, this capital increase will concern the global amount of MAD 123,114,912 (Including the premium).

This capital increase will be carried out through the issuance of 1,282,447 new shares with a nominal value of MAD 10 each, and with an issuance premium of MAD 86.0 each, i.e. MAD 96.0 per share.

The amount of this capital increase through conversion of dividends may vary between MAD 0 and MAD 123,114,912, according to the participations held by the shareholders.

I.4 INFORMATION ON THE SECURITIES TO BE ISSUED

Nature of securities to be issued	Shares, all of the same category
Maximum number of securities to be issued	1,282,447 new shares
Form of securities	To the holder, entirely dematerialized and entered into account at Maroclear.
Subscription price	MAD 96.0 per share
Nominal value	MAD 10
Issuance premium	MAD 86.0
Paying up of securities	The new shares will be fully paid up and will be free from any commitment.
Due date	January 1 st 2018
Listing line	2 nd line
Listing of new securities	The shares, issued from the current capital increase will be listed in the 2 nd line.
Attached rights	All shares have the same rights regarding the liquidating dividend. The new shares issued will not be entitled to profits for the 2017 financial year. Every share will give right to a voting right during the holding of meetings. There is no share with a double voting right.

I.5 APPRECIATION ELEMENT OF THE CAPITAL INCREASE TERMS

The issuing price of shares allotted in payment of the exceptional dividend is set at MAD 96.0. It was calculated on the basis of the weighted average of the quoted prices during the 20 trading sessions rounded down to the lower unit, which preceded the setting of the terms of the Transaction by the Chairman on November 13th, 2017.

The calculation period was from October 13th, 2017 to November 10th, 2017 inclusive

I.6 TIMETABLE OF THE CAPITAL INCREASE

Order	Steps	No later than
1	Receipt by the Casablanca Stock Exchange of the Complete file of the operation	05/12/2017
2	Issuing by the Casablanca Stock Exchange of the Notice of Approval on the operation.	06/12/2017
3	Receipt by the Casablanca Stock Exchange of the AMMC-approved prospectus	06/12/2017
4	Publication in the quotation bulletin of the notices as regards the increase in capital and the cutting-off of dividends	07/12/2017
5	Publication of the excerpt of the prospectus in a journal of legal notices.	12/12/2017
6	Cutting-off of dividends: Adjustment of the reference price and paying-off of the order book.	14/12/2017
7	Opening of the period of exercising the conversion option	19/12/2017
8	Closing of the period of exercising the conversion option	18/01/2018
9	Holding of the Board-of-Directors meeting that ratifies the operation	29/01/2018
10	Receipt by the Casablanca Stock Exchange of the results of the operation and the minutes drawn by the board having ratified the capital increase.	30/01/2018
11	Payment of the dividend	31/01/2018
12	Delivery of the new securities	01/02/2018
13	<ul style="list-style-type: none">▪ Admission of the new shares in the 2nd line▪ Announcement of the operation results in the listing bulletin▪ Registration of the operation in the stock exchange	02/02/2018

PART II.

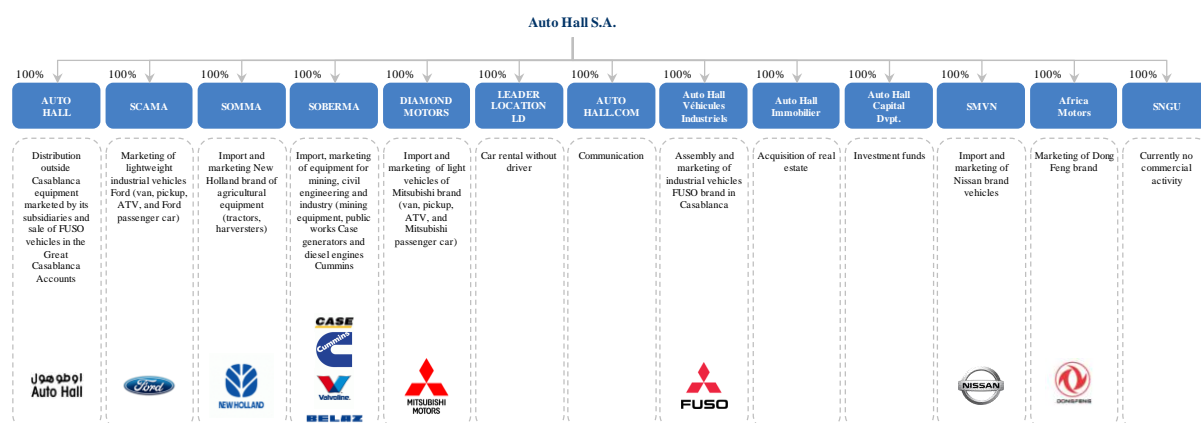
PRESENTATION OF AUTO HALL

Auto Hall SA and its subsidiaries are present in the sector of rolling stock as well as in industrial material. The group is structured according to four categories:

- Marketing of passenger, light and industrial vehicles : Auto Hall SA, SCAMA, DIAMOND MOTORS, AUTO HALL VEHICULES INDUSTRIELS, DONGFENG et SMVN ;
- Importing and marketing of agricultural materials : SOMMA ;
- Importing and marketing of materials for mines, public works and the industry : SOBERMA ;
- And other subsidiaries: Leader Location LD, Auto Hall.com., Auto Hall real estate and Auto hall Capital Development¹;
- SNGU subsidiary, currently without commercial activity.

The legal organization chart of Auto Hall, as at December 31st, 2016, is as follows:

Main participations of Auto Hall on 31st December 2016



Source: Auto Hall SA

¹ Auto Hall Capital Development has no operational activity

I.1 GENERAL INFORMATION

Corporate name	AUTO HALL
Registered office	64, avenue Lalla Yacout. Casablanca
Phone number	+(212) 5.22.46.03.09/10
Fax number	+(212) 5.22.31.56.33
Website	www.autohall.ma
e-mail address	a.bachiri@autohall.ma
Legal form	Auto Hall is a limited company making public offering, governed by the laws in force in Morocco, including Law 17-95 related to limited companies.
Date of incorporation	1927
Lifetime	99 years.
Commercial Register No.	The company is registered at the Casablanca commercial register under number RC 137.
Corporate fiscal year	The fiscal year starts on January 1 st and ends on December 31 st
Share capital at 08/31/2017	The share capital of Auto Hall is set at the sum of four hundred and ninety-two million dirhams (MAD 492,459,680).
Competent court in case of litigation	Commercial Court of Casablanca
Review of legal documents	<p>The bylaws, minutes of general assemblies, reports of statutory auditors and generally any document whose communication or consultation is required by law, consultable at the company's headquarters.</p> <p>The purpose of the company is directly or indirectly :</p> <ul style="list-style-type: none">- trade, import and industry in Morocco and abroad of all car brands, any industrial, hydraulic and agricultural material, combustion engines, fuel, all spare parts, all consumption products and generally all devices, accessories and supplies concerning culture means, equipments for companies, earth-moving and mechanical transports;- the creation, acquisition, leasing and exploitation of all systems related to mechanical transports, as well as the creation, purchase, sale and exploitation of all related establishments ;- the study, research, purchase, acquisition under all forms, the input, output, transfer and exploitation, the direct or indirect representation of all patents, trademarks, processes, the acquisition, transfer, input and exploitation again direct or indirect of all patents, licenses, agencies or concessions ;- all accessory operations, including customer loans ;
Corporate objectives	<ul style="list-style-type: none">- the creation and exploitation of agencies or branches across all countries ;- taking interest in all countries and in any form whatsoever, in all businesses or companies whose exploitations, industry and trade could foster the present company's own exploitations, industry and trade ;- generally, all industrial, commercial, financial, agricultural, securities or real estate operations that could be directly or indirectly related to any objective of the company or to all other similar or related objectives ;- the company can undertake all operations falling within its purpose either alone, in partnership or joint venture in any form whatsoever, either directly or indirectly, either by brokerage or commissioning. <p>It can also undertake all exploitations, either by itself, or by transfer, lease or management, or by all other modes, without any exception, create all companies, make all contributions to existing companies, merge or create alliances therewith, subscribe, purchase, sell or resell all securities and corporate rights, take all sponsorships and grant loans.</p>

I.2 INFORMATION ON THE SOCIAL CAPITAL

As at August 31st, 2017, the social capital of Auto Hall Company is established at MAD 492,459,680, and fully paid up. It is composed of 49,245,968 shares of a nominal value of MAD 10 each.

The shareholding of Auto Hall over the last three fiscal years is as follows:

Shareholders	31/12/2015			31/12/2016			31/08/2017		
	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights
AMANA	26 089 383	54.22%	54.22%	26 993 740	54.81%	54.81%	26 993 740	54.81%	54.81%
CIMR	6 389 779	13.28%	13.28%	6 569 986	13.34%	13.34%	6 569 986	13.34%	13.34%
Hakam Abdellatif Finance	4 821 243	10.02%	10.02%	4 952 685	10.06%	10.06%	4 952 685	10.06%	10.06%
Others	10 819 385	22.48%	22.48%	10 729 557	21.79%	21.79%	10 729 557	21.79%	21.79%
Total	48 119 790	100.0%	100.0%	49 245 968	100.00%	100.00%	49 245 968	100.00%	100.00%

Source: Auto Hall SA

I.3 COMPOSITION OF THE BOARD OF DIRECTORS

The composition of Auto Hall's Board of Directors, as at August 31st, 2017, is as follows:

Members of the Board of Directors	Current function	Date of 1 st appointment	Mandate expiration*
Mr. Abdellatif Guerraoui	Chief Executive Officer	1998	2022
Lalla Zoubida El Yacoubi	Administrator	2002	2019
Lalla Noufissa El Yacoubi	Administrator	2002	2019
Moulay Omar Cherkaoui	Administrator	2002	2019
Moulay Souleimane Cherkaoui	Administrator	2002	2019
Mr. Khalid Cheddadi	Administrator	2005	2022
Mr. Mohammed Saad Hassar	Administrator	2014	2019
Mr. Bouchaïb Najioullah	Administrator	2000	2017
Mr. Mhamed Sagou	Administrator	1998	2022
AMANA company represented by Moulay Souleimane CHERKAOUI	Administrator	1988	2017

Source: Auto Hall SA

* : OGM approving the fiscal year's accounts

I.4 MANAGEMENT BODIES

As at December 31st, 2016, the list of the main directors of Auto Hall is the following:

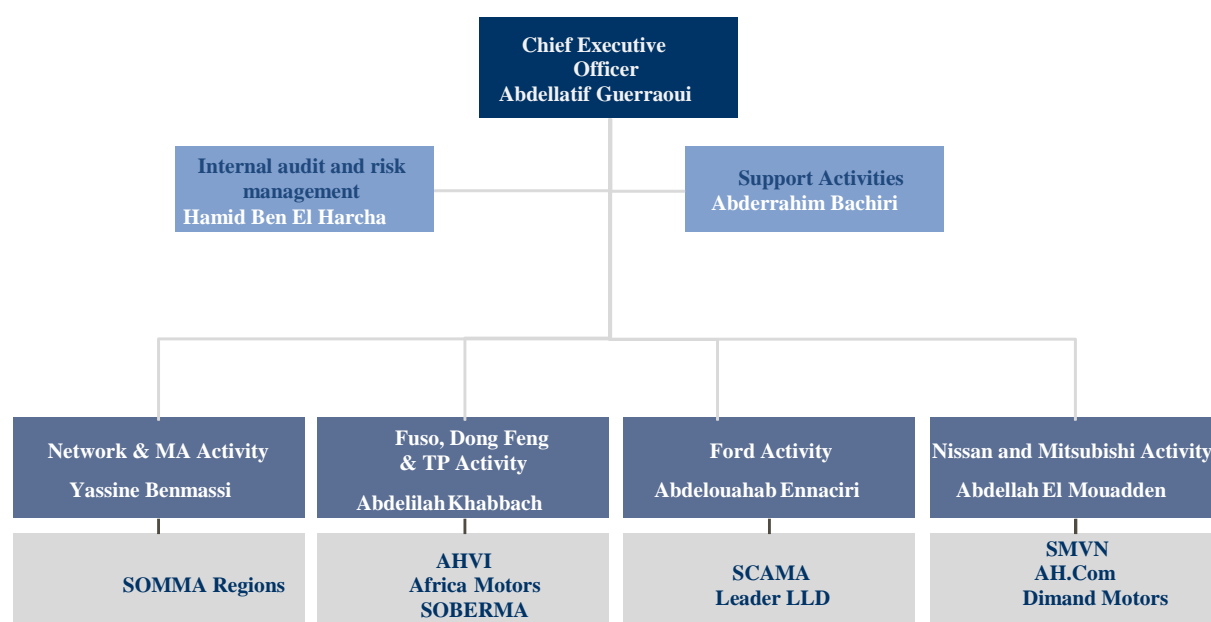
First name, Surname	Function	Date of entry in the company
Mr. Abdellatif Guerraoui	Chief Executive Officer	1999
mr. abdelilah khabbach	Director General: Fuso, Mitsubishi and Dongfeng	1987
Mr. Abdellah El Mouadden	Director General: Nissan, Fiat, New Holland, Case, Cummins and Belaz	1994
Mr. Abdelouahab Ennacri	Director General: Ford	1995
Mr. Abderrahim Bachiri	Support Director General: Finance, IS, HR, Quality and Legal affairs	1997

Source: Auto Hall SA

I.5 FUNCTIONAL ORGANIZATION CHART

The functional organization chart of Auto Hall's Board is presented as follows as at August 31st, 2017:

Organization Chart of Auto Hall SA



Source: Auto Hall SA

I.6 SYNTHESIS OF AUTO HALL'S ACTIVITY

The table below synthesizes the sales' volumes and market shares of Auto Hall over the financial years 2012 / 2016:

	2012	2013	2014	2015	2016
Passenger car (PC) market	117 828	109 853	112 083	122 977	152 324
PC market Auto Hall	11 054	11 033	11 940	17 063	21 239
<i>Overall market share - %</i>	<i>9.4%</i>	<i>10.0%</i>	<i>10.7%</i>	<i>13.9%</i>	<i>13.9%</i>
Ford	9 155	9 273	9 846	10 482	14 502
<i>Market share - %</i>	<i>7.8%</i>	<i>8.4%</i>	<i>8.8%</i>	<i>8.5%</i>	<i>9.5%</i>
Fiat	1 174	1 445	1 391	1 155	0
<i>Market share - %</i>	<i>1.0%</i>	<i>1.3%</i>	<i>1.2%</i>	<i>0.9%</i>	<i>0.0%</i>
Mitsubishi	725	315	306	372	212
<i>Market share - %</i>	<i>0.6%</i>	<i>0.3%</i>	<i>0.3%</i>	<i>0.3%</i>	<i>0.1%</i>
Nissan	0	0	397	5 054	6 525
<i>Market share - %</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.4%</i>	<i>4.1%</i>	<i>4.3%</i>
LDVs market	12 488	10 913	9 998	8 958	10 786
LDVs market Auto Hall	2 513	3 343	3 235	3 343	3 250
<i>Overall market share - %</i>	<i>20.1%</i>	<i>30.6%</i>	<i>32.4%</i>	<i>37.0%</i>	<i>30.1%</i>
Ford	875	1 032	1 348	1 432	1 940
<i>Market share - %</i>	<i>7.0%</i>	<i>9.5%</i>	<i>13.5%</i>	<i>16.0%</i>	<i>18.0%</i>
Fiat	118	229	194	290	0
<i>Market share - %</i>	<i>0.9%</i>	<i>2.1%</i>	<i>1.9%</i>	<i>3.2%</i>	<i>0.0%</i>
Mitsubishi	1 520	2 082	1 693	1 528	1 097
<i>Market share - %</i>	<i>12.2%</i>	<i>19.1%</i>	<i>16.9%</i>	<i>17.1%</i>	<i>10.2%</i>
Nissan	0	0	0	61	15
<i>Market share - %</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.7%</i>	<i>0.1%</i>
DongFeng	0	0	0	32	198
<i>Market share - %</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.7%</i>	<i>1.8%</i>
Industrial vehicles (IVs) market	4 385	4 487	4 254	3 525	3 765
IVs market Auto Hall	1 756	1 732	1 779	1 457	1 497
<i>Overall market share - %</i>	<i>40.0%</i>	<i>38.6%</i>	<i>41.8%</i>	<i>41.3%</i>	<i>39.8%</i>
Fuso	1 756	1 694	1 712	1 413	1 405
<i>Market share - %</i>	<i>40.0%</i>	<i>37.8%</i>	<i>40.2%</i>	<i>40.1%</i>	<i>37.3%</i>
Ford Cargo	0	38	67	44	92
<i>Market share - %</i>	<i>0.0%</i>	<i>0.8%</i>	<i>1.6%</i>	<i>1.2%</i>	<i>2.4%</i>
Market of agricultural vehicles (AVs)	3 334	4 269	2 986	2 945	1 934
AVs market Auto Hall	1 022	1 260	534	537	261
<i>Overall market share - %</i>	<i>30.7%</i>	<i>29.5%</i>	<i>17.9%</i>	<i>18.2%</i>	<i>13.5%</i>
New Holland	1 022	1 260	534	537	261
<i>Market share - %</i>	<i>30.7%</i>	<i>29.5%</i>	<i>17.9%</i>	<i>18.2%</i>	<i>13.5%</i>
Building and construction market	Nd	Nd	Nd	Nd	Nd
Case and Cummins	119	128	90	90	109

Source: Auto Hall SA

The table below synthesizes the sales in value of Auto Hall group over the fiscal years 2012/2016:

In MAD million	2012	2013	2014	2015	2016
PC market	1 709	1 628	1 806	2 852	3 370
Ford	1 412	1 386	1 498	1 679	2 082
Fiat	131	157	153	133	1
Mitsubishi	166	85	78	71	63
Nissan	0	0	77	969	1224
LDVs market	423	634	581	570	669
Ford	179	232	290	229	443
Fiat	17	34	28	33	0
Mitsubishi	226	368	263	292	204
Nissan	0	0	0	12	5
DongFeng	0	0	0	4	17
Industrial vehicles' market	619	597	593	521	553
Fuso	619	575	549	492	493
Ford Cargo	0	22	44	29	60
Agricultural vehicles' market	234	281	123	122	59
New Holland	234	281	123	122	59
Building and construction market	61	66	82	60	83
Case and Cummins	61	66	82	60	83

Source: Auto Hall SA

PART III.

PRESENTATION OF AUTO HALL'S ACCOUNTS

I.1 SOCIAL ACCOUNTS OF AUTO HALL

The following table shows historical data on the state of Auto Hall SA's management balances for the fiscal years 2014 to S1 2017:

In MAD million	2014	2015	2016	Var. 15/14	Var. 16/15	30/06/16	30/06/17	Var. S1 17/16
Sales of goods in the unaltered state	2 336	2 998	3 778	28.4%	26.0%	1 880	1 778	-5.4%
Purchases of resold goods	1 988	2 563	3 308	28.9%	29.0%	1 627	1 570	-3.5%
Gross margin on sales in the state (1)	347	435	470	25.2%	8.0%	253	209	-17.6%
Sales of produced goods and services	73	89	167	21.9%	86.7%	71	86	20.5%
Turnover	2 409	3 088	3 944	28.2%	27.7%	1 952	1 864	-4.5%
Variation of products stocks	-	-	-	Ns	Ns	-	-	Ns
Assets. produced by the company for itself	-	-	-	Ns	Ns	-	-	Ns
Production (2)	73	89	167	21.9%	86.7%	71	86	20.5%
Consummed sales	28	34	42	20.2%	25.7%	21	21	0.7%
Other external expenses	93	124	180	34.3%	45.2%	83	87	4.7%
Consumptions of the fiscal year (3)	120	158	223	31.0%	41.0%	104	109	3.9%
Added value (1) + (2) - (3)	300	366	414	22.1%	12.9%	220	186	-15.4%
<i>Rate of added value (AV/Turnover)</i>	<i>12.5%</i>	<i>11.9%</i>	<i>10.5%</i>	<i>-0.6 pts</i>	<i>-1.4 pts</i>	<i>11.3%</i>	<i>10.0%</i>	<i>-1.3 pts</i>
Operating subsidies	-	-	-	Ns	Ns	-	-	Ns
Taxes and duties	4	5	7	18.0%	32.3%	5	5	3.4%
Expense of staff	106	127	167	20.0%	31.0%	77	73	-4.1%
Gross operating surplus	190	234	240	23.3%	2.7%	138	108	-22.3%
<i>Gross operating margin GOS/Turnover</i>	<i>7.9%</i>	<i>7.6%</i>	<i>6.1%</i>	<i>-0.3 pts</i>	<i>-1.5 pts</i>	<i>7.1%</i>	<i>5.8%</i>	<i>-1.3 pts</i>
Other operating products	8	18	6	>100%	-66.1%	3	3	-0.2%
Other operating expenses	3	3	3	-0.1%	-0.8%	2	2	-0.3%
Operating write-backs: transfer of expenses	14	10	5	-32.6%	-43.1%	5	12	>100%
Operating allocation	36	64	46	76.7%	-28.2%	24	25	3.4%
Operating result (OR)	172	194	203	12.6%	4.5%	121	95	-20.9%
<i>Operational margin (OR/Turnover)</i>	<i>7.2%</i>	<i>6.3%</i>	<i>5.1%</i>	<i>-0.9 pts</i>	<i>-1.1 pts</i>	<i>6.2%</i>	<i>5.1%</i>	<i>-1.1 pts</i>
Financial products	85	81	82	-4.9%	1.4%	76	70	-7.6%
Financial expenses	2	3	5	25.3%	>100%	3	1	-80.2%
Financial result	83	78	77	-5.6%	-1.8%	72	69	-4.2%
Current pre-tax result	255	272	279	6.7%	2.7%	193	165	-14.6%
Non-current result	-1	3	-1	<-100%	<-100%	0	6	<-100%
Pre-tax result	254	275	278	8.4%	1.2%	193	170	-11.7%
Tax on profits	59	67	71	13.2%	5.2%	41	33	-20.9%
Net result of the fiscal year	194	208	208	6.9%	-0.1%	152	138	-9.2%
<i>Net margin (NR/turnover)</i>	<i>8.1%</i>	<i>6.7%</i>	<i>5.3%</i>	<i>-1.3 pts</i>	<i>-1.5 pts</i>	<i>7.8%</i>	<i>7.4%</i>	<i>-0.4 pts</i>

Source : Auto Hall

The following table shows in detail Auto Hall SA's balance sheet elements over the period 2014/S1 2017:

In MAD million	2014	2015	2016	Var. 15/14	Var. 16/15	30/06/17	Var. S1 17/16
ASSET							
Fixed Asset	737	792	856	7.4%	8.2%	972	13.5%
Nil value assets	14	35	29	>100%	-16.6%	25	-12.9%
Intangible assets	1	1	1	-20.5%	-25.8%	0	-17.4%
Tangible assets	424	439	440	3.4%	0.1%	444	0.9%
Financial assets	297	317	387	6.7%	22.1%	502	29.7%
Current asset	1 122	1 285	1 119	14.5%	-12.9%	928	-17.1%
Stocks	28	35	29	25.8%	-17.2%	20	-31.3%
Receivables of the current asset	956	1 250	1 090	30.7%	-12.8%	908	-16.7%
Investment shares and securities	138	0	0	-100.0%	Ns	0	Ns
Unrealized exchange loss	0	0	0	Ns	-100.0%	0	Ns
Cash - asset	93	193	276	>100%	43.3%	42	-84.8%
Total Assets	1 952	2 269	2 252	16.2%	-0.8%	1 942	-13.8%
LIABILITY							
Permanent equity							
Shareholders' equity	1 440	1 359	1 502	-5.6%	10.6%	1 345	-10.5%
Assimilated shareholders' equity	1 440	1 359	1 502	-5.6%	10.6%	1 345	-10.5%
	0	0	0	Ns	Ns	0	Ns
Current liability							
Debts of current liability	513	902	668	76.1%	-25.9%	597	-10.6%
Other provisions for contingencies and charges	513	902	668	76.1%	-25.9%	597	-10.6%
Unrealized exchange profit	0	0	0	Ns	-100.0%	0	Ns
	0	0	0	Ns	Ns	0	Ns
Cash – Liability							
							Ns
Total Liabilities	0	8	81	Ns	>100%	0	-100.0%

Source: Auto Hall SA

I.2 CONSOLIDATED ACCOUNTS OF AUTO HALL GROUP

The following table shows historical data on the state of Auto Hall SA's management balances for the fiscal years 2014 to 2016 and as at June 2016/2017:

In MAD million	2014	2015	2016	Var. 14/15	Var. 15/16	30/06/16	31/12/17	Var. S1 17/16
Turnover	3 397	4 401	5 064	29.6%	15.1%	2 532	2 388	-5.7%
Cost of sold goods	2 726	3 617	4 240	32.7%	17.2%	2 095	1 973	-5.8%
External expenses	101	126	130	24.5%	3.5%	67	66	-1.2%
Consumption and resold purchases of goods	2 828	3 743	4 371	32.4%	16.8%	2 162	2 040	-5.7%
Added value	569	658	693	15.5%	5.4%	369	348	-5.8%
<i>AV/Turnover</i>	<i>16.8%</i>	<i>14.9%</i>	<i>13.7%</i>	<i>-1.8 pts</i>	<i>-1.3 pts</i>	<i>14.6%</i>	<i>14.6%</i>	<i>0.0 pts</i>
Taxes and duties	11	14	16	24.3%	13.3%	10	10	-5.6%
Staff expenses	156	184	220	18.0%	19.5%	102	98	-3.2%
Gross operating surplus	402	460	457	14.3%	-0.5%	257	240	-6.8%
<i>GOS/Turnover</i>	<i>11.8%</i>	<i>10.5%</i>	<i>9.0%</i>	<i>-1.4 pts</i>	<i>-1.4 pts</i>	<i>10.2%</i>	<i>10.0%</i>	<i>-0.1 pts</i>
Other products	132	20	19	-84.8%	-7.6%	14	18	31.2%
Other expenses	151	46	23	-69.7%	-50.0%	13	13	2.1%
Operating write-backs	22	17	17	-20.7%	-1.2%	10	18	76.8%
Operating allocation	71	103	115	45.4%	11.3%	55	65	18.5%
Operational result (OR)	333	348	355	4.4%	2.0%	213	197	-7.4%
<i>Operational margin (OR/Turnover)</i>	<i>9.8%</i>	<i>7.9%</i>	<i>7.0%</i>	<i>-1.9 pts</i>	<i>-0.9 pts</i>	<i>8.4%</i>	<i>8.3%</i>	<i>-0.2 pts</i>
Financial products	26	33	18	30.3%	-47.4%	8	5	-35.7%
Financial expenses	34	49	70	44.1%	41.3%	38	65	71.6%
Financial result	-9	-16	-52	84.7%	>100%	-30	-60	98.6%
Pre-tax result	325	332	303	2.2%	-8.7%	183	138	-24.8%
Tax on profits	105	111	111	5.5%	0.6%	64	51	-21.4%
Consolidated net result	220	221	192	0.7%	-13.4%	119	87	-26.6%
<i>Net margin (NR/Turnover)</i>	<i>6.5%</i>	<i>5.0%</i>	<i>3.8%</i>	<i>-1.4 pts</i>	<i>-1.2 pts</i>	<i>4.7%</i>	<i>3.6%</i>	<i>-1.0 pts</i>

Source: Auto Hall SA

The following table shows the main indicators of Auto Hall's consolidated balance sheet for the fiscal years 2014, 2015, 2016 and as at June 30th, 2017:

In MAD million	2014	2015	2016	Var. 14/15	Var. 15/16	30/06/17	Var. S1 17/16
ASSET							
Non-current assets	812	963	1 392	18.6%	44.5%	1 393	0.1%
Intangible assets	60	46	50	-23.1%	6.9%	50	0.8%
Tangible assets	748	904	1 332	20.8%	47.3%	1 334	0.1%
Non-consolidated equity securities	0	0	0	0.0%	-100.0%	0	Ns
Other financial assets	0	2	0	>100%	-100.0%	0	Ns
Non-current deferred tax assets	4	11	11	>100%	-2.1%	9	-12.8%
Current assets (including cash assets)	2 146	2 891	2 935	34.7%	1.5%	3 028	3.2%
Stocks	744	1 228	1 383	65.0%	12.6%	1 755	26.9%
Customers' accounts	743	998	770	34.4%	-22.9%	689	-10.4%
Other operating receivables	398	443	441	11.4%	-0.4%	498	12.9%
Cash and its equivalents	261	222	341	-14.8%	53.4%	85	-75.1%
Total Assets	2 958	3 855	4 327	30.3%	12.3%	4 421	2.2%
Liability							
Non-current liabilities	1 954	1 926	2 421	-1.4%	25.7%	2 192	-9.4%
Shareholders equity (Group's share)	1 755	1 687	1 811	-3.9%	7.3%	1 603	-11.5%
<i>Social capital</i>	481	481	492	0.0%	2.3%	492	0.0%
<i>Issuing premiums</i>	68	68	161	0.0%	>100%	161	
<i>Consolidated reserves</i>	987	917	966	-7.0%	5.4%	862	-10.8%
<i>Consolidated reserves of the fiscal year</i>	220	221	192	0.7%	-13.4%	87	-54.5%
Other non-current liabilities	187	216	579	15.5%	>100%	554	-4.4%
Deferred non-current taxes	11	22	30	97.0%	40.2%	36	17.2%
Current liabilities (including cash liabilities)	1 004	1 929	1 907	92.2%	-1.2%	2 229	16.9%
Supplier payables	618	959	344	55.1%	-64.1%	635	84.5%
Other current liabilities	152	224	100	47.7%	-55.2%	183	82.5%
Other short-term financial liabilities	234	746	1 462	>100%	95.9%	1 411	-3.5%
Total liabilities	2 958	3 855	4 327	30.3%	12.3%	4 421	2.2%

Source: Auto Hall

PART IV. RISK FACTORS OF AUTO HALL

Competition risk

As Morocco is engaged in a process of opening up to the world economy, Moroccan enterprises are increasingly faced with competition from both the local and international market.

To address this phenomenon, Auto Hall Group has ensured the representation of renowned brands, enjoying a great reputation and a good brand image, in all the activities in which it operates.

Meanwhile the Group aims to expand its range of products as well as the brands it represents, in order to meet the diversity of customers' demand and to cover all types of rolling stock.

Exchange risk

Like the importing companies, Auto Hall Group must deal with fluctuations of the Dirham against the yen, the dollar and the Euro.

Having fluctuated widely in recent years, the future evolution of these currencies against the Dirham can therefore pose a risk to the Group and have a favorable or unfavorable impact on future financial statements.

As such, the Group, being sensitive to such exchange rate constraints, generally conducts forward purchases of foreign currency or hedging with options.

Supply-related risk

Auto Hall Group obtains its supplies entirely from foreign automobile manufacturers, thus being exposed to the risk that logistics may delay deliveries of vehicles and replacement parts.

Loss of partnerships risk

Note that some partnership contracts that Auto Hall Group signed with its foreign partners have a specified duration and that their renewal is done by tacit agreement.

Therefore, this renewal remains conditional on approval by the said partners and presents a risk to the company.

However, the risk of the loss of a representation map is to be mitigated due to the quality of relations between the Auto Hall Group and its main suppliers and the reputation and good brand image enjoyed by the Group in the Moroccan market.

Product defects risk

Like any car dealer, Auto Hall Group is subject to the risk of defects that may arise on certain products. As such, manufacturers support the risks such as repair costs, call fees, vehicle replacement if applicable, etc. However, this type of incident remains rare.

Risk linked to the demand fluctuation

Auto Hall Group can be subject in times of crisis (cf year 2009) to a demand fluctuation that could impact its results.

Given the cyclicity of the products marketed, Auto Hall Group would be subject to demand fluctuations that could negatively impact its results.

Default risk

The group's procedures require cash payment for individual customers (including purchase orders from finance companies) and allow Fleet and major account customers who have a good reputation to work under contract (market) or purchase order (Administration, Large companies, long-term renters backed by solid partners, ...). These procedures allow in all cases to ensure a settlement of transactions made.

However, the insolvency risk of certain customers may exist. The Group's internal control, collection and judicial procedures and good relations with financial partners help to guard against this risk.

Debt risk

Group indebtedness comes mainly from the investment policy (network development) and product availability (sales on stock). The potential for market development that will generate sufficient revenue in the future, combined with a lower rate of investment with the completion of the 2014-2020 investment plan, will reduce Auto Hall group's debt over time.

Risk of aging stock

Like any car dealer, Auto Hall Group is exposed to the risk of aging stock. Nevertheless, the stock management of the Auto Hall group is using the FIFO method to maintain a young stock. In addition, a new policy of supplying branches, the "zero stock" policy, was initiated in 2012 to minimize the stock of branches and buy from subsidiaries only following a firm order.

Warning

The aforementioned information is only a part of the AMMC-approved prospectus under the reference VI/EM/035/2017 on December 6th 2017. The AMMC recommends the reading of the entire prospectus, which is made available to the public in French.