

RESIDENCES DAR SAADA S.A.

PROSPECTUS SUMMARY

COMMERCIAL PAPER ISSUANCE PROGRAMME

Annual update from financial year 2012

ISSUANCE PROGRAMME CEILING: MAD 500,000,000

PAR VALUE: MAD 100,000

Joint advisor and overall coordinator



Joint advisor and overall coordinator



Joint leader of the syndicate of underwriters



Joint leader of the syndicate of underwriters



Approval by the *Conseil Déontologique des Valeurs Mobilières* (CDVM)

In accordance with article 18 of *Dahir* 1-95-3 of 24 Sha'aban 1415 (26 January 1995) promulgating Law 35-94 on certain negotiable debt securities, as amended and supplemented, the original of the present prospectus was submitted for assessment by the *Conseil Déontologique des Valeurs Mobilières*, the Moroccan securities commission, which approved it under its reference number VI/EM/027/2013 of October 30th, 2013.

CDVM approval neither implies endorsement of the issue's timeliness nor authenticates the information presented. It was granted after an examination of the relevance and consistency of the information given in the context of the issue offered to investors.

WARNING

On October 30th, 2013, the *Conseil Déontologique des Valeurs Mobilières* (CDVM) approved a prospectus for the Résidences Dar Saada SA commercial paper issuance programme.

The prospectus approved by CDVM may be consulted at any time at the registered headquarters of Résidences Dar Saada and at its financial advisors. It will also be made available within 48 hours at establishments for the collection of orders.

The prospectus is also available on the CDVM website www.cdvm.gov.ma.

I. OVERVIEW OF THE ISSUE

1. CHARACTERISTICS OF THE COMMERCIAL PAPER TO BE ISSUED

The characteristics of the commercial paper to be issued are as follows:

| | |
|-------------------------|---|
| Nature of securities | Negotiable debt securities, dematerialized by registration with the Central Depository (Maroclear) and registered in an account with authorized affiliates. |
| Legal form | Bearer |
| Issue ceiling | MAD 500,000,000 |
| Face value per security | MAD 100,000 |
| Maturity | From 10 days to 12 months |
| Vesting date | Date of settlement |
| Interest rate | Determined for each issue depending on market conditions. |
| Interest | Paid on maturity |
| Coupon payment | Bullet repayment, i.e., on the maturity of each security. |
| Negotiability | Over the counter. There are no restrictions on the free negotiability of this commercial paper imposed by the conditions of issuance. |
| Repayment of principal | Bullet repayment, i.e., on the maturity of each security. |
| Consolidation clause | There is no consolidation of the securities that are the subject of the present prospectus with securities in any previous issue. |
| Guarantee | The securities issued by the Résidences Dar Saada S.A. are not the subject of any particular guarantee. |

2. OBJECTIVES OF THE ISSUE

With this commercial paper issuance programme, the Résidences Dar Saada company's objective is:

- To meet the specific cash requirements generated by variations in its need for working capital over the year.
- To optimize its financing costs.
- To diversify its financing sources.

II. INFORMATION ON THE ISSUER

1. ACTIVITY

Résidences Dar Saada, which was created in 2001 under the name of Tafkine SARL, is a subsidiary of the Palmeraie Holding group, and specializes basically in the design and development of economic and mid-range housing in the various regions of Morocco.

Between 2001 and 2010, Tafkine/Résidences Dar Saada launched five projects in the Marrakesh region (Saada I, Saada II, Saada III, Targa Garden and Dyar Marrakesh), two projects in the Casablanca region (Jnane Nouaceur and Mediouna), one project in the Tangier region (Jnane Boughaz) and two projects in the Agadir region (Nzaha and Jnane Adrar) for a total stock of 17,776 units by 2014.

Since 2010, the Company has launched new projects in the following regions: Casablanca (Fadaat Rahma, Bassatine Rahma, Fadaat Elyassamine and Jnane el Menzeh); Fes (Bouhayrat Saiss); and Tangier (Dyar el Boughaz). These will result in total of 20,364 housing units by end 2014.

The table below gives an overall view of Résidences Dar Saada's various building programmes and land reserves as of 31 December 2012.

| Project | Area (in hectares) | Total offering (in units) | Start-up of sales operations ¹ | Start of delivery |
|------------------------------------|-----------------------|------------------------------|--|----------------------|
| Projects carried out | 55.0 | 8 104 | | |
| CASABLANCA | 11.0 | 394 | | |
| Mediouna | 11.0 | 394 | 2008 | 2010 |
| MARRAKESH | 44.0 | 7 710 | | |
| Saada I | 23.5 | 3 647 | 2003 | 2006 |
| Saada II | 2.6 | 794 | 2006 | 2009 |
| Saada III | 17.9 | 3 269 | 2008 | 2010 |
| Projects under construction | 336.9 | 30 026 | | |
| AGADIR | 8.6 | 2 327 | | |
| Jnane Adrar | 8.6 | 2 327 | 2010 | 2012 |
| AIT MELLOUL | 7.7 | 1 298 | | |
| Nzaha | 7.7 | 1 298 | 2010 | 2012 |
| CASABLANCA | 161.3 | 14 816 | | |
| Fadaat Rahma | 13.9 | 1 928 | 2011 | 2013 |
| Jnane Nouaceur | 18.9 | 3 223 | 2008 | 2011 |
| Bassatine Rahma I | 68.3 | 7 910 | 2012 | 2014 |
| Fadaat Elyassamine | 3.7 | 797 | 2012 | 2013 |
| Jnane El Menzeh | 56.5 | 958 | 2012 | 2014 |
| FES | 124.3 | 7 425 | | |
| Bouhayrat Saiss | 124.3 | 7 425 | 2012 | 2014 |
| MARRAKESH | 22.1 | 983 | | |
| Dyar Marrakech | 1.1 | 655 | 2010 | 2013 |
| Targa Garden | 21.0 | 328 | 2007 | 2010 |
| TANGIER | 12.9 | 3 177 | | |
| Jardins de l'Atlantique | 5.1 | 1 062 | 2009 | 2013 ² |
| Dyar El Boughaz (island 19) | 3.9 | 769 | 2009 | 2013 ² |
| Dyar El Boughaz (island 14) | 3.9 | 1 346 | 2012 | 2014 |
| Projects being developed | 26.2 | 5 386 | | |
| CASABLANCA | 13.7 | 3 487 | | |
| Bassatine Rahma II | 13.7 | 3 487 | 2012 | 2015 |
| MARRAKESH | 12.5 | 1 899 | | |
| Targa Resort | 12.5 | 1 899 | 2012 | 2014 |
| Total construction projects | 418.1 | 43 516 | | |
| Total land reserves | 382.7 | | | |

Source: Résidences Dar Saada

¹ Planned or actual start-up of pre-sale transactions: reservations by clients.

² Delivery of these projects was initially planned for end 2012, but delays in obtaining a number of administrative authorizations obliged the Company to put back delivery to end 2013.

The table below shows Résidences Dar Saada's performance in terms of turnover over the past three years.

| In million MAD | 2010 | 2011 | 2012 | Total 2010–2012 |
|--|------------|------------|------------|-----------------|
| Sales of dwellings and ancillary products | 639 | 339 | 703 | 1 681 |
| <i>% change</i> | 70% | -47% | >100% | |
| Economic housing | 283 | 61 | 567 | 911 |
| <i>as % of total</i> | 44% | 18% | 81% | |
| Mid-range housing | 32 | 122 | 99 | 253 |
| <i>as % of total</i> | 5% | 36% | 14% | |
| Plots and land | 245 | 135 | 28 | 408 |
| <i>as % of total</i> | 38% | 40% | 4% | |
| Villas | 47 | 16 | 9 | 72 |
| <i>as % of total</i> | 7% | 5% | 1% | |
| Commercial and others | 31 | 5 | 0 | 36 |
| <i>as % of total</i> | 5% | 1% | 0% | |

Source: Résidences Dar Saada

The table below shows Résidences Dar Saada's performance in terms of numbers of units over the past three years.

| Housing units | 2010 | 2011 | 2012 | Total 2010–2012 |
|-----------------------|--------------|------------|--------------|-----------------|
| Deliveries | 2 137 | 878 | 2 856 | 5 871 |
| <i>% change</i> | > 100% | (58.9%) | >100% | |
| Economic housing | 1 629 | 344 | 2 374 | 4 383 |
| <i>as % of total</i> | 76% | 39% | 83% | |
| Mid-range housing | 80 | 432 | 351 | 863 |
| <i>as % of total</i> | 4% | 49% | 12% | |
| Plots and land | 307 | 69 | 91 | 467 |
| <i>as % of total</i> | 14% | 8% | 3% | |
| Villas | 24 | 7 | 4 | 35 |
| <i>as % of total</i> | 1% | 1% | 0% | |
| Commercial and others | 97 | 26 | 36 | 123 |
| <i>as % of total</i> | 5% | 3% | 1% | |

Source: Résidences Dar Saada

Over the past three years, Résidences Dar Saada has delivered 5,871 housing units for a total sales figure of MAD 1,681,000,000.

In 2010, Résidences Dar Saada delivered 2,137 units, including 1,629 economic units, as part of the Jnane Mediouna, Targa Garden, Saada I, Saada II and Saada III projects.

In 2011, Résidences Dar Saada delivered 878 units, including 344 economic units, as part of the Jnane Nouaceur, Jnane Mediouna, Targa Garden, Saada I, Saada II and Saada III projects.

In 2012, Résidences Dar Saada delivered 2,856 units, including 2,374 economic units, mainly as part of the Jnane Nouaceur and Saada III projects.

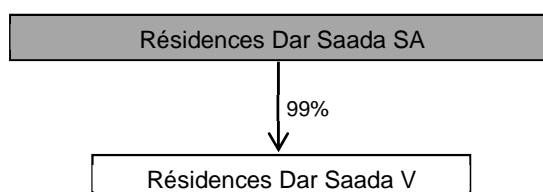
2. SHAREHOLDERS

The following table show Résidences Dar Saada's shareholding structure as of 31 December 2012.

| Name or Company Name of shareholders | 31/12/2012 | |
|--------------------------------------|------------------|-----------------------------------|
| | Shares | % of capital and of voting rights |
| Abdelali Berrada Sounni | 500,960 | 8.6% |
| Hicham Berrada Sounni | 100,360 | 1.7% |
| Saad Berrada Sounni | 100,360 | 1.7% |
| Naima Benmoussa | 100,240 | 1.7% |
| Nabila Berrada Sounni | 100,240 | 1.7% |
| Hanaa Berrada Sounni | 100,240 | 1.7% |
| Palmeraie Development Group | 3,000,000 | 51.5% |
| North Africa Holding Company | 607,263 | 10.4% |
| Aabar Investments PJS | 607,263 | 10.4% |
| RMA Watanya | 202,421 | 3.5% |
| Wafa Assurance | 202,421 | 3.5% |
| Idraj SCA | 202,421 | 3.5% |
| TOTAL | 5,824,189 | 100.0% |

As of 30 June 2013, there had been no change in the shareholding of Résidences Dar Saada relative to 2012.

3. LEGAL ORGANIZATIONAL STRUCTURE



III. FINANCIAL DATA

1. BALANCE SHEET

The following table shows the principal indicators on the Résidences Dar Saada balance sheets over the 2010–2012 period.

| In million MAD | 2010 | 2011 | 2012 | Change 10–11 | Change 11–12 |
|---|----------------|----------------|----------------|------------------|------------------|
| Nil-value assets | 1.9 | 17.2 | 16.0 | > 100% | (7.3%) |
| Intangible assets | 0.3 | 1.2 | 5.7 | > 100% | > 100% |
| Tangible assets | 5.0 | 8.0 | 11.2 | 61.1% | 39.7% |
| Financial assets | 0.1 | 0.6 | 11.1 | > 100% | > 100% |
| Fixed assets | 7.2 | 27.1 | 44.0 | > 100% | 62.4% |
| Stocks | 1 619.3 | 2 913.6 | 3 839.1 | 79.9% | 31.8% |
| Operating receivables | 1 619.6 | 917.6 | 1 144.4 | (43.3%) | 24.7% |
| Marketable securities | - | - | 311.2 | n.a. | n.a. |
| Translation adjustment – assets (Elts Circ) | - | - | - | n.a. | n.a. |
| Current assets | 3 238.9 | 3 831.3 | 5 294.6 | 18.3% | 38.2% |
| Cash assets | 22.3 | 82.8 | 288.6 | > 100% | > 100% |
| Assets | 3 268.4 | 3 941.2 | 5 627.2 | 20.6% | 42.8% |
| Own capital | 672.3 | 1 678.5 | 1 829.2 | > 100% | 9.0% |
| Shareholders' or staff equity | 400.2 | 582.4 | 582.4 | 45.5% | - |
| Share, merger and contribution premiums | 22.6 | 740.5 | 740.5 | > 100% | - |
| Legal reserves | 7.4 | 13.5 | 18.8 | 81.5% | 39.3% |
| Balance brought forward | 120.6 | 235.9 | 336.8 | 95.6% | 42.8% |
| Net income for the year | 121.4 | 106.2 | 150.6 | (12.5%) | 41.8% |
| Minority interests | - | - | - | n.a. | n.a. |
| Financing debts | 1 246.8 | 818.0 | 1 930.8 | (34.4%) | > 100% |
| Total long-term financing | 1 919.1 | 2 496.5 | 3 760.0 | 30.1% | 50.6% |
| Accounts payable | 210.1 | 400.7 | 531.9 | 90.7% | 32.8% |
| Accounts receivable, deposits and advances | 511.5 | 714.4 | 1 156.1 | 39.7% | 61.8% |
| Personnel | - | 0.6 | 0.9 | n.a. | 50.6% |
| Social welfare | - | 0.9 | 2.0 | n.a. | > 100% |
| State | 104.3 | 150.1 | 44.8 | 44.0% | (70.2%) |
| Partner accounts | 60.3 | - | - | (100.0%) | n.a. |
| Other creditors | 301.2 | 8.0 | 1.8 | (97.3%) | (78.0%) |
| Accrual and deferred income | 16.3 | 11.4 | 34.9 | (30.1%) | > 100% |
| Other provisions for risks and charges | - | 0.1 | 0.1 | n.a. | 86.6% |
| Translation adjustment - liabilities (Elts Circ) | 0.0 | 0.0 | - | (44.5%) | (100.0%) |
| Current liabilities | 1 203.6 | 1 286.2 | 1 772.5 | 6.9% | 37.8% |
| Cash liabilities | 145.6 | 158.5 | 94.8 | 8.8% | (40.2%) |
| Total Liabilities | 3 268.4 | 3 941.2 | 5 627.2 | 20.6% | 42.8% |

Source: Résidences Dar Saada

2. MANAGEMENT ACCOUNT STATEMENTS

The following table gives the history of the management accounts for Résidences Dar Saada for 2010, 2011 and 2012.

| In million MAD | 2010 | 2011 | 2012 | Change 10–11 | Change 11–12 | Average annual growth 10–12 |
|---|----------------|----------------|----------------|--------------------|--------------------|-----------------------------|
| Turnover | 643.0 | 343.0 | 705.5 | (46.7%) | > 100% | 4.7% |
| Sales of merchandise “as is” | - | - | - | <i>n.a.</i> | <i>n.a.</i> | <i>n.a.</i> |
| Purchases and resales of merchandise | - | - | - | <i>n.a.</i> | <i>n.a.</i> | <i>n.a.</i> |
| Gross margin on “as is” sales | - | - | - | <i>n.a.</i> | <i>n.a.</i> | <i>n.a.</i> |
| Sales of goods and services | 643.0 | 343.0 | 705.5 | (46.7%) | > 100% | 4.7% |
| Changes in inventory | (188.9) | 383.3 | 363.6 | <i>n.a.</i> | (5.1%) | <i>n.a.</i> |
| Production for the year | 454.1 | 726.2 | 1 069.1 | 59.9% | 47.2% | 53.4% |
| Purchases of consumables (materials and supplies) | (222.5) | (497.7) | (737.7) | > 100% | 48.2% | 82.1% |
| Other external charges | (58.6) | (63.1) | (73.5) | 7.7% | 16.4% | 12.0% |
| Consumption for the year | (281.1) | (560.9) | (811.2) | 99.5% | 44.6% | 69.9% |
| Added value | 173.0 | 165.4 | 257.8 | (4.4%) | 55.9% | 22.1% |
| Added value/turnover | 26.9% | 48.2% | 36.5% | 21.3 pts | | |
| Duties and taxes | (11.0) | (51.9) | (44.6) | > 100% | (14.1%) | > 100% |
| Personnel charges | (0.0) | (11.9) | (35.2) | > 100% | > 100% | > 100% |
| Gross Operating Profit | 162.0 | 101.6 | 178.1 | (37.3%) | 75.3% | 4.8% |
| Gross Operating Profit/turnover | 25.2% | 29.6% | 25.2% | 4.4 pts | -4.4 pts | |
| Operating reversals | - | 20.7 | 4.6 | <i>n.a.</i> | (77.7%) | <i>n.a.</i> |
| Operating charges | (1.9) | (5.7) | (7.4) | > 100% | 30.2% | 97.3% |
| Operating profit | 160.1 | 116.6 | 175.3 | (27.2%) | 50.4% | 4.6% |
| Operating margin (operating profit/turnover) | 24.9% | 34.0% | 24.8% | 9.1 pts | -9.1 pts | |
| Financial income | 113.5 | 87.1 | 95.4 | (23.3%) | 9.5% | (8.3%) |
| Financial charges | (93.4) | (73.6) | (110.6) | (21.3%) | 50.3% | 8.8% |
| Financial result | 20.1 | 13.5 | (15.2) | (32.8%) | <i>n.a.</i> | <i>n.a.</i> |
| Current income | 180.2 | 130.1 | 160.1 | (27.8%) | 23.1% | (5.7%) |
| Non-recurring income | 13.0 | 13.0 | 6.5 | (0.3%) | (50.2%) | (29.5%) |
| Non-recurring charges | (17.2) | (0.2) | (2.9) | (99.1%) | > 100% | (58.7%) |
| Non-operating income | (4.2) | 12.8 | 3.5 | <i>n.a.</i> | (72.5%) | <i>n.a.</i> |
| Earnings before taxes | 176.0 | 142.9 | 163.6 | (18.8%) | 14.5% | (3.6%) |
| Taxes on earnings | (54.6) | (36.7) | (13.0) | (32.9%) | (64.6%) | (51.3%) |
| Net profit | 121.4 | 106.2 | 150.6 | (12.5%) | 41.8% | 11.4% |
| Net margin (net profit/turnover) | 18.9% | 31.0% | 21.4% | 12.1 pts | -9.6 pts | |

Source: Résidences Dar Saada

IV. RISKS

Within the context of its overall strategy, risk management is a primary focus for the management of Résidences Dar Saada.

This prospectus sets forth the risks inherent in the Résidences Dar Saada Company's economic sector, and in its economic activity.

1. RISK FROM CHANGES IN TAXATION

Changes in the tax regulations, and in particular the elimination of the tax advantages granted to property developers and purchases of social housing, could have a significant impact on Résidences Dar Saada's performance. However, the risk of this is not great because the agreements signed in the context of the 2010 Finance Law are guaranteed for 10 years (i.e., until 2020), and this gives property developers tax stability.

2. RISK FROM COMPETITION

The increasing demand for social housing, together with the tax advantages mentioned above, is attracting many operators who want to invest in the social housing sector. As a result, the risk of a number of Moroccan and foreign operators entering the arena is significant. Such a situation would result in a shrinkage in Résidences Dar Saada's margins because of a probable fall in sales prices, increasingly expensive prices for land, and increased production costs.

To mitigate this risk, Résidences Dar Saada has a strategy of differentiating itself from the competition by offering high-quality customer services and sales prices in line with the market average.

3. RISK FROM HIGHER PRICES FOR LAND

The mismatch between demand and supply in social housing, particularly along the major Rabat-Casablanca axis, has resulted in an increase in the cost of land in urban areas. This upwards trend in land prices might put downwards pressure on the profit margins of the companies involved in social housing, as the sales price is capped at MAD 250,000.

There is protection against this risk, in the form of the Company's own actions and also government measures.

- A Company strategy based on geographical diversification targeted on areas with high potential and a shortage of housing (Tangier, Fes, etc.).
- The Company has signed investment agreements with the State that allowed the Company to secure additional land.
- The Government is planning to extend urban boundaries with a view to creating 15 new towns by 2020 around the major urban centres.

4. RISK FROM CHOICE OF CONSTRUCTION AND PUBLIC WORKS OPERATORS

With the aim of providing high-quality product, Résidences Dar Saada relies on its traditional partners to carry out its projects. Partners are chosen based on their references, their technical qualifications and their financial capacities. These operators must be capable of meeting the requirements of the specifications documents for the various projects in terms of quality and timely delivery.

The relationships of confidence and loyalty that Résidences Dar Saada has established with its partners mean that it can overcome the risk of subcontractors not being available because of competition.

5. INTEREST-RATE RISKS

Despite the major housing shortage, there is nevertheless a risk of a fall-off in demand for housing that could come about as a result of a significant rise in interest rates on mortgages.

The risk of interest rates going up is one that property developers themselves also face, as construction activity is often financed through bank debt.

WARNING

The above information represents only part of the prospectus approved by the *Conseil Déontologique des Valeurs Mobilières* (CDVM) under reference no. VI/EM/027/2013 on October, 30th, 2013. The CDVM advises reading the entire prospectus available to the public in French.