

اوطو هول Auto Hall

PROSPECTUS SUMMARY

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

NUMBER OF MAXIMUM SHARES TO BE ISSUED: 1 299 130 SHARES

ISSUING PRICE : 92,6 DIRHAMS

NOMINAL VALUE / PAR VALUE : 10 DIRHAMS

MAXIMUM AMOUNT OF THE OPERATION : 120 299 438 DIRHAMS

PERIOD OF SUBSCRIPTION : FROM APRIL 20TH TO MAY 18TH 2016 INCLUDED

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

**Global Counselling 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 wave icon above the text "Attijariwafa bank" and "BOURSE" below it.	The logo for Attijariwafa bank, featuring a stylized wave icon 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 April 7st 2016 under reference n° VI/EM/005/2016

WARNING

The AMMC (Moroccan Capital Market Authority) approved on April 7st 2016 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 the following headquarters:

- **The headquarters of AUTO HALL: 64, avenue Lalla Yacout – Casablanca.**
- **The headquarters of Attijari Finances Corp.: 163, avenue Hassan II - Casablanca.**

The prospectus is available to the public in the headquarters of the Casablanca Stock Exchange and on its website www.casablanca-bourse.com . It is also available on the website of the AMMC (Moroccan Capital Market Authority) www.ammc.ma .

PART 1 : PRESENTATION OF THE OPERATION

I.1 OBJECTIVES OF THE TENDER

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 that all the shareholders lift up the option of the dividend payment in ATH shares, this capital increase will concern the global amount of MAD 120,299,438 (Including the premium).

This capital increase will be carried out through the issuing of 1,299,130 new shares with a nominal value of MAD 10 each, and with an issuing premium of MAD 82.6 each, i.e. MAD 92.6 per share.

The amount of this increase in capital through conversion of dividends may vary between MAD 0 and MAD 120 299 438, according to the participations held by the shareholders.

I.4 INFORMATION REGARDING THE SECURITIES TO BE ISSUED

Nature of securities to be issued	Shares, all of the same category
Maximum number of securities to be issued	1 299 130 new shares
Form of securities	To the holder, entirely dematerialized and booked into account at Maroclear.
Price of subscription	92,6 Dhs per share
Nominal value	10 Dhs
Issuing Premium	82,6 Dhs
Paying up of securities	The new shares will be fully paid up and will be free from any commitment.
Due date	1 st January 2016
Quotation line	2 nd line
Quotation of new securities	The shares, issued from the current capital increase will be quoted in second line and assimilated to former shares.
Rights attached to the shares	All shares have the same rights during profit distribution and when the liquidating dividend is distributed as well. 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 ASSESSMENT OF THE OFFER TERMS

The shares' issuing price allocated to the exceptional dividend payment is set at MAD 92.6. It is calculated on the basis of the average of prices quoted during the 20 trading sessions, having preceded the Board-of-Directors meeting held on 23rd July 2015.

The calculation period was from June 24th 2015 to July 22nd 2015 included.

I.6 TIME TABLE OF THE OFFER

Order	Steps	At the latest on
1	Receipt by the Casablanca Stock Exchange of the Complete file of the operation	06/04/2016
2	Issuing by the Casablanca Stock Exchange of the Notice of Approval on the operation.	07/04/2016
3	Receipt by the Casablanca Stock Exchange of the AMMC-approved prospectus	07/04/2016
4	Publication in the quotation bulletin of the notices as regards of the capital increase and the cutting-off of dividends	08/04/2016
5	Publication of the excerpt of the prospectus in a journal of legal notices.	13/04/2016
6	Dividends' cutting-off: Adjustment of the reference price and payment of the order book	15/04/2016
7	Opening period of the conversion option's exercise	20/04/2016
8	Closing period of the conversion option's exercise	18/05/2016
9	Meeting of the body in charge of ratifying the operation	27/05/2016
10	Reception by the Casablanca Stock Exchange of the operation's results and the minutes drawn by the board having ratified the capital increase.	30/05/2016
11	Payment of the exceptional dividend in cash	31/05/2016
12	Delivery of the new securities	01/06/2016
13	<ul style="list-style-type: none">▪ Admission of the new shares▪ Announcement of the operation results in the quotation bulletin▪ Registration of the operation in the stock exchange	02/06/2016

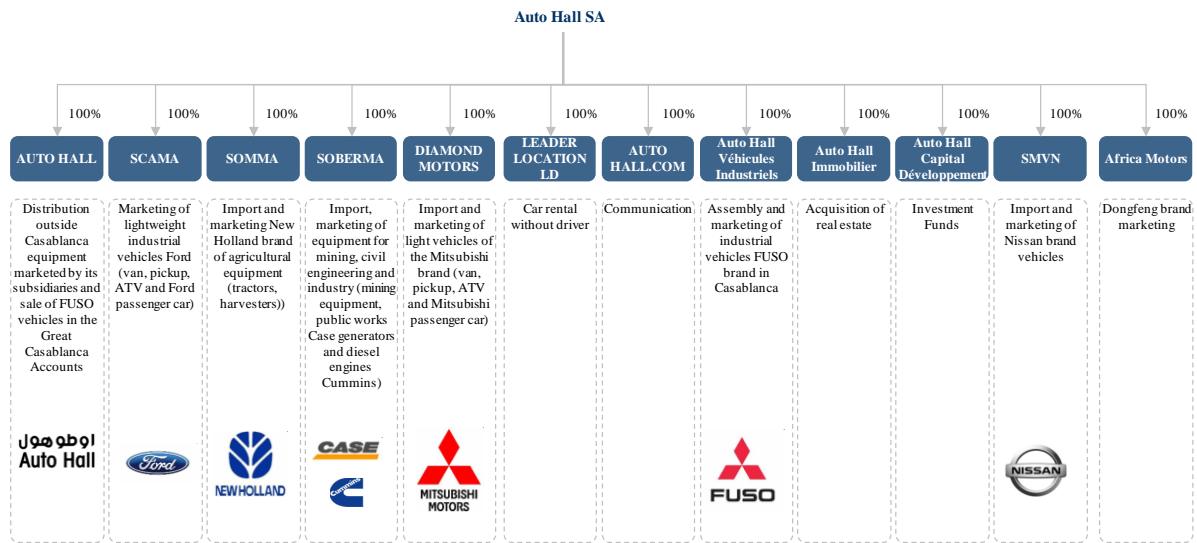
PART II : PRESENTATION OF AUTO HALL

The group is structured according to four categories:

- Marketing of passenger, utility 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 ;
- Other subsidiaries: Leader Location LD, Auto Hall.com., Auto Hall real estate and Auto hall Capital development.

The legal organization chart of Auto Hall, on 31 December 2015, is as follows:

Main participations of Auto Hall on December 31st 2015¹



Source : Auto Hall

¹ AH Mauritania has not launched the operational activity yet

I.7 COMPANY OVERVIEW

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 12/31/2014	The share capital of Auto Hall is set at the sum of four hundred eighty one million dirham (MAD 481.197.900).
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, are 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 ;- 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>
Corporate objectives	

I.8 INFORMATION ON THE SOCIAL CAPITAL

On December 31st 2015, the social capital of Auto Hall Company was established at MAD 481,197,900, and fully paid up. It is composed of 48,119,790 shares of a nominal value of MAD 10 each.

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

Shareholders	31/12/2012			31/12/2013			31/12/2014		
	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	24 704 383	51,34%	51,34%	24 704 383	51,34%	51,34%	24 704 383	51,34%	51,34%
CIMR	6 397 254	13,29%	13,29%	6 397 254	13,29%	13,29%	6 397 254	13,29%	13,29%
Hakam Abdellatif Finance	3 475 866	7,22%	7,22%	3 475 866	7,22%	7,22%	3 475 866	7,22%	7,22%
Others	13 542 287	28,14%	28,14%	13 542 287	28,14%	28,14%	13 542 287	28,14%	28,14%
Total	48 119 790	100,0%	100,0%	48 119 790	100,0%	100,0%	48 119 790	100,0%	100,0%

Source : Auto Hall

I.9 COMPOSITION OF THE BOARD OF DIRECTORS

The composition of Auto Hall's Board of Directors, on December 31st 2015, is as follows:

Members of the Board of Directors	Current function	Date of 1st appointment	Mandate expiration*
Mr. Abdellatif GUERRAOUI	Chief Executive Officer	1998	2016
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	2016
Mr. Mohammed Saad HASSAR	Administrator	2014	2019
Mr. Bouchaïb NAJIOULLAH	Administrator	2000	2017
Mr. Mhamed SAGOU	Administrator	1998	2016
The company AMANA represented by Moulay Souleimane CHERKAOUI	Administrator	1988	2017

Source : Auto Hall

* : The shareholders' meeting approving the financial year's accounts

I.10 MANAGEMENT BODIES

On December 31st 2015, the list of the main directors of Auto Hall is the following:

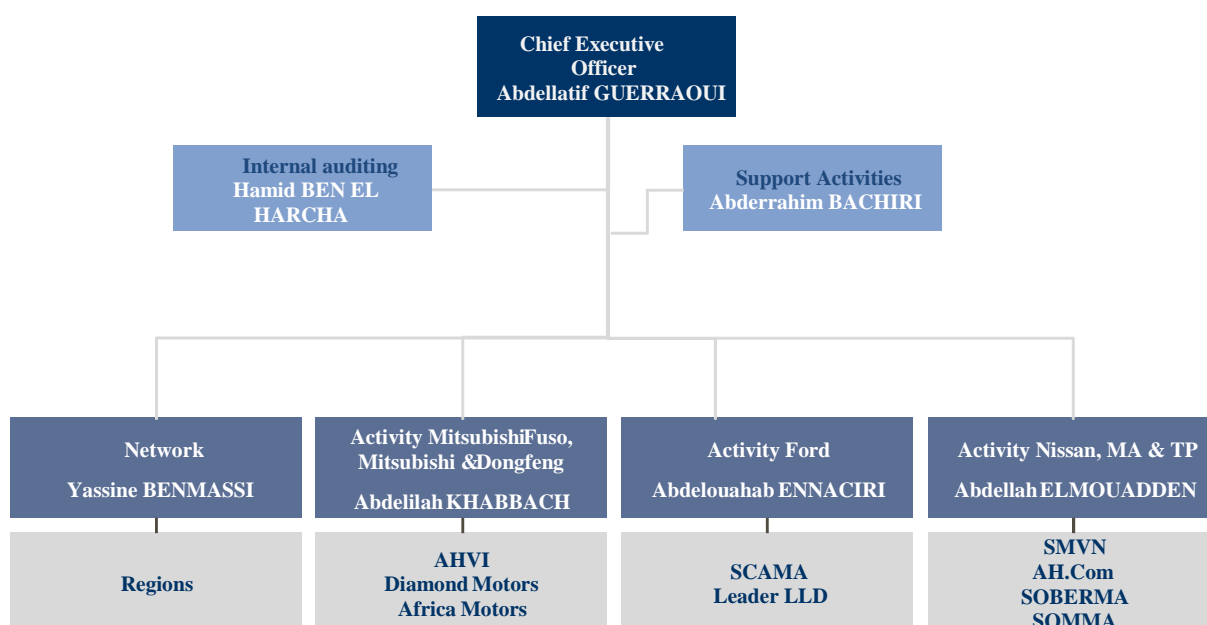
First name, Surname	Function	Date of entry in the company
Mr. Abdellatif GUERRAOUI	Chief Executive Officer ²	1999
Mr. Abdelilah KHABBACH	Director General : Fuso, Mitsubishi and Dongfeng	1987
Mr. Abdellah EL MOUADDEN	Director General : Nissan, Fiat, New Holland, Case, Cummins and Belaz	1994
Mr. Abdelouahab ENNACRI	Director General : Ford	1995
Mr. Abderrahim BACHIRI	Director General Support : Finance, IS, HR, Quality and Legal affairs	1997

Source : Auto Hall

I.11 FUNCTIONAL ORGANIZATION CHART

The functional organization chart of Auto Hall's Board is presented as follows on December 31st 2015:

Organization Chart of Auto Hall



Source : Auto Hall

² Of all the companies of the Group

I.12 SYNTHESIS OF AUTO HALL'S ACTIVITY

The table below synthesizes the sales' volumes and market shares of Auto Hall over the financial years 2012 / 2015:

	2012	2013	2014	2015
Passenger car (PC) market	117 828	109 853	112 083	122 977
Auto Hall's PC market	11 054	11 033	11 940	17 063
<i>Overall market share - %</i>	<i>9,4%</i>	<i>10,0%</i>	<i>10,7%</i>	<i>13,9%</i>
Ford	9 155	9 273	9 846	10 482
<i>Market share - %</i>	<i>7,8%</i>	<i>8,4%</i>	<i>8,8%</i>	<i>8,5%</i>
Fiat	1 174	1 445	1 391	1 155
<i>Market share - %</i>	<i>1,0%</i>	<i>1,3%</i>	<i>1,2%</i>	<i>0,9%</i>
Mitsubishi	725	315	306	372
<i>Market share - %</i>	<i>0,6%</i>	<i>0,3%</i>	<i>0,3%</i>	<i>0,3%</i>
Nissan	0	0	397	5 054
<i>Market share - %</i>	<i>0,0%</i>	<i>0,0%</i>	<i>0,4%</i>	<i>4,1%</i>
Utility commercial vehicle (UCV) market	12 488	10 913	9 998	8 958
Auto Hall's LCVs market	2 513	3 343	3 235	3 311
<i>Overall market share - %</i>	<i>20,1%</i>	<i>30,6%</i>	<i>32,4%</i>	<i>37,0%</i>
Ford	875	1 032	1 348	1 432
<i>Market share - %</i>	<i>7,0%</i>	<i>9,5%</i>	<i>13,5%</i>	<i>16,0%</i>
Fiat	118	229	194	290
<i>Market share - %</i>	<i>0,9%</i>	<i>2,1%</i>	<i>1,9%</i>	<i>3,2%</i>
Mitsubishi	1 520	2 082	1 693	1 528
<i>Market share - %</i>	<i>12,2%</i>	<i>19,1%</i>	<i>16,9%</i>	<i>17,1%</i>
Nissan	0	0	0	61
<i>Market share - %</i>	<i>0,0%</i>	<i>0,0%</i>	<i>0,0%</i>	<i>0,7%</i>
Industrial vehicles (IVs) market	4 385	4 487	4 254	3 525
Auto Hall's IVs market	1 756	1 732	1 779	1 457
<i>Overall market share - %</i>	<i>40,0%</i>	<i>38,6%</i>	<i>41,8%</i>	<i>41,3%</i>
Fuso	1 756	1 694	1 712	1 413
<i>Market share - %</i>	<i>40,0%</i>	<i>37,8%</i>	<i>40,2%</i>	<i>40,1%</i>
Ford Cargo	0	38	67	44
<i>Market share - %</i>	<i>0,0%</i>	<i>0,8%</i>	<i>1,6%</i>	<i>1,2%</i>
Market of agricultural vehicles (AVs)	3 334	4 269	2 986	2 945
Auto Hall's AVs market	1 022	1 260	534	537
<i>Overall market share - %</i>	<i>30,7%</i>	<i>29,5%</i>	<i>17,9%</i>	<i>18,2%</i>
New Holland	1 022	1 260	534	537
<i>Market share - %</i>	<i>30,7%</i>	<i>29,5%</i>	<i>17,9%</i>	<i>18,2%</i>
Building and constuction market	Nd	Nd	Nd	Nd
Case and Cummins	119	128	90	90

Source : Auto Hall

The table below synthesizes the sales in value of Auto Hall group over the financial years 2012/2015 :

In KMAD	2012	2013	2014	2015
PC market	1 709	1 628	1 806	2 852
Ford	1 412	1 386	1 498	1 679
Fiat	131	157	153	133
Mitsubishi	166	85	78	71
Nissan	0	0	77	969
UCVs market	423	634	581	566
Ford	179	232	290	229
Fiat	17	34	28	33
Mitsubishi	226	368	263	292
Nissan	0	0	0	12
Industrial vehicles' market	619	597	593	521
Fuso	619	575	549	492
Ford Cargo	0	21	44	29
Agricultural vehicles' market	234	281	123	122
New Holland	234	281	123	122
Building and construction market	61	66	82	60
Case and Cummins	61	66	82	60

Source : Auto Hall

PART III: PRÉSENTATION OF AUTO HALL'S ACCOUNTS

I.1 SOCIAL ACCOUNTS OF AUTO HALL

Profit and loss accounts:

In million MAD	2012	2013	2014	Var. 12/13	Var. 13/14	30/06/14	30/06/15	Var. S1 14/ 15
Sales of goods in the unaltered state	2 160	2 278	2 336	5,5%	2,5%	1 115	1 257	12,8%
Purchases of resold goods	1 882	1 952	1 988	3,7%	1,9%	935	1 051	12,4%
Gross margin on sales in the state (1)	278	327	347	17,7%	6,4%	180	207	14,9%
Sales of produced goods and services	78	93	73	18,6%	-20,8%	35	38	8,7%
Turnover	2 238	2 371	2 409	5,9%	1,6%	1 150	1 295	12,7%
Variation of products stocks	0	0	0	Ns	Ns	0	0	Ns
Assets. produced by the company for itself	-	-	-	Ns	Ns	-	-	Ns
Production (2)	78	93	73	18,6%	-20,8%	35	38	8,7%
Consummed purchases	26	30	28	14,8%	-6,5%	13	12	-4,1%
Other external expenses	56	65	93	16,6%	43,0%	45	54	19,5%
Consumptions of the fiscal year (3)	82	95	120	16,0%	27,4%	58	66	14,2%
Added value (1) + (2) - (3)	274	324	300	18,4%	-7,5%	156	178	13,8%
<i>Rate of added value (AV/Turnover)</i>	<i>12,2%</i>	<i>13,7%</i>	<i>12,5%</i>	<i>1,4 pts</i>	<i>-1,2 pts</i>	<i>13,6%</i>	<i>13,7%</i>	<i>0,1 pts</i>
Operating subsidies	-	-	-	Ns	Ns	-	-	Ns
Taxes and duties	5	5	4	-12,3%	-7,4%	2	3	1,5%
Expense of staff	90	101	106	12,3%	5,0%	48	55	14,5%
Gross operating surplus	179	219	190	22,4%	-13,2%	106	120	13,8%
<i>Gross operating margin GOS/Turnover</i>	<i>8,0%</i>	<i>9,2%</i>	<i>7,9%</i>	<i>1,2 pts</i>	<i>-1,3 pts</i>	<i>9,2%</i>	<i>9,3%</i>	<i>0,1 pts</i>
Other operating products	7	8	8	6,6%	-0,2%	4	4	1,9%
Other operating expenses	3	3	3	0,2%	0,3%	2	2	0,3%
Operating write-backs: transfer of expenses	6	3	14	-45,2%	>100%	9	7	-26,1%
Operating allocation	29	38	36	32,2%	-4,6%	18	21	21,2%
Operating result (OR)	160	189	172	17,9%	-8,6%	99	108	8,6%
<i>Operational margin (OR/Turnover)</i>	<i>7,1%</i>	<i>8,0%</i>	<i>7,2%</i>	<i>0,8 pts</i>	<i>-0,8 pts</i>	<i>8,6%</i>	<i>8,3%</i>	<i>-0,3 pts</i>
Financial products	78	75	85	-3,9%	13,1%	76	73	-3,5%
Financial expenses	4	5	2	34,5%	-57,5%	2	1	-37,8%
Financial result	75	70	83	-5,8%	17,8%	74	72	-2,8%
Current pre-tax result	235	259	255	10,4%	-1,4%	173	180	3,7%
Non-current result	-3	-3	-1	Ns	Ns	-4	-3	Ns
Pre-tax result	231	255	254	10,5%	-0,6%	169	176	4,2%
Tax on profits	52	62	59	19,0%	-3,3%	34	35	3,9%
Net result of the fiscal year	179	194	194	8,1%	0,3%	135	141	4,3%
<i>Net margin (NR/turnover)</i>	<i>8,0%</i>	<i>8,2%</i>	<i>8,1%</i>	<i>0,2 pts</i>	<i>-0,1 pts</i>	<i>11,8%</i>	<i>10,9%</i>	<i>-0,9 pts</i>

Source : Auto Hall

The following table shows the Auto Hall's balance sheet over the period 2012- S1 2015:

In million MAD	2012	2013	2014	Var. 12/13	Var. 13/14	30/06/15	Var. S1 14/ 15
ASSET							
Fixed Asset	761	781	737	2,6%	-5,6%	775	5,1%
Nil value assets	5	4	14	-32,3%	>100%	12	-16,1%
Intangible assets	1	1	1	-14,5%	-17,0%	1	-10,3%
Tangible assets	519	529	424	1,9%	-19,7%	445	4,8%
Financial assets	235	247	297	5,1%	20,2%	317	6,7%
Current asset	965	986	1 122	2,1%	13,9%	1 045	-6,9%
Stocks	109	61	28	-44,2%	-53,9%	49	77,1%
Receivables of the current asset	857	925	956	8,0%	3,4%	976	2,1%
Investment shares and securities	0	0	138	Ns	Ns	20	-85,6%
Unrealized exchange loss	0	0	0	Ns	Ns	0	Ns
Cash - asset	112	82	93	-27,5%	13,9%	60	-35,1%
Total Assets	1 839	1 848	1 952	0,5%	5,6%	1 880	-3,7%
LIABILITY							
Permanent equity	1 388	1 414	1 440	1,8%	1,8%	1 412	-1,9%
Shareholders' equity	1 388	1 414	1 440	1,8%	1,8%	1 412	-1,9%
Assimilated shareholders' equity	0	0	0	Ns	Ns	0	Ns
Current liability	336	434	513	29,1%	18,0%	418	-18,4%
Debts of current liability	336	434	513	29,1%	18,0%	418	-18,4%
Other provisions for contingencies and charges	0	0	0	Ns	Ns	0	Ns
Unrealized exchange profit	0	0	0	Ns	Ns	0	Ns
Cash - Liability	114	0	0	-100,0%	Ns	50	Ns
Total Liabilities	1 839	1 848	1 952	0,5%	5,6%	1 880	-3,7%

Source : Auto Hall

I.2 CONSOLIDATED ACCOUNTS OF AUTO HALL GROUP

The consolidated income statement for the years from December 31st 2012 till December 31st 2014 and from June 30th 2014 till June 30th 2015 breakdown as follows:

In million MAD	2012	2013	2014	Var. 12/13	Var. 13/14	30/06/14	30/06/15	Var. S1 14/ S1 15
Turnover ³	3 307	3 456	3 397	4,5%	-1,7%	1 629	1 994	22,4%
Cost of sold goods ⁴	2 693	2 765	2 726	2,7%	-1,4%	1 287	1 616	25,6%
External expenses	93	74	101	-20,9%	37,4%	57	59	2,6%
Consumption and resold purchases of goods	2 786	2 838	2 828	1,9%	-0,4%	1 344	1 675	24,6%
Added value	521	617	569	18,5%	-7,8%	285	319	12,0%
<i>AV/Turnover</i>	<i>15,8%</i>	<i>17,9%</i>	<i>16,8%</i>	<i>2,1 pts</i>	<i>-1,1 pts</i>	<i>17,5%</i>	<i>16,0%</i>	<i>-1,5 pts</i>
Taxes and duties	10	9	11	-9,0%	18,3%	7	8	22,0%
Staff expenses	134	147	156	9,8%	6,3%	72	83	16,5%
Gross operating surplus	377	461	402	22,4%	-12,8%	207	228	10,1%
<i>GOS/Turnover</i>	<i>11,4%</i>	<i>13,4%</i>	<i>11,8%</i>	<i>2,0 pts</i>	<i>-1,5 pts</i>	<i>12,7%</i>	<i>11,4%</i>	<i>-1,3 pts</i>
Other products	5	11	132	>100%	>100%	133	6	-95,8%
Other expenses	19	19	151	4,7%	>100%	145	12	-91,6%
Operating write-backs	9	8	22	-7,7%	>100%	13	9	-30,1%
Operating allocation	57	79	71	38,6%	-10,5%	33	43	29,9%
Operational result (OR)	314	382	333	21,5%	-12,7%	175	187	6,7%
<i>Operational margin (OR/Turnover)</i>	<i>9,5%</i>	<i>11,1%</i>	<i>9,8%</i>	<i>1,5 pts</i>	<i>-1,2 pts</i>	<i>10,7%</i>	<i>9,4%</i>	<i>-1,4 pts</i>
Financial products	33	22	26	-34,4%	17,4%	8	17	>100%
Financial expenses	54	83	34	55,0%	-58,8%	15	26	69,1%
Financial result	-20	-61	-9	Ns	Ns	-7	-9	Ns
Pre-tax result	294	321	325	9,0%	1,3%	168	177	5,8%
Tax on profits	93	103	105	10,3%	1,7%	57	59	2,5%
Consolidated net result	201	218	220	8,5%	1,1%	110	119	7,5%
<i>Net margin (NR/Turnover)</i>	<i>6,1%</i>	<i>6,3%</i>	<i>6,5%</i>	<i>0,2 pts</i>	<i>0,2 pts</i>	<i>6,8%</i>	<i>5,9%</i>	<i>-0,8 pts</i>

Source : Auto Hall

³ Including the sales of produced goods and merchandise

⁴ Including the resold purchases of goods, consumed purchases of the fiscal year and the variation of produced stocks

The following table show of Auto Hall's consolidated balance sheet for the fiscal years 2012, 2013, 2014, and on 30 June 2015:

In MAD million	2012	2013	2014	Var. 12/13	Var. 13/14	30/06/15	Var. 14/ S1 15
ASSET							
Non-current assets	648	662	812	2,1%	22,7%	899	10,7%
Intangible assets	1	2	60	21,8%	>100%	59	-3,0%
Tangible assets	641	654	748	2,1%	14,4%	838	12,1%
Non-consolidated equity securities	0	0	0	0,0%	12,8%	0	0,0%
Other financial assets	0	0	0	0,0%	0,0%	0	0,0%
Non-current deferred tax assets	6	6	4	-3,6%	-39,2%	2	-36,6%
Current assets (including cash assets)	2 302	2 401	2 146	4,3%	-10,6%	2 580	20,3%
Stocks	1 038	976	744	-6,0%	-23,8%	1 247	67,5%
Clients' accounts	705	646	743	-8,3%	15,0%	679	-8,5%
Other operating receivables	432	689	398	59,6%	-42,3%	521	31,0%
Cash and its equivalents	127	90	261	-29,2%	>100%	133	-48,9%
Total Assets	2 950	3 063	2 958	3,8%	-3,4%	3 480	17,6%
Liability							
Non-current liabilities	1 679	1 725	1 954	2,7%	13,3%	1 944	-0,5%
Shareholders equity (Group's share)	1 652	1 700	1 755	2,9%	3,2%	1 705	-2,9%
<i>Social capital</i>	481	481	481	0,0%	0,0%	481	0,0%
<i>Issuing premiums</i>	67	67	67			68	
<i>Consolidated reserves</i>	902	934	987	3,5%	5,7%	1 038	5,2%
<i>Consolidated reserves of the fiscal year</i>	201	218	220	8,5%	1,1%	119	-46,1%
							Ns
Other non-current liabilities	16	13	187	-19,3%	>100%	226	20,8%
Deferred non-current taxes	11	11	11	6,6%	-3,7%	12	11,0%
Current liabilities (including cash liabilities)	1 271	1 338	1 004	5,2%	-25,0%	1 536	53,0%
Supplier payables	349	944	618	>100%	-34,5%	751	21,5%
Other current liabilities	91	87	152	-4,0%	74,3%	245	61,9%
Other short-term financial liabilities	832	307	234	-63,1%	-23,7%	539	>100%
Total liabilities	2 950	3 063	2 958	3,8%	-3,4%	3 480	17,6%

Source : Auto Hall

I.3 FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31ST 2014 AND DECEMBER 31ST 2015

Auto Hall's income statements for the years ended December 31st 2014 and December 31st 2015 breakdown as follows:

In MAD million	2014	2015	Var. 14/15	
Sales of goods in unaltered state	2 336	2 998	28,4%	
Resold purchases of goods	1 988	2 563	28,9%	
Gross margin on sales in unaltered state (1)	347	435	25,2%	
Sales of produced goods and services	73	89	21,9%	
Turnover	2 409	3 088	28,2%	
Variation of stocks of products	0	0	Ns	
Fixed assets. produced by the enterprise for itself	-	-	Ns	
Production (2)	73	89	21,9%	
Consummed purchases	28	34	20,2%	
Other external expenses	93	124	34,3%	
Consumptions of the fiscal year (3)	120	158	31,0%	
Added value (1) + (2) - (3)	300	366	22,1%	
	<i>Rate of added value AV/Turnover</i>	<i>12,5%</i>	<i>11,9%</i>	<i>-0,6 pts</i>
Operating subsidies	-	-	Ns	
Taxes and duties	4	5	18,0%	
Staff expenses	106	127	20,0%	
Gross operating surplus (GOS)	190	234	23,3%	
	<i>Gross Operating Margin GOS/Turnover</i>	<i>7,9%</i>	<i>7,6%</i>	<i>-0,3 pts</i>
Other operating products	8	18	>100%	
Other operating expenses	3	3	-0,1%	
Operating write-backs: transfer of expenses	14	10	-32,6%	
Allocation of operation	36	64	76,7%	
Operating result (OR)	172	194	12,6%	
	<i>Operational margin (OR/Turnover)</i>	<i>7,2%</i>	<i>6,3%</i>	<i>-0,9 pts</i>
Financial products	85	81	-4,9%	
Financial expenses	2	3	25,3%	
Financial result	83	78	-5,6%	
Current pre-tax result	255	272	6,7%	
Non-current result	-1	3	<-100%	
Pre-tax result	254	275	8,4%	
Tax on profits	59	67	13,2%	
Net result of the fiscal year	194	208	6,9%	
	<i>Net margin (NR/Turnover)</i>	<i>8,1%</i>	<i>6,7%</i>	<i>-1,3 pts</i>

Source : Auto Hall

The following table shows Auto Hall's balance sheet for the period 2014-2015:

In million MAD	2014	2015	Var. 14/15
ASSET			
Fixed asset	737	792	7,4%
Nil value assets	14	35	>100%
Intangible assets	1	1	-20,5%
Tangible assets	424	439	3,4%
FinanCIAL ASSETS	297	317	6,7%
Current asset	1 122	1 285	14,5%
Stocks	28	35	25,8%
Receivables of the current asset	956	1 250	30,7%
Investment shares and securities	138	0	-100,0%
Unrealized exchange loss	0	0	Ns
Cash - Asset	93	193	>100%
Total Assets	1 952	2 269	16,2%
LIABILITY			
Permanent equity	1 440	1 359	-5,6%
Shareholders' equity	1 440	1 359	-5,6%
Assimilated shareholders' equity	0	0	Ns
Current liability	513	902	76,1%
Debts of current liability	513	902	76,1%
Other provisions for contingencies and charges	0	0	Ns
Unrealized exchange profit	0	0	Ns
Cash - Liability	0	8	Ns
Total Liabilities	1 952	2 269	16,2%

Source : Auto Hall

The table shows the consolidated income statements of Auto Hall for the period 2014-2015:

In MAD million	2014	2015	Var. 15/14
Turnover	3 397	4 401	29,6%
Cost of sold goods	2 726	3 617	32,7%
External expenses	101	127	25,2%
Staff expenses	156	184	18,0%
Taxes and duties	11	14	24,4%
Allocations of operating	71	103	45,4%
Operating write-backs	22	17	-20,7%
Other products	132	20	-84,8%
Other expenses	151	46	-69,8%
Operational result (OR)	333	348	4,4%
	<i>Operational margin (OR/Turnover)</i>	<i>9,8%</i>	<i>7,9%</i>
Financial products	26	33	30,3%
Financial expenses	34	49	44,1%
Financial result	-9	-16	84,7%
Tax expenses	105	111	5,7%
Consolidated net result	220	221	0,6%
	<i>Net margin (NR/Turnover)</i>	<i>6,5%</i>	<i>5,0%</i>

Source : Auto Hall

The following table show Auto Hall's consolidated balance sheet for the period 2014-2015:

In MAD million	2014	2015	Var. 14/15
Asset			
Non-current assets	812	963	18,6%
Intangible assets	60	46	-23,1%
Tangible assets	748	904	20,8%
Non-consolidated equity securities	0	0	0,0%
Other financial assets	0	2	>100%
Non-current deferred tax assets	4	11	>100%
Current assets (including cash assets)	2 146	2 891	34,7%
Stocks	744	1 228	65,0%
Clients' accounts	743	998	34,4%
Other operating receivables	398	443	11,4%
Cash and its equivalents	261	222	-14,9%
Total Assets	2 958	3 854	30,3%
Liability			
Non-current liabilities	1 954	1 925	-1,5%
Shareholders equity (Group's share)	1 755	1 687	-3,9%
<i>Social capital</i>	481	481	0,0%
<i>Issuing premiums</i>	67	68	
<i>Consolidated reserves</i>	987	917	-7,1%
<i>Consolidated results of the fiscal year</i>	220	221	0,6%
Other non-current liabilities	187	216	15,5%
Deferred non-current taxes	11	22	97,0%
Current liabilities (including cash liabilities)	1 004	1 929	92,2%
Supplier payables	618	959	55,1%
Other current liabilities	152	224	47,8%
Other short-term financial liabilities	234	746	>100%
Total Passif	2 958	3 854	30,3%

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, the 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, to meet the diversity of customers' demand and to cover all types of rolling stock.

Exchange risk

Like the importing companies, the 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.

Risks related to the supply:

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.

The risk of loss of partnerships:

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 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.

The risk linked to the demand fluctuation

During the crisis (year 2009), the Auto Hall group may be subject a fluctuation of demand that may impact its output

The 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/005/2016 on April 7th 2016. The AMMC recommends reading the entire prospectus, which is made available to the public in French.