



ANNUAL REPORT

RESIDENCES DAR SAADA

2015

ESPACES
SAADA
LE DROIT AU LOGEMENT DE QUALITÉ



فضاءات
السعادة
الحق في جودة السكن



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PRESENTATION OF RESIDENCES DAR SAADA





A WORD FROM THE PRESIDENT

2015 has been, for our company, the confirmation year for our sound growth business model with 11% net result increase to reach 450 m MAD. We continue to orient our values towards quality and customer satisfaction to strengthen our position as a reference player in the Moroccan real estate sector.

Résidences Dar Saada maintained the pace of unit delivery with c. 5700 units bringing the turnover to 1,75 billion MAD to consolidate its position as a leader in the social housing and mid-standing segments.

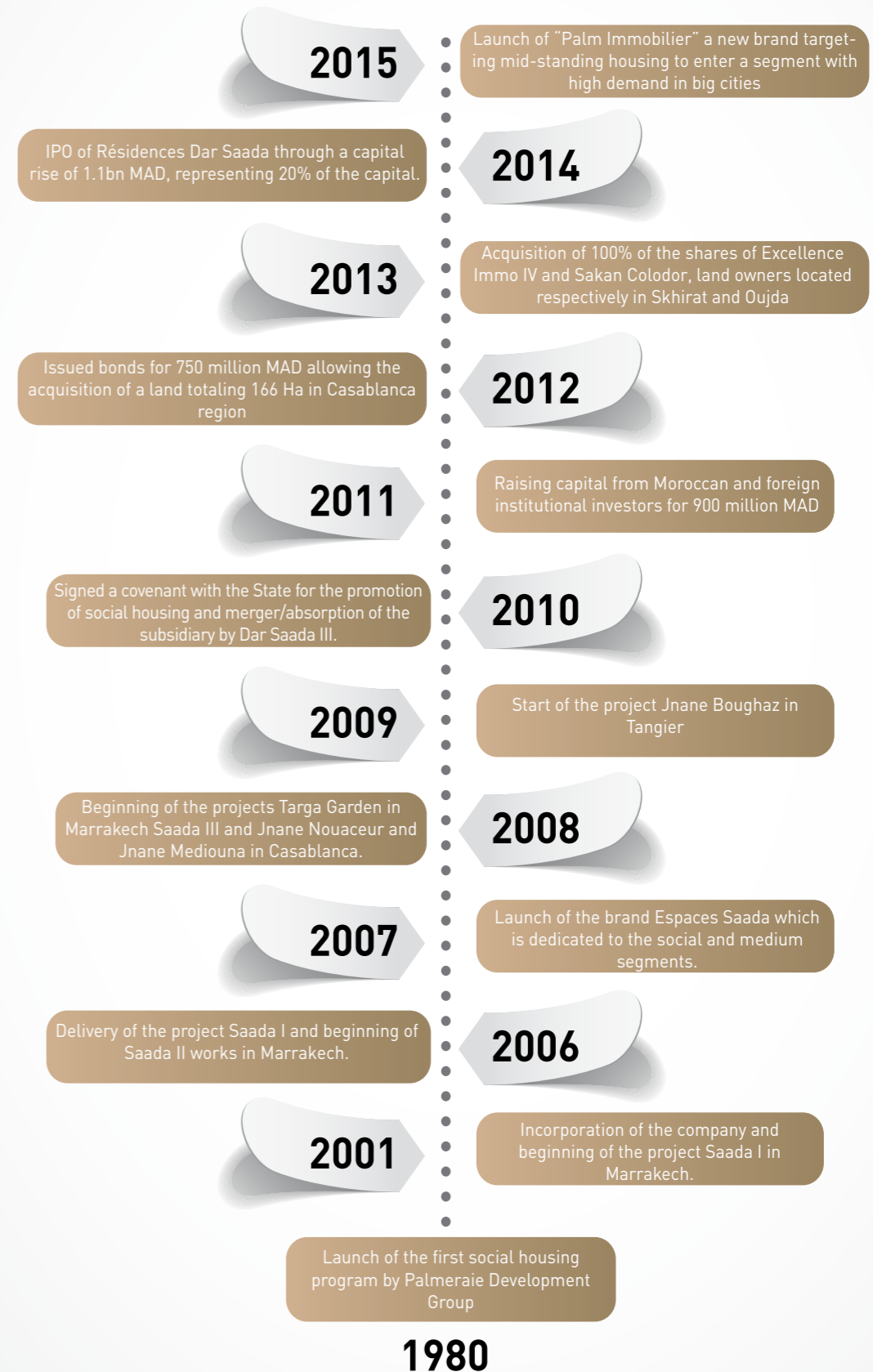
The company has reinforced its positioning in mid-standing segment by launching the brand Palm Immobilier, completing Palmeraie Group offer, the majority shareholder of RDS, in the affordable, mid-standing and high end segments with respectively Espace Saada, Palm Immobilier and Palmeraie Luxury Living brands.

The growth of our company continues to be aligned with planning and coupled with a respect for balance sheet ratios and debt control. In fact, trade receivables expressed in terms of turnover are at 4,5 months, which is one of the shortest delays in our industry. The indebtedness of the company is also controlled with a gearing ratio of 37%.

Building on its track record, financial healthy situation, reputation and human capital, Residences Dar Saada is considering the future with high ambition and confidence. We believe that we are in possession of the human capital and means that can allow us to continue our development and seize opportunities in growth segments we identify.

MR. HICHAM BERRADA SOUNNI
CHAIRMAN OF THE BOARD

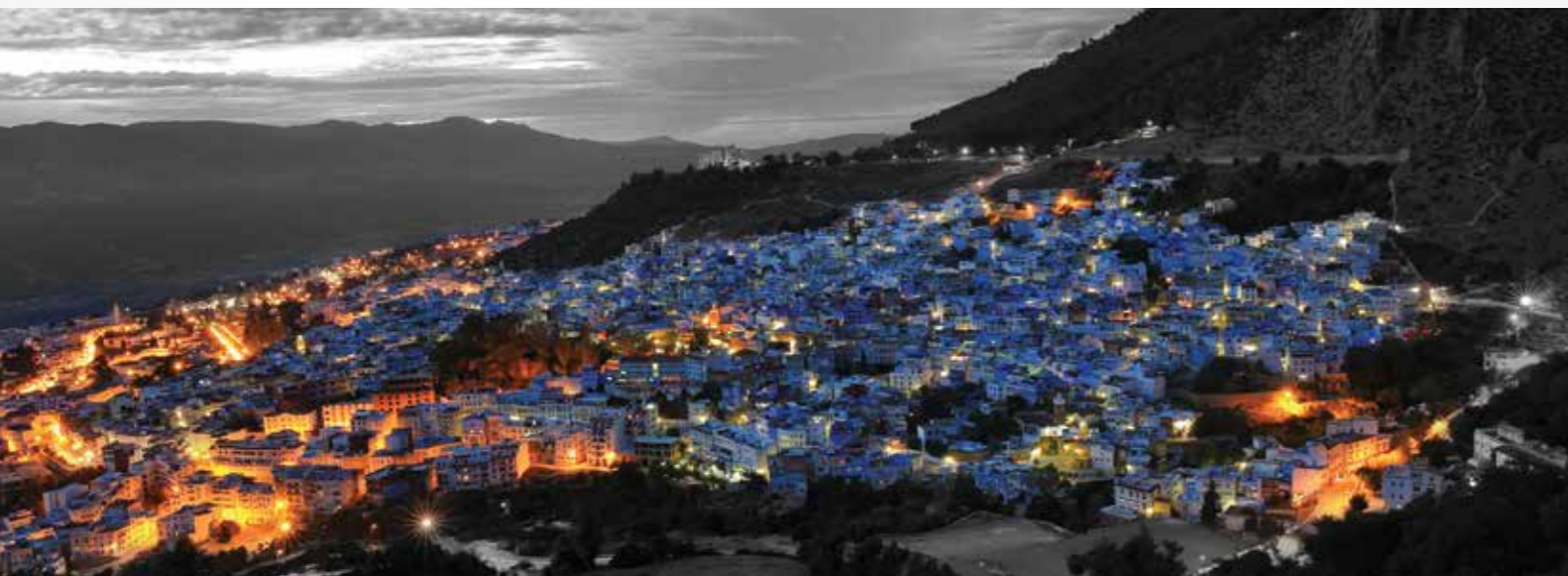
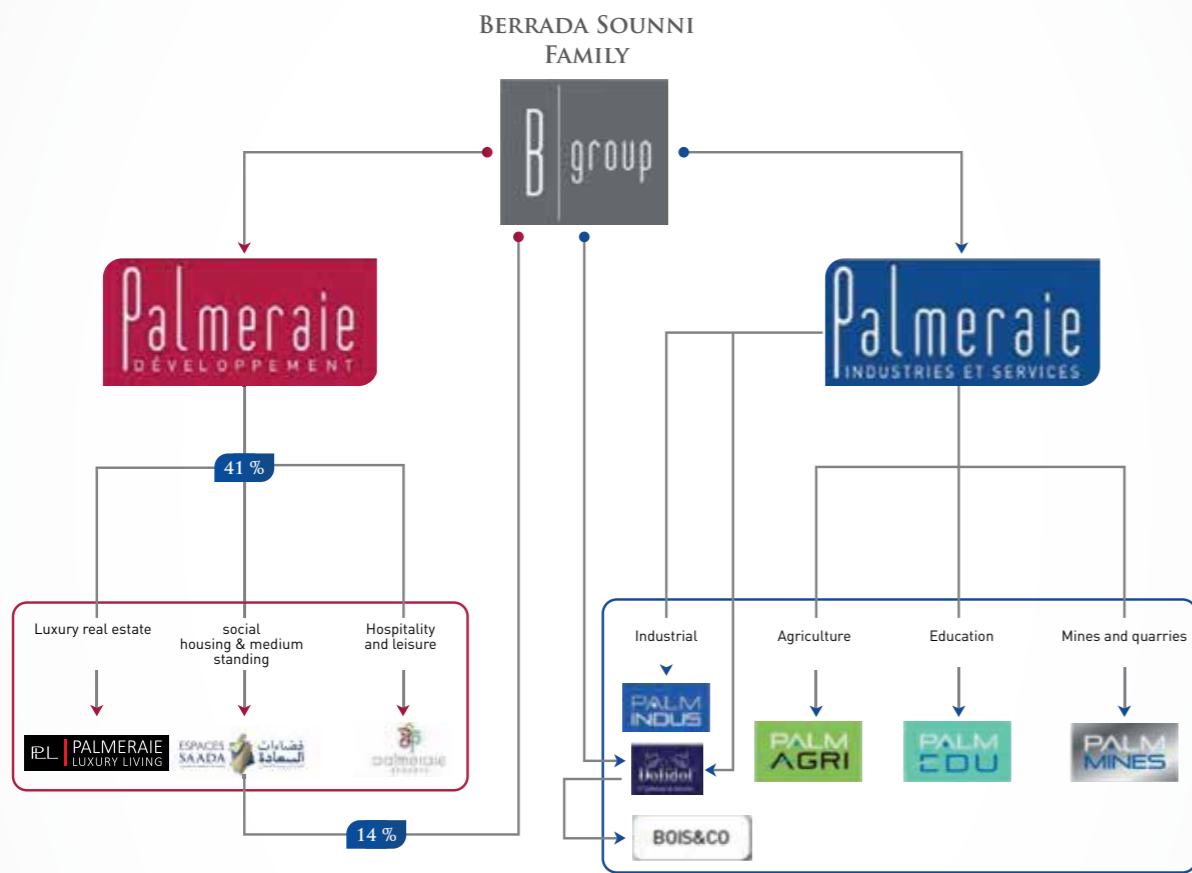
GROUP HISTORY



SHAREHOLDING

The history of Residences Dar Saada is intimately linked to **B Group** and its founder **Mr. Abdelali Berrada Sounni**. Residences Dar Saada is part of this diversified group with activities such as the manufacture of mattresses, agriculture, education, hospitality and real estate.

The group has been present in real estate for almost 40 years. It established a presence in the luxury segment with the company Palmeraie Développement before entering the social segment and medium standing with what will become Residences Dar Saada.

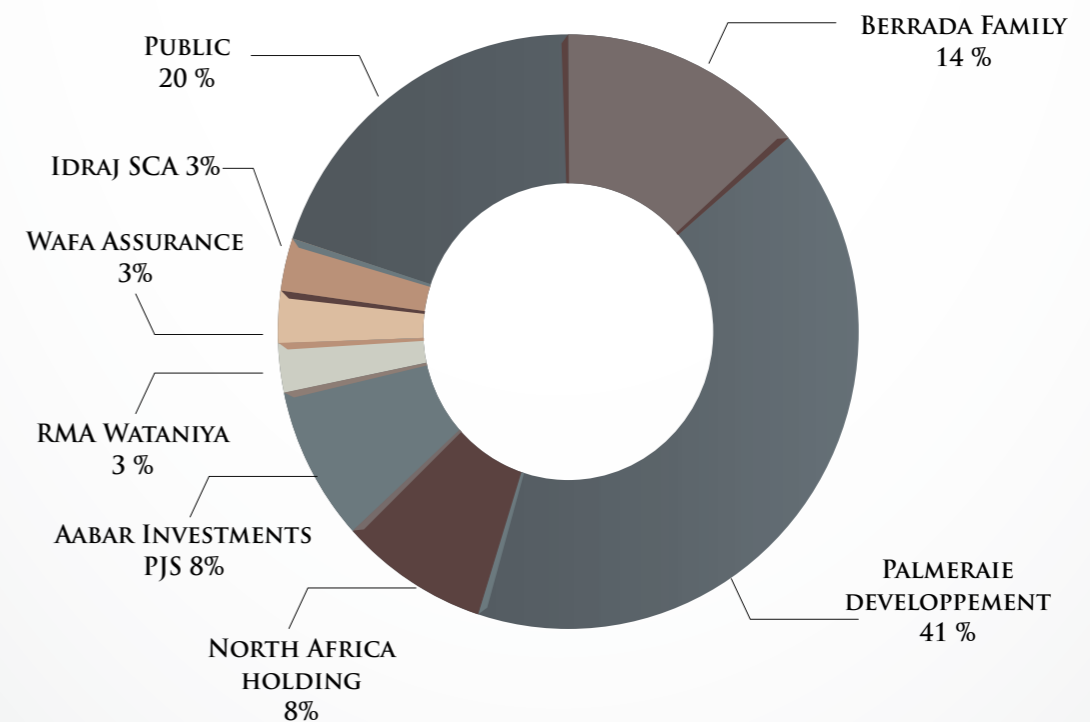


The Berrada Sounni family is the historic and majority shareholder of the company Residences Dar Saada. It holds 55% of its capital, of which 41.2% held through the "Palmeraie Développement" Group.

The Berrada Sounni Family, wishing for the openness and development of the company, has strengthened its shareholding in 2011 through the entry of Moroccan and foreign institutional investors:

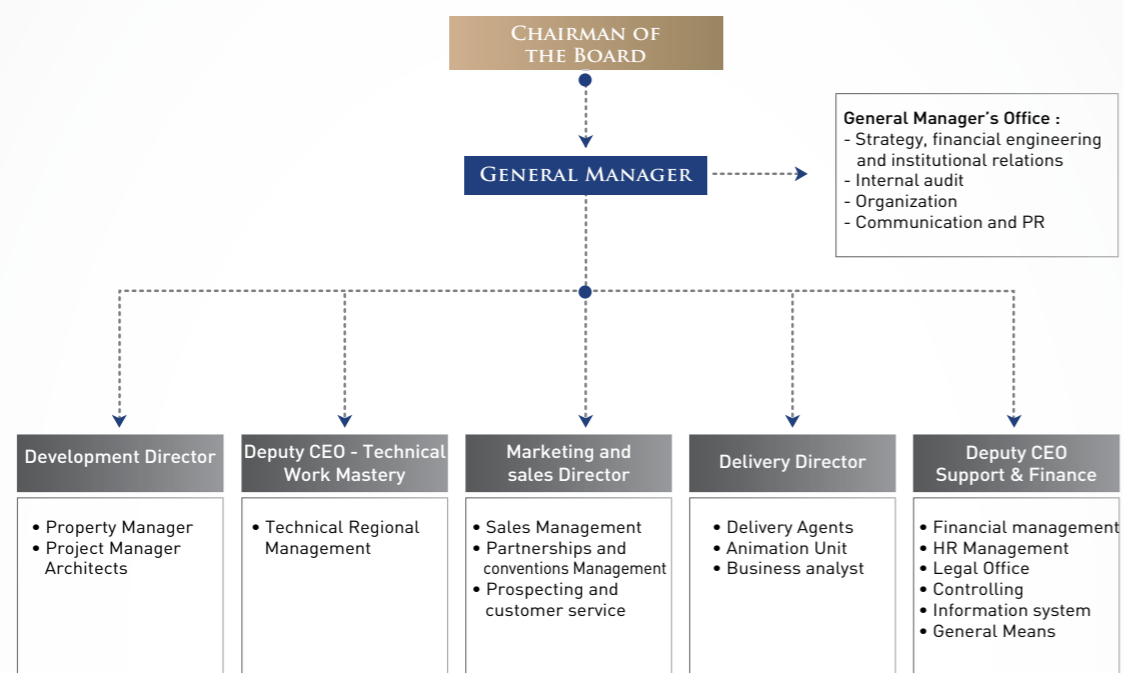
- North Africa Holding (Kipco) is an investment fund based in Kuwait
- Aabar Investment PJS is a state investment fund based in Abu Dhabi
- SCA Idraj is a Moroccan capital development fund managed by CFG Group and 100% owned by Mutandis
- RMA is a Moroccan Capital asset management company and is 100% owned by RMA Wataniya, a Moroccan insurance company
- Wafa Assurance is a Moroccan insurance company and owned in majority by the Attijariwafa Bank Group

In December 2014, Residences Dar Saada was listed in the Casablanca stock exchange through a capital increase. The company raised 1.1 billion dirhams during this operation for a 20% capital increase.



ORGANIZATION

The company has put in place an efficient and agile organization in order to seize market opportunities in parallel with respecting procedures and best practices.



Dar Saada Residences has been a pioneer in the establishment of a quality approach covering three main fields :

Product quality :

Using the experience of Palmeraie Development Group in luxury housing for a more refined quality of social housing; an innovative urban concept that integrates real living spaces and change the idea of cities dormitories usually attached to normal social housing programs. The sustainability of these public areas is guaranteed by a co-ownership property representative that Résidences Dar Saada chooses before the delivery of project units.

Quality of service :

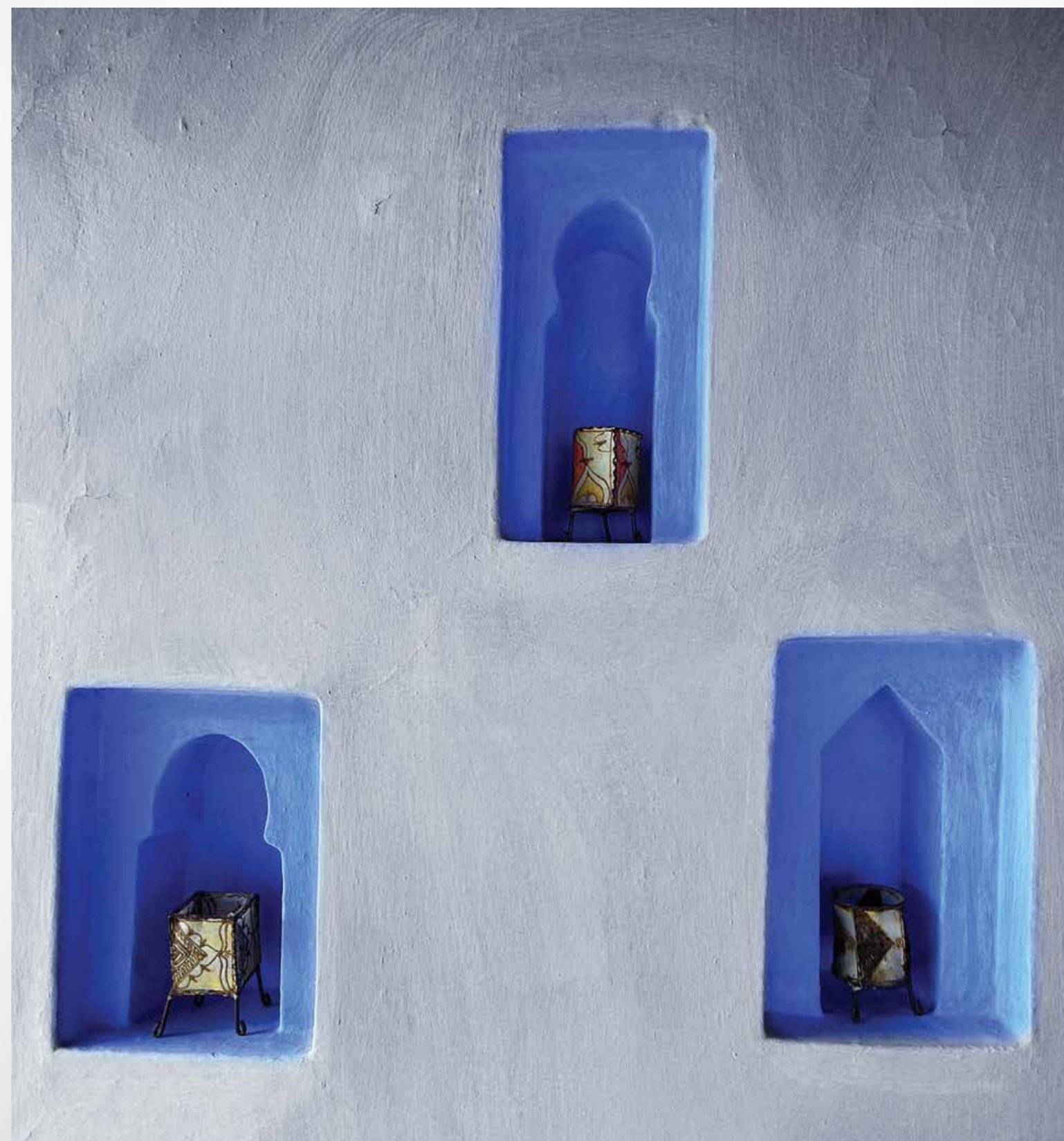
Continuous support for customers throughout the whole process while acquiring their housing. A semi-unique one-stop shop is being set up at Casablanca's commercial headquarters for the centralization of all purchasing processes. Furthermore, the company provides a customer support service to specific clients through the establishment of a call center for information, accompaniment and meeting their potential claims.

Partners' quality of service :

A rigorous selection of its suppliers and partners involved in the studies, development, architecture and construction, allowing Residences Dar Saada to ensure the quality of the all its services and products.

Governance bodies

Residences Dar Saada has adopted and this for many years, governance with high standards for decision making assuring a fluid and monitored execution.



BOARD OF DIRECTORS

The board of the company encloses in addition to the majority shareholders, board members representing minority shareholders and the independent directors.

Name	Position	Start or reappointment	Expiry of the term
M. Hicham Berrada Sounni	Chairman of the board	7 Feb 2011	Board meeting approving 2016 financials
M. Abdelali Berrada Sounni	Board member	26 Jan 2010	Board meeting approving 2015 financials
M. Saad Berrada Sounni	Board member	26 Jan 2010	Board meeting approving 2015 financials
M. Majid Benmlih	Board member	26 Sep 2012	Board meeting approving 2016 financials
M. Amine Guennoun	Board member	7 Feb 2011	Board meeting approving 2016 financials
M. Adil Douiri	Board member	2 Mar 2011	Board meeting approving 2016 financials
North Africa Holding	Board member	19 May 2014	Board meeting approving 2016 financials
M. Khalifa Al Mehairi	Board member	20 June 2013	Board meeting approving 2016 financials

North Africa Holding is represented by Mr Tariq Abdulsalam Mohamed Youssef. M. Adil Douiri and M. Khalifa AL Mehairi are independent board members.

EXECUTIVE COMMITTEE

Residences Dar Saada has an executive committee established by the board of directors and whose purpose is to deal with matters referred to below:

Any question raised by the Board of Directors;

The purchase or sale of land for amounts in excess of 100 m MAD;

The creation of subsidiaries with an identical activity to the activity of Residences Dar Saada (i.e. real estate development in economic and intermediate housing in Morocco) to be owned at least at 99.99% by the company;

The adoption or amendment of the development plan and the annual budget of the Company.



INTERNAL GOVERNANCE

To ensure the achievement of its objectives, Residences Dar Saada has several internal committees, as presented below :

General Management Committee

The General Management Committee is involved in all of the Company's value chain activities. The members of the committee (the CEO, Deputy Manager Directors and Directors of different departments) meet on a monthly basis to monitor the activity. The Committee ensures the proper implementation of the strategy of the Company.

Organizational Committee

This committee monitors the organizational projects and their progress.

Human Resources, control and good governance Committee

It provides, on a quarterly basis, an inventory of HR actions and establishes an action plan based on job and competency planning. This committee is also investigating HR operational and strategic risks.

Project Monitoring Committee

This committee meets on a weekly basis to track the progress of projects on the basis of technical monitoring, business monitoring and land and projects development.

Finance Committee

This committee meets on a monthly basis to establish an inventory on :

- The comparison between the budget forecasts and realized figures;
- The cash report;
- The level of customer upfront payments;
- The number of signed final acquisition contracts;
- The bills to pay;
- The identification of any irregularities.

Sales Committee

The Committee gathers every week in order to set action plans for sales optimization, launch communication actions and manage customer relationship.

Budget Committee

The budget committee compares on a semester basis, achievements and budget in order to take corrective action if needed.

Legal and litigation Committee

The Legal Committee is responsible for litigation and legal surveillance, it reports on a quarterly basis a monitoring summary of the contractual obligations of the company. The Committee also reports on all cases in litigation and court decisions.

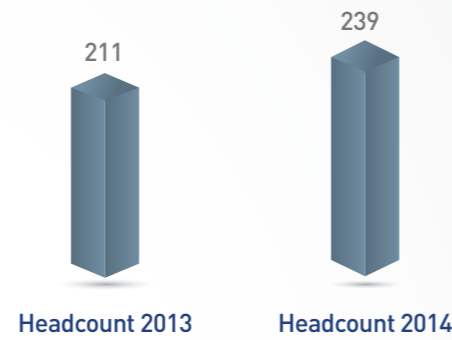


HUMAN CAPITAL

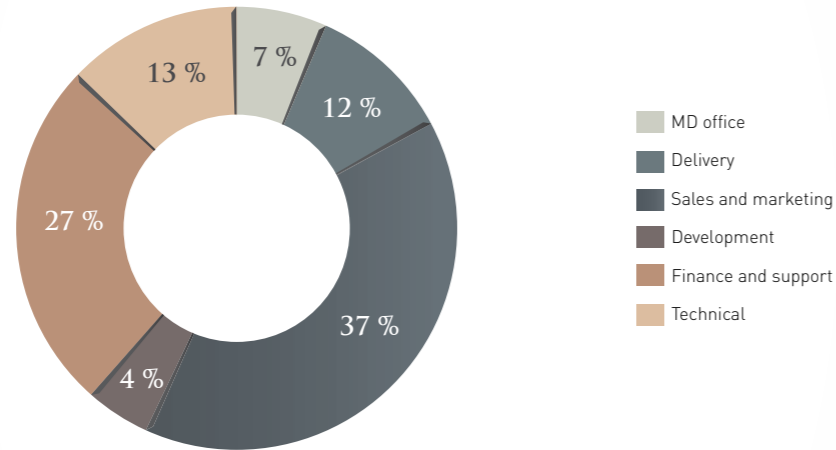
Résidences Dar Saada deeply believes that the success of the company relies on its employees. The company commits to support our people from recruitment for an optimal integration and professional development.

Evolution of headcount

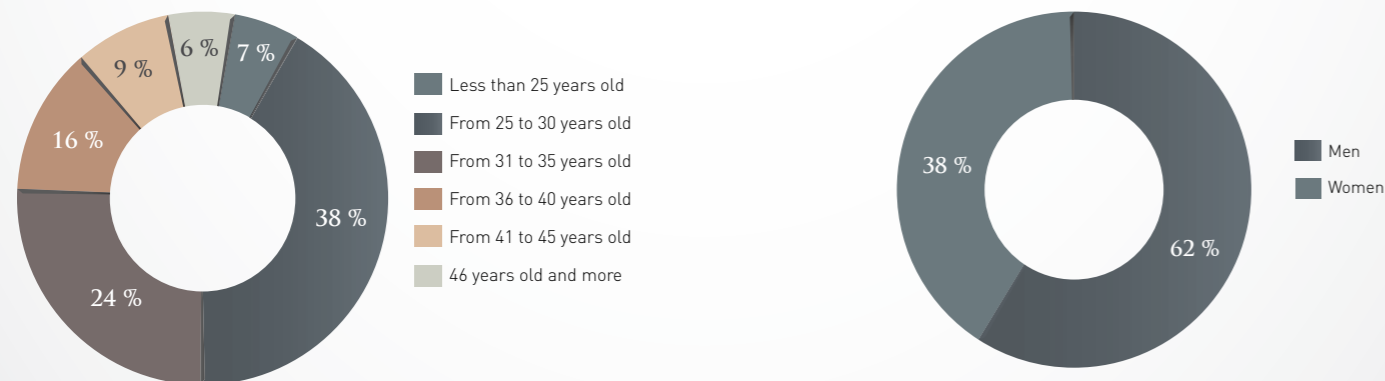
As of 31 December 2015, total headcount reached 239 with an increase of +13% Vs 2014 and a supervision rate of 23%.



Headcount breakdown by department



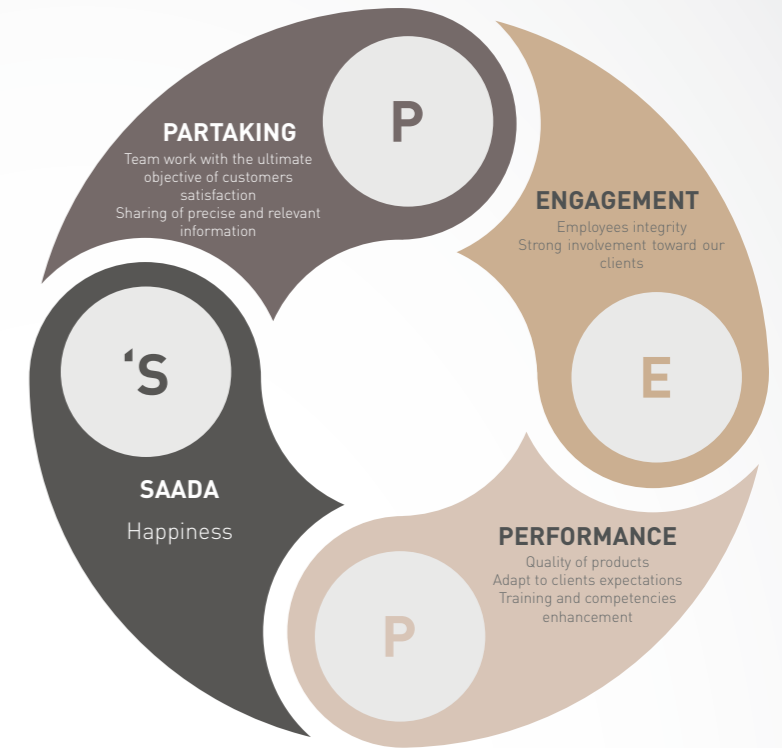
Headcount breakdown by age and gender



Corporate culture

Residences Dar Saada has put customer satisfaction at the heart of its strategy and objectives. The company has undertaken a collaborative identification values needed to fulfill this mission. The company now shares four core values in customer satisfaction :

PEP'S values are deeply embedded in our corporate culture and put in the center of our training plans and recruitment policy.



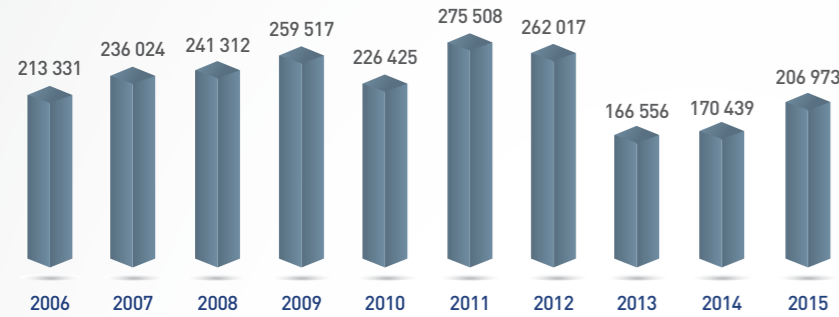


MOROCCAN REAL ESTATE SECTOR IN 2015



SECTOR PERFORMANCE IN 2015

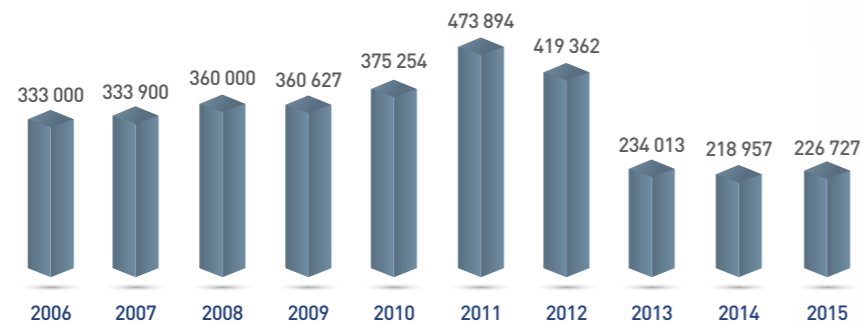
Production evolution (in units) over the period 2006-2014



Source : Housing and Urbanism Ministry

Evolution of housing starts (units) over the period 2006-2014

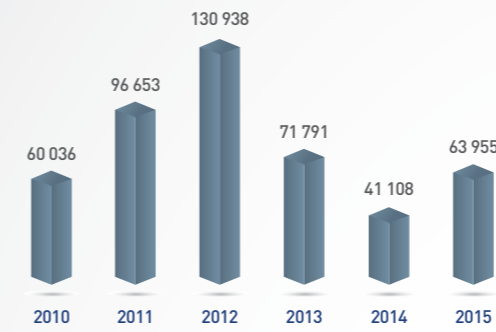
Housing starts, after a sharp increase in 2011 and 2012 to reach a level of over 400,000 units per year, fell to 234 013 in 2013 and to 218 957 in 2014. This trend was confirmed in 2015, with 225 116 housing starts.



Source: Housing and Urbanism Ministry

According Housing and Urbanism Ministry, housing production during the year 2015 showed a 21%% increase compared to 2014 to reach 206 973 units but still below production level registered during 2006-2012 period.

Social housing starts (in units)

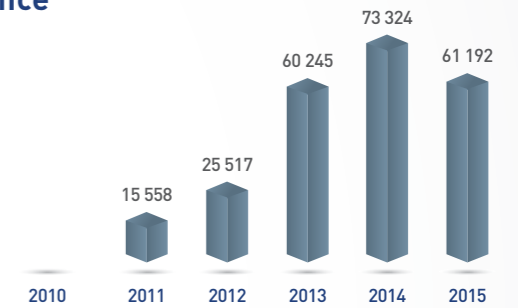


Source: Housing and Urbanism Ministry and the National Association of Property Developers

Housing starts of social housing units are also following a downward trend since 2012. Indeed, figures from Housing and Urbanism Ministry and the National Association of Property Developers show a decrease of -51 % of housing starts going from 130 938 social units in 2012 to 63 955 social units in 2015. Nevertheless, social housing units starts increased by 55% between 2014 and 2015.

Completed units with social housing certificates of compliance

Certificates of compliance issued by Housing and Urbanism Ministry attest the compliance of produced units to the specifications of social housing label. Following the peak in social housing starts in 2012, the number of completed units 66,766 units in 2014, up 11% compared to 2013. The fall of social units starts registered after 2012 implied a decrease of completed units in 2015 by -16,5% to reach 61 192 units.

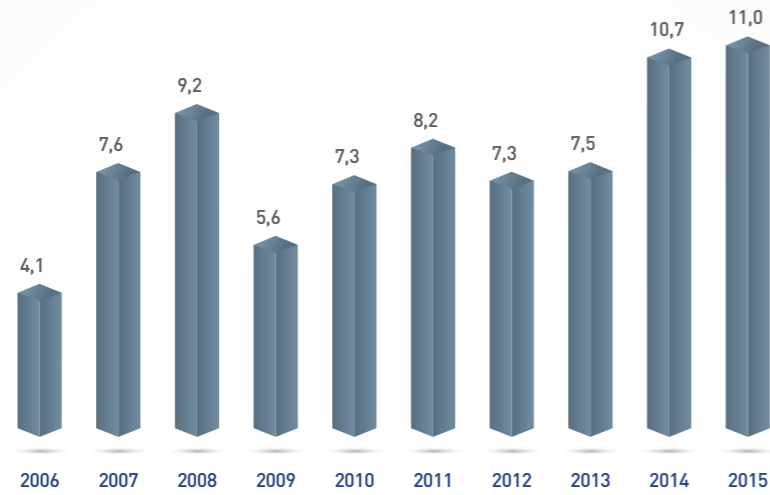


Source: Housing and Urbanism Ministry and the National Association of Property Developers



Evolution of foreign direct investments in real estate (in MDH)

Foreign direct investment dedicated to the real estate sector increased by 3% in 2015. These investments rose from 10.7 billion MAD in 2014 to 11 billion MAD in 2015.

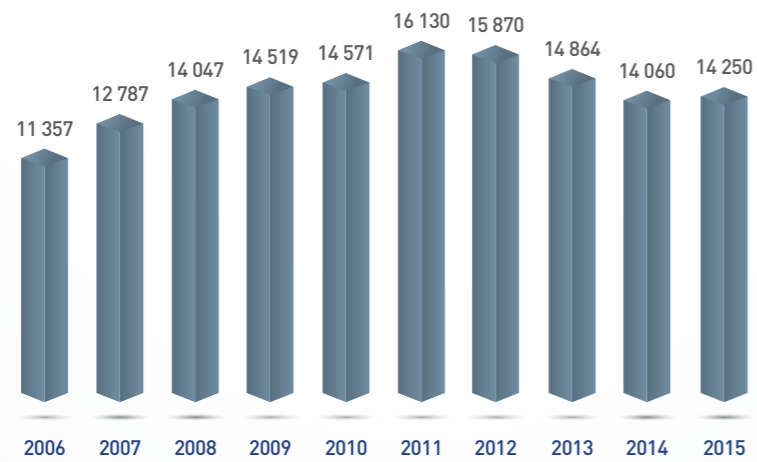


Source: Housing and Urbanism Ministry and the National Association of Property Developers

Construction sector indicators

The evolution of the real estate sector is highly correlated to the cement industry. Indeed, nearly 80% of national cement consumption is for housing production. Cement consumption increased by -1,4%, from 14.06 million T in 2013 to 14.25 million T in 2015.

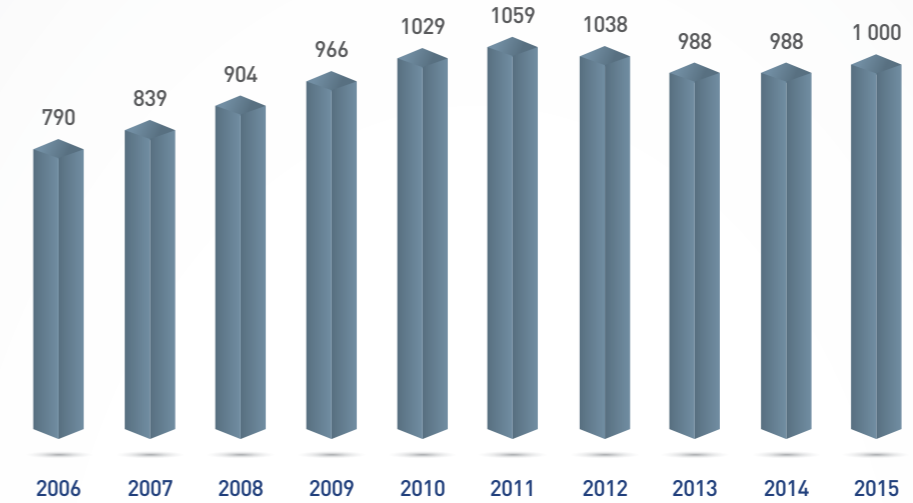
Evolution of the cement consumption (thousands of tonnes)



Source: Housing and Urbanism Ministry

Evolution of employment in the construction sector (in thousands of jobs)

According to the High Planning Commission, the construction sector employs end 2015 c. 1 million, showing a 1,2% growth compared to 2014.



Source: Housing and Urbanism Ministry



REAL ESTATE TRANSACTIONS AND PRICE INDEX IN MOROCCO IN 2015

Analysis by property type

Residential real estate :

Prices of residential property grew by 0.9% in 2015 as a result of the increase of 0.8% in apartments prices and the rise of 1.1% and 1.0% respectively in prices of houses and villas.

Real estate transactions decreased by -7.6% in 2015, following the fell by -6.9% in sales of apartments, -12.8% in villas, and -7.6% in houses.

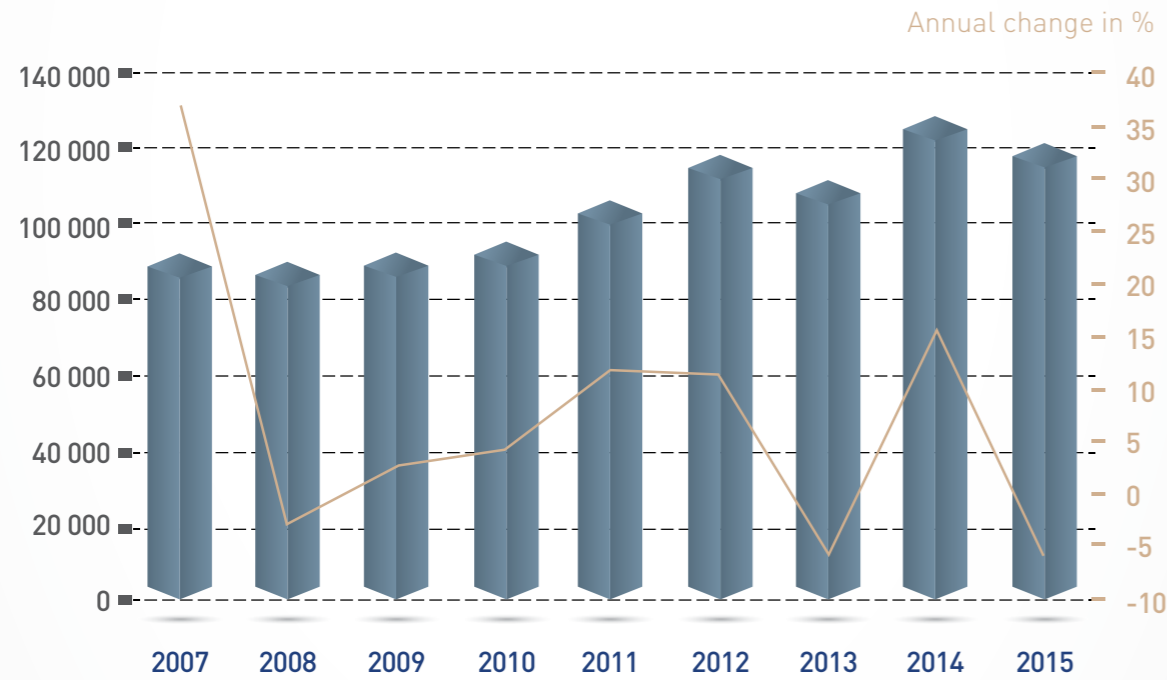
Land :

Land prices grew by 0.7%, while the number of transactions decreased by -2.8%.

Commercial property :

The price of commercial premises and offices decreased by -2.8% in 2015. While the transactions decreased by -3.5%.

Yearly evolution of the number of transactions



Analysis by city

Residential real estate :

Casablanca :

Decrease in transactions [-6.8% in the residential], increase in prices in the residential (+ 1.4%) and higher land prices (2.8%)

Rabat :

Decrease in residential transactions of -10.9%, an increase of the residential prices (+ 2.3%) and decrease in land prices - 1.8%

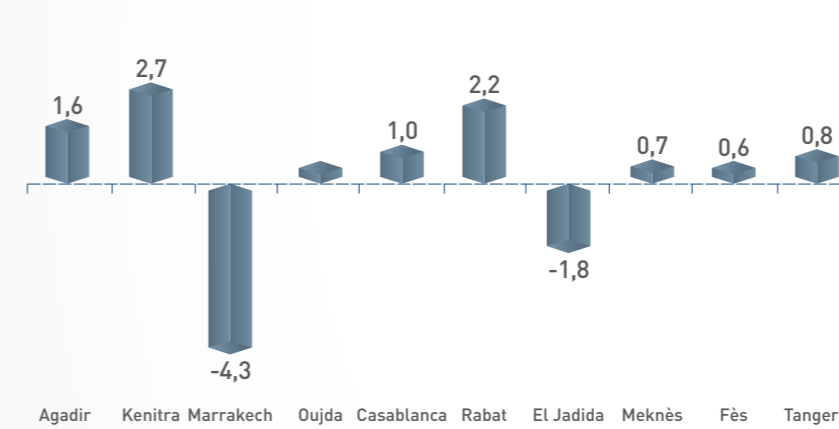
Marrakech :

Decrease in transactions in the residential of -9.3% and stagnation in residential prices and a decrease in land prices of -7.9%

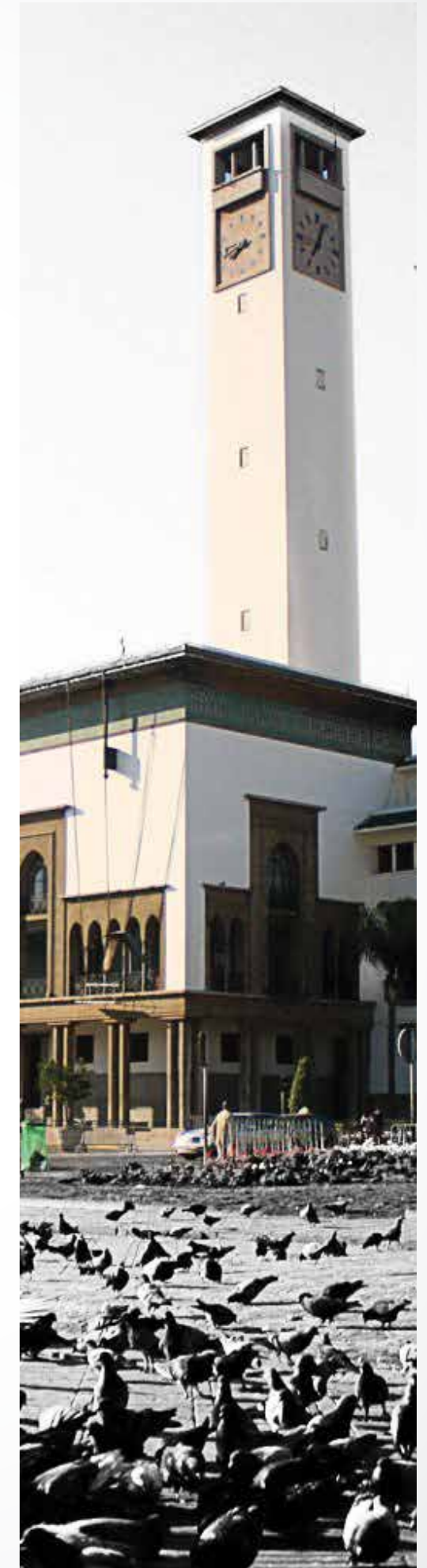
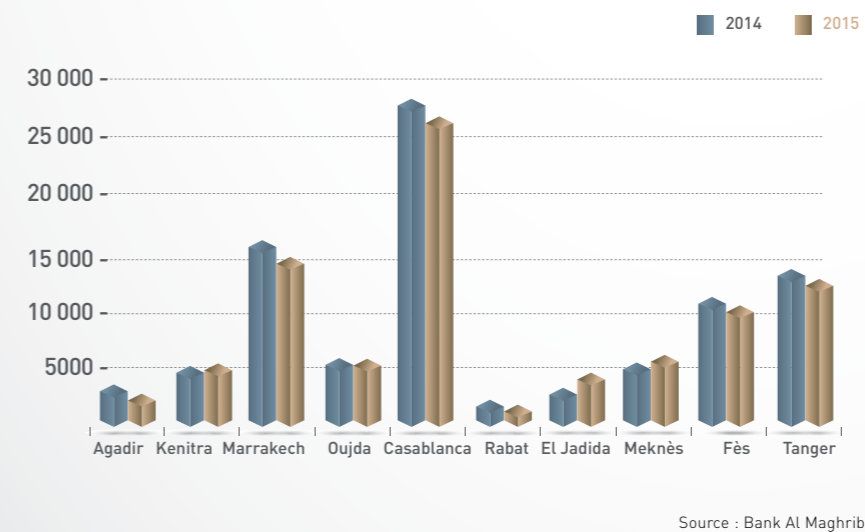
Tanger :

Decrease of transactions in the residential (-12%), higher residential prices (+0.3%) and increase in land prices +2.5%.

Price index by city



Number of transactions by city

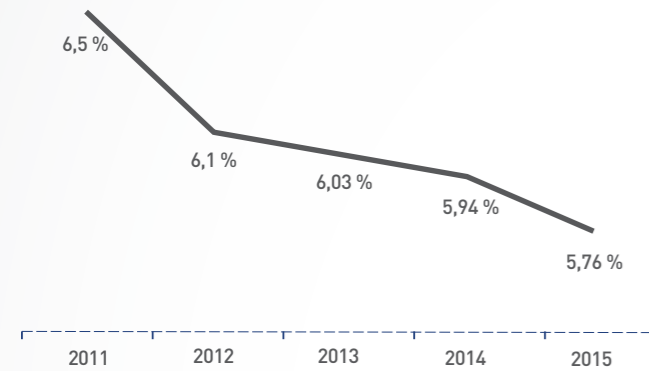


2. FINANCIAL ENVIRONMENT

Financial institutions continue to provide support to house buyers through decreasing interest rates and continuously rising outstanding loans.

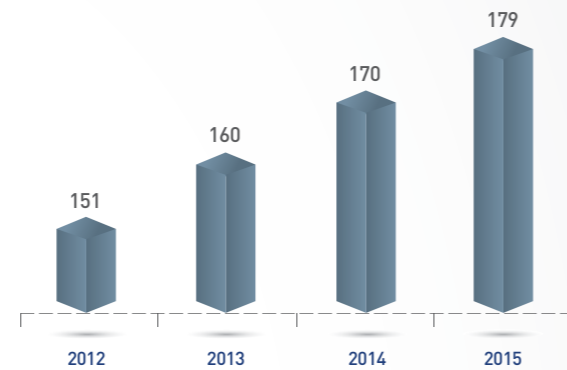
The credit average rate has indeed declined from 5.94% in 2014 to 5.76% in 2015 and the acquirers' total outstanding loans grew by 5,3% in 2015.

Real estate interests rates in %



Source : Bank Al Maghrib

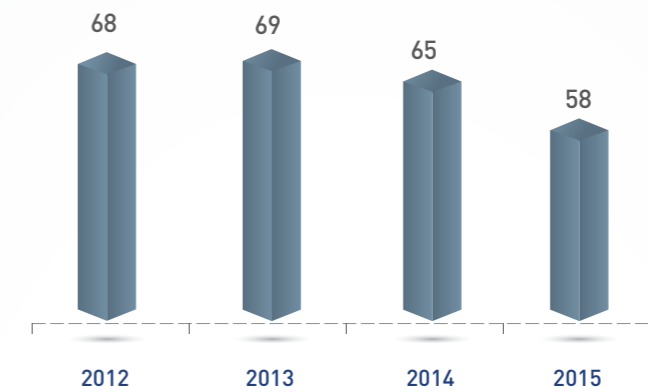
Acquirers' total outstanding loans in mMAD



Source : Bank Al Maghrib

Developers' total outstanding loans in mMAD

Furthermore, outstanding loans to property developers declined -10% between 2014 and 2015. This decline is notably explained by the decline in housing starts in 2013-2015 period.

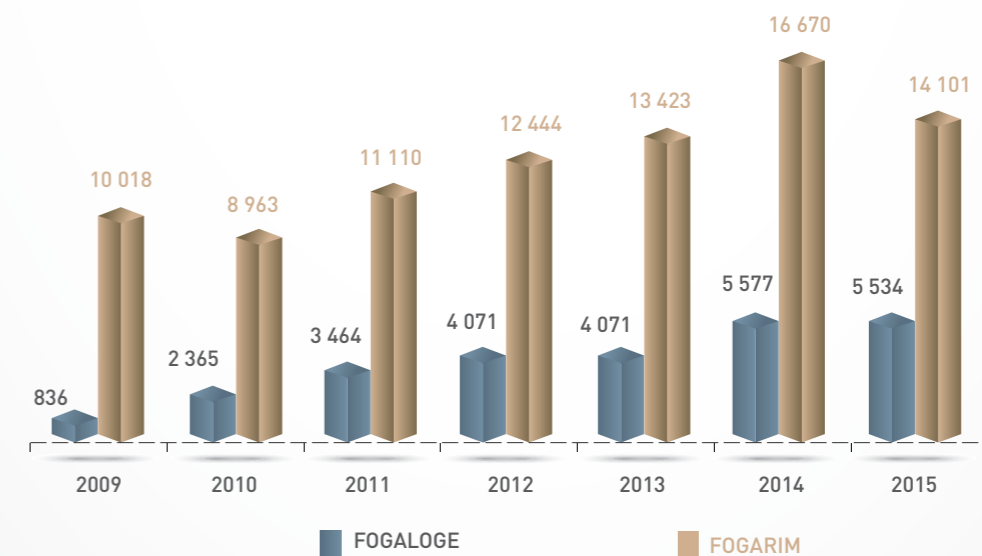


Source: Bank Al Maghrib

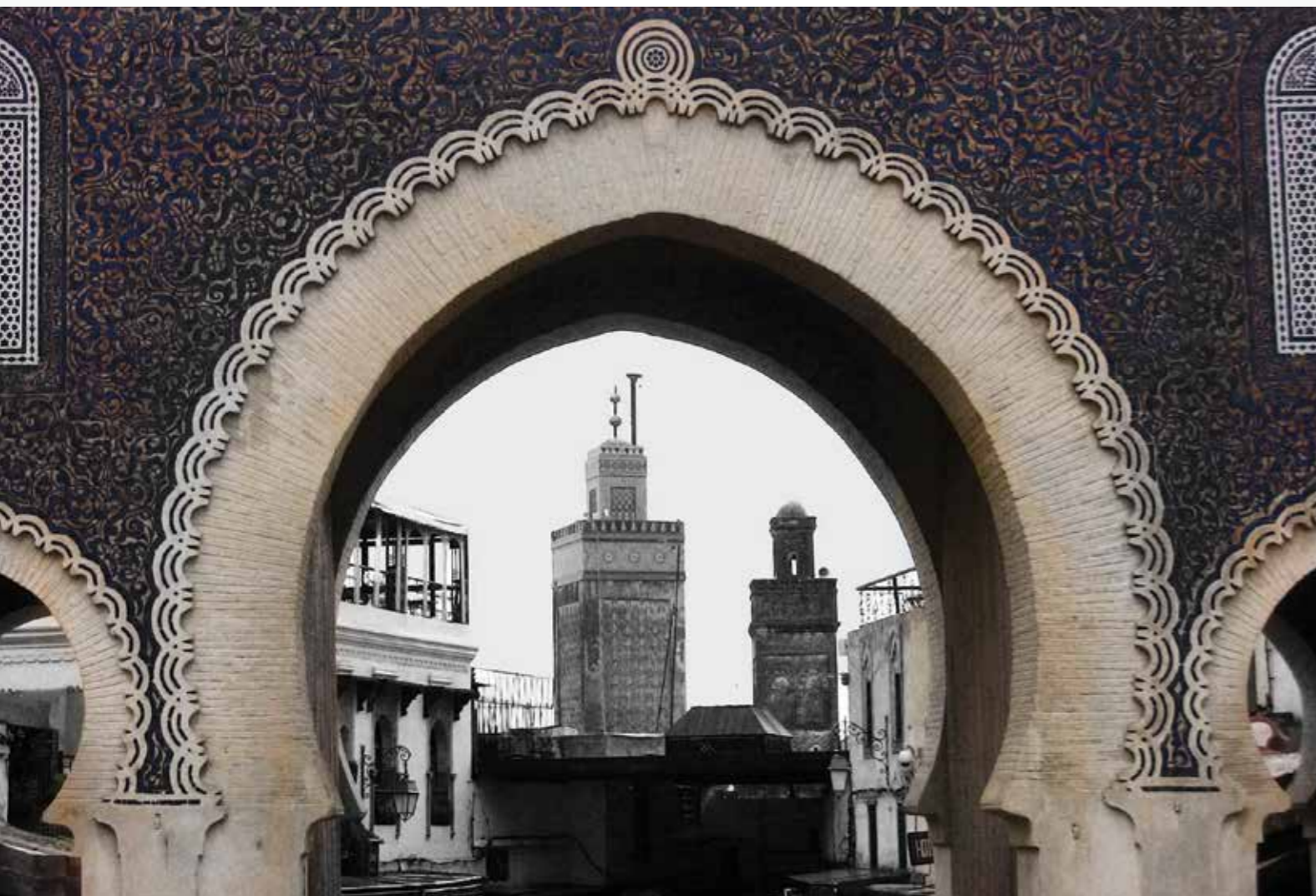
Number of households benefiting from Fogarim Fogaloge funds guarantee

FOGARIM fund has guaranteed as of end December 2015 a total of 125 512 households for an amount of 19.37 bn MAD and FOGALOGUE fund guarantee covers 25 295 households for 7,35 bn MAD.

In 2015, FOGARIM guaranteed 14,101 loans against 16,670 loans in 2014 falling by 15%. The guarantee FOGALOGUE recorded stagnation in 2015 or 5534 loans covered in 2015 Vs 5577 loans in 2014.



Source: Housing and Urbanism Ministry and Bank Al Maghrib



3. LEGAL AND TAX ENVIRONMENT

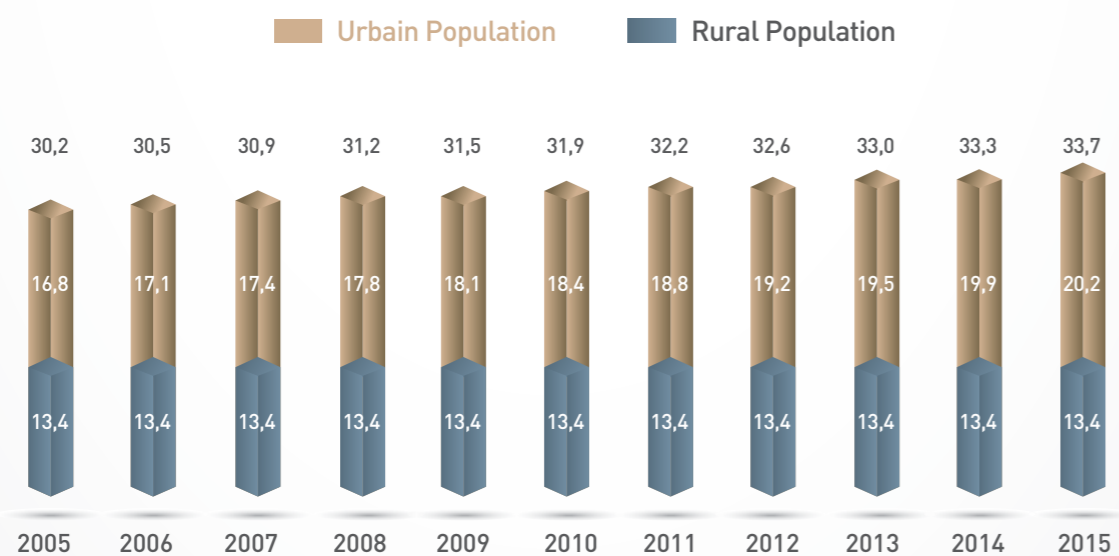
The Moroccan government continued implementing reforms in order to organize the real estate sector. Several measures taken in 2015 that directly impact the sector of real estate development :

- To eradicate «payment under the table practice» in real estate transactions, a prices reference was published by the government end 2015. Real estate prices reference fixed prices in different neighborhoods and cities nationwide and will be reviewable periodically.
- Adoption of the Act 44.00 regulating the sale in the future completion organizing the sale on plan. This law aims to regulate the relationship between acquirers and developers (booking preliminary contract of sale, guarantees, late penalties ... etc.

4. DEMAND ANALYSIS

Housing demand is supported by two main drivers: the urbanization of the population and population growth. The combined effect of these two items increased the urban population in Morocco in 2014 by 400,000 people in 2015 according to the High Commission for Planning.

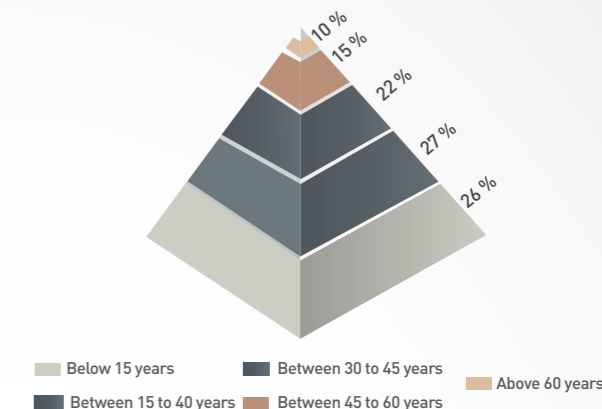
Urbanization of the population



Source: Haut-Commissariat au Plan

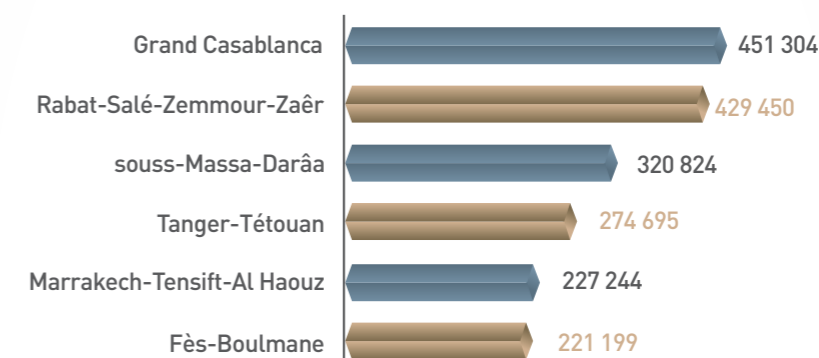
Age distribution in Morocco in 2015

Given the age of the Moroccan population, it is anticipating a housing demand that would intensify. According to the High Commission for Planning, the population aged between 30 and 45 years representing the majority of first-time buyers reaches 7 million. As for the population whose age range is between 15 and 30 years, who will be the main driver of the medium-term demand, accounting for nearly nine million people



Source: : High Commission for Planning

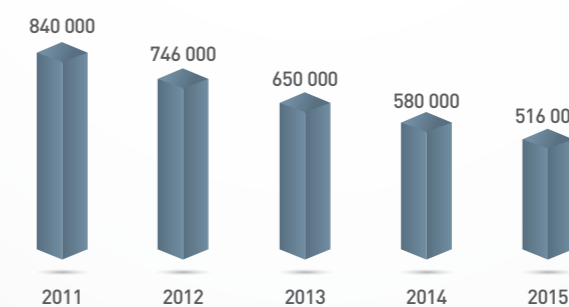
Housing needs in the major six regions (2000-2015)



Source : High Commission for Planning

Housing deficit in 2011-2015 period

Despite the proactive policy to encourage housing production, the overall deficit resorbed barely reached 64,000 units between 2014 and 2015, according to the Ministry of Housing and urbanization. The housing deficit decreased from 840 000 units in 2011 to 516,000 units in 2015. It should be noted that this indicator also includes the need for various restructuring (the need for equipment, the need for slum upgrading, housing threatening ruin and slums) in addition to the deficit related to the demand for additional housing.



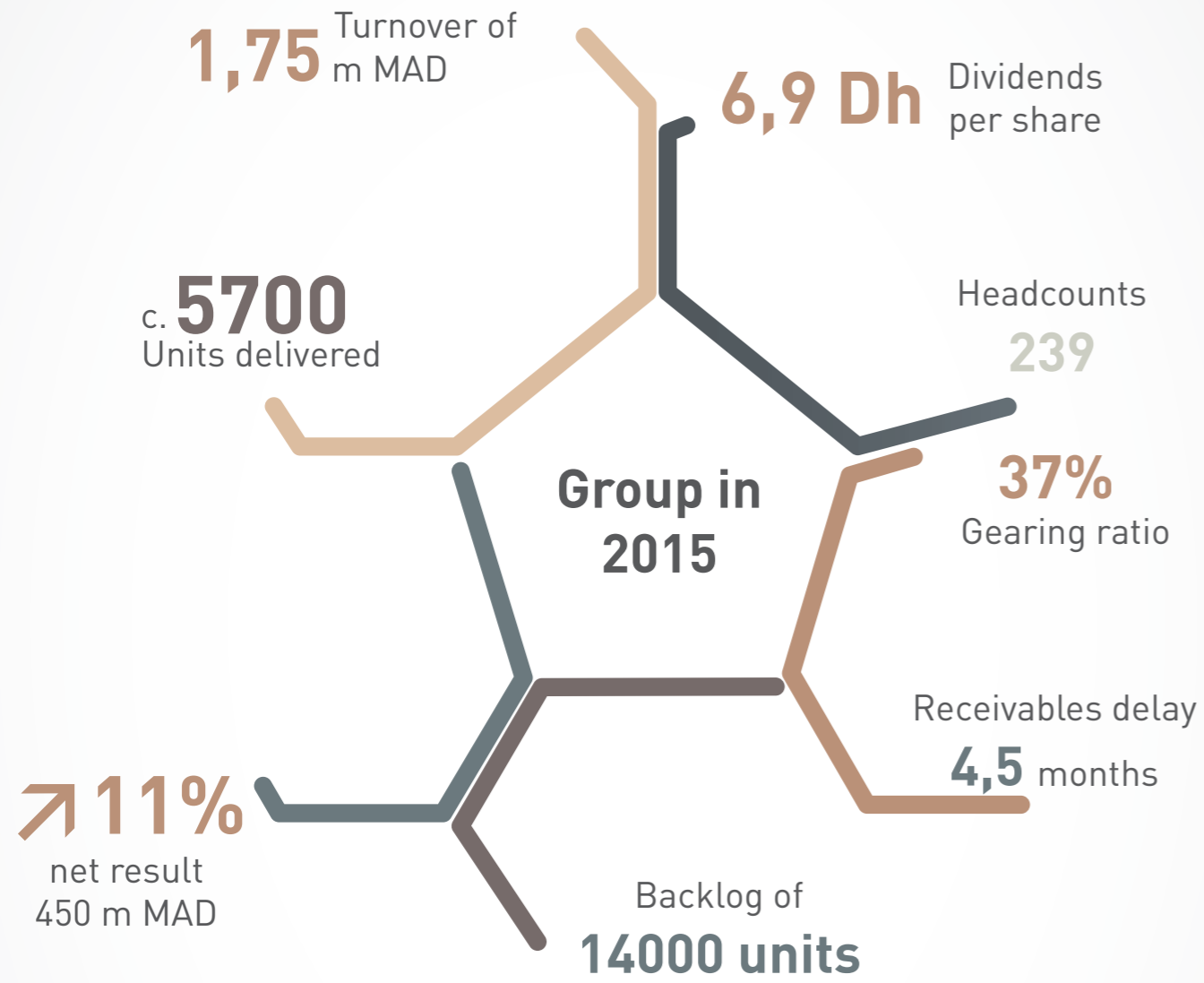
Source: Housing and Urbanism Ministry



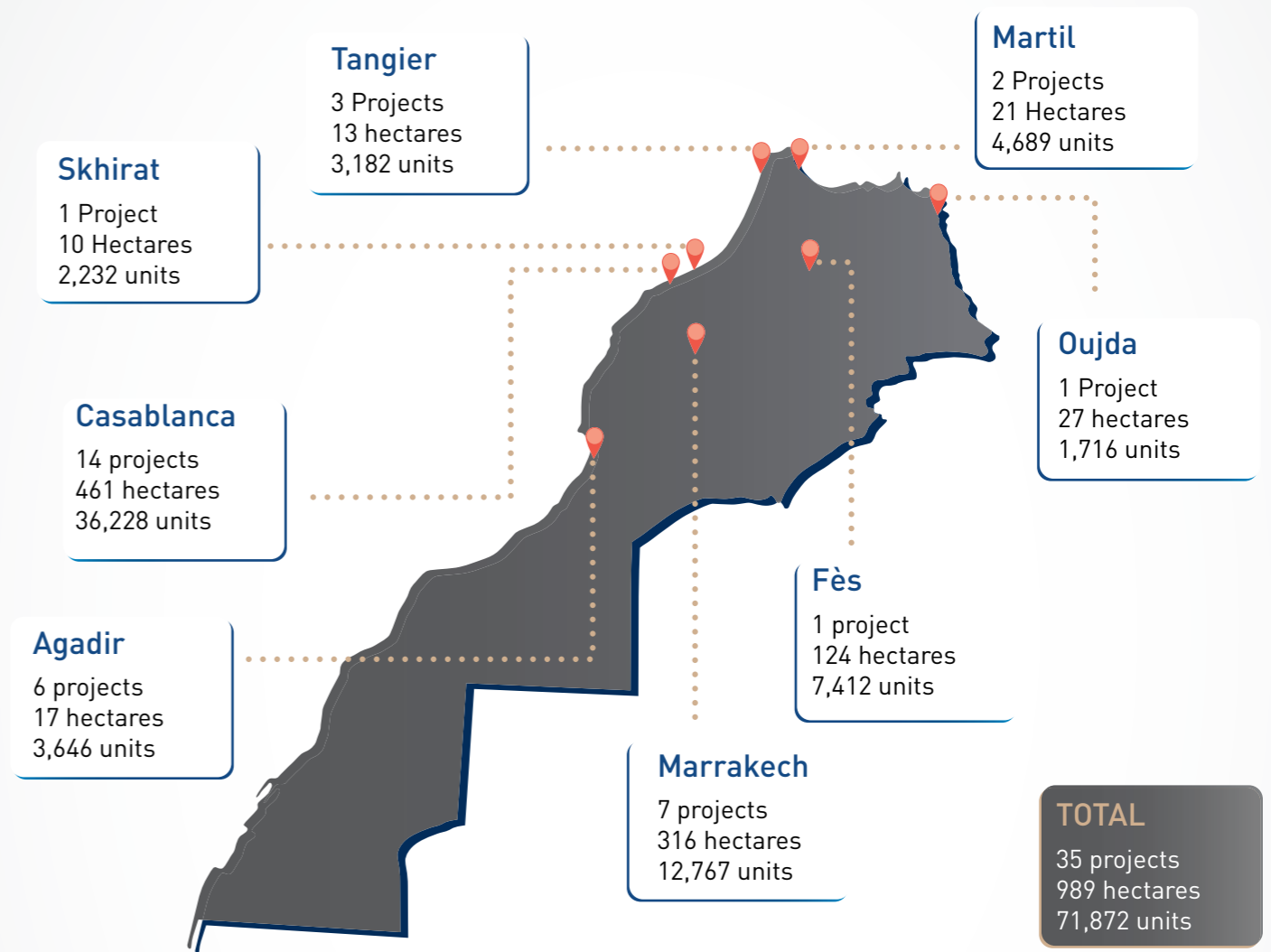
RESIDENCES DAR SAADA ACTIVITY IN 2015



RESIDENCES DAR SAADA IN 2015



RESIDENCES DAR SAADA, A MAJOR PLAYER IN MOROCCO



RESIDENCES DAR SAADA OPERATING PERFORMANCE

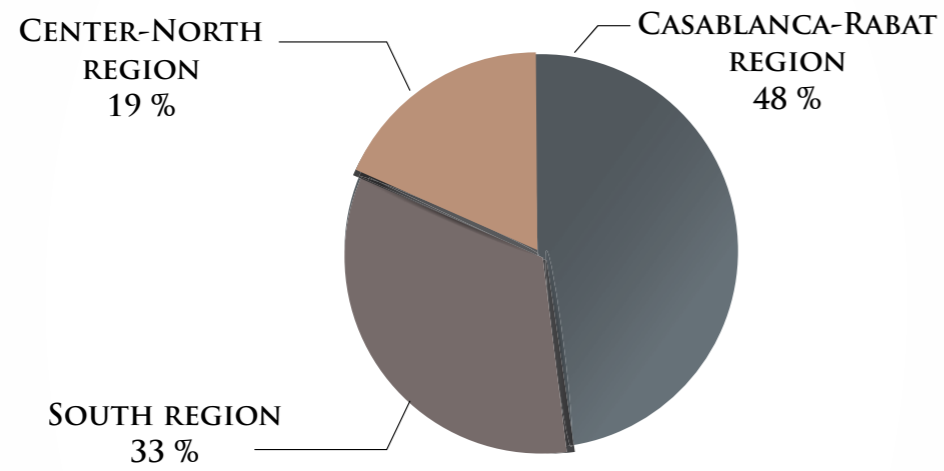
Focus on land bank

Residences Dar Saada has continued to consolidate its land bank in 2015. The new acquisitions amounted to 21 ha and are as follows :

- 10 ha in Martil
- 4,1 ha in Casablanca
- 6,9 ha in Marrakech

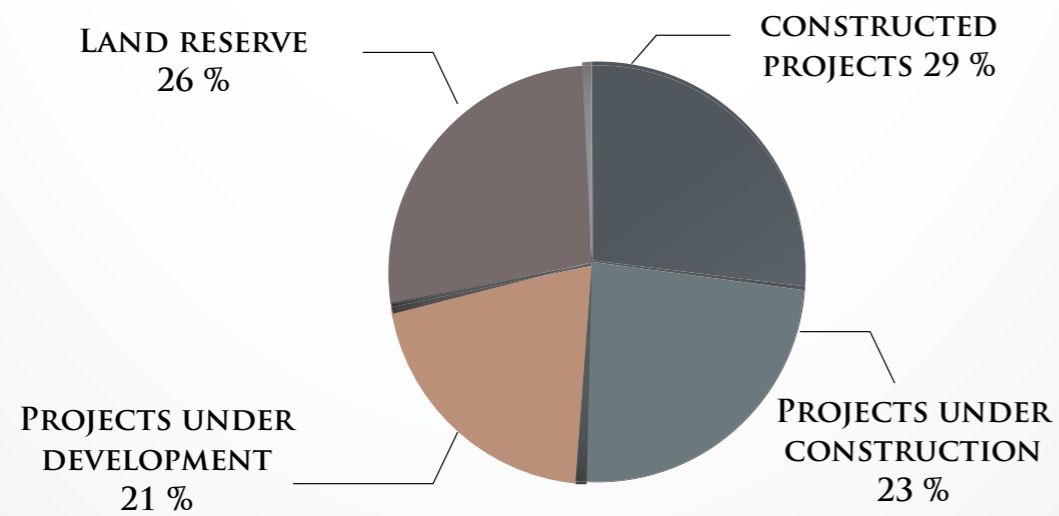
The total land bank of the group Residences Dar Saada, excluding sales agreement, reached 989 ha end of 2015.

The distribution of the land bank by region is as follows *:



*North region: Tangier, Martil, Oujda and Fez
South region: Marrakech and Agadir

Land bank distribution by status is as follows :



Focus on commercialization

Projects commercialization in 2015

Projects commercialization continued to experience a steady pace over the year reaching 5658 units sold of which more than half is in the Rabat-Casablanca axis.

Regions	Units pre-sold	% of
Rabat- Casablanca axis	3 248	57%
North region	1 591	28%
South region	819	14%
Total	5 658	100%

Projects pre-sold in 2015 mainly include social housing units.

Type of unit	Units pre-sold in 2014	% of commercialization
Social housing	4 881	86%
FVIT	247	4%
Plots	117	2%
Medium standing	155	3%
Shops and others	258	5%
Total	5 658	100%

Pre-sales performance during 2015 brought total commercialization of projects to following levels :

Type of project	Units pre-sold in 2015	% of commercialization
Constructed projects	871	89%
Projects under construction	4 554	78%
Projects under development	233	42%



Presentation of the projects (land and consistency)

Project	Area	Deliveries in 2015	Total deliveries as of 2015	To be delivered as of 2015
Constructed projects	141	1337	18170	3417
Casablanca	47,5	219	5894	465
Mediouna (plots)	11	0	393	1
Jnane Nouaceur	18,9	32	3175	81
Fadaat Rahma	13,9	141	1616	296
Fadaat Elyassamine	3,7	46	710	87
Marrakech	66,1	64	8214	451
Saada I	23,5	1	3633	10
Saada II	2,6	1	788	4
Tamensourt (Saada III)	17,9	29	3049	219
Dyar Marrakech	1,1	33	637	15
Targa Garden	21	0	107	203
Agadir	14,6	308	2566	764
Adrar Ilôt 5	2,1	13	399	2
Adrar Ilôt 8	1,1	1	715	7
Adrar Ilôt 9	2,7	56	303	209
Adrar Anza	1	77	352	48
Nzaha	7,7	161	797	498
Tanger	12,8	746	1496	1737
Jardins de l'Atlantique (Ilôt 19)	5,1	68	171	892
Dyar El Boughaz (Ilôt 20)	3,8	60	707	117
Dyar El Boughaz (Ilôt 14)	3,9	618	618	728
Projects under construction	379,8	4358	7334	25472
Casablanca	195,5	3727	5381	11822
Oulad Azzouz	68,3	3575	5229	2656
Jnane El Menzeh	56,5	152	152	798
Manazil Mediouna	5,4	0	0	1228
Dyar Al Ghofrane	37,3	0	0	3796
Panorama	28	0	0	3344
Fès	124,3	267	1589	5806
Bouhayrat Saiss	124,3	267	1589	5806
Marrakech	12,5	364	364	1518
Targa Resort	12,5	364	364	1518
Skhirat	10	0	0	2222
Jawharat Skhirat	10	0	0	2222
Oujda	26,9	0	0	1714
Oujda	26,9	0	0	1714
Martil	10,6	0	0	2390
Martil	10,6	0	0	2390
Projects under development	207,3	0	0	17376
Casablanca	178,6	0	0	12569
Sania	21,6	0	0	2245
Arraha	16,3	0	0	2393
Laassilate	115,6	0	0	5830
Tamaris	21,0	0	0	1055
Ben Tachfine	4,1	0	0	1046
Agadir	2,5	0	0	306
Adrar Ilôt 8 extension	2,5	0	0	306
Marrakech	15,9	0	0	2202
Azzouzia	15,9	0	0	2202
Martil	10,3	0	0	2299
Martil 2	10,3	0	0	2299
Total	728,1	5695	25504	46265

Focus on production

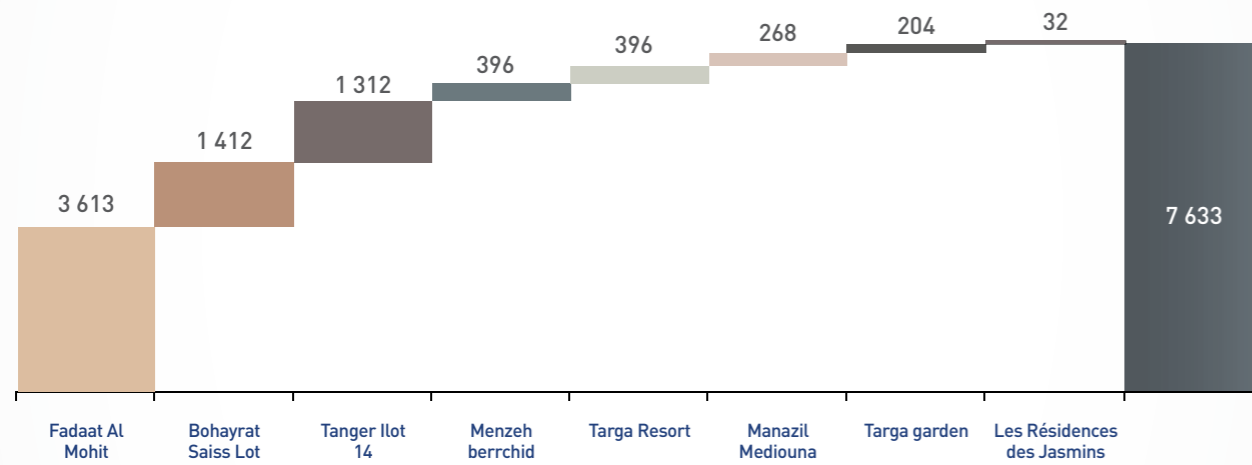
6 433 units were housing starts during the year 2015 :

- Fadaat Al Mohit : 887 units
- Dyar Al Ghofrane : 2154 units
- Manazil Mediouna : 781 units
- Fadaat Al Mohit II : 1317 units
- Playa Martil : 955 units
- Jnan Al Khair : 339 units

In parallel, production continued on other projects under construction. At the end of 2015, the cumulative number of units produced amounted to c.32 500 units including 7633 units constructed during 2015.

Production investment remained stable at 1,2 bn MAD.

Units constructed during 2015 by project

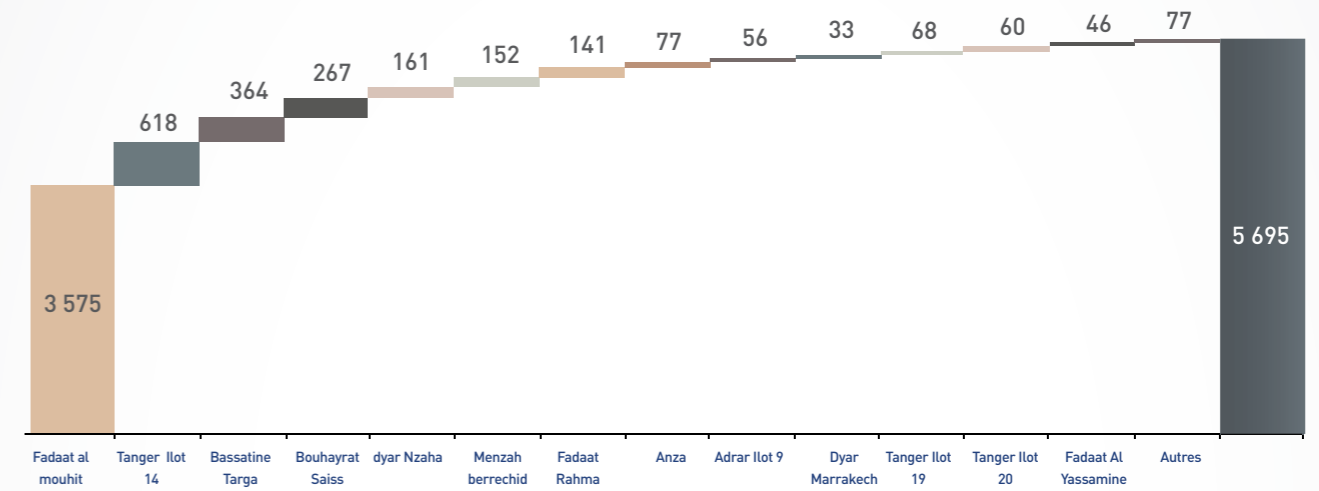


Focus on Deliveries

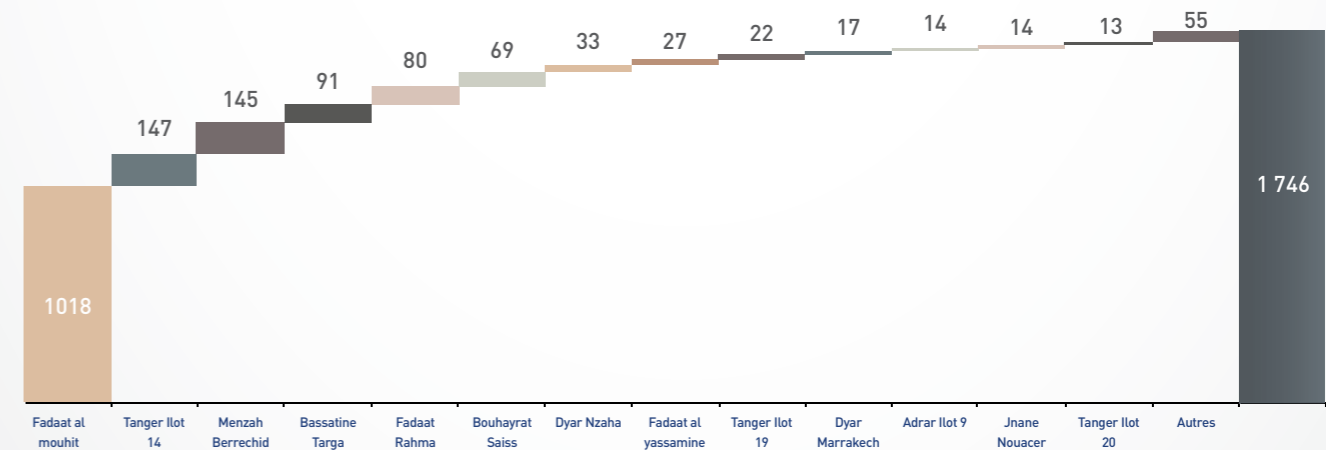
In 2015, Residences Dar Saada delivered 5 695 units realizing a turnover of 1,746 m MAD.

The main projects delivered are: Fadaat Al Mouhit (Casablanca), Bouhayrat Saiss (Fes), Dyar Al Boughaz (Tanger), and Targa (Marrakech).

Units delivered by project in 2015



2015 project deliveries in m MAD





Units delivered by region

Region	units	% of total units delivered
Casablanca - Rabat	3 946	69%
North	1 013	18%
South	736	13%
Total	5 695	100%

About 70% of the units delivered is located in the Rabat-Casablanca axis. North region (Tangier, Fez) and south region (Marrakech and Agadir) contribute to the third of the units delivered.

Revenues and units delivered by product type

Product type	Units	% of total delivered units
Social housing	4 675	82%
Plots	438	8%
Middle Standing	246	4%
Villa	9	0%
FVIT	152	3%
Shops and other	175	3%
Total	5 695	100%

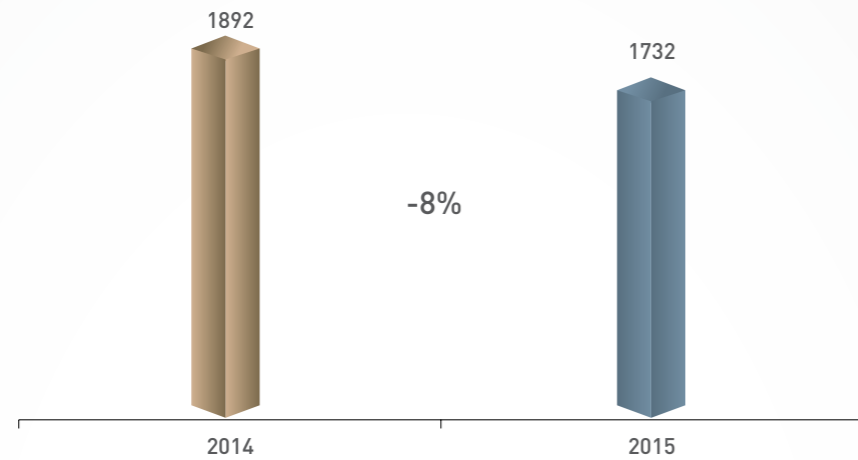
Social housing is the major product type delivered by Residences Dar Saada in 2015 with 82% of delivered units. Plots follow with 8% of the units delivered.

Year deliveries and cumulative units delivered end 2015 by project

Project	Area	Deliveries in 2015	Total deliveries as of 2015	To be delivered as of 2015
Constructed projects	141	1337	18170	3417
Casablanca	47,5	219	5894	465
Mediouna (plots)	11	0	393	1
Jnane Nouaceur	18,9	32	3175	81
Fadaat Rahma	13,9	141	1616	296
Fadaat Elyassamine	3,7	46	710	87
Marrakech	66,1	64	8214	451
Saada I	23,5	1	3633	10
Saada II	2,6	1	788	4
Tamensourt (Saada III)	17,9	29	3049	219
Dyar Marrakech	1,1	33	637	15
Targa Garden	21	0	107	203
Agadir	14,6	308	2566	764
Adrar Ilôt 5	2,1	13	399	2
Adar Ilôt 8	1,1	1	715	7
Adar Ilôt 9	2,7	56	303	209
Adrar Anza	1	77	352	48
Nzaha	7,7	161	797	498
Tanger	12,8	746	1496	1737
Jardins de l'Atlantique (Ilôt 19)	5,1	68	171	892
Dyar El Boughaz (Ilôt 20)	3,8	60	707	117
Dyar El Boughaz (Ilôt 14)	3,9	618	618	728
Projects under construction	379,8	4358	7334	25472
Casablanca	195,5	3727	5381	11822
Oulad Azzouz	68,3	3575	5229	2656
Jnane El Menzeh	56,5	152	152	798
Manazil Mediouna	5,4	0	0	1228
Dyar Al Ghofrane	37,3	0	0	3796
Panorama	28	0	0	3344
Fès	124,3	267	1589	5806
Bouhayrat Saiss	124,3	267	1589	5806
Marrakech	12,5	364	364	1518
Targa Resort	12,5	364	364	1518
Skhirat	10	0	0	2222
Jawharat Skhirat	10	0	0	2222
Oujda	26,9	0	0	1714
Oujda	26,9	0	0	1714
Martil	10,6	0	0	2390
Martil	10,6	0	0	2390
Projects under development	207,3	0	0	17376
Casablanca	178,6	0	0	12569
Sania	21,6	0	0	2245
Arraha	16,3	0	0	2393
Laassilate	115,6	0	0	5830
Tamaris	21,0	0	0	1055
Ben Tachfine	4,1	0	0	1046
Agadir	2,5	0	0	306
Adrar Ilôt 8 extension	2,5	0	0	306
Marrakech	15,9	0	0	2202
Azzouzia	15,9	0	0	2202
Martil	10,3	0	0	2299
Martil 2	10,3	0	0	2299
Total	728,1	5695	25504	46265

Focus on financing

The long-term debt decreased to 2 482 million dirhams in 2015 (-7%). The bank loans reached 1.73 billion dirhams, as shown in the following graph:



COMPANY OUTLOOK

Residences Dar Saada strategy in the coming years will focus on the following areas :

- Acceleration of ongoing projects

The Company pursues a development strategy marked by the launch of several projects, carried by a quality and exploitable land bank recorded in its balance sheet, which will participate in the consolidation of the position of Residences Dar Saada in the sector whether in social or middle standing housing.

- Launch of operations in Cote d'Ivoire

As part of its development policy, Residences Dar Saada pursues a strategy of geographical diversification. Currently the company is engaged in projects in Côte d'Ivoire that are still under study.

- Consolidation of a quality land bank

The strategy of acquiring lands aims to maintain a balance taking in account multiple parameters such as: the consumption of its current land bank, the pace of production, company financial capacities and finally the appropriateness of acquisition opportunities with its commercialization strategy and the profitability.

Also, although the company repeatedly identifies opportunities for land acquisition, the only limits to these acquisitions lies in the willingness of management to respect preset strategic criteria above and the financial capacity to develop these investments.

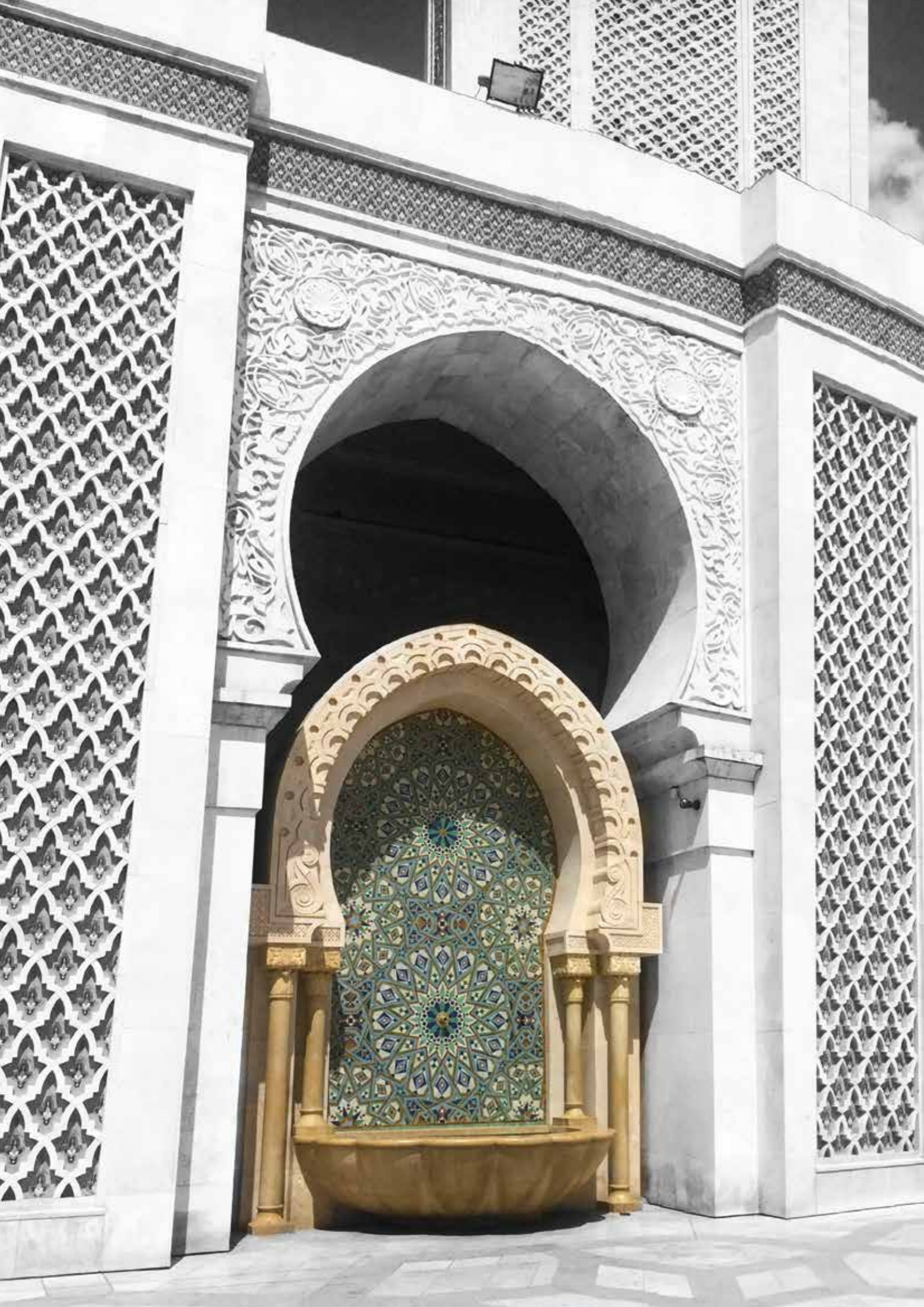
- Continuation of organizational projects

In line with organizational changes since 2010 in Residences Dar Saada, the Company intends to pursue a number of structural projects in order to consolidate its institutionalization and to operate with best business practices and corporate governance and customer satisfaction.

Important events since the year-end

Since December 31, 2014, date of the year end, no event likely to significantly affect the financial position of the group Residences Dar Saada.





RESIDENCES DAR SAADA FINANCIAL PERFORMANCE IN 2015



SUBSIDIARIES AND AFFILIATES

Equity investments made during the year

In 2015, Residences Dar Saada has completed the acquisition of a new subsidiary, Residences Dar Saada VII, whose characteristics are as follows:

- Capital: 10,000 dirhams
- Form: limited company

Residences Dar Saada VII holds a 4.1 ha plot in Casablanca. It aims to build a housing project dedicated to the medium standing housing.

Company	Participation in the capital		Consolidation method	
	dec-15	dec-14	dec-15	dec-14
Résidences Dar Saâda V	99,9%	99,9%	Full consolidation	Full consolidation
Sakane Colodor	100,0%	100,0%	Full consolidation	Full consolidation
Excellence Immo IV	99,8%	99,8%	Full consolidation	Full consolidation
Badalona Immo	100,0%	100,0%	Full consolidation	Full consolidation
Résidences Dar Saâda IV	97,0%	91,0%	Full consolidation	Full consolidation
Saada Gabon	100,0%	100,0%	Full consolidation	Full consolidation
Saada Côte d'Ivoire	100,0%	100,0%	Full consolidation	Full consolidation
Résidences Dar Saâda VII	100,0%	0,0%	Full consolidation	-

The scope of consolidation of Residences Dar Saada group includes seven subsidiaries at end 2015 :

The activity of Residences Dar Saada subsidiaries is summarized as follows

- Badalona, Excellence Immo IV and Sakan Colodor continue the construction of their projects. The expenses capitalized in the inventories reached 83 million DH as of the end of 2015.
- Launch of commercialization of other tranches in projects of the subsidiaries Badalona, Excellence Immo IV and Sakan Colodor
- Subsidiaries RDS IV, V RDS, RDS VII and Saada Ivory Coast hold land in their assets. The projects are still under development.
- Saada Gabon does not hold land end of 2015. Studies are underway to acquire land in this country.



FINANCIAL REVIEW AND RESULTS IN 2015

This section presents summarized social and consolidated financial statements for the year ended 31 December 2015. Standards and valuation methods used in the preparation of these documents comply with current regulations and are identical to those adopted in previous years.

Social financial statements

P&L analysis

P&L statement	31/12/2015	31/12/2014
Operating revenue	1 494,3	1 452,6
Sales of goods and services produced	1 754,7	1 813,3
Other operating revenues	(260,4)	(360,7)
Operating expenses	995,1	963,7
Material and supply purchases used	759,9	721,4
Salaries and fringe benefits	67,6	65,3
Other operating expenses	115,6	110,7
Taxes	31,9	47,3
Operating provisions	20,1	18,9
Operating Income	499,2	489,0
Financial revenue	155,5	170,9
Financial expenses	157,1	185,0
Financial income	(1,6)	(14,2)
Current income	497,6	474,8
Non-current revenue	0,5	14,2
Non-current expenses	13,8	10,0
Non-current income	(13,4)	4,2
Income taxes	25,7	59,6
Net income	458	419,4tttv

- Turnover :

In 2015, Residences Dar Saada turnover reached 1.754,7 mMAD Vs 1.813,3 mMAD in 2014 showing a decrease of 3,2%. In volume, the turnover corresponds to the delivery of 5695 units in 2015 against 5,990 in 2014.

- Net profit :

The net result showed an excellent performance with an increase of 9.3% from 419 mMAD in 2014 to 458 mMAD in 2015. Net margin was 26% in 2015 against 23% in 2014, explained by project mix.

Balance sheet analysis

Assets	31/12/2015	31/12/2014
Fixed assets	313,8	326,1
Differed capital expenses	31,0	45,4
Intangible assets	6,2	6,4
Property, plant and equipment	18,3	19,4
Financial assets	258,3	254,9
Current assets	7 094,6	6 527,1
Inventories	4 77,2	4 825,1
Land bank	752,2	692,3
Work in progress	2 255,5	3 104,7
Finished goods	1 769,5	1 028,0
Suppliers - Receivables, advances	8,3	35,7
Trade receivables and related accounts	743,2	531,3
Personnel	0,4	0,0
State	691,0	595,1
Other receivables	867,6	533,0
Accruals - assets	7,0	7,0
Cash - Assets	326,0	1 111,8
Securities and investments	-	759,6
Cheques and cash equivalents	279,8	199,3
Banks	46,1	152,9
Cash, advances and documentary credit	0,0	0,1
Total	7 734,5	7 965,0
LIABILITIES	31/12/2014	31/12/2013
EQUITY	3 830,9	3 540,2
Share	1 310,4	1 310,4
Issuance, merger, contribution premiums	1 139,4	1 139,4
Legal reserve	63,1	42,1
Other reserves	404,6	404,6
Retained earnings	454,9	224,2
Net income for the year	458,4	419,4
FINANCING DEBTS	2 322,7	2 642,1
Bonds	750,0	750,0
Other financing debts	1 572,7	1 892,1
CURRENT LIABILITIES	1 427,9	1 563,4
Trade payables and related accounts	652,1	577,0
Client - advances and deposits	534,0	787,4
Employees liabilities	5,7	3,8
Social liabilities	2,8	4,0
State	196,3	140,6
Partners' accounts	-	12,8
Other accounts payable	4,6	0,7
Accruals - liabilities	31,9	37,0
Other provisions for risks and expenses	0,5	0,4
Cash - Liabilities	152,9	218,9
Total	7 734,5	7 965,0



Fixed assets :

Fixed assets decreased by 12.3 MMAD mainly explained by the negative change of 14.3 MMAD in capitalized expenses

In kMAD	31/12/2014	+	-	31/12/2015
Land Bank	692 300	104	44 414	752 177
Work in progress	3 104 734	1 063 896	1 913 132	2 255 499
Finished products stock	1 028 020	1 915 758	1 174 278	1 769 500
Total	4 867 956	3 083 945	3 131 824	4 777 176

Receivables :

Trade receivables and related accounts totaled 743.2 MMAD as of end of 2015. Receivable delays stands at 4.5 months of sales.

- Financial debts :

Borrowings decreased by 320 MMAD to 2323 MMAD. Gearing rate increased from 33% in 2014 to 37% in 2015.

- Payables :

Trade payables totaled 652.1 MMAD in 2015 against 577 MMAD in 2014. The supplier payment period has not experienced any variation between the two periods and was 4.4 months of operating purchases

CONSOLIDATED ACCOUNTS ANALYSIS

Main adjustments made following the establishment of the consolidated accounts are as follows :

- Leasing contracts are treated as an acquisition of fixed assets financed by normal bank credit, with recognition of the expense related to the amortization of the asset.
- Removal set-up costs of capital assets and the recognition of the corresponding charge in the current year in the income statement
- Removal of expenses related to the IPO for the year 2014 and charging them to share premium.
- Offset of intercompany transactions.

Consolidated P&L

	31/12/2015	31/12/2014
Operating revenue	1 565,4	1 534,1
Sales of goods and services produced	1 746,5	1 812,3
Other operating revenues	(181,1)	(278,2)
Operating expenses	1 050,5	1 044,0
Material and supply purchases used	808,7	788,7
Salaries and fringe benefits	67,6	65,3
Other operating expenses	124,4	123,8
Taxes	43,8	54,9
Operating provisions	6,1	11,4
Operating Income	514,8	490,0
Financial revenue	160,2	176,4
Financial expenses	187,2	203,2
Financial income	(27,0)	(26,9)
Current income	487,8	463,1
Non-current revenue	0,5	14,3
Non-current expenses	13,9	10,7
Non-current income	(13,4)	3,6
Income taxes	24,4	60,4
Net income	450,0	406,4

Consolidated balance sheet

Assets	31/12/2015	31/12/2014
Fixed assets	187,2	180,4
Goodwill	149,8	141,1
Intangible assets	6,2	6,4
Property, plant and equipment	29,6	31,9
Financial assets	1,5	1,0
Current assets	7 471,9	6 666,1
Stocks et Encours	5 493,5	5 273,9
Clients et Comptes Rattachés	742,8	530,9
Autres Créances et Comptes de Régularisation	1 235,6	861,4
Cash - Assets	399,5	1 124,6
Securities and investments	-	759,6
Cash and cash equivalents	399,5	365,0
Total	8 058,6	7 971,1

LIABILITIES	31/12/2015	31/12/2014
Equity	3 760,4	3 469,6
Share	1 310,4	1 310,4
Issuance, merger, contribution premiums	1 107,2	1 107,2
Consolidated reserves	892,8	645,5
Net income for the year	450,0	406,5
Minorities	0,3	0,1
Financing debts	2 481,8	2 650,5
Impôt différé passif	0,8	
Current liabilities	1 662,2	1 631,7
Trade payables and related accounts	693,4	594,7
Other current liabilities	968,8	1 037,0
Cash - Liabilities	153,5	218,9
Total	8 058,6	7 971,1



BREAKDOWN OF TRADE PAYABLES AT END OF 2014

According to the law 23-10 on payment delays, the group made a provision in its accounts for 2015 of 490 579,33 mMAD related to compensation on payment deadlines. Operating expenses on project reached 1.1 bn MAD.

Regarding accounts receivable, the company can not apply compensation or benefits to customers because of the nature of the activity.

INCOME ALLOCATION PROPOSAL

Profit for the 2015 financial year :	458 462 110,20
(-) Legal reserve (5%) :	22 923 105,51
= New balance	435 539 004,69
(+) Previous retained earnings :	454 862 318,76
Earnings distributable =	890 401 323,45
(-) Dividend Distribution ("40% of net profit)	180 841 065,00
= The new balance of retained earnings	709 560 258,45

DETAILED FINANCIALS

In Kmad

ASSETS	31/12/15	31/12/14
Fixed assets	187 169	180 368
Goodwill	149 834	141 068
Intangible assets	6 236	6 398
Property, plant and equipment	29 589	31 893
Financial assets	1 509	1 009
Current assets	7 471 917	6 666 153
Inventories	5 493 523	5 273 855
Trade receivables and related accounts	742 789	530 868
Other receivables and current assets	1 235 605	861 430
Cash - Assets	399 545	1 124 597
Total	8 058 631	7 971 118

In Kmad

LIABILITIES	31/12/15	31/12/14
Equity	3 760 435	3 469 584
Share	1 310 443	1 310 443
Issuance, merger, contribution premiums	1 107 212	1 107 212
Consolidated reserves	892 772	645 473
Net income for the year	450 008	406 456
Minorities	262	94
Consolidated equity	3 760 697	3 469 678
Other-than-temporary contingent liabilities	519	378
Financing debts	2 481 751	2 650 470
Current liabilities	1 662 201	1 631 665
Trade payables and related accounts	693 405	594 704
Client - advances and deposits	720 489	833 148
Other current liabilities	248 307	203 813
Cash - Liabilities	153 462	218 927
General total	8 058 631	7 971 118

CONSOLIDATED P&L STATEMENT

in kMAD

	31/12/15	31/12/14
OPERATING REVENUE	1 565 350	1 534 074
Sales of goods and services produced	1 746 488	1 812 302
Other operating revenues	(181 138)	(278 228)
Operating expenses	1 050 537	1 044 048
Material and supply purchases used	808 663	788 709
Salaries and fringe benefits	43 831	54 889
Other operating expenses	67 582	65 302
Taxes	124 384	123 770
Operating provisions	6 076	11 378
Operating Income	514 813	490 026
Financial revenue	160 154	176 350
Financial expenses	187 171	203 234
Financial income	(27 017)	(26 884)
Current income	487 795	463 143
Non-current revenue	495	14 287
Non-current expenses	13 874	10 699
Non-current income	(13 378)	3 588
Income taxes	24 421	60 361
Net income of consolidated companies	449 997	406 370
Non-controlling interest	(12)	(86)
Net income attributable to the group	450 008	406 456
Earnings per share	17,17	15,51

CONSOLIDATED STATEMENT OF CASH FLOWS

in kMAD

	31/12/15	31/12/14	Variation
Net income	449 997	406 370	43 626
Elimination of expenses and income not affecting cash or not related to the activity			
* Provision for amortization and other, net of adjustments	5 547	11 137	(5 590)
* Change in deferred taxes	(1 322)	0	(1 322)
* Income on disposal of assets	14	66	(51)
Consolidated self-financing capacity	454 236	417 573	36 663
dividends received	0	0	0
change in operating working capital	(773 762)	(734 893)	(38 869)
Net cash flows from operating activities	(319 527)	(317 320)	(2 206)
Acquisition of property and equipment	(3 161)	49 000	(52 161)
Disposals of capital assets	67	110	(43)
Impact of change in scope of consolidation	(500)		(500)
Net cash flows from investing activities	(10)	(93 557)	93 547
Debt repayment	(3 604)	(44 448)	40 843
Distribution paid to Shareholders		(2 949)	2 949
Increase in capital	(167 737)	(75 714)	(92 022)
Net debt issues	0	1 035 600	(1 035 600)
Net cash flows from financing activities	(168 719)	46 284	(215 003)
Change in net cash and cash equivalents	(336 456)	1 003 220	(1 339 676)
Cash and cash equivalents, beginning of year	(659 587)	641 453	(1 301 039)
Cash and cash equivalents, end of year	905 670	264 217	641 453
Consolidated changes in equity	246 083	905 670	(659 587)

STATEMENT OF CHANGES IN EQUITY

In Kmad

	Capital	Consolidated surplus	Consolidated Reserves	Consolidated Income	TOTAL
Non consolidated accounts 31/12/2013	582 419	740 457	418 505	305 612	2 046 992
Net income allocation			305 612	-305 612	0
Distribution paid to Shareholders			-75 714		-75 714
2013 consolidated net income				406 370	406 370
Increase in capital	728 024	398 957			1 126 981
other allocations					0
Costs related to capital increase		-32 202			-32 202
Other movements			-2 843		-2 843
Non consolidated accounts 31/12/2014	1 310 443	1 107 212	645 560	406 370	3 469 584
Net income allocation			406 370	-406 370	0
Distribution paid to Shareholders			-167 737		-167 737
2015 consolidated net income				450 008	450 008
Increase in capital					0
Other allocations					0
Methods change			8 767*		8 767*
Other movements			-188		-188
Consolidated accounts 31/12/2015	1 310 443	1 107 212	892 773	450 008	3 760 435



