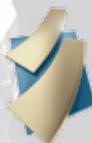


# ANNUAL REPORT RESIDENCES DAR SAADA

# 2014

ESPACES  
SAADA



فضاءات  
السعادة

المركز القطري للسعادة



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# PRESENTATION OF RESIDENCES DAR SAADA





## A WORD FROM THE PRESIDENT

Definitely, the year 2014 acts as a major turning point in our development. Standards and Strategy of our company which are firmly oriented towards quality and customer satisfaction have made it a reference in the Moroccan real estate sector.

In fact, the Group has continued its development and growth plan to reach almost 6000 delivered units and a turnover of 1.8 billion dirhams, and at the same time strengthening its position among the leaders in the social housing and medium standing segment. The operational achievements of the company have led to a remarkable financial performance with a net profit increase of 33% reaching 406 million dirhams.

This strong growth is the result of a monitored planning coupled with a respect for balance sheet ratios and debt control. Trade receivables expressed in terms of turnover are at 3 and a half months, which is one of the shortest delays in our industry. The indebtedness of the company is also controlled with a gearing ratio of 33%.

2014 was also the year of Residences Dar Saada listing at the Casablanca stock exchanges. This sizable and successful IPO was achieved through a 20% capital increase raising 1.1 billion dirhams. After the private placement in 2011 that allowed the entry of local and international institutional investors, the listing of the company permanently engages us in a strategy of growth and development, openness, transparency and closeness with its customers and partners. Reinforced by its achievements, 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.

*Hicham Berrada Sounni*

## GROUP HISTORY

Residences Dar Saada, thanks to its successes and growth, began a new stage in its development by being listed in the Casablanca stock exchange. Company IPO was done through a capital increase of 1.13 billion dirhams, representing 20% of the capital.

Signing of agreements with the Government of Ivory Coast and Gabon for the construction of housing programs.

**2014**

**2013**

Acquisition of 100% of the shares of Excellence Immo IV and Sakan Colodor, land owners located respectively in Skhirat and Oujda

Issued bonds for 750 million MAD allowing the acquisition of a land totaling 166 Ha in Casablanca region

**2012**

**2011**

Raising capital from Moroccan and foreign institutional investors for 900 million MAD

Signed a covenant with the State for the promotion of social housing and merger/absorption of the subsidiary by Dar Saada III.

**2010**

**2009**

Start of the project Jnane Boughaz in Tangier

Beginning of the projects Targa Garden in Marrakech Saada III and Jnane Nouaceur and Jnane Mediouna in Casablanca.

**2008**

**2007**

Launch of the brand Espaces Saada which is dedicated to the social and medium segments.

Delivery of the project Saada I and beginning of Saada II works in Marrakech.

**2006**

**2001**

Incorporation of the company and beginning of the project Saada I in Marrakech.

Launch of the first social housing program by Palmeraie Development Group

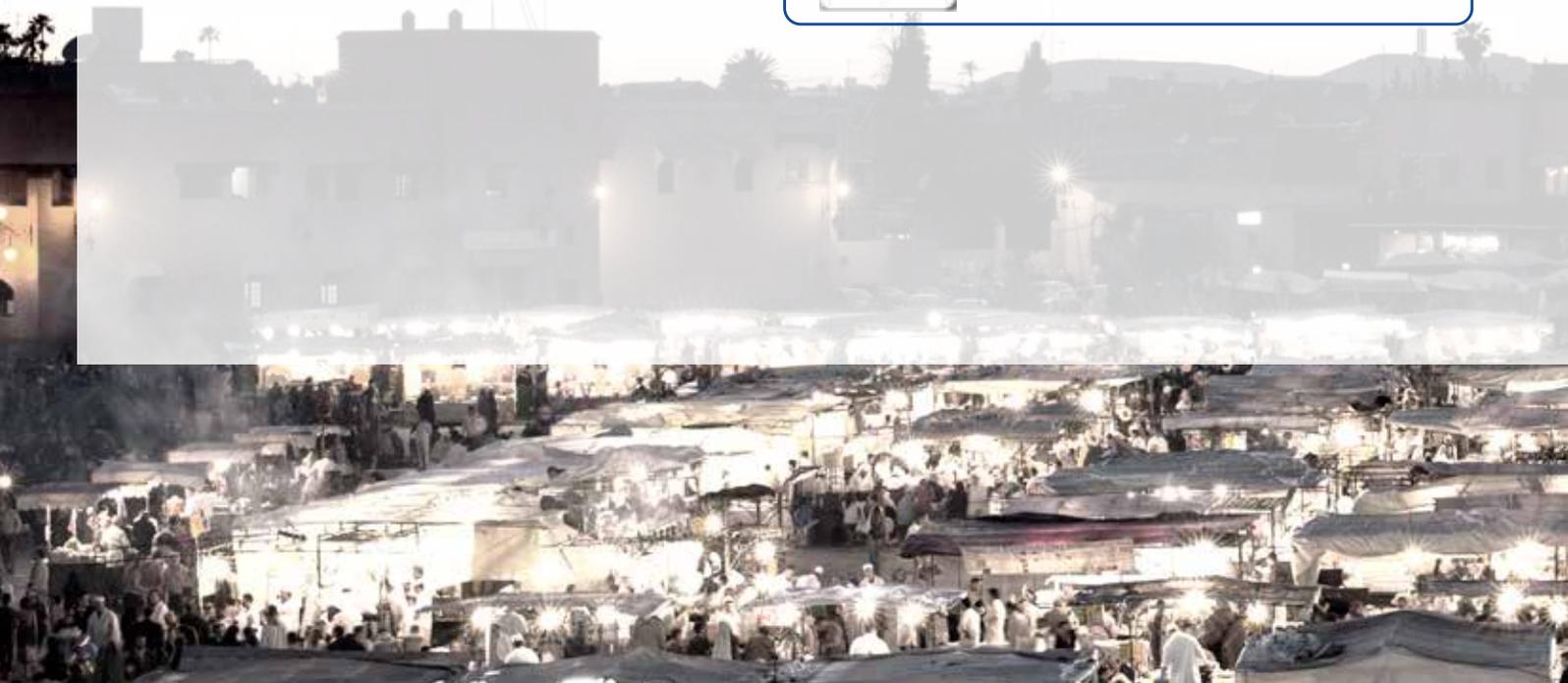
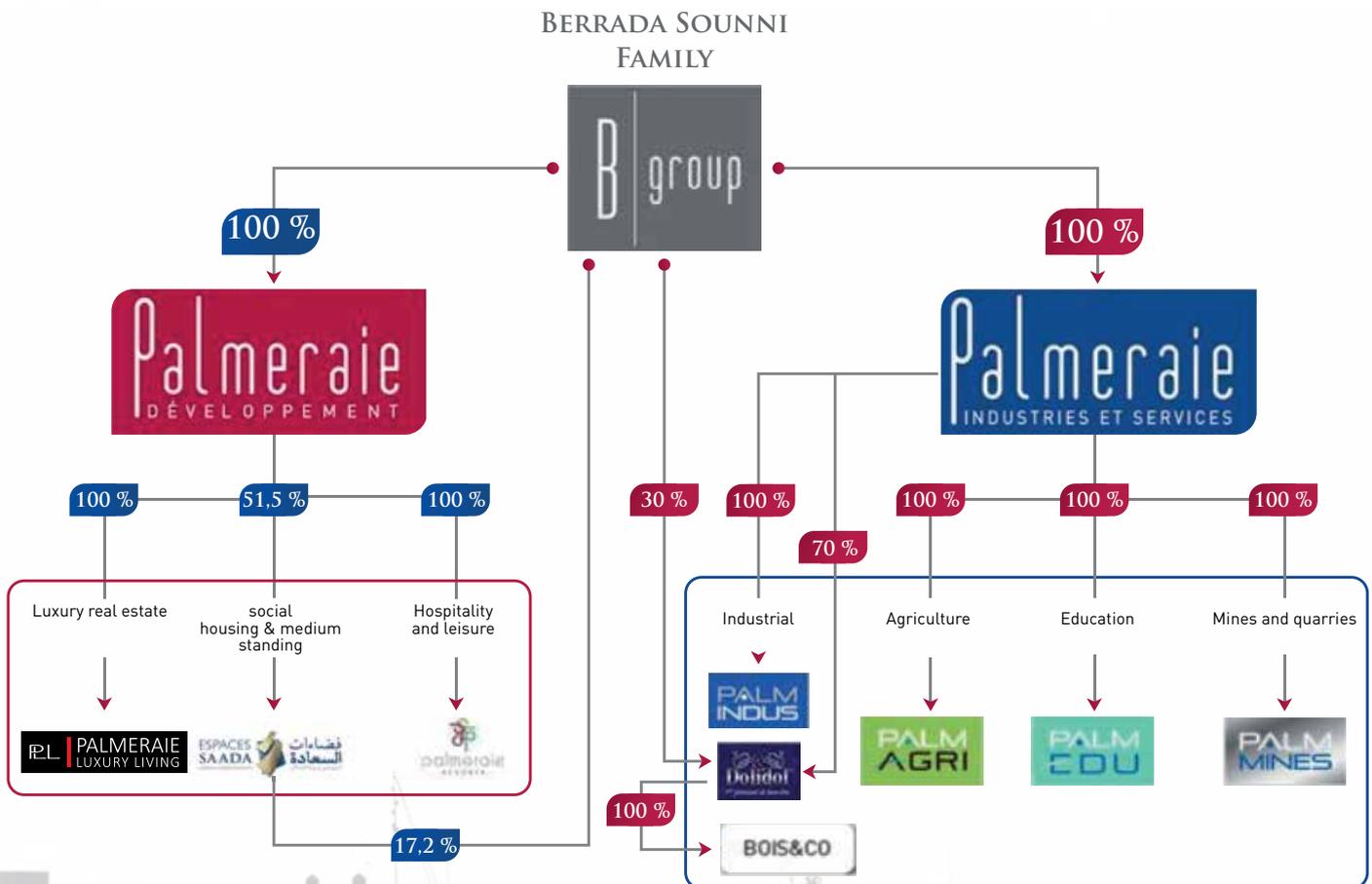
**1980**

## SHAREHOLDING & ORGANIZATION

### SHAREHOLDING

The history of Residences Dar Saada is intimately related to that of **Group B** 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.

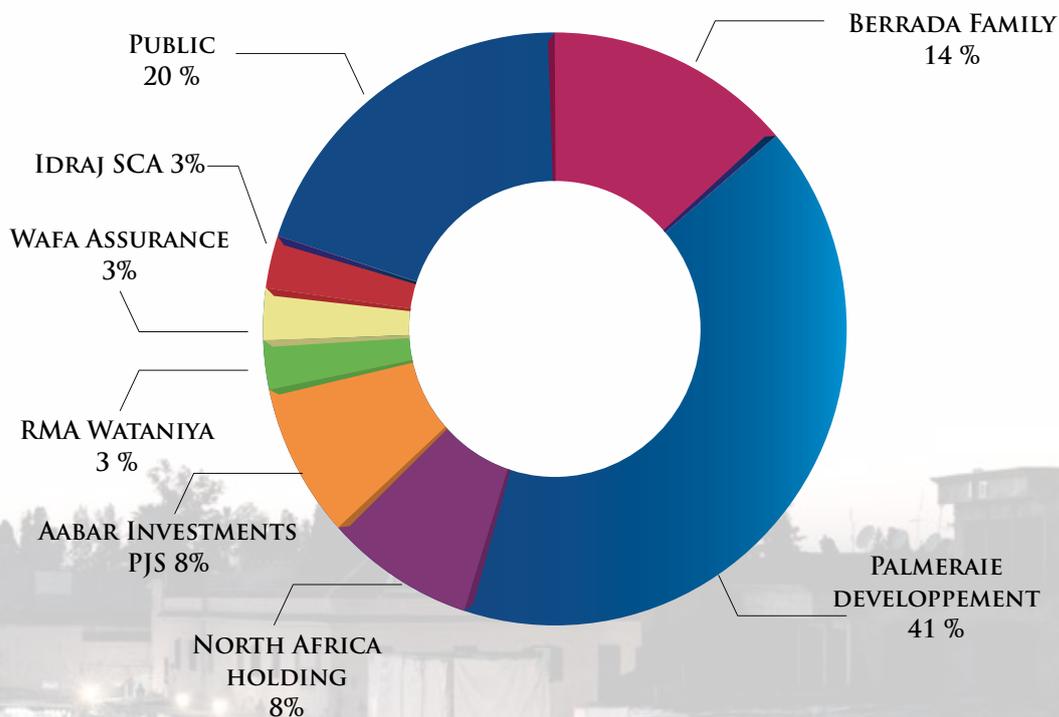
The group has been present in real estate for almost 40 years. It established a presence in the luxury segment with the company Palmeraie Développement before entering the social segment and medium standing with what will become Residences Dar Saada.



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 Developpement" 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:

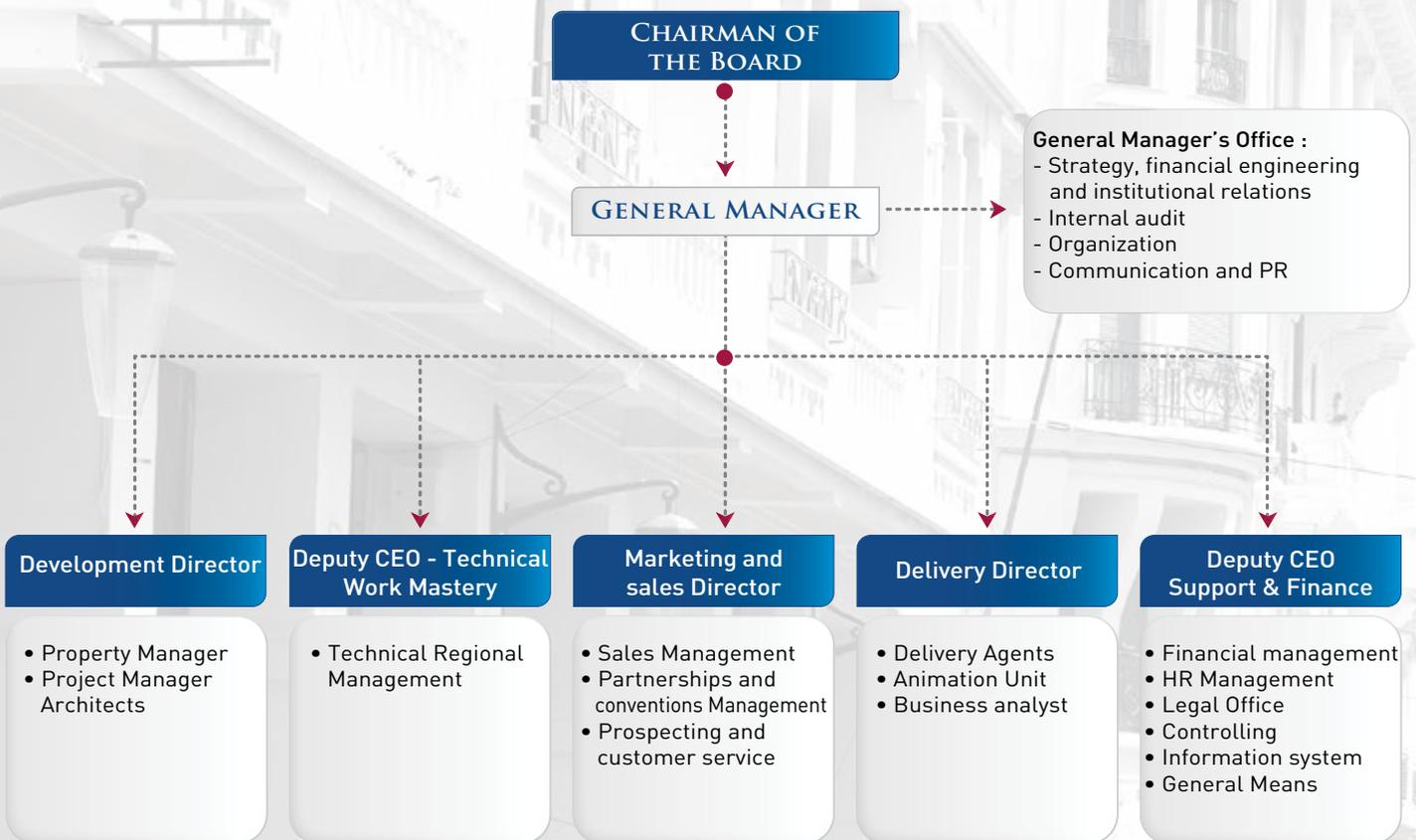
- North Africa Holding (Kipco) is an investment fund based in Kuwait
- Aabar Investment PJS is a state investment fund based in Abu Dhabi
- SCA Idraj is a Moroccan capital development fund managed by CFG Group and 100% owned by Mutandis
- RMA is a Moroccan Capital asset management company and is 100% 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 set up 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 General Manager	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.



**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.



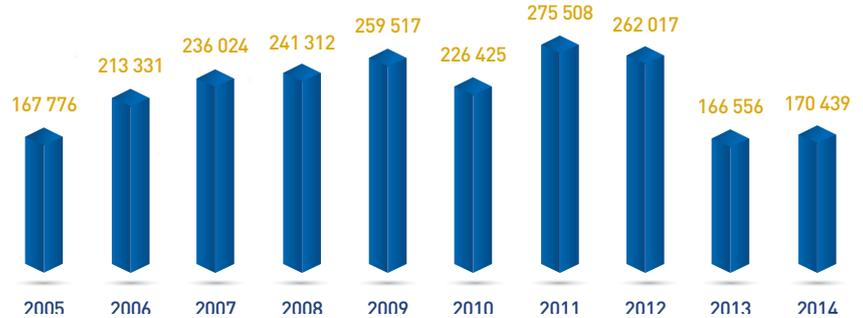
# MOROCCAN REAL ESTATE SECTOR IN 2014



## SECTOR PERFORMANCE IN 2014

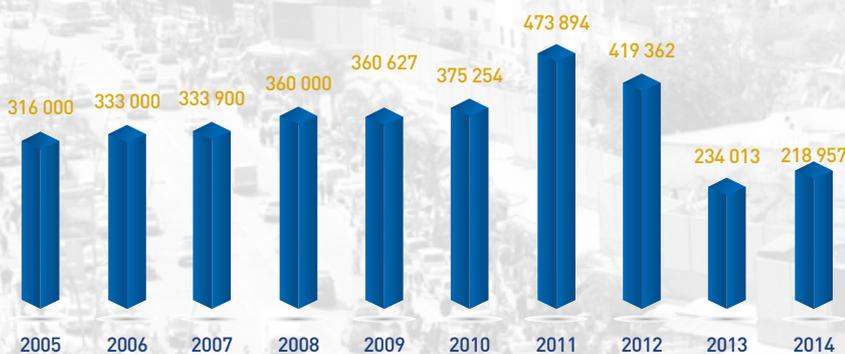
According Housing and Urbanism Ministry, housing production during the year 2014 showed a slight increase of 2% compared to 2013 in terms of produced units. This slight increase in production follows a sharp drop of c.36% between 2012 and 2013.

### Production evolution (in units) over the period 2005-2014



Source : Housing and Urbanism Ministry

### Evolution of housing starts (units) over the period 2005-2014



Source: Housing and Urbanism Ministry

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. This trend was confirmed in 2014, with a decrease of -6% and 218 957 housing starts.

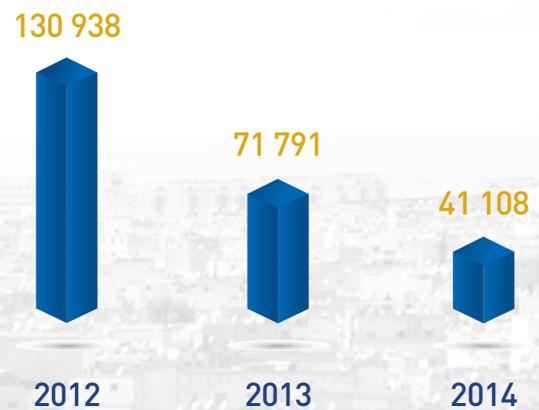
Housing starts of social housing units are also following a downward trend since 2012. Indeed, figures from Housing and Urbanism Ministry and the National Association of Property Developers show a decrease of -43 % of housing starts going from 71,791 social units to 41,108 social units. The decrease in 2014 follows a decline in housing starts between 2012 and 2013 of -45%.

Projects permits sheltering social housing units show a continuous decrease since 2012 from 132,417 units in 2012 to 48,721 units in 2014.

**Social project permits (in units)**



**Social housing starts (in units)**



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

**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.

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

Foreign direct investment dedicated to the real estate sector increased by 47% during the first 9 months of 2014. These investments rose from 5.22 billion DH for that period in 2013 to 6.86 DH for the same period in 2014.

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

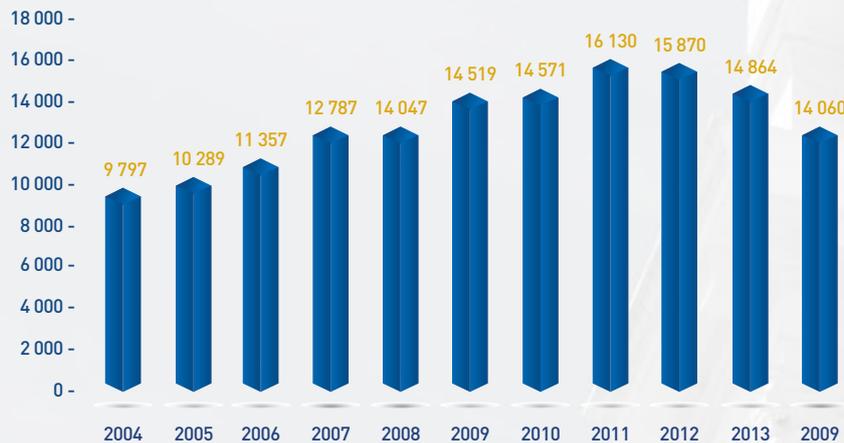


Source: Housing and Urbanism Ministry and the National Association of Property Developers

### Construction sector indicators in 2014

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 fell by -5%, from 14.87 million T in 2013 to 14.06 million T in 2014.

### Evolution of the cement consumption (thousands of tonnes)



Source: Housing and Urbanism Ministry

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



Source: Housing and Urbanism Ministry

According to the High Planning Commission, the construction sector employs end 2014 c. 1 million, stagnating compared to 2013 and down 4.8% compared to 2012.



### Analysis by city

#### Residential real estate :

##### Casablanca :

Strong increase in transactions (+ 30% in the residential), stagnation in prices in the residential (+ 0.1%) and lower land prices (-2.3%)

##### Rabat :

Increase residential transactions of +6.4%, a near-stagnation of the residential prices (+ 0.5%) and increased land prices + 10.8%

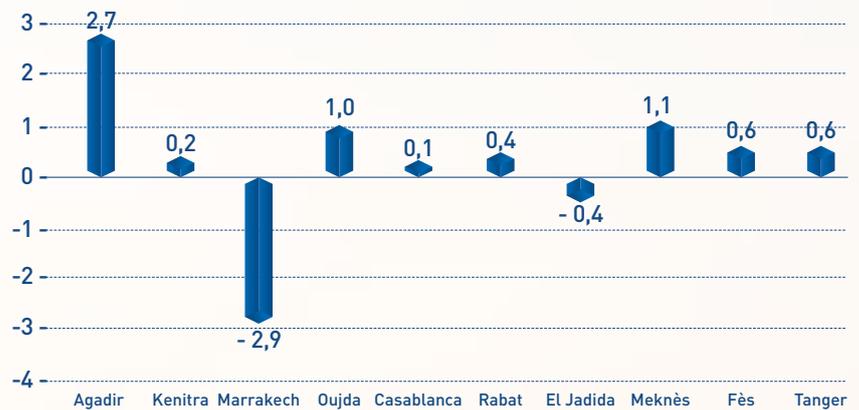
##### Marrakech :

Increase in transactions in the residential of +24.2% and decrease in residential prices of -0.3% and land prices of -7.1%

##### Tanger :

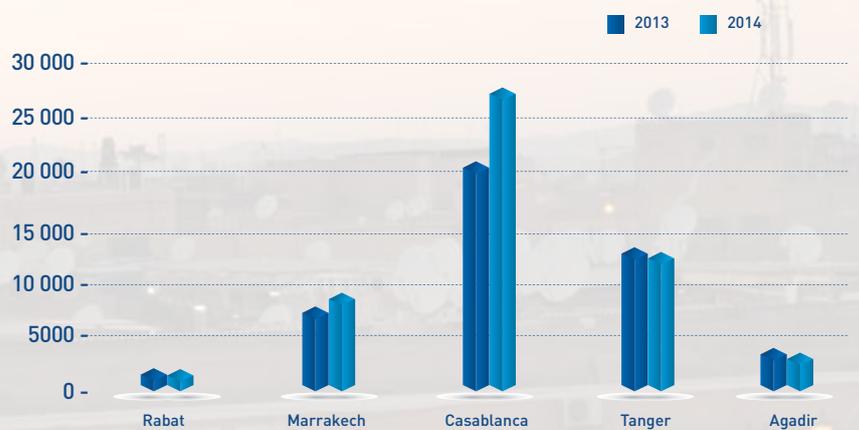
Increased transactions in the residential + 1%, lower residential prices (-0.4%) and increase in land prices + 2.2%

Price index by city

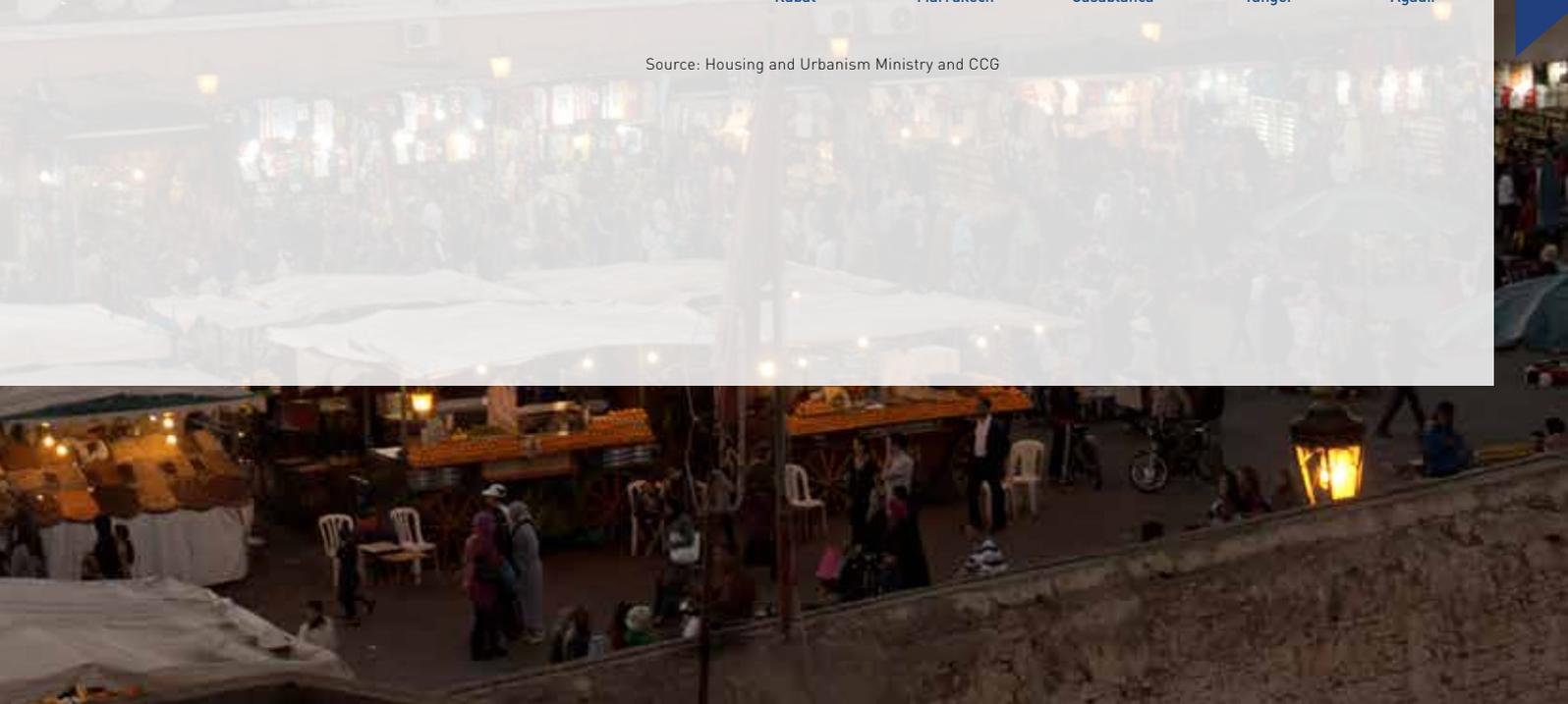


Source : Bank Al Maghrib

Number of transactions by city



Source: Housing and Urbanism Ministry and CCG



## 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 5.5% in 2013 to 5.4% in 2014 and the acquirers' total outstanding loans grew by 6% in 2014.

Real estate interests rates in %



Source : Bank Al Maghrib

Acquirers' total outstanding loans in mMAD



Developers' total outstanding loans in mMAD



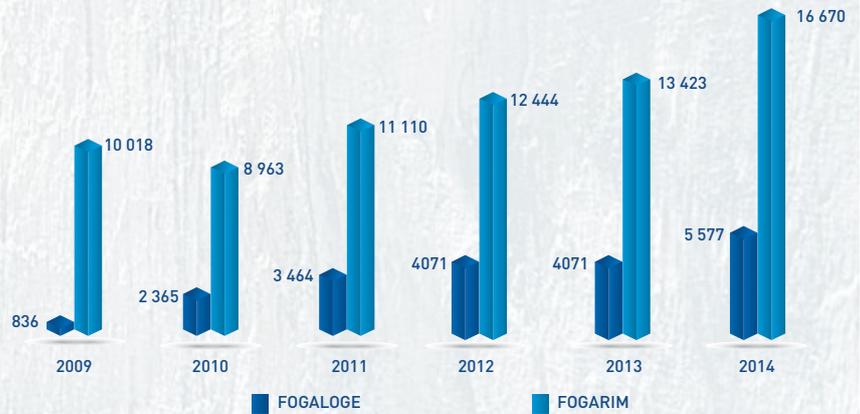
Furthermore, outstanding loans to property developers declined -6% between 2013 and 2014. This decline is notably explained by the decline in housing starts in 2014.

Source: Housing and Urbanism Ministry and Bank Al Maghrib

### Number of households benefiting from Fogarim Fogaloge funds guarantee

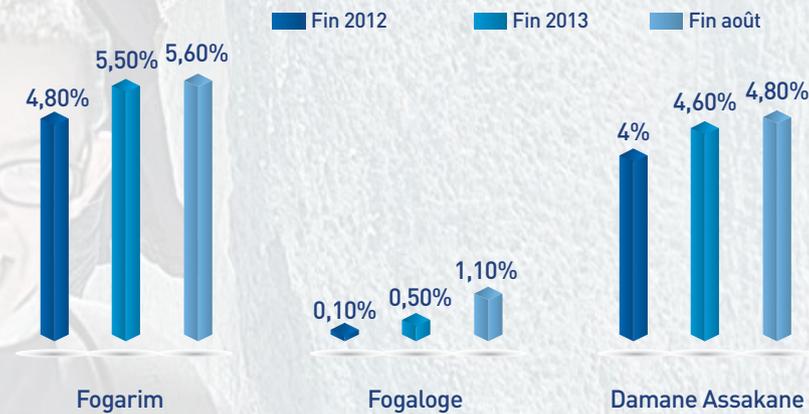
FOGARIM fund has guaranteed as of end December 2014 a total of 111 666 households for an amount of 17.11 bn MAD and FOGALOGÉ fund guarantee covers 19 861 households for 6 bn MAD.

In 2014, FOGARIM guaranteed 16,670 loans against 13,075 loans in 2013 growing by 27%. The guarantee FOGALOGÉ recorded a 29% increase in 2014 or 5577 loans covered in 2014 Vs 4336 loans in 2013.



Source: Housing and Urbanism Ministry and Bank Al Maghrib

### Loss of Damane Assakane guarantee Funds



Source: CCG

To limit the loss ratio, CGC, the organization managing the two guarantee funds, implemented the following policy :

- Estimated loss rate selected when setting at 12.5%
- The limit on the monthly mortgage Fogarim to 1,750 DH and Fogarim-VSB 1.000 DH
- Property price capped at 250,000 DH
- State guarantee for a single beneficiary
- Fixed interest rate

## LEGAL AND TAX ENVIRONMENT

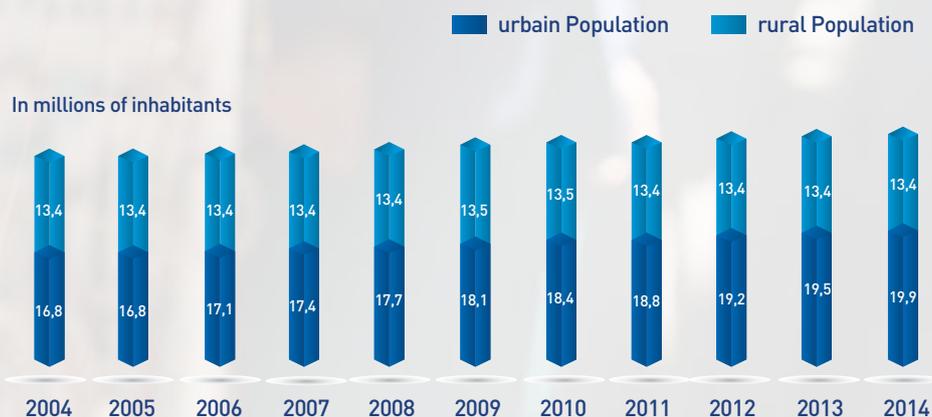
The Moroccan government continued implementing reforms in order to organize the real estate sector. Several measures taken in 2014 that directly impact the sector of real estate development :

- To eradicate «payment under the table practice» in real estate transactions, a prices reference was published by the government end 2014. Real estate prices reference fixed prices in different neighborhoods and cities nationwide and will be reviewable periodically.
- The decree approving the general regulations for construction prescribing the form and terms of licensing and pieces due in the building process (building permits, licenses of living ...). The new law advices the creation of a single contact point in each municipality whose number of inhabitants exceeds 50 000 people. The regulation also plans to reduce the maximum period for granting a plan authorization.
- Bill to amend the Act 44.00 on 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.

## 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 to 400,000 people in 2014 according to the High Commission for Planning.

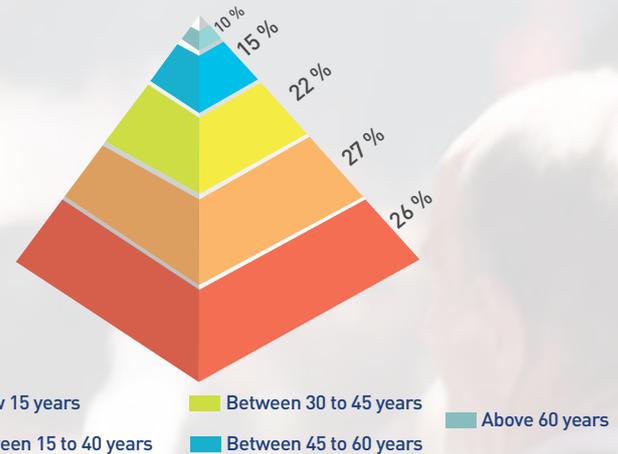
### Urbanization of the population



Source: CCG

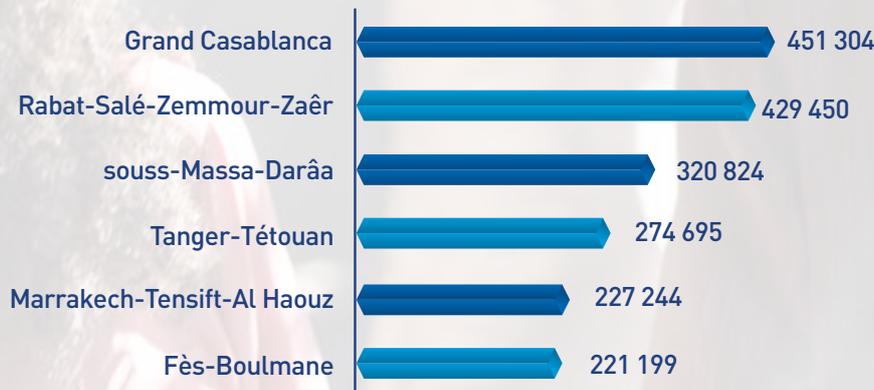
### Age distribution in Morocco in 2014

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 2011-2013 period

Despite the proactive policy to encourage housing production, the overall deficit resorbed barely reached 190,000 units since 2013, according to the Ministry of Housing and urbanization. The housing deficit decreased

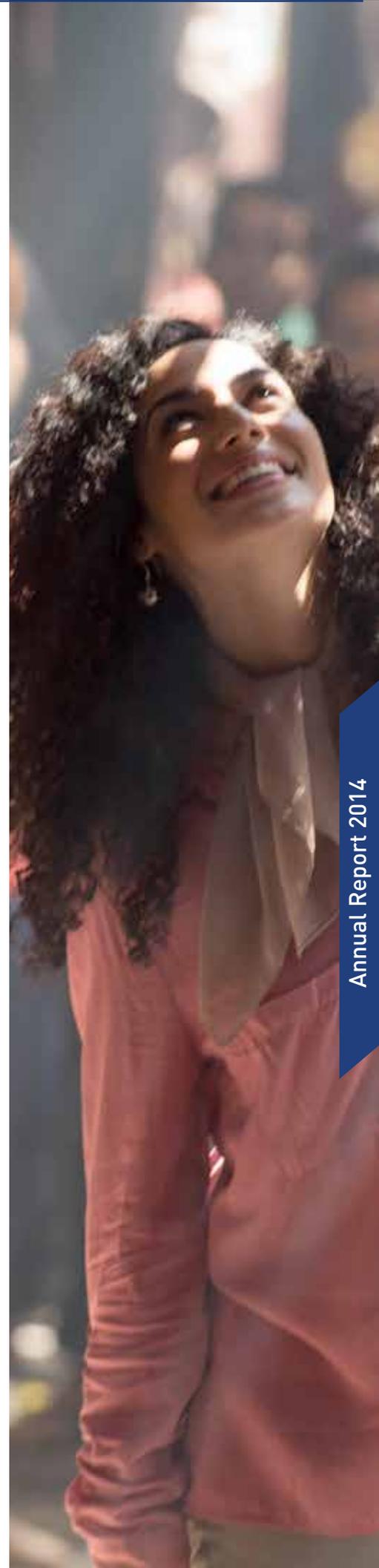


Source: Housing and Urbanism Ministry

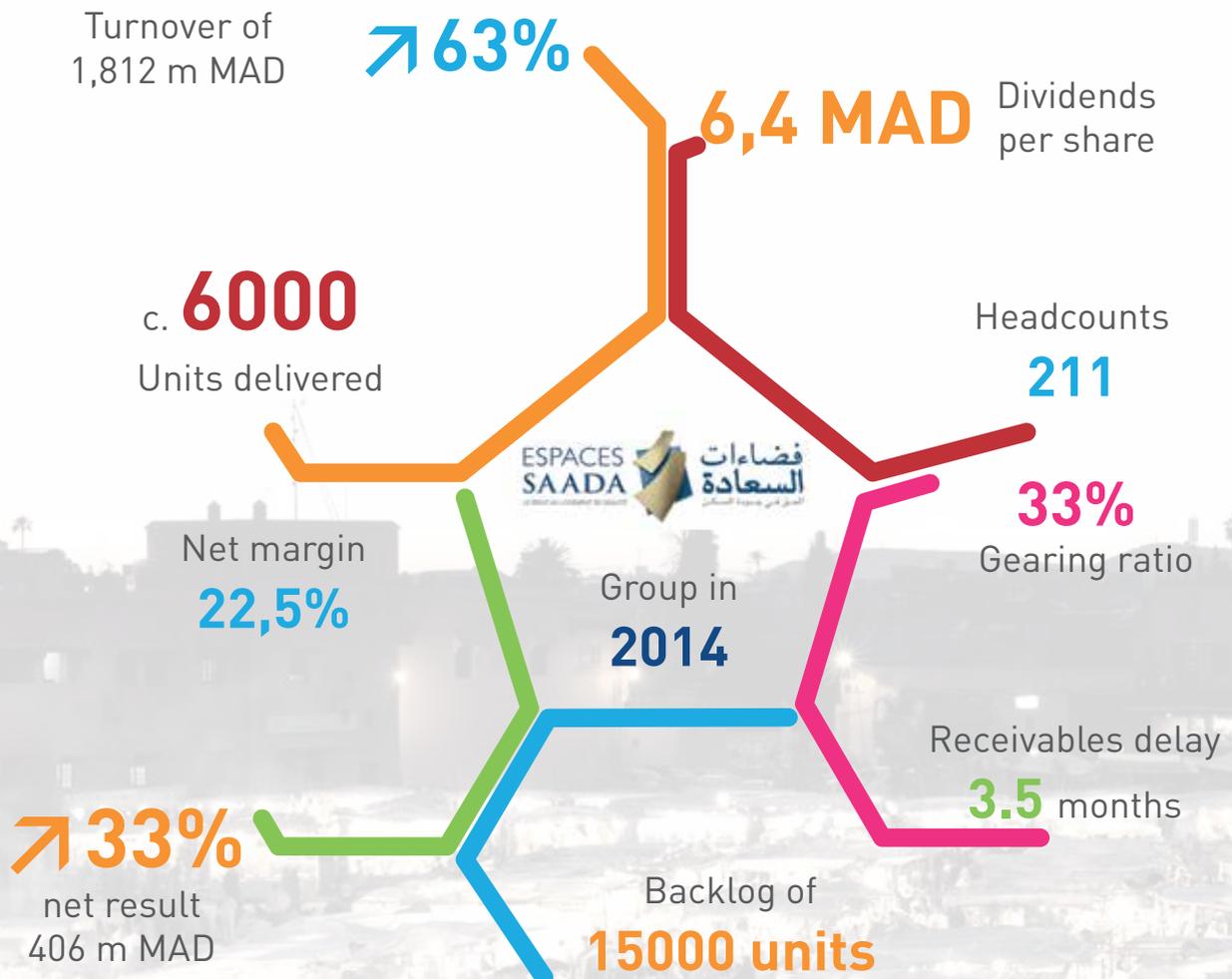
from 840 000 units in 2011 to 650,000 units in 2013. It should be noted that this indicator also includes the need for various restructuring (the need for equipment, the need for slum upgrading, housing threatening ruin and slums) in addition to the deficit related to the demand for additional housing.



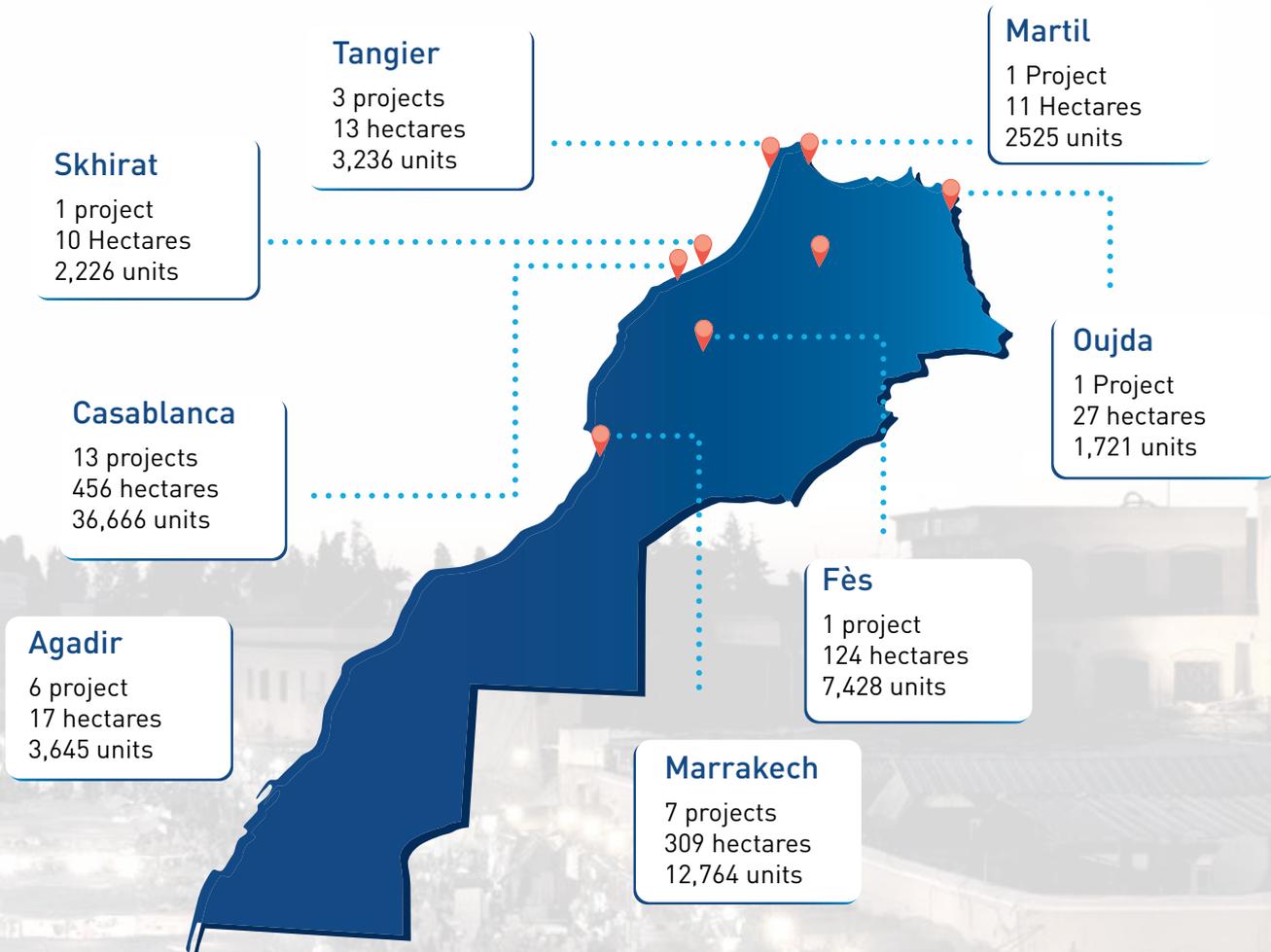
# RESIDENCES DAR SAADA ACTIVITY IN 2014



## RESIDENCES DAR SAADA IN 2014



## RESIDENCES DAR SAADA, A MAJOR PLAYER IN MOROCCO



## RESIDENCES DAR SAADA OPERATIONNAL PERFORMANCE

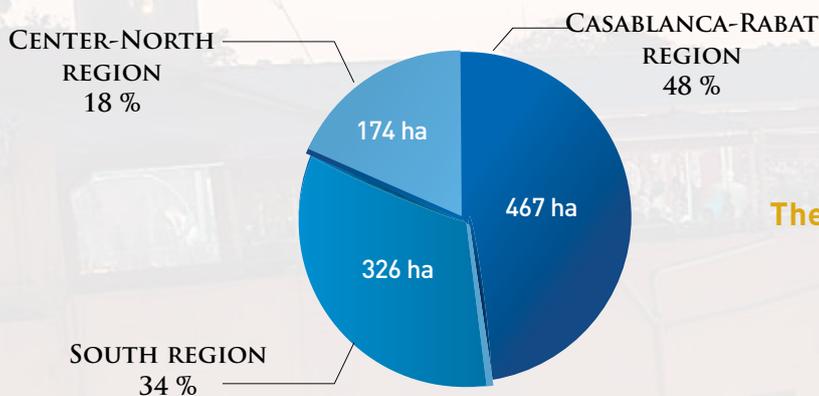
### Focus on land bank

Residences Dar Saada has continued to consolidate its land bank in 2014. The new acquisitions amounted to 37 ha and are as follows :

- The completion of the acquisition of a land of 21ha in Tamaris (Casablanca)
- A land in Deroua, Casablanca, with an area of 2 ha
- The completion of the acquisition of land in Martil with an area of 10 ha

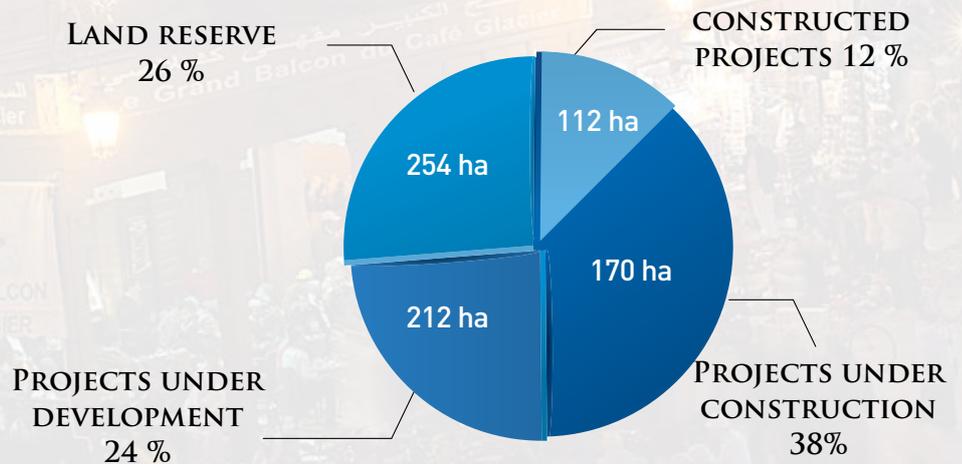
Through these acquisitions, the company plans to strengthen its presence in the Greater Casablanca and initiate new real estate projects in Morocco and Abidjan (imminent launch of a first tranche).

The total land bank of the group Residences Dar Saada, excluding sales agreement, reached 967 ha end of 2014.



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

Land bank distribution by status is as follows:



\* Center-North region : Tangier, Martil, Oujda et Fes / South region : Marrakech et Agadir

## Presentation of the projects (land and consistency)

Projects	Projets area (in ha)	total units	o/w delivered end 2014	Units to be delivered end 2014
<b>constructed projects</b>	<b>112,4</b>	<b>19 161</b>	<b>16 062</b>	<b>3 072</b>
Casablanca	43,8	5 572	5 011	551
Mediouna (lotissement)	11	394	393	1
Jnane Nouaceur	18,9	3265	3143	113
Fadaat Rahma	13,9	1913	1475	437
<b>Marrakech</b>	<b>45,1</b>	<b>8 363</b>	<b>8 043</b>	<b>312</b>
Saada I	23,5	3647	3632	11
Saada II	2,6	794	787	5
Tamensourt (Saada III)	17,9	3269	3020	248
Dyar Marrakech	1,1	653	604	48
<b>Agadir</b>	<b>14,6</b>	<b>3339</b>	<b>2258</b>	<b>1072</b>
Adrar Ilôt 5	2,1	403	386	15
Adar Ilôt 8	1,1	724	714	8
Adar Ilôt 9	2,7	513	247	265
Adrar Anza	1	400	275	125
Nzaha	7,7	1299	636	659
<b>Tangier</b>	<b>8,9</b>	<b>1887</b>	<b>750</b>	<b>1137</b>
Jardins de l'Atlantique (Ilot 19)	5,1	1063	103	960
Dyar El Boughaz (Ilot 20)	3,8	824	647	177
<b>Projects under construction</b>	<b>369,8</b>	<b>29 636</b>	<b>3 747</b>	<b>25 778</b>
Casablanca	171,2	14728	2318	12338
Oulad Azzouz	68,3	7923	1654	6231
Fadaat Elyassamine	3,7	799	664	133
Jnane El Menzeh	56,5	958	0	950
Manazil Mediouna	5,4	1230	0	1228
Dyar Al Ghofrane	37,3	3818	0	3796
<b>Fès</b>	<b>124,3</b>	<b>7412</b>	<b>1322</b>	<b>6073</b>
Bouhayrat Saiss	124,3	7412	1322	6073
<b>Marrakech</b>	<b>33,5</b>	<b>2199</b>	<b>107</b>	<b>2085</b>
Targa Garden	21	313	107	203
Targa Resort	12,5	1886	0	1882
<b>Skhirat</b>	<b>10</b>	<b>2232</b>	<b>0</b>	<b>2222</b>
Jawharat Skhirat	10	2232	0	2222
<b>Tangier</b>	<b>3,9</b>	<b>1349</b>	<b>0</b>	<b>1346</b>
Dyar El Boughaz (Ilot 14)	3,9	1349	0	1346
<b>Oujda</b>	<b>26,9</b>	<b>1716</b>	<b>0</b>	<b>1714</b>
Oujda	26,9	1716	0	1714
<b>Projects under development</b>	<b>231,5</b>	<b>19 784</b>	<b>0</b>	<b>21 259</b>
Casablanca	202,5	14882	0	16361
Panorama	28	3344	0	3372
Sania	21,6	2251	0	2245
Arraha	16,3	2402	0	2393
Laassilate	115,6	5830	0	5830
Tamaris	21	1055	0	2521
<b>Agadir</b>	<b>2,5</b>	<b>307</b>	<b>0</b>	<b>306</b>
Adrar Ilôt 8 extension	2,5	307	0	306
<b>Marrakech</b>	<b>15,9</b>	<b>2205</b>	<b>0</b>	<b>2202</b>
Azzouzia	15,9	2205	0	2202
<b>Martil</b>	<b>10,6</b>	<b>2 390</b>	<b>0</b>	<b>2 390</b>
Martil	10,6	2390	0	2390
<b>Total</b>	<b>713,7</b>	<b>68 581</b>	<b>19 809</b>	<b>50 109</b>

## Focus on commercialization

### Projects commercialization in 2014

New projects were opened for commercialization during 2014: Playa Martil (1600 units), Al Fadaat Mohit II in Casablanca (1800 units) and Jnane Al Khair Oujda (1280 units).

Projects commercialization continued to experience a steady pace over the year reaching 6216 units sold of which more than half is in the Rabat-Casablanca axis.

Regions	Units pre-sold in 2014	% of commercialization
Rabat- Casablanca axis	3 242	52 %
North region	1 906	31 %
South region	1 068	17 %

Projects pre-sold in 2014 mainly include social housing units.

Type of product	Units pre-sold in 2014	% of commercialization
Social housing	5 617	90%
FVIT	182	3%
Plots	173	3%
Medium standing	109	2%
Shops and others	135	2%
Total	6 216	100%

Pre-sales performance during 2014 brought total commercialization of projects to following levels :

Type of project	Units pre-sold in 2014	% of commercialization	Construction advancement
constructed projects	785	91%	100%
Projects under construction	3 283	64%	60%
Projects under development	2 148	38%	0%

## Commercialization levels and constructed units by project

	Consistency	Units to be commercialized	Backlog in 2014	% of units constructed	% of commercialization
<b>Constructed projects</b>	<b>19 161</b>	<b>19 161</b>	<b>17 397</b>	<b>100%</b>	<b>91%</b>
<b>Casablanca</b>	<b>5572</b>	<b>5 572</b>	<b>5 259</b>	<b>100%</b>	<b>94%</b>
Mediouna (lotissement)	394	394	394	100%	100%
Jnane Nouaceur	3265	3265	3217	100%	99%
Fadaat Rahma	1913	1913	1648	100%	86%
<b>Marrakech</b>	<b>8363</b>	<b>8 363</b>	<b>8 174</b>	<b>100%</b>	<b>98%</b>
Saada I	3647	3647	3634	100%	100%
Saada II	794	794	789	100%	99%
Tamensourt (Saada III)	3269	3269	3107	100%	95%
Dyar Marrakech	653	653	644	100%	99%
<b>Agadir</b>	<b>3 339</b>	<b>3 339</b>	<b>2 597</b>	<b>100%</b>	<b>78%</b>
Adrar Ilôt 5	403	403	399	100%	99%
Adar Ilôt 8	724	724	715	100%	99%
Adar Ilôt 9	513	513	400	100%	78%
Adrar Anza	400	400	356	100%	89%
Nzaha	1299	1299	727	100%	56%
<b>Tangier</b>	<b>1887</b>	<b>1887</b>	<b>1367</b>	<b>100%</b>	<b>72%</b>
Jardins de l'Atlantique (Ilot 19)	1063	1063	645	100%	61%
Dyar El Boughaz (Ilot 20)	824	824	722	100%	88%
<b>Projects under construction</b>	<b>29636</b>	<b>22 316</b>	<b>14 351</b>	<b>64%</b>	
<b>Casablanca</b>	<b>14728</b>	<b>13117</b>	<b>10463</b>		<b>80%</b>
Oulad Azzouz	7923	7779	7563	40%	97%
Fadaat Elyassamine	799	799	704	82%	88%
Jnane El Menzeh	958	396	203		51%
Manazit Mediouna	1230	1230	387		31%
Dyar Al Ghofrane	3818	2913	1606		55%
<b>Fès</b>	<b>7412</b>	<b>4454</b>	<b>1756</b>		<b>39%</b>
Bouhayrat Saïss	7412	4454	1756	46%	39%
<b>Marrakech</b>	<b>2199</b>	<b>1302</b>	<b>935</b>		<b>72%</b>
Targa Garden	313	313	195	35%	62%
Targa Resort	1886	989	740		75%
<b>Skhirat</b>	<b>2232</b>	<b>796</b>	<b>478</b>		<b>60%</b>
Jawharat Skhirat	2232	796	478		60%
<b>Tangier</b>	<b>1349</b>	<b>1349</b>	<b>606</b>		<b>45%</b>
Dyar El Boughaz (Ilot 14)	1349	1349	606		45%
<b>Oujda</b>	<b>1716</b>	<b>1298</b>	<b>113</b>		<b>9%</b>
Oujda	1716	1298	113		9%
<b>Projects under development</b>	<b>19784</b>	<b>5 651</b>	<b>2 168</b>		<b>38%</b>
<b>Casablanca</b>	<b>14882</b>	<b>4051</b>	<b>673</b>		<b>17%</b>
Panorama	3344	1800	613		34%
Sania	2251	2251	60		3%
<b>Martil</b>	<b>2390</b>	<b>1 600</b>	<b>1 495</b>		<b>93%</b>
Martil	2390	1600	1495		93%
<b>Total</b>	<b>68 581</b>	<b>47 128</b>	<b>33 916</b>		<b>72%</b>

### Focus on production

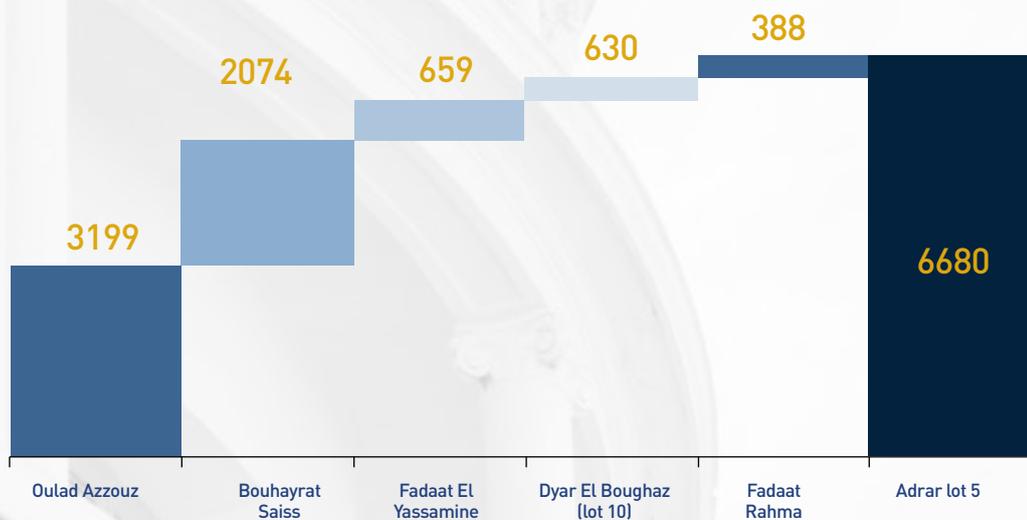
3812 units were housing starts during the year 2014 :

- Fadaat Al Mohit : 1 035 units
- Dyar Al Ghofrane : 818 units
- Manazil Mediouna : 523 units
- Bouhairat Saiss : 720 units
- Bassatine Targa : 716 units

In parallel, production continued on other projects under construction. At the end of 2014, the cumulative number of units produced amounted to c.29 000 units including 6680 units constructed during 2014.

Production investment has evolved from 7.6% in 2014, from 1.18 bn to 1.27 bn MAD.

### Units constructed during 2014 by project

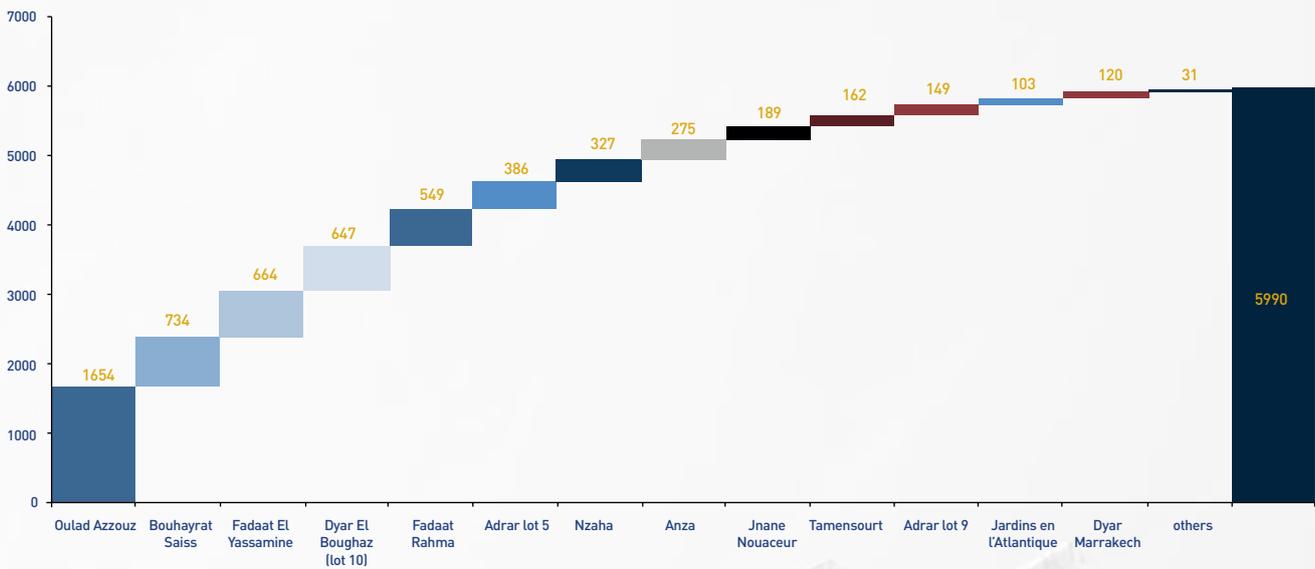


**Focus on Deliveries**

In 2014, Residences Dar Saada delivered 5990 units realizing a turnover of 1,813 m MAD.

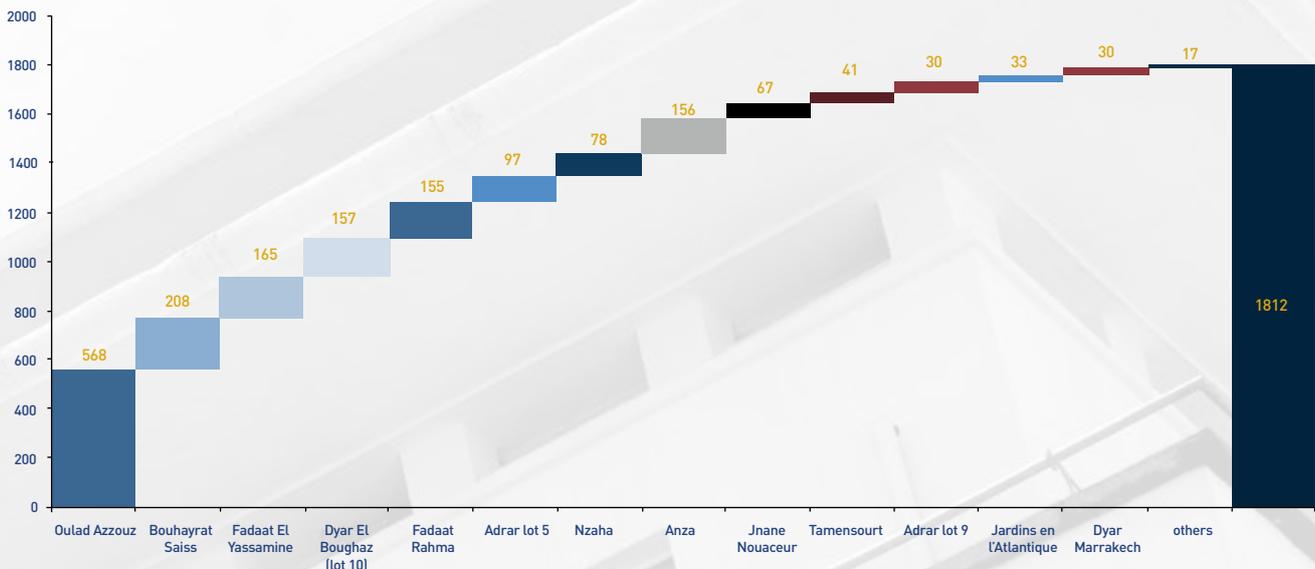
The main projects delivered are: Fadaat Al Mouhit (Casablanca), Bouhayrat Saiss (Fes), Fadaat Al Yasamine (Casablanca), Dyar Al Boughaz (Tanger). Projects Fadaat Al Mohit and Fadaat Al Yassamine have arrived at the delivery stage in 2014.

**Units delivered by project in 2014**



Units delivery increased by 60% from 3,732 in 2013 to 5,990 in 2014. In value, sales increased by 63%, from 1,112 m MAD in 2013 to 1,813 m MAD in 2014.

**2014 project deliveries in m MAD**



Rabat-Casablanca axis represents half of the units delivered. North region (Tangier, Fez) and south region (Marrakech and Agadir) respectively contribute to a quarter of the units delivered.

### Revenues and units delivered by region

Region	Revenues in mMAD	Units	% of total units delivered
Centre-North	406	1484	25%
Rabat- Casablanca axis	1044	3056	51%
South	354	1450	24%
others	8		
<b>Total</b>	<b>1812</b>	<b>5990</b>	<b>100%</b>

Social housing is the major product type delivered by Residences Dar Saada in 2014 with 73% of delivered units. Plots follow with 15% of the units delivered.

### Revenues and units delivered by product type

Product type	Revenues in mMAD	Units	% of total delivered units
FVIT	44	312	5%
Social housing	1072	4350	73%
Plots	418	876	15%
Middle Standing	106	258	4%
Shops and other	172	194	3%
<b>Total</b>	<b>1812</b>	<b>5990</b>	<b>100%</b>

### Year deliveries and cumulative units delivered end 2014 by project

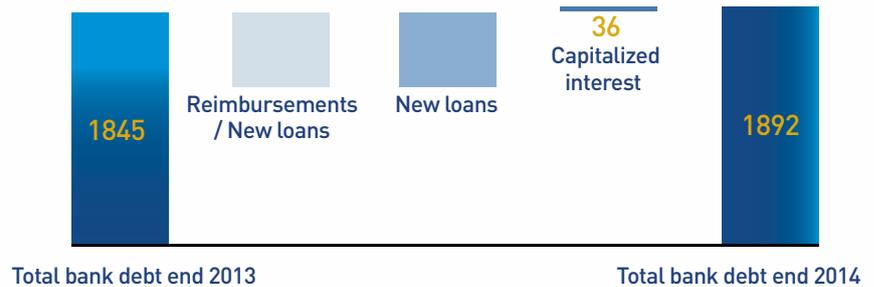
Project	Area	Deliveries in 2014	Total deliveries as of 2014	To be delivered as of 2014
<b>Constructed projects</b>	<b>96,4</b>	<b>19 161</b>	<b>16 062</b>	<b>3 072</b>
<b>Casablanca</b>	<b>29,9</b>	<b>5 572</b>	<b>5 011</b>	<b>551</b>
Mediouna (lotissement)	11	394	393	1
Jnane Nouaceur	18,9	3265	3143	113
Fadaat Rahma	13,9	1913	1475	437
<b>Marrakech</b>	<b>45,1</b>	<b>8 363</b>	<b>8 043</b>	<b>312</b>
Saada I	23,5	3647	3632	11
Saada II	2,6	794	787	5
Tamensourt (Saada III)	17,9	3269	3020	248
Dyar Marrakech	1,1	653	604	48
<b>Agadir</b>	<b>14,6</b>	<b>3339</b>	<b>2258</b>	<b>1072</b>
Adrar Ilôt 5	2,1	403	386	15
Adar Ilôt 8	1,1	724	714	8
Adar Ilôt 9	2,7	513	247	265
Adrar Anza	1	400	275	125
Nzaha	7,7	1299	636	659
<b>Tangier</b>	<b>8,9</b>	<b>1887</b>	<b>750</b>	<b>1137</b>
Jardins de l'Atlantique (Ilôt 19)	5,1	1063	103	960
Dyar El Boughaz (Ilôt 20)	3,8	824	647	177
<b>Projects under construction</b>	<b>385,8</b>	<b>29 636</b>	<b>3 747</b>	<b>25 778</b>
<b>Casablanca</b>	<b>185,1</b>	<b>14 728</b>	<b>2318</b>	<b>12338</b>
Oulad Azzouz	68,3	7923	1654	6231
Fadaat Elyassamine	3,7	799	664	133
Jnane El Menzeh	56,5	958	0	950
Manazil Mediouna	5,4	1230	0	1228
Dyar Al Ghofrane	37,3	3818	0	3796
<b>Fès</b>	<b>124,3</b>	<b>7412</b>	<b>1322</b>	<b>6073</b>
Bouhayrat Saiss	124,3	7412	1322	6073
Marrakech	33,5	2199	107	2085
Targa Garden	21	313	107	203
Targa Resort	12,5	1886	0	1882
<b>Skhirat</b>	<b>10</b>	<b>2232</b>	<b>0</b>	<b>2222</b>
Jawharat Skhirat	10	2232	0	2222
<b>Tangier</b>	<b>3,9</b>	<b>1349</b>	<b>0</b>	<b>1346</b>
Dyar El Boughaz (Ilôt 14)	3,9	1349	0	1346
<b>Oujda</b>	<b>26,9</b>	<b>1716</b>	<b>0</b>	<b>1714</b>
Oujda	26,9	1716	0	1714
<b>Projects under development</b>	<b>230,7</b>	<b>19 784</b>	<b>0</b>	<b>21 259</b>
<b>Casablanca</b>	<b>201,7</b>	<b>14 882</b>	<b>0</b>	<b>16 361</b>
Panorama	28	3344	0	3372
Sania	21,6	2251	0	2245
Arraha	16,3	2402	0	2393
Laassilate	115,6	5830	0	5830
Tamaris	21	1055	0	2521
<b>Agadir</b>	<b>2,5</b>	<b>307</b>	<b>0</b>	<b>306</b>
Adrar Ilôt 8 extension	2,5	307	0	306
<b>Marrakech</b>	<b>15,9</b>	<b>2205</b>	<b>0</b>	<b>2202</b>
Azzouzia	15,9	2205	0	2202
<b>Martil</b>	<b>10,6</b>	<b>2 390</b>	<b>0</b>	<b>2 390</b>
Martil	10,6	2390	0	2390
<b>Total</b>	<b>712,9</b>	<b>68 581</b>	<b>19 809</b>	<b>50 109</b>

## Focus on financing

Year 2014 was marked by the IPO of Residences Dar Saada. Indeed, the company raised 1.13 bn dirhams in December 2014, through a 20% capital increase.

Furthermore, and in preparation for the IPO transaction, a capital increase was performed, November 7, 2014 for 466 million dirhams, by issuing 4,659,351 new shares through incorporation of part of the share premium. This was followed by reduction of the nominal share value from 100 dirhams to 50 dirhams.

Regarding the long-term financing, bank loans remained stable at c. 1.8 bn MAD between 2013 and 2014, as shown in the following graph :



Regarding commercial paper debt, the company raised a cumulative 695 million DH in 2014 at competitive rates. Outstanding commercial paper debt at year-end stood at 202 mMAD.

## 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 2014



## SUBSIDIARIES AND AFFILIATES

### Equity investments made during the year

In 2014, Residences Dar Saada has completed the acquisition of 4 new subsidiaries, the details are as follows :

- Badalona Immo SARL: carries a plot of 10 hectares in Martil. The participation rate in the subsidiary is 100%.
- Residences Dar Saada IV SARL: carries a plot of 16 ha in Nouaceur (Casablanca). The capital increase was realized by offsetting receivables 910 000 DH under the regulated agreement binding the two companies. Residence Dar Saada stake in the subsidiary reaches 91%.
- Saada Gabon: this subsidiary aims to realize a real estate project in Gabon. Dar Saada stake in the subsidiary reaches 100%.
- Saada Cote d'Ivoire: this subsidiary aims to realize a real estate project Ivory Coast. Saada stake in the subsidiary reaches 100%.

### Activity of subsidiaries during the year

The scope of consolidation of Residences Dar Saada group includes seven subsidiaries at end 2014 :

Scope of consolidation Company	Participation in the capital		Consolidation method	
	dec-14	dec-13	dec-14	dec-13
Résidences Dar Saâda V SARL	99%	99%	Full consolidation	Full consolidation
Sakane Colodor SARL	99%	99%	Full consolidation	Full consolidation
Excellence Immo IV SARL	99%	99%	Full consolidation	Full consolidation
Badalona Immo SARL	100%	0%	Full consolidation	-
Résidences Dar Saâda IV SARL	91%	0%	Full consolidation	-
Saada Gabon	100%	0%	Full consolidation	-
Saada Côte d'Ivoire	100%	0%	Full consolidation	-

The activity of Dar Saada Residences subsidiaries is summarized as follows :

- Launch of the commercialization of projects carried by Badalona Immo and Excellence Immo IV and Sakan Colodor.
- Launch of the construction of the project carried Excellence Immo IV with a production reaching 73 mMAD in 2014.
- Subsidiaries RDS IV, RDS V, Sakan Colodor and Badalona holds land in their assets. The projects are still under development.
- The sub-Saharan subsidiaries Saada Gabon and Saada Cote d'Ivoire do not hold land end of 2014. Studies are underway for the acquisition of land in these two countries.

## FINANCIAL REVIEW AND RESULTS IN 2014

This section presents summarized social and consolidated financial statements for the year ended 31 December 2014. 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	31/12/2014	31/12/2013
<b>Operating revenue</b>	<b>1 452,6</b>	<b>1 514,6</b>
Sales of goods and services produced	1 813,3	1 115,8
Other operating revenues	(360,7)	398,9
<b>Operating expenses</b>	<b>963,7</b>	<b>1 143,9</b>
Material and supply purchases used	721,4	932,5
Salaries and fringe benefits	65,3	46,8
Other operating expenses	110,7	104,3
Taxes	47,3	51,0
Operating provisions	18,9	9,3
<b>Operating Income</b>	<b>489,0</b>	<b>370,8</b>
Financial revenue	170,9	154,3
Financial expenses	185,0	157,4
<b>Financial income</b>	<b>(14,2)</b>	<b>(3,1)</b>
<b>Current income</b>	<b>474,8</b>	<b>367,7</b>
Non-current revenue	14,2	9,5
Non-current expenses	10,0	11,9
<b>Non-current income</b>	<b>4,2</b>	<b>(2,4)</b>
<b>Income taxes</b>	<b>59,6</b>	<b>49,7</b>
<b>Net income</b>	<b>419,4</b>	<b>315,7</b>

#### - Turnover :

In 2014, Residences Dar Saada turnover reached 1,813 mMAD Vs 1,116 mMAD in 2013 showing an increase of 62% in one year. In volume, the turnover corresponds to the delivery of 5990 units in 2014 against 3,732 in 2013.

#### - Net profit

The net result showed an excellent performance with an increase of 33%, from 316 mMAD in 2013 to 419 mMAD in 2014. Net margin was 23% in 2014 against 28% in 2013, explained by product mix.

## Balance sheet analysis

Assets	31/12/2014	31/12/2013
<b>Fixed assets</b>	<b>326,1</b>	<b>198,6</b>
Differed capital expenses	45,4	14,7
Intangible assets	6,4	6,1
Property, plant and equipment	19,4	16,8
Financial assets	254,9	161,0
<b>Current assets</b>	<b>6 527,1</b>	<b>6 127,9</b>
Inventories	4 825,1	4 868,0
Land bank	692,3	967,2
Work in progress	3 104,7	2 654,2
Finished goods	1 028,0	1 246,6
Suppliers - Receivables, advances	35,7	69,1
Trade receivables and related accounts	531,3	174,7
Personnel	0,0	0,0
State	595,1	516,2
Other receivables	533,0	492,6
Accruals - assets	7,0	7,3
<b>Cash - Assets</b>	<b>1 111,8</b>	<b>278,4</b>
Securities and investments	759,6	-
Cheques and cash equivalents	199,3	153,7
Banks	152,9	124,7
Cash, advances and documentary credit	0,1	0,1
<b>Total</b>	<b>7 965,0</b>	<b>6 604,9</b>
<b>LIABILITIES</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
<b>EQUITY</b>	<b>3 540,2</b>	<b>2 069,5</b>
Share	1 310,4	582,4
Issuance, merger, contribution premiums	1 139,4	740,5
Legal reserve	42,1	26,4
Other reserves	404,6	-
Retained earnings	224,2	404,6
Net income for the year	419,4	315,7
<b>FINANCING DEBTS</b>	<b>2 642,1</b>	<b>2 595,8</b>
Bonds	750,0	750,0
Other financing debts	1 892,1	1 845,8
<b>CURRENT LIABILITIES</b>	<b>1 563,4</b>	<b>1 922,1</b>
Trade payables and related accounts	577,0	626,3
Client - advances and deposits	787,4	1 132,9
Employees liabilities	3,8	4,7
Social liabilities	4,0	3,0
State	140,6	116,4
Partners' accounts	12,8	7,5
Other accounts payable	0,7	0,6
Accruals - liabilities	37,0	30,4
Other provisions for risks and expenses	0,4	0,3
Cash - Liabilities	218,9	17,5
<b>Total</b>	<b>7 965,0</b>	<b>6 604,9</b>

### - Fixed assets

Fixed assets has increased by 127.4 mMAD due primarily to :

- The positive variation of 93.9 mMAD registred in financial assets, mainly due to :
  - The acquisition of shares in Badalona for 91.3mMAD;
  - Capital increases on Excellence immo and RDS IV subsidiaries respectively of 1 mMAD& 0.9mMAD;
  - Capital constitution of subsidiaries in Africa (Gabon & Ivory Coast To 0.2 mMAD each.
- The positive variation of 30.6 mMAD of assest explained by the combined effects below:
  - Capitalization of IPO expenses for 37.9 mMAD
  - Capitalization organizational expenses for the period to 2.9 mMAD
  - Depreciation for the period 10.2 mMAD (mMAD with 7.5 on IPO costs)

### - Current assets

Current assets have increased by 399 mMAD mainly due to the combined effects below :

- Stocks : changes in stocks are presented below :

In kMAD	31/12/2013	+	-	31/12/2014
Land Bank	967 152	242 815	517 667	692 300
Work in progress	2 654 224	1 618 729	1 168 218	3 104 735
Finished products stock	1 246 580	1 168 218	1 386 778	1 028 020
<b>Total</b>	<b>4 867 956</b>	<b>3 029 762</b>	<b>3 072 663</b>	<b>4 825 055</b>

- client receivables amounted to 523.9 mMAD at the end of 2014 due to the revenue increase of 62%. Receivables delays is monitored to the level of 3.5 months of sales.

### - Stockholders equity

Shareholders' equity totaled 3,540 mMAD end of 2014 Vs 2,069 mMAD end of 2013, or an increase of 1 470 mMAD. This increase is mainly due to the capital increase following the IPO in December 2014 for an amount of 1,126 mMAD and net profit of 419.4 mMAD.

### - Long-term Debt

The long-term debt remained stable at 2.6 bn MAD. Gearing ratio decreased from 53% in 2013 to 33% in 2014.

### - Payables

Payables totaled 577 mMAD in 2014 against 626 mMAD in 2013. Payables delay (excluding holdbacks and excluding provisions) is about 4 months of operating purchases as of 31 December 2014.

## Consolidated P&L

P&L statement	31/12/2014	31/12/2013
<b>Operating revenue</b>	<b>1 534,1</b>	<b>1 527,9</b>
Sales of goods and services produced	1 812,3	1 115,8
Other operating revenues	(278,2)	412,2
<b>Operating expenses</b>	<b>1 044,0</b>	<b>1 156,9</b>
Material and supply purchases used	788,7	941,9
Salaries and fringe benefits	65,3	46,8
Other operating expenses	123,8	110,2
Taxes	54,9	51,4
Operating provisions	11,4	6,7
<b>Operating Income</b>	<b>490,0</b>	<b>371,0</b>
Financial revenue	176,4	143,3
Financial expenses	203,2	157,6
<b>Financial income</b>	<b>(26,9)</b>	<b>(14,3)</b>
<b>Current income</b>	<b>463,1</b>	<b>356,6</b>
Non-current revenue	14,3	9,6
Non-current expenses	10,7	11,9
<b>Non-current income</b>	<b>3,6</b>	<b>(2,4)</b>
<b>Income taxes</b>	<b>60,4</b>	<b>48,7</b>
<b>Net income</b>	<b>406,4</b>	<b>305,6</b>

## Consolidated balance sheet

Assets	31/12/2014	31/12/2013
<b>Fixed assets</b>	<b>180,4</b>	<b>92,5</b>
Goodwill	141,1	55,6
Intangible assets	6,4	6,1
Property, plant and equipment	31,9	30,1
Financial assets	1,0	0,7
Deferred tax assets		
<b>Current assets</b>	<b>6 666,2</b>	<b>6 239,1</b>
Inventories	5 273,9	5 100,8
Trade receivables and related accounts	530,9	174,7
Other receivables and current assets	861,4	963,6
<b>Cash - Assets</b>	<b>1 124,6</b>	<b>281,7</b>
Securities and investments	759,6	
Cash and cash equivalents	365,0	281,7
<b>Total</b>	<b>7 971,1</b>	<b>6 613,2</b>

LIABILITIES	31/12/2014	31/12/2013
<b>Equity</b>	<b>3 469,6</b>	<b>2 047,1</b>
Share	1 310,4	582,4
Issuance, merger, contribution premiums	1 107,2	740,5
Consolidated reserves	645,5	418,5
Net income for the year	406,5	305,6
Minorities	0,1	0,1
<b>Financing debts</b>	<b>2 650,5</b>	<b>2 605,6</b>
<b>Current liabilities</b>	<b>1 631,7</b>	<b>1 943,1</b>
Trade payables and related accounts	594,7	634,6
Other current liabilities	1 037,0	1 308,5
<b>Cash - Liabilities</b>	<b>218,9</b>	<b>17,5</b>
<b>General total</b>	<b>7 971,1</b>	<b>6 613,2</b>

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.

## 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 2014 of 3.7 mMAD related to compensation on payment deadlines. Operating expenses on project reached 1.27 bn MAD.

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

## DETAILED FINANCIALS

## 2014 AUDITED SOCIAL ACCOUNTS

## Unconsolidated Assets

ASSETS	YEAR			PRIOR YEAR
	Gross	Amortization & Provisions	Net 31/12/2014	Net 31/12/2013
<b>DEFERRED CAPITAL EXPENSES (A)</b>	75 194 959	29 797 293	45 397 665	14 744 464
Preliminary expenses	57 936 222	25 559 727	32 376 495	6 722 989
Undistributed expenses	17 258 736	4 237 566	13 021 170	8 021 475
Bond call premiums			0	
<b>INTANGIBLE ASSETS (B)</b>	8 181 384	1 798 403	6 382 980	6 097 246
Research and development			0	
Patents, brands, rights and similar assets	3 979 384	1 798 403	2 180 980	1 895 246
Goodwill	4 202 000		4 202 000	4 202 000
Other intangible assets			0	
<b>PROPERTY, PLANT AND EQUIPMENT (C)</b>	27 945 174	8 532 542	19 412 632	16 807 396
Land			0	
Buildings	16 773 742	4 139 299	12 634 443	7 480 240
Tech. installations, equipment and improvements	911 490	264 927	646 563	482 591
Transportation equipment	206 356	155 106	51 249	36 645
Furniture, office equipment and improvements	10 053 586	3 973 210	6 080 377	4 612 838
Other property, plant & equipment			0	
Property, plant & equipment in progress			0	4 195 081
<b>FINANCIAL ASSETS (D)</b>	254 893 395	0	254 893 395	160 987 313
Capital loans			0	
Other financial receivables	953 759		953 759	600 014
Equity interests	253 939 636		253 939 636	160 387 299
Other non-current investments			0	
<b>TRANSLATION DIFFERENCES - ASSETS (E)</b>	0	0	0	0
Reduction in non-current receivables			0	
Increase in financial debts			0	
<b>TOTAL I (A+B+C+D+E)</b>	366 214 911	40 128 239	326 086 672	198 636 418
<b>INVENTORIES (F)</b>	4 825 055 389	0	4 825 055 389	4 867 956 021
Merchandise			0	
Materials and supplies	692 300 440		692 300 440	967 152 181
Work in progress	3 104 735 159		3 104 735 159	2 654 223 996
Intermediate and residual			0	
Finished goods	1 028 019 791		1 028 019 791	1 246 579 844
<b>CIRCULATING ASSET RECEIVABLES (G)</b>	1 702 080 277	0	1 702 080 277	1 259 919 511
Suppliers - Receivables, advances and deposits rec.	35 667 673		35 667 673	69 059 969
Trade receivables and related accounts	531 251 727		531 251 727	174 740 110
Personnel	10 000		10 000	10 000
The state	595 096 247		595 096 247	516 159 201
Partners' accounts			0	
Other receivables	533 011 436		533 011 436	492 626 998
Accruals - assets	7 043 195		7 043 195	7 323 232
<b>SECURITIES AND INVESTMENTS (H)</b>	759 551 643		759 551 643	
<b>TRANSLATION DIFFERENCES - ASSETS (I)</b>			0	
<b>TOTAL II (F+G+H+I)</b>	7 286 687 309	0	7 286 687 309	6 127 875 532
<b>CASH - ASSETS</b>	352 245 907	0,00	352 245 907	278 415 466
* Cheques and cash equivale	199 278 381		199 278 381	153 663 199
* Banks, TG and CCP 114 014	152 916 255		152 916 255	124 652 108
* Cash, advances and docume	51 271		51 271	100 158
<b>TOTAL III</b>	352 245 907	0	352 245 907	278 415 466
<b>TOTAL GENERAL I+II+III</b>	8 005 148 127	40 128 239	7 965 019 888	6 604 927 415

## Unconsolidated Liabilities

LIABILITIES	Year 31 / 12 / 2014	Prior year 31 / 12 / 2013
<b>EQUITY</b>		
Share and personal capital (1)	1 310 442 500	582 418 900
Less: shareholders, unissued capital, issued capital		
Less: called capital		
Less: paid-in capital		
Issuance, merger, contribution premiums	1 139 413 865	740 456 915
Valuation adjustments		
Legal reserve	42 138 122	26 355 581
Other reserves	404 614 776	
Retained earnings (2)	224 153 815	404 614 776
Net income for the year (2)	419 415 941	315 650 812
<b>Total equity (A)</b>	<b>3 540 179 019</b>	<b>2 069 496 985</b>
<b>CAPITAL AND SIMILAR EQUITY (B)</b>		
Investment grant	0	0
Statutory provisions		
<b>CAPITAL AND SIMILAR EQUITY (adding) -</b>		
<b>FINANCING DEBTS (C)</b>		
Bonds	2 642 112 326	2 595 828 737
Other financing debts	749 995 875	749 995 875
	1 892 116 451	1 845 832 862
<b>FINANCING DEBTS (adding) -</b>		
<b>OTHER-THAN-TEMPORARY CONTINGENT LIABILITIES (D)</b>		
Provisions for expenses	0	0
Provisions for risks		
<b>TRANSLATION DIFFERENCES - LIABILITIES (E)</b>		
Increase in non-current receivables	0	0
Decrease in financing debts		
<b>TOTAL I (A+B+C+D+E)</b>	<b>6 182 291 346</b>	<b>4 665 325 722</b>
<b>CIRCULATING LIABILITY DEBTS (F)</b>		
Trade payables and related accounts	1 563 422 039	1 921 856 793
Client - advances and deposits	577 014 703	626 279 726
Personnel	787 386 763	1 132 931 182
Social organizations	3 839 637	4 740 281
The state	4 001 836	3 028 087
Partners' accounts	140 644 877	116 369 884
Other accounts payable	12 762 644	7 460 970
Accruals - liabilities	746 700	632 480
	37 024 880	30 414 183
<b>OTHER CONTINGENT LIABILITIES (G)</b>	<b>377 840</b>	<b>287 340</b>
<b>TRANSLATION DIFFERENCES - LIABILITIES (Circulating items) (H)</b>		
	1 196	
<b>Total II (F+G+H)</b>	<b>1 563 801 075</b>	<b>1 922 144 133</b>
<b>CASH - LIABILITIES</b>		
Discount credits and cash		
Cash credit	202 000 000	
Banks (credit balances)	16 927 467	17 457 560
<b>TOTAL III</b>	<b>218 927 467</b>	<b>17 457 560</b>
<b>GENERAL TOTAL I+II+III</b>	<b>7 965 019 888</b>	<b>6 604 927 415</b>

(1) If personal capital receivable (-)  
 (2) surplus (+); deficiency (-)

## Unconsolidated P&amp;L Statement

P&L Statement	OPERATIONS		Total Current Year 31/12/2014 3 = 1 + 2	Total Prior Year 31/12/2013
	Current Year 1	Prior Years 2		
<b>I OPERATING REVENUE</b>				
Merchandise sales (from inventory)			0	
Sales of goods and services produced	1 813 309 332		1 813 309 332	1 115 759 330
Changes in product inventories	-406 505 670		-406 505 670	393 617 194
Capital assets produced by the company for itself			0	
Operating grants			0	
Other operating revenue			0	
Operating adjustments: transfers of expenses	45 842 693		45 842 693	5 261 494
<b>TOTAL I</b>	<b>1 452 646 356</b>	<b>0</b>	<b>1 452 646 356</b>	<b>1 514 638 018</b>
<b>II OPERATING EXPENSES</b>				
Merchandise purchased and resold			0	
Material and supply purchases used	721 399 934	3 664	721 403 598	932 546 937
Other operating expenses	109 366 032	1 366 406	110 732 437	104 328 101
Income taxes and other	47 315 016	2 358	47 317 374	50 958 049
Salaries and fringe benefits	65 231 944	69 787	65 301 731	46 765 446
Other operating expenses			0	
Operating provisions	18 918 641		18 918 641	9 272 554
<b>TOTAL II</b>	<b>962 231 567</b>	<b>1 442 215</b>	<b>963 673 781</b>	<b>1 143 871 087</b>
<b>III OPERATING INCOME ( I - II )</b>			<b>488 972 575</b>	<b>370 766 931</b>
<b>IV FINANCIAL REVENUE</b>				
Revenue from equity interests and other non-current investments			0	
Foreign exchange gain	3 387		3 387	12 627
Interest and other financial revenue	20 783 802		20 783 802	28 181 846
Financial adjustments: transfers of expenses	150 066 421		150 066 421	126 115 552
<b>TOTAL IV</b>	<b>170 853 609</b>	<b>0</b>	<b>170 853 609</b>	<b>154 310 025</b>
<b>V FINANCIAL EXPENSES</b>				
Interest expense	184 998 496		184 998 496	157 315 181
Foreign exchange losses	6 424		6 424	3 307
Other financial expenses			0	45 829
Financial provisions			0	
<b>TOTAL V</b>	<b>185 004 920</b>	<b>0</b>	<b>185 004 920</b>	<b>157 364 317</b>
<b>VI FINANCIAL INCOME ( IV - V )</b>			<b>-14 151 311</b>	<b>-3 054 291</b>
<b>VII CURRENT INCOME ( III + VI )</b>			<b>474 821 263</b>	<b>367 712 640</b>
<b>VIII NON CURRENT REVENUE</b>				
Revenue from disposals of capital assets	110 000		110 000	
Balancing subsidy			0	0
Adjustments to investment grants			0	
Other non-current revenue	14 070 464		14 070 464	9 536 177
Non-current adjustments: transfers of expenses			0	0
<b>TOTAL VIII</b>	<b>14 180 464</b>	<b>0</b>	<b>14 180 464</b>	<b>9 536 177</b>
<b>IX NON-CURRENT EXPENSES</b>				
Net amortization of capital asset disposals	111 985		111 985	14 613
Grants made			0	0
Other non-current expenses	9 295 974	594 557	9 890 531	11 904 151
Non-current provisions for amortization and other			0	
<b>TOTAL IX</b>	<b>9 407 959</b>	<b>594 557</b>	<b>10 002 516</b>	<b>11 918 764</b>
<b>X NON-CURRENT INCOME ( VIII - IX )</b>			<b>4 177 948</b>	<b>-2 382 587</b>
<b>XI INCOME BEFORE INCOME TAXES ( VII+ or - X )</b>			<b>478 999 211</b>	<b>365 330 052</b>
<b>XII INCOME TAXES</b>	<b>59 583 270</b>		<b>59 583 270</b>	<b>49 679 240</b>
<b>XIII NET INCOME ( XI - XII )</b>			<b>419 415 941</b>	<b>315 650 812</b>
<b>XIV TOTAL REVENUE ( I + IV + VIII )</b>			<b>1 637 680 429</b>	<b>1 678 484 221</b>
<b>XV TOTAL EXPENSES ( II + V + IX + XII )</b>			<b>1 218 264 488</b>	<b>1 362 833 408</b>
<b>XVI NET INCOME ( XI - XII )</b>			<b>419 415 941</b>	<b>315 650 812</b>

Change in inventory: final inventories - initial inventories. Increase (+); decrease (-)

Income Statement Balances		Current Year	Prior Year
	1	Merchandise sales (from inventory)	
	2	- Merchandise purchases	
I	=	<b>GROSS MARGIN ON SALES FROM INVENTORY</b>	<b>0 0</b>
II	+	<b>PRODUCTION FOR THE YEAR: (3 + 4 + 5)</b>	<b>1 406 803 662 1 509 376 524</b>
	3	Sales of goods and services produced	1 813 309 332 1 115 759 330
	4	Change in product inventories	-406 505 670 393 617 194
	5	Capital assets produced by the company for itself	
III	-	<b>USED DURING THE YEAR: (6 + 7)</b>	<b>832 136 035 1 036 875 038</b>
	6	* Material and supply purchases used	721 403 598 932 546 937
	7	* Other external expenses	110 732 437 104 328 101
IV	=	<b>VALUE ADDED: (I + II + III)</b>	<b>574 667 627 472 501 486</b>
	8	+ * Operating grants	
V	9	- * Income taxes and other	47 317 374 50 958 049
	10	- * Salaries and fringe benefits	65 301 731 46 765 446
	=	<b>GROSS OPERATING SURPLUS OR GROSS OPERATING DEFICIT</b>	<b>462 048 522 374 777 991</b>
	11	Other operating revenue	
	12	+ Other operating expenses	
	13	- Operating adjustments: transfers of expenses	45 842 693 5 261 494
	14	+ Operating provisions	18 918 641 9 272 554
	-	OPERATING INCOME ( + or - )	488 972 575 370 766 931
VI	=	FINANCIAL RESULTS	-14 151 311 -3 054 291
VII		CURRENT INCOME ( + or - )	474 821 263 367 712 640
VIII	=	<b>NON-CURRENT INCOME</b>	<b>4 177 948 -2 382 587</b>
IX	15	<b>Income taxes</b>	<b>59 583 270 49 679 240</b>
	-	(=) NET INCOME FOR THE YEAR ( + or - )	419 415 941 315 650 812
	1	<b>* Income for the year</b>	
		* Income +	419 415 941 315 650 812
		* Loss -	
	2	+ *Operating allocations	18 677 641 9 111 154
	3	+ Financial allocations	
	4	+ Non-current allocations	
	5	- Operating adjustments	
	6	- Financing adjustments	
	7	- Non-current adjustments	
	8	- Proceeds on disposals of capital assets 5 525 000,00 244 1	110 000
	9	+ Net amortization values of assets transferred 5 853 027,00	111 985 14 613
I		<b>SELF-FINANCING CAPACITY</b>	<b>438 095 568 324 776 580</b>
	10	- Distributions of earnings	75 714 457 75 323 479
II		<b>SELF-FINANCING</b>	<b>362 381 111 249 453 101</b>

## CONSOLIDATED BALANCE SHEET

	in kMAD	
assets	31/12/14	31/12/13
<b>Fixed assets</b>	<b>180 368</b>	<b>92 454</b>
Goodwill	141 068	55 625
Intangible assets	6 398	6 104
Property, plant and equipment	31 893	30 075
Financial assets	1 009	650
<b>Current assets</b>	<b>6 666 153</b>	<b>6 239 109</b>
Inventories	5 273 855	5 100 775
Trade receivables and related accounts	530 868	174 740
Other receivables and current assets	861 430	963 594
<b>Cash - Assets</b>	<b>1 124 597</b>	<b>281 675</b>
<b>Total</b>	<b>7 971 118</b>	<b>6 613 238</b>

	in kMAD	
LIABILITIES	31/12/14	31/12/13
<b>Equity</b>	<b>3 469 584</b>	<b>2 046 992</b>
Share	1 310 443	582 419
Issuance, merger, contribution premiums	1 107 212	740 457
Consolidated reserves	645 473	418 504
Net income for the year	406 456	305 612
<b>Minorities</b>	<b>94</b>	<b>101</b>
<b>Consolidated equity</b>	<b>3 469 678</b>	<b>2 047 093</b>
<b>Other-than-temporary contingent liabilities</b>	<b>378</b>	<b>-</b>
<b>Financing debts</b>	<b>2 650 470</b>	<b>2 605 584</b>
<b>Current liabilities</b>	<b>1 631 665</b>	<b>1 943 103</b>
Trade payables and related accounts	594 704	634 639
Client - advances and deposits	833 148	1 139 375
Other current liabilities	203 813	169 088
<b>Cash - Liabilities</b>	<b>218 927</b>	<b>17 458</b>
<b>General total</b>	<b>7 971 118</b>	<b>6 613 238</b>

## Consolidated P&L Statement

in kMAD

	31/12/14	31/12/13
<b>OPERATING REVENUE</b>	<b>1 534 074</b>	<b>1 527 925</b>
Sales of goods and services produced	1 812 302	1 115 759
Other operating revenues	-278 228	412 166
<b>Operating expenses</b>	<b>1 044 048</b>	<b>1 156 948</b>
Material and supply purchases used	788 709	941 940
Salaries and fringe benefits	54 889	51 407
Other operating expenses	65 302	46 765
Taxes	123 770	110 185
Operating provisions	11 378	6 651
<b>Operating Income</b>	<b>490 026</b>	<b>370 977</b>
Financial revenue	176 350	143 293
Financial expenses	203 234	157 635
<b>Financial income</b>	<b>-26 884</b>	<b>-14 342</b>
<b>Current income</b>	<b>463 143</b>	<b>356 635</b>
Non-current revenue	14 287	9 550
Non-current expenses	10 699	11 919
<b>Non-current income</b>	<b>3 588</b>	<b>-2 369</b>
<b>Income taxes</b>	<b>60 361</b>	<b>48 654</b>
<b>Net income</b>	<b>406 370</b>	<b>305 612</b>

### Consolidated statement of cash flows

	in kMAD		
	31/12/14	31/12/13	Variation
<b>Net income</b>	406 370	305 612	100 758
Elimination of expenses and income not affecting cash or not related to the activity			
* Provision for amortization and other, net of adjustments	11 137	6 490	4 647
* Change in deferred taxes	0	0	0
* Income on disposal of assets	66	15	51
Consolidated self-financing capacity	417 573	312 115	105 458
dividends received	0	0	0
change in operating working capital	(734 893)	(740 180)	5 287
<b>Net cash flows from operating activities</b>	<b>(317 320)</b>	<b>(428 065)</b>	<b>110 745</b>
Acquisition of property and equipment	49 000	(11 783)	60 783
Disposals of capital assets	110	0	110
Impact of change in scope of consolidation	0	532	-532
Net cash flows from investing activities	(93 557)	(80 387)	(13 170)
<b>Debt repayment</b>	<b>(44 448)</b>	<b>(91 639)</b>	<b>47 191</b>
Distribution paid to Shareholders	-2 949	0	-2 949
Increase in capital	-75 714	-75 323	-391
Net debt issues	1 035 600	0	1 035 600
Net cash flows from financing activities	46 284	665 307	-619 024
<b>Change in net cash and cash equivalents</b>	<b>1 003 220</b>	<b>589 984</b>	<b>413 237</b>
Cash and cash equivalents, beginning of year	641 453	70 280	571 173
Cash and cash equivalents, end of year	264 217	193 937	70 280
<b>consolidated changes in equity</b>	<b>905 670</b>	<b>264 217</b>	<b>641 453</b>

### Statement of changes in equity

	in kMAD				
	Capital	Consolidated surplus	Consolidated Reserves	Consolidated Income	TOTAL
<b>Non consolidated accounts 31/12/2012</b>	<b>582 419</b>	<b>740 457</b>	<b>342 837</b>	<b>149 821</b>	<b>1 815 533</b>
Net income allocation			149 821	-149 821	
Distribution paid to Shareholders			-75 323		-75 323
2013 consolidated net income				305 612	305 612
Increase in capital					
other allocations			1 170		1 170
<b>Non consolidated accounts 31/12/2013</b>	<b>582 419</b>	<b>740 457</b>	<b>418 505</b>	<b>305 612</b>	<b>2 046 992</b>
Net income allocation			305 612	-305 612	
Distribution paid to Shareholders			-75 714		-75 714
2014 consolidated net income				406 370	406 370
Increase in capital	728 024	398 957			1 126 981
Costs related to capital increase		-32 202			-32 202
Other operations			-2 843		-2 843
<b>Consolidated accounts 31/12/2014</b>	<b>1 310 443</b>	<b>1 107 212</b>	<b>645 560</b>	<b>406 370</b>	<b>3 469 584</b>

### Scope of consolidation

Subsidiary	Participation in the capital		Consolidation method	
	2014	2013	2014	2013
Résidences Dar Saâda V SARL	99%	99%	Full consolidation	Full consolidation
Sakane Colodor SARL	99%	99%	Full consolidation	Full consolidation
Excellence Immo IV SARL	99%	99%	Full consolidation	Full consolidation
Badalona Immo SARL	100%	0%	Full consolidation	-
Résidences Dar Saâda IV SARL	91%	0%	Full consolidation	-
Saada Gabon SA	100%	0%	Full consolidation	-
Saada Côte d'Ivoire SA	100%	0%	Full consolidation	-



