



Cosumar

PROSPECTUS SUMMARY

CAPITAL INCREASE OF COSUMAR S.A. THROUGH THE MERGER- ABSORPTION OF SUCRAFOR S.A.

**Proposed to the Cosumar and Sucrafor Extraordinary General Meetings to
be held on 30 December 2016**

Number of shares to be issued	83 716 new Cosumar shares
Par value	10 MAD
Price per Cosumar share	246 MAD
Exchange parity	1.40 Cosumar share for 1 Sucrafor share (i.e. 7 Cosumar shares for 5 Sucrafor shares)
Par value of the capital increase	837 160 MAD
Transaction amount including merger premium	133 221 667,5 MAD
Date of share exchange transaction	4 January 2017

Transaction reserved to Sucrafor S.A. shareholders

Advisory body	Centralizing Body	Body in charge of registration
 Attijariwafa bank <small>CORPORATE FINANCE</small>	 التجاري وفا بنك Attijariwafa bank	ATTIJARI <i>Intermédiation</i>

VISA OF AMMC

In accordance with the provisions of the circular note published by the AMMC, by way of application of article 14 providing law n° 1-93-212 of 21 September 1993 as amended and completed, the original version of this prospectus has been approved by AMMC on December 16th 2016 under reference VI/EM/038/2016.

WARNING

The AMMC on December 16th 2016 approved a prospectus regarding the capital increase of Cosumar S.A. in conjunction through the merger by absorption of Sucrafor S.A.

The prospectus approved by the AMMC is permanently available at the Cosumar and Sucrafor headquarters and at Attijari Finances Corp. financial consultant.

The prospectus is consultable by the public on the websites of AMMC (www.ammc.ma) and Casablanca Stock Exchange (www.casablanca-bourse.com).

PART 1: TRANSACTION OVERVIEW

I. TRANSACTION FRAMEWORK

I.1 CONTEXT AND LEGAL FRAMEWORK

The Board of Directors of Cosumar SA (Absorbing Company) and Sucrafor SA (Absorbed Company), met on October 14th 2016 and approved the terms of the merger by means of the absorption of Sucrafor SA by Cosumar SA (« Merger »). They also approved the terms of the reports they will present at their respective extraordinary general meetings (EGM) as well as the texts of the draft resolutions to be submitted to vote by the EGM. The said merger project was entered into between the Absorbing Company and the absorbed Company on October 14th 2016 (Merger Agreement).

The Boards of Directors also decided to convene the Extraordinary General Meetings for shareholders on December 30th 2016 at the respective headquarters of both companies, to approve the said Merger.

The Auditors submitted their report on the Merger Agreement by way of application of the provisions of article 233 of law 17-95 pursuant to business corporations as amended and completed. The statutory Auditors of Cosumar SA and Sucrafor SA in the reports dated November 30th 2016 attest that they have no observations to issue on the pertinence of the relative value ascribed to the shares of Cosumar SA and Sucrafor SA, or on the equitable nature of the exchange ratio and that they have checked that the amount of the net assets contributed by the Absorbed Company is at least equal to the capital increase of the Absorbing Company.

Cosumar SA and Sucrafor SA have made available to their respective shareholders at both their headquarters at least thirty days prior to the holding of their Extraordinary General Meetings convened to issue their opinion on the Merger, all the documents regarding the Merger, as well as those required by article 234 of law 17-95 as amended and completed.

- Merger Agreement;
- The report of Board of Directors of each company on the merger transaction;
- The reports of Statutory Auditors as specified in article 233 of law 17-95 on business corporations as amended and completed.
- Financial statements approved, as well as management reports on the three most recent fiscal years of both companies.

All shareholders upon simple request and cost free can receive a partial or complete copy of the aforementioned documents of each of the two companies.

I.2 TRANSACTION OBJECTIVES

In the framework of an internal restructuring of the Cosumar Group activities it was deemed necessary to simplify the organization chart of this company given the:

- links in capital between Sucrafor and Cosumar: the corporate capital of Sucrafor being held at nearly ninety-one percent (91%) by Cosumar.
- management links in capital: Mr. Mohammed FIKRAT, CEO of both Cosumar and Sucrafor.
- and the complimentary nature between the activities of both companies.

The purpose of the merger transaction is to reduce the fixed operating costs and optimize the use of human, financial and technical resources.

I.3 DESCRIPTION OF MERGER AGREEMENT

The main stipulations of the Merger Agreement are the following:

- The Merger shall occur under the terms and conditions as stipulated in articles 222 and following law 17-95 on business corporations as modified and completed. Sucrafor SA shall contribute to Cosumar SA, provided adherence to the precedent conditions described hereafter, the universality of its assets with legal effect at the date of completion of the Merger.
- The terms and conditions of the Merger Agreement have been established on the basis of the accounts of Cosumar SA and Sucrafor SA on December 31st 2015 which is the date of closure of their respective fiscal years, decided (i) by the respective Boards of Directors, (ii) certified by the respective statutory auditors and (iii) approved by the general meeting.
- In accordance with the provisions of article 225 of law 17-95 on business corporations as amended and completed, the Merger shall come into effect from an accounting and fiscal standpoint, retroactively on January 1st 2016 and from a legal standpoint as of completion of the suspensive conditions as mentioned hereafter.
- The Merger shall occur on the basis of the true value of the assets and liabilities of Sucrafor SA contributed in the framework of the Merger:
 - ✓ The following assets: intangible fixed assets, land, structures as well as technical facilities, equipment and tooling have been reevaluated upon expert opinion and with respect to the net book value in the balance sheet of Sucrafor on December 31st 2015, to determine their true value.
 - ✓ For the other items of assets and liabilities, the true value is deemed to be equal to their net book value in the balance sheet of Sucrafor SA on December 31st 2015.
- The Merger is subject to the suspensive conditions, i.e. (i) approval of the Merger by the Casablanca Stock Exchange, (ii) approval by the AMMC on the prospective Merger, (iii) and approval of the Merger by the Extraordinary General Meetings of Cosumar SA and Sucrafor SA, respectively.
- From a fiscal standpoint the Merger will be subject to the transitional system as stipulated by article 247-XV of the General Tax Code and will therefore benefit from the measures granted by the said article.

I.4 DETERMINATION OF THE CONTRIBUTION VALUE, THE VALUATION OF BOTH COMPANIES AND THE EXCHANGE RATIO

The exchange ratio will be set at 1.40 of one Cosumar share for one Sucrafor share.

As a counterpart to the contribution-merger Cosumar shall proceed to an increase in corporate capital to the benefit of Sucrafor shareholders for an amount of 20 594 136 MAD, via the creation of 83 716 new shares of the same par value as the existing shares (i.e. 10 MAD) (the « **New Shares** »), increasing the total number of shares making up the corporate capital of Cosumar SA will be from 41 910 570 to 41 994 286 shares.

The New Shares will be completely paid up and assigned to the Sucrafor shareholders at 1.40 Cosumar SA share for 1 Sucrafor SA share.

On condition of the aforementioned suspensive conditions Sucrafor SA will transfer to Cosumar SA at the date of entering into the Merger the universality of its assets in the condition they are in at the said

date. The assets transmitted with respect to the Merger will include all the assets, property, rights and securities of Sucrafor SA as they exist at the date of transfer without exception or reservation, as well as all the obligations of Sucrafor at the same date.

The assets and liabilities making up the contributions of Sucrafor SA and listed hereunder will be those entered onto the balance sheet of Sucrafor SA on December 31th 2015, it being pointed out that the enumeration hereafter is by way of indication only and non limitative, the Merger constituting a universal transmission of the assets and liabilities making up the assets of Sucrafor in the conditions as they existed at the date of the transaction:

Assets contributed (in MAD)	Net book value on 31/12/2015	Value
Nil value fixed assets	129 498.0	129 498.0
Intangible fixed assets	97 520.4	11 480 420.2
Tangible fixed assets	174 913 568.9	238 665 012.7
<i>Land</i>	52 622 380.2	83 252 900.0
<i>Structures</i>	14 346 552.2	24 087 000.0
<i>Technical facilities, equipment and tooling</i>	45 683 571.6	70 039 000.0
<i>Transport equipment</i>	14 115 063.0	13 403 000.0
<i>Furniture, office equipment and miscellaneous materials</i>	706 889.3	444 000.0
<i>Other tangible fixed assets</i>	-	-
<i>Tangible fixed assets in process</i>	47 439 112.7	47 439 112.7
Financial fixed assets	1 195 118.7	1 195 118.7
Fixed loans	102 899.9	102 899.9
Other financial debts	792 218.8	792 218.8
Stock securities	300 000.0	300 000.0
Other fixed securities	-	-
Exchange differentials	-	-
Total fixed assets	176 335 706.0	251 470 049.5
Stocks	102 886 093.3	102 886 093.3
Current assets debts	115 980 359.6	115 980 359.6
<i>Debtor suppliers and installments</i>	13 480 840.6	13 480 840.6
<i>Customers and related accounts</i>	5 932 796.8	5 932 796.8
<i>Staff</i>	289 301.1	289 301.1
<i>State</i>	50 343 815.3	50 343 815.3
<i>Associate accounts</i>	-	-
<i>Other debtors</i>	44 721 434.0	44 721 434.0
<i>Asset adjustment accounts</i>	1 212 171.7	1 212 171.7
Investment securities	-	-
Exchange differential	-	-
Total current assets	218 866 452.8	218 866 452.8
Asset cash position	1 742 970.1	1 742 970.1
Total Assets	396 945 128.8	472 079 472.4

Liabilities transmitted (in MAD)	Net book value on 31/12/2015	Value
Regulated provisions and for risks and expenses	5 970 019.5	5 970 019.5
Subsidies for investment	5 158 333.3	5 158 333.3
Provisions for risk	811 686.1	811 686.1
Provisions for expenses	-	-
Current liability debts	132 624 605.1	142 554 650.1
Suppliers and related accounts	46 566 115.7	46 566 115.7
Creditor customers. advances and installments (consignments. packaging)	444 872.6	444 872.6
Staff	503 481.0	503 481.0
Social bodies	1 283 746.3	1 283 746.3
State	6 855 802.2	6 855 802.2
Associate accounts	69 867 734.3	69 867 734.3
Other debtors	6 350 697.5	6 350 697.5
Liabilities regularization accounts	752 155.6	752 155.6
Dividends to be distributed*		9 930 045
Other provisions for risks and expenses	500 000.0	500 000.0
Exchange differential – Liabilities	68 616.8	68 616.8
Cash position liabilities	97 905 166.0	97 905 166.0
Total Liabilities	237 068 407.4	246 998 452.4

Source: Merger agreement

(*) Dividends under payment in June 2016 for fiscal 2015

Based on the aforesaid items and assessments the following is concluded:

- The assets provided by Sucrafor SA are assessed at 472 079 472.4 MAD. and
- The liabilities transferred to Cosumar SA are assessed at 246 998 452.4 MAD.

The net assets contributed by Sucrafor SA in the framework of the Merger is assessed at 225 081 020.0 MAD.

Where applicable, Cosumar SA will benefit from the commitments received by Sucrafor SA, and will replace Sucrafor SA, being alone responsible for further commitments entered into thereby.

I.5 DETERMINATION OF THE MERGER PREMIUM

The net amount of the merger premium, i.e. 132 384 507.5 MAD, consists of the difference between:

- The net value of the assets contributed by Sucrafor SA, i.e. 225 081 020 MAD, on one hand, and;
- The amount corresponding (i) to the nominal amount of the capital increase of Cosumar SA, i.e. 837 160,0 MAD, and (ii) the amount of the net book value of Sucrafor SA shares held by Cosumar SA, i.e. an amount of 91 859 352,5 MAD on the other hand.

The merger premium consists of:

- A “pure” premium of 19 756 976,0 MAD corresponding to the difference between the share issue price in the framework of the merger (246.0 MAD) and the nominal value (10 MAD) multiplied by number of shares issued in conjunction with the merger (83 716).
- A merger bonus of 112 627 531.5 MAD corresponding to the difference between (i) the quota of Cosumar SA in the value of Sucrafor SA held in the framework of the transaction for an amount of 204 486 884.0 MAD and (ii) the net book value in the Sucrafor SA shares held by Cosumar SA (cancelled in the framework of the merger) for an amount of 91 859 352.5 MAD.

I.6 MODALITIES FOR THE TREATMENT OF FRACTIONAL SHARES

The Sucrafor shareholders holding an insufficient number of shares to obtain a full number of Cosumar shares, shall personally see to the purchase or sale of the necessary number of Sucrafor within a timeframe of 20 days as of the date of January 4th 2017.

Beyond this timeframe of 20 business days, and to preserve the interests of Sucrafor shareholders, the Sucrafor beneficiaries who have not procured the full number of Cosumar shares will be grouped together by the Cosumar centralizing body and converted into new shares. The said new shares will be conceded to the Stock Exchange by the said centralizing body under market conditions within 5 business days and the proceeds of this sell in due proportion net of any charges, will be split between accounts of account holders during the day of February 17th 2017. The account holders must then credit their customers for an amount owed thereto during the day of February 20th 2017.

I.7 RESOLUTIONS PROPOSED TO COSUMAR EXTRATORDINARY GENERAL MEETING

The text of the draft resolutions pursuant to the merger that will be submitted to the Cosumar Extraordinary General Meeting convened for December 30th 2016 is as follows:

First resolution: Approval of merger and contribution of the absorbed company – correlative capital increase in absorbing company.

After familiarization with the Board of Directors report, the statutory auditors' report, as well as draft merger agreement, the General Meeting decides to approve the merger agreement in all of its clauses.

In accordance with the Agreement and given the criteria for assessment retained and the distribution of dividends on the outcome of FY 2015 the exchange ratio is assessed to be of five (5) SUCRAFOR shares vs. seven (7) COSUMAR shares.

Given the merger via absorption of COSUMAR, SUCRAFOR shall contribute to the latter the entire amount of its assets as of December 31st 2015, assessed at four hundred seventy two million seventy-nine thousand four hundred and seventy-two MAD and thirty-seven cents (472 079 472,37) against take over by COSUMAR of the corporate liabilities of SUCRAFOR on December 31st 2015, assessed at two hundred forty-six million nine hundred ninety-eight thousand four hundred and fifty-two MAD and thirty-seven cents (246 998 452,37) taking into account the decision to distribute dividends on April 28th 2016, i.e. net assets of two hundred twenty-five million eighty one thousand and twenty (225 081 020,00) MAD.

The contribution by SUCRAFOR in principle should be remunerated by the assignment to shareholders of nine hundred twenty-six thousand eight hundred four shares (926 804) (in round figures) at a nominal value of ten (10) MAD each to be created by COSUMAR which in principle should increase the corporate capital by the amount of nine million two hundred sixty-eight thousand and forty MAD (9 268 040).

However, COSUMAR holds six hundred and two thousand two hundred and six (602 206) SUCRAFOR shares giving it rights (in round figures) to eight hundred forty-three thousand eighty-eight (843 088) of its own shares. COSUMAR not being able to hold its own shares expressly refrains from this award.

Therefore, COSUMAR will increase its capital only by a sum of eight hundred thirty-seven thousand one hundred and sixty (837 160) MAD via the creation (in round figures) of eighty-three thousand seven hundred sixteen (83 716) shares (« New Shares » at a nominal value of ten (10) dirhams each entirely paid up, to be created by the absorbing company which will be assigned to SUCRAFOR shareholders other than COSUMAR according to the aforementioned exchange ratio.

The shareholders of the Absorbed Company holding an insufficient number of SUCRAFOR shares in order to obtain a full number of COSUMAR shares must personally see to the sale and purchase of the

SUCRAFOR shares required for this purpose within a timeframe of twenty (20) days as of the date of completion of this Merger.

Upon completion of the timeframe of twenty (20) business days, and in order to protect the interests of the Sucrafor shareholders, the Sucrafor fractional shares which did not lead to a whole number of Cosumar shares will be grouped with the centralizing body and converted into new shares. The said new shares will then be conceded to the Stock Exchange by the said centralizing body under market conditions within five (5) business days and the proceeds of this transfer will, in due proportion and net of any expenses, be split up among the fractional account holders. The account holders must also credit their customers with the amount owed thereto.

Admission of the New Share to Casablanca Stock Exchange listings will be consecutive to the final completion of the Merger. The admittance of New Shares to Casablanca Stock Exchange listings will be performed in compliance with the applicable regulatory timeframes.

The merger premium is estimated at an amount of one hundred thirty-two million three hundred eighty-four thousand five hundred and seven MAD and fifty-two cents (132 384 507.52).

Second resolution: final completion of merger

The General Meeting, given procurement of the approval by the AMMC and approval decision by the Casablanca Stock Exchange and subsequent to familiarization with the approval, starting this day, by the Extraordinary General Meeting of SUCRAFOR, the merger by absorption by COSUMAR, testifies to the fact that the merger by absorption of SUCRAFOR by COSUMAR is consequently final.

The Merger will be completed with retroactive effect on January 1st 2016.

Given the above, SUCRAFOR is dissolved by operation of law by the fact that the merger has been definitively completed, it being understood that the dissolution of SUCRAFOR will not be followed by any liquidation transaction in accordance with the provisions of article 224 of law n° 17-95 pursuant to business corporations as amended and completed.

Third resolution: Correlative modification of bye-laws

COSUMAR, after final completion of the merger by absorption of SUCRAFOR by COSUMAR and the capital increase resulting there from, decided to correlatively modify article 6 of the bye-laws as follows:

Article 6 of the bye-laws will be replaced by the following provisions:

« Article 6: Corporate capital

The corporate capital is set at the amount of four hundred nineteen million nine hundred and forty-two thousand and eight hundred and sixty (419 942 860) Moroccan Dirhams.

It is divided into forty-one million nine hundred and ninety-four thousand two hundred and eighty-six shares for a nominal value of ten (10) dirhams each one fully paid up and numbered from 1 to 41 994 286. »

Fourth resolution: Powers in view of formalities

The General Meeting delegated its powers to the bearer of a copy of an extract of this contact in view of performing all the necessary legal formalities.

I.8 RESOLUTION PROPOSED WITH REGARD TO SUCRAFOR

The text of the resolutions relative to the merger will be submitted to the Sucrafor Extraordinary General Meeting convened to be held on December 30th 2016 shall be as follows:

First resolution: Merger approval

The General Meeting, after familiarization with the Board of Directors' report, the statutory auditors' report, as well as the draft merger agreement decided to approve the merger agreement in all its clauses.

In accordance with the terms of the Agreement and given the assessment criteria retained and the distribution of dividends on the outcomes for FY 2015 the exchange ratio is estimated to five (5) SUCRAFOR shares against seven (7) COSUMAR shares.

In view of the merger by absorption of COSUMAR, SUCRAFOR shall contribute to the latter the full amount of its assets as of December 31st 2015 estimated at four hundred and seventy-two million seventy-nine thousand four hundred and seventy-two MAD and thirty-seven cents (472 079 472,37) against take over by COSUMAR of the corporate liabilities of SUCRAFOR on December 31st 2015 estimated at two hundred forty-six million nine hundred ninety-eight thousand four hundred and fifty-two MAD and thirty-seven cents (246 998 452.37), i.e. net assets of two hundred twenty-five million eighty-one thousand and twenty (225 081 020,00) MAD.

The contribution by SUCRAFOR in principle should be remunerated by assignment to its shareholders of nine hundred twenty-six thousand eight hundred and four (926 804) shares (in round figures) with a nominal value of ten (10) dirhams each to be created by COSUMAR which in principle should increase its corporate capital by an amount of nine million two hundred and sixty-eight thousand and forty (9 268 040) dirhams.

However, COSUMAR holds six hundred and two thousand two hundred and six (602 206) SUCRAFOR shares giving it rights (in round figures) to eight hundred forty-three thousand and eighty-eight (843 088) of its own shares. COSUMAR, being unable to hold its own shares it expressly rejects award.

Therefore, COSUMAR will increase its capital only by the amount of eight hundred thirty-seven thousand and one hundred and sixty (837 160) MAD by the creation (in round figures) of eighty-three thousand seven hundred and sixteen (83 716) shares (« New Shares ») with nominal value of ten (10) dirhams each entirely paid up, to be created by the Absorbing Company and which will be ascribed to the shareholders of SUCRAFOR other than COSUMAR according to the aforementioned exchange ratio.

The shareholders of the Absorbed Company holding an insufficient number of SUCRAFOR shares in order to procure a full number of COSUMAR shares must personally see to the sale or purchase of the number of SUCRAFOR shares required for this purpose within a timeframe of twenty (20) days as of the date of completion of the Merger.

Upon completion of the timeframe of twenty (20) business days and in order to protect the interests of the Sucrafor shareholders, the Sucrafor fractional shares which did not lead to a whole number of Cosumar shares will be grouped with the centralizing body of COSUMAR and converted into new shares. The said new shares will then be concede to the Stock Exchange by the said centralizing body under market conditions within the five (5) business days and the proceeds from the sell shall in due proportion net of any a expense, be split up among the relevant account holders. The accounts holders must then credit their customers with the amount duly owed.

The admittance of New Shares to the Casablanca Stock Exchange listing will be requested consecutive to the final completion of the Merger. Admittance of the New Shares to the Casablanca Stock Exchange listings shall be accomplished in accordance with the applicable regulatory timeframes.

The merger premium is estimated to be at an amount of one hundred thirty-two million three hundred eighty-four thousand five hundred and seven MAD and fifty-two cents (132 384 507.52).

Second resolution: Final completion of the merger

On condition of approval by the COSUMAR Extraordinary General Meeting the General Meeting approved the merger transaction.

Resultantly, and upon obtaining of approval by AMMC and approval notification by the Casablanca Stock Exchange, the General Meeting notes that the final completion of the merger will be effective as from the approval of the merger by Cosumar Extraordinary General Meeting .

Third resolution: Early wind up of absorbed company

The General Meeting finds that, subject to the definitive completion of the merger, SUCRAFOR will be dissolved as of right, without this dissolution being followed by any liquidation transaction, in accordance with the provisions of article 224 of law n°17-95 pursuant to business corporations, as amended and completed.

Fourth resolution: Powers for the performance of formalities

The General Meeting delegates all powers to the bearer of a copy or an extract of this document in order to carry out the requisite legal formalities.

II. IMPACT OF THE TRANSACTION ON THE SHAREHOLDER STRUCTURE

In counterpart to the contribution merger Cosumar shall proceed to a capital increase via the creation of 83716 new shares which will be assigned to former Sucrafor shareholders according to the exchange ratio retained of 1.40 Cosumar share for 1 Sucrafor share. Further to the Merger distribution of the Cosumar capital should be as follows:

Shareholders	Before transaction		After transaction	
	Nr of shares	% of capital	Nr of shares	% of capital
WILMAR	13 201 832	31.50%	13 201 832	31.44%
CIMR	5 386 070	12.85%	5 386 070	12.83%
WAFAM Assurances	3 075 490	7.30%	3 075 490	7.32%
RCAR	2 929 550	7.00%	2 929 550	6.98%
CMR	1 854 400	4.40%	1 854 400	4.42%
MCMA	1 744 980	4.20%	1 744 980	4.16%
MAMDA	1 460 080	3.50%	1 460 080	3.48%
SAHAM Assurances	539 270	1.30%	539 270	1.28%
AXA Assurance	407 760	1.00%	407 760	0.97%
RMA CAP Dynamique	645 930	1.50%	645 930	1.54%
CELACO	73 870	0.20%	80 484	0.19%
Miscellaneous	10 591 338	25.27%	10 591 338	25.22%
Tereos	0	0.00%	38 350	0.09%
Raffinerie Tirlmentoise	0	0.00%	15 513	0.04%
BNDE	0	0.00%	14 354	0.03%
Raffinerie des sucres de Saint Louis	0	0.00%	623	0.00%
Other shareholders	0	0.00%	8 262	0.02%
Total	41 910 570	100.00%	41 994 286	100.00%

III. CORPORATE GOVERNANCE AFTER CAPITAL INCREASE

There are no plans to change the composition of Cosumar's governing bodies in connection with the completion of the Merger. Further the Cosumar statutory auditors will continue their current mandate after completion of the Merger.

IV. MODIFICATIONS IN THE BYE-LAWS AFTER THE TRANSACTION

Further to the merger by absorption transactions the Cosumar bye-laws shall be as follows:

« Article 6: Corporate Capital

The corporate capital is set at the amount of four hundred nineteen million nine hundred and forty-two thousand eight hundred and sixty (419 942 860) MAD.

It is divided into forty-one million nine hundred ninety-four and two hundred and eighty-six (41 994 286) shares with a nominal value of ten (10) dirhams each fully paid up and numbered from 1 to 41 994 286. »

V. AMOUNT OF TRANSACTION

The global amount of the Transaction is of 133 221 667.5 MAD corresponding to (i) the capital increase by a par value amount of 837 160 MAD by issuing 83 716 new shares with a par value of 10 MAD (ii) the merger premium of 132 384 507.5 MAD.

This merger premium corresponds to the difference between the total amount of the net assets contributed by Sucrafor, ie MAD 225,081,020.0, on the one hand, and the amount corresponding to (i)

the par value of the capital increase (837,160 MAD), and (ii) the amount corresponding to the book value of the shares of Sucrafor held by Cosumar (MAD 91,859,352.5).

VI. INFORMATION CONCERNING THE SECURITIES TO BE ISSUED

Type of shares	The Cosumar shares are all of the same category
Legal form of shares	The new Cosumar shares are entirely de-materialized and registered in accounts at Maroclear
Number of shares to issue	83 716 shares
Price of issue	246 MAD per share
Nominal value	10 MAD per share
Merger premium	236 MAD per share
Date of enjoyment	1 st January 2016
Share negotiability	The share issued will be freely negotiable on the Casablanca Stock Exchange
New share quotations	The shares issued in the context of this capital increase will be quoted in 1 st line
Pay up of shares	The shares issued will be entirely paid up and relieved of any commitment
Related rights	All the new shares to be created by >Cosumar give rights to profits and are completely assimilated with regard to the rights and obligations of former shares

VII. ITEMS OF VALUATION OF THE TERMS OF OFFER

VII.1 METHODS OF EVALUATION OF COMPANIES

In the framework of evaluation of Cosumar and Sucrafor and determination of the parity in the induced merger, all the usually evaluation methods have been considered, in particular:

- Stock exchange prices.
- Discounted Cash-Flows or DCF.
- Stocks exchange multiples of comparable companies.
- Transactional multiples of comparable companies.
- Discounted dividends methodology.
- Revaluated net assets (ANR).

VII.2 DISCARDED VALUATION METHODS

VII.2.1 Patrimonial approach (Revaluated net assets)

The Revalued Net Asset method consists in separately valuating the different assets and liabilities of companies, without taking their future prospects into account. This method is generally applicable (i) in a context of liquidation of assets, in order to provide a more efficient allocation of resources, or (ii) for the valuation of finance or holding companies.. Since Cosumar and Sucrafor do not meet the conditions for this valuation method, the latter was discarded.

VII.2.2 Updating of future dividends

This method consists of updating the future dividends the Cosumar would have paid to value the shareholders' equity. But the dividend distribution policy is contingent on several parameters (level of profitability, rate of distribution, leveraging) and it appears to be very difficult to predict in the long term the needs of a valuation process. Therefore, this method has not been retained.

VII.3 ASSESSMENT METHODS RETAINED

VII.3.1 Stock Market price approach

This method consists of judging the worth of Cosumar by referring to its stock market price over various periods.

VII.3.2 Discounted Cash Flow method

The DCF method is generally recognized as being the fundamental method for assessing companies.

The DCF method provides a dynamic vision of the corporate worth as it is based on projection per flow and takes into account the main factors having an effect on the activity such as the situation in terms of profitability, the business cycles, the financial structure and intrinsic risk.

According to this method the assessment follows the steps mentioned hereafter:

- Model-building of future cash flow (based on the business plan).
- Estimate of normative cash flows entering into the calculation of the final value
- Determination of the weighted average capital cost (WACC).
- Determination of the worth of the company equal to the total amount of future cash flows after tax and the final value, updated by WACC.
- Determination of the value of shareholders' equity by deducing the corporate value, net indebtedness, minority interest and more generally all the debt liabilities.

VII.3.3 Stock market multiples method

The stock market multiples method consists of valuating the company via reference of the multiples of a sampling of listed enterprises operating in the sugar sector (sugar beet and sugar cane) and having financial and operational characteristics comparable to Cosumar and environment akin to that of Morocco.

VII.3.4 Comparable transaction method

This method is based on the valuation of a company via reference to the multiples of a sampling of transactions occurring in the sugar sector where the enterprises investigated have financial and operational characteristics comparable to those of Cosumar.

VII.4 VALUATION SUMMARY

The valuation summary of Cosumar and Sucrafor is as follows:

Value par share in MAD (coupon detached)	Cosumar	Sucrafor	Merger parity induced
Stock market price approach	189	NA	NA
Updating of future cash flows	271	410	1,51x
Stock market comparables	243	261	1,08x
Comparable transaction	283	348	1,23x
Average	246	340	1,38x

Source: Capital IQ, Casablanca Stock Exchange, Cosumar

The arithmetic mean of the four valuation methods on an updated basis shows a share price of of 246 MAD for Cosumar and 340 MAD for Sucrafor.

Therefore, the exchange parity turns out to be at a level of 1.40x (round figure).

VIII. FINANCIAL INTERMEDIARIES

Type of financial intermediary	Name	Address
Global Counselor and coordinator of the transaction	Attijari Finances Corp.	163, Avenue Hassan II, Casablanca
Centralizing body of the transaction	Attijariwafa Bank	2, Boulevard Malay Yourself Casablanca
Bodies in charge of registration of the transaction at the Casablanca Stock Exchange	Attijari Intermédiation	163, Avenue Hassan II, Casablanca

IX. TRANSACTION SCHEDULE

Orders	Steps	Ultimate timeframes
1	Receipt by Casablanca Stock Exchange of full transaction project	16/12/2016
2	Issuance by Casablanca Stock Exchange of notification of approval of transaction	16/12/2016
3	Receipt by Casablanca Stock Exchange of Prospectus approved by AMMC	16/12/2016
4	Publication of notification of transaction in quotation announcement	19/12/2016
5	Meeting between bodies certifying the transaction & capital increase	30/12/2016
6	Receipt of reports from relevant bodies citing the capital increase transaction	02/01/2017
7	- Calculation by the account-keeping institutions of the positions of holders of Sucrafor shares - Sending of the positions of holders of Sucrafor shares that must be converted by the account-keeping institutions to the centralizing body for the Transaction	03/01/2017
8	- Automatic conversion of Sucrafor shares (not impacted by the fractional shares) into Cosumar shares - Opening of the period for negotiating and converting fractional shares	04/01/2017
9	Admission of new shares Registration of transaction at the Casablanca Stock Issuance of transaction outcome in quotation bulletin	05/01/2017
10	Closing of the period for negotiating Sucrafor fractional shares	02/02/2017
11	- Sending by the account-keeping institutions to the centralizing body for the Transaction of the positions of holders of residual fractional shares of Sucrafor which must be converted - Automatic conversion of Sucrafor shares (affected by the fractional shares) into Cosumar shares	07/02/2017
12	Transfer of Cosumar shares resulting from the automatic conversion of Sucrafor shares affected by the fractional shares	From 08/02/2017 to 14/02/2017
13	Allocation by the centralizing body for the Transaction of the proceeds from the sale between the account-keeping institutions that own fractional shares	17/02/2017
14	Allocation of the proceeds from the sale by the account-keeping institutions that own fractional shares to their clients	20/02/2017

X. SHARE EXCHANGE

The share's exchange is scheduled during the day of 04/01/2017 for the Sucrafor share not concerned by the fractional shares. The conversion of the Sucrafor shares concerned by the fractional shares into Cosumar shares will occur during the day of 07/02/2017.

XI. TRANSACTION BENEFICIARIES

The capital increase stemming from this Merger is reserved to the shareholders of Sucrafor SA.

XII. EXCHANGE PARITY

The exchange parity is set at 1.40 Cosumar share for 1 Sucrafor share.

XIII. CHARACTERISTICS OF NEW SHARE STOCK EXCHANGE QUOTATION

The main quotation characteristics of the Cosumar share are as follows:

Sector	Agro-food / Production
Name	COSUMAR
Ticker	CSR
Value code	4100
ISIN Code	MA0000012247
Compartment	1 st Compartment
Quotation method	Continuous
New share quotation date	05/01/2017
Body in charge of registration of transaction at Casablanca Stock Exchange	Attijari Intermédiation

XIV. REGISTRATION OF TRANSACTION AT CASABLANCA STOCK EXCHANGE

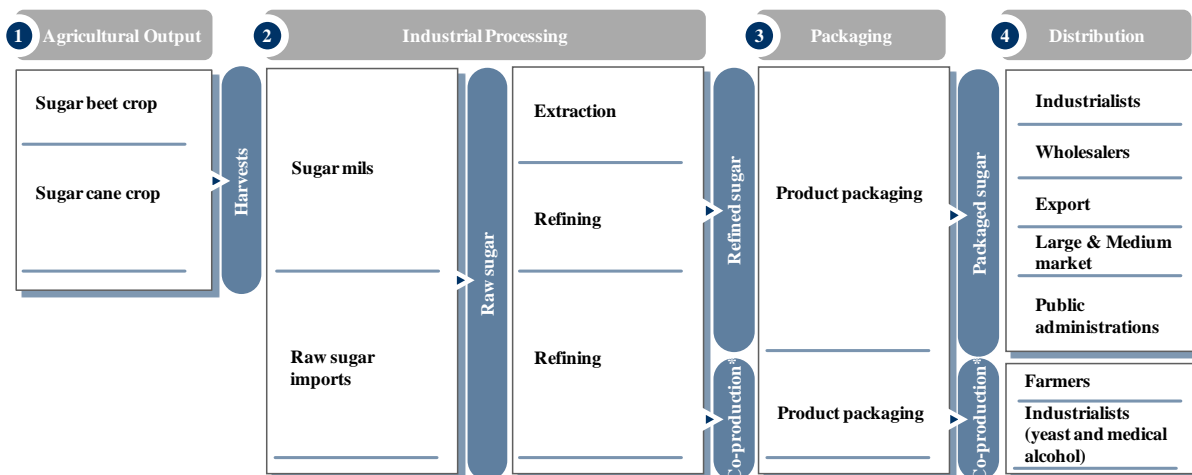
Registration of the Transaction will occur at the Casablanca Stock Exchange via Attijari Intermédiation during the day of 05/01/2017.

PART II. DESCRIPTION OF COSUMAR

I. COSUMAR ACTIVITY

The Cosumar Group is a top operator in the sugar business operating on the entire sugar chain agriculture (where it plays an aggregator role) to production and distribution as shown in the chart hereafter:

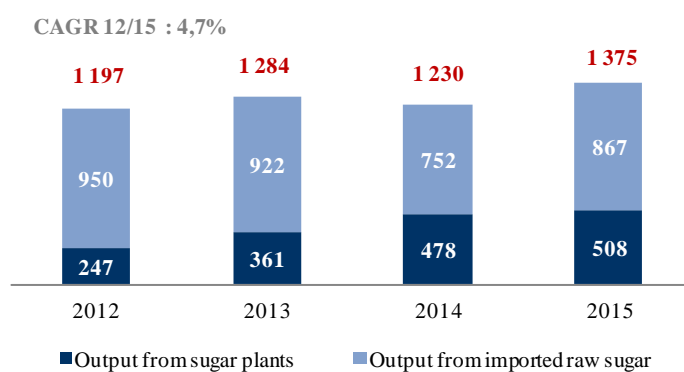
Cosumar business model



Source: Cosumar SA. - * Molasses, pellet and pulp

The situation in sugar production of the Cosumar Group is as follows for 2012-2015:

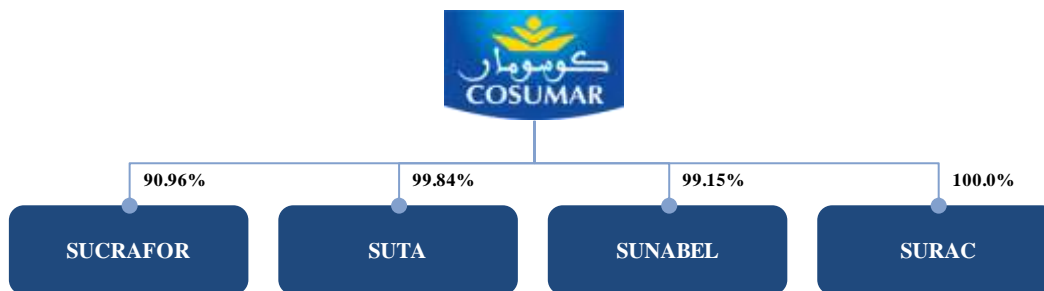
Trend in sugar output of Cosumar Group (in thousand tons)



Source: Cosumar SA

The following flowchart includes the main subsidiaries of Cosumar SA, constituting the Group consolidation perimeter:

Legal organization chart of Cosumar SA. (consolidation perimeter) as of June 30th 2016



Source: Cosumar SA.

II. INFORMATION ON COSUMAR CAPITAL

On the eve of this transaction the corporate capital of de Cosumar SA stands at 419 105 700 MAD fully paid up. It consists of 41 910 570 shares at a par value of 10 MAD each.

Over the past five years the shareholders of Cosumar SA are as follows:

Shareholders	31/12/2011		31/12/2012		31/12/2013		31/12/2014		31/12/2015		13/06/2016	
	Nr of shares	% of capital	Nr of shares	% of capital	Nr of shares	% of capital	Nr of shares	% of capital	Nr of shares	% of capital	Nr of shares	% of capital
WILMAR Sugar Holding PTE	-	-	-	-	1 152 541	27.50%	1 152 541	27.50%	11 525 410	27.50%	11 525 410	27.50%
WILMAR Sugar PTE	-	-	-	-	-	-	-	-	1 676 422	4.00%	1 676 422	4.00%
SNI	2 669 913	63.71%	2 669 913	63.71%	1 411 205	33.67%	381 719	9.11%	-	-	-	-
CIMR	538 607	12.85%	538 607	12.85%	538 607	12.85%	538 607	12.85%	5 386 070	12.85%	5 386 070	12.85%
WAFSA Assurances	-	-	-	-	228 570	5.45%	307 549	7.34%	3 075 490	7.34%	3 075 490	7.34%
RCAR	-	-	-	-	-	-	292 955	6.99%	2 929 550	6.99%	2 929 550	6.99%
CMR	-	-	-	-	-	-	185 440	4.42%	1 854 400	4.42%	1 854 400	4.42%
MCMA	31 751	0.76%	31 751	0.76%	59 243	1.41%	174 498	4.16%	1 744 980	4.16%	1 744 980	4.16%
MAMDA	59 243	1.41%	59 243	1.41%	31 751	0.76%	146 008	3.48%	1 460 080	3.48%	1 460 080	3.48%
ISLMAIC DEVELOPMENT BANK	142 859	3.41%	142 859	3.41%	142 859	3.41%	142 859	3.41%	1 428 590	3.41%	-	-
SAHAM Assurances	-	-	-	-	27 611	0.66%	53 927	1.29%	539 270	1.29%	539 270	1.29%
AXA Assurance	-	-	-	-	2 695	0.06%	40 776	0.97%	407 760	0.97%	407 760	0.97%
RMA CAP Dynamique	-	-	-	-	-	-	-	-	645 930	1.54%	645 930	1.54%
CELACO	7 387	0.18%	7 387	0.18%	7 387	0.18%	7 387	0.18%	73 870	0.18%	73 870	0.18%
Miscellaneous	741 297	17.69%	741 297	17.69%	588 588	14.04%	766 791	18.30%	9 162 748	21.86%	10 591 338	25.27%
Total	4 191 057	100.0%	4 191 057	100.0%	4 191 057	100.0%	4 191 057	100.0%	41 910 570	100.00%	41 910 570	100.00%

Source: Cosumar SA.

On 15 April 2013 SNI and Wilmar International announced the signing of a stock exchange transaction entailing the transfer by SNI of sugar operator Wilmar Sugar Holdings Pte. Ltd. of 27.5 % of the Cosumar capital upon the completion of which Wilmar International becomes the top industrial partner of the Group.

In the framework of the transfer process, on 22 January 2014 Cosumar sold shares to institutional investors consisting of AXA Assurance Maroc, CMR, SAHAM Assurance, MAMDA, RCAR, RMA Asset Management (via le RMA fund Cap Dynamique) and Wafa Assurance totaling 15.2% of the corporate capital allowing it to hold together 26.5% of the corporate capital and voting rights of Cosumar.

III. MAKE-UP OF BOARD OF DIRECTORS

The current make-up of the Cosumar SA board of directors is the following:

Board of Directors' members	Position	Date of initial nomination	Date of renewal of current tenure	Date of expiry of current tenure
M. Mohammed FIKRAT	CEO	BD held 29/10/2004	GM held 20 May 2013	Discussion on accounts FY2018
Mutuelle Agricole Marocaine d'Assurances (represented by Mr. Hicham BELMRAH)	Administrator	GM held 16/05/2014	-	Discussion on accounts FY2018
Régime Collectif d'Allocation de Retraite(represented by Mr .Hamid TAWFIKI)	Administrator	GM held 16/05/2014	-	Discussion on accounts FY2018
Wafa Assurance (represented by Mr. Ali HARRAJ)	Administrator	GM held 16/05/2014	-	Discussion on accounts FY2018
Mr. Jean-Luc Robert BOHBOT	Administrator	GM held 10/06/2013	-	Discussion on accounts FY2018
Mr. Jean-Vincent PIOT	Administrator	GM held 26/05/2015	-	Discussion on accounts FY2018
Mr. Régis Karim SALAMON	Administrator	GM held 10/06/2013	-	Discussion on accounts FY2018
Mr. Abdellaziz ABARRO	Administrator	GM held 16/05/2014	-	Discussion on accounts FY2018
Mr. Khalid CHEDDADI	Administrator	GM held 10/06/2013	-	Discussion on accounts FY2018

Source: Cosumar SA.

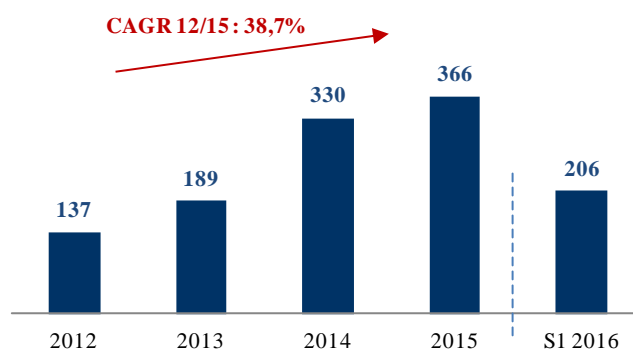
PART II. DESCRIPTION OF SUCRAFOR

I. SUCRAFOR ACTIVITY

Sucrafor is a subsidiary of Cosumar held at 90.96% operating a sugar mill in Nador province. Its business model is based on a sugar extraction activity from the sugar beet.

Sucrafor's output evolved as follows in 2012-2015 and in the first half of 2016:

Trend in tons of sugar beet (in thousands)



Source: Cosumar SA.

II. INFORMATION ON SUCRAFOR CAPITAL

On the eve of this transaction the Sucrafor corporate capital stands at 66 200 300 MAD fully paid up It consists of 662 003 shares with nominal value of 100 MAD each.

At the end of June 2016 the Sucrafor shareholder capital was as follows:¹:

Shareholders	Nr of shares	% of capital
COSUMAR	602 206	90.97%
Sté Tereos	27 393	4.14%
Raffinerie Tirlmentoise	11 081	1.67%
BNDE	10 253	1.55%
CELACO	4 724	0.71%
Raffinerie des sucres de Saint Louis	445	0.07%
Other shareholders	5 901	0.89%
Total	662 003	100.00%

Source: Cosumar SA.

The Sucrafor shareholder structure in the above table has not undergone any change over the past five years.

¹ The shareholder structure remains unchanged on the eve of this transaction.

III. MAKE-UP OF BOARD OF DIRECTORS

The current make-up of the Sucrafor SA Board of Directors is the following:

Board of Directors Members	Current position	Date of renewal of initial nomination	Date of renewal of current tenure	Date of expiry of current tenure
Mr. Mohammed FIKRAT	CEO	BD held on 15/09/2005	GM held April 2011	Discussion on Accounts or FY2016
Mr. Mohamed Jaouad KHATTABI	Administrator	GM held 07/03/2014	-	Discussion on accounts for FY2019
Wilmar Sugar Holding Pte, Ltd represented by Mr. Jean-Luc Robert Bohbot	Administrator	GM held 07/03/2014	-	Discussion on accounts for FY2019

Source: Cosumar SA.

PART III. COSUMAR CONSOLIDATED ACCOUNTS

I. CONSOLIDATED INCOME STATEMENT

In Mn MAD	2013	2014	2015	Var.14/ 13	Var.15/ 14	S1 2015	S1 2016	Var. S1 16 / S1 15
Turnover	5 975.1	6 046.0	6 969.9	1.2%	15.3%	3 317.5	3 667.3	10.5%
Other proceeds from activity	3 567.0	3 350.1	3 073.6	-6.1%	-8.3%	2 279.0	2 606.7	14.4%
Proceeds from day-to-day activities	9 542.1	9 396.2	10 043.5	-1.5%	6.9%	5 596.5	6 274.0	12.1%
Purchases	7 342.2	7 147.2	7 537.3	-2.7%	5.5%	4 258.2	4 834.3	13.5%
Other external expenses	450.4	477.9	473.9	6.1%	-0.8%	238.8	252.6	5.8%
Payroll expenses	420.9	396.9	537.9	-5.7%	35.5%	246.0	242.9	-1.3%
Taxes and duty	31.5	37.1	40.7	17.6%	9.8%	25.1	31.6	26.0%
Depreciation and operating provisions	321.3	348.6	308.2	8.5%	-11.6%	196.2	191.4	-2.4%
Other proceeds and net operating costs	-17.5	-13.3	-10.4	24.2%	22.0%	-3.0	-5.3	-75.5%
Ordinary operating expenses	8 548.8	8 394.4	8 887.7	-1.8%	5.9%	4 961.3	5 547.6	11.8%
Current operating income	993.2	1 001.8	1 155.9	0.9%	15.4%	635.2	726.4	14.4%
<i>Current operating income (REXC/TO)</i>	<i>16.6%</i>	<i>16.6%</i>	<i>16.6%</i>	<i>-0.1 pts</i>	<i>0.0 pts</i>	<i>19.1%</i>	<i>19.8%</i>	<i>0.7 pts</i>
Asset transfers	0.6			-100.0%	Ns	-0.9	0.1	>100%
Transfers of subsidiaries and stakes	-			Ns	Ns	-	-	Ns
Out come on financial instruments	-			Ns	Ns	-	-	Ns
Other proceeds and non current operating expenses	0.3	-24.7	-115.1	<-100%	<-100%	-40.7	-42.6	-4.7%
Other operating proceeds and expenses	0.8	-24.7	-115.1	<-100%	<-100%	-41.6	-42.5	-2.1%
Operational activity outcome	994.1	977.1	1 040.8	-1.7%	6.5%	593.6	683.9	15.2%
Financial outcome	-71.3	-53.5	-112.2	Ns	Ns	-8.5	87.4	>100%
Integrated enterprise pre-tax outcome	922.8	923.6	928.6	0.1%	0.5%	585.1	771.4	31.8%
<i>Pre-tax margin (PTM/TO)</i>	<i>15.4%</i>	<i>15.3%</i>	<i>13.3%</i>	<i>-0.2 pts</i>	<i>-2.0 pts</i>	<i>17.6%</i>	<i>21.0%</i>	<i>3.4 pts</i>
Taxes payable	229.7	228.4	325.8	-0.6%	42.6%	156.7	243.8	55.6%
Differed taxes	53.7	50.5	-41.8	-5.9%	<-100%	23.3	11.7	-49.8%
Net outcome	639.4	644.7	644.7	0.8%	0.0%	405.1	515.9	27.4%
<i>Net margin (NM/TO)</i>	<i>10.7%</i>	<i>10.7%</i>	<i>9.2%</i>	<i>0.0 pts</i>	<i>-1.4 pts</i>	<i>12.2%</i>	<i>14.1%</i>	<i>1.9 pts</i>
Share in the outcome of enterprises by the equity method				Ns	Ns			Ns
Net outcome of continuing activities	639.4	644.7	644.7	0.8%	0.0%	405.1	515.9	27.4%
Net outcome of abandoned activities	-10.3	-1.1		89.6%	-100.0%			Ns
Consolidated outcome	629.1	643.6	644.7	2.3%	0.2%	405.1	515.9	27.4%
Minority interests	0.4	3.7	2.8	>100%	-22.9%	1.1	0.3	-75.6%
Net outcome – Group Share	628.7	639.9	641.9	1.8%	0.3%	404.0	515.6	27.6%

Source: Cosumar S.A.

II. CONSOLIDATED BALANCE SHEET

ASSETS

In Mn MAD	2013	2014	2015	Var.14/13	Var.15/14	S1 2016	Var. S1 16 / S1 15
Assets							
Goodwill	196.1	196.1	196.1	0.0%	0.0%	196.1	0.0%
Net Intangible fixed assets	0.1	0.1	30.6	-11.0%	>100%	29.6	-3.3%
Net Tangible fixed assets	3 945.0	3 838.1	4 037.6	-2.7%	5.2%	4 087.0	1.2%
Net investment buildings	63.7	63.7	63.7	0.0%	0.0%	63.7	0.0%
Other financial assets	144.5	136.4	150.4	-5.6%	10.3%	125.0	-16.9%
- Loans and debts	97.4	89.2	103.2	-8.4%	15.7%	78.7	-23.7%
- Assets available for sale	47.1	47.1	47.1	0.0%	0.0%	46.3	-1.8%
Non current assets	4 349.5	4 234.4	4 478.4	-2.6%	5.8%	4 501.4	0.5%
Other financial assets	-	115.1	31.6	Ns	-72.5%	17.7	-44.0%
- Derivative coverage instruments		115.1	31.6	Ns	-72.5%	17.7	-44.0%
Stocks and outstandings	1 513.8	1 579.1	1 485.0	4.3%	-6.0%	2 450.1	65.0%
Customer debts	245.9	231.5	253.7	-5.9%	9.6%	573.1	>100%
Other current debtors	2 398.6	2 033.1	1 694.8	-15.2%	-16.6%	1 808.1	6.7%
Cash positions and cash position equivalent	74.5	90.4	1 044.5	21.3%	>100%	1 057.2	1.2%
Current assets	4 232.8	4 049.2	4 509.7	-4.3%	11.4%	5 906.3	31.0%
Total Assets	8 582.3	8 283.6	8 988.1	-3.5%	8.5%	10 407.7	15.8%

Source: Cosumar S.A.

LIABILITIES

in Mn MAD	2013	2014	2015	Var.14/13	Var.15/14	S1 2016	Var. S1.16 / 15
Liabilities							
Capital	419,1	419,1	419,1	0,0%	0,0%	419,1	0,0%
Issue and merger premiums	34,6	34,6	34,6	0,0%	0,0%	34,6	0,0%
Services	2 488,8	2 682,6	2 897,4	7,8%	8,0%	3 086,6	6,5%
Net outcome group share	628,7	639,9	641,9	1,8%	0,3%	515,6	-19,7%
Shareholders' capital attributable to ordinary shareholders of the parent company	3 571,2	3 776,2	3 992,9	5,7%	5,7%	4 056,0	1,6%
Minority interests	14,8	18,4	19,3	24,1%	5,1%	18,1	-6,7%
Consolidated shareholders' capital	3 586,0	3 794,6	4 012,3	5,8%	5,7%	4 074,0	1,5%
Provisions	31.3	16.9	22.8	-46.1%	35.1%	54.7	>100%
Payroll extras	175.6	133.8	244.2	-23.8%	82.5%	229.7	-5.9%
Non current financial debts	970.8	756.8	251.7	-22.0%	-66.7%	251.7	0.0%
- Debts to credit institutions	970.8	756.8	251.7	-22.0%	-66.7%	251.7	0.0%
Differed taxes liabilities	549.5	600.1	558.2	9.2%	-7.0%	569.9	2.1%
Other non current debtors	4.8	7.3	6.4	53.9%	-12.1%	6.4	0.0%
Non current liabilities	1 732.0	1 514.9	1 083.3	-12.5%	-28.5%	1 112.5	2.7%
Current financial debts	815.7	56.4	498.8	-93.1%	>100%	470.5	-5.7%
- Derivative coverage instruments	37.6	-	79.4	-100.0%	Ns	-	100.0%
- Debts to credit institutions	778.1	56.4	419.4	-92.7%	>100%	470.5	12.2%
Current supplier debts	2 134.8	2 553.6	2 894.8	19.6%	13.4%	3 826.3	32.2%
Other current debtors	313.7	364.1	498.9	16.1%	37.0%	924.4	85.3%
Current Liabilities	3 264.2	2 974.1	3 892.4	-8.9%	30.9%	5 221.2	34.1%
Total Liabilities	8 582.3	8 283.6	8 988.1	-3.5%	8.5%	10 407.7	15.8%

Source: Cosumar S.A.

III. CONSOLIDATED CASH FLOW CHART

In Mn MAD	2013	2014	2015	Var.14/13	Var.15/14	S1 2016	Var. S1.16 / 15
Net outcome of consolidated group	629.1	643.6	644.7	2.3%	0.2%	515.9	-20.0%
Adjustments for:				Ns	Ns		Ns
Elimination of depreciation and provisions	254.0	274.2	434.6	7.9%	58.5%	205.6	-52.7%
Other adjustments	-16.6	-107.6	111.6	<-100%	>100%	-78.6	<-100%
Ability to self-finance after cost of net financial debt and taxes	866.5	810.1	1 190.8	-6.5%	47.0%	642.9	-46.0%
Elimination of cost of tax	283.4	279.0	283.9	-1.6%	1.8%	255.5	-10.0%
Elimination of cost of net financial indebtedness	83.4	54.2	10.5	-34.9%	-80.7%	-10.3	<-100%
Ability to self-finance before cost of net financial debt and taxes	1 233.2	1 143.3	1 485.2	-7.3%	29.9%	888.0	-40.2%
Effect of variation in WCR	-102.4	626.0	955.0	>100%	52.6%	-478.9	<-100%
Deferred taxes	-	-	-	Ns	Ns	-	Ns
Taxes paid	-229.7	-228.4	-325.8	0.6%	-42.6%	-243.8	25.2%
Net cash flows linked to operational activities	901.1	1 540.9	2 114.5	71.0%	37.2%	165.3	-92.2%
Acquisition of tangible and intangible fixed assets	-460.9	-232.1	-583.6	49.6%	<-100%	-240.7	58.7%
Transfer of tangible and intangible fixed assets	0.7	108.9	6.3	>100%	-94.3%	0.5	-92.1%
Other flows	19.9	13.9	-8.8	-30.2%	<-100%	28.1	>100%
Net cash flow linked to investment activities	-440.3	-109.3	-586.1	75.2%	<-100%	-212.1	63.8%
Dividends paid to parent company shareholders	-419.1	-427.5	-431.7	-2.0%	-1.0%	-452.6	-4.9%
Dividends paid to minority shareholders	-1.4	-0.1	-2.0	94.0%	<-100%	-1.6	19.9%
Issue of new loans	901.5	5.0	-	-99.4%	-100.0%	-	Ns
Loan reimbursement	-67.0	-219.0	-505.2	<-100%	<-100%	-0.0	100.0%
Variation in associated current accounts	-292.4	1.7	12.2	>100%	>100%	452.3	>100%
Others flows linked to financing operations	-83.4	-54.2	-10.5	34.9%	80.7%	10.3	>100%
Net bash flows from financing activities	38.2	-694.1	-937.1	<-100%	-35.0%	8.4	>100%
Variation in cash positions and cash position equivalents	499.1	737.5	591.2	47.8%	-19.8%	-38.4	<-100%
Cash position and net cash position equivalents upon opening	-1 202.6	-703.6	33.9	41.5%	>100%	625.1	>100%
Cash position and net cash position equivalents upon closing	-703.6	33.9	625.1	>100%	>100%	586.7	-6.1%
Variation in cash positions and cash position equivalents	499.1	737.5	591.2	47.8%	-19.8%	-38.4	<-100%

Source: Cosumar S.A.

PART IV. SUCRAFOR CORPORATE ACCOUNTS

I. INCOME AND EXPENSES ACCOUNT

In Mn MAD	2013	2014	2015	Var. 14/13	Var. 15/14	S1 2015	S1 2016	Var. S1 16/S1 15
Goods sales (as is)	-	-	-	Ns	Ns	-	-	Ns
Resale of goods purchased	-	-	-	Ns	Ns	-	-	Ns
Gross margin on sales in as is condition	-	-	-	Ns	Ns	-	-	Ns
FY output	142.6	264.5	241.1	85.5%	-8.9%	128.3	165.5	29.0%
Sale of goods and services	142.1	202.7	231.0	42.6%	13.9%	89.8	93.5	4.1%
Variation in product inventories	0.5	61.8	10.1	>100%	-83.6%	38.4	72.0	87.4%
Fixed assets produced by company for itself	-	-	-	Ns	Ns	-	-	Ns
Consumption in FY	181.4	303.8	303.3	67.5%	-0.2%	154.4	177.4	14.9%
Materials and supplies consumed purchases	155.5	273.3	266.6	75.7%	-2.4%	135.2	159.4	17.8%
Other external expenses	25.9	30.5	36.7	17.9%	20.2%	19.2	18.0	-6.2%
Value added	-38.8	-39.3	-62.2	-1.2%	-58.4%	-26.2	-11.9	54.7%
Operating subsidies	75.7	102.0	118.1	34.7%	15.7%	49.8	45.9	-7.9%
Taxes and duty	2.6	3.2	3.6	24.3%	11.2%	1.1	1.5	45.0%
Payroll expenses	9.3	8.7	7.5	-6.4%	-13.9%	4.2	3.7	-11.2%
Gross operating surplus	25.0	50.8	44.8	>100%	-11.9%	18.4	28.8	56.1%
Other operating income	0.0	-	0.2	-100.0%	Ns	-	-	Ns
Other operating expenses	-	-	-	Ns	Ns	-	-	Ns
Operating resumption, expense transfer	4.3	4.5	4.4	5.4%	-3.7%	0.2	1.2	>100%
Operating allocations	20.2	20.0	18.3	-1.1%	-8.1%	8.6	7.8	-10.1%
Operating outcome	9.2	35.4	31.0	>100%	-12.6%	10.0	22.2	>100%
Financial outcome	-4.2	-6.0	-3.5	-43.2%	41.6%	-0.7	-3.1	<-100%
								Ns
Current income	5.0	29.5	27.5	>100%	-6.7%	9.3	19.1	>100%
Non current income	-3.7	12.2	-0.1	>100%	<-100%	1.7	-13.8	<-100%
Income tax	0.6	5.6	11.1	>100%	99.9%	5.2	7.9	50.1%
Net income in FY	0.8	36.1	16.3	>100%	-55.0%	5.7	-2.5	<-100%

Source: Sucrafor SA

II. BALANCE SHEET

In Mn MAD	2013	2014	2015	Var.14/13	Var.15/14	S1 2016	Var. S1 16/15
Assets							
Fixed assets w/o value	0.3	0.2	0.1	-29.3%	-41.4%	0.1	-35.2%
Intangible fixed assets	0.1	0.1	0.1	-11.3%	0.0%	0.1	0.0%
Tangible fixed assets	146.4	150.2	174.9	2.5%	16.5%	186.4	6.6%
Financial fixed assets	1.4	1.2	1.2	-10.2%	-3.9%	1.2	-1.3%
Exchange differences	-	-	-	Ns	Ns	-	Ns
Fixed assets	148.3	151.7	176.3	2.4%	16.2%	187.7	6.5%
Current assets	137.4	202.2	218.9	47.2%	8.2%	258.3	18.0%
Inventories	35.3	96.8	102.9	>100%	6.3%	177.8	72.8%
Current assets debts	102.1	105.4	116.0	3.2%	10.0%	80.5	-30.6%
Investment securities	-	-	-	Ns	Ns	-	Ns
Exchange differential	-	-	-	Ns	Ns	-	Ns
Cash position assets	22.2	0.7	1.7	-97.0%	>100%	14.1	>100%
Total Assets	307.8	354.6	396.9	15.2%	11.9%	460.2	15.9%
Liabilities							
Permanent financing	197.5	225.0	165.8	13.9%	-26.3%	153.1	-7.7%
Shareholders' equity	126.0	162.2	159.9	28.7%	-1.4%	147.4	-7.8%
Assimilated shareholders' equity	0.7	2.1	5.2	>100%	>100%	4.9	-5.8%
<i>Including investment subsidy</i>	0.7	2.1	5.2	>100%	>100%	4.9	-5.8%
<i>Including provisions for derogatory depreciation</i>	-	-	-	Ns	Ns	-	Ns
Financing debts	70.0	60.0	-	-14.3%	-100.0%	-	Ns
Sustainable provisions for risks and expenses	0.8	0.8	0.8	0.0%	0.0%	0.8	0.0%
Exchange differential		-	-	Ns	Ns	-	Ns
Current liability debts	45.4	121.7	132.6	>100%	9.0%	172.3	29.9%
Other provisions for risks and expenses	0.5	0.5	0.5	0.0%	0.0%	0.5	0.0%
Exchange differential – Liabilities	0.0	0.1	0.1	>100%	13.1%	-	-100.0%
Cash position liabilities	64.4	7.3	97.9	-88.6%	>100%	134.3	37.2%
Total Liabilities	307.8	354.6	396.9	15.2%	11.9%	460.2	15.9%

Source: Suerafor SA

III. CASH FLOW CHART

In Mn MAD	2013	2014	2015	Var.14/13	Var.15/14
Stable resources during FY					
Self-financing	3.8	52.6	14.1	>100%	-73.3%
Self-financing ability	17.7	52.6	32.6	>100%	-38.0%
Dividend distribution	13.9	-	18.5	-100.0%	Ns
Fixed asset transfers and reductions	0.1	0.2	6.0	>100%	>100%
Transfer of intangible fixed assets				Ns	Ns
Transfer of tangible fixed assets		0.1	5.9	Ns	>100%
Transfer of financial fixed asses				Ns	Ns
Recovery on fixed asset debts	0.1	0.1	0.0	50.0%	-65.7%
Increase in shareholders' equity		1.5	3.5	Ns	>100%
Capital increase (contribution)				Ns	Ns
Investment subsidy		1.5	3.5	Ns	>100%
Increase in financing debts (net of reimbursement premiums)	70.0			-100.0%	Ns
Total stable resources	73.9	54.3	23.5	-26.5%	-56.7%
Stable use during FY					
Fixed asset Acquisitions and increases	19.0	20.3	47.3	6.9%	>100%
Acquisition of intangible fixed assets				Ns	Ns
Acquisition of tangible fixed assets	19.0	20.3	47.3	6.9%	>100%
Acquisition of financial fixed assets				Ns	Ns
Increase in fixed asset debts	0.0			-100.0%	Ns
Reimbursement of assimilated shareholders' equity				Ns	Ns
Reimbursement of financing debts		10.0	60.0	Ns	>100%
Write-offs				Ns	Ns
Total stable uses	19.0	30.3	107.3	59.5%	>100%
Variation in global funding requirements	23.5	-11.5	-89.5	<-100%	<-100%
Variation in cash position	31.4	35.6	5.7	13.2%	-83.9%

Source: Sucrafor SA

PART V. RISK FACTOR

I. RISK IN CONNECTION WITH THE PREVAILING ECONOMIC SITUATION

The main activity of the Cosumar Group is the marketing of food items so the future income and corporate outcome are contingent on consumer spending and resultantly on the disposable income of the population and the liquidities on the Moroccan financial market that could affect the capacity of the Group's customers (retailers and industrialists in particular) to shore up their sugar inventories.

Therefore, an economic contraction or growth more sluggish than expected in the Moroccan economy could have an unfavorable effect on the growth in the Cosumar Group can even cause a fall in revenue and income. Nevertheless, this effect should be moderate given that sugar is a leading staple the demand for which is basically driven by demographic growth.

II. RISK IN CONNECTION WITH RAW MATERIALS

II.1 RISK IN CONNECTION WITH WORLD RAW SUGAR PRICES

The world sugar price is highly volatile. Price trend over different delivery periods on one hand is largely contingent on market fundamentals, in particular the situation of the harvest and crop years in the principal producer countries, world supply and demand, ethanol-sugar arbitration, and weather conditions, etc. On the other hand, the market can be affected by macroeconomic factors such as new or evolving new political or economic conditions, exchange rates, etc.

Volatility on the world market is generated not only by economic operators but also by investment funds (financial speculators).

The rise in raw sugar prices on international markets has a negative effect on current funding requirements and therefore on corporate financial outcomes.

In this respect, the Cosumar Group strives for the securitization of a growing share of national output in sugar beets to minimize raw sugar imports.

II.2 RISK OF AGRICULTURE UPSTREAM

The risks in connection with the agricultural upside are the following:

- Risk of deficient water resources helping growth along and the development of planted surface areas. This deficit would be essentially due to low rainfall and non optimized water management of the relevant administrations and or defective irrigation systems.
- Risk of occurrence of severe weather conditions (drought, floods, freezing, etc.), diseases and unusual parasitic attacks.
- Risk in connection with the unavailability of labor and means of transport required for a good crop year. This risk is thought to be in connection with competition with other crops and the development of large projects.

The support given to upside agriculture by the public authorities and the Cosumar Group given its strategic role in Morocco's economy makes it possible to mitigate such risks.

Farmers benefit from certain outlets for their sugar beet and sugar cane production at attractive prices (recently revalued) and the contiguous cooperation of Cosumar through consultancy and training, pre-financing of seeds and machines, as well as R&D.

In addition, the geographical distribution of national sugar producing crops in different regions of Morocco and their location in irrigated areas all constitute factors tending to reduce the risk in connection with climatic effects.

On all accounts the Cosumar Group capitalizes on a well-balanced and resilient business model combining (i) domestic output from sugar beet and sugar cane crops, as well as (ii) the refining of imported raw sugar. This economic model affords a large measure of flexibility enabling it to adapt to occurrences that could affect the national agricultural upside.

III. RISK IN CONNECTION WITH ENERGY PRODUCTS

The international energy product market is characterized by great fluctuation in the main energy product prices.

To the extent in which energy products (fuel, diesel, and electricity) constitute a second group of inputs in terms of importance after raw materials, their fluctuation is likely to have an effect on the Company's outcome.

IV. RISK IN CONNECTION WITH EXCHANGE RATE

In the framework of its activity the Cosumar Group is called upon to import equipment, materials and services from its supplier partner located abroad. Hence, the Cosumar Group is exposed to fluctuation in exchange rates to the extent in which the amount cashed in and out occur in different currencies.

An unfavorable trend in exchange rates is apt to negatively impact the Cosumar Group.

To curtail the uncertainty in connection with its revenues and future purchases, the Cosumar Group has put in place a dynamic approach for coverage of the exchange risk against coverage contracts.

V. INDUSTRIAL RISKS

The industrial risk the Company may be exposed to is primarily linked to fires or explosions. This risk could cause, in addition to damage to the environment and employee health, stoppage of productions detrimental to corporate activity.

The Cosumar Group, in addition to enjoying highly experienced staff members, has committed itself to the definition of a stringent and respected security policy (cf. PART IV Title XI) in this framework for all the standards the profession requires.

To conclude, in addition to the usual prevention measures enforced by Cosumar, it also has an insurance policy covering the Company in several areas (vocational accidents, civil liability, fire, floods and loss of operation).

To be noted is that all the Group sites are certified according to international standards ISO 9001 for quality, OHSAS 18001 for Health and Security in the Workplace and ISO 14001 for environmental protection. The sites and products of the Cosumar Group are also ONSSA certified.

VI. RISK IN CONNECTION WITH FOOD SECURITY AND HYGIENE

Like all food consumption industries, the Cosumar Group has to cope with the risk of food security and hygiene that could be the origin of a food scare among consumers.

This risk could have negative fallout on the perception of the Cosumar Group by consumers and significantly affect consumer trust on the company's products.

To make up for this risk the Cosumar Group is determined to adhere to respect of the HACCP method and mastery of the production processes.

To be noted is that the control laboratories of the Cosumar Group are certified according to standard ISO 17015 (standard concerning requirement relative to quality and competency particular to testing and analysis laboratories).

VII. RISK LINKED TO DELAYS IN REIMBURSEMENT BY THE COMPENSATION FUND

There is a risk in connection with the belatedness in reimbursements made by the compensation fund.

This risk could have a negative effect on the Company working capital requirements and therefore on the level of indebtedness and financial outcomes.

VIII. RISK IN CONNECTION WITH HUMAN RESOURCES

Like all large enterprises the Cosumar Group has to grapple with a risk of human origin. It's true, the human factor is crucial on the development of activity, upstream for the strategic vision and downstream at the production level. This means the Company is dependent on efficient recruitment and loyalty of its staff members in addition to the maintaining of a sound social climate.

In this direction with regard to recruitment the Cosumar Group strives to select the profiles best suited to its needs while offering competitive working conditions. Also the Cosumar Group via adapted human resources management strives to retain and gain the loyalty of its co-workers.

IX. REGULATORY RISK

The Cosumar activity is subject to Moroccan regulations in particular with regard to sugar-production companies.

Precisely the Company activity is subject to the decision of the Ministry of General Affairs n° 2/6 of 31 December 2012 instituting a lump subsidy for sugar at 2 661 MAD exc. VAT and Decision by the Ministry of General Affairs n° 2/7 of 31 December 2012 instituting a lump sum subsidy if the price of raw sugar imported exceeds the target price of 5 335 MAD/ton.

Due to application of these laws and regulations the Company could find itself obliged to modify certain outputs or to respond to the regulatory requirements, for example with regard to implementing the means necessary which could lead to a fall in productivity and therefore inflict a detrimental impact on the corporate operational outcomes.

WARNING

The aforementioned information is only part of the prospectus approved by the AMMC under reference VI/EM/038/2016 on December 16th 2016. The AMMC recommends reading the full prospectus available to the public in

French..