



RESIDENCES DAR SAADA PROSPECTUS SUMMARY

COMMERCIAL PAPER ISSUANCE PROGRAM
Annual update relating to financial year 2014

ISSUANCE PROGRAM CEILING : 500 000 000 DH
NOMINAL VALUE : 100 000 DH

Advisory Bodies



Investment Syndicate



Visa of the *Conseil Déontologique des Valeurs Mobilières*

In accordance with the provisions of article 18 of Dahir n°1-95-3 of 24 *Chaabane* 1415 (26 January 1995) promulgating law n°35-94 related to certain negotiable debt securities, as amended and extended, the original copy of the present prospectus has been approved by the CDVM under the reference n°VI/EM/032/2015 on 19/11/2015.

The approval neither implies an approval regarding the merits of the transaction, nor a validation of the documents presented herein. It has been attributed after an examination of the relevance and the consistency of the information given in relation to the operation proposed to investors.

DISCLAIMER

The *Conseil Déontologique des Valeurs Mobilières (CDVM)* approved, on 19th November 2015 a Prospectus Summary for a commercial paper issuance program, subject to a limit of (500,000,000 MAD).

Prospectus Summary approved by the CDVM is available at any time at *Résidences Dar Saada* and its financial advisors' headquarters. It is also available within a maximum of 48 hours from order collection points.

Prospectus Summary is made available to the public on the CDVM website www.cdvm.gov.ma.

PART I: OVERVIEW OF THE OPERATION

I. OBJECTIVES OF THE ISSUE

With this commercial paper issuance program, the company *Résidences Dar Saada* aims at:

- Meeting punctual cash needs generated by variations in the working capital needs in the current year;
- Optimizing its financing costs;
- Diversifying its financial sources.

II. INFORMATION ON COMMERCIAL PAPER ISSUANCE PROGRAM TO BE ISSUED

The characteristics of the commercial paper to be issued are outlined below:

Nature of the securities	Commercial paper dematerialized by subscription at the Central Depository (Maroclear) and recorded in the books of authorized affiliates.
Legal form of the securities	Bearer
Issuance ceiling	500 000 000 DH
Nominal value	100 000 DH
Maturity	From 10 days to 12 months
Vesting date	At the settlement date
Interest rate	Determined for each issuance on the basis of the market's conditions.
Interests	Accrued* interests
Coupon payment	<i>In fine</i> , that is on each commercial paper maturity.
Securities negotiability	Over the counter. There are no restrictions imposed by the issuance conditions on the free negotiability of these commercial paper.
Principal payment	<i>In fine</i> , that is on each commercial paper maturity.
Assimilation clause	There is no assimilation of the commercial paper issuance program that are to be issued under the present prospectus to any securities in any previous issue.
Guarantee	The commercial paper issuance program issued by <i>Résidences Dar Saada S.A.</i> are not subject to any guarantee.

III. BODIES IN CHARGE OF THE ISSUANCE AND FINANCIAL INTERMEDIARIES

Types of financial intermediaries	Name	Address
Advisory Bodies	Upline Corporate Finance	37, Bd Abdellatif Ben Kaddour. Casablanca
	CFG Finance	5-7, Rue Ibnou Toufail, 20100 Casablanca
Bodies in charge of underwriting	BCP	101, Bd Zerktouni, Casablanca
	CFG Group	5-7, Rue Ibnou Toufail, 20100 Casablanca
Domiciliating institution in charge of the financial service of the Issuer	CFG Marchés	5-7, Rue Ibnou Toufail, 20100 Casablanca

PART II: GENERAL OVERVIEW OF THE ISSUER

I. GENERAL INFORMATION

	Description
Corporate name	Résidences Dar Saada S.A.
Registered office	277-279 Bd. Zerktouni, Casablanca
Telephone number	+212 (0) 5 22 97 97 77
Fax number	+212 (0) 5 22 39 39 96
Internet website	www.espacesaada.com
Legal form	Public Limited Company of Moroccan law with a Board of Directors
Formation date	2001
Life time	99 years
Company purpose (art. 4 of statutes)	<p>The Company's purpose in Morocco and abroad is still:</p> <ul style="list-style-type: none"> • Real-estate promotion in all its forms; • The acquisition by all the means permitted by law, of vacant land or with buildings to be destroyed; • The building or erection of any real-estate, buildings or other, in Morocco and abroad; • The execution on these lands of all housing operations, erection of all residence buildings or real estate destined to a commercial, professional or administrative use; • The use of the corporate assets, thus constituted, by the sales, the renting or a personal use of the constructions; • The development and parcelling of urban and rural land; • The execution of all operations in order to realize the company's defined purpose, the acquisition of interests or participation by means of partial contribution, merger, subscription or securities acquisition, in any existing company or in the course of constitution with a similar or related purpose. <p>And more broadly, to perform any financial, commercial, real-estate operations that are required to or simply useful for the realization of its company purpose and likely to promote its growth and development, as well as any direct or indirect participation, in whatever form, in companies with similar or related purposes.</p>
Financial year	The financial year starts on 1 st January and ends on 31 December
Share capital (as of 31/12/2014)	1,310,442,500 MAD, comprised of 26,208,850 shares with a nominal value of 50 MAD
Location of legal documents	The corporate, accounting and legal documents of the company, which must be made available to the public in accordance with the law and the bylaws, can be consulted at the registered office of <i>Résidences Dar Saada</i> .
Registration number in the trade register	116 417 –Casablanca
Applicable law	Moroccan law

Through its legal form and its relations with third parties, the Company is governed by Moroccan law, that is the law n°17-95 promulgated by Dahir n°1-96-124 of 30 August 1996, relating to *Public Limited Companies* as amended and supplemented by law n°20-05 of 23 may 2008

Through its activity, it is governed by following Dahirs:

- law n°25-90 promulgated by Dahir n°1-92-7 of 17 june 1992 relating to housing developments (*residences*), groups of homes and parcelling;
- law n°17-95 promulgated by Dahir n°1-96-124 of 30 august 1996 relating to public limited companies, as amended and supplemented by law 20-05 ;
- Dahir of 12 august 1913, constituting the code of bonds and agreements, supplemented by law n°44-00 of 3 October 2002 relating to the sale before completion;
- law n°18-00 of 3 October 2002 relating to the joint-ownership status of constructed buildings;
- Article 19 of the Finance Law (Loi des 1999-2000 establishing tax exonerations to real-estate developers, as amended and supplemented by article 16 bis of the Finance Law for fiscal year 2001;
- article 92 of the Finance Law 2010 establishing new tax exonerations for real-estate companies;
- article 247 of the Finance Law 2012 establishing new tax exonerations for real-estate companies;
- article 247 of the Finance Law 2013 establishing new tax exonerations for real-estate companies;

Through its public call on capital, the Company is subject to legal and regulatory provisions relating to the following financial markets:

- Dahir promulgating law n°1-93-211 of 21 September 1993 relating to the Casablanca Stock Exchange amended and supplemented by laws 4-96. 29-00. 52-01.45-06 and 43-09 ;
- general terms and conditions of the Stock Exchange approved by Decree of the Minister of Economy and Finance n°1268-08 of 7 July 2008 amended and supplemented by the Decree of the Minister of Economy and Finance n°30-14 of 06 January 2014;
- Dahir promulgating law n°1-93-212 of 21 September 1993 relating to the *Conseil Déontologique des Valeurs Mobilières* and to the information required from legal entities resorting to a call on public savings as amended and supplemented by laws n°23-01. 36-05 and 44-06 ;
- Dahir n°1-96-246 of 9 January 1997 promulgating law n°35-96 relating to the creation of a central depository and to the institution of a general regime of registration in the books of certain stocks. amended and supplemented by law n°43-02 ;
- general regulation of the central depository approved by Decree of the Minister of Economy and Finance n°932-98 of 16 April 1998 and amended by Decree of the Minister of Economy, Finance, Privatization and Tourism n°1961-01 of 30 October 2001 and by Decree n°77-05 of 17 march 2005 ;
- general regulation of the CDVM as approved by Decree of the Minister of Economy and Finance n°822/08 of 14 April 2008 ;
- Dahir n°1-04-21 of 21 April 2004 promulgating law n°26-03 relating to the public offers on the Moroccan Stock Exchange Market, as amended and supplemented by law n°46-06 ;
- Circular of the CDVM ;
- Dahir 1-95-03 of 26 January 1995 promulgating law n°35-94 relating to certain securities of Negotiable Debts.

Laws and regulations applicable to the company

Applicable tax regime

Résidences Dar Saada is regulated by the Common right tax law. It is subject to CT (corporate tax) at the rate of 30%. Its transactions are subjects to VAT at a rate of 20%. Besides, *Résidences Dar Saada* benefits from tax benefits granted by the Finance Laws.

Competent Court in case of dispute

Casablanca Commercial Court

Source : *Résidences Dar Saga*

II. INFORMATION ON THE CAPITAL OF *RÉSIDENCES DAR SAADA*

The below table shows the history of shareholders' of *Résidences Dar Saada* from 2010 to 30 June 2015 :

Name or corporate purpose of the shareholders	31/12/2010		31/12/2011		31/12/2012		31/12/2013		31/12/2014		30/06/2015	
	Securities	% of the capital and the voting rights	Securities	% of the capital and the voting rights	Securities	% of the capital and the voting rights	Securities	% of the capital and the voting rights	Securities	% of the capital and the voting rights	Securities	% of the capital and the voting rights
Abdelali Berrada Sounni	500 960	12.5%	500 960	8.6%	500 960	8.6%	500 960	8.6%	1 803 456	6.9%	1 803 456	6.9%
Hicham Berrada Sounni	100 360	2.5%	100 360	1.7%	100 360	1.7%	100 360	1.7%	361 296	1.4%	361 296	1.4%
Saad Berrada Sounni	100 360	2.5%	100 360	1.7%	100 360	1.7%	100 360	1.7%	361 296	1.4%	361 296	1.4%
Naima Benmoussa	100 240	2.5%	100 240	1.7%	100 240	1.7%	100 240	1.7%	360 864	1.4%	360 864	1.4%
Nabila Berrada Sounni	100 240	2.5%	100 240	1.7%	100 240	1.7%	100 240	1.7%	360 864	1.4%	360 864	1.4%
Hanaa Berrada Sounni	100 240	2.5%	100 240	1.7%	100 240	1.7%	100 240	1.7%	360 864	1.4%	360 864	1.4%
Groupe Palmeraie Développement	3 000 000	75.0%	3 000 000	51.5%	3 000 000	51.5%	3 000 000	51.5%	10 800 000	41.2%	10 800 000	41.2%
North Africa Holding Company	-	-	607 263	10.4%	607 263	10.4%	607 263	10.4%	2 186 146	8.3%	2 186 146	8.3%
Aabar Investments PJS	-	-	607 263	10.4%	607 263	10.4%	607 263	10.4%	2 186 146	8.3%	2 186 146	8.3%
RMA Watanya	-	-	202 421	3.5%	202 421	3.5%	202 421	3.5%	728 716	2.8%	728 716	2.8%
Wafa Assurance	-	-	202 421	3.5%	202 421	3.5%	202 421	3.5%	728 716	2.8%	728 716	2.8%
Idraj SCA	-	-	202 421	3.5%	202 421	3.5%	202 421	3.5%	728 716	2.8%	728 716	2.8%
Flottant en bourse	-	-	-	-	-	-	-	-	5 241 770	20.0%	5 241 770	20.0%
TOTAL	4 002 400	100.0%	5 824 189	100.0%	5 824 189	100.0%	5 824 189	100.0%	26 208 850	100.0%	26 208 850	100.0%

Source : *Résidences Dar Saada*

III. BOARD OF DIRECTORS

As of 30 June 2015, the Board of Directors is comprised of the below members:

Name	Role	Term start or renewal date	Term expiration date
Mr Hicham Berrada Sounni	Chief Executive Officer	7 February 2011	OGM Approving the statements of fiscal year 2016
Mr Abdelali Berrada Sounni	Administrator	26 January 2010	OGM Approving the statements of fiscal year 2016
Mr Saad Berrada Sounni	Administrator	26 January 2010	OGM Approving the statements of fiscal year 2015
Mr Majid Benmlih	Administrator	26 September 2012	OGM Approving the statements of fiscal year 2016
Mr Amine Guennoun	Administrator - General Director	7 February 2011	OGM Approving the statements of fiscal year 2016
Mr Adil Douiri	Administrator	2 March 2011	OGM Approving the statements of fiscal year 2016
North Africa Holding	Administrator	19 May 2014	OGM Approving the statements of fiscal year 2016
Mr Khalifa Al Mehairi	Administrator	20 June 2013	OGM Approving the statements of fiscal year 2016

Source: Résidences Dar Saada

North Africa Holding is represented by Mr Tariq Mohamed Youssef Abdulsalam, Mr Adil Douiri and Khalifa Al Mehairi are independent administrators.

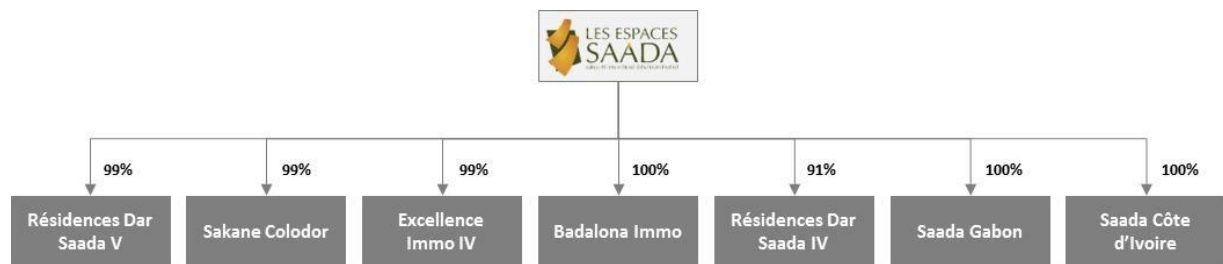
As of 30 June 2015, the Chief Executive Officer also the below responsibilities within other companies of the group.

Company	Role
B Group	Vice-President
Palmeraie Développement	Executive Chairman
Palmeraie Industrie et Services	Vice-President

Source : Résidences Dar Saada

IV. SUBSIDIARIES OF *RÉSIDENCES DAR SAADA*

As of 30 September 2015, the management structure of *Résidences Dar Saada* is as follows:



Source : Résidences Dar Saada

PART III : ACTIVITY OF *RESIDENCES DAR SAADA*

I. PRESENTATION OF THE REAL-ESTATE PROGRAMS AND THE LAND RESERVE AS OF 31 DECEMBER 2014

The below table gives an overview of the various real-estate programs and the land reserve of *Résidences Dar Saada* as of 31 December 2014 :

Project	Surface (in hectares)	Global offer (in units)	Sales launch	Delivery due date
Projects realized	112.4	19 161		
Agadir	14.6	3 339		
Adrar Ilôt 5	2.1	403	2010	2014
Adar Ilôt 8	1.1	724	2010	2012
Adar Ilôt 9	2.7	513	2010	2013
Adrar Anza	1.0	400	2010	2014
Nzaha	7.7	1 299	2010	2012
Casablanca	43.8	5 572		
Mediouna (housing)	11.0	394	2008	2010
Jnane Nouaceur	18.9	3 265	2008	2011
Fadaat Rahma	13.9	1 913	2011	2013
Marrakesh	45.1	8 363		
Saada I	23.5	3 647	2003	2006
Saada II	2.6	794	2006	2009
Tamensourt	17.9	3 269	2008	2010
Dyar Marrakech	1.1	653	2010	2013
Tangier	8.9	1 887		
Jardins de l'Atlantique (Ilot 19)	5.1	1 063	2009	2014
Dyar El Boughaz (Ilot 20)	3.8	824	2009	2014
Projects under construction	369.8	29 636		
Casablanca	171.2	14 728		
Oulad Azzouz	68.3	7 923	2012	2014
Fadaat Elyassamine	3.7	799	2012	2014
Jnane Al Menzeh	56.5	958	2012	2015
Manazil Mediouna	5.4	1 230	2014	2016
Dyar Al Ghofrane	37.3	3 818	2013	2016
Fes	124.3	7 412		
Bouhairat Saiss	124.3	7 412	2012	2013

Marrakesh	33.5	2 199		
Targa Garden	21.0	313	2007	2010
Targa Resort	12.5	1 886	2013	2015
Oujda	26.9	1 716		
Oujda	26.9	1 716	2014	2017
Skhirat	10.0	2 232		
Jawharat Skhirat	10.0	2 232	2013	2015
Tangier	3.9	1 349		
Dyar El Boughaz (Ilot 14)	3.9	1 349	2012	2015
Projects in development	231.5	19 784		
Agadir	2.5	307		
Adrar Ilôt 8 extension	2.5	307	2016	2018
Casablanca	202.5	14 882		
Panorama	28.0	3 344	2014	2017
Sania	21.6	2 251	2013	2018
Arraha	16.3	2 402	2016	2018
Laassilate	115.6	5 830	2017	2018
Tamaris	21.0	1 055	2016	2018
Marrakesh	15.9	2 205		
Azzouzia	15.9	2 205	2016	2018
Martil	10.6	2 390		
Martil	10.6	2 390	2014	2016
S/Total Real-estate projects	713.7	68 581		
S/Total Réserve foncière	254.0			
S/Total Real-estate projects	967.7			

Source : Résidences Dar Saga

II. EVOLUTION OF THE ACTIVITY OF *RÉSIDENCES DAR SAADA*

The table below outlines the realizations by *Résidences Dar Saada* in terms of turnover over the last three financial years:

In MMAD	2012	2013	2014	Aggreg. 2012-2014
Sale of houses and similar products	703	1 112	1 804	3 619
<i>% of variation</i>	>100%	58%	62%	
Economical housing units	561	658	1 116	2 334
<i>in % of the total</i>	80%	59%	62%	
Medium-standard accommodations	98	59	106	263
<i>in % of the total</i>	14%	5%	6%	
Residences and land	28	363	418	809
<i>in % of the total</i>	4%	33%	23%	
Villas	9	13	139	160
<i>in % of the total</i>	1%	1%	8%	
Shops and other	7	21	25	53
<i>in % of the total</i>	1%	2%	1%	

Source : *Résidences Dar Saada*

The below table outlines the realizations of *Résidences Dar Saada*, expressed in number of units over the three last financial years:

In number of units	2012	2013	2014	Aggreg. 2012-2014
Deliveries	2 856	3 732	5 990	12 578
<i>% of variation</i>	>100%	31%	61%	
Economical housing units	2 374	2 725	4 662	9 761
<i>in % of the total</i>	83%	73%	78%	
Medium-standard accommodations	351	153	258	762
<i>in % of the total</i>	12%	4%	4%	
Lots and land	91	741	876	1 708
<i>in % of the total</i>	3%	20%	15%	
Villas	4	5	112	121
<i>in % of the total</i>	0%	0%	2%	
Shops and other facilities	36	108	82	226

Source : Résidences Dar Saada

Over the last three financial years, *Résidences Dar Saada* has delivered 12 578 units for an aggregate turnover of 3 619 MMAD.

In 2012, *Résidences Dar Saada* has delivered 2 856 units, of which 2,374 economical housing units, mainly as part of the projects *Jnane Nouaceur* and *Saada III*.

In 2013, *Résidences Dar Saada* has delivered 3 732 units, of which 2 725 economical housing units, mainly as part of the projects *Fadaat Rahma*, *Jnane Nouaceur*, *Jnane Adrar*, *Dyar Marrakech* et *Dyar Nzaha*.

In 2014, *Résidences Dar Saada* has delivered 5 990 units, of which 4 662 economical housing units, mainly as part of the projects *Bouhayrat Saiss*, *Fadaat Al Yassamine* et *Dyar Al Boughaz*.

PART IV : FINANCIAL SITUATION OF THE ISSUER

I. FINANCIAL INFORMATION

1. BALANCE-SHEET

The below table outlines the main balance-sheet consolidated indicators of the Group *Résidences Dar Saada* over the period 2012-2014:

In MMAD	2012	2013	2014	Var.12-13	Var.13-14
Goodwill	-	55.6	141.1	<i>n.a</i>	> 100%
Immobilisations en non-valeur	-	-	-	<i>n.a</i>	<i>n.a</i>
Intangible Assets	5.7	6.1	6.4	6.6%	4.8%
Tangible Assets	25.9	30.1	31.9	16.2%	6.0%
Financial Assets	1.1	0.7	1.0	(42.5%)	55.2%
Fixed Assets	32.7	92.5	180.4	> 100%	95.1%
Stocks	4 007.9	5 100.8	5 273.9	27.3%	3.4%
Receivables and related accounts	194.0	174.7	530.9	(9.9%)	> 100%
Other loans and adjustment accounts	799.7	963.6	861.4	20.5%	(10.6%)
Current Asset	5 001.6	6 239.1	6 666.2	24.7%	6.8%
Investment securities	311.2	-	759.6	(100.0%)	(100.0%)
Liquid Assets	288.7	281.7	365.0	(2.4%)	29.6%
Liquid Assets	599.9	281.7	1 124.6	(53.0%)	> 100%
Assets	5 634.2	6 613.2	7 971.1	17.4%	20.5%
Capital	582.4	582.4	1 310.4	-	> 100%
Issue and merger premiums	740.5	740.5	1 107.2	-	49.5%
Consolidated reserves	342.8	418.5	645.5	22.1%	54.2%
Consolidated income	149.8	305.6	406.5	> 100%	33.0%
Group shareholders' equity	1 815.5	2 047.0	3 469.6	12.7%	69.5%
Minority interests	0.1	0.1	0.1	> 100%	(7.0%)
Consolidated shareholders' equity	1 815.6	2 047.1	3 469.7	12.8%	69.5%
Provisions for liabilities and charges	-	-	0.4	-	-
Financial debts	1 943.7	2 605.6	2 650.5	34.1%	1.7%
Current Liabilities	1 780.1	1 943.1	1 631.7	9.2%	(16.0%)
Suppliers and related accounts	536.5	634.6	594.7	18.3%	(6.3%)
Other Current Liabilities	1 243.6	1 308.5	1 037.0	5.2%	(20.7%)
Treasury Liabilities	94.8	17.5	218.9	(81.6%)	> 100%

Liabilities	5 634.2	6 613.2	7 971.1	17.4%	20.5%
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Source : Résidences Dar Saga

2. FINANCIAL RESULT

In MMAD	2012	2013	2014	Var.12-13	Var.13-14
Revenues from ordinary activities	1 073.7	1 527.9	1 534.1	42%	0%
Turnover	705.5	1 115.8	1 812.3	58.2%	62.4%
Other operating income	368.2	412.2	(278.2)	11.9%	n.a
Charges from ordinary activities	895.1	1 156.9	1 044.0	29.3%	(9.8%)
Purchases consumed	730.6	941.9	788.7	28.9%	(16.3%)
Personnel expenses	35.2	46.8	54.9	32.9%	17.4%
Other operating income	74.9	110.2	65.3	47.0%	(40.7%)
Taxes and levies	51.3	51.4	123.8	0.2%	> 100%
Operating Expenses	3.1	6.7	11.4	> 100%	71.1%
Operating income	178.6	371.0	490.0	> 100%	32.1%
Financial Products	91.8	143.3	176.4	56.1%	23.1%
Financial Expenses	110.9	157.6	203.2	42.1%	28.9%
Financial Results	(19.1)	(14.3)	(26.9)	(25.0%)	87.4%
Net Income of Consolidated Companies	159.5	356.6	463.1	> 100%	0.0
Non-current income	6.5	9.6	14.3	47.9%	49.6%
Non-current charges	2.9	11.9	10.7	> 100%	(10.2%)
Non-current results	3.5	(2.4)	3.6	n.a	n.a
Coprorate Tax	13.2	48.7	60.4	> 100%	24.1%
Net Income of Consolidated Companies	149.8	305.6	406.4	> 100%	33.0%

Source : Résidences Dar Saada

PART V : RISK FACTORS

As part of its global strategy, the risk management represents a critical axis for the management of *Résidences Dar Saada*.

This Prospectus Summary outlines the risks inherent to the economic sector and to the very activity of the Group *Résidences Dar Saada*.

RISK ASSOCIATED WITH THE TAX REGIME EVOLUTION

The evolution of the fiscal regulations and also the suppression of tax benefits attributed to social housing developers and buyers might have a significant impact on the performance of the Group *Résidences Dar Saada*. However, the risk is limited, since the agreements signed in the context of the *Finance Act 2010* are guaranteed for a period of 10 years (i.e. until 2020), thus offering a fiscal stability to the industry's developers.

COMPETITION RISK

The growing demand for social housing, associated with tax benefits previously enumerated, attracts numerous operators that are keen on investing in the social housing industry. Therefore, the risk of seeing many national and international operators penetrate this segment is significantly high. A situation that would lead to a margin drop for *Résidences Dar Saada* associated with a potential drop in the sales prices, a rise of the property value and an increase in the production costs.

In order to mitigate this risk, *Résidences Dar Saada* has adopted a competitive differentiation strategy by offering a high-quality customer service and sales prices in line with the market's average.

RISK ASSOCIATED WITH THE INCREASE IN PROPERTY VALUE

The discrepancy between the supply of social housing units and the demand thereof, in particular between the two major cities Rabat and Casablanca, has led to a surge in the cost of properties in urban areas. This upward trend in prices might be the cause of the reduction of profit margins for companies operating in the social housing business segment, with a sales price capped at 250.000 MAD.

However, *Résidences Dar Saada* has taken upstream measures in order to reduce the impact of this risk, especially through:

- A strategy based on a geographic diversification focused on strong-potential areas, which lack housing units (Tangier, Fes, etc.);
- The signing of investments agreements with the State, enabling the company to secure additional property;
- The enlargement of the urban perimeter by the Government, that aims at creating 15 new cities by 2020 around major urban hubs.

RISK ASSOCIATED WITH THE CHOICE OF PBS OPERATORS (*PUBLIC BUILDING SECTOR*)

Concerned to deliver an excellent service, *Résidences Dar Saada* seeks the help of historical partners for the delivery of its projects. The choice of these partners is made based on their references, their technical skills and their financial capabilities. These operators must be able to meet the specifications requirements relating to the different projects in terms of quality and delivery deadlines.

The trust and loyalty relationship established by *Résidences Dar Saada* with its partners enables it to face the risk of unavailability of subcontractors due to the competition.

RISK ASSOCIATED WITH THE INTEREST RATES

Despite the high shortage of accommodations in that segment, there is a risk of seeing accommodations demand decreasing, likely due to a significant inflation of the interest rates relative to the real-estate credits.

The risk associated with the rise in interest rates is also incurred by real-estate developers, whose construction activity is often funded by banks loans.

RISK ASSOCIATED WITH SUB-CONTRACTING

Résidences Dar Saada uses subcontractors to ensure the development's building projects. Thus, a potential unavailability of these subcontractors might undermine the progress of the building projects of the Company, and this, due to an increased competition on this social and intermediate housing economic segment.

RISKS ASSOCIATED WITH CREDIT ACCESS

The indebtedness level of *Résidences Dar Saada* remains reasonable in spite of the industry's specificities in which the company is active (requiring a strong recourse to credits). However, the evolution of this sector is likely to constitute a solvency risk for the company.

RISKS ASSOCIATED WITH ACCESS TO FUNDING

In order to finance its development, *Résidences Dar Saada* uses its equity capital, its credit lines, calls on the private debt market (commercial paper issuance programs) and resorts to the customers' advance payments. The evolution of the credit market's conditions (and mainly the lack of cash) as well as the demand's decrease might negatively impact the company's capacity to finance itself.

RISK ASSOCIATED WITH A LOWER DEMAND

A potential drop in demand for social or intermediate housing would have a negative impact on the sector's dynamism resulting in a decrease of the business volume for *Résidences Dar Saada*.

DISCLAIMER

The information above is only a part of the information given in the prospectus approved by the Conseil Déontologique des Valeurs Mobilières (CDVM) under reference n° VI/EM/032/2015 on 19th November 2015.

The CDVM recommends the reading of the prospectus summary which is available, to the public, in a French version.