



LES EAUX MINÉRALES D'OULMÈS S.A.

SUMMARY PROSPECTUS

**ANNUAL UPDATE OF THE SUMMARY PROSPECTUS
PERTAINING
TO FISCAL YEAR 2015**

COMMERCIAL PAPER ISSUANCE PROGRAMME

**Issuance programme ceiling: 200,000,000 MAD
Par Value: 100,000MAD**

**RESERVED TO THE INVESTORS LISTED IN THE PROSPECTUS
(SUBSCRIPTION METHODS SECTION)**

FINANCIAL ADVISOR AND OVERALL COORDINATOR



UNDERWRITING BODY



VISA OF THE AUTORITÉ MAROCAINE DU MARCHÉ DES CAPITAUX (AMMC)

In accordance with article 18 of Dahir 1-95-3 of 24 Sha'aban 1415 (26 January 1995) promulgating Law 35 94 on certain negotiable debt securities, as amended and supplemented, the original of the present prospectus was submitted for assessment by the *Autorité Marocaine du Marché des Capitaux*, which approved it under its reference number **VI/EM/018/2016** on **19 08 2016**.

WARNING

On the [DATE] 2016, the *Autorité Marocaine du Marché des Capitaux* (AMMC) approved a prospectus for the annual updating of the commercial paper Issuance programme of Les Eaux Minérales d'Oulmès.

The prospectus approved by the AMMC may be consulted at any time at the registered of Les Eaux Minérales d'Oulmès headquarters and at its financial advisor, BMCI. It will also be made available at the collection of orders bodies.

The prospectus is also available on the AMMC website <http://www.ammc.ma>.

PART I : PRESENTATION OF THE OPERATION

I. OPERATION FRAMEWORK

Pursuant to Article 15 of Law No. 35-94 promulgated by Dahir No. 1-95-3 of 24 Châabane 1415 (26 January, 1995) and the Decree of the Minister of Finance and Foreign Investments n°2560-95 of the 09th of October, 1995, on negotiable debt securities (NDS or TCM), the company « Les Eaux Minérales d’Oulmès » publicly issues commercial papers bearing interest and representing a right for a debt for a timeframe that is shorter or equal to a year.

The first issuance program, with a ceiling of 100,000.000 Dhs, was authorized by the Board of Directors Meeting that was held on 25 July 2013, which gave full powers to the Chairman of the Board of Directors to determine the characteristics of each commercial paper issue, under the conditions he/she shall deem appropriate and, generally, to do all that is necessary for the proper performance of the authorized issue.

On March 19, 2014, the Board of Directors of the company « Les Eaux Minérales d’Oulmès » decided to authorize the increase of the emission ceiling above 100 million dirhams to 200 million dirhams. To this end, the Board of Directors fully empowers the Chairman of the Board, Mr Mohamed Hassan BENSALAH to proceed, in accordance with Law No. 35-94 and in particular Article 17, to the increasing of the commercial paper issuance ceiling as well as the update of the Summary Prospectus and, generally, do all that is necessary for the proper performance of the increase of the ceiling thus authorized.

Pursuant to Article 17 of that law, and as long as the commercial papers are outstanding, the Summary Prospectus will be subject to annual updates within 45 days after the holding of the Ordinary General Meeting of shareholders, which approves the accounts for the last fiscal year. However, occasional updates may be made in case of changes on the ceiling of outstanding securities issued or any new event likely to impact the evolution of securities prices or the successful completion of the program.

II. OBJECTIVES OF THE ISSUE

The main goals of the issuance of Commercial Papers, purpose of this summary prospectus, are:

- > To optimize its short-term financing costs;
- > To meet the additional working capital requirements generated by the company’s activities;
- > To meet specific needs for cash resulting from changes in its working capital requirement over the year (driven by fluctuations in the times taken to pay by the Company’s counterparties in the high season);
- > To diversify its sources of finance in order to enhance its negotiating position with its financial partners;
- > To consolidate its image among institutional investors by enhancing its profile on the capital markets.

III. INFORMATION ON THE SECURITIES TO BE ISSUED

Nature of securities	Negotiable commercial papers, dematerialized by registration with the Central Depository (Maroclear) and registered in an account with authorized affiliates.
Legal form	Bearer

Issuance programme ceiling	MAD 200,000,000
Par value	MAD 100,000.
Maturity	From 10 days to 12 months. To be determined for each issue.
Vesting date	Date of settlement
Interest rate	Determined for each issue depending on market conditions
Interest	Paid on maturity
Coupon payment	Bullet repayment, i.e., on the maturity of each security.
Repayment of principal	Bullet repayment, i.e., on the maturity of each security.
Consolidation clause	There is no consolidation of the securities to be issued with securities in any previous issue.
Negotiability	There are no restrictions on the free negotiability of this commercial paper imposed by the conditions of issuance. The securities are tradable over the counter.
Guarantee	The issue is not the subject of any guarantee.
Ranking	The Treasury Bonds issued by the company Les Eaux Minérales d'Oulmès constitute direct, general, unconditionnal and unsubordinated obligations by the Issuer, and will rank eqally with each other and with all of the Issuer's other fixed term, present or future unsecured and non-preferred debts.

IV. UNDERWRITING SYNDICATE – FINANCIAL INTERMEDIARIES

Type of financial intermediary	Title	Address
Financial Advisor & Overall Coordinator	BMCI	26 Place des Nations Unies,20 000 Casablanca
Body responsible for underwriting	BMCI	26 Place des Nations Unies,20 000 Casablanca
Domiciliation agent, providing the Issuer's financial service	BMCI	26 Place des Nations Unies,20 000 Casablanca

**PART II: OVERALL VIEW OF LES EAUX MINÉRALES
D'OULMÈS COMPANY**

I. GENERAL INFORMATION

Company name	<i>Les Eaux Minérales d'Oulmès</i>
Registered headquarters	Zone Industrielle de Bouskoura, 20180 Casablanca – Maroc
Telephone	(212) 5 22 33 47 42
Fax	(212) 5 22 33 47 52 / 33 49 07
Website	www.oulmes.ma
Legal form	Moroccan limited company (Société Anonyme) with a Board of Directors
Date of creation	7 March 1934 under the company name Société des Eaux Minérales d'Oulmès
Lifetime	99 years
Register of Companies	No. 2215, Casablanca
Company financial year	1 January–31 December
Statutory objective (Extract from article 3 of the articles of association)	<p>“ The Company’s objective is:</p> <ul style="list-style-type: none"> - The sourcing and utilization, import, export, industry and trade, in all their forms, of all mineral waters and all waters termed “spring waters” from Morocco and elsewhere, together with all products derived therefrom, natural gas, etc.; - The production, purchase and sale of sparkling beverages, table waters, beers, lemonades, soft drinks and derivatives; - The acquisition, creation, leasing, and direct or indirect operation of any and all workshops, factories or warehouses destined for the above objectives; - The production, purchase, sale, import, export, leasing of any and all materiel relating to its industry or business; - The creation, acquisition, operation of any and all establishments, spas, hotels, casinos, theatres, bars, refreshment stalls etc., playing fields, sports grounds etc., that may be directly or indirectly useful towards the Company’s development, towards the sale or exploitation of mineral waters; - Any and all real estate transactions, in particular the purchase, subdivision, sale, exchange of any and all buildings of any kind whether constructed or not yet constructed, the construction of all building projects, the conduct of all works and installation of

facilities on behalf of the Company;

- The direct or indirect operation of said buildings, taking leasehold of any and all buildings;
- Obtaining any and all concessions, authorizations to exploit water sources, etc., from the competent authorities;
- Obtaining, purchasing, selling, exploiting any and all patents, licenses, brands and procedures relating to its industry or its business;
- And, more generally, any and all transactions of a commercial, industrial, financial, real estate or other property nature relating directly or indirectly to the Company's objective or to any and all similar or auxiliary objectives;
- The Company's participation by any and all means in any and all operations, transactions, enterprises and companies that may relate directly or indirectly to the Company's objective, in particular through the creation of new companies, contributions, sponsorship, subscription to or purchase of Company shares or Company rights, mergers, alliance, joint ventures or otherwise. »
- The transport and distribution throughout Morocco of all kinds of merchandise, on its own behalf and on behalf of third parties;
- The acquisition and/or leasing of all vehicles, new or second-hand, for the requirements of its transport and distribution activities.

**Registered capital
(As of 31 December 2015)**

MAD 198,000,000 comprising 1,980,000 shares of face value MAD 100 each.

Legal documents

The Company accounting and legal documents that must be made public under the law and also pursuant to the Company's articles of association may be consulted at the Company's registered office.

Legislation applicable to the issuer

By reason of its legal form, Les Eaux Minérales d'Oulmès is governed by Law 17-95 promulgated by Dahir 1-96-124 of 30 August 1996 on limited companies as amended and supplemented the Dahir enacting Law 1-08-18 of 23 May 2008 promulgating Law 20-05.

By reason of its activity, the Company is subject to the provisions of Law 10-95 on water as supplemented and amended by Law 19-98 promulgated by Dahir 1-99-174 of 16 Rabi' I 1420 (30 June 1999).

By reason of its listing on the Casablanca Stock Exchange, it is subject to all the legal and regulatory provisions relating to the financial markets, and in particular:

- The Dahir promulgating Law 1-93-211 of 21 September 1993 on the Casablanca Stock Exchange, amended and supplemented by laws 34-96, 29-00, 52-01 and 54-06;
- The General Regulations of the Casablanca Stock Exchange approved by Decree of the Minister of the Economy and Finance no. 1268-08 of 7 July 2008 amended and supplemented by order of the Minister of the Economy and Finance n° 30-14 of 6 January 2014.
- The Dahir promulgating Law 1-93-212 of 21 September 1993 as amended and supplemented by laws 23-01, 36-05 and 44-06;
- Dahir 1-96-246 of 9 January 1997 promulgating Law 35-96 on the creation of a central depository and the establishment of a general procedure for registering certain securities in accounts (amended and supplemented by Law 43-02);
- The General Regulations of the central depository approved by order of the Ministry of the Economy, Finance, Privatization and Tourism no. 1961-01 of 30 October 2001;
- Dahir 1-04-21 of 21 April 2004 promulgating Law 26 03 on public offerings on the Moroccan Stock Market as amended by Law 46-06;
- The Regulations of the *Autorité Marocaine du Marché des Capitaux* approved by order of the Minister of the Economy and Finance no. 822-08 of 14 April 2008.

Tax regime

The company is subject to a number of taxes and duties:

- VAT at 20% (payment regime: since 2008);
 - Corporation Tax of 31%;
 - Domestic consumption tax:
 - MAD 8 per hectolitre for waters
 - MAD 30 per hectolitre for flavoured waters containing less than 6% juice.
 - Social contributions at (2013 Finance Act):
 - 0.5% on net accounting income from MAD 15 million and up to MAD 25 million exclusive;
 - 1% on net accounting income from MAD 25 million and up to MAD 50 million exclusive;
 - 1.5% on net accounting income from MAD 50 million up to MAD 100 million exclusive;
 - 2% on net accounting income of MAD 100 million and above.
 - Municipal tax at a maximum rate of 10 centimes per litre of fraction of a litre of mineral or table waters to be delivered for consumption in bottled form;
 - Fiscal marker of 1 MAD cent per bottle of water.
- Sales for export are exempted from VAT, domestic consumption tax and recovery of the subsidy on sugar.

Competent court in the event of dispute

Casablanca Commercial Court.

II. INFORMATION ON THE ISSUER'S CAPITAL

The share capital of the company « Les Eaux Minérales d'Oulmès » as of 31 December 2015 amounts to 198 000 000 MAD. It is wholly released and is comprised of 1 980 000 shares with a par value of 100 MAD, all of the same class.

III. CHANGE IN REGISTERED CAPITAL OF LES EAUX MINÉRALES D'OULMÈS

1. Shareholding structure:

Between 2013 and 2015, the shareholding structure of Les Eaux Minérales d'Oulmès remained unchanged, as shown in the following table.

Shareholders	12/2013	2013 share*	12/2014	2014 share*	12/2015	2015 share*
HOLMARCOM	478,451	24.16%	478,451	24.16%	478,588	24.17%
OMI	421,959	21.31%	421,959	21.31%	421,959	21.31%
ATLANTA	379,082	19.15%	379,082	19.15%	379,082	19.15%
SOCHEPAR	222,087	11.22%	222,087	11.22%	222,087	11.22%
SANAD	198,000	10.00%	198,000	10.00%	198,000	10.00%
BENSALAH Estate and Children	85,258	4.31%	85,258	4.31%	85,258	4.31%
Various members of the public	195,163	9.86%	195,163	9.86%	195,026	9.85%
TOTAL	1,980,000	100.00%	1,980,000	100.00%	1,980,000	100.00%

Each share held carries one voting right.

Source : Les Eaux Minérale d'Oulmès

III. EXECUTIVE BODIES

According to Article 16 of the articles of association of the company « Les Eaux Minérales d'Oulmès », the Board of Directors consists of minimum 3 members and a maximum of 15 members, chosen among the shareholders and appointed by the General Assembly. Administrators are appointed or reappointed by the Ordinary General Meeting of shareholders. The term of office for the Directors appointed during the social life is of maximum 6 years.

An Administrator 's duties end with the meeting of the Ordinary GM; a meeting that is held the following year and which approves the accounts for the last fiscal year of Administrator's mandate.

Administrators may be reappointed and may be dismissed at any time by the Ordinary GM even if the topic is not included upfront in the agenda.

The composition of the Board of Directors of Les Eaux Minérales d'Oulmès Company as of 31 May 2016 is shown in the following table.

Name	Position	Date of most recent nomination	Expiry of term of office	Relationship
Mr. Mohamed Hassan BENSALAH	Chairman and CEO, shareholder	OGM of 24/05/2011	OGM convened to approve the accounts for the year to 31/12/2016	Himself
Mrs. Latifa BENSALAH née EL MOUTARAJJI *	Director, shareholder	OGM of 27/05/2014	OGM convened to approve the accounts for the year to 31/12/2019	Mother
Ms. Miriem BENSALAH CHAQROUN	Director, Deputy CEO, shareholder, salaried employee	OGM of 05/05/2016	OGM convened to approve the accounts for the year to 31/12/2021	Sister
Mr. Moulay Amine EI ALAOUI	Independent Director	OGM of 05/05/2016	OGM convened to approve the accounts for the year to 31/12/2021	-
Mr. Mustapha FARIS	Independent Director	OGM of 27/05/2013	OGM convened to approve the accounts for the year to 31/12/2018	-
Mr. Abdeltif TAHIRI	Independent Director	OGM of 05/05/2016	OGM convened to approve the accounts for the year to 31/12/2021	-
HOLMARCOM, represented by Mr. Mohamed Hassan BENSALAH– CEO	Director, shareholder	OGM of 24/05/2012	OGM convened to approve the accounts for the year to 31/12/2017	-
SANAD, represented by Mr. Abdelilah LAAMARTI (Deputy CEO)*	Director, shareholder	OGM of 24/05/2012	OGM convened to approve the accounts for the year to 31/12/2017	Mr Mohamed Hassan Bensalahis himself CEO of SANAD
ATLANTA, represented by Mr. Jalal Benchekroun (Deputy CEO)	Director, shareholder	OGM of 24/05/2012	OGM convened to approve the accounts for the year to 31/12/2017	Mr Mohamed Hassan Bensalahis himself CEO of ATLANTA

OMI, represented by Mr. Karim CHIOUAR (Deputy CEO–Group)	Director, shareholder	OGM of 24/05/2012	OGM convened to approve the accounts for the year to 31/12/2017	Mr. Mohamed Hassan Bensalah himself CEO of OMI
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Source : Les Eaux Minérales d'Oulmès
*DCEO : Deputy CEO

In accordance with the legal provisions and the Article of Association of the Company « Les Eaux Minérales d'Oulmès », the Board Meeting that was held on June 2, 2011, upheld unanimously its option to combine the positions of Chairman of the Board of Directors and CEO of Mr Mohamad Hassan Bensalah.

For this decision to be valid, the effective presence of at least half of the Directors is required. Subject to this, an Administrator can be represented by another Director with a special power in writing.

Decisions are taken by majority of the votes of the present members or represented, each present Administrator being allowed to hold only one power. In case of tie vote, the Chairman has the casting vote.

IV. MANAGEMENT BODIES

1. Directors/Executive Officers

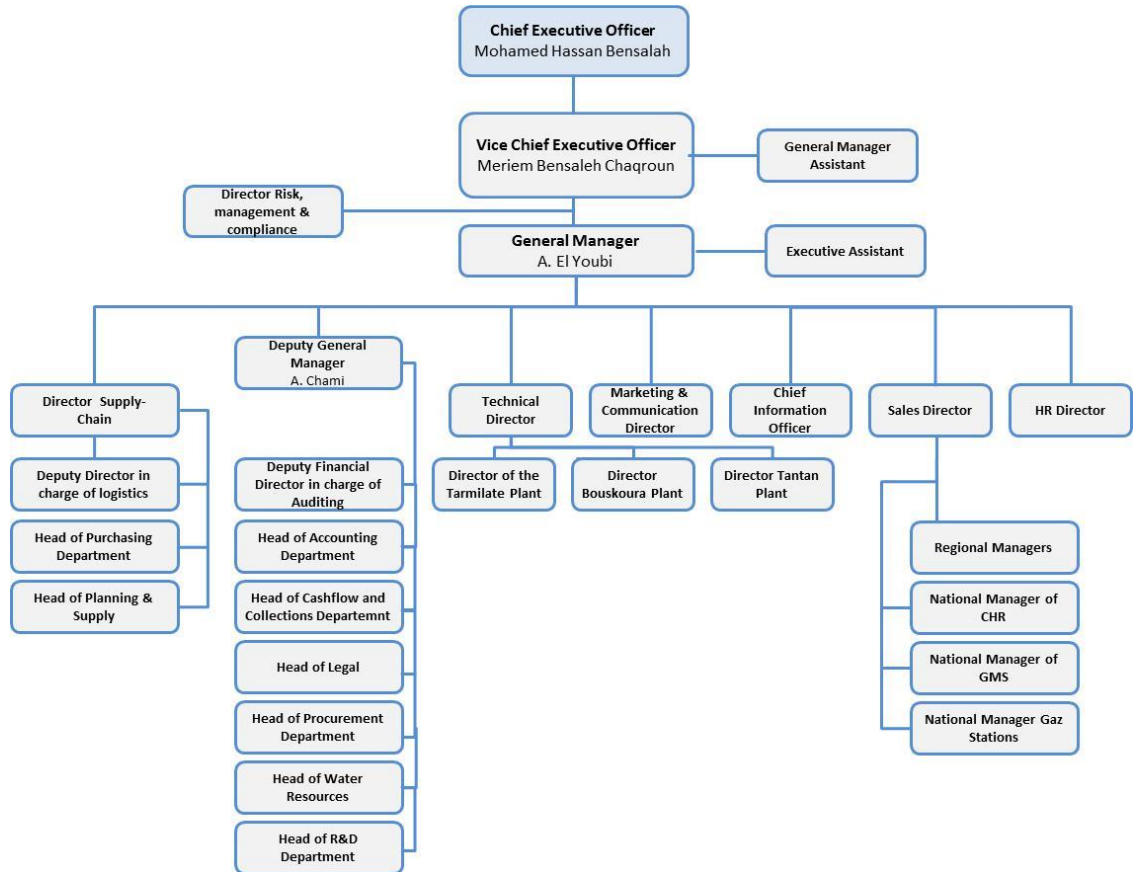
The principal Executive Officers of Les Eaux Minérales d'Oulmès as of 31 December 2015 are:

Name	Date of entry into post	Position
Mr. Mohamed Hassan Bensalah	1993	Chairman/Director-General (CEO)
Ms. Miriem Bensalah Chaqroun	November 1989	Deputy CEO
Mr. Abdelkhalek El Youbi	1995	Assistant General Manager
Mr. Ali Chami	January 2007	Deputy Director
Mr. Boubker Guerch	1971	Advisor to Senior Management
Mr. Mohamed Soual	2000	Director, Supply Chain
Mr. Kamal Dalil	April 2002	Director, Sales
Ms. Asmaa Eljay	May 2007	Director, Marketing
Mr. Oukacha Mahi	July 2001	Director, Systems and IT
Mr. Alami Lachkar	November 2009	Director, Human Resources
Mr. Said Ouzlifane	February 2002	Technical Director
Ms. Aicha Kouraich	November 2009	Director, Occupational Health, Safety and Environment

Source : Les Eaux Minérales d'Oulmès

The CEO also manages other mandates within the group as the CEO of virtually all Group companies, with the exception of « Air Arabia Morocco » where he is Chairman of the Board and « Radio Plus » and where he is a Director.

2. Functional Organizational Chart of the Company « Les Eaux Minérales d'Oulmès »



Source : *Les Eaux Minérales d'Oulmès*

July 2016

**PART III: ACTIVITIES OF LES EAUX MINÉRALES
D'OULMES COMPANY**

I. ACTIVITIES OF *LES EAUX MINÉRALES D'OULMÈS* COMPANY

1. Strategic Activities

Les Eaux Minérales d'Oulmès Company's activities include the following:

- The sourcing, utilization and marketing of natural still mineral water, natural sparkling mineral water, and any and all products derived therefrom, such as carbon dioxide, etc.;
- The production and marketing of purified still water;
- The production of preforms to meet the needs of the Oulmès company.

It should be noted that until 31 December 2010, the company used to make and market soft drinks.

2. Product Lines

a. Segment of the Natural Mineral Waters

The company « Les Eaux Minérales d'Oulmès » operates two concessions with a 30-km radius around the Oulmès geodesic point. To protect water springs from all forms of pollution, the company has erected a perimeter of protection, in accordance with the Law 10-95.

- Main provisions of the first operating concession for the springs « Sidi Ali Cherif » and « Lalla Haya » :

=> Date of first license : 1934

=> Renewal date : 1 December, 2010 for a period of 25 years.

On this territory, two gushing sources are exploited by « Les Eaux Minérales d'Oulmès » : « Sidi Ali Chérif » et « Lalla Haya ».

- Main provisions of the second operating concession for the spring « Hammou Aguemguem » :

=> License obtention date : January 10, 2009 for a period of 30 years.

	« Sidi Ali Chérif » Spring	« Lalla Haya » Spring	« Hammou Aguemguem » Spring
Localization	Located in the Khemisset province, springs of natural mineral water are positioned in the heart of the volcanic massif Zaian [1] at 1100 m of altitude in the west of the Middle-Atlas.		
	This spring is located in the bed of the Talat Narsset river, a small tributary of the right bank of the wadi Aguenour, about 3 km away from Tarmilate.	The spring is located on the banks of the Oued Aguenour at 552 m above sea level at the foot of Tarmilate tray and the Massif Zguit.	This springs gushes from the mountainous basalt of the Middle-Atlas Mountains 4km away from Oulmès and is 25km away from the bottling plant of Tarmilate on the road to Khénifra.
Marketing date	1978	1934	2009
Product nature	Still mineral water	Sparkling mineral water	Still mineral water
Brand	Sidi Ali	Oulmès	Ain Atlas
Product description	It is a natural mineral water that gushes from groundwater and emerges on the surface at a temperature of 19 ° C.	It is a naturally sparkling mineral water (or 8g/l of CO ₂) that emerges in granites through cracks	It is a natural mineral water that forms under the crust, it is a pure water free from surface pollution, and particularly rich in trace

	During its journey to the surface, it becomes laden with minerals and trace elements.	at a temperature of 42.6 °C.	elements of all kinds
Packaging / Format	Packs of	<u>Classical Oulmès</u>	Pack
	- 12 PET bottles of 33 cl	Pack of :	- 12 PET bottles of 50 cl
	- 12 PET bottles of 50 cl	- 12 PET bottles of 50 cl - 12 PET bottles of 33 cl	- 12 PET bottles of 33 cl (launched in 2013)
	- 6 PET bottles of 150 cl	- 6 PET bottles of 100 cl	- 6 PET bottles of 150 cl
	- 6 bottles of 75 cl (sport cap)	Plastic box of :	- 2 PET bottles of 5L
	Glass bottle 1 L and 75 cl and 50 cl	- 30 bottles of 20 cl in returnable glass	
	Flavored Sidi Ali :	- 30 bottles of 25 cl in returnable glass	
	- 12 PET bottles of 33 cl	- 12 bottles of 90 cl in returnable glass	
		- 12 bottles of 100 cl in returnable glass	
		Pack of :	
		- 6 cans of 25 cl	
		- 12 cans of 25 cl	
		<u>Oulmès light :</u>	
		- 12 PET bottles of 50 cl	
	- 6 PET bottles of 100 cl		

Source : Les Eaux Minérales d'Oulmès

b. Table water segment

Since 2001, the company « Les Eaux Minérales d'Oulmès » is also positioned on the table water market with the launch of the brand « Bahia ». This product is bottled on the Casablanca and Tan Tan plants. It is to be noted that the establishment of a new production plant in Tan Tan for bottling water table Bahia took place at the end of 2010;

The Casablanca plant uses water provided by Lydec.

The Tan Tan site uses water from the ONEE and benefits, in addition, from an exploitation concession of a non-drinkable water well:

=> Date of license : 24 September 2012 for a period of 30 years.

It is a purified water. Indeed, it underwent a desalination by reverse osmosis and a deodorization and disinfection.

The Bahia table water is produced and packaged on the Bouskoura III plant :

- Bottle of 18.9L PET.
- Pack of 6 bottles of 150 cl;
- Pack of 2 cans of 5L PET;

In addition, the Bahia water is conditioned on the Tan Tan plant :

- Pack of 6 bottles of 1.75L PET;
- Pack of 12 bottles of 0.6L PET;
- Pack 2 cans of 5L PET.

3. Production process:

The production line is fully automated in order to minimize human intervention. Apart from the handling and control of different machines or the control of the products, the human factor is not involved during the production process.

4. Commercial and Geographic Positioning of the company « Les Eaux Minérales d'Oulmès »

Breakdown of gross sales before reductions, discounts and rebates by volume and value per product type (in thousand MAD)

Activité/Marque	2013		2014		2015		Change 13-14		Change 14-15		Mean Rate of Growth 13-15	Annual of Net Sales
	Vol	Net Sales	Vol	Net Sales	Vol	Net Sales	Vol	Net Sales	Vol	Net Sales		
EMN	371 894	933 695	413 633	1 033 586	450 402	1 141 957	11.22%	10.70%	8.89%	10.48%	10.05%	10.59%
Part	69.59%	75.53%	70.28%	76.00%	70.77%	76.30%	0.69	0.47	0.49	-3.53		
EMG	36 314	149 764	39 581	165 820	43 220	180 847	9.00%	10.72%	9.19%	9.06%	9.10%	9.89%
Part	6.80%	12.11%	6.72%	12.19%	6.79%	12.08%	-0.08	0.08	0.07	1.85		
EDT	122 970	152 781	131 846	160 643	142 814	173 814	7.26%	5.15%	5.50%	8.20%	6.38%	6.66%
Part	23.62%	12.36%	23.00%	11.81%	22.44%	11.61%	-0.62	-0.55	-0.56	1.68		
Total général	534 416	1236 240	588 587	1360 049	636436	1496 619	10.14%	10.01%	8.13%	10.04%	9.13%	10.03%

Source : Les Eaux Minérales d'Oulmès

1 - Reverse osmosis: a mechanical pressure is applied to an impure solution to force water to pass through a semipermeable membrane. This process is called reverse osmosis, because in a normal osmosis process, pure water would move in the other direction to dilute the impurities.

**PART III. FINANCIAL SITUATION OF LES EAUX MINÉRALES
D'OULMÈS COMPANY - ANNUAL COMPANY ACCOUNTS -**

I. INTRODUCTION :

1. Income and Expenses account of "Les Eaux Minérales d'Oulmès" Company

The table below sets forth in detail the changes in the Income and Expenses account of Les Eaux Minérales d'Oulmès Company for the financial years ending 31 December 2013, 2014 and 2015.

In KMAD	2013	2014	2015	Change 13-14	Change 14-15	Mean Annual Rate of Growth
Operating income						
Sale of merchandise (as is)	4	20	0	>100,0%	-100,00%	-100,00%
Sale of goods and services produced	1 224 081	1 350 340	1 485 061	10,31%	9,98%	10,15%
Turnover	1 224 086	1 350 361	1 485 061	10,32%	9,98%	10,15%
Change in product inventory (+ or -)	296	1 981	365	>100,0%	-81,58%	-
Assets manufactured by the company for itself	16136	17 972	0	11,38%	-100,00%	-
Operating reversals: transfer of charges	4 210	11 986	1 149	184,67%	-90,42%	-47,77%
Total	1 244 729	1 382 300	1 486 574	11,05%	7,54%	9,28%
Operating charges						
Costs of goods sold	1 346	86	26	-93,61%	-70,11%	-86,18%
Costs of supplies and consumables	398 949	429 068	459 841	7,55%	7,17%	7,36%
Other external charges	337 477	369 908	374 519	9,61%	1,25%	5,35%
Taxes and duties	110 678	121 155	132 099	9,47%	9,03%	9,25%
Personnel charges	131 784	146 086	161 823	10,85%	10,77%	10,81%
Other operating charges	1 375	1 375	1 375	-0,01%	0,01%	0,00%
Operating charges to provisions	118 883	122 965	136 956	3,43%	11,38%	7,33%
Total	1 100 492	1 190 644	1 266 638	8,19%	6,38%	7,28%
Operating income	144 237	191 655	219 936	32,88%	14,76%	23,48%
Financial income						
Exchange gains	791	493	2930	-37,67%	>100,0%	92,45%
Interest and other financial income	1070	326	237	-69,53%	-27,24%	-52,92%
Financial reversals: transfer of charges	90	75	97	-16,99%	28,81%	3,40%
Total	1951	894	3 263	-54,18%	>100,0%	29,32%
Financial charges						
Interest charges	22117	19 921	18 338	-9,93%	-7,95%	-8,94%

Exchange losses	1065	2018	4 235	89,48%	>100,0%	99,42%
Financial provisions	75	97	207	28,71%	>100,0%	65,83%
Total	23 257	22 035	22 780	-5,26%	3,38%	-1,03%
Financial result	-21 306	-21 141	-19 517	-0,78%	-7,68%	-4,29%
Recurrent income	122 930	170 514	200 419	38,71%	17,54%	27,69%
Non-recurrent income						
Income from disposal of assets	635	1 183	607	86,41%	-48,69%	-2,20%
Other non-recurrent income	4601	7 190	6 439	56,28%	-10,44%	18,30%
Non-recurrent reversals: transfer of charges	1696	8 000	-	>100,0%	-	-
Total	6 931	16 372	7 046	>100,0%	-56,96%	0,83%
Non-recurrent charges						
Net amortization values of assets disposed of	16	70	158	>100,0%	>100,0%	211,61%
Other non-recurrent charges	1 561	33 107	6 004	>100,0%	-81,86%	96,14%
Non-recurrent depreciation and provisions	8000	0	0	-100,00%	-	-100,00%
Total	9 577	33 176	6 162	>100,0%	-81,43%	-19,79%
Non-operating income	-2 646	-16 804	884	>100,0%	>100,0%	-
Profit before tax	120 285	153 710	201 303	27,79%	30,96%	29,37%
Tax on profit	40 910	48 677	65 452	18,99%	34,46%	26,49%
Net result	79 375	105 033	135 851	32,33%	29,34%	30,82%

Source : Les Eaux Minérales d'Oulmès

2. BALANCE SHEET ANALYSIS

The following table sets forth the historical balance sheet data for « Les Eaux Minérales d'Oulmès » for the financial years ending 31 December 2013, 2014 and 2015.

In KMAD	2013	2014	2015	Change 13-14	Change 14-15	Mean Annual Rate of Growth
Nil-value assets	17 717	12 234	7 681	-30,95%	-37,22%	-34,16%
Intangible assets	6 637	7 569	7 996	14,04%	5,64%	9,76%
Tangible assets	774 016	778 097	850 774	0,53%	9,34%	4,84%
Financial assets	1 533	2 054	25 079	33,99%	1121,00%	304,47%
Fixed assets	799 903	799 954	891 530	0,01%	11,45%	5,57%
Stocks	96 182	103 846	165 947	7,97%	59,80%	31,35%
Operating receivables	274 104	361 456	390 090	31,87%	7,92%	19,30%
Marketable securities	58	58	58	0	-	-

Translation adjustments	75	97	207	29,33%	113,67%	66,24%
Current assets	370 420	465 457	556 303	25,66%	19,52%	22,55%
Cash assets	68 358	39 928	47 849	-41,59%	19,84%	-16,34%
Total assets	1 238 680	1 305 339	1 495 682	5,38%	14,58%	9,89%
Own capital	517 177	552 910	589 761	6,91%	6,66%	6,79%
Financing debts	303 986	240 101	300 000	-21,02%	24,95%	-0,66%
Long-term financing	821 163	793 011	889 761	-3,43%	12,20%	4,09%
Debts on current liabilities	329 380	339 069	381 954	2,94%	12,65%	7,69%
Other provisions for contingent liabilities and charges	8 075	97	207	-98,80%	113,67%	-83,98%
Translation adjustments	53	176	260	232,08%	47,90%	121,62%
Current liabilities	337 509	339 341	382 422	0,54%	12,70%	6,45%
Cash liabilities	80 009	172 986	223 499	116,21%	29,20%	67,14%
Total liabilities	1 238 680	1 305 339	1 495 682	5,38%	14,58%	9,89%

Source : Les Eaux Minérales d'Oulmès

**PART IV. FINANCIAL SITUATION OF THE COMPANY « LES
EAUX MINÉRALES D'OULMÈS » -
ANNUAL CONSOLIDATED ACCOUNTS**

Disclaimer : 2015 is the first year in which the company accounts « Les Eaux Minérales d'Oulmès » were consolidated

I. Scope of the Consolidation :

1. Accounting Standards and Methods

The consolidated financial statements of the company « Les Eaux Minérales d'Oulmès » were established pursuant to the opinion n°5 of the National Accounting Council (CNC) of 26 May 2005 and in accordance with Appendix III.2.A. of the circular of the AMMC which sets the content of the proforma information.

2. Scope of Consolidation as of December 31, 2015

The scope of consolidation includes the parent company's and its subsidiary :

Entity	Activity	Consolidation method	% control	% interest
Eau technologie environnement (ETE)	Water collection, exploitation, industry and commerce of all kinds of drinks	Global Integration	55%	55%

Source : les Eaux Minérales d'Oulmès

Eau, technologie, environnement (ÉTÉ)

The company « ÉTÉ » is governed by the Beninese Law and owned by « Les Eaux Minérales d'Oulmès » within the implementation of part of its development strategy in Africa, particularly in Sub-Saharan part. The accounts of the ETE company were audited by an external auditor for the financial years 2014 and 2015 which have provided the basis for consolidation work.

II. Income and Expense Statements of « Les Eaux Minérales d'Oulmès » :

En KDH	2014	2014 (P)	2015	Change 14(P)/15
OPERATING INCOME	1 382 300	1 406 437	1 517 306	7,88%
Turnover	1 350 361	1 374 163	1 515 584	10,29%
Other operating income	31 939	32 274	1 721	-94,67%
OPERATING CHARGES	1 172 460	1 190 743	1 275 879	7,15%
PURCHASES CONSUMED	429 155	438 440	471 903	7,63%
External charges	363 450	366 831	373 537	1,83%
Taxes and duties	121 155	121 434	132 410	9,04%
Personnel charges	146 086	149 443	166 588	11,47%
Other operating charges	1 375	2 167	1 789	-17,45%
Operating charges to provisions	111 238	112 427	129 652	15,32%
OPERATING INCOME (I-II)	209 840	215 695	241 426	11,93%
FINANCIAL INCOME AND CHARGES	-22 408	-23 669	-22 369	-5,49%
CURRENT INCOME OF CONSOLIDATED COMPANIES	187 432	192 026	219 057	14,08%
NON-CURRENT INCOME AND CHARGES	-16 804	-16 643	841	-105,05%

Income tax	48 677	49 853	66 571	33,54%
Deferred income tax	4 927	4 956	5 492	10,81%
NET RESULT OF CONSOLIDATED COMPANIES	117 023	120 574	147 836	22,61%
Acquisition goodwill amortization	0	1 700	1 700	0,00%
NET INCOME OF THE CONSOLIDATED GROUP	117 023	118 873	146 135	22,93%
MINORITY INTERESTS	0	1 598	1 366	-14,47%
NET INCOME - GROUP SHARE	117 023	117 276	144 769	23,44%
Earnings per share	59	59	73	23,44%

III. Analysis of the Consolidated Balance Sheet of « Les Eaux Minérales d'Oulmès » :

The following table outlines the main indicators of LEMO's consolidated balance sheet for the financial years 2015, 2014 and 2013 proforma :

ASSETS (in KDH)	2014	2014 (P)	2015	Change 14(P)/15
Non-current assets	941 819	966 450	1 057 367	9,41%
Goodwill impairment	0	15 304	15 304	-
Net intangible assets	7 569	7 635	8 090	5,96%
Net tangible assets	925 903	934 965	1 026 532	9,79%
Financial assets	2 054	2 251	2 631	16,88%
Assets deferred tax	6 293	6 295	4 810	-23,58%
Current Assets	505 289	516 565	614 554	18,97%
Stocks and receivables	103 846	105 550	167 314	58,52%
Customers and related accounts	234 194	238 605	252 211	5,70%
Other receivables and accruals and deferrals	127 263	129 014	143 491	11,22%
Investment securities	58	58	58	-
Assets exchange adjustments	0	0	0	-
Asset cash	39 928	43 339	51 481	18,79%
Total Assets	1 447 108	1 483 015	1 671 922	12,74%

LIABILITIES (in KDH)	2014	2014 (P)	2015	Change 14(P)/15
Capitaux Propres Part du Groupe	637 752	636 033	681 591	7,16%
Capital	198 000	198 000	198 000	-
Issuance premium	166 980	166 980	166 980	-
Reserves	155 749	153 820	171 868	11,73%
Net income of financial year	117 023	117 275	144 769	23,44%
Exchange adjustments	0	-42	-26	-
Minority interests	0	4 730	4 519	-4,45%
Non-current liabilities	297 300	320 203	371 979	16,17%

Loans and financial debts	256 118	278 956	326 725	17,12%
Liabilities deferred tax	41 182	41 247	45 254	9,71%
Liabilities exchange adjustments				-
Current liabilities	512 055	522 049	613 833	17,58%
Suppliers and related accounts	136 217	137 649	142 202	3,31%
Other debts and adjustment accounts	202 852	211 150	248 123	17,51%
Other contingencies and loss provisions	0	261	7	-
Liabilities exchange adjustments				-
Liabilities cash	172 986	172 989	223 501	29,20%
Total Liabilities	1 447 108	1 483 015	1 671 922	12,74%

PART V - RISK FACTORS

1- Risk from competition

The current operators in the mineral water sector do confront a risk of the entry onto the market of new local products. However, given the scale of the financial, human and operational investment involved in such an operation, the chances of it succeeding are negligible.

The fall in customs duty is favoring imports of foreign mineral waters. However, the effect of such imports should be limited, given the significant barriers resulting from the lack of a distribution network and the significant transport costs.

Given its low market value relative to its volume, "Water" cannot be profitably marketed as a product unless it follows the proximity principle. That said, customs duties can be as much as 25% before VAT.

In 2014, imported mineral waters represented less than 0.9% of total sales volume.

2- Regulatory risk

In addition to the risks faced by the sector as a whole, the company also faces the following risks:

- The risk that its concession will not be renewed: in this regard, however, the State has undertaken not to grant any similar concession for the use of mineral waters for bottling within 30 km of the Oulmès triangulation point without a prior invitation to Les Eaux Minérales d'Oulmès Company to submit a concession application that will, all things being equal, have priority over all other analogous applications. Currently, the Company has two concessions that are being operated: the Sidi Ali/Oulmès application that was signed in 2010 for the following 25 years, and the Ain Atlas concession that was signed in 2009 for the next 30 years.
- The risk of the concession's being bought back: the State can buy the concession back at any time. In the event that the State takes advantage of this provision, it would be obliged to warn the concession-holder at least two years in advance.
- The risk of the Company losing its authorization: Law 10-95 sets forth conditions and prerequisites for exploiting natural resources. Only non-compliance with those regulatory conditions can provide cause to modify the concession contract unless the public interest is threatened (which would be in the event of force majeure), in which case such modification, reduction or revocation may give rise to a right to compensation to the holder of the authorization, if the holder is directly prejudiced thereby.

Since 1933, when the first concession was granted, Les Eaux Minérales d'Oulmès has always taken care to abide scrupulously by the conditions set in the concession contracts: The Company has organised in such a way as to always guarantee that the spring waters are exploited in accordance with the concession contract:

- Creation of an R&D department which works in close cooperation with the Basin Agency in order to keep the Company in a state of constant alert to ensure that its operations are progressing properly. The Agency coordinates sampling, water capture and transmission of all information to the State's oversight bodies;

- Creation of a "Quality Directorate" that can intervene at any time anywhere along the production chain in order to verify that the water that has been conceded is in constant compliance with the State's obligations in health matters. That is why samples are taken every half hour to be sent for chemical, sanitary and mineralogical analysis.

Most recently, Les Eaux Minérales d'Oulmès Company has diversified its activities by launching a table water, so that the Company's dependence on natural mineral water is reduced.

3- Exchange rate risk

The exchange rate risk affects imported packaging products (PET, preforms and caps). However, this risk is very small since the principal import currencies, i.e., the euro and the US dollar, have a correlation coefficient that is very strongly negative (close to -1).

4- Risk from client default

The risk from default among Les Eaux Minérales d'Oulmès Company's clients is very low because sales are spread over a whole set of distribution channels, each of which has several tens if not hundreds of clients. This fact means that the Company's dependence on any one client and the impact of any one client's default is very slight given the size of the Company.

5- Health hazard risk

By reason of its activity in the industrial processing of all waters termed "spring waters", the Les Eaux Minérales d'Oulmès Company is exposed to a health hazard risk in the process of producing bottled waters. To counter it, the Company has put in place a whole process aimed at improving the quality of the products it markets.

6- Environmental risk

In the production of natural and sparkling mineral waters, and table water, water use is the principal input to the production process, and on the other hand is also used to clean the glass containers and bottle crates that will hold the final product. To achieve this, some sites dispose of waste water into the urban sewerage systems of the cities where the plants are located, which could have a possible negative environmental impact.

In an awareness of the issue, in 2011 the Company engaged in a process toward certification in environmental management under ISO 14000, which it successfully obtained in 2012.

In that context, Les Eaux Minérales d'Oulmès Company has taken the following specific actions:

- ✓ Designing lightweight, environmentally friendly packaging;
 - ✓ Putting in place an environmental protection charter;
 - ✓ Protecting the Oulmès forest surrounding the Tarmilate plant and raising awareness among the local farmers about the dangers of pesticides;
 - ✓ Preserving the springs by means of three protective cordons (sanitary, close in, further out);
 - ✓ Planting trees around the water sources it uses.
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Disclaimer

The above information represents only part of the prospectus approved by the Autorité Marocaine du Marché des Capitaux (AMMC) under reference no VI/EM/018/2016 on 19 08 2016.

The AMMC advises reading the entire prospectus available to the public in French.