

PROSPECTUS SUMMARY

Issue Program of commercial papers

Update of the prospectus related to the financial year 2015

PROSPECTUS SUMMARY

Issue program Ceiling: MAD 200 000 000

Face value : MAD 100 000

FINANCIAL ADVISOR

BMCE CAPITAL 
CONSEIL

BOOK RUNNER

BMCE BANK 

Visa of the Autorité Marocaine du Marché des Capitaux (AMMC)

In accordance with article 18 of Dahir n° 1-95- 3 of Chaabane 24th, 1415 (January 26th, 1995) promulgating law n° 35-94 pursuant to certain negotiable debt securities, the original version of the present prospectus summary was submitted for approval by the Autorité Marocaine du Marché des Capitaux (AMMC) which affixed its stamp thereto 01/12/2016 under reference n° VI/EM/033/2016.

The visa of the Autorité Marocaine du Marché des Capitaux in no way implies approval of the opportunity afforded by the operation or authentication of the information contained herein. It was granted after examination of the pertinence and coherence of the information given in view of the operation proposed to the investors.

Disclaimer

The Autorité Marocaine du Marché des Capitaux (AMMC) approved the 01/12/2016 an information record pursuant to the issue of commercial papers by Maghreb Oxygène.

The prospectus approved by the AMMC is available at any time at Maghreb Oxygène's headquarters and at its financial advisor's office. It is also consultable at the order collecting institutions.

The Prospectus is also consultable at the AMMC website www.ammc.ma

PART I. ISSUE OVERVIEW

I. Objective of the issue

Maghreb Oxygène wishes to carry out an issue program of commercial papers in order to:

- Optimize the cost of short term financing by substituting, either partially or totally, the existing short term bank loans by commercial papers;
- Meet its needs for cash induced by changes in working capital requirement during the year (brought by fluctuations of the payment time limit of the different counterparties of the Company) ;
- Diversify the financing sources for better negotiation with its financial partners.

II. Characteristics of Commercial papers to be issued

Nature of securities	Marketable debt securities dematerialized by registration in the central depository (Maroclear) and placed on accounts at authorized affiliates.
Legal form of securities	Commercial papers written out to bearer
Issue ceiling	MAD 200 000 000
Outstandings at the end of June 2016	0
Number of securities	2 000
Face value	MAD 100 000
Maturity	From 10 days to 12 months–To be fixed at any issue
Date of entitlement	At the date of payment.
Interest rate	Fixed for each issue according to the conditions of the market.
Interest	Ultimately, at the time of maturity of every commercial paper.
Repayment of capital	Ultimately, at the time of maturity of every commercial paper.
Negotiability of securities	Freely negotiable in the secondary market.
Guarantee	This issue is not attached to any guarantee

III. Underwriting Syndicate –Financial intermediaries

Advisor and coordinator	BMCE Capital Conseil 30 bd Moulay Youssef – Casablanca
Book runner	BMCE Bank 140, Avenue Hassan II – 20000 Casablanca
Institution holding securities accounts	BMCE Bank 140, Avenue Hassan II – 20000 Casablanca
Body in charge of the financial service of the securities	BMCE Bank 140, Avenue Hassan II – 20000 Casablanca

PART II. INFORMATION ON THE ISSUER

I. General overview

Company name	Maghreb Oxygène S.A
Head Office	Immeuble TAFRAOUTI Km 7,5 Route de Rabat AinSebaâ – Casablanca
Phone / Fax / Internet website	(212) 5 22 35 22 18/22 (212) 5 22 35 22 06 www.akwagroup.com
Legal form	Public limited Company with a Board of Directors
Date of incorporation	1976
Period	The period of the Company has been fixed in 99 years, except in the event of early dissolution or extension stipulated by the articles of association or the law.
Trade Register n°	101 837, Court of Casablanca
Financial year	From January 1 st to December 31 st .
Capital	MAD 81 250 000 divided into 812 500 shares of MAD 100 for each on 12/31/2015.
Consulting legal documents	The legal documents of the Company, mainly the articles of associations and the minutes of the General Meetings and the auditors' reports may be consulted at Maghreb Oxygène Headquarters.
Corporate purpose	<p>According to Section 3 of the Articles of Association, the purpose of the Company is :</p> <ul style="list-style-type: none"> ▪ Studies, supply, installation and maintenance of industrial and medical gas networks and other fluids ; ▪ Importing, exporting, manufacturing, stocking and distribution of medicines; ▪ Manufacturing of industrial and medical gases, distribution of welding equipment, distribution of medical, scientific and laboratory products and equipment; ▪ Manufacturing industry and/or transformation and/or purifying Industrial and special gases, especially Oxygen, nitrogen and noble gases from the air and acetylene; ▪ Purchase, sale, importing, exporting, stocking, transporting and distribution of the said products as well as any equipment, tools and accessories necessary for the production, processing, handling and use; ▪ In general, the implementation of any techniques concerning these gases; ▪ Obtaining, conceding, operating any patents, trademarks, licenses and processes within the scope of the above purpose and for the exclusive account of the Company; ▪ Direct and indirect participation by the Company in any of the abovementioned purposes, by means of creation of new companies, contribution, subscription or purchase of shares or Company rights, merger, partnership or otherwise; <p>And more generally any transactions whatever its nature might be, directly or indirectly related to the abovementioned purposes or that may favor their carrying out.</p>
Applicable laws and regulations	The company is governed by Moroccan law, Law No. 17-95 relating to public limited companies as amended and supplemented by Law No. 20-05, as well as its

statutes.

Regarding the business activity of the Company, it is governed by the following dahirs:

- The dahir of 08.25.1914 regulating unsanitary, inconvenient or dangerous facilities;
- The dahir of 01.12.1955 regulating gas pressure equipments;
- The dahir of 02.06.1963 relating to the compensation for work-related accidents;
- The dahir No. 1-06-151 promulgating law No. 17-04 relating to drugs and pharmaceuticals code.

Regarding its listing on the Casablanca Stock Exchange, it is subject to all laws and regulations relating to financial markets, including:

- The dahir constituting law No. 1-93-211 of September 21st, 1993 relating to the Casablanca Stock Exchange as amended and supplemented by Laws No. 34-96, No. 29-00, No. 52-01 and No. 45-06;
- The General Regulations of the Casablanca Stock Exchange approved by Decree of the Minister of the Economy and Finance n°1268-08 of the 07 July of 2008, amended and supplemented by orders of the Minister of the Economy and Finance, n°1156-10 of the 07th April 2010, n°30-14 of the 06th of January 2014 and n°1955-16 of the 04th July 2016 ;
- The dahir constituting law No. 1-93-212 of September 21st, 1993 as amended and supplemented by the laws No. 23-01, No. 36-05 and No. 44-06;
- The Internal Regulations of the AMMC ;
- The dahir constituting law No. 1-96-246 of January 9th, 1997 promulgating the law No. 35-96 relating to the creation of a Central Depository and the establishment of a general regulation system for the registration of certain values (as amended by Law No.43-02);
- The Internal Regulations of the Central Depository approved by the decree of the Minister of Economy and Finance No. 932-98 of April 16th, 1998 and amended by the decree of the Minister of Economy, Finance, Privatization and Tourism No. 1961-01 of October 30, 2001;
- The dahir No. 1-04-21 of April 21st, 2004 promulgating the Law No. 26-03 relating to public offerings on the Moroccan stock market as amended and supplemented by law No. 46-06;
- The dahir No. 1-95-03 of January 26, 1995 promulgating Law No. 35-94 relating to certain negotiable debt securities;
- The circular of the AMMC;
- Law No. 35-94 on certain negotiable debt securities as amended by Law No. 35-96 and Law No. 33-06.

II. Information on MAGHREB OXYGENE capital

The table hereafter depicts the situation of the shareholders of Maghreb Oxygène over the past three fiscal years:

Shareholders	2013		2014		2015	
	Number of shares and voting rights	% of the capital and voting rights	Number of shares and voting rights	% of the capital and voting rights	Number of shares and voting rights	% of the capital and voting rights
AKWA Group	506 685	62,36%	506 686	62,36%	506 686	62,36%
Various shareholders	143 250	17,63%	143 249	17,63%	143 249	17,63%
Asma invest	81 315	10,01%	81 315	10,01%	81 315	10,01%
Atlanta	32 500	4,00%	32 500	4,00%	32 500	4,00%
Al Watanya	32 500	4,00%	32 500	4,00%	32 500	4,00%
CDG	16 250	2,00%	16 250	2,00%	16 250	2,00%
Total	812 500	100,00%	812 500	100,00%	812 500	100,00%

Source: Maghreb Oxygène

The shareholding structure of Maghreb Oxygène remained unchanged during the last three financial years. During the financial year 2013, Asma Invest passed over the threshold of 10% in the capital of Maghreb Oxygène and holds 81 315 shares, i.e. a contribution of 10.01%.

In 2015, the 2 855 shares owned by Mrs. FEDDI Zahra were transmitted to members of Akhannouch Family following her passing.

III. Issue of the commercial papers

The Company has conducted several issues of commercial papers, the characteristics of which are detailed in the following table:

Number of shares	Amount	Period	Vesting date	Due date	Nominal rate	Spread (pbs)	Number of days
1 000	100 000 000	1 month	03/30/2011	04/29/2011	3,60%	30	30
1 500	150 000 000	1 month	05/02/2011	06/01/2011	3,60%	30	30
2 000	200 000 000	6 month	06/01/2011	12/01/2011	3,85%	50	183
100	10 000 000	1 month	12/19/2011	01/19/2012	3,65%	30	31
2 000	200 000 000	5 month	01/27/2012	06/27/2012	4,10%	63	152
1 100	110 000 000	5 month	07/26/2012	12/25/2012	4,05%	63	152

Source: BMCE CAPITAL

The outstanding amount at the end of June 2016 is null.

IV. Maghreb Oxygène Activity

The company Maghreb Oxygène is owned in majority by AKWA Group, whose main shareholders are AKHANNOUCH and WAKRIM families. It belongs to the fluid sector of Akwa Group and is specialized in the production of industrial and medical gases. The Company has also started selling medical and welding equipment.

The evolution of the income of Maghreb Oxygène during the last three years is shown in the following table:

In KMAD	2013	2014	Var 13/14	2015	Var 14/15
Gas Division	169 328	171 260	1,1%	180 104	5,2%
Welding Division (Equipment and supplies)	26 295	33 181	26,2%	33 155	-0,1%
Equipment for medical use	7 214	12 896	78,8%	10 829	-16,0%
Total turnover	202 837	217 337	7,1%	224 088	3,1%

Source: Maghreb Oxygène

Evolution 2014-2015

An increase was observed in the Maghreb Oxygène's turnover, which amounted to MAD 225 million in 2015 (+ 3.1% compared to 2014). This development is due to:

- An increase of 5.2% in revenue generated by the Gas Division settling at MAD 180 million, representing 80.4% of the total turnover;
- A decrease in revenues related to medical equipment sector (- 16.0%) due mainly to a billing delay related to certain projects of pipe network facilities.

The table below shows the revenues generated by the Jorf Lasfar's project during the period 2013-2015 :

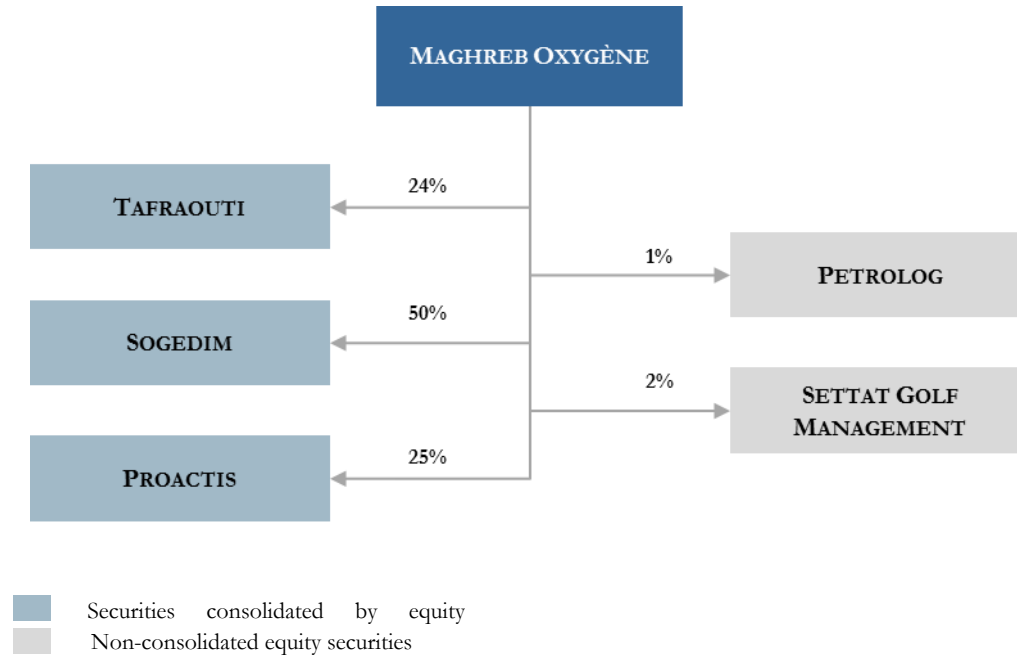
In KMAD	2013	2014	Var. 13/14	2015	Var. 14/15
Jorf Lasfar	10 863	10 863	0,0%	11 167	2,8%
Total turnover	202 837	217 337	7,1%	224 088	3,1%

It is noteworthy that, over the period 2013-2015, the project Jorf Lasfar generates on average 5.0% of the overall turnover of Maghreb Oxygene. It amounted to MAD 11.2 million at end-2015.

V. Maghreb Oxygène subsidiaries

V.1. Legal structure

Figure 1. Legal structure of Maghreb Oxygène as of December 31th, 2015



Source: Maghreb Oxygène

Note that Philo Envirotech Company, a subsidiary of Maghreb Oxygène up to 27.9% has no activity. Moreover, Termaltech Afrique subsidiary is non-operational.

PART III. CONSOLIDATED FINANCIAL DATA OF THE ISSUER

I. Consolidation scope and methods

I.1. Consolidation scope on December 31st, 2015

Subsidiary	% of control	% interest	Consolidation method
Maghreb Oxygène	100%	100%	Consolidated company
PROACTIS	25%	25%	Equity method
TAFRAOUTI	24%	24%	Equity method
SODEGIM	50%	50%	Equity method

Source: Maghreb Oxygène

I.2. Consolidation scope on December 31st, 2014

Subsidiary	% of control	% interest	Consolidation method
Maghreb Oxygène	100%	100%	Consolidated company
PROACTIS	25%	25%	Equity method
TAFRAOUTI	24%	24%	Equity method
SODEGIM	50%	50%	Equity method

Source: Maghreb Oxygène

I.3. Consolidation scope on December 31st, 2013

Subsidiary	% of control	% interest	Consolidation method
Maghreb Oxygène	100%	100%	Consolidated company
PROACTIS	25%	25%	Equity method
TAFRAOUTI	24%	24%	Equity method
SODEGIM	50%	50%	Equity method

Source: Maghreb Oxygène

II. Consolidated income statements

The consolidated income statement of Maghreb Oxygène Group over the period 2013-2015 is presented as follows:

In K MAD	2013	2014	Var. 13/14	2015	Var. 14/15
Turnover	201 890	215 548	6,8%	221 868	2,9%
Other incomes	6 989	11 391	63,0%	3 258	-71,4%
Cost of goods and services sold	-92 094	-100 736	9,4%	-97 828	-2,9%
Staff expenses	-36 607	-37 348	2,0%	-39 390	5,5%
Other incomes and operating expenses	-43 670	-54 282	24,3%	-57 616	6,1%
Operating profit before amortizations	36 507	34 573	-5,3%	30 292	-12,4%
Depreciations charges	-22 008	-17 066	-22,5%	-17 270	1,2%
Operating profit	14 498	17 507	20,7%	13 023	-25,6%
Cash and cash equivalent income	-	-	n.m	-	n.m
Cost of the gross borrowing	-6 033	-5 602	-7,1%	-5 374	-4,1%
Cost of the net borrowing	-6 033	-5 602	-7,1%	-5 374	-4,1%
Other incomes and financial expenses	-	-	n.m	-	n.m
Pre-tax income of consolidated companies	8 465	11 905	40,6%	7 649	-35,7%
Share of the net profit of associates	1 587	1 154	-27,3%	1 496	29,6%
Income tax	-2 799	-3 919	40,0%	-2 711	-30,8%
Consolidated net profit	7 253	9 140	26,0%	6 433	-29,6%
Other incomes and expenses	-	-	n.m	-	n.m
Total global profit of the period	7 253	9 140	26,0%	6 433	-29,6%
Net profit	7 253	9 140	26,0%	6 433	-29,6%
Of group share	7 253	9 140	26,0%	6 433	-29,6%
Of minority share	-	-	n.m	-	n.m
Net group share profit	7 253	9 140	26,0%	6 433	-29,6%
Net profit per share (in MAD)	8,9	11,2	25,8%	7,9	-29,5%
Diluted profit per share (in MAD)	8,9	11,2	25,8%	7,9	-29,5%

Source: Maghreb Oxygène

III. Balance sheet analysis of the consolidated accounts

The following table shows the evolution of a consolidated balance sheet over the period 2013-2015:

In K MAD	2013	2014	Var. 13/14	2015	Var. 14/15
Non-current assets	260 378	256 605	-1,4%	256 965	0,1%
Intangible fixed assets	1	1	-4,8%	1	0,0%
Tangible fixed assets	153 610	151 867	-1,1%	154 039	1,4%
Investments in associates	33 857	35 010	3,4%	36 506	4,3%
Other financial assets	1 391	1 390	-0,1%	1 390	0,0%
Unconsolidated interests	152	152	0,0%	152	0,0%
Differed tax assets	1 812	1 719	-5,1%	1 877	9,2%
Other non-current assets	69 554	66 465	-4,4%	63 000	-5,2%
Current assets	221 349	174 432	-21,2%	181 453	4,0%
Stocks	27 517	33 191	20,6%	33 517	1,0%
Customers' accounts	120 094	122 285	1,8%	132 271	8,2%
Other operating liabilities	14 163	12 568	-11,3%	12 840	2,2%
Current tax liability	-	278	n.m.	935	n.s.
Investment securities	4 030	-	n.m.	-	n.m.
Cash and cash equivalents	55 545	6 110	-89,0%	1 889	-69,1%
Total assets	481 727	431 037	-10,5%	438 419	1,7%
Shareholders' equity	205 817	211 705	2,9%	214 889	1,5%
Capital	81 250	81 250	0,0%	81 250	0,0%
Issue premium	40 990	40 990	0,0%	40 990	0,0%
Consolidated reserves	76 324	80 326	5,2%	86 216	7,3%
Consolidated income of the financial year	7 253	9 140	26,0%	6 433	-29,6%
Minority interests	-	-	n.m.	-	n.m.
Non-current liabilities	136 530	32 973	-75,8%	135 225	n.s
Loans and other long term financial liabilities	105 831	1 613	-98,5%	101 484	n.s
Differed tax liabilities	7 822	7 774	-0,6%	7 704	0,9%
Other non-current liabilities	22 877	23 587	3,1%	26 037	10,4%
Current liabilities	139 382	186 359	33,7%	88 305	-52,6%
Suppliers debts	38 063	40 708	6,9%	33 780	-17,0%
Other current liabilities	38 732	36 526	-5,7%	39 221	7,4%
Current tax liabilities	38	-	n.m.	-	n.m.
Provisions for current risks and expenses	1	-	n.m.	-	n.m.
Loans and other short term financial liabilities	62 548	109 125	74,5%	15 304	-86,0%
Total liabilities	481 727	431 037	-10,5%	438 419	1,7%

Source: Maghreb Oxygène

PART IV. RISK FACTORS

I. Regulatory risk

Producing and distributing industrial gases is governed by texts of law dating back to 1914 (Decree of August 25th , 1914 – Regulation of unhealthy, inconvenient and dangerous institutions) and 1955 (Decree of January 12th, 1955 – Regulation related to gas pressure equipment). These last years, new laws have come in force for this activity, in particular:

- The law 12-03 on environmental impact assessments. This law must be applied before building new production units.
- The law 17-04 for the code of medicinal and pharmaceutical processing and medical gases.
- The law 30-05 on road transport of hazardous materials. This law regulates the transport activities of gas and other hazardous materials, but the decrees are not yet published.

In addition to a legislation of mandatory nature, Moroccan standards for industrial and medical gases sector have been established:

- NM ISO 14175 on gases and gas mixtures for fusion welding and allied processes.
- A series of standards for cryogenic receptacles aiming at filling gaps in the pressure vessels law, and processing of fixed and mobile cryogenic vessels.
- A series of standards for medical gas distribution systems.

The Moroccan Association for Industrial and Medical gases (AMGIM), gathering the major actors of the sector, contributes to the strategic planning for standardization and regulating of the legislative framework of fluids and specifically medical fluids and work on the conception and standardization of good practices of production.

The emergence of a more stringent regulation shall probably lead to a selectivity of competition and give the most prepared producers the opportunity to maintain or increase their market share. The sector of industrial gases, which are considered as medicines, is governed by the law n°17-04 promulgating the code of medicines and pharmacy. The promulgation of implementation decrees is a precursory sign of the regulation tightening.

Maghreb Oxygène anticipates this ineluctable evolution of the regulatory environment and refers to the applicable manufacturing standards in the majority of the European countries.

II. Risk linked to market evolution

The gas application fields are very wide, concerning all sectors of the activity; the sector evolution is closely linked to the evolution of the country's economy in general.

Despite the existence of a real market risk on every segment, since the use for a specific market of a type of gas may change unpredictably because of the emergence of a substituting product or promulgation of a regulation, the risk of a type of market is widely compensated by the dynamism of the sector, which contributes to creating new users of different industrial gases.

Strictly speaking, the global consumption of gases, for all applications, develops, at an equal perimeter, at least at the economic development rate of the country.

Taking into account the wide range of gases produced by Maghreb Oxygène, the main challenge for the Company is to be able to suggest new applications in line with the obsolescence of the traditional applications.

III. Competition risk

In general, any Company may be menaced by the emergence of a new organized competitor of an important size and/or by the loss of market shares due to a competitive disadvantage at the level of prices and quality.

As concerns the emergence of a new market entrant, Maghreb Oxygène remains protected by the importance of the initial investment, its historical positioning in the market and, finally, because of the importance of its distribution network which covers almost the entire Moroccan territory.

However, Maghreb Oxygène is exposed to the risk of importing competitive products. Nevertheless, the regulation on approving containers by the Ministry of Energy and Mines constitutes an additional obstacle. In fact, before any importation, the operator must obtain approval for any container to be used in the distribution of the imported gas.

Concerning the high pressure existing on prices, it is not uncommon to be done by small competitors, neglecting the products quality. Maghreb Oxygène, adopting the international standards of manufacturing, manages to recruit the most important customers, who are very demanding about the quality of their products and their procurements.

In addition, Maghreb Oxygène maintains also a permanent effort of investment, costs reduction and quality improvement in order to maintain and improve the competitiveness of its services.

IV. Industrial risk

The risk related to the production tools includes two major risks:

- A technological risk that consists of the industrial tools of the Company becoming obsolete in the technical or procedure plan. Maghreb Oxygène has modern and recent installations, taking advantage of an after sale service provided by several international service providers, among international sector leaders.
- Accidents risk which is subject to a very particular attention. Maghreb Oxygène follows very strict procedures going through an appropriate training and a regular awareness of the staff, retailers and customers. The Company has developed a very high level of security requirements. Maghreb Oxygène did not have to deplore any major accident during these last ten years. Finally, this accidents risk is properly covered by the different insurance policies underwritten by the Company, and which have never been called on.

V. Credit risk

Maghreb Oxygène minimizes its credit risk by only engaging in credit operations with commercial banks or financial institutions that receive high credit ratings and allocating transactions among the selected institutions.

Receivables of Maghreb Oxygène are also not accompanied by a significant concentration of credit risk, given their significant dilution.

VI. Exchange risk

Maghreb Oxygène is weakly exposed to exchange rate fluctuations as far as, for any foreign currency purchases, the exchange rates are fixed in advance with the banks

The Company does not resort to export sales. It does not have any foreign currency claims.

VII. Liquidity risk

Maghreb Oxygène estimates that the cash flows generated by its operational activities, its cash, as well as its funds available through the credit lines, will be sufficient to cover the expenses and the investments necessary to its operating, its debt service, the disbursement of dividends and external growth transactions pending on December 31st, 2015.

VIII. Interest risk rate

The debt of Maghreb Oxygène is a fixed rate debt.

Disclaimer

The aforementioned information constitute only a part of the prospectus approved by the Autorité Marocaine du Marché des Capitaux (AMMC) under reference N° VI/EM/033/2016 on 01/12/2016 .

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