



**SUMMARY PROSPECTUS**  
**COMMERCIAL PAPERS ISSUANCE PROGRAM**  
**ANNUAL UPDATE OF THE INFORMATION NOTE FOR FISCAL YEAR 2012**  
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**Program Ceiling: 300 000 000 MAD**

**Face Value: 100 000 MAD**



**ADVISOR**



**PLACEMENT AGENT**

**Approval of the *Conseil Déontologique des Valeurs Mobilières***

Pursuant to the provisions contained in article 18 of the Dahir n° 1-95-3 dated 26 January 1995 promulgating the Law n° 35-94 relative to certain negotiable debt securities, the original copy of this Information was submitted to the CDVM (Moroccan Securities Regulator), which had approved it under reference n° **VI/EM/001/2014** on 11/02/2014.

The approval of the CDVM implies neither an approval of the opportunity of the transaction, nor authentication of the information submitted. It has been attributed after review of the relevance and consistency of the information provided, in anticipation of the transaction proposed by the investors.

On 11/02/2014, the Conseil Déontologique des Valeurs Mobilières (CDVM) has approved an Information Note relating to the annual update of the commercial paper issuance program of Nexans Maroc for a ceiling of 300 000 000 MAD.

The Information Note approved by the CDVM is available at any time at the Head Office of Nexans: Boulevard Ahl Loghlam, Sidi Moumen, 20 400 Casablanca as well as at its financial advisor's – Crédit du Maroc – office: 48-58 Boulevard Mohammed V, Casablanca.

It can also be made available within a maximum period of 48 hours at order-collecting bodies represented by the branches of Crédit du Maroc.

## **I. Introduction to the Transaction**

### **1. Characteristics of the commercial papers**

▪ <b>Program Ceiling</b>	MAD 300 000 000
▪ <b>Unit Face Value</b>	MAD 100 000
▪ <b>Legal Nature</b>	Dematerialized commercial papers through registration with Maroclear, the Central Depository and entered into the books of authorized affiliates.
▪ <b>Form of Securities</b>	To bearer.
▪ <b>CP maturity</b>	To be determined at each issuance, ranging from 10 days to 1 year.
▪ <b>Entitlement</b>	Date of settlement.
▪ <b>Interest rate</b>	As per the time of issuance, depending on market conditions.
▪ <b>Interest-bearing method</b>	Postpaid.
▪ <b>Payment of the coupon</b>	In fine, that is at maturity of the Commercial Papers (CP).
▪ <b>Repayment of the principal</b>	Bullet repayment, i.e. at CP maturity.
▪ <b>Guarantee</b>	There is no guarantee for the issuance of CPs.
▪ <b>Assimilation clause</b>	The commercial papers issued are not assimilated to any earlier issued securities.
▪ <b>Rank / Subordination</b>	The CPs issued by Nexans Maroc rank pari passu and equally with all other debts of Nexans Maroc, whether current or future, unsecured and time-bound.
▪ <b>Negotiability of papers</b>	Freely and privately negotiable papers with the underwriting network
▪ <b>Outstanding CPs as at 30/11/2013</b>	0 MAD

### **2. Purpose of the Transaction**

The issuance of commercial papers for a ceiling of 300 million Dirhams will enable Nexans Maroc S.A. to optimize short-term cash flow financing costs and address its rising working capital requirements, in light of its business growth.

### **3. Subscription period**

Whenever the issuer has cash flow needs, CDM will carry out the opening of the subscription period no later than 72 hours before the entitlement date.

#### 4. Investment syndicate – Financial intermediaries

▪ Advisor and global coordinator	Crédit du Maroc
▪ Investment body	Crédit du Maroc
▪ Issuance agent	Crédit du Maroc
▪ Body in charge of financial services	Crédit du Maroc
▪ Central Depository	Maroclear

## II. Information on the Issuer

### 1. Activity

Nexans Maroc offers a wide range of cables and electrical equipment. Its products may be grouped into four major families: cables, with 69% of its turnover as at 30/06/2013, transformers with 13% of sales figures, 5% for electric cells and 12% for distribution activities.

#### Changes in the breakdown of the current metal sales turnover consolidated by business

Breakdown of turnover consolidated by business	2010		2011		2012		june-12		june-13	
	In MDH	In %	In MDH	In %	In MDH	In %	In MDH	In %	In MDH	In %
Batteries	20	1%	0	0%	0	0%	0	0%	0	0%
Cables	1 174	72%	1 179	70%	1 216	73%	625	74%	546	69%
Electric cells	58	4%	88	5%	78	5%	40	5%	39	5%
Transformers	211	13%	223	13%	150	9%	54	6%	102	13%
Sundry sales (wastes)	16	1%	19	1%	21	1%	9	1%	12	2%
<b>Nexans Maroc Turnover</b>	<b>1 479</b>	<b>91%</b>	<b>1 509</b>	<b>90%</b>	<b>1 465</b>	<b>87%</b>	<b>728</b>	<b>87%</b>	<b>699</b>	<b>88%</b>
Subsidiaries	280	17%	317	19%	363	22%	180	21%	176	22%
Others	-128	-8%	-147	-9%	-151	-9%	-68	-8%	-79	-10%
<b>Total</b>	<b>1 631</b>	<b>100%</b>	<b>1 679</b>	<b>100%</b>	<b>1 677</b>	<b>100%</b>	<b>840</b>	<b>100%</b>	<b>796</b>	<b>100%</b>

Source: Nexans Maroc

### 2. Client sectors

The products of Nexans Maroc are intended for a number of sectors: transport and distribution of energy, telecommunications, aeronautics, automotive industry, railways ...

### 3. Shareholding structure

Nexans Maroc is a publicly-traded company since 1983. As at 30 June 2013, the main shareholders are:

Name/First name or corporate name	Number of stocks	% of shareholding	Corresponding capital	% of voting rights
Nexans Participations (France)	1 875 328	83,59%	187 532 800	83,59%
Atlanta	39 972	1,78%	3 997 200	1,78%
Floating stock	328 220	14,63%	32 822 000	14,63%
<b>Total</b>	<b>2 243 520</b>	<b>100,00%</b>	<b>224 352 000</b>	<b>100,00%</b>

Source: Nexans Maroc

#### 4. Legal organization chart

Source : Nexans Maroc

	Net Position in KMAD (2012)	Capital 2012 in KMAD	Div.paid to Nexans 2012 in KMAD	% participation in 2012	% of voting rights in 2012	Net position 2012 in KMAD	Net Income in KMAD
SIRMEL 317, Boulevard Oqba Bnou Nafii, Casablanca	12 599,0	15 000	5 010,0	83,50%	83,50%	56 823,0	5 688,0
Tourets et Emballages du Maroc Bd Ahl loghlam, 20400, Casablanca	757,0	2 400	-	99,97%	99,97%	120,0	-2 333,0
SETIM Bd Ahl loghlam, 20400, Casablanca	0,0	150	-	1,33%	1,33%	nc	nc
IMOUKA Bd Ahl loghlam, 20400, Casablanca	85,7	18	-	16,67%	16,67%	nc	nc
Les Câbleries du Sénégal	8 953,6	737 M F- CFA		18,60%	18,60%	12 012,0	4 167,0
COPREMA Bd Ahl loghlam, 20400, Casablanca	729,8	100		99,40%	99,40%	1 127,0	361,0
MANELERG Bd Ahl loghlam, 20400, Casablanca	49,8	100	-	49,80%	49,80%	nc	nc
CGMB Bd Ahl loghlam, 20400, Casablanca	99,8	200	-	49,90%	49,90%	nc	nc
CGMS Bd Ahl loghlam, 20400, Casablanca	-	3 000	-	99,99%	99,99%	nc	nc

### III. Financial Information

#### 1. Consolidated balance sheet

Nexans Maroc		Consolidated Banlance Sheet in KMAD			
Asset	Clôture 31/12/2010 Net	Clôture 31/12/2011 Net	Clôture 31/12/2012 Net	Clôture 30/06/2013 Net	
<b>Fixed Asset</b>	<b>230 359</b>	<b>234 966</b>	<b>226 053</b>	<b>215 198</b>	
Consolidated goodwill	0	0	0	0	
Intengibles assets	1 911	1 641	1 488	1 398	
Tangible assets	206 495	211 366	211 188	200 047	
Long Term investments	21 953	21 959	13 377	13 753	
Investments in equity affiliates	0	0			
<b>Current Assets</b>	<b>1 130 894</b>	<b>1 147 606</b>	<b>1 143 014</b>	<b>1 101 707</b>	
Inventories & Work in progress-Net	244 173	223 354	245 004	225 296	
Receivables & Related accounts - Net	667 290	740 901	721 902	693 711	
Other accounts receivables & accruals	203 053	183 349	176 108	182 700	
Marketable securities	16 378	2	0	0	
Cash in Hand	2 429	54 139	37 766	11 424	
<b>Total Assets</b>	<b>1 363 682</b>	<b>1 436 711</b>	<b>1 406 833</b>	<b>1 328 329</b>	

Nexans Maroc		Consolidated Banlance Sheet in KMAD			
Liabilities	Clôture 31/12/2010 Net	Clôture 31/12/2011 Net	Clôture 31/12/2012 Net	Clôture 30/06/2013 Net	
<b>Stockholders Equity</b>	<b>684 274</b>	<b>695 230</b>	<b>646 608</b>	<b>635 831</b>	
Capital	224 352	224 352	224 352	224 352	
Premiums	-	-	-	-	
Reseves & Consolidated retained earnings	405 396	433 040	414 805	415 598	
Consolidated net result for the year (group share)	54 526	37 838	7 451	-4 119	
Other	-	-	-	-	
<b>Minority Interests</b>	<b>8 565</b>	<b>9 448</b>	<b>16 289</b>	<b>15 668</b>	
<b>Provisions for contingencies &amp; charges</b>	<b>4 000</b>	<b>4 366</b>	<b>2 874</b>	<b>3 640</b>	
<b>Debts</b>	<b>666 843</b>	<b>727 667</b>	<b>741 062</b>	<b>673 190</b>	
Loans & Financial liabilities	230 875	314 175	306 513	133 836	
Suppliers & trade payables	282 466	277 721	287 492	331 681	
Other liabilities, accruals and deferred income	153 502	135 771	147 057	207 673	
Current liabilities	435 968	413 492	434 549	539 354	
<b>Total Liabilities</b>	<b>1 363 682</b>	<b>1 436 711</b>	<b>1 406 833</b>	<b>1 328 329</b>	

## 2. Consolidated income and operating cash flow statements

Nexans Maroc : Consolidated Income & Operating Cash Flow Statement (Excl Tax) In KDH					
Nature	31/12/2010	31/12/2011	31/12/2012	30/06/2013	30/06/2012
Turnover	1 631 984	1 679 313	1 677 087	796 787	840 115
Other operating income	26 131	8 714	28 963	-14 523	65 985
Costs of goods sold	1 276 977	1 298 141	1 346 199	624 355	719 501
Wages & fringe benefits	122 381	117 256	126 962	65 595	66 751
Other operating charges	114 388	114 785	123 406	58 032	58 732
Taxes & duties	2 771	3 021	3 020	1 807	1 747
Operating allowances	52 430	68 251	55 935	21 127	24 063
Current operating income	89 168	86 573	50 528	11 348	35 306
Financial Charges & Incomes	-15 276	-21 404	-25 913	-6 816	-10 990
Current Income from consolidated companies	73 892	65 169	24 615	4 532	24 316
Non-recurring incomes and expenses	5 137	-8 206	-790	-3 323	-1 310
Total Income taxes (current and deferred)	23 820	17 624	13 043	4 509	7 581
Net income from consolidated companies	55 209	39 339	10 782	-3 300	15 425
Share of results of companies included on an equity	0	0	0		
Amortisation of goodwill	0	0	0		
Net Income of consolidated companies	55 209	39 339	10 782	-3 300	15 426
Minority interests	683	1 501	3 331	819	535
Net Income (Group Share)	54 526	37 838	7 451	-4 119	14 890
Net Income (Group Share) per share	24,30	16,87	3,32	-1,84	6,64

## IV. Risks

### 1. Risks related to financial information

The most important identified risks specific to the business of *Groupe Nexans Maroc* are as described in the sections below.

### 2. Risks related to contractual obligations

The business of Nexans Maroc exposes it to liability claims arising under the manufacturing of products or consecutive to allegations whereby its products may be held liable for damages caused to third parties or to goods.

The potential enforcement of these clauses, in light of the high fines incurred or of claims for damages, or consequential upon the delay in the financial structure of projects, are all likely to have a material negative impact on the financial position and on the earnings of Nexans Maroc.

To mitigate these risks, Nexans Maroc, just like the Group does globally, has developed and implemented a strict monitoring process for the quality of its products.

Starting from 1996, Nexans Maroc obtained ISO 9000 version 94 certification, then ISO 9001 version 2008 and ISO TS 16949 version 2009 certifications for its power and telecom cable-making activities, ISO 9100 version 2009 for aeronautic cables; all such cables are manufactured on the site of Mohammédia.

For its Casablanca site, manufacturing electrical equipment and transformers, Nexans Maroc has obtained ISO 9001 version 2008 certification.

Each of these two industrial sites closely monitors a complete set of indicators on a monthly basis, so as to assess progress in quality and customer satisfaction improvement. Customer satisfaction surveys are led regularly, along with regular quality audits;

Furthermore, major contracts are subject to systematic risk assessment review. Particular attention is also given to raising the sales engineers' awareness on the risks inherent in the sales agreements and the necessary negotiation of market conditions, to be made jointly with Nexans Maroc legal department.

### 3. Risks associated to customer dependency

As far as customer risk is concerned, Nexans stands out with its highly diverse business lines (energy, telecommunication, automotive cables, aeronautic cables, transformers ...) and with its broad range of end customers (distributors, equipment installers, equipment manufacturers, industrial operators, public operators). As a result, its exposure to become dependent upon one of its customers is therefore reduced significantly.

#### 4. Customer-credit related risks

The customer-credit related exposure of Nexans Maroc enjoys a significant protection owing to the Company's diversification in terms of business lines and customer base.

Among other internal practices geared to mitigate customer-credit risks, Nexans Maroc developed for some of its export-oriented items a set of secure payment solutions (down payment upon order, bank confirmed irrevocable letters of credits...).

As is the case with all other subsidiaries of Groupe Nexans, Nexans Maroc S.A. and its subsidiary SIRMEL have taken out credit insurance with COFACE (French agency for export credit insurance)

Source : Nexans Maroc -Consolidated (in MMAD)	2010	2011	2012
Bad debts of <i>Groupe Nexans Maroc</i>	54	52	54
As a total % of trade receivables	7,5%	6,5%	7,0%
As a % of the Turnover STD	4,5%	4,2%	4,3%
Customer allowance	-56	-64	-80
Provisioning rate	148%	123%	148%

Source : Nexans Maroc

The changes in the provisions reflect the fact that the risks of unpaid trade debts are at a relatively stable level, albeit sometimes worrying.

#### **Method used by Nexans Maroc for estimated expense coverage:**

- Doubtful customers: 100% provisioning with filing a case with a lawyer following a formal notice to pay.
- Customers involving potential risk (outstanding payments, frequent late payment...): the provision is made according to the level of risk.

#### 5. Raw materials and procurement related risks

Metals (copper, aluminium) and plastics are the main raw materials used by Nexans Maroc. Accordingly, price fluctuations and product availability have a direct bearing on its activities.

To date, Groupe Nexans negotiates and sources its raw materials for all its subsidiaries on a global level. It has always managed to secure adequate supplies at commercially reasonable prices. In the copper sector, a global shortage or supply disruptions could have an adverse impact, even if as a move to mitigate the risk, whenever possible, Groupe Nexans has expanded its supply sources. This situation is in some respects similar for petroleum-based products (PE, PVC, plasticizers...).

The policy adopted by *Groupe Nexans* revolves around having constantly at least two suppliers for every raw material or component used in the manufacturing of products. There nonetheless remain certain isolated cases of single supply source, to which the procurement department pays particular attention, through the constant search of new suppliers and vendors.

Furthermore, and to the extent possible, Nexans Maroc passes on the increases in the prices of raw materials to the selling prices of its products.

#### 6. Risks related to Nexans' current ability to compete

To the extent that a certain number of products (cables, wires and accessories) meet the industrial specifications and requirements and may be interchangeable with the products of its major competitors, Nexans Maroc is subject to strong competitive pressure from Imacab, and since 2004 from MEDICABLE.

The main competitiveness factors in the cable industry are: the quality of customer relations, the availability of products, the quality of service, the geographical coverage, the range of products offered, the specific features of products, along with the capacity to generate regular cost savings.

On the segment of « transformers », the competitive pressure increased since 2010, with the entry of new operators, specializing in the production of distribution transformers.

Given this particular context, Nexans Maroc must continuously invest and improve its performance in order to maintain its competitive edge in some business segments. Besides, Nexans Maroc builds on the Group's advantages in the field of R&D, to differentiate itself from its competitors. *Groupe Nexans* has 10 targeted competence centers (metallurgy, plastic...) working in close cooperation with the Group's manufacturing facilities located worldwide.

## **7. Market risks related to the exchange rates movements and changes in metal prices**

### **Foreign exchange risk**

Nexans assumes currency hedging related to its import and export related trade flows.

To counteract the effects of price fluctuations, Nexans Maroc negotiates its own currencies with the trading rooms and uses forward covering operations.

### **Risks related to metal prices**

Although the prices of copper and aluminum are highly volatile, Nexans Maroc thinks that its gross operating margin is hardly exposed to these prices due to the combined effect of passing on the increase of non-ferrous metals prices on clients and the implementation by the Group of a forward coverage on the metals regulated markets (LME, COMEX and SHFE).

The margins of Nexans Maroc are however exposed to the fluctuations of the prices of copper for certain product lines such as copper cables under the cabling system activity and the building sector products. For these markets, there is generally a repercussion of these increases on the sale price, albeit with some timing differences, inducing some pressure on the margins. The strong competition on these markets can also impact on the time of said repercussion. It should also be noted that, as is the case with the exchange risk, the exposure to the movements in the price of copper and other metals is not systematically covered in the offers.

## **8. Risks related to environmental regulations**

Like all industrial companies, Nexans Maroc is subject to increasingly stringent environmental legislations and regulations, relating more particularly to airborne emissions, disposal of waste waters, emission, use and handling of toxic materials and wastes, waste disposal methods ... These standards expose Nexans Maroc to the risk of third-party liability. Nevertheless, the Company considers that this is a very limited risk and hence no provision has been made for risks and charges in that respect.

Moreover, Groupe Nexans has signed the United Nations Global Compact in December 2008. By joining this initiative, the Group has made a commitment to support and implement ten fundamental principles in the areas of Human rights, labor standards, protection of the environment, and anti-corruption measures.



## 9. Hedging of risk exposures

In addition to the compulsory local insurance and personal insurance schemes, Nexans Maroc has benefitted from a Group insurance program, initiated in 2003.

The overall coverage of this program hasn't changed much during FY 2012 compared to the year before, and has received renewal of coverage at the same level on January 2012.

The Group insurance programs are mainly as follows:

- ▶ Property damage / operating loss insurance policy
- ▶ Business liability insurance and post-delivery insurance;
- ▶ Transport insurance ;
- ▶ Short-term credit covering certain client receivables, for both domestic and export-oriented activities;
- ▶ D&O (Directors & Officers) civil liability insurance.

### Warning

The above information only represents a part of the Information Note approved by the *Conseil Déontologique des Valeurs Mobilières* (CDVM) under the reference n° VI/EM/001/2014 on 11/02/2014.

The CDVM recommends the reading of the entire Information Note made available to the interested parties in French.