

## SUMMARY OF THE PROSPECTUS

### CAPITAL INCREASE OF SOCIÉTÉ DES BRASSERIES DU MAROC SA THROUGH A MERGER AND ABSORPTION TRANSACTION OF SOCIÉTÉ DES BRASSERIES DU NORD MAROCAIN

Proposed to SBM and BRANOMA Extraordinary Shareholders' Meetings  
Scheduled on 10 June, 2014

<b>Number of shares to be issued</b> <i>2013 dividend excluded</i>	▪ 4 452 new shares of Société des Brasseries du Maroc
<b>Share Price</b>	▪ MAD 2 024.00
<b>Exchange Parity</b>	▪ 9 shares of Société des Brasseries du Maroc for 11 shares of Société des Brasseries Du Nord Marocain
<b>Amount of capital increase</b>	▪ MAD 445 200
<b>Global amount of the transaction</b>	▪ MAD 493 991 381
<b>Date of exchange of securities</b>	▪ 20 June 2014

#### SUBSCRIPTION GRANTED TO THE SHAREHOLDERS OF SOCIÉTÉ DES BRASSERIES DU NORD MAROCAIN

ADVISORY BODY, GLOBAL COORDINATOR & CENTRALIZING BODY: SOCIÉTÉ GÉNÉRALE MAROCAINE DE BANQUES



BODY IN CHARGE OF THE REGISTRATION OF THE TRANSACTION: SOGÉCAPITAL BOURSE



#### VISA OF THE CDVM

In compliance of provisions in the CDVM circular, implementing article n°14 of the decree N° 1-93-212 of 21 September 1993 relating to the Ethics Council for Securities (CDVM) and in view of the required information of legal entities issuing public offering to the public, as amended and extended, the original of the present buyout document obtained the visa of CDVM on 26 May 2014 under reference VI/EM/013/2014

## Disclaimer

The CDVM approved on 26 May 2014 a prospectus related to the capital increase of Société des Brasseries du Maroc through a merger absorption of Société des Brasseries Du Nord Marocain.

The prospectus obtained the visa from the CDVM and is available at any time at both the headquarter of Société des Brasseries du Maroc at Boulevard Ahl Loughlam, Ain Sebaa – Casablanca, and the headquarter of Société des Brasseries Du Nord Marocain at Avenue Ibn Khatib Q.I Sidi Brahim – Fez as well as at the headquarter of the Financial Advisor.

The document is available to the public at the Casablanca Stock Exchange and on its website: [www.casablanca-bourse.com](http://www.casablanca-bourse.com).

It is also available on the CDVM website: [www.cdvm.gov.ma](http://www.cdvm.gov.ma)

## **Part I. OVERVIEW OF THE TRANSACTION**

## I. Context of the merger absorption

The reference shareholders of Société Des Brasseries Du Maroc (« SBM ») and Société Des Brasseries Du Nord Marocain (« BRANOMA ») signed on 19 March 2014, a proposal relative to the merger of both companies. The merger proposal shall be submitted to the shareholders of the two Companies for approval at the Extraordinary Shareholders Meeting to be convened to this effect on the 10<sup>th</sup> of June 2014.

It should be noted that the present merger should be implemented simultaneously with the merger absorption by SBM of Société des Brasseries de Tanger (« SBT »).

### 1.1. Objectives of the merger absorption transaction

SBM and BRANOMA have similar purposes and businesses.

The objective of the merger is to simplify and streamline the operational structure of SBM and BRANOMA. The transaction shall have beneficial effects on the governance and the performance of the Group.

This merger should furthermore improve control over risks, reduce costs as well as optimize balance sheet structure and shareholders' equities at the group level.

The merger is thus intended to create synergies in the structures and financial resources of the Companies.

### 1.2. Context of the transaction

The reference shareholders of both SBM and BRANOMA signed on 19 March 2014 a proposal for the merger of their Companies. The proposal provides specifically for the principle of a merger between the two companies with a retroactive effect as from 1<sup>st</sup> January 2014.

The two Companies have established the merger agreement that was adopted by the Boards of SBM and Branoma at their Board meetings held to that effect on 19 March 2014 and 24 February 2014, respectively.

Having adopted the terms of the merger proposal and the Board's report submitted to the Extraordinary Shareholders' meeting, the Board of Directors of SBM conferred to the Director Mr. Guy De CLERCQ, or to any other person specifically designed by him, all powers needed to the effect of proceeding to the final editing of the draft of the merger agreements, to the signature of the final acts, and generally to take all effective measures and to do everything necessary to bring the transactions to a successful conclusion.

The Board meeting of Branoma on 24 February 2014, having decided both the terms of the merger proposal and of the report to be submitted to the Extraordinary Shareholders' Meeting, conferred all powers to Mr. Jean Marie Grosbois, General Manager and Mr. Guy De CLERCQ, Director, acting separately or jointly, with the option of subdelegating, to the effect of proceeding to the final editing of the draft of the merger agreement, to the signature of the final act, and generally to take all the effective measures and everything necessary to bring the transactions to a successful conclusion.

The Auditors issued their reports on the merger proposal, under the provisions of article 233 of Act 17-95 relating to public limited companies, as amended and extended by Act 20-05. By virtue of these reports on SBM and BRANOMA dated 8 April 2014, the Auditors testify that "they have no observation on the relevance of the attributed value to the shares of SBM and BRANOMA", and that "they have no observation on the fairness of the exchange rate". They have further ensured that the net assets of BRANOMA are at least equal to the capital increase of SBM.

The merger proposal will be submitted to the shareholders for approval at the Extraordinary Shareholders' Meeting to be convened to that effect on 10 June 2014. The draft resolutions to be presented at that Meeting were adopted by the Boards of SBM and Branoma. By virtue of article 234 of Act 17-95 as amended and

completed, SBM and BRANOMA are making available the following documents to their respective shareholders, at their separate headquarter, thirty days at least prior to the date of their Extraordinary Shareholders' Meeting, which is to decide on the merger:

- The merger proposal;
- The report from the Board of Directors of each Company on the merger transaction;
- The Auditors' report on valuation and the exchange parity;
- The approved summary reports as well as the management reports on the last three fiscal years for the two companies;

### 1.3. Overview of the Merger Agreement

The main general terms and conditions of the merger proposal are cited below:

- The Board of Directors of BRANOMA and SBT decided respectively to use the accounts on 31/12/2013, date of closure of the last financial year of each of the companies. BRANOMA accounts were approved by the Shareholders' General Meeting held on 19 March 2014. SBM accounts will be approved at its Shareholders' General meeting scheduled on 10 June 2014.
- The acquiring company will cover the entire debts and expenses of the company that is taken over, including those previous debts and expenses as of a date earlier than 1<sup>st</sup> January 2014, and which would have been omitted in the accounts of BRANOMA.
- Should a positive or negative difference appear later on between the liabilities assumed by the acquiring company and the amounts effectively claimed by third parties, the acquiring company shall be liable to pay for all excess liabilities without recourse or potential claim by one party or the other.
- Until the Date of the Completion of the Merger, the Absorbed Company formally undertakes not to perform any act of disposal relative to the transferred assets or to sign whatever agreement or treaty or commitment that is not part of the normal course of business, without approval of the acquiring company.
- Should the transmission of certain contracts or the transfer of certain property be subject to the agreement or approval of a co-contractor or any third party, the Absorbed Company shall seek and justify in due time the agreements or necessary authorizations from the Absorbing Company no later than the Date of Completion of the Merger.
- The Absorbing Company will take over the properties and entitlements in their value and content and state as of the Date of Completion of the Merger without any recourse, for whatsoever reason, against the Absorbed Company.
- The Acquiring Company will complete all formalities that will be necessary to the effect of regulating the transfer of its profit from properties and entitlement comprising the wealth of the absorbed company, and will make this transfer enforceable against third parties.

The Acquiring Company will be indebted to the creditors of the Acquired Company instead of the latter without any debt renewal to these creditors. These creditors as well as those of the Acquiring Company, whose receivables go back to the date before the planned publicity to be given to the Merger Treaty, may challenge the merger within thirty (30) days from the date of completion of publicity formalities required by law under Act 17-95. In compliance with the legal provisions in force, creditor's recourse will have no effect of suspension on the Merger transactions.

- The Acquiring Company will cover in particular all taxes, insurance premiums, contributions, rental costs, duties, etc., as well as all charges, ordinary or extraordinary, which burden or may burden the transferred properties or are associated with its ownership or operation.
- The Acquiring Company, instead of the absorbed company, will manage the execution or termination at its own cost and risk, of all agreements, treaties, contracts, or commitments whatsoever, to which the Absorbed Company would have subscribed.

- As of the effective Date of Completion, the Absorbing Company shall be purely and simply substituted into the rights, remedies, mortgages, liens, collateral and personal guarantees of all kinds that may be attached to the receivables comprised in the transfers by virtue of the Merger.
- The Acquiring Company, in lieu and place of the Absorbed Company will have, starting from the Date of Completion, all powers with regards to its assets and rights transferred or liabilities assumed as the case may be, to begin or continue any legal proceeding, to acquiesce to any decisions, to receive or to pay any dues subsequent to these actions, proceedings and decisions.
- Finally, after completion of the merger, the representatives of the Absorbed Company should, upon first request, provide to the Acquiring Company at the expense of the latter, all assistance, signings and justifications that may be necessary for the transfer of the Absorbed Company's assets included in its wealth and the completion of all formalities necessary to that effect.
- The merger becomes final pursuant to the fulfillment of the last of the following conditions precedent:
  - (a) CDVM visa on the prospectus relative to the capital increase of Société Des Brasserie Du Maroc;
  - (b) Approval of the merger by the Extraordinary Shareholders' Meeting of the Absorbed Company;
  - (c) Approval of the merger by the Extraordinary Shareholders' Meeting of the Absorbing Company.

In the absence of the fulfillment of all the Conditions Precedent on 30 June 2014 at the latest, the present transactions will be considered null and void, with no payment to be made in compensation by one side or the other, except in the case of extension of the deadline or in the case where Société des Brasseries Du Maroc and Branoma, represented by their legal representatives or another duly qualified individual to this effect, have renounced to prevail themselves on that or those Condition(s) Precedent that will not be achieved before this date.

The achievement of the Conditions Precedent could be done by all appropriate means.

#### 1.4. Determination of the value and exchange ratio of the two companies

The valuation of SBM was set at MAD 5,718,206,824 and the valuation of Branoma was set at MAD 826,600,000, which leads of a value per share of MAD 2,024.0 for SBM and MAD 1,653.2 for Branoma.

On the basis of these applied values, the parity of exchange proposed to the SBM and Branoma shareholders is set at 11 Branoma shares for 9 SBM shares.

The share capital of Branoma being made of 500,000 shares, 409,091 new entirely paid up shares with a nominal value of MAD 100 each, should in principle be created by SBM by virtue of its capital increase of MAD 40,909,100, in application of the exchange ratio. However, as SBM already owns 494,559 shares of Branoma (including the 5 shares belonging to Branoma Board members) giving it the right to 404,639 (rounded number) of its own shares, SBM expressly renounces to this attribution as it can not hold its own shares.

As a result, SBM will increase its capital by only MAD 445,200 by the creation of 4,452 entirely paid up shares of a nominal value of MAD 100 each, which will be granted to Branoma shareholders other than SBM, in application of the above indicated exchange ratio. The SBM capital will consequently increase from MAD 282,520,100 to MAD 282,965,300.

Branoma will transfer to SBM all its assets and liabilities existing on 31 December 2013, included but not restricted to the list below, as they will exist on the date of the merger:

<b>Asset Items transferred (MAD)</b>	<b>Net Book Value as of 31 December 2013</b>	<b>Transfer Value of the Asset</b>
Intangible assets	-	620 390 011,38
<i>Intangible Business Asset</i>	-	620 390 011,38
Tangible Assets	106 495 636,46	187 859 220,90
<i>Land</i>	12 330 810,00	43 357 400,00
<i>Constructions</i>	32 706 135,63	28 804 400,00
<i>Plant and equipment</i>	52 203 986,33	103 175 279,91
<i>Land Transportation Equipment</i>	2 700 322,22	5 960 000,00
<i>Office furniture, fixtures and equipment</i>	1 120 672,29	1 128 431,00
<i>Other tangible Assets</i>	787 297,04	787 297,04
<i>Tangible assets under development</i>	4 646 412,95	4 646 412,95
Financial Assets	943 860,50	943 860,50
Stock	15 364 328,13	15 364 328,13
Accounts Receivable	138 487 327,24	138 487 327,24
Investment Security	83 079 317,18	83 079 317,18
Conversion losses	6 544,00	6 544,00
Cash	8 688 354,75	8 688 354,75
<b>TOTAL ASSETS</b>	<b>353 065 368,26</b>	<b>1 054 818 964,08</b>

The total Branoma assets to be transferred to SBM are up to MAD 1,054,818,964.08.

<b>Assumed Liability Item (MAD)</b>	<b>Net Book Value as of 31 December 2013</b>	<b>Transfer Value</b>
Investment Subsidy	813 128,35	813 128,35
Financial Debt	256 627,09	256 627,09
Provisions for Contingencies and Losses	26 812 857,00	26 812 857,00
Accounts payable	133 652 361,94	133 652 361,94
Other provisions for contingencies and losses	7 856 544,00	7 856 544,00
Conversion gains (current liabilities)	2 498,18	2 498,18
Cash liabilities	2 324 947,52	2 324 947,52
Dividends Paid	56 500 000,00	56 500 000,00
<b>Total liabilities</b>	<b>228 218 964,08</b>	<b>228 218 964,08</b>

The total Branoma liabilities to be transferred to SBM are up to MAD 228,218,964.08.

As a result, the net asset transfers from Branoma to SBM amount to MAD 826,600,000.00, calculated as follows:

<b>Items</b>	<b>Amount in MAD</b>
<b>Transferred Assets</b>	<b>1 054 818 964,08</b>
<b>Assumed Liabilities</b>	<b>228 218 964,08</b>
<b>Net Assets (Transferred Net Assets)</b>	<b>826 600 000,00</b>

It is to be noted that in addition to the actual liabilities described above, the Absorbing Company will assume all commitments in which the Absorbed Company would have entered into which are posted, given their contingent aspect, under the item "off-balance-sheet".

#### 1.5. Determination of the merger premium

The merger premium amounts to MAD 493,546,180.51 representing the difference between:

- On the one hand, the net assets transferred from Branoma which amount to MAD 826,600,000.00;
- And, on the other hand, the sum of:
  - ✓ The nominal value of the shares actually issued, by virtue of the capital increase of SBM, in order to compensate the shareholders of Branoma other than SBM, which amount to MAD 445,200.00;
  - ✓ And the book value of Branoma shares held by SBM which amount to MAD 332,608,619.49

### 1.6. Method of handling share fractions

In compliance with article 10.2 of the merger treaty between SBM and BRANOMA, the shares issued by SBM as part of its capital increase will be directly transferred to BRANOMA shareholders by applying the exchange ratio of 9 SBM shares for 11 BRANOMA shares.

BRANOMA shareholders who would not then own the required number of shares to obtain, without fraction, the corresponding number of SBM shares by applying the abovementioned parity, should proceed to the purchase or sale of the required number of shares on the day before the exchange takes place, at the latest.

However, should BRANOMA shareholders not be able to obtain the number of shares necessary for the exchange according to the decided parity, MDI (the majority shareholder of SBM) commits to acquire from the said shareholders, at the merger proposal price, the BRANOMA shares that could not be exchanged, on the day of the exchange at the latest.

Following the completion of the merger, the same treatment will be given to any new person able to demonstrate pre-existing ownership of BRANOMA shares who would not have been able to benefit from the exchange under the abovementioned conditions.

### 1.7. Proposed Resolutions to the Extraordinary General Meeting of Société des Brasseries du Maroc and Branoma

The text of the draft resolutions relating mainly to the merger absorption of Branoma by SBM is outlined below:

#### **First resolution:**

The Shareholders' General meeting, having heard the reading of the report from the Board of Directors and the report from the statutory auditors, decides on the merger of Société Des Brasseries Du Maroc (hereby named the « Company ») by the absorption of the following companies:

- **Brasserie De Tanger**, public limited company capitalized at MAD 10,800,000.00, with head office in Tangiers - Km 6,400 Route de Rabat (Morocco), and registered at the Tangiers registry of commerce under number of 363B;

And

- **Société Des Brasseries Du Nord Marocain**, public limited company capitalized at Dirhams 50,000,000.00, with head office at Avenue Ibn Khatib Q.I. Sidi Brahim Fez (Morocco), and registered at the Fez registry of commerce under number of 9284.

#### **Second resolution:**

The shareholders, having reviewed the merger proposals dated 19 March 2014, and signed with Société des Brasseries De Tanger and Société Des Brasseries Du Nord Marocain, whereby these companies transfer to Société Des Brasseries Du Maroc by virtue of the mergers, the ownership of all the assets, rights and obligations without any exception or reservation as they existed on 31 December 2013, the date on which the respective accounts of Société des Brasseries De Tanger and Société Des Brasseries Du Nord Marocain were closed, with the results of transactions in assets and liabilities established from 1<sup>st</sup> January 2014 until the final completion of the merger transfer:

- Hereby purely and simply approve the said merger proposals;
- Approve the transfers made by virtue of this merger from Société des Brasseries De Tanger and Société Des Brasseries Du Nord Marocain, as well as the valuation to that effect, that is a net transfer

of MAD 31,654,800 from Société des Brasseries De Tanger and a net transfer of MAD 826,600,000.00 from Société Des Brasseries Du Nord Marocain;

- Approve the payment for transfers applying the exchange ratio:
  - ✓ For Société des Brasseries De Tanger: one (1) share of Société Des Brasseries Du Maroc for seven (7) shares of Société des Brasseries De Tanger;
  - ✓ For Société Des Brasseries Du Nord Marocain: nine (9) shares of Société Des Brasseries Du Maroc for eleven (11) shares of Société Des Brasseries Du Nord Marocain;
- Approve the resulting capital increase.

### **Third resolution:**

The Shareholders' General meeting decides, on the basis of the statutory auditor's report and the final approval of the merger, and consistent with the second decision:

- That there will be no exchange of shares of Brasserie De Tanger for shares of Société des Brasseries du Maroc, in so far as Société des Brasseries du Maroc will hold, on the date of completion of the merger, the totality of shares of Société des Brasseries De Tanger. Société des Brasseries du Maroc expressly renounces to the attribution of the shares to be created later by virtue of the Merger, according to the provisions of article 224 of Act n°17-95 relative to public limited companies. There will be no issue of shares of the Acquiring Company against shares of Brasserie De Tanger, nor capital increase of the Absorbing Company.

The amount and the value of the transfers from Brasserie De Tanger by virtue of the Merger, corresponding to the shares held by the Absorbing Company in Brasserie De Tanger on the date of the completion, will amount to MAD 31,654,800.00.

The cost of the shares of Brasserie De Tanger in the financial statement of the Absorbing Company, on the date of Completion, will amount to MAD 1,285,072.40.

The difference between the two amounts above represents the expected merger premium, which is up to MAD 30,369,727.60

- That following the merger with Brasseries Du Nord Marocain the capital of Société Des Brasseries Du Maroc is increased by MAD 40,909,100.00 from MAD 282,520,100.00 to MAD 323,429,200.00, through the creation of 409,091 shares of MAD 100.00 each of nominal value, entirely paid-up, to be transferred to the shareholders of Société Des Brasseries Du Nord Marocain, in payment of the transfers made by the latter.

The 409,091 new shares will bear rights starting from 1<sup>st</sup> January 2014 and will be entirely assimilated with the existing shares that form the capital of Société Des Brasseries Du Maroc.

However, the Company will own 494,559 shares in Société des Brasseries Du Nord Marocain (including the acquisition of five shares to be granted to the Board members of Branoma) giving it the right to 404.639 of its own shares (in rounded figure). As it cannot hold these shares, Société des Brasseries Du Maroc expressly renounces to this attribution.

As a result, it will increase its capital by only MAD 445.200 by the creation of 4.452 new shares of a nominal value of MAD 100 each that will be transferred to the shareholders of Société Des Brasseries du Nord Marocain other than those of the Absorbing Company, by applying the above indicated exchange ratio.

That the difference between the net value of the assets transferred by the absorbed company (Société des Brasseries Du Nord Marocain) which amount to MAD 826,600,000.00 and the nominal value of the shares created in payment for these transfers which amount to MAD 445,200 as well as the value of the shares of the absorbed company in the book of the acquiring company which amount to MAD

332,608,619.49, will be posted in an account entitled "merger premium" for an amount of MAD 493,546,180.51, on which the rights of the shareholders will be based.

- That as a result of the above, the difference between:
  - (i) The value of the amount of transfer from BRANOMA and SBT by virtue of the Merger (i.e. **MAD 858,254,800.00**); and
  - (ii) The cost of the shares of BRANOMA and SBT in the financial statements of SBM, on the date of completion of the Merger (i.e. MAD **333,893,691.89**); and
  - (iii) The amount of the capital increase of SBM as a result of the transfer from BRANOMA (i.e. **MAD 445,200.00**)

That is, an amount of **MAD 523 915 908.11** will be posted in the account entitled "*merger premium*".

The Extraordinary Shareholders Meeting authorizes any deductions from the Merger Premium in order to (i) cover all fees, charges and taxes engaged or due as part of the Merger (ii) cover all liabilities omitted or unrevealed concerning the assets transferred in the framework of the Merger.

#### **Fourth resolution:**

Subsequent to the previous decision, the Shareholders' Meeting notes the final completion of the merger as of this day, with the planned effective day of the merger absorption by Société Des Brasseries Du Maroc of Brasserie De Tanger and Brasseries Du Nord Marocain, such as the said merger results from proposals of merger entered into between the absorbing company and the absorbed companies, by virtue of the private deed drawn up on 19 March 2014 and approved by the shareholders of the absorbed companies according to the first decisions above.

#### **Fifth resolution:**

Subsequent to the previous decisions, the Shareholders' Meeting notes the final completion of the early dissolution of Brasserie De Tanger and Brasseries Du Nord Marocain, by virtue of the final completed merger between these companies and Société Des Brasseries Du Maroc. The merger is completed by the absorption of the former companies by the latter company, such as this dissolution had been decided according to the merger proposals of 19 March 2014 as well as the decisions of the shareholders of the absorbed companies that happen to be dissolved automatically, beginning today.

#### **Sixth resolution**

Subsequent to the approval of the previous decision, the Shareholders' meeting gives full discharge with no reserve to the members of the Board of Directors as of their final completion of the merger and the execution of the present decision.

#### **Seventh resolution**

The General Meeting gives full discharge to the statutory auditors as of their mission.

#### **Eight resolutions**

Pursuant to the adoption of the previous resolution and following the change in capital subsequent to the merger, the General Meeting decides to amend article 6 of the articles of association that should thus read as follows:

#### **« Article 6 - SHARE CAPITAL »**

The share capital is set at MAD 282,965,300.00. It is divided into 2,829,653 shares of a nominal value of MAD 100 fully subscribed and paid-up.

The said capital consists of 4,452 shares created at the end of the Extraordinary Shareholders Meeting held on 10 June 2014 that approved the merger absorption between SOCIETE DES BRASSERIES DU MAROC and:

BRASSERIE DE TANGER, public limited company capitalized at MAD 10,800,000.00, with head office in Tangiers-Km 6,400 Route de Rabat (Morocco), and registered at the Tangiers Registry of Commerce under number 363B, holding 100% of the share capital;

And

SOCIETE DES BRASSERIES DU NORD MAROCAIN, public limited company capitalized at MAD 50,000,000.00, with head office at Avenue Ibn Khatib Q.I. Sidi Brahm Fez (Morocco), and registered at the Fez Registry of Commerce under number 9284, holding 98,91% of the share capital.

The Merger led to a capital increase of SOCIÉTÉ DES BRASSERIES DU MAROC of only MAD 445 200 considering the fact that SOCIETE DES BRASSERIES DU MAROC:

- Owns 108,000 shares of BRASSERIE DE TANGER, that is the totality of the shares representing the entire capital of BRASSERIE DE TANGER. This merger does not result in exchange of shares of the Absorbed Company for the shares of the Acquiring Company, which entity renounces expressly to attribution of shares to be created by virtue of the merger.
- Owned 494,559 shares of BRANOMA company giving it the right to 404 639 (rounded figure) of its own shares. As it cannot hold these shares, SOCIETE DES BRASSERIES DU MAROC expressly waived this entitlement. As a result, it has increased its capital by only MAD 445,200 through the creation of 4,452 new shares of a nominal value of one hundred (100) dirhams each, attributed to BRANOMA shareholders other than the absorbing company, by applying the exchange ratio of 9 shares of SOCIETE DES BRASSERIES DU MAROC for 11 shares of BRANOMA.

Pursuant to these mergers, the transferred assets, the assumed liabilities and the merger premium amount to the following:

	Transferred Assets	Assumed Liabilities	Net Asset	Merger Premium
BRANOMA	1.054.818.964,08 dirhams	228 218 964,08 dirhams	826 600 000,00 dirhams	493 546 180,51 dirhams
BRASSERIE DE TANGER	89 871 240,01 dirhams	58 216 440,01 dirhams	31 654 800,00 dirhams	30 369 727,60 dirhams

### **Ninth resolution**

The General Meeting confers all powers to the bearer of an original, a copy or an excerpt of the present minutes to complete the legally prescribed formalities.

### 1.8. Resolutions proposed to the BRANOMA Shareholders Meeting

The text of the draft resolutions relevant in particular to the merger absorption of Branoma by SBM, a transaction that will be submitted to Branoma Extraordinary Shareholders Meeting scheduled on 10 June 2014, is outlined below:

#### **First resolution**

The Extraordinary Shareholders Meeting, having heard the reading of the report of the Board of Directors and the report of the statutory auditors and the merger agreement, decides on the merger absorption of BRANOMA by Société Des Brasseries Du Maroc, a public limited company governed by Moroccan law, capitalized at MAD 282,520,100.00, with head office in Casablanca- Boulevard Ahl Loughlam Ain Sebâa, and registered in the Casablanca Registry of Commerce under number 347, with effect from 1<sup>st</sup> January 2014.

#### **Second resolution**

The Extraordinary Shareholders Meeting, having heard the reading of the merger agreement signed on 19 March 2014 with Société Des Brasseries Du Maroc, by virtue of which the company transfers, for the purpose of its merger absorption by Société Des Brasseries Du Maroc, of the ownership of its entire assets, rights and obligations, such as existed before 31 December 2013, date when the last accounting year closed, with the results of assets and liabilities transactions taking place between this date and the date of the final completion of the merger:

- Approves purely and simply the merger agreement;
- Approves the valuation of the transfers made for the amount of MAD 826,600,000.00.
- Approves the payments of these transfers by applying the exchange ratio of nine (9) shares of Société Des Brasseries Du Maroc for eleven (11) shares of Société Des Brasseries Du Nord Marocain.

#### **Third resolution**

The Extraordinary Shareholders' Meeting decides that the company will be dissolved ipso facto at the end of the Extraordinary Shareholders' Meeting of the absorbing company. The Meeting will see to the final completion of the merger, that no liquidation will be undertaken in particular, that the assets and liabilities of the company are being entirely transferred to Société Des Brasseries Du Maroc, the absorbing company.

#### **Fourth resolution**

The Extraordinary Shareholders' Meeting appoints as an authorized representative Mr. Jean-Marie Grosbois to act in the name of the company, from the moment when the dissolution becomes effective, and confers on him all the most extensive powers to do everything useful, more particularly:

- To accomplish all legal formalities, more particularly the removal of the company from the registry of commerce, the subsequent publicity to the merger, as well as accomplishing the formalities of the submission of tax return;
- To complete, if needed, all acts and formalities useful to regularize the transfer of the wealth of Société Des Brasseries Du Nord Marocain to Société Des Brasseries Du Maroc.

To the effects above, to sign all records, deeds, and documents, to substitute and delegate all powers with the specific effects to proceed to the removal of the company from the registry of commerce.

In general, to take all useful measures and fulfill all necessary formalities in order to bring the dissolution transaction to a successful conclusion.

**Fifth resolution**

The Extraordinary Shareholders Meeting conferred all powers to the bearer of an original, a copy or an excerpt of the present minutes to complete the legally prescribed formalities.

**II. Impact of the transaction on the shareholding structure**
**2.1. Distribution of the shareholders' structure before and after the merger absorption**

The capital increase relates to the creation of 4,452 new SBM shares, which will be allocated to Branoma shareholders other than SBM by applying the decided rounded exchange ratio of 11 shares of Branoma for 9 shares of SBM. Following this exchange, the distribution of SBM capital is presented as follows:

Shareholders	Before the merger				After the merger <sup>1</sup>			
	Number of Shares	% of capital	Number of voting rights	% of voting rights	Number of shares	% of capital	Number of voting rights	% of voting rights
<b>MDI</b>	1 933 531	68,44%	1 933 531	68,44%	1 933 531	68,33%	1 933 531	68,33%
<b>CIMR</b>	286 209	10,13%	286 209	10,13%	286 209	10,11%	286 209	10,11%
<b>HEINEKEN SWITZERLAND AG</b>	62 500	2,21%	62 500	2,21%	62 500	2,21%	62 500	2,21%
<b>NORGES BANK JP MORGAN</b>	45 300	1,60%	45 300	1,60%	45 300	1,60%	45 300	1,60%
<b>SAFARI</b>	12 228	0,43%	12 228	0,43%	12 228	0,43%	12 228	0,43%
<b>CORONATION AFRICA FRONTIERS FUND-UNIVERSAL</b>	6 880	0,24%	6 880	0,24%	6 880	0,24%	6 880	0,24%
<b>GROSBOIS JEAN MARIE</b>	6 127	0,22%	6 127	0,22%	6 127	0,22%	6 127	0,22%
<b>JPMORGAN FLEMING FUNDS</b>	5 660	0,20%	5 660	0,20%	5 660	0,20%	5 660	0,20%
<b>THE FULCRUM AFRICA ALL CAP MASTER FUND Ltd</b>	3 031	0,11%	3 031	0,11%	3 031	0,11%	3 031	0,11%
<b>STE FINTA</b>	2 000	0,07%	2 000	0,07%	2 000	0,07%	2 000	0,07%
<b>VARIOUS HOLDERS</b>	461 735	16,34%	461 735	16,34%	461 735	16,32%	461 735	16,32%
<b>Minority shareholders of BNA</b>	-	-	-	-	4 452	0,16%	4 452	0,16%
<b>Total</b>	<b>2 825 201</b>	<b>100,00%</b>	<b>2 825 201</b>	<b>100,00%</b>	<b>2 829 653</b>	<b>100,00%</b>	<b>2 829 653</b>	<b>100,00%</b>

Source: SBM

<sup>1</sup> Post merger of Branoma and SBT

## 2.2. Governance of the company after capital increase

The SBM Extraordinary Shareholders Meeting that was called to decide on the merger proposal and capital increase should approve the articles of association of the company.

The articles of association include changes in article 6 of the articles of association pertaining to the share capital. The rest remains unchanged.

In addition, the Extraordinary Shareholders Meeting will not reorganise its Board of Directors as BRANOMA Board members are the same as those of SBM.

### III. Amount of the transaction

In the framework of the merger absorption, Société des Brasseries du Maroc considers increasing its capital by MAD 493,991,381 including the merger premium. As far as Société des Brasseries du Maroc renounces to receive its own shares, the newly created shares compensate strictly BRANOMA shareholders other than Société des Brasseries du Maroc, through the issue of 4,452 shares of MAD 100 each at the share price of MAD 2 024, inducing a per share merger premium of MAD 1 924.

### IV. Main Features of the Securities to be Issued

<b>Type of Securities</b>	The Securities of Sociétés des Brasseries du Maroc are all of the same category
<b>Legal Form of Securities</b>	The Securities of Société des Brasseries du Maroc will be entirely dematerialized and registered on an account at Maroclear
<b>Number of Securities to be Issued</b>	4 452 shares
<b>The Issue Price</b>	MAD 2 024 per share
<b>Nominal Value</b>	MAD 100 MAD per share
<b>Merger premium</b>	MAD 1 924 MAD per share
<b>Dividend Eligibility Date</b>	1 <sup>st</sup> January 2014
<b>Tradability of Securities</b>	The issued shares will be freely negotiable at the Casablanca Stock Exchange
<b>Listing of new securities</b>	The shares arising from the present capital increase will be quoted on the 1 <sup>st</sup> line
<b>Release of Securities</b>	The shares issued will be entirely liberated and free from any commitment
<b>Rights attached to shares</b>	All new shares to be created by the Société des Brasseries du Maroc will enjoy the same rights in the distribution of dividends as well as the distribution of liquidation surplus. Every share will give voting rights when the Shareholders Meetings are held

### V. Financial Intermediaries

Type of Financial Intermediaries	Name	Address
<b>Financial Advisor and Global Coordinator</b>	Société Générale Marocaine de Banques	55, Bd Abdelmoumen Casablanca
<b>Body in charge of Centralizing the transaction</b>	Sogécapital Bourse	
<b>Body in charge of the recording of the Transaction at the Casablanca Stock Exchange</b>	Sogécapital Bourse	

**VI. Schedule of the Transaction**

N°	Stages	Date
1	Receipt of additional information by the Casablanca Stock Exchange	23/05/2014
2	Approval by the Casablanca Stock Exchange of the transaction	26/05/2014
3	Receipt by the Casablanca Stock Exchange of visa on the compulsory buyout document (note d'information) by CDVM	26/05/2014
4	Publication of the notice related to the transaction on the Stock Exchange report	27/05/2014
5	Approval of the merger absorption proposal by the Extraordinary Shareholders Meeting of the Absorbed Company	10/06/2014
6	Approval of the merger absorption proposal and recording of the capital increase by the Extraordinary Shareholders Meeting of the acquiring company	10/06/2014
7	Receipt by the Casablanca Stock Exchange of the minutes of the Extraordinary Shareholders Meeting of SBM and Branoma approving the transaction	11/06/2014
8	Exchange of shares	20/06/2014
	- Listing of the new shares	
9	- Recording of the transaction in the Stock Exchange Market	02/07/2014
	- Announcement of the results of the transaction in the Stock Exchange report	

**VII. Exchange of Securities**

The exchange of shares is scheduled on 20 June 2014.

**VIII. Recipient of the Transaction**

The present capital increase is reserved to Branoma shareholders.

**IX. Exchange ratio<sup>2</sup>**

The exchange parity amounted to 9 shares of Société des Brasseries du Maroc for 11 Branoma shares.

**X. Listing characteristics of the new shares**

<b>Sector</b>	Beverages
<b>Name</b>	Brasseries du Maroc
<b>Value indicator code</b>	2000
<b>Ticker</b>	SBM
<b>ISIN Code</b>	MA0000010365
<b>Segment</b>	Development market (2 <sup>nd</sup> segment)
<b>Listing method</b>	Multifixing
<b>Date of listing new shares</b>	02/07/2014

**XI. Body in charge of the recording of the transaction in the Casablanca Stock Exchange**

The recording of the transaction will take place at the Casablanca Stock Exchange on July 2<sup>nd</sup>, 2014 through Sogécapital Bourse.

<sup>2</sup> Rounded to the nearest integer

## **PART II. OVERVIEW OF SOCIETE DES BRASSERIES DU MAROC**

**I. General Information Pertaining to the Company**

<b>Company name</b>	Société des Brasseries du Maroc
<b>Registered Office</b>	Boulevard Ahl Loghlam, BP 2660 Ain Sebaâ, Casablanca
<b>Phone</b>	05.22.75.46.46
<b>Website</b>	<a href="http://www.brasseries-maroc.com">www.brasseries-maroc.com</a>
<b>Legal form</b>	Public limited company
<b>Date of incorporation</b>	10 October 1919
<b>Life of the Company</b>	99 years
<b>Trade register number</b>	347 – Casablanca
<b>Corporate accounting period</b>	From 1 <sup>st</sup> January to 31 <sup>st</sup> December
<b>Date of listing</b>	13 August 1943
<b>Paid up share capital as of 31/12/2013</b>	MAD 282,520,100

**II. Information on the capital of Société des Brasseries du Maroc**
**2.1. General Information**

As of 31 December 2013, the share capital of Société des Brasseries du Maroc consisted of 2,825,201 shares of a nominal value of MAD 100 each, which means a fully paid-up share capital of MAD 282,520,100.

**2.2. History of the capital and shareholding**
**2.2.1. Evolution of the Société des Brasseries' share capital**

There has been no evolution of the share capital of Société des Brasseries du Maroc during the last 5 years.

**2.2.2. Shareholding structure and history**

Over the last 5 years, the shareholding structure of Société des Brasseries du Maroc has progressed as follows:

Shareholders	2009		2010		2011		2012		2013	
	%*	Shares	%*	Shares	%*	Shares	%*	Shares	%*	Shares
<b>Marocaine d'Investissements et de Services (MDI)</b>	65,32%	1 845 319	65,32%	1 845 319	66,47%	1 877 954	66,68%	1 883 954	68,44%	1 933 531
<b>CIMR</b>	16,26%	459 420	16,26%	459 420	16,26%	459 425	16,26%	459 425	10,13%	286 209
<b>Mr. Jean Marie GROSBOIS</b>	0,06%	1 614	0,08%	2 388	0,21%	6 010	0,21%	6 010	0,22%	6 127
<b>Various shareholders</b>	18,36%	518 848	18,34%	518 074	17,05%	481 812	16,84%	475 812	21,21%	599 334
<b>Total</b>	100,00%	2 825 201	100,00%	2 825 201	100,00%	2 825 201	100,00%	2 825 201	100,00%	2 825 201

Source: SBM

\*Percentage of capital and voting rights

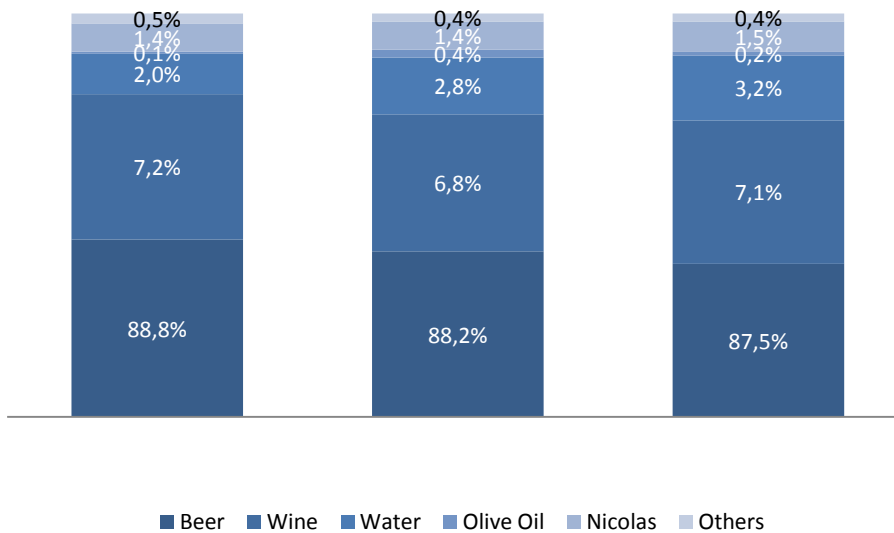
Between 2012 and 2013, the CIMR shareholding in SBM has decreased from 16.26% to 10.13% following the disposal of 173 216 shares.

**III. Activity of Société des Brasseries du Maroc**

The activity of Société des Brasseries du Maroc and its subsidiaries consists of processing agricultural products through four agro-food segments:

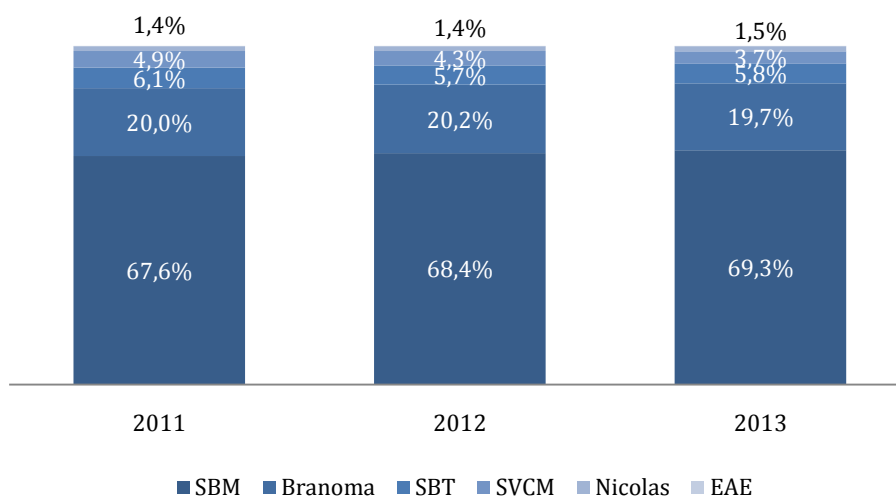
- The brewery segment
- The winemaking segment
- The mineral water springs segment
- The olive oil segment

**SBM Consolidated Revenue by business segment between 2011 and 2013**



Source: SBM

**SBM Consolidated revenue breakdown by Company between 2011 and 2013**



Considering the intra-group flows, the EAE total revenue contribution to the overall consolidated revenue amounted to less than 1% over the period under consideration.

**3.1. Brewery**

**Beer brand Portfolio**

Local brands Of produced beers	Beers brewed under license	Alcohol-free beer
Flag special	Heineken	Crown
Flag Pils	Castel Beer	Merryl
Casablanca Beer	33 Export	-
Stork	Beaufort	-

Source: SBM

**3.2. Winemaker and wine distributor**

**Wine brand portfolio**

Local wine	Imported wine
Laroque	Cabernet Sauvignon
Bonassia	Syrah
Comtesse de Lacourtablaise	Bordeaux
Halana	Merlot
	Chardonnay
	Côtes du Rhône

Source: SBM

**3.3. Water**

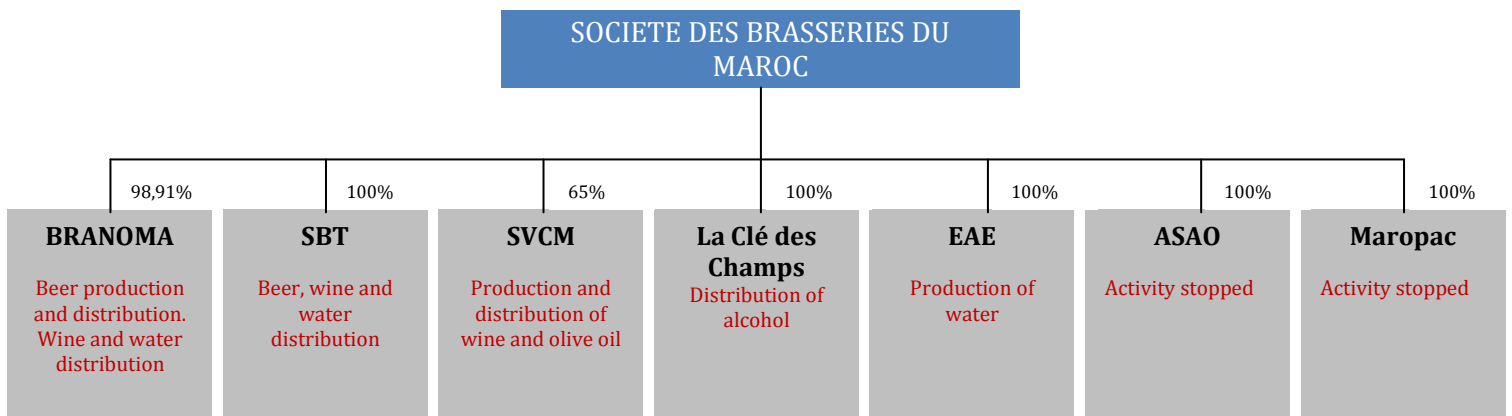
In an approach based on diversification, SBM made the acquisition in June 2010 of the Company Euro-Africaine des Eaux (E.A.E) in an attempt to exploit Bensmim water spring. Called Ain Ifrane, this new natural water brand comes from the original spring of Bensmim, at the heart of the mid-range Atlas Mountains, few kilometers from Ifrane. In addition, the company imports and markets the water trademarks Cristalline and Vichy.

**3.4. Olive oil**

Through its subsidiary SVCM, SBM produces and markets olive oil in bulk to the domestic and export markets. Olive production stretches over more than 600 hectares in Aît Yaazem, a region of Meknès. In this region, olive is a cultural symbol deeply intertwined with the local traditions and culinary habits. In addition, the Group plans to launch the sales of olive oil in bottles under the brand « l’Oliveraie de Castel ».

**IV. Subsidiaries of Société des Brasseries du Maroc**

The Group structure as of 19/03/2014 is outlined below:



Source: SBM

### **PART III. OVERVIEW OF BRANOMA**

**I. General information pertaining to the Company**

<b>Company name</b>	« Brasseries du Nord Marocain », by the acronym « BRANOMA »
<b>Registered Office</b>	Avenue Ibn El Khatib Quartier Industriel Sidi Brahim, Fez
<b>Phone</b>	05 35 64 17 77
<b>Legal Form</b>	Public limited Company
<b>Date of incorporation</b>	29 December 1947
<b>Life of the company</b>	99 years
<b>Trade register</b>	Fez, n°9248
<b>Accounting year</b>	From 1 <sup>st</sup> January to 31 <sup>st</sup> December
<b>Paid up share capital as of 31/12/2013</b>	MAD 50,000,000

**II. Information on the capital of Branoma**
**2.1. General information on the Company**

As of 31 December 2013, the share capital of Branoma consisted of 500,000 shares of a nominal value of MAD 100 each, that is a fully paid up share capital of MAD 50,000,000.

**2.2. History of capital and shareholding**
**2.2.1. History of capital**

No evolution pertaining to Branoma share capital has been recorded during the last 4 years.

**2.2.2. Shareholding structure and history**

Over the last 4 years, the shareholding structure has evolved as follows:

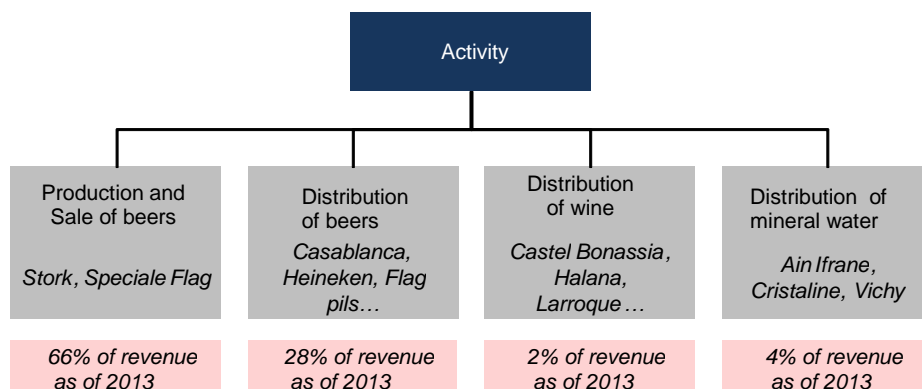
Shareholders	Address	% of capital and voting rights				
		2010	2011	2012	2013	06/03/2014
Société des Brasseries du Maroc	bd Ahl Loghlam, Ain Sebaa, 20450 Casablanca	90,80%	90,80%	98,88%	98,88%	98,91%
Various shareholders	-	9,20%	9,20%	1,1%	1,1%	1,09%

Source: BRANOMA

The increase in SBM shareholding of Branoma between 2011 and 2012 reflects the acquisition of Branoma shares following the tender offer initiated by SBM in 2012 aiming the delisting of Branoma from the Casablanca Stock exchange.

### III. Activity of Branoma

Société des Brasseries du Nord Marocain (BRANOMA) is specialized in the production and distribution of beers. The company operates as well in the distribution of wine and mineral waters.



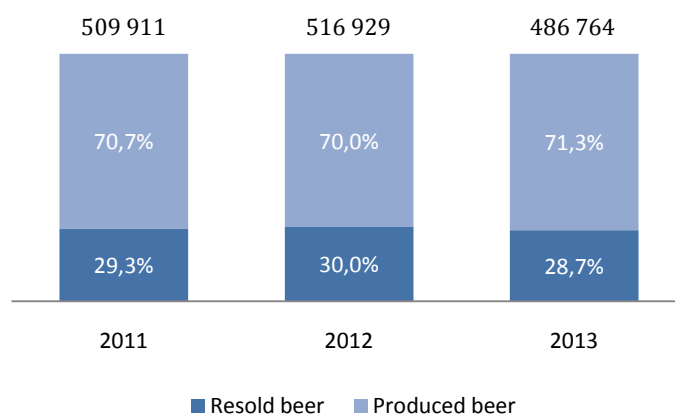
Source: Branoma

#### 3.1. The Beer business

The core of Branoma business consists in beer production and distribution, which represented 94% of the turnover as of 2013. The Beer business is divided into two sub-categories:

- Produced Beer: Branoma produces and markets two beer brands: Stork and Spéciale Flag.
- Resold Beer: these are beers bought to SBM and distributed by Branoma. The principal marketed brands are the following: Casablanca, Heineken, Flag pils, Crown...

Breakdown of turnover by beer segment (KMAD):



Source: Branoma

In terms of volume, BRANOMA sold 198 191 hectoliters of beer in 2013, including 151 681 hectoliters (HL) of produced beer.

#### 3.2. The wine business

The Wine business accounts for 2% of the company's turnover. The company markets the purchased wines from SVCM as well as imported wines from Castel Group.

In terms of volume, BRANOMA sold 3 557 HL of wine in 2013, including 3 482 HL of wine purchased from SVCM.

### 3.3. The mineral water business

The Mineral water business accounts for 4% turnover in 2013 with an annual average growth rate of 22.8% between 2011 and 2013.

In 2010, Société des Brasseries du Maroc acquired the Company Euro-Africaine des Eaux (EAE) that exploits the Ben Smim spring and proceeded in July 2010 to the launching of a new spring water called Ain Ifrane. BRANOMA marketed this water brand in the North region of Morocco.

Branoma sold 92 008 HL of this mineral water in 2013.

**Part IV. FINANCIAL STATEMENT OF SOCIETE DES BRASSERIES DU MAROC  
AND BRANOMA**

**I. Consolidated financial statements of Société des Brasseries du Maroc**
**Consolidated balance sheet of Société des Brasseries du Maroc**

<b>ASSET –KMAD</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>FIXED ASSETS</b>	<b>1 091 563</b>	<b>1 119 728</b>	<b>1 116 671</b>
Intangible assets	15 345	15 289	15 784
Tangible assets	757 314	748 755	752 170
Financial Fixed assets	54 862	49 629	47 396
Goodwill	196 344	240 098	224 038
Deferred tax-assets	67 698	65 957	77 283
<b>CURRENT ASSETS</b>	<b>1 057 190</b>	<b>971 314</b>	<b>1 019 567</b>
Stock	270 716	273 436	288 539
Clients receivables	407 348	439 455	452 279
Other receivables, prepayments and accrued income	142 419	141 335	161 010
Investment securities	236 707	117 088	117 739
<b>CASH AND CASH EQUIVALENT - ASSET</b>	<b>79 022</b>	<b>106 011</b>	<b>41 363</b>
<b>TOTAL ASSETS</b>	<b>2 227 775</b>	<b>2 197 053</b>	<b>2 177 601</b>

<b>LIABILITIES –KMAD</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>PERMANENT CAPITAL</b>	<b>1 658 020</b>	<b>1 655 503</b>	<b>1 592 674</b>
<b>Shareholders' equity</b>	<b>1 476 685</b>	<b>1 482 324</b>	<b>1 433 516</b>
Capital	282 520	282 520	282 520
Consolidated reserves	753 147	792 991	804 331
Net results for the year	350 612	330 601	268 498
Minority interests	90 408	76 212	78 167
<b>Financing debts</b>	<b>40 077</b>	<b>31 693</b>	<b>16 984</b>
<b>Provisions for Contingencies and Losses (C&amp;L<sup>3</sup>)</b>	<b>141 256</b>	<b>141 486</b>	<b>142 174</b>
<b>CURRENT LIABILITIES</b>	<b>569 726</b>	<b>535 528</b>	<b>573 913</b>
Accounts payable	162 394	162 201	164 359
Creditor clients	163 637	158 724	176 863
Other liabilities, accruals and differed payments	243 695	214 603	232 691
<b>CASH AND CASH EQUIVALENT – LIABILITIES</b>	<b>29</b>	<b>6 022</b>	<b>11 014</b>
<b>TOTAL LIABILITIES</b>	<b>2 227 775</b>	<b>2 197 053</b>	<b>2 177 601</b>

<sup>3</sup> Exchange risks

**Consolidated income statement of Société des Brasseries du Maroc**

<b>KMAD</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Sales of goods	424 531	457 592	462 764
Sales of goods and services produced	1 921 575	1 936 142	1 854 802
<b>Turnover</b>	<b>2 346 106</b>	<b>2 393 734</b>	<b>2 317 566</b>
- Purchases of goods for resale	35 837	34 422	29 164
+ Changes in stocks of products	-13 064	- 5 553	23 656
+ Assets manufactured by the company for its own use	395	2 249	968
- Costs of supplies and consumable materials	401 716	428 610	427 131
- Other external charges	302 822	312 771	329 354
<b>Added value</b>	<b>1 593 062</b>	<b>1 614 627</b>	<b>1 556 541</b>
<b>Added value margin</b>	<b>67,9%</b>	<b>67,5%</b>	<b>67,2%</b>
Operating subsidies	273	801	252
Taxes and duties	804 256	836 997	827 787
Personnel costs	142 455	149 256	157 316
<b>EBITDA</b>	<b>646 624</b>	<b>629 175</b>	<b>571 690</b>
<b>EBITDA margin</b>	<b>27,6%</b>	<b>26,3%</b>	<b>24,7%</b>
Other operating expenses	17 516	16 341	23 794
Reversals: operating expenses, expense transfers	22 601	15 344	10 465
Operating depreciations and provisions	142 911	133 713	134 789
<b>Operating income</b>	<b>508 798</b>	<b>494 465</b>	<b>423 572</b>
<b>Operating income margin</b>	<b>21,7%</b>	<b>20,7%</b>	<b>18,3%</b>
Financial income	10 284	10 643	5 538
Current income	519 082	505 108	429 110
Non-current income	9 937	-1 225	-17 978
Corporate taxes	163 373	154 422	136 303
Deferred taxes	-5 920	531	-12 220
Goodwill depreciation	13 069	16 060	16 060
<b>Net income</b>	<b>358 497</b>	<b>332 870</b>	<b>270 989</b>
<b>Net margin</b>	<b>15,3%</b>	<b>13,9%</b>	<b>11,7%</b>

II. Financial Statement of Branoma

**Balance Sheet of Branoma**

<b>ASSETS –KMAD</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>CAPITAL ASSETS</b>	<b>112 200</b>	<b>106 245</b>	<b>107 439</b>
<b>Tangible Assets</b>	<b>110 925</b>	<b>105 459</b>	<b>106 496</b>
Lands	12 331	12 331	12 331
Constructions	25 737	31 212	32 706
Plant and equipment	63 670	55 758	52 204
Land transportation equipment	3 242	2 203	2 700
Office furniture, fixtures and equipment	1 368	1 482	1 121
Other tangible assets	602	739	787
Tangible assets under development	3 975	1 734	4 646
<b>Fixed Financial Assets</b>	<b>1 275</b>	<b>786</b>	<b>944</b>
Long-term loans	990	500	658
Other financial receivables	286	286	286
<b>CURRENT ASSETS</b>	<b>224 028</b>	<b>227 651</b>	<b>236 931</b>
<b>Stocks</b>	<b>15 100</b>	<b>13 761</b>	<b>15 364</b>
Goods	4 002	4 697	5 908
Consumable materials and supplies	6 700	6 057	5 146
Goods in process	2 629	2 462	2 491
Finished products	1 770	545	1 819
<b>Operating receivables</b>	<b>99 042</b>	<b>117 032</b>	<b>138 487</b>
Receivable from suppliers	8 433	9 134	7 767
Trade Accounts receivable	77 298	87 698	81 364
Personnel	1 044	869	1 043
State	11 035	13 350	15 041
Other receivables	588	5 355	33 225
Asset accruals	643	625	48
<b>Investment securities</b>	<b>109 886</b>	<b>96 857</b>	<b>83 079</b>
<b>Conversion losses</b>	<b>-</b>	<b>4</b>	<b>7</b>
<b>Cash and cash equivalent - asset</b>	<b>7 098</b>	<b>18 718</b>	<b>8 688</b>
<b>TOTAL ASSETS</b>	<b>343 327</b>	<b>352 617</b>	<b>353 065</b>

<b>LIABILITIES –KMAD</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>PERMANENT CAPITAL</b>	<b>214 700</b>	<b>217 679</b>	<b>209 229</b>
<b>Shareholders' equity</b>	<b>188 233</b>	<b>191 282</b>	<b>181 346</b>
<i>Share capital</i>	50 000	50 000	50 000
<i>Legal reserves</i>	5 000	5 000	5 000
<i>Other reserves</i>	69 802	69 802	69 802
<i>Retained earnings</i>	2 819	13 431	16 479
<i>Net results for the year</i>	60 611	53 049	40 065
<b>Quasi-equity</b>	-	<b>47</b>	<b>813</b>
<i>Investment subsidy</i>	-	47	813
<b>Financial debts</b>	-	<b>21</b>	<b>257</b>
<i>Other financial debts</i>	-	21	257
<b>PROVISIONS FOR CONTINGENCIES AND LOSSES</b>	<b>26 467</b>	<b>26 330</b>	<b>26 813</b>
<b>CURRENT LIABILITIES</b>	<b>128 627</b>	<b>133 413</b>	<b>141 511</b>
Suppliers and related accounts	39 693	38 939	42 317
Customer creditors	61 128	66 753	68 472
Personnel creditors	3 718	3 109	3 239
Social agencies	1 894	1 731	1 344
State	15 920	18 167	16 677
Shareholders' current accounts	1 000	1 033	978
Other creditors	3 547	4	-
Adjustment accounts for liabilities	502	500	625
<b>Other provisions for contingencies and losses</b>	<b>1 223</b>	<b>3 177</b>	<b>7 857</b>
<b>Conversion gains</b>	<b>3</b>	<b>1</b>	<b>2</b>
<b>CASH AND CASH EQUIVALENT - LIABILITIES</b>	-	<b>1 525</b>	<b>2 325</b>
<b>TOTAL LIABILITIES</b>	<b>343 327</b>	<b>352 617</b>	<b>353 065</b>

**Income statement**

<b>KMAD</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Sales of goods	175 426	187 310	178 821
Purchases of goods for resale	154 813	165 274	158 874
<b>Gross margin</b>	<b>20 613</b>	<b>22 036</b>	<b>19 946</b>
<b>Gross margin rate</b>	<b>11,8%</b>	<b>11,8%</b>	<b>11,2%</b>
<b>Production</b>	<b>361 171</b>	<b>361 752</b>	<b>349 284</b>
Sales of goods and services produced	361 988	363 143	347 981
Change in stocks of products	-817	-1 392	1 303
Fixed assets produced by the Company for its own use	-	-	-
<b>Consumptions</b>	<b>101 411</b>	<b>105 039</b>	<b>107 619</b>
Cost of supplies and consumable materials	37 079	39 576	37 766
Other external charges	64 332	65 463	69 853
<b>Added value</b>	<b>280 372</b>	<b>278 749</b>	<b>261 611</b>
<b>Addes value margin</b>	<b>52,3%</b>	<b>50,8%</b>	<b>49,5%</b>
Operating subsidy	-	-	-
Taxes and duties	152 987	158 077	153 356
Personnel costs	21 855	22 050	22 611
<b>EBITDA</b>	<b>105 530</b>	<b>98 621</b>	<b>85 643</b>
<b>Ebitda margin</b>	<b>19,7%</b>	<b>18,0%</b>	<b>16,2%</b>
Other operating income	-	-	-
Other operating expenses	500	500	750
Reversals, expense transfers	685	1 528	646
Operating depreciations and provisions	24 990	26 163	24 087
<b>Operating income</b>	<b>80 725</b>	<b>73 486</b>	<b>61 452</b>
<b>Operating income margin</b>	<b>15,0%</b>	<b>13,4%</b>	<b>11,6%</b>
Financial income	3 387	3 914	3 802
Current income	84 112	77 400	65 254
Non-operating income	3 631	352	-4 282
Corporate taxes	27 132	24 703	20 907
<b>Net income</b>	<b>60 611</b>	<b>53 049</b>	<b>40 065</b>
<b>Net income margin</b>	<b>11,3%</b>	<b>9,7%</b>	<b>7,6%</b>

## **Part V. RISK FACTORS**

**I. Risk of supply**

The Group is exposed to the risk of supply to the extent that the main intrants are agricultural products and the availability of agricultural supply may be disrupted by climate risks.

**II. Risk of client default**

The risk of default of the Group's clients is very low for the following reasons:

- 75% of sales are cash sales to retailers and resellers. The Group grants payment terms to a number of resellers provided they have a bank guarantee to meet their liabilities;
- 25% of the sales are made to large supermarket chains with conditions of payment within 30 days end of month. These large supermarket chains are solvent, with perennial business, and therefore do not pose a risk to the company.

**III. Risk of Exchange rate**

The Group is exposed to exchange risk to the extent that it reports recurrent import or export transactions on its financial statements as part of its business.

**IV. Competition risk**

Brasseries du Maroc holds a share of more than 95%<sup>4</sup> of the beer business in Morocco and has no significant competitor who can weigh upon the strategy of the Group. The brewery industry is a very capital-intensive business that limits the entry of a new player.

**V. Regulatory risk**

The Group is substantially exposed to a change in public authorities regulations on beer and alcoholic beverages business (production, distribution, consumption). A small change in the legal framework (TIC, safety markers, specific VAT) may have important repercussions on the Group and its results.

**VI. Business risk**

Because the food industry involves processing of agricultural products, the Group is exposed to sanitary risks arising from manufacturing processes. Yet, the Group succeeded to put in place safe procedures that enabled it to get several food safety certifications that helped guarantees an optimal health and safety level.

**VII. Environmental risks**

The production of beer requires the use of water, which, on the one hand, is an intrant in the process of production, and on the other hand, is used for cleaning glass packaging and cases used for the conditioning of the final products. Consequently, all plants emit wastewaters to the urban drainage system of towns and cities where production facilities are implanted. The emissions may have a negative impact on the environment.

In order to protect the environment, Brasseries du Maroc in collaboration with sanitation agencies, initiated a program of investments in the construction of wastewater treatment plants, partly built on the Fez industrial site.

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<sup>4</sup> Source : SBM

## Disclaimer

The abovementioned information constitutes only part of the prospectus approved by the CDVM under reference number n° VI/EM/013/2014 on 26 May 2014. CDVM recommends reading the whole prospectus, which is available in French to the public.