

PROSPECTUS SUMMARY

Douja Promotion Groupe Addoha



Commercial Paper Issuance Program
Annual Update of prospectus for 2011

Issuance Program Maximum : MAD 1 000 000 000
PAR VALUE: MAD 100 000

Financial Advisor and Global Coordinator



Placement agent



VISA OF CONSEIL DEONTOLOGIQUE DES VALEURS MOBILIERES (CDVM)

In compliance with the provisions of article 18 of Dahir n° 1-95-3 of 24 Chaabane 1415 (26 January 1995) enacting law N° 35-94 pursuant to certain negotiable securities as amended and completed, the original of this newsletter was been submitted for evaluation by CDVM having approve it on 17 august 2012 under reference VI/EM/029/2012.

The visa of CDVM in no way implies neither approval of the opportunity afforded by this operation nor the authentication of the information contained therein. Approval has been given after examination of the pertinence and coherence of the information provided in view of the operation proposed to investors.

WARNING

The Conseil Déontologique des Valeurs Mobilières (CDVM) approved on 17 august 2012 a prospectus relating to the issuance of commercial paper by Douja Promotion Groupe Addoha. The information note approved by the CDVM is available at any time at the headquarters of Douja Promotion Groupe Addoha and at the financial advisor. It is also available within a maximum deadline of 48 hours from the order collection entities. It is also available on the CDVM website (www.cdvm.gov.ma).

PART I. TRANSACTION OVERVIEW

I. Object of transaction

Douja Promotion Groupe Addoha aims to issue a commercial paper program in order to :

- Optimize the cost of short term financing ;
- Meet the specific cash needs caused by fluctuation in the payment deadlines of the various corporate counterparts;
- Diversify the sources of financing to allow better negotiations with financial partners ;
- Consolidate the image of the group among institutional investors.

II. Commercial Paper Characteristics

Table I – Information on securities to be issued

Nature of securities	Dematerialized Commercial Paper registered at the Central Custodian (Maroclear) and registered in the books of entitled affiliates.
Legal form	Bearer security
Program maximum	MAD 1 000 000 000.
Maximum number of securities	10 000
Nominal value	MAD 100 000.
Maturity	10 days to 12 months.
Date of entitlement	Date of settlement.
Interest rate	Determined at each issuance according to market conditions.
Interest	Accrued interest.
Coupon payment	<i>At maturity</i> . i.e. upon due date of each paper.
Reimbursement of principal	<i>At maturity</i> . i.e. upon due date of each paper.
Assimilation clause	Commercial Papers issued are in no way assimilated to any previous issued securities.
Trading	Freely tradable on the secondary market. Commercial Papers are negotiable by mutual agreement. Negotiability is ensured by BMCE Bank.
Guarantee	None.

III. Placement agent and financial intermediaries

Table 1 – Placement agent and financial intermediaries

Advisor and Coordinator	BMCE Capital Conseil 63.Bd Moulay Youssef – Casablanca
Placement agent	BMCE Bank 140. Avenue Hassan II – 20000 Casablanca
Securities accounts manager	BMCE Bank 140. Avenue Hassan II – 20000 Casablanca
Central custodian	Maroclear Route 1077 par route d'El Jadida. 18 Cité Laia – 20200 Casablanca

Partie II. INFORMATION ABOUT THE ISSUER

I. Overview

Table 1 – General Information

Corporate Name	Corporate Name: « Douja Promotion Groupe Addoha S.A. ». It is also known under the commercial name of « Groupe Addoha »-
Headquarters	Km 7. Route de Rabat. Ain Sebaa. Casablanca
Telephone	+212 5 22 67 99 00
Fax	+212 5 22 35 17 63
Internet	www.groupeaddoha.com
Email	douja.promotion@addoha.ma
Legal form	Société anonyme à Conseil d'Administration
Date of creation	18 April 1988
Life span	99 years except in case of early wind up or extension as stipulated by the corporate by-laws or by the general law
Registered Capital (31 December 2011)	MAD 3 150 000 000 split up into 315 000 000 shares of MAD 10 each all of the same category and fully paid up.
Fiscal Year	From 1 January to 31 December.
Number of registration in Trade Register	52 045 – Casablanca
Competent Court in the event of litigation	Commercial Court of Casablanca.
Place reserved for consultation of legal documents	The corporate, accounting and legal documents to be communicated by way of the law and the by-laws for the shareholders and third parties can be consulted at the headquarters of Douja Promotion Groupe Addoha. Km 7. Route de Rabat. Ain Sebaa. Casablanca.
Purpose	<p>According to article 5 of the by-laws. the direct purpose of the company either on its own behalf or on behalf of a third party in Morocco or in any other country:</p> <ul style="list-style-type: none"> ▪ All real estate operations as spelled out by Dahir n° 1.85.100 of 17 August 1985 with regard to enactments of law n°15-85 instituting support for real estate investment. in particular; ▪ Acquisition of built up or non built up land as well as any other property located in Morocco; ▪ Operation and development of the said land through the division of lots. site preparation. fitting out, equipment and edification of the said building(s) for residential, commercial, professional, industrial or other uses; ▪ Transformation of building property. sale in co-ownership per lot or unit; ▪ Establishment of deeds testifying to any changes occurring with regard to any real estate property; ▪ Setting up and management of syndicates for all buildings in compliance with the co-ownership rules related thereto including exercise of the management function; ▪ And generally. all real estate or moveable property operations directly or

indirectly attached to the purpose of the company.

I.1. Capital structure

The below Table give the historical background of the shareholders in Douja Promotion Groupe Addoha from 2009 to 2011:

Table 1 – Historical information of shareholders from 31 December 2009 to 31 December 2011

Shareholders	31/12/2009			31/12/2010			31/12/2011		
	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights
Famille SEFRIQUI	175 061 220	61,75%	61,75%	176 448 805	56,02%	56,02%	176 448 805	56,02%	56,02%
<i>M. Anas SEFRIQUI</i>	175 033 120	61,74%	61,74%	176 422 005	56,01%	56,01%	176 422 005	56,01%	56,01%
<i>Mme Mounia BENZEKRI</i>	5 620	-	-	5 360	-	-	5 360	-	-
<i>Mlle Alia SEFRIQUI</i>	5 620	-	-	5 360	-	-	5 360	-	-
<i>Mlle Kenza SEFRIQUI</i>	5 620	-	-	5 360	-	-	5 360	-	-
<i>M. Malik SEFRIQUI</i>	5 620	-	-	5 360	-	-	5 360	-	-
<i>O.I.P.</i>	5 620	-	-	5 360	-	-	5 360	-	-
Flottant en bourse	108 438 780	38,25%	38,25%	138 551 195	43,98%	43,98%	138 551 195	43,98%	43,98%
Total	283 500 000	100%	100%	315 000 000	100%	100%	315 000 000	100%	100%

Source: Douja Promotion Groupe Addoha

The drop in participation of the Sefrioui family is principally linked to the capital increase occurring in 2010 which caused a slight dilution in the capital of Mr. Anas Sefrioui.

I.2. Commercial papers issuance program

To date Douja Promotion Groupe Addoha has proceeded to the issuance of the following commercial papers:

Table 1 – Summary of commercial papers issues

Date of entitlement	Due data	Amount (in M MAD)	Number of securities	Maturity	Nominal interest rate
23/08/2011	23/08/2012	6 00	6 000	12 months	4.05%
05/03/2012	05/11/2012	200	2 000	8 months	4.18%
05/03/2012	04/03/2013	200	2 000	12 months	4.31%

II. Administrative bodies

The make-up of the Douja Promotion Groupe Addoha Board of Directors on 30/06/2011 was as follows:

Table 1 – Make-up of Douja Promotion Groupe Addoha Board of Directors on 01/06/2012

Members		Date of appointment or renewal	Expiry of term	Other mandates	Relationship with Chairman
Mr. Anas SEFRIQUI Chairman and CEO	Chairman	2011	Officer ruling on accounts FY 2016	23	Himself
O.I.P. Represented by Mr. Anas SEFRIQUI	Administrator	2011	Officer ruling on accounts FY 2016	-	-
Ms Brigitte TAITTINGER	Administrator	2012	Officer ruling on accounts FY 2012	-	None

Mr. Philippe FAURE	Administrator	2012	Officer ruling on accounts FY 2012	-	None
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Source: Douja Promotion Groupe Addoha

III. Management bodies

On 30 June 2011, the list of the principal managers of Douja Promotion Groupe Addoha was the following:

Table 1 – Principal managers of Douja Promotion Groupe Addoha

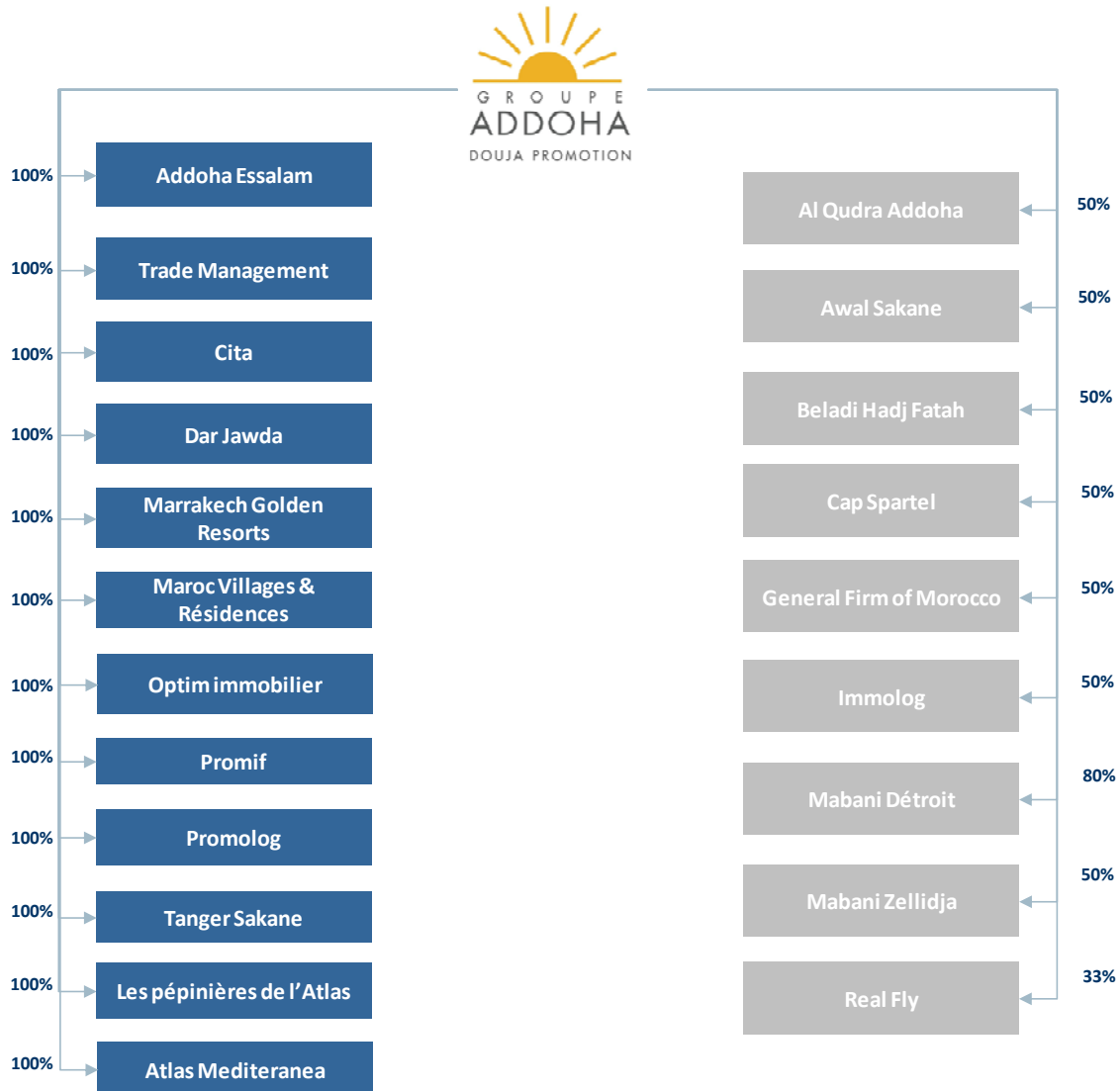
First and Last Names	Position	Date of joining company
Top Management		
Mr. Anas SEFRIQUI	Chairman and CEO	1988
Mr. Hassan BEN BACHIR	Advisor to Chairman	2002
Mr. Jawad ZIYAT	Deputy General Manager	2008
Mr. Rachid IBEN KHAYAT	Deputy General Manager	2011
Mr. Anas BERRADA	Deputy General Manager	2011
Ms Kenza SEFRIQUI	Deputy General Manager	2007
Mr. Saad Sefrioui	Task Manager	2011
Other managers		
Ms Saloua BENBRAHIM	Deputy General Marketing and Sales Manager	1992
Mr. Mhamed KHALIL	Technical Deputy General Manager	2002
Mr. Philippe MOAYER	Technical Manager (top class real estate)	2010
Mr. Jamal NOURY	Administrative and Financial Officer	2007
Mr. Samir FETHI	Group Human Resources Manager	2011
Mr. Ezzoubair Ghaleb	Central Planning and Coordination Officer	2011

Source: Douja Promotion Groupe Addoha

IV. Legal flowchart

On 31 December 2011 the legal flowchart of Douja Promotion Groupe Addoha was as follows:

Figure 1. Stakes held by Douja Promotion Groupe Addoha on 31 December 2011



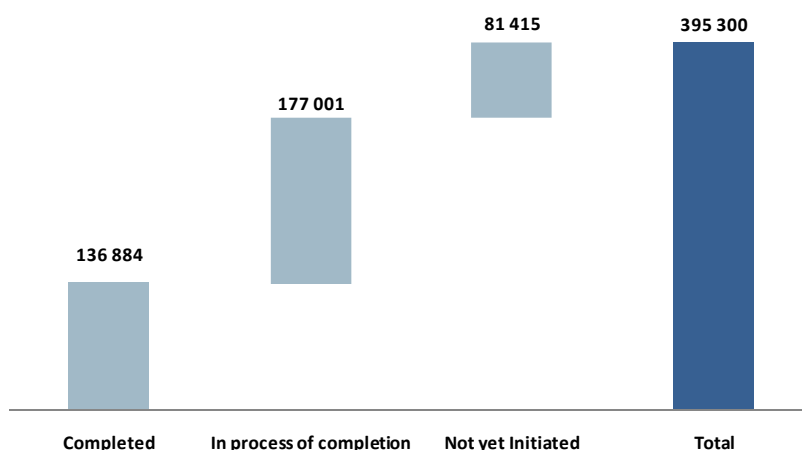
Source: Douja Promotion Groupe Addoha

V. Overview of the activity of Douja Promotion Groupe Addoha

The activity of Douja Promotion Groupe Addoha consists of completion of social and high-end housing programs. The principal activity of the group is social real estate.

At the end of 2011, housing programs developed by the group concern 395 300 units (all segments combined):

Figure 2. Cumulative projects production all segments taken together on 31 Dec. 2011 (in number of units)



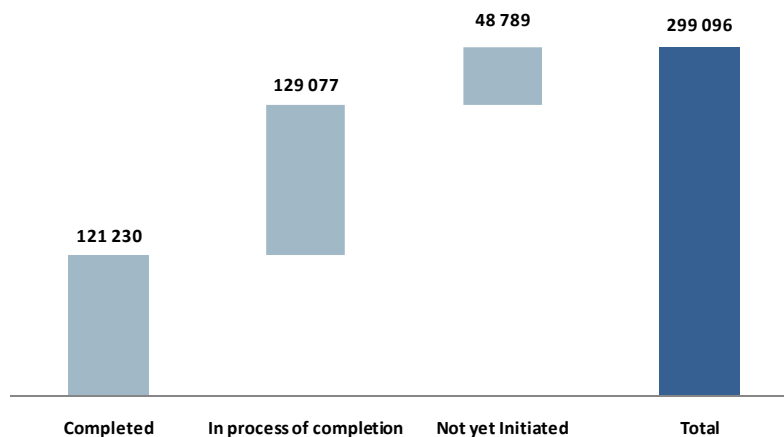
Source: Douja Promotion Groupe Addoha

On 31 December 2011, the programs completed, in process of completion and not yet initiated by the group (all segments combined) totalize 395 300 units split up as follows:

- Housing units completed: 136 884;
- Housing units in process of completion: 177 001;
- Housing units not yet initiated: 81 415.

The below graph depicts the projects completed by Douja Promotion Groupe Addoha and the subsidiaries for the social segment as of 31 December 2011:

Figure 3. Cumulative projects production in the social segment as of 31 Dec. 2011



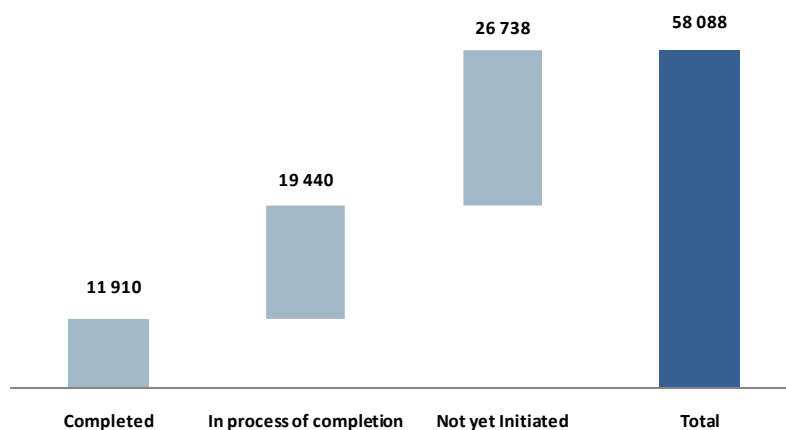
Source: Douja Promotion Groupe Addoha

In the social segment, the group has entirely completed 121 230 units and is in the process of completing real estate programs totalizing 129 077 units.

Other projects not yet initiated are expected to bring this number to 48 789 units in 2012-2018.

The projects completed by Douja Promotion Groupe Addoha and its subsidiaries in the intermediate segment were as following as of 31 December 2011:

Figure 4. Cumulative projects production for the intermediate segment as of 31 Dec. 2011 (in number of units)

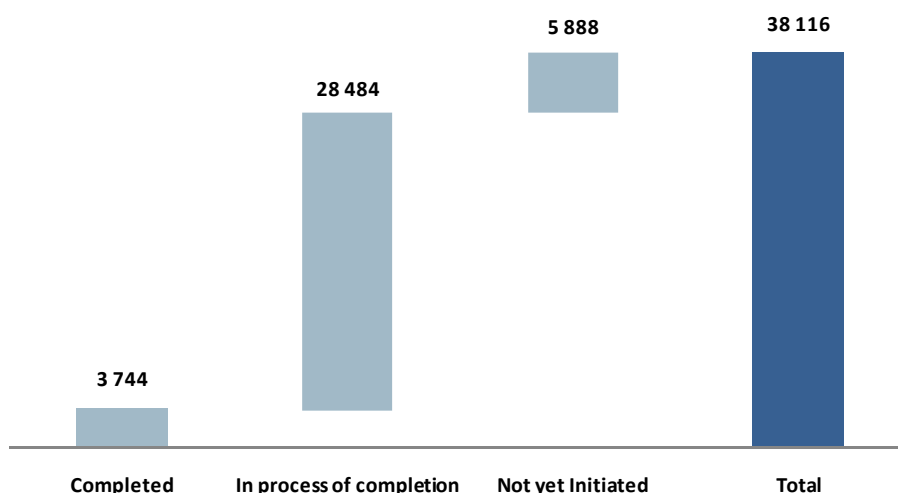


Source: Douja Promotion Groupe Addoha

As shown by the above graph on 31 December 2011 the completed units in the intermediate segment come to 11 910. Other programs are in the process of completion dealing with 19 440 units. Furthermore, intermediate real estate projects are slated for launch to the tune of 26 738 units.

The below graph depicts the programs completed by Douja Promotion Groupe Addoha and the subsidiaries in the high-en segment as of 31 December 2011:

Figure 5. Cumulative projects production in the high-end segment as of 31 Dec. 2011 (in units)



Source: Douja Promotion Groupe Addoha

On 31 December 2011, Groupe Addoha completed and delivered 3 744 units in the high-end segment segment.

At end of December 2011 the high-end segment programs in the process of completion amounted to 28 484 and programs not yet initiated amount to 5 888 dwelling units.

PART III – CONSOLIDATED FINANCIAL DATA

VI. Consolidation scope

VI.1. On 31 December 2011

Company	Percentage of control	Percentage of interest	Method of consolidation
Douja Promotion Groupe Addoha	-	-	Consolidation entity
Immolog	50.00%	50.00%	Global integration
Promolog	99.95%	99.95%	Global integration
Promif	99.95%	99.95%	Global integration
Dar Jawda	99.99%	99.99%	Global integration
Addoha Essalam	99.90%	99.90%	Global integration
Tanger Sakane	99.87%	99.87%	Global integration
Mabani Zellidja	49.99%	49.99%	Proportional Integration
Alqudra Addoha Pour L'investissement Immobilier (real estate investments)	49.99%	49.99%	Proportional Integration
MABANI DETROIT (Ex Gilmaroc Seaside Resorts)	80.00%	80.00%	Global integration
General Firm Of Morocco	50.00%	50.00%	Proportional Integration
Trade Management	99.87%	99.87%	Global integration
Marrakech Golden Resorts	99.87%	99.87%	Global integration
Beladi Hadj Fatah	50.00%	50.00%	Global integration
Optim Immobilier	99.60%	99.60%	Global integration
Cap Spartel	50.00%	50.00%	Proportional Integration
Cita	99.87%	99.87%	Global integration
Maroc Villages & Residences	99.87%	99.87%	Global integration
Awal Sakane	50%	50%	Global integration
Les Pépinières de l'Atlas	100%	100%	Global integration
Atlas Mediterranean	100%	100%	Global integration
Real Fly	33.33%	33.33%	Equity Method

VI.2. On 31 December 2010

Company	Percentage of control	Percentage of interest	Method of consolidation
Douja Promotion Groupe Addoha	-	-	Consolidating entity
Immolog	50.00%	50.00%	Global Integration
Promolog	99.95%	99.95%	Global Integration
Promif	99.95%	99.95%	Global Integration
Dar Jawda	99.99%	99.99%	Global Integration
Addoha Essalam	99.90%	99.90%	Global Integration
Tanger Sakane	99.87%	99.87%	Global Integration
Mabani Zellidja	49.99%	49.99%	Proportional Integration
Alqudra Addoha Pour L'investissement Immobilier (real estate investments)	49.99%	49.99%	Proportional Integration
MABANI DETROIT (Ex Gilmaroc Seaside Resorts)	80.00%	80.00%	Global Integration
General Firm Of Morocco	50.00%	50.00%	Proportional Integration
Trade Management	99.87%	99.87%	Global Integration
Marrakech Golden Resorts	99.87%	99.87%	Global Integration
Beladi Hadj Fatah	50.00%	50.00%	Global Integration
Optim Immobilier	99.60%	99.60%	Global Integration
Cap Spartel	50.00%	50.00%	Proportional Integration
Cita	99.87%	99.87%	Global Integration

Maroc Villages & Residences	99.87%	99.87%	Global Integration
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VI.3. On 31 December 2009

Company	Percentage of control	Percentage of interest	Method of consolidation
Douja Promotion Groupe Addoha	-	-	Consolidating entity
Immolog	50.00%	50.00%	Global Integration
Promolog	99.95%	99.95%	Global Integration
Promif	99.95%	99.95%	Global Integration
Dar Jawda	99.99%	99.99%	Global Integration
Addoha Essalam	99.90%	99.90%	Global Integration
Tanger Sakane	99.87%	99.87%	Global Integration
Mabani Zellidja	49.99%	49.99%	Proportional Integration
Alqudra Addoha Pour L'investissement Immobilier	49.99%	49.99%	Proportional Integration
MABANI DETROIT (Ex Gilmaroc Seaside Resorts)	49.99%	49.99%	Global Integration
GENERAL FIRM OF MOROCCO	50.00%	50.00%	Proportional Integration
Trade Management	99.87%	99.87%	Global Integration
Marrakech Golden Resorts	99.87%	99.87%	Global Integration
Beladi Hadj Fatah	50.00%	50.00%	Global Integration
Optim Immobilier	99.60%	99.60%	Global Integration
Cap Spartel	50.00%	50.00%	Proportional Integration
Cita	99.87%	99.87%	Global Integration
Maroc Villages & Residences	99.87%	99.87%	Global Integration

VII. Consolidated profit and loss statement

In thousands of MAD	2009	2010	2011	Var. 10/09	Var. 11/10	
Turnover	6 011 962	7 582 052	9 332 632	26.1%	23.1%	
Inventory changes	1 083 217	-879 923	-574 883	<-100%	-34.7%	
Fixed assets produced by the company for itself	155 538	293	0	-99.8%	-	
Production	7 250 717	6 702 422	8 757 749	-7.6%	30.7%	
Purchases consumed of materials and goods	5 341 389	3 975 193	6 137 263	-25.6%	54.4%	
Other external expenses	210 099	173 708	272 493	-17.3%	56.9%	
Consumption	5 551 488	4 148 901	6 409 756	-25.3%	54.5%	
Value added	1 699 229	2 553 521	2 347 993	50.3%	-8.0%	
	<i>VA/TO</i>	<i>28.3%</i>	<i>33.7%</i>	<i>25.2%</i>	<i>5.4 pts</i>	<i>-8.6 pts</i>
Taxes	10 905	16 609	13 700	52.3%	-17.5%	
Payroll expenses	172 678	171 712	212 768	-0.6%	23.9%	
EBITDA	1 515 646	2 365 200	2 121 525	56.1%	-10.3%	
	<i>EBITDA/TO</i>	<i>25.2%</i>	<i>31.2%</i>	<i>22.7%</i>	<i>6.0 pts</i>	<i>-8.5 pts</i>
Other operating income	96 819	542	909	-99.4%	67.6%	
Other operating expenses	1 001	997	1 200	-0.4%	20.4%	
Operating write downs	14 856	1 800	116 041	-87.9%	> 100%	
Operating depreciations	79 345	34 058	90 303	-57.1%	> 100%	
Transfer of expenses	5 477	-	46 486	-	-	
Operating income	1 552 451	2 332 487	2 193 458	50.2%	-6.0%	
	<i>Operating margin</i>	<i>25.8%</i>	<i>30.8%</i>	<i>23.5%</i>	<i>5.0 pts</i>	<i>-7.3 pts</i>
Financial products	510 514	303 318	258 515	-40.6%	-14.8%	
Financial expenses	797 126	489 090	527 235	-38.6%	7.8%	
Financial income	-286 612	-185 772	-268 720	-35.2%	44.7%	
Pre-tax current income	1 265 840	2 146 715	1 924 738	69.6%	-10.3%	
Exceptional products	126 258	60 038	124 664	-52.4%	> 100%	
Exceptional expenses	80 289	25 682	31 700	-68.0%	23.4%	
Exceptional income	45 969	34 355	92 964	-25.3%	> 100%	
Pre-tax income	1 311 809	2 181 070	2 017 701	66.3%	-7.5%	
Income tax	287 691	348 102	83 967	21.0%	-75.9%	
Net income of consolidated companies	1 024 117	1 832 969	1 933 734	79.0%	5.5%	
Quota of corporate income by equity method	-	-	-3609	-	-	
Depreciation of purchased goodwill	287	1 321	532	>100%	-59.7%	
Minority interest	145 862	145 871	94 639	0.0%	-35.1%	
Net income (group share)	877 968	1 685 777	1 834 954	92.0%	8.8%	
	<i>Net margin</i>	<i>14.6%</i>	<i>22.2%</i>	<i>19.7%¹</i>	<i>7.6 pts</i>	<i>-2.5 pts</i>

Source: Douja Promotion Groupe Addoha

¹ Non restated net margin of the exceptional land sale operation by SAS. This operation restated leaves a net margin of 22.2%. i.e. the same level registered in 2010.

VIII. Consolidated balance sheet

In thousands of MAD	2009	2010	2011	Var. 10/09	Var. 11/10
ASSETS					
Fixed assets	523 933	527 207	703 444	0.6%	33.4%
Goodwill	2 556	16 985	5 412	>100%	-68.1%
Intangible fixed assets	5 448	5 103	5 007	-6.3%	-1.9%
Tangible fixed assets	384 537	362 380	495 981	-5.8%	36.9%
Financial fixed assets	72 488	59 151	24 044	-18.4%	-59.4%
Securities by equity method	-	-	1 387		
Deferred taxes on assets	58 904	83 588	171 613	41.9%	>100%
Current assets	23 506 299	26 641 220	29 758 912	13.3%	11.7%
Inventories	17 196 882	17 758 765	18 569 901	3.3%	4.6%
Supplier advances and installments	1 592 016	1 626 562	1 152 380	2.2%	-29.2%
Customers and related accounts	2 578 990	4 218 424	6 651 661	63.6%	57.7%
Payroll	404	825	736	>100%	-10.7%
Debtor statements	1 988 526	2 612 193	3 054 705	31.4%	16.9%
Sundry debts	149 482	424 451	329 530	>100%	-22.4%
Availabilities	514 333	500 949	207 435	-2.6%	-58.6%
Cash investments in marketable securities	271 405	291 299	-	7.3%	-100.0%
Availabilities	242 928	209 650	207 435	-13.7%	-1.1%
Total Assets	24 544 566	27 669 376	30 669 792	12.7%	10.8%
LIABILITIES					
Equity of consolidated entity	5 547 972	9 715 910	10 518 238	75.1%	8.3%
Shareholders' equity (group share)	5 194 213	9 395 194	10 099 266	80.9%	7.5%
Capital	2 835 000	3 150 000	3 150 000	11.1%	0.0%
Premiums	661 500	3 293 401	3 293 401	397.9%	0.0%
Consolidated reserves	950 995	1 266 015	1 820 911	33.1%	43.8%
Other	-131 250	-	-		
Net Income group share	877 968	1 685 777	1 834 954	92.0%	8.8%
Minority interest	353 759	320 716	418 972	-9.3%	30.6%
Provisions for risks and expenses	1 635	1 635	6 635	0.0%	>100%
Financial debts	3 668 668	5 648 926	5 820 510	54.0%	3.0%
Deferred taxes liabilities	9 093	678 513	659 047	>100%	-2.9%
Current liabilities	10 034 455	10 156 618	10 795 938	1.2%	6.3%
Suppliers	3 614 063	2 949 665	4 058 279	-18.4%	37.6%
Customer advances and installments	3 825 136	5 100 228	4 641 508	33.3%	-9.0%
Payroll and social entities	18 410	20 482	24 980	11.3%	22.0%
Creditor statements	740 824	743 953	958 475	0.4%	28.8%
Sundry debts	1 773 778	1 263 866	1 056 618	-28.7%	-16.4%
Other provisions	62 244	78 424	56 078	26.0%	-28.5%
Overdrafts	5 282 742	1 467 774	2 869 423	-72.2%	95.5%
Total Liabilities	24 544 566	27 669 376	30 669 792	12.7%	10.8%

Source: Douja Promotion Groupe Addoha

PART IV – RISK FACTORS

IX. Risks linked to the selection of building and public works contractors

Douja Promotion Groupe Addoha subcontracts « turnkey » operations for the building of dwelling units to external building and public works contractors on the basis of specifications indicating the prices, quality of service and also the relevant completion timeframes.

Non availability of a sufficient number of qualified enterprises in a position to meet the requirements of the specifications could constitute a risk factor likely to impact the completion timeframes or the quality of service. For lack of competition this could also lead to higher price offerings.

To mitigate this risk, as of 2002 the company searched the international market and identified foreign enterprises with top-flight references in building and public works along with organizational structures allowing them to offer service at prices and within deadlines compliant with the requirements stipulated in the specifications.

The said contractors on behalf of Douja Promotion Groupe Addoha have already built thousands of dwelling units in a framework of strict adherence to the terms and conditions put forth by the company (deadlines, quality and security, etc.) at competitive prices given the large volume of building programs entailed.

Furthermore, in counterpart to the exclusivity Douja Promotion Groupe Addoha has with these contractors, the group can ensure them full marshalling of their production capacities.

Also to be pointed out is that to meet the requirements of the large number of new programs launched by the company, it is now negotiating agreements with several other international contractors.

X. Risk linked to rising land costs

Increase of land prices constitutes a risk much in evidence over the past few years due to galloping demographics and easier access to credit. However, this risk is mitigated by the determination of the State to create 15 new towns by 2020 constituting additional land offerings in urban areas.

Increasingly expensive land prices tend to negatively impact profit margins.

To confront this risk, Douja Promotion Groupe Addoha has adopted the measures hereafter:

- Setting up of partnerships with public bodies in the framework of which the said bodies agree to marshal land for sale to the Company;
- Decision to extend its field of action through the completion of several programs in Casablanca, Tangier, Agadir, Marrakech, Rabat-Salé, Fez-Tamesna.
- Diversification of its programs by initiating intermediate segment projects not subject to ceiling prices set by public administration.

To be pointed out is that the public authorities are upholding their determination to widen the urban perimeter of several of Morocco's cities, in particular Casablanca.

However, this risk has been mitigated by the adoption of a new finance act of 2010 pursuant to the rise in social dwelling units prices to MAD 250 000, enabling developers to make up for the risk of the rising cost of land.

XI. Risk of competition

The lifting of barriers to entry and the positive profitability outlook offered by this sector has had and continued to have the effect of attracting several operators active in the real estate sector. The multiplication of both local and international operators could engender a twofold effect:

- Erosion of profit margins resulting from continuously rising competition;
- More expensive land prices in certain areas attracting demand from real estate developers.

XII. Risk in connection with higher interest rates

Increasing debtor interest (applied to loans contracted by buyers) could cause a limitation of housing demand.

This could result in a potential impact on the turnover of Douja Promotion Groupe Addoha and more particularly on the business volume generated by the social segment.

To mitigate this risk to be pointed out is that Douja Promotion Groupe Addoha systematically signed agreements with its banking partners to allow its future purchasers to benefit from loans at attractive interest rates.

XIII. Risk linked to reduction in demand

An overall drop in national or foreign demand (owing to the international economic situation) is likely to negatively influence the soundness of the sector in general and the business volume in particular.

Nevertheless, to be recalled is that in 2007 the global deficit was assessed at 1 240 000 dwelling units at an annual production rate of some 170 000 dwelling units at the country level.

Further, in advance of the start up of large scale real estate projects Douja Promotion Groupe Addoha is carrying out upstream a pertinent market study to allow a commercial success of the project as well as to choose well adapted positioning.

To conclude, one of the key elements of the strategy adopted by Douja Promotion Groupe Addoha consists of placing emphasis in its portfolio on so-called « liquid » products mirroring intermediate dwelling projects within a logic of risk diversification.

WARNING

The above information only represents a part of the Information Note approved by Conseil Déontologique des Valeurs Mobilières (CDVM) on 17 august 2012 under the reference number VI/EM/029/2012. The CDVM advises reading the full prospectus available in French.