

PROSPECTUS SUMMARY

Public Repurchase Offer Qualifying the FERTIMA Shares Not Held
by CHARAF CORPORATION HOLDING
Aimed at the Delisting of FERTIMA Shares



On the Initiative of CHARAF CORPORATION HOLDING



Number of shares targeted : 130 202 Shares

Price per share : MAD 214

Offer Period : from 06/01/2014 to 31/01/2014 included

Maximum Amount of the Offering: MAD 27 863 228

Consulting Firm and Global Coordinator

ATLAS CAPITAL
FINANCE

Independent Valuator

SH Saaïdi & Hdid consultants
Droit, fiscalité & finance d'entreprise

Body responsible for Centralization & Transaction Registration

ATLAS CAPITAL
BOURSE

APPROVAL OF THE CONSEIL DEONTOLOGIQUE DES VALEURS MOBILIERES

In accordance with the circular issued by CDVM, the Moroccan securities regulator, which entered into force on April 1st 2012 upon being adopted pursuant to article 14 of the Dahir promulgating Law 1-93-212 of September 21st 1993 on the Conseil Déontologique des Valeurs Mobilières (CDVM) and the information required from corporations proceeding to public share offerings, as amended and supplemented, the original of the present summary was approved by CDVM on December 25th, 2013 under reference n° VI/EM/037/2013.

Warning

On December 25th 2013, Conseil Déontologique des Valeurs Mobilières (CDVM) approved a prospectus for a public repurchase offer of FERTIMA by CHARAF CORPORATION HOLDING.

The prospectus approved by CDVM is available at all times at the Head Office of FERTIMA. Likewise, it can be made available within a maximum period of 48 hours at order taking institutions.

Furthermore, the prospectus is available to the public at the Headquarters of the Casablanca Stock Exchange and on its website, www.casablanca-bourse.com. It is also available on the CDVM website, www.cdvm.gov.ma.

Part I. OPERATION OVERVIEW

I.1. Aims of the deal

In order to allow minority shareholders to tender their securities prior to the delisting of FERTIMA shares, the main shareholder of FERTIMA, CHARAF CORPORATION HOLDING, has initiated this Public Repurchase Offer.

The delisting of FERTIMA shares is justified by :

- The FERTIMA share is undergoing a lack of liquidity (23 securities exchanged on average from 3th September 2012 to 30 August 2013 , with a total volume of 932.6 KMAD) ;
- The percentage of capital of FERTIMA not held by CHARAF CORPORATION HOLDING is low (11.32% , including ASMA INVEST) representing a market value of MAD 16.93 million in 30th August 2013.

CHARAF CORPORATION HOLDING has eventually decided to initiate the Public Repurchase Offer procedure of SCE securities in the wake of the decision to delist the FERTIMA shares of the latter from the Casablanca Stock Exchange.

This Offer concerns the acquisition of all securities not held by the Initiator, that is to say 130,202 securities adding up to 11.32% of the capital and of the voting rights of the company at the price of 214 MAD per share.

I.2. Deal characteristics

I.2.a. Number of shares targeted

The PRO will involve all the shares not held by CHARAF CORPORATION HOLDING, i.e. 130,202 shares accounting for 11,32% of the capital and of the voting rights of the company.

The shareholder ASMA INVEST has been informed before submitting the PRO to CDVM, but has not expressed its intention.

I.2.b. Price of the Offering

The Initiator offers the minority shareholder of FERTIMA the opportunity to buy their shares at the price of 214 Dirham per share.

I.2.c. Aggregate Amount of the PRO

The PRO relate to an aggregate maximum amount of 27,863,228 Dirham in the case of a full contribution of FERTIMA targeted in the PRO.

I.2.d. Possession of the shares under in the Offer

1st January 2013.

I.2.e. Opening Date of the Bid

6th January 2014.

I.2.f. Closing Date of the Bid

31th January 2014.

I.2.g. Duration of the Offer

The duration of the offer ranges between the date of opening and that of the closing of the deal, as per the transaction schedule under this prospectus, that is to say 18 trading days.

I.2.h. Threshold of waiver

Under the present deal, no waiver threshold is expected to be applied to the offering by the Initiator.

CHARAF CORPORATION HOLDING undertakes to firmly and irrevocably purchase all of the securities bought in by FERTIMA's minority shareholders under the PRO, which will be served in full.

I.2.i. Settlement and Delivery Date

17th February 2014.

I.2.j. Bid Registration

Based on the shares supplied, registration with the Casablanca Stock Exchange of the transactions involved in this deal shall be made by Atlas Capital Bourse (from the buyer's side).

I.3. Public Repurchase Offer Timeline

Steps	Deadline No later than
Receipt by the Stock Exchange of the approved prospectus	25/12/2013
Publication by the Casablanca Stock Exchange at the Official List of the statement concerning the Public Repurchase Offer	26/12/2013
Opening of the Public Repurchase Offer	06/01/2014
Closing of the Public Repurchase Offer	31/01/2014
Receipt of securities' selling order files by the Casablanca Stock Exchange before 12 a.m.	03/02/2014
Centralization, consolidation and processing of the securities selling orders by the Casablanca Stock Exchange	04/02/2014
Sending a summary statement of selling orders by the Casablanca Stock Exchange	05/02/2014
Action point of CDVM on the PRO (positive or no response)	06/02/2014
Advertisement, in the Stock Exchange's Official List, in case CDVM reports the deal with no follow-up	06/02/2014
Provision by the Casablanca Stock Exchange, of the PRO outcome to order collectors	07/02/2014
Publication of the notice of delisting of FERTIMA securities in the Stock Exchange Official List	11/02/2014
Publication of the press release on the delisting of FERTIMA securities in a legal notices newspaper	
Announcing the outcome of the PRO-Registration of the transactions relative to the PRO	12/02/2014
Settlement/Delivery of the securities in the PRO	17/02/2014
Delisting of FERTIMA securities from the Casablanca Stock Exchange	16/04/2014

Part II. PRESENTATION OF CHARAF CORPORATION HOLDING

II.1. General Information

Corporate name	CHARAF CORPORATION HOLDING
Head Office	26, bd abou al waqt Khalaf
Legal form	Limited Liability Company
Phone / Fax	05 22 95 28 48 / 05 22 95 16 83
Website	www.charaf.com
Establishment date	07/03/2008
Company Register	Casablanca, N°179 007
Life time	99 years
Fiscal Year	From 1st January to 31 December
Company purposes	The Company's purposes are: <ul style="list-style-type: none"> ▪ Investment funds management ; ▪ Investment for itself, on behalf of third parties; ▪ Management of securities and real estate investments, and participations ; ▪ Investments in listed companies; ▪ The products and brands presentations, as well as the trade of products or articles, its negotiation, the technical advice and assistance to public and private markets, in Morocco and abroad; ▪ The participation in all operations that may be directly or indirectly related to one of those purposes, either by subscription to or purchase of securities or ownership rights, merger, association or alliance, or by general partnership, and via all other lawful means; ▪ And as a general matter, all financial, industrial or commercial transactions in real or personal property directly or indirectly relating to one of those purposes or to any similar or related purpose that facilitate, favor or develop the company's activity.
Social capital (in 31/12/2012)	70,300,000 dirhams
Lieux de consultation des documents juridiques	Les documents juridiques ainsi que les rapports des Commissaires aux Comptes peuvent être consultés au siège social de CHARAF CORPORATION HOLDING et au greffe du Tribunal de Commerce de Casablanca.
Applicable Laws and Regulations	Given its legal type, the Company, is governed by: <ul style="list-style-type: none"> ▪ The Dahir n°1-96-124 of 14 RABII II 1417 (30 August 1996) promulgating Law n° 17-95 relative to joint stock companies, as amended and supplemented by the Dahir n°1-08-18 of 17 Joumada I (23 May 2008) promulgating Law n°20-05. ▪ The Dahir n°1-04-21 of 21 avril 2004 promulgating Law n°26-03 relative to public bids on the Moroccan stock markets.
Court having jurisdiction	Commercial Court of Casablanca
Tax system	<ul style="list-style-type: none"> ▪ Corporation tax: normal rate of 30% ▪ Value Added Tax: rate of 20%

II.2. Share ownership

Capital allocation of CHARAF CORPORATION HOLDING as at 31 December 2012 is as follow :

Shareholders	Number of shares	% of the Capital
CHARAF CORPORATION SA	702 996	99,99%
Mr. Driss KANDIL	1	NS
Mr. Ahmed Amine KANDIL	1	NS
Mme. Nadia KANDIL	1	NS
Mme. Ghyslaine KANDIL	1	NS
Mme. Aicha ZHIRI	1	NS
Total	703 000	100,00%

Source : Charaf Corporation Holding.

Part III. PRESENTATION OF FERTIMA

III.1. General Information

Corporate name	Société Marocaine des Fertilisants S.A par abréviation FERTIMA
Head Office	26, Bd Abou Al Waqt Khalaf (Angle Bd Mohamed Ben Abdellah), Quartier El Hank Casablanca
Legal form	Limited Liability Company
Phone / Fax	05 22 22 47 55 / 05 22 48 43 42
Website	www.fertima.co.ma
Establishment date	17/10/1972
Company Register	Casablanca, N°31 581
Life time	99 years
Fiscal Year	From 1st January to 31 December
Company purposes	<p>The company's purposes are:</p> <ul style="list-style-type: none"> ▪ Purchase, import, production, processing, storage, and sale of all types of fertilizers as well as products and equipment for the industrial and agricultural sectors; ▪ Registration, acquisition, creation and operation, directly or indirectly, of brands, licenses or process related to its main purpose ; ▪ Study of agricultural issues, publication of economic and technical notes, and creation and organization of all services ; ▪ Eventually, minerals grinding, acquisition and rent of equipment and facilities necessary to its activity ; ▪ As a general matter, all industrial, commercial and financial transactions directly or indirectly related to the activity or any similar purpose, that facilitate, favor or develop the company's activity; ▪ It may perform such transactions for itself, on behalf of third parties or through any and all forms of participation, including creating new companies, acquiring shares in existing companies, forming partnerships, merging companies, advancing funds, purchasing or selling securities and rights to equity instruments, selling or leasing out of all or part of its real estate, securities or related rights, or otherwise.
Social capital (in 31/12/2012)	115,000,000 dirhams
Access to and consultation of legal documents	The Articles of Association, management reports and minutes ordinary and extraordinary shareholders meeting are available for inspection at the head office of the Company and at the registry of the commercial court in Casablanca
Applicable Laws and Regulations	<p>Given its legal type, the Company is governed by :</p> <ul style="list-style-type: none"> ▪ The Dahir N° 1-96-124. <p>of 14 RABII II 1417 (30 August 1996) promulgating Law N° 17-95, relative to joint stock companies, as amended and supplemented by the Dahir n°1-08-18 of 17 Joumada I (23 May 2008) promulgating Law n°20-05.</p> <p>Given its activity, the fertilizer sector is governed by :</p> <ul style="list-style-type: none"> ▪ Vizirial order of 4th November 1942 regulating the fertilizer trade and amendments. ▪ Order of 1st January 1943 relative to the cost of fertilizers or amendments made by the Finance Police. ▪ 67 Moroccan fertilization standards. <p>Being listed on the Casablanca Stock Exchange, the company is also subject to all legal provisions and regulations relative to the financial markets, and notably :</p> <ul style="list-style-type: none"> ▪ The Dahir establishing law n° 1-93-211 of 21 September 1993 relating to the Stock Exchange, as amended and supplemented by laws 34-96, 29-00, 52-01 and 45-06; ▪ The General Regulation of the Stock Exchange approved by the Minister of Economy and Finance, n° 1268-08 of 7 July 2008, as amended and supplemented by order of the Minister of Economy and Finance n°1156-10 of 7 April 2010 ; ▪ The General Regulation of the Moroccan Securities Regulator, approved by order of the Minister of Economy and Finance n° 822-08 of 14 April 2008 ; ▪ The Dahir establishing law n° 1-93-212 of 21 September 1993 governing the Moroccan Securities Regulator and the information required from publicly traded companies, as amended and supplemented by acts n° 23-01, 36-05 and 44-06 ; ▪ The Dahir establishing law n° 35-96 relating the creation of the central depository and the institution establishment of a general accounting system for certain securities as amended and extended by Act n° 43-02 ; ▪ The General Regulation governing the central depository, as approved by order of the Minister of Economy & Finance n° 932-98 of 16 April 1998 and amended by order of the Minister of Economy & Finance, Privatization and Tourism n° 1961-01 of 30 October 2001 and by order n°77-05 of 17/03/2005 ; ▪ The Dahir n° 1-04-21 of 21 April 2004 promulgating Law n° 26-03 relating to public bids on the Moroccan stock market, as amended and supplemented by Act n° 46-06.
Court having jurisdiction in the event of a dispute	Commercial Court of Casablanca

Tax system

- Corporation tax: normal rate of 30%
- Value Added Tax: rate of 20%, tax exemption for the fertilizers sales

III.2. Share ownership

At 31st December 2012, the capital of FERTIMA amounted MAD 115 million, fully paid-up, with 1,150,000 shares of MAD 100 of nominal value per share.

III.2.a. Changes in share capital of FERTIMA

Year	Capital before Operation in MAD	Additional amount of capital in MAD	Number of shares issued	Nominal value in MAD	Number of shares after capital increase	Capital after increase	Nature of the operation
1973	500 000	3 000 000	30 000	100	35 000	3 500 000	Cash contribution
1974	3 500 000	3 500 000	-	200	35 000	7 000 000	Cash contribution
1979	7 000 000	43 000 000	215 000	200	250 000	50 000 000	Cash contribution
1981	50 000 000	50 000 000	250 000	200	500 000	100 000 000	Cash contribution
1996	100 000 000	15 000 000	300 000	50	2 300 000	115 000 000	Capitalisation of reserves and reduction of nominal value
2000	115 000 000	-	-	100	1 150 000	115 000 000	Increase of the nominal value

Source : FERTIMA.

III.2.b. Capital allocation

Capital allocation of FERTIMA as at 31 December 2012 is as follow :

Shareholders	Number of shares	% of the Capital
CHARAF CORPORATION HOLDING	1 019 798	88,68%
ASMA Invest	84 065	7,31%
Various shareholders	46 137	4,01%
Total	1 150 000	100,00%

Source : FERTIMA.

III.3. Composition of the Board of Directors

The composition of FERTIMA Board Directors as at 31 December 2012 is as follow :

Board composition	Identity	Renewal date	Duration
Chairman of the Board	Ahmed Amine KANDIL	June 2013	6 years
Director	Driss KANDIL	June 2013	6 years
Director	Ghizlaine KANDIL	June 2013	6 years
Director	Asma Invest represented by Yasser BAHAMMOU	June 2013	6 years

Source : FERTIMA.

Part IV. CHARAF CORPORATION HOLDING FINANCIAL STATEMENTS

IV.1. Balance sheet

ASSETS	2010	2011	2012
NIL VALUE ASSETS (A)	9 744 195	4 947 486	0
* Start-up costs	433 940	217 010	
* Deferred charges	9 310 255	4 730 476	
* Bond redemption premiums			
INTANGIBLE ASSETS (B)	0	0	0
* Intangible assets in R&D			
* Patents, trademarks, rights and similar rights			
* Goodwill			
* Other intangible assets			
PROPERTY, PLANT & EQUIPMENT (C)	0	0	0
* Land			
* Buildings			
* Machinery, Equipment & Tools			
* Transport equipment			
* Office furniture, Equipment & other fixtures and fittings			
* Other Property, Plant & Equipment			
* Property, Plant & Equipment in process			
PERMANENT FINANCIAL INVESTMENTS (D)	452 442 572	452 442 572	453 364 865
* Fixed loans			
* Other financial receivables			
* Equity securities	452 442 572	452 442 572	453 364 865
* Other securities holdings			
UNREALIZED EXCHANGE LOSSES/GAINS -ASSETS (E)	0	0	0
* Declining non performing loans			
* Rise in financial debts			
TOTAL I (A+B+C+D+E)	462 186 767	457 390 058	453 364 865
INVENTORY (F)	0	0	0
* Goods			
* Materials and supplies, consumables			
* Goods in process			
* Intermediate products and residual products			
* Finished products			
CURRENT ASSETS RECEIVABLES (G)	4 149 976	3 149 976	3 149 976
* Trade payables, advances and down payments			
* Trade and other related receivables			
* Personnel			
* State			
* Partner's current accounts	1 000 000		
* Other accounts receivables	3 149 976	3 149 976	3 149 976
* Accruals - Assets			
INVESTMENT SECURITIES (H)			
UNREALIZED EXCHANGE LOSSES/GAINS - ASSETS (I)			
TOTAL II (F+G+H+I)	4 149 976	3 149 976	3 149 976
CASH FLOW - ASSETS	4 242 862	2 304 921	126 645
* Cheques and deposits in transit			
* Banks, Treasury and POAs	4 242 862	2 304 921	108 457
* Cash on hand, imprest accounts and letters of credit			18 188
TOTAL III	4 242 862	2 304 921	126 645
TOTAL I+II+III	470 579 606	462 844 955	456 641 486

LIABILITIES	2010	2011	2012
STOCKHOLDERS' EQUITY (A)	22 576 001	-22 499 750	-63 530 167
* Registered capital or staff	70 300 000	70 300 000	70 300 000
* Minus: stockholders, uncalled subscribed capital stock, called capital including paid up			
* Issue, merger or contribution premiums			
* Appraisal increments			
* Legal reserve	860 118	860 118	860 118
* Other reserves			
* Retained earnings	-13 033 186	-48 584 118	-93 659 868
* Net income pending allocation			
* Annual surplus	-35 550 932	-45 075 751	-41 030 416
QUASI EQUITY (B)	0	0	0
* Capital investment grant			
* Regulated provisions			
FINANCING DEBTS (C)	275 000 000	275 000 000	275 000 000
* Bond issues			
* Other financing debts	275 000 000	275 000 000	275 000 000
ONGOING CONTINGENCIES AND LOSS PROVISIONS (D)	0	0	0
* Provisions for risks			
* Provisions for expenses			
UNREALIZED EXCHANGE LOSSES/GAINS-LIABILITIES €	0	0	0
* Increase in non performing debts			
* Decrease in financing debts			
TOTAL I (A+B+C+D+E)	297 576 001	252 500 250	211 469 833
DEBTS IN CURRENT LIABILITIES (F)	173 003 605	210 344 706	245 171 653
* Debts to suppliers and related accounts	494 607	74 755	109 397
* Accounts payable and advance payments			
* Personnel			
* Social welfare services			
* State	345 540	347 040	347 040
* Partner's current accounts	156 824 292	173 683 515	188 233 028
* Other creditors	920 000	920 000	920 000
* Accruals deferred credits	14 419 167	35 319 396	55 562 188
OTHER PROVISIONS FOR RISKS and CHARGES (G)			
UNREALIZED EXCHANGE LOSSES/GAINS-LIABILITIES (H)			
Total II (F+G+H)	173 003 605	210 344 706	245 171 653
CASH FLOW - LIABILITIES	0	0	0
* Discount credits			
* Cash loans			
* Equalization banks			
TOTAL III	0	0	0
TOTAL I+II+III	470 579 606	462 844 955	456 641 486

IV.2. Revenue & Expense Account

	2010	2011	2012
I. OPERATING REVENUES	0	0	0
* Sale of goods (on an as-is basis)			
* Sale of goods and services produced turnover			
* Change in inventory of products			
* Fixed assets by the company for its own use			
* Operating grants			
* Other operating revenues			
* Reversals: Transfer of operating charges			
II. OPERATING EXPENSES	6 566 960	5 217 946	6 053 414
* Cost of goods (2) sold			
* Cost of supplies and consumable materials (2)			
* Other external charges	1 770 251	420 687	1 105 928
* Taxes and duties		550	
* Staff costs			
* Other Operating Expenses			
* Operating Provisions	4 796 709	4 796 709	4 947 486
III. OPERATING INCOME (I-II)	-6 566 960	-5 217 946	-6 053 414
IV. FINANCIAL REVENUE	0	0	0
* Income from equity interests and other long-term investments			
* Gains on exchange			
* Interests and Other Financial Revenue			
* Reversals : transfer charges			
V. FINANCIAL EXPENSES	28 983 972	39 856 305	34 975 503
* Interest Expenses	28 983 972	39 856 305	34 975 503
* Loss on exchange			
* Other financial expenses			
* Financial allocations			
VI. FINANCIAL INCOME (IV-V)	-28 983 972	-39 856 305	-34 975 503
VII. CURRENT OPERATING PROFITS (III+VI)	-35 550 932	-45 074 251	-41 028 916
VIII. NON RECURRING INCOME	0	0	0
* Income from capital disposal			
* Balancing subsidies			
* Deductions of investments grants			
* Other non current income			
* Write-backs; transferred expenses			
IX. NON-RECURRING EXPENSES	0	0	0
* Net book value of fixed assets sold			
* Subsidies granted			
* Other non recurring expenses			
* Allowances to non recurring depreciation expense & provisions			
X. NON-OPERATING INCOME (VIII-IX)	0	0	0
XI. EARNINGS BEFORE TAX (VII+X)	-35 550 932	-45 074 251	-41 028 916
XII. INCOME TAX		1 500	1 500
XIII. BOTTOM LINE (XI-XII)	-35 550 932	-45 075 751	-41 030 416

Part V. FERTIMA FINANCIAL STATEMENTS

V.1. Balance sheet

ASSETS	2010	2011	2012	S1 2013
NIL VALUE ASSETS (A)	1 617 531	4 618 299	3 301 641	2 651 701
* Start-up costs	26 996	13 498		
* Deferred charges	1 590 535	4 604 801	3 301 641	2 651 701
* Bond redemption premiums				
INTANGIBLE ASSETS (B)	12 772	4 037	2 942 101	2 582 544
* Intangible assets in R&D				
* Patents, trademarks, rights and similar rights	12 772	4 037	2 942 101	2 582 544
* Goodwill				
* Other intangible assets				
PROPERTY, PLANT & EQUIPMENT (C)	61 769 836	88 582 079	82 793 600	81 022 988
* Land	7 385 629	58 069 759	58 069 759	58 069 759
* Buildings	21 604 235	19 350 875	17 226 383	16 269 460
* Machinery, Equipment & Tools	3 026 261	2 645 562	2 308 584	1 893 341
* Transport equipment	5 469	2 844	10 804	9 205
* Office furniture, Equipment & other fixtures and fittings	1 582 873	1 800 224	1 443 097	1 229 913
* Other Property, Plant & Equipment		3 305 938	2 938 611	2 754 948
* Property, Plant & Equipment in process	28 165 369	3 406 877	796 362	796 362
PERMANENT FINANCIAL INVESTMENTS (D)	1 348 748	1 675 186	1 597 475	1 582 802
* Fixed loans	944 225	1 270 663	1 161 432	1 096 759
* Other financial receivables	403 523	403 523	335 043	335 043
* Equity securities	1 000	1 000	101 000	151 000
* Other securities holdings				
UNREALIZED EXCHANGE LOSSES/GAINS -ASSETS (E)	0	0	0	0
* Declining non performing loans				
* Rise in financial debts				
TOTAL I (A+B+C+D+E)	64 748 888	94 879 601	90 634 817	87 840 035
INVENTORY (F)	202 558 576	253 631 445	115 379 029	80 675 978
* Goods	186 912 151	239 752 645	103 544 905	71 711 856
* Materials and supplies, consumables	15 646 425	13 878 800	11 834 124	8 964 122
* Goods in process				
* Intermediate products and residual products				
* Finished products				
CURRENT ASSETS RECEIVABLES (G)	377 064 665	385 069 684	425 809 522	284 328 876
* Trade payables, advances and down payments	334 800	31 740 785	74 036 932	80 783 254
* Trade and other related receivables	343 245 576	315 220 474	191 180 392	170 760 739
* Personnel	552 523	559 554	528 237	158 148
* State	23 550 025	25 064 270	19 619 178	19 484 264
* Partner's current accounts				0
* Other accounts receivables	6 256 879	4 324 088	138 166 397	9 371 963
* Accruals - Assets	3 124 863	8 160 513	2 278 386	3 770 508
INVESTMENT SECURITIES (H)				
UNREALIZED EXCHANGE LOSSES/GAINS - ASSETS (I)	142 070	3 967 861	70 655	264 189
TOTAL II (F+G+H+I)	579 765 311	642 668 990	541 259 206	365 269 044
CASH FLOW - ASSETS	57 675 043	1 756 998	1 216 987	350 414
* Cheques and deposits in transit	40 134	158 042	62 369	72 264
* Banks, Treasury and POAs	57 592 409	1 541 254	1 083 686	161 998
* Cash on hand, impress accounts and letters of credit	42 501	57 703	70 931	116 152
TOTAL III	57 675 043	1 756 998	1 216 987	350 414
TOTAL I+II+III	702 189 242	739 305 589	633 111 009	453 459 493

LIABILITIES	2010	2011	2012	S1 2013
STOCKHOLDERS' EQUITY (A)	91 210 398	92 260 933	64 999 784	39 667 452
* Registered capital or staff	115 000 000	115 000 000	115 000 000	115 000 000
* Minus: stockholders, uncalled subscribed capital stock, called capital including paid up				
* Issue, merger or contribution premiums				
* Appraisal increments				
* Legal reserve	11 500 000	11 500 000	11 500 000	11 500 000
* Other reserves	27 343 987	27 343 987	27 343 987	27 343 987
* Retained earnings	-56 879 674	-62 633 589	-61 583 054	-88 844 203
* Net income pending allocation				
* Annual surplus	-5 753 915	1 050 535	-27 261 149	-25 332 333
QUASI EQUITY (B)	110 000	110 000	50 000	35 000
* Capital investment grant				
* Regulated provisions	110 000	110 000	50 000	35 000
FINANCING DEBTS (C)	77 000 000	41 795 506	28 545 210	23 170 188
* Bond issues				
* Other financing debts	77 000 000	41 795 506	28 545 210	23 170 188
ONGOING CONTINGENCIES AND LOSS PROVISIONS (D)	2 696 098	2 696 098	2 696 098	2 593 990
* Provisions for risks	2 696 098	2 696 098	2 696 098	2 593 990
* Provisions for expenses				
UNREALIZED EXCHANGE LOSSES/GAINS-LIABILITIES €	0	0	0	0
* Increase in non performing debts				
* Decrease in financing debts				
TOTAL I (A+B+C+D+E)	171 016 496	136 862 537	96 291 092	65 466 630
DEBTS IN CURRENT LIABILITIES (F)	252 795 292	223 181 367	248 591 377	97 105 592
* Debts to suppliers and related accounts	234 596 466	168 131 601	225 063 930	80 799 825
* Accounts payable and advance payments	87 435	34 464 422	87 435	87 435
* Personnel	313 526	447 914	844 057	1 026 219
* Social welfare services	1 056 391	1 160 952	1 275 703	1 466 487
* State	9 802 020	9 143 235	5 670 534	1 019 895
* Partner's current accounts				
* Other creditors	2 150 624	6 744 034	7 472 095	7 465 493
* Accruals deferred credits	4 788 830	3 089 208	8 177 623	5 240 238
OTHER PROVISIONS FOR RISKS and CHARGES (G)	142 070	3 967 861	70 655	264 189
UNREALIZED EXCHANGE LOSSES/GAINS-LIABILITIES (H)	573 119	134 730	899 777	198 578
Total II (F+G+H)	253 510 480	227 283 958	249 561 809	97 568 359
CASH FLOW - LIABILITIES	277 662 265	375 159 094	287 258 108	290 424 504
* Discount credits	64 241 202	116 325 193	51 964 193	18 881 126
* Cash loans	70 565 428	90 050 028	33 164 548	9 109 203
* Equalization banks	142 855 635	168 783 874	202 129 367	262 434 175
TOTAL III	277 662 265	375 159 094	287 258 108	290 424 504
TOTAL I+II+III	702 189 242	739 305 589	633 111 009	453 459 493

V.2. Revenue & Expense Account

	2010	2011	2012	S1 2012	S1 2013
I. OPERATING REVENUES	698 220 801	703 312 395	584 422 346	236 522 170	177 083 771
* Sale of goods (on an as-is basis)	692 347 880	690 409 578	577 283 910	232 678 273	174 318 982
* Sale of goods and services produced turnover		10 074 272	6 832 552	3 538 012	2 688 749
* Change in inventory of products					
* Fixed assets by the company for its own use					
* Operating grants					
* Other operating revenues	112 046	130 969	4 249	4 249	
* Reversals: Transfer of operating charges	5 760 875	2 697 576	301 636	301 636	76 040
II. OPERATING EXPENSES	737 531 336	683 783 778	589 006 684	240 886 414	192 921 886
* Cost of goods (2) sold	572 746 927	570 870 965	483 821 370	187 493 754	145 926 515
* Cost of supplies and consumable materials (2)	16 708 985	17 176 435	13 741 222	5 831 368	7 185 159
* Other external charges	48 386 675	57 431 599	47 043 674	24 426 539	18 177 965
* Taxes and duties	3 943 003	1 492 798	1 565 714	823 819	1 665 895
* Staff costs	28 578 478	29 957 827	29 941 340	16 342 295	14 627 948
* Other Operating Expenses	1 000 000				0
* Operating Provisions	66 167 268	6 854 153	12 893 365	5 968 638	5 338 404
III. OPERATING INCOME (I-II)	-39 310 536	19 528 618	-4 584 338	-4 364 244	-15 838 115
IV. FINANCIAL REVENUE	6 329 704	15 206 000	11 284 246	7 794 888	6 427 135
* Income from equity interests and other long-term investments	2 925	2 100			
* Gains on exchange	3 134 497	1 703 792	436 780	180 165	420 371
* Interests and Other Financial Revenue	2 766 453	13 358 039	6 879 605	3 646 862	5 936 108
* Reversals : transfer charges	425 829	142 070	3 967 861	3 967 861	70 655
V. FINANCIAL EXPENSES	32 354 223	30 439 490	29 787 632	16 805 592	14 480 639
* Interest Expenses	25 874 074	24 165 234	25 248 951	11 225 731	14 076 390
* Loss on exchange	6 338 080	2 293 637	4 468 026	2 956 617	140 060
* Other financial expenses		12 757			
* Financial allocations	142 070	3 967 861	70 655	2 623 244	264 189
VI. FINANCIAL INCOME (IV-V)	-26 024 519	-15 233 490	-18 503 386	-9 010 704	-8 053 504
VII. CURRENT OPERATING PROFITS (III+VI)	-65 335 055	4 295 128	-23 087 724	-13 374 948	-23 891 620
VIII. NON RECURRING INCOME	100 734 946	8 835 081	1 241 954	463 500	322 546
* Income from capital disposal	88 544 676	4 395 854	392 367	383 703	
* Balancing subsidies					
* Deductions of investments grants					
* Other non current income	5 038 270	679 423	789 587	79 797	307 546
* Write-backs; transferred expenses	7 152 000	3 759 804	60 000		15 000
IX. NON-RECURRING EXPENSES	37 625 865	8 484 395	2 454 246	1 113 016	844 859
* Net book value of fixed assets sold	26 316 530	4 385 854	1 609	1 609	
* Subsidies granted					
* Other non recurring expenses	8 309 335	130 547	2 452 638	1 111 407	844 859
* Allowances to non recurring depreciation expense & provisions	3 000 000	3 967 995			
X. NON-OPERATING INCOME (VIII-IX)	63 109 080	350 686	-1 212 292	-649 516	-522 313
XI. EARNINGS BEFORE TAX (VII+X)	-2 225 975	4 645 814	-24 300 016	-14 024 464	-24 413 932
XII. INCOME TAX	3 527 940	3 595 279	2 961 133	1 200 238	918 400
XIII. BOTTOM LINE (XI-XII)	-5 753 915	1 050 535	-27 261 149	-15 224 702	-25 332 333

Part VI. RISK FACTORS

VI.1. Sector Risk Exposure

The fertilizer market is closely linked to the agricultural sector. This sector is characterized by high cyclicity and the performance recorded by the sector remains dependent on annual rainfall levels. However, this risk could be controlled with modern irrigation systems planned in the Plan Maroc Vert.

VI.2. Risk Of Increase In The Prices Of Goods And Components

The fluctuation in international fertilizer prices is related to global economic changing conditions and to strategies adopted by major trading companies. The fluctuation in international prices can have a direct impact on the Company's operational performance, and as a result, on its income.

Against a backdrop of substantial world changes (marked by an enduring financial crisis and global economic recession), hardly any efficient solution can be recommended against the fluctuations in international prices.

In these periods of high price fluctuation, the precautionary principle is highly recommended (buying in relation to short-term needs).

VI.3. Concentration Risk

FERTIMA's customer portfolio is not very concentrated; thereby minimizing the client concentration risk:

Client	Share in 2012 sales
1 st	10,65%
2 nd	7,31%
3 th	3,99%
4 th	1,03%
5 th	0,80%

Source : FERTIMA

VI.4. Supply Risk

Most European importations are conducted using maritime transport. The lead times are more difficult to control, thus causing a risk of inventory stock-outs in the event of sharp increase in the business activity.

To prevent stock-outs, companies ensure the security of its supplies by continuously expanding its supplier portfolio.

Moreover, in case of inability of a carrier to convey goods within optimal timeframes, companies may use the services of other service providers, through their ongoing contacts with international transport operator.

VI.5. Exposure To Currency Fluctuations

FERTIMA receives and makes payments in currency other than the Dirham, mainly in Euro and US Dollar. As a result, the company is confronted to the risks of fluctuations of currencies on imported products. To minimize exposure to this risk, FERTIMA has adopted punctual foreign currency hedging.

VI.6. Climatic Risk

Given its activity, FERTIMA is confronted to climate events. The agricultural sector is subject to weather turbulences : drought, flood risks, wind storms etc.

VI.7. Environmental Risks And Risks Related To The Regulatory Environment

Given the products sold by the company, FERTIMA is exposed to environmental risks that may occur due to the use of its products (use of products that may be toxic and harmful to nature) and is subject to strict regulations).

In this context, FERTIMA conducts regular quality checks on all products sold and developing new solutions for the environment. The company sells products certified by international standards (OCP products, nitrogenous products exported etc.).

In addition, the company has achieved ISO 9001 version 2000 certification for the head office and warehouse in Casablanca, and started the plant layout of Berrechid and Kenitra sites.

VI.8. Exposure to Charaf Corporation Holding Business continuity Risk

CHARAF CORPORATION HOLDING recorded net losses higher than three quarters of the share capital, over several consecutive years.

The deficit situation could affect the continued safe operation of CHARAF CORPORATION HOLDING. However, shareholders continue to provide financial support to the company.

Warning

The data submitted in the abode document are only a part of the prospectus approved by Conseil Déontologique des Valeurs Mobilières (CDVM) under reference number VI/EM/037/2013 on 25/12/2013.

CDVM recommends that you carefully read the entire prospectus which is made available to the public in the French language.