

Prospectus Summary

Buy Out Offer targeting CGI's shares not held by CDG Développement and CDG for the delisting of CGI



COMPAGNIE GENERALE IMMOBILIERE
GROUPE CDG

On the initiative of CDG Développement




Number of shares targeted: 3,386,095 shares

Price per share: MAD725

Offer Period: from 15/06/2015 to 07/07/2015 included

Maximum Amount of the Offering: MAD2,454,918,877

<i>Consulting Firm and Global Coordinator</i>	<i>Body responsible for the Transaction's Registration</i>	<i>Bodies responsible for the collection of orders</i>
	All Brokers	All banks and brokers

Independent Valuators



APPROVAL OF THE CDVM

In accordance with the provisions of article 14 of the Dahir enforcing law n° 1-93-212 of September 21st, 1993, relative to the CDVM and the information required from the legal entities issuing securities to the public, as amended and completed, and of article 36 of Act n° 26-03 relative to public bids on the stock market, as amended and completed by Law n° 46-06, the original copy of this prospectus has been approved by the CDVM on 04th of June 2015, under reference n° VI/EM/012/2015.

WARNING

The CDVM approved on [...] a prospectus regarding the buyout offer targeting CGI's shares not held by CDG Développement and CDG for the delisting of CGI

The prospectus approved by the CDVM is available to the public at the Head Office of CGI and at its financial advisor CDG Capital. Likewise, it is available within a maximum period of 48 hours at the institutions responsible for the collection of orders.

The prospectus is also made publicly available at the Casablanca Stock Exchange Head Office and on its website www.casablanca-bourse.com. It is also available on the CDVM website: www.CDVM.gov.ma

I. DESCRIPTION OF OPERATION

1.1 OPERATION FRAMEWORK

1.1.1 Legal Framework:

The Board of Directors of CGI, which held a meeting on October 22nd, 2014, has approved the principle of delisting CGI shares from the Casablanca Stock Exchange, and has acknowledged that the delisting decision leads to the obligation for the persons holding, alone or in concert, the majority of stake of the company to make a buyout offer prior to the actual delisting in accordance with the provisions of article 20 bis of the Dahir No. 1-04-21 of April 21st, 2004 concerning the promulgation of law No. 26-03 relative to public offers in the stock market, as amended and completed ad hoc.

The Board of Directors has given all the powers to the Managing Director of CGI, with the option to sub-delegate for the purpose of:

- Establishing the terms and conditions for the completion of delisting the company's shares from the Casablanca Stock Exchange in accordance with the stock market regulations in force.
- Making all decisions in relation with the delisting of the companies's shares from Casablanca Stock Exchange, and the Public Buyout Offer project that will be filed by the majority shareholder of the company, and carrying out all procedures or formalities, and submit all statements and reports required for the said delisting, to any public sector or private sector body, including the CDVM, the Managing Company of Casablanca Stock Exchange and Maroclear, in compliance with laws and regulations in force;
- In general, taking all the appropriate measures and fulfilling all the terms and conditions required to carry out completely the delisting of the Company's from Casablanca Stock Exchange in accordance with the stock market regulations in force.

Within the framework of the implementation of the delisting operation, the main shareholders of CGI shall be required to launch a Public Buyout Offer regarding the entire shares of CGI not held by CDG Développement and CDG, in accordance with the provisions of article 20 bis of law No. 26-03 relative to public offers in the stock market, as amended and completed ad hoc.

The Board of Directors of CDG Développement held a meeting on 22nd October 2014, and decided to launch a Public Buyout Offer regarding the entire shares of CGI not held by CDG Développement and by CDG.

CDG Développement decided to appoint Mazars firm as the independent valuator with the prior agreement of the CDVM, in accordance with the article 25 of law No. 26-03 referred to above.

At the conclusion of the work of the independent valuator, the Board of Directors of CDG Développement held a new meeting on 21st november 2014 in order to give its views on the terms of the Public Buyout Offer. More precisely, the Board of Directors decided to determine the offer price at MAD725 per share.

CDG Développement submitted to the CDVM a project of the Public Buyout Offer (PBO). This project is the subject of a notice published by the CDVM on 24th November 2014.

On 13th January 2015, the CDVM published a press release to inform the public of the implementation of a new independent valuation of CGI.

In this respect, CDG Développement decided to appoint Ernst & Young firm as second party valuator with the prior agreement of the CDVM, in accordance with the article 25 of law No. 26-03 referred to above.

With reference to the second independent valuation, the Board of Directors of CDG Développement held a meeting on 13th April 2015, and gave mandate to Mr Abdellatif Zaghoun, in his capacity as the President and CEO of CDG Développement, in order to set the terms of the Public Buyout Offer regarding the entity shares of CGI, and more precisely to determine the price of repurchase of the CGI's entity shares within the limit of MAD725 per action.

At the conclusion of the work of the independent valuator, the Board of Directors of CDG Développement submitted to the CDVM a notice of filing the Public Offer, which is the subject of the admissibility decision published by the CDVM on 7th May 2015. The notice of admissibility was published on 18th May 2015.

In compliance with the provisions of Article 9 of law No. 39-89, which authorises the transfer of Public Firms to the Private Sector, CDG Développement requested the opinion of the Ministry of Economy and Finance. The minister of economy and finance has notified its non-objection to the buyout offer project and to the price of the buyout, which was fixed at MAD725.

1.1.2 Capital Reorganisation of CGI:

Shareholders	Before the Operation		After the Operation	
	% of Capital	#* of shares	% of Capital	#* of shares
CDG Développement	76.1%	14,015,095	94.5%	17,401,190
CDG	5.5%	1,006,810	5.5%	1,006,810
RMA Watanya	8.5%	1,566,061	-	-
Free float	9.9%	1,820,034	-	-
Total	100%	18,408,000	100%	18,408,000

In the event that the minority shareholders tender all their shares in response to the Public Buyout Offer.

*#: Number

Source: CGI

1.2 OBJECTIVES OF THE OPERATION

CGI decided to delist its shares from Casablanca Stock Exchange following its Board of Directors' examination of the request made by the Minister of Economy and Finance. This decision comes in a context where there is a will to refocus the strategic guidelines of CGI, and a change in which the content should be discussed in details with the Public Authorities.

In order to give the minority shareholders the opportunity to tender their shares prior to this strategic change, CGI decided to delist its shares from Casablanca Stock Exchange. Following this decision, the main shareholder of CGI, which is CDG Développement, has initiated the current Public Buyout Offer.

This offer is about the acquisition of all the shares not held by CDG Développement and CDG, that is to say 3386095 shares representing 18.4% of the capital and voting rights of the company at a unit price of MAD725 per share.

1.3 STRUCTURES OF THE OFFER

1.3.1 Number of shares targeted:

The Public Buyout Offer (PBO) shall involve all the shares, which are not held by CDG Développement and CDG, that is to say 3,386,095 shares representing 18.4% of the capital and voting rights of the company.

1.3.2 Price of the Offer

The Initiator offers to purchase the shares held by the minority shareholders of CGI at the unit price of MAD725 per share.

1.3.3 Aggregate Amount of the PBO

The PBO involves the aggregate amount of up to MAD2,454,918,875 if all of the CGI's shares targeted by the PRO are tendered.

1.3.4 Ownership of the Shares Targeted by the Offer

Ownership on 1st January 2014.

1.3.5 Opening Date of the Offer

15/06/2015

1.3.6 Closing Date of the Offer

07/07/2015

The duration of the offer is the period from the opening date of the operation to its closing date, based on the operation schedule of the current prospectus, that to say 17 trading days.

1.3.7 Minimum Acceptance Threshold

Within the framework of this operation, the initiator has defined no minimum acceptance threshold for the offer. CDG Développement undertakes to firmly and irrevocably purchase all the shares tendered by the minority shareholders of CGI under this PBO

1.3.8 Settlement and Delivery Date

24/07/2015

1.4 SCHEDULE OF THE PUBLIC BUYOUT OFFER

Stages	Deadlines At the latest
Admissibility Decision of the PBO by CDVM	18/05/2015
The publication of the admissibility decision by CDVM in a legal announcement newspaper	20/05/2015
Resume of CGI's listing	21/05/2015
Issuance of the approval notice of the Public Buyout Offer by Casablanca Stock Market	04/06/2015
Approval of the prospectus by CDVM	04/06/2015
Publication of the notice related to the PBO in the Official List	04/06/2015
Publication of the excerpt of the prospectus by the initiator in a legal announcement newspaper	05/06/2015
Opening of the PBO	15/06/2015
Closing of the PBO	07/07/2015
Receipt of shares' selling order files by the Casablanca Stock Exchange	08/07/2015
Centralization, consolidation and processing of the shares selling orders by the Casablanca Stock Exchange	09/07/2015
Sending a summary statement of selling orders of shares to CDVM	10/07/2015
Action point of CDVM on the PRO (positive or no response)	13/07/2015
Announcement in the Stock Exchange's Official List, in case CDVM declares the transaction with no follow-up	13/07/2015
Provision, by the Casablanca Stock Exchange, of the PBO outcome to order collectors	14/07/2015
Publication of the notice and press release of the delisting transaction by the Casablanca Stock Exchange.	15/07/2015
Announcement of the results of the PBO in the Stock Exchange's Official List - Recording of the operation in the Stock Exchange.	21/07/2015
Settlement and Delivery of shares subject of this PBO	24/07/2015
Delisting of CGI's shares from the Casablanca Stock Exchange (CSE)	30/09/2015

II. PRESENTATION OF THE INITIATOR: CDG DÉVELOPPEMENT

2.1 GENERAL INFORMATION

Corporate Name	CDG Développement
Head Office	Espace les Oudayas Angle Avenues Annakhil et Mehdi Benbarka, Hay Riad, Rabat

Telephone	05 37 57 60 00
Fax	05 37 71 68 08
Website	www.cdgdev.ma
Legal Form	Public limited company with board of directors
Trade register number	20 259 - Rabat
Year of establishment	1967
Life time	99 years
Trade Register number	16 836 at Rabat
Financial year	From 1st January to 31 December
Corporate purpose	<p>According to Article 3 of the Articles of Association, the company's purpose, in all countries, is:</p> <ul style="list-style-type: none"> ▪ The shareholding and the management, both on its behalf and on behalf of third parties, of all companies, especially those with activities like tourism, real estate, industry, commerce, finance, engineering and other services; ▪ The establishment of any company with the above-mentioned activities; ▪ The management of portfolios of transferable shares or any other type of entity, either on its behalf or on behalf of third parties; ▪ All operations of studies, consulting, engineering, or intermediation, which are a part of its activity; ▪ In general, the company may undertake any other operation related directly or indirectly to its corporate objective, which may facilitate its extension and its development.
Share Capital on 31/12/2014	MAD4,655,956,100 divided on 46,559,561 shares of a nominal value of MAD100 per share.
Legal documents	The corporate, accounting and legal documents required to be disclosed by law or the bylaws are available at the Head Office of CDG Développement located in: Espace les Oudayas Angle Avenues Annakhil et Mehdi Benbarka, Hay Riad, Rabat.
Legislative and regulatory texts	<p>By its legal form, CDG Développement is a PLC with the Board of Directors regulated by the provisions of law 17/95 related to the public limited liability companies, as completed and amended by law No. 20-05 promulgated by the Dahir No. 01-08-18 of 23rd May 2008.</p> <p>And in terms of share ownership, CDG Développement is regulated by law No.39-89, as amended and completed, authorizing the transfer of public entities to the private sector.</p>
Competent court In the event of a dispute	The Commercial court of Rabat.
Tax regime	CDG Développement is regulated by the commercial and financial legislation of the common law. Thus, it is subject to corporate tax at a rate of 30%.

2.2 INFORMATION ON CDG DÉVELOPPEMENT'S SHARE CAPITAL

2.2.1 Situation on 12/31/2014

On 31st December 2014, the share capital of CDG Développement estimated at MAD 4,655,956,100 divided on 46,559,561 shares of a nominal value of MAD100 per share, fully paid.

2.2.2 History of CDG Développement's share capital

The table below exposes the evolution of CDG Développement share capital since 1967:

Year	Initial share capital (in MAD)	Operation	Number of shares created	Nominal in MAD	Amount of the Operation (in MAD)	Total number of shares	Share capital (in MAD)
1967	0	Cash injection for the establishment of the company	9,500	100	950,000	9,500	950,000
1968	950,000	Capital increase in cash	2,508	100	250,800	12,008	1,200,800
2005	1,200,800	Capital increase in cash and by the capitalization of shareholder's current account	17,277,553	100	1,727,755,300	17.289,561	1,728,956,100
2009	1,728,956,100	Capital increase by the capitalization of the shareholder's current account.	29,270,000	100	2,927,000,000	46,559,561	4,655,956,100

Source: CDG Développement

CDG Développement, which was established in 1967, had three operations of the share capital's increase; two recent ones were in 2005 and 2009.

In 2005, the capital's increase of 1.7 billion Dirhams were achieved by the capitalization of CDG's receivables of an amount of 1.3 million Dirhams and in cash of an amount of 0.4 million Dirhams.

Whereas, in 2009, the capital's increase of 2.9 billion Dirhams were achieved by the capitalization of CDG's shareholders' current accounts.

Following this operations, the CDG Développement's share capital was increased to 4,655.9 million Dirhams.

2.2.3 History of CDG Développement's share ownership

Shareholders	<u>12/31/2009</u>		<u>12/31/2010</u>		<u>12/31/2011</u>	
	#* of shares	% of capital and voting rights	#* of shares	% of capital and voting rights	#* of shares	% of capital and voting rights

CDG	46,559,551	99.9%	46,559,551	99.9%	46,559,553	99.9%
Directors	10	NS	10	NS	8	NS
Total	46,559,561	100%	46,559,561	100%	46,559,561	100%

Source: CDG Développement

*#: Number

Shareholders	12/31/2012		12/31/2013		12/31/2014	
	#* of shares	% of capital and voting rights	#* of shares	% of capital and voting rights	#* of shares	% of capital and voting rights
CDG	46,559,553	99.9%	46,559,553	99.9%	46,559,553	99.9%
Directors	8	NS	8	NS	8	NS
Total	46,559,561	100%	46,559,561	100%	46,559,561	100%

Source: CDG Développement

*#: Number

During the last 5 years, the ownership structure remained unchanged, and was marked by the holding of CDG of 99.9%

2.3 THE BOARD OF DIRECTORS OF CDG DÉVELOPPEMENT

On 30th April 2015, the Board of Directors of CDG Développement composition was as follows:

Member	Quality	Function	Date of 1st nomination	Expiry date of the mandate
M. Abdellatif Zagnoun	Chairman and CEO	CEO of CDG	04/13/2015	The Ordinary general meeting decides on the fiscal year accounts ending on 31st December 2020
Omar Lahlou	Permanent representative of CDG	Director of the financial pole of CDG	06/21/2013	The Ordinary general meeting decides on the fiscal year accounts ending on 31st December 2017
Said Laftit	Director	Secretary-General of CDG	06/26/2007	The Ordinary general meeting decides on the fiscal year accounts ending on 31st December 2017
Amine Benhalima	Director	Deputy Director General of CDG	05/27/2011	The Ordinary general meeting decides on the fiscal year accounts ending on 31st December 2020

Mohamed Fassi Fehri	Director	Intuitu personae	07/01/2013	The Ordinary general meeting decides on the fiscal year accounts ending 2017
Lemghari Essakl	Director	Director General of the Agence de l'Aménagement de la Vallée de Bouregreg	06/26/2007	The Ordinary general meeting decides on the fiscal year accounts ending on 31st December 2017
Mustapha Lahboubi	Director	Director of Risk Management Pole of CDG	04/13/2015	The Ordinary general meeting decides on the fiscal year accounts ending on 31st December 2017
Nouaman Al Aissami	Director	Deputy to the Director of the Treasury responsible of the financial sector pole	06/25/2014	The Ordinary general meeting decides on the fiscal year accounts ending 2019

Source: CDG Développement

2.4 PRESENTATION OF THE CONSOLIDATED ACCOUNTS OF CDG DÉVELOPPEMENT

2.4.1 Consolidated income statement according to IFRS

CDG Développement's accounts have not yet been approved by the Annual General Meeting

In million Dirhams	2012	2013	Var 12/13	2014	Var 14/13
Consolidated turnover	4,996	6,010	20%	3,669	-39%
Other operating revenues	1,587	1,494	-6%	1,790	20%
Ordinary operating revenues	6,583	7,504	14%	5,460	-27%
Acquisitions	4,916	5,721	16%	4,352	-24%
External expenses	407	337	-17%	334	-1%
Personnel expenses	652	690	6%	623	-10%
Taxes and duty	195	95	-51%	92	-4%
Operating depreciation	287	530	85%	228	-57%
Operating provision	177	-2	<-100%	133	>100%
Other operating revenues and expenses	110	86	-22%	152	77%
Current operating incomes	57	219	>100%	-150	>-100%
Assets sale	19	89	368%	15	-83%
Restructuring expenses	-	-	NA	-	
Sale of subsidiaries and associates	1	2	100%	19	>100%
Negative goodwill	-	-	NA	-	
Other non-current operating revenues and expenses	91	-122	<-100%	223	>-100%
Operating income	169	187	10%	107	-43%
Cost of net debt	448	1,077	>100%	969	-10%
Other financial products	406	529	30%	424	-20%
Other financial expenses	156	32	-79%	39	23%
Financial income	-198	-581	<-100%	-584	1%

Income of incorporated companies before tax	-29	-394	<-100%	-477	21%
Taxes	-7	-955	<-100%	204	>-100%
Net income of incorporated companies	-22	560	>100%	-681	>-100%
Share in income of equity affiliates	-53	-116	<-100%	-65	-44%
Net income of the continuing activities	-75	444	>100%	-746	>-100%
Net income of the deserted activities	-	-	NA		
Entire consolidated income	-75	444	-692%	-746	>-100%
Minority interests	59	-50	<-100%	-71	43%
Net income attributable to equity holders	-134	494	>100%	-675	>-100%

Source: CDG Développement

2.4.2 Consolidated Balance Sheet according to IFRS

The consolidated accounts of CDG Développement according to IFRS for the fiscal years 2012, 2013 and 2014, which are the subject of the Auditors' certification.

In million Dirhams	2012	2013	Var. 13/14	2014	Var. 14/13
Assets					
Goodwill	2,495	2,495	0%	2,495	0%
Intangible assets	68	23	-66%	19	-17%
Tangible assets	3,117	2,948	-5%	3,248	10%
Investment property	1,766	1,910	8%	2,007	5%
Investment in equity affiliates	1,279	1,263	-1%	1,452	15%
Deferred tax assets	594	1,911	>100%	1,765	-8%
Income taxes recoverable	232	225	-3%	461	>100%
Other financial assets	177	188	6%	186	-1%
Other non-current debtors	1	0	-100%	0	-2%
Non-current assets	9,729	10,964	13%	11,633	6%
Inventories and work in process	18,974	21,482	13%	23,210	8%
Accounts receivables	2,434	3,291	35%	2,340	-29%
Other financial assets	586	1,106	89%	548	-50%
Other current debtors	4,560	6,193	36%	6,298	2%
Cash and cash equivalent	905	1,157	28%	1,555	34%
Assets classified as held for sale	5	5	0%	0	-100%
Current assets	27,463	33,234	21%	33,950	2%

Total assets 37,193 44,198 19% 45,584 3%

Source: CDG Développement

In million Dirhams	2012	2013	Var. 13/14	2014	Var. 14/13
Liabilities					
Capital	4,656	4,656	0%	4,656	0%
Consolidated reserve funds	4,301	4,317	0%	4,875	13%
Unrealised and deferred gains and losses	-7	-5	-29%	-5	0%
Consolidated Income	-134	494	>100%	-675	-100%
Conversion differentials	0	0	NA	-	
Shareholders' equity (Group's share)	8,817	9,462	7%	8,851	-6%
Minority interests	1,845	1,634	-11%	2,139	31%
Entire consolidated shareholders' equity	10,662	11,096	4%	10,990	-1%
Provisions	185	223	21%	362	62%
Employees' benefits	43	37	-14%	37	0%
Financial liabilities	10,475	14,691	40%	18,340	25%
Deferred tax liabilities	194	267	38%	241	-10%
Tax liabilities	35	209	>100%	129	-38%
Other non-current liabilities	14	45	>100%	101	>100%
Non-current liabilities	10,947	15,473	41%	19,209	24%
Provisions	130	87	-33%	92	6%
Financial liabilities	2,964	4,200	42%	2,415	-43%
Suppliers' debts	4,785	6,455	35%	5,783	-10%
Current accounts payable	7,705	6,886	-11%	7,095	3%
Current liabilities	15,584	17,629	13%	15,385	-13%
Total liabilities	37,192	44,198	19%	45,584	3%

Source: CDG Développement

2.4.3 Cash flow Statement

In Million Dirhams	2012	2013	Var. 12/13	2014	Var. 14/13
Pre-tax Income (A)	- 29	- 394	>-100%	-477	-21%
+/- Net Allocations to the Depreciation of Tangible and Intangible Fixed Assets	287	316	10%	328	4%
+/- Net Allocations to the Depreciation of Goodwill and other Fixed Assets	-	216	>100%	-111	>-100%
+/- Net Allocations to the Depreciation of Financial Assets	1	-	-100%	2	NA
+/- Net Allocations to provisions	184	- 1	-101%	129	>100%
+/- Net Losses or gains on investment activities	- 25	- 92	266%	-34	63%
+/- Revenues or charges on the funding activities	207	627	202%	562	-10%
+/- Other movements	-	-	NA	0	NA
= Total of the non-monetary elements included in the net income before tax and other adjustments	654	1 066	63%	876	-18%
+/- Cash flows linked to other operations affecting financial assets and liabilities	1	- 32	>-100%	18	>100%
+/- Cash flows linked to other operations affecting non-financial assets and liabilities	- 1,237	- 1,688	36%	-638	62%
- Paid Taxes	202	- 179	>-100%	-397	<-100%
= Net Decrease (Increase) of Assets and Liabilities from the operating activities (C)	- 1,439	- 1,900	-32%	-1,017	46%
Net Cash Flows from the operating activity (Total of A, B and C) (D)	- 814	- 1,228	>-100%	-618	50%
+/- Cash flows linked to the financial assets and other shares	- 3,693	- 2,949	20%	-463	84%
+/- Cash flows linked to investment properties	- 191	- 232	22%	83	>100%
+/- Cash flows linked to Tangible and Intangible Fixed Assets	- 458	- 163	64%	-640	>-100%
Net cash flow linked to investments operations (E)	- 4,342	- 3,344	23%	-1,020	69%
+/- Cash flow from/ to the shareholders	518	- 51	>100%	308	>100%
+/- Other net cash flow from the funding activities	3,265	3,639	11%	3,606	-1%
Net cash flow linked to the funding operations (F)	3,783	3,588	-5%	3,914	9%
Other changes in cash and cash equivalents	-	-	NA	0	NA
Net Increase (Decrease) of cash and cash equivalents (Total of D, E and F)	- 1,372	- 985	28%	2,275	>100%
Cash, central banks, public Treasury, Postal Check Service (Assets & Liabilities)	1	1	61%	1	34%
Accounts (Assets/Liabilities) and lending/borrowing held with credits institutions	- 668	- 2,040	>-100%	-3,025	-48%
Cash and Cash equivalents at the end of the year	- 667	- 2,040	>-100%	-3,024	-48%
Cash, central banks, public Treasury, Postal Check Service (Assets & Liabilities)	0	1	34%	1	-3%

Accounts (Assets/Liabilities) and lending/borrowing held with credits institutions	- 2,040	- 3,025	48%	-749	75%
Cash and Cash equivalents at the end of the year	- 2,039	- 3,024	-48%	-749	75%
Variation of Cash	- 1,372	- 985	28%	2,275	>100%

Source: CDG Développement

III. PRESENTATION OF CGI

3.1. GENERAL INFORMATION

Corporate Name	Compagnie Générale Immobilière SA (CGI)
Head Office	Immeuble de la Caisse de Dépôt et de Gestion, Place My El Hassan, Rabat
Administrative headquarters	Espace des oudayas. Avenue Mehdi Ben Barka. HAY RIAD RABAT
Telephone	05 37 23 94 94
Fax	05 37 56 32 25
Website	www.cgi.ma
Legal Form	Public limited company with the Board of Directors
Establishment Date	12 March 1960
Life time	99 years
Trade register number	16 836 at Rabat
Financial year	From 1st January to 31 December
Corporate purpose	<p>In accordance with Article 3 of the Articles of Association, the company's purpose, in all countries, is:</p> <ul style="list-style-type: none">▪ - Realisation of all land and real estate operations with respect to non-built on estate or estate containing buildings to be demolished;▪ - Realisation of all building projects, either on its behalf or on behalf of third parties;▪ - Participation, in all its forms, including subscription in all companies or the creation of any company or firm, the activities of which are similar, related to or may contribute to the development of the above-mentioned activities;▪ And generally, undertaking any commercial, financial, securities and real estate translations, which are linked directly or indirectly to the above-mentioned objectives.
Share capital on 30th April 2015	MAD1,840,800,000 divided up on 18,408,000 shares of a nominal value of MAD100, all of the same class.
Legal documents	The Articles of Association, General Assemblies' meetings and the Auditors' reports are available at the Administrative and Commercial Headquarters of CGI, the address of which is as follows: Espace Oudayas, Avenue Mehdi Ben barka, Hay Riad, Rabat.
Legislative and regulatory texts	<p>The company is regulated by the Moroccan Law, more precisely Law No. 17-95 promulgated by the Dahir No. 1-96-124 of 30th August 1996 relating to PLLC, as amended and completed by Law No. 20-05 and by its Articles of Association.</p> <p>By its activity, CGI functions in accordance with the following the legislative and regulatory texts:</p> <ul style="list-style-type: none">▪ Law No. 25-90 promulgated by the Dahir No. 1-92-7 of 17th June 1992 relating to developments, residential buildings and areas fragmentation;▪ Dahir of 12th August 1913 on Code of Obligations and Contracts, which was completed by Law No.44-00 of 03rd October 2002 relating to VEFA sales;▪ Law No.18-00 of 03rd October 2002 relating to the regulations of constructed condominium;

	<ul style="list-style-type: none"> ▪ Article 19 of the Finance Law 1999-2000 regulating the tax exemptions for real estate developers, as amended and completed by Article 16bis of the Finance Law for the year 2001; ▪ Article 92 of the Finance Law 2010 regulating the new tax exemptions for real estate developers; ▪ Article 11 of the Finance Law No. 22-12 for the fiscal year 2012; ▪ The Finance Law No.115-12 for the fiscal year 2013; <p>Based on its listing in the CSE, CGI is subject to the legal and regulatory provisions related to the financial market and its Articles of Association, which are fully consistent with:</p> <ul style="list-style-type: none"> ▪ The General Regulation of the CSE, approved by the Order of the Ministry of Economy and Finance No.1268-08 of 07th July 2008, as amended and completed by the Order of the Minister of Economy and Finance No. 30-14 of 06th January 2014; ▪ The Decree 1-93-211, dated September 21, 1993, relating to the CSE, as amended and completed by Laws 34-96, 29-00 52-01 and 45-06; ▪ The Dahir No.1-93-212, dated September 21, 1993, relating to the Ethics Council for Securities (the CDVM) and the information required of legal entities issuing securities to the public, as amended and extended by Laws 23-01; 36-05 and 44-06; ▪ The Dahir providing Law No.35-96, as amended and extended by Act 43-02, relating to the creation of the central depository and establishment of a general accounting system for certain securities; ▪ The General Regulation of the central depository approved by Order 932-98 of the Minister of the Economy and Finance, dated April 16, 1998, and amended by Order 1961- 01 of the Minister of the Economy, Finance, Privatization and Tourism, dated October 30, 2001; ▪ The Dahir No. 1-04-21 of 21st April 2004 enacting Law No.26-03 relating to public bids on the Moroccan stock market, as amended and completed by Law No.46-06; ▪ Regulation of the CDVM as approved by the Order of the Minister of Economy and Finance No.822-08 of 14th April 2008; ▪ The CDVM Circular on 1st October 2014.
In the event of any dispute, the competent court shall be	The Commercial court of Rabat.
Tax regime	The company is subject to corporate tax at the standard rate, that is to say 30%, and also it is subject to VAT rate of 20%.

Source: CGI

3.2. OWNERSHIP STRUCTURE

Shareholders	Dec. -11		Dec. -12		Dec. -13		Dec. -2014	
	% of Capital	# of shares	% of Capital	*# of shares	% of Capital	*# of shares	% of Capital	*# of shares
CDG Développement	79.1%	14,567,335	76.1%	14,015,095	76.1%	14,015,095	76.1%	14,015,095
RMA Watanya	8.5%	1,566,044	8.5%	1,566,051	8.5%	1,566,061	8.5%	1,566,061
CDG	0.6%	117,342	4.1%	745,822	5.1%	939,377	5.5%	1,006,810
Free float	11.7%	2,157,279	11.3%	2,081,032	10.2%	1,887,467	9.9%	1,820,034
Total	100%	18,408,000	100%	18,408,000	100%	18,408,000	100%	18,408,000

NB. The percentage of capital is consistent with the percentage of the voting rights

Source: CGI

*#: Number

In 2007, CGI opened its share capital to investors as a part of an IPO transaction carried out through capital increase and shares' transfer. After the IPO, the participation of CDG Développement was 80%. This transaction involved the transfer of 1,473,600 shares and the creation of 2,208,000 new shares. Thus carrying the free float to 20%, i.e. 3,681,600 shares.

In 2010, RMA Watanya acquired its shares in CGI up to 8%, i.e. equivalent to 1,481,844 shares.

At the end of 2014, CGI was held by CDG Développement with 76.1% of the capital share, RMA Watanya with 8.5% and CDG with 5.5%, permitting the free float to amount to 9.9%.

3.3. CGI'S BOARD OF DIRECTORS

On 30th April 2015, the composition of the Board of Directors of CGI was as follows:

Last name and First Name	Function	Date of appointment	Expiry of the mandate
M. Abdellatif Zaghoun	Chairman of the Board of Directors	03/27/2015	Ordinary General Meeting deciding on the accounts ending on 31st Dec 2014
Said Laftit	Director	06/16/2009	Ordinary General Meeting deciding on the accounts ending on 31st Dec 2014
Mohamed Amine Benhalima	Director	06/13/2011	Ordinary General Meeting deciding on the accounts ending on 31st Dec 2014
CDG Développement represented by Mr. Abdellatif Zaghoun	Director	03/27/2015	Ordinary General Meeting deciding on the accounts ending on 31st Dec 2014
RMA WATANYA represented by Mr. Zouheir BENSAID	Director	06/28/2010	Ordinary General Meeting deciding on the accounts ending on 31st Dec 2015
Mohamed Fassi Fehri	Director	06/13/2011	Ordinary General Meeting deciding on the accounts ending on 31st Dec 2014

Source: CGI

3.4. PRESENTATION OF THE CONSOLIDATED ACCOUNTS OF CGI

3.4.1 Consolidated income statement

CGI's accounts have not yet been approved by the Annual General Meeting

In KMAD	2012	2013	Var 13/12	2014	Var 14/13
Turnover	3,001,024	3,730,361	24%	2,420,007	-35%
Stock Variation	1,622,594	784,353	-52%	128,715	-84%
Other Operating Revenues	10,162	15,305	51%	6,49	-58%
Operating write-backs, expenses' transfers	2,888	68,293	>100%	70,682	3%
Produced fixed assets	-	161,692	100%	400,617	>100%
Operating Revenues	4,636,668	4,760,003	3%	3,026,511	-36%
Purchases consumed	3,947,018	3,874,831	-2%	2,499,992	-35%
Operating expenses	211,411	292,859	39%	317,708	8%
<i>Purchases of goods not held in inventory and external expenses</i>	66,362	94,199	42%	146,083	55%
<i>Staff expenses</i>	142,435	158,801	11.5%	165,21	4%
<i>Other Operating Expenses</i>	110	32,573	>100%	71	-100%
<i>Duty and Taxes</i>	2,504	7,286	>100%	6,345	-13%
Operating allowances	36,183	27,423	-24%	55,498	>100%
Operating Expenses	4,194,612	4,195,113	0%	2,873,198	-32%
Operating income	442,054	564,89	28%	153,313	-73%
Financial income	-30,152	-63,342	100%	-111,457	76%
Current Income	411,902	501,548	22%	41,856	-92%
Non-current Income	-23,34	-9,682	59%	-11,516	19%
Pre-tax income	388,562	491,866	27%	30,34	-94%
Income Tax	129,693	141,55	9%	12,745	-91%
Net income of incorporated companies	258,869	350,316	35%	17,595	-95%
Equity	56,773	16,29	-71%	54,027	>100%
Minority interests	180	329	83%	5,141	>100%
Net Income (Group Share)	315,822	366,935	16%	76,763	-79%

Source: CGI

3.4.2 Consolidated Balance Sheet

In KMAD	2012	2013	Var 13/12	2014	Var 13/14
Pre-goodwill	188,46	175,896	-7%	163,332	-7%
Intangible assets	13,65	18,303	34%	19,2	5%
Tangible assets	142,48	351,375	>100%	717,497	>100%
Securities treated on the basis of the equity method	246,369	212,66	-14%	416,687	96%
Other financial fixed assets	48,979	59,089	21%	55,228	-7%
Capital Assets	639,938	817,322	28%	1,371,944	68%
In-process Inventory	10,113,312	11,184,822	11%	11,585,562	4%
Trade accounts receivable	1,729,761	2,451/811	42%	1,991,586	-19%
Other receivables, prepayments and accrued income	2,920,552	3,443,848	18%	3,500,018	2%
Investment securities	0	0	0%	-	
Current Assets	14,763,625	17,080,481	16%	17,077,166	0%
Treasury	652,447	376,343	-42%	357,738	-5%
Total Assets	16,056,010	18,274,146	14%	18,806,848	3%

Source: CGI

In KMAD	2012	2013	Var 13/12	2014	Var 14/13
Capital	1,840,800	1,840,800	0%	1,840,800	0%
Share issue premium	1,881,216	1,881/216	0%	1,881,216	0%
Consolidated reserve funds	415,925	378,857	-9%	394,387	4%
Net Income (Group Share)	315,823	366,935	16%	76,763	-79%
Shareholders' equity (Group's share)	4,453,764	4,467,808	0%	4,193,166	-6%
Minority interests	9,928	19,2	93%	14,059	-27%
Total Shareholders' Equity	4,463,692	4,487,007	1%	4,207,225	-6%
Long term financial debts	3,339,413	4,062/032	22%	4,948,796	22%
Provisions for risks and charges	75,182	26,029	-65%	24,579	-6%
Investment Subsidies	8,486	8,486	0%	8,486	0%
Permanent Liabilities	7,886,773	8,583,554	9%	9,189,086	7%
Trade payables and related accounts	2,541,645	3,577,990	40%	3,014,407	-16%
Trade receivables, advances and down payments	2,673,615	2,199,969	-18%	2,189,817	0%
Other liabilities, prepayments and accrued income	1,831,664	2,151,918	17%	2,771,753	29%
Other Provisions for Risks and Charges	83,559	40,383	-52%	40,844	1%
Current Liabilities	7,130,483	7,970,260	12%	8,016,821	1%
Cash	1,038,756	1,720,332	66%	1,600,940	-7%
Total Liabilities	16,056,010	18,274,146	14%	18,806,847	3%

Source: CGI

3.4.3 Cash Flow Statement

<u>In KMAD</u>	2012	2013	Var 13/12	2014	Var 14/13
<u>Cash Flow linked to business activity</u>					
Net income of incorporated companies	315,642	366,607	16%	71,622	-80%
Elimination of income and expenses with no impact on cash flow, or are not connected to business activity	-50,380	-54,368	-8%	-29,406	46%
- Net Allocations	30,510	-16,502	100%	58,286	>100%
- Variation of deferred taxes	-24,117	-21,576	11%	-33,665	-56%
- Gains on sale, net of tax					
- Income from equity affiliates	-56,773	-16,290	71%	-54,027	-100%
Self-financing capacity of incorporated companies	265,262	312,239	18%	42,216	-86%
Dividends received from equity affiliates	50,000	50,000	0%	-	-100%
- Variation in working capital needs linked to business activity	-1,703,157	-1,455,502	100%	83,542	>100%
Others	13	-	-100%	-	-
Net cash flow linked to business activity	-1,387,882	-1,093,264	21%	125,758	>100%
<u>Cash flow linked to investment operations</u>					
Acquisition of fixed assets	-31,232	-233,643	100%	-414,191	77%
Acquisition of financial fixed assets	-	-	-	-150,000	NA
Fixed assets transfer, net of tax	-	-	-	-	-
Effect of changes in the scope of consolidation	1,766	-3,139	100%	-1,653	-47%
Cash flow linked to investment operations	-29,466	-236,773	100%	-565,844	-100%
<u>Cash flow linked to funding operations</u>					
Dividends paid to shareholders of the parent company	-349,752	-349,752	0%	-349,752	0%
Capital Increase in Cash	-	9,600	NA	-	-100%
Net non-performing loans	-3,008	-10,110	100%	3,861	>100%
Bond issues	1,134,756	989,373	-13%	2,508,100	>100%
Loans reimbursement	-71,556	-266,754	100%	-1,621,336	-100%
Cash flow linked to funding operations	710,440	372,357	-48%	540,873	45%
Variation of cash flow	-706,908	-957,680	35%	100,787	>100%
Opening Cash Position	320,599	-386,309	100%	-1,343,989	-100%
Closing Cash Position	-386,309	-1,343,989	100%	-1,243,202	7%
Treasury	-706,908	-957,680	-35%	100,787	>100%

Source: CGI

IV. Risk Factors

4.1. RISK LINKED TO COMPETITION

The real estate market offers a great opportunity to make profits and generating abundant revenues. Entering this sector is easy and accessible, the reason why many national and international operators are enthusiastic to invest in. However, this increase in these operators number may warm up the competitiveness, and therefore jeopardise benefits margins, especially if land prices get very expensive.

4.2. RISK LINKED TO INTEREST RATES

Increase in deposit interest rates may pose the risk of switching a part of savings accounts to bank deposits and debts securities, which would affect negatively the demand on real estate market.

Moreover, the increase of lending interest rates would lead to credit becoming more expensive. And since credits are the main funding source of real estate, there will be consequently a fall in demand on property market.

4.3. RISK LINKED TO SUB-CONTRACTING

CGI made use of subcontractors to execute the projects that it commercialises. These subcontractors are mainly construction companies, which must comply with the price requirements, service quality and respect of deadlines as stipulated in the specifications established by CGI in the bids.

The lack of subcontractors, who can comply with these conditions, represents a risk factor that would have a negative impact on the acquisition prices of CGI's services, deadlines of projects' realisation and on the service quality.

4.4. RISK LINKED TO THE INCREASE IN PROPERTY VALUES

The demand on land in the urban zones is a continuing increase. This increase is associated with population growth and easy access to credits. For this reason, the land prices are very likely to keep on augmenting, the same degree as they did for a couple of years now. This situation represents in itself a risk factor to CGI, unless this latter achieve some kind of balance between land expensiveness and sale prices due to market's competitiveness.

4.5. RISK LINKED TO THE ACCESS TO FUNDING

External funding is a key element to CGI Group development. Actually, the Group finance itself by its own fund, banks loans, bond loans and by clients' advances. Nonetheless, the company can anticipate its financing needs, and it examines many other ways of financing that would allow the diversification of its resources, as well as the improvement of its financing cost.

4.6. RISK LINKED TO MARKET'S FLUCTUATION

The real estate market fluctuation along with the fall in the national or international demand would affect negatively this economic sector in general and CGI Group on particular.

Having said this, it is worth mentioning that before the commencement of any property development project, CGI and its affiliated companies undertake a deep study of the market in order to make sure that the project meets the preplanned objectives on one hand, and to choose its right positioning on the other.

Furthermore, the Group deals with the different categories of property development (From social-housing to higher quality housing), and exercises different activities with management support. The MODCEM and MOD allow CGI to have a diversified portfolio of real estate instruments.

4.7. RISK LINKED TO STORAGE

To overcome the risk of storage concerning its products, which is located in remote cities, or were subject to fall in demand, the Group undertakes some commercial activities like promotional campaigns, prices' reductions, offering services and providing additional equipments in order to facilitate the disposal and marketing of its products. Resizing projects and selling constructible land belonging to these project, can be added to CGI Group's activities.

4.8. RISK LINKED TO ANY EVENTUAL CHANGE IN STRATEGY

With reference to the request of the Minister of Economy and Finance relating to the change of the strategic orientations of the company, the CGI's Direction has not yet decided on any new strategy.

4.9. RISK LINKED TO SOME AFFILIATED COMPANIES

Up to 31st December 2014, Samevio and Morocco Dream Resort's affiliated company have not yet reported on provisions related to the interests on outstanding debts by means of late payment, as stipulated by law No. 32-10 relating to the deadline of payment.

Also, the financial statements of Casa Green Town Facilities' affiliated company, on 31st December 2014, shows accumulated book losses of KMAD971 against an amount of the share capital that increases to KMAD1,000 resulted in a positive net positions of KMAD29. Given the fact that the losses represent more than three quarters of the share capital, the company, and in accordance with Law No.20-05, shall therefore convene in the following three months the approval of the accounts, which showed this loss, and call for an Extraordinary General Assembly, if necessary, to decide upon the continuity operation of this company.

4.10. RISK LINKED TO INDEBTNESS

The current level of indebtedness of CGI could possibly pose a risk of debt sustainability for the company.

However, CGI has the support of its major shareholders, CDG and CDG Développement .

Furthermore, the debt of CGI is exclusively constituted of bank debt as Credit Developer and infime bonds: The Credit developer is backed by projects and bonds are being proactively managed (liability management).

Warning

The abovementioned information constitutes only a part of the prospectus approved by the CDVM under reference No. VI/EM/012/2015 on 04th of June 2015. Thus, the CDVM highly recommends the reading of the whole prospectus, which is available to the public in a French version.