



**LABEL'VIE**

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**Summary of information prospectus**  
**Commercial Papers Issuance Program**  
***2013 annual update***


**Issuance Program Ceiling**

**800 000 000 MAD**

**Face Value**

**100 000 MAD**

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| <b>FINANCIAL ADVISORS AND GLOBAL COORDINATOR</b>                                    | <b>UNDERWRITING BODY</b>   |
|---|--|
|  |  |

**APPROVAL OF the C.D.V.M**

In accordance with article 18 of Dahir 1-95-3 of 24 Sha'aban 1415 (26 January 1995) promulgating Law 35-94 on certain negotiable debt securities, as amended and supplemented, the original of the present prospectus summary was approved by the CDVM under the reference number: VI/EM/027/2014, on September 18<sup>th</sup>, 2014.

## **Notice**

On September 18<sup>th</sup>, 2014, the CDVM approved a prospectus related to the annual update of the commercial paper issuance program by Label'Vie.

The prospectus approved by CDVM may be consulted at any time at the registered headquarters of Label'Vie and at its financial advisor, CDG Capital. It will also be made available at the headquarters of the placement agents.

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

## I. INTRODUCTION OF THE OPERATION

### 1. Objectives of the Operation

The Label'Vie Inc. would like to start a commercial papers issuance Program in order to:

- Deal with the temporary cash-flow needs induced by changes working capital requirement during the year;
- Vary funding sources in order to better negotiate with its financial partners;
- Optimize the cost of short-term financing by partially substituting commercial papers to existing bank loans;
- Consolidate its image among institutional investors through increased visibility on the capital market.

### 2. Information on the securities to be issued

|                                    |  |
|------------------------------------|--|
| <b>Nature of securities</b>        | Negotiable debt securities dematerialized by registration with the Central Depository (Maroclear) and registered in an account with authorized affiliates.                     |
| <b>Legal form of securities</b>    | Commercial Papers out to bearer  |
| <b>Issuance ceiling</b>            | 800 000 000 MAD  |
| <b>Face value</b>                  | 100 000 MAD  |
| <b>Number of securities</b>        | 8 000  |
| <b>Maturity</b>                    | Between 10 days and 1 year   |
| <b>Enjoyment date</b>              | At the date of payment.  |
| <b>Interest rate</b>               | Determined for each issue depending on market conditions   |
| <b>Interest</b>                    | Post-counted.  |
| <b>Coupon payment</b>              | In fine, at due date of each commercial paper  |
| <b>Repayment</b>                   | In fine, at due date of each commercial paper  |
| <b>Assimilation clause</b>         | The commercial paper issued is not assimilated to any previous issue   |
| <b>Negotiability of securities</b> | No restriction is imposed by the conditions of the issuance in regards to the negotiability of the issued commercial paper. The securities are negotiable by mutual agreement. |
| <b>Guarantee</b>                   | The issue is not the subject of any guarantee  |
| <b>Ranking</b>                     | The issuance program of commercial paper is not subject to any other indebtedness of the company.  |

### 3. Body in charge of investment – Financial intermediary

|  |                    |   |
|--|--------------------|---|
| Financial advisor and global coordinator | <b>CDG CAPITAL</b> | Tour Mamounia, Place Moulay El Hassan – Rabat |
| Underwriting body                        |                    | <b>Phone</b> : 05 37 66 52 52                 |
| Domiciliation agent, providing           |                    | <b>Fax</b> : 05 37 66 52 80                   |

## II. LABEL'VIE INC. PRESENTATION

### 1. General information

|  |   |
|--|---|
| <b>Company name</b>                        | Label'Vie S.A   |
| <b>Registered office</b>                   | Rabat- Souissi, Km 3,5, angles rue Rif et Zaërs   |
| <b>Phone</b>                               | 05 37 56 95 95  |
| <b>Fax</b>                                 | 05 37 56 95 66  |
| <b>Website</b>                             | <a href="http://www.labelvie.ma">www.labelvie.ma</a>  |
| <b>Legal form</b>                          | Incorporate company of Moroccan private law with an administrative Board.   |
| <b>Constitution date</b>                   | October 16 <sup>th</sup> , 1985   |
| <b>Lifespan :</b>                          | 99 years  |
| <b>Trade register # :</b>                  | 27 433 – Rabat  |
| <b>Fiscal year</b>                         | From January 1 <sup>st</sup> to December 31 <sup>st</sup> .   |
| <b>Date entering to the stock exchange</b> | July 2 <sup>nd</sup> , 2008   |
| <b>Social capital (on 30/06/2013)</b>      | 254 527 700 MAD, divided into 2 545 277 shares with a nominal value of 100 MAD each.  |
| <b>Company purpose</b>                     | <p>According to Article 2 of the statute, the company shall have as objective : :</p> <ul style="list-style-type: none"> <li>▫ “The purchase and sale, in the form of self-service (supermarket ) or in any other form, of any item or consumer product including: food , cleaning products, perfumes, lingerie , hardware and gardening products, furniture and decoration products, children's items (toys , hosiery, etc.), household products (radio, television , photos, cookers, refrigerators, etc.); paramedical products , tobacco , tobacco products , newspapers, stationery and book products;</li> <li>▫ Operating a bakery, patisserie, butchery, fishery, rotisserie, etc.).</li> <li>▫ The purchase and retail sale of all beverages (alcoholic or else), all in accordance with the laws and regulations applicable in Morocco;</li> <li>▫ The Company may also have interest in any Moroccan or foreign companies whose trade would be similar to the Company, or are likely to promote and develop their own business;</li> <li>▫ And more generally, all industrial, commercial, financial, movable or immovable property directly or indirectly related to the company objectives and are likely to achieve such objectives”</li> </ul> |
| <b>Place to consulting legal documents</b> | The social, legal and accounting documents whose disclosure is required by law and the statute, might be reviewed at the registered office of the company.  |

## 2. Information concerning the issuer's share capital

On June 30<sup>th</sup>, 2014, the Label'Vie capital is distributed as follows:

| Shareholders                         | June 30 <sup>th</sup> , 2014 |                                      |
|--------------------------------------|------------------------------|--------------------------------------|
|                                      | Number of shares             | % of share capital and voting rights |
| Retail Holding                       | 1 309 744                    | 51,46%                               |
| Saham Assurances                     | 257 227                      | 10,11%                               |
| ALJIA Holding (ex-ETAMAR)            | 137 725                      | 5,41%                                |
| Arisaig Africa Consumer Fund Limited | 113 494                      | 4,46%                                |
| Employees                            | 6 593                        | 0,26%                                |
| Floating shares                      | 720 494                      | 28,31%                               |
| <b>Total</b>                         | <b>2 545 277</b>             | <b>100%</b>                          |

Source : Label' Vie

## 3. Board of Directors Members

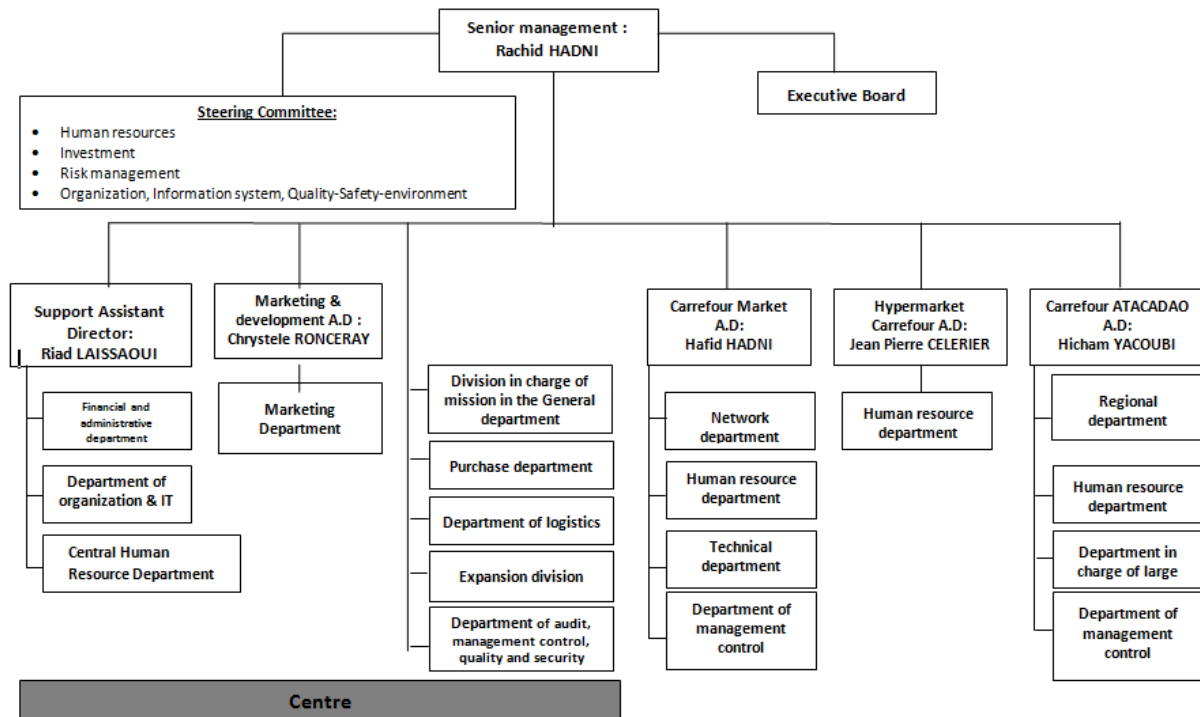
On June 30<sup>th</sup>, 2014, the board of directors of Label'Vie is composed as follow:

| Administrator                                      | Date of nomination | Reappointment date | Mandate end                          | Quality   | Functions in Label'Vie Inc.                           |
|--|--------------------|--------------------|--------------------------------------|---|---|
| Mr. Zouhair Bennani                                | 03/25/2004         | 06/27/2014         | OGM reviewing accounts for year 2019 | President of the Board of directors of Label'Vie Inc. | President of the Board of directors of Label'Vie Inc. |
| Mr. Rachid Hadni                                   | 03/25/2004         | 06/27/2014         | OGM reviewing accounts for year 2019 | Director and general manager of Label'Vie Inc.        | Director and general manager of Label'Vie Inc.        |
| Mr. Saïd Alj                                       | 06/20/2006         | 06/27/2014         | OGM reviewing accounts for year 2019 | Administrator   | Intuitu personae                                      |
| Retail Holding represented by M. Zouhair Bennani   | 03/25/2004         | 06/27/2014         | OGM reviewing accounts for year 2019 | Administrator   | -   |
| Mr. Adil Bennani                                   | 03/25/2007         | 06/27/2014         | OGM reviewing accounts for year 2019 | Administrator   | Intuitu personae                                      |
| Unimer represented by Mr. Ismaïl Farih             | 12/13/2007         | 06/27/2011         | GM reviewing accounts for year 2016  | Administrator   | -   |
| Mr. Mly Hafid El Alamy                             | 12/13/2007         | 06/27/2011         | GM reviewing accounts for year 2016  | Administrator   | Intuitu personae                                      |
| Mr. Said Ibrahim                                   | 12/13/2007         | 06/27/2011         | GM reviewing accounts for year 2016  | Administrator   | Intuitu personae                                      |
| Saham Assurances represented by Mme. KawtarJohradi | 10/10/2008         | 06/28/2012         | OGM reviewing accounts for year 2017 | Administrator   | -   |

Source : Label' Vie

#### 4. Organizational flowchart

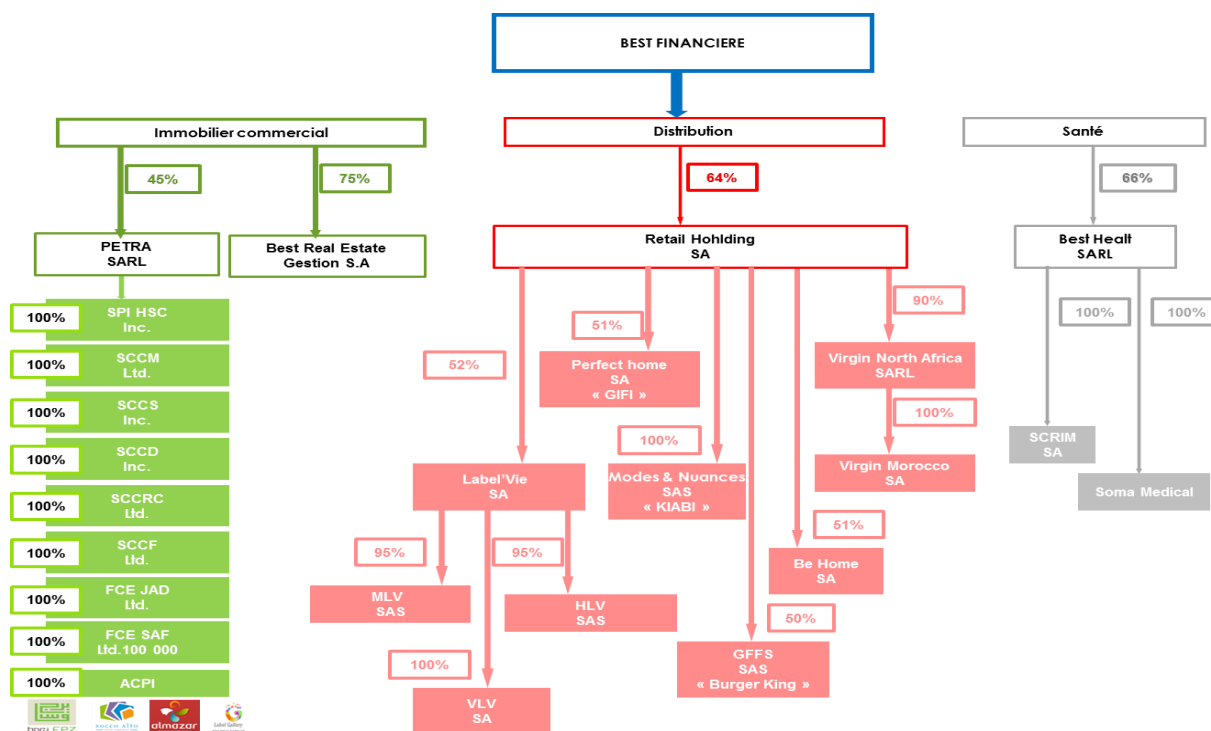
On June 30<sup>th</sup>, 2014, the organizational flowchart of Label'Vie is as follows:



Source : Label' Vie

#### 5. Affiliation to the Best Financière Group

Label'Vie Inc. is part of the Best Financière group whose legal structure is presented hereinafter:



Source : Label' Vie

### 6. Activity of Label'Vie

On the 2010 – S1 2013 period, the sales of the Label'Vie Group are presented as follow:

| In MMAD                 | 2011           | 2012           | Var 12/11   | 2013           | Var 13/12   |
|-------------------------|----------------|----------------|-------------|----------------|-------------|
| Sales of goods          | 4 891,2        | 5 166,9        | 5,6%        | 5 308,4        | 2,7%        |
| <i>In % of revenues</i> | 90,6%          | 91,1%          | +0,5 pts    | 91,7%          | 0,6%        |
| Sales of services       | 510,2          | 504,6          | -1,1%       | 480,2          | -4,8%       |
| <i>In % of revenues</i> | 9,4%           | 8,9%           | -0,5 pts    | 8,3%           | -0,6%       |
| <b>Total sales</b>      | <b>5 401,4</b> | <b>5 671,5</b> | <b>5,0%</b> | <b>5 788,6</b> | <b>2,1%</b> |

Source : Label'Vie

#### ■ 2011 – 2012 Evolution

The Group turnover went from MAD 5 401.4 million in 2011 to MAD 5 671.5 million in 2012, hence an increase of 5%.

In 2012, the sales of goods contributed 91.1% to Group sales against 90.6% in 2011. This is explained as follow:

- The performance of the 35 existing supermarkets in 2011
- The opening of five new supermarkets in 2012 which are: Wifak Temara, Agadir 2, Casablanca la Résidence and Sidi Slimane
- The Metro stores recently converted into Atacadao and the ones not converted yet

- A 4.8% decrease of the hypermarkets' sales from MAD 544 million to MAD 518 million due to the opening in 2012 of a competitor's hypermarket near Carrefour Salé.

- **2012 – 2013 Evolution**

In 2013, the Group's sales increased by 2.1% compared to 2012, from MAD 5 671.5 million to MAD 5 788.6 million.

Sales of goods reached MAD 5 308.4 million in 2013, which represents an increase of 2.7% compared to 2012. This evolution is mainly explained by:

- The increase of "Carrefour Market" sales to MAD 2 199.4 million boosted by the opening of new supermarkets Anfa Place and Sidi Othman in Casablanca and Carrefour Market located in Beni Mellal
- The 26.7% increase of hypermarkets' sales to MAD 656.3 million sustained by the opening of the new Carrefour at Borj Fes
- The 4.1% decrease of the Atacadao's sales to MAD 2 452.7 million due to the closing of Metro shops for a period of 30 days during the conversion, and the clearance of the non-alimentary stock which is not integrated in the Atacadao concept.



### III. CONSOLIDATED FINANCIAL STATEMENT OF LABEL'VIE INC.

#### 1. Balance sheet

| Asset  | 12/31/2011           | 12/31/2012           | 12/31/2013           |
|--|----------------------|----------------------|----------------------|
| <b>Non-value capital assets (A)</b>                |                      |                      |                      |
| Preliminary fees                                   |                      |                      |                      |
| Deferred expense over several years                |                      |                      |                      |
| Bond redemption premiums                           |                      |                      |                      |
| <b>Intangible assets (B)</b>                       | <b>304 450 029</b>   | <b>354 756 494</b>   | <b>373 686 534</b>   |
| Capital in research and development                | 132 218 489          | 160 994 730          | 169 825 826          |
| Patents, trademarks and similar rights and values  | 8 178 858            | 7 759 082            | 17 809 770           |
| goodwill   | 164 052 682          | 186 002 682          | 186 050 938          |
| Other intangible assets                            |                      |                      |                      |
| <b>Fixed assets (C)</b>                            | <b>2 784 443 618</b> | <b>2 792 316 782</b> | <b>3 029 598 760</b> |
| Lands  | 1 776 517 440        | 1 764 925 182        | 1 823 993 158        |
| Constructions                                      | 559 857 939          | 555 174 491          | 648 679 173          |
| Technical installations, materials and tools       | 223 253 176          | 199 450 858          | 191 444 798          |
| Transportation equipment                           | 70 258               | 54 875               | 43 288               |
| Furniture, office equipment and different fittings | 164 120 495          | 131 333 334          | 197 770 348          |
| Other fixed assets                                 |                      |                      |                      |
| Ongoing fixed assets                               | 60 624 311           | 141 378 042          | 167 667 994          |
| <b>Financial Assets (D)</b>                        | <b>73 217 539</b>    | <b>80 654 638</b>    | <b>80 096 623</b>    |
| Fixed loans  |                      | 156 000              | 76 000               |
| Other financial receivables                        | 16 630 539           | 23 911 638           | 23 433 623           |
| Equity securities                                  | 56 587 000           | 56 587 000           | 56 587 000           |
| Other fixed securities                             |                      |                      |                      |
| <b>Currency translation - Active (E)</b>           |                      |                      |                      |
| Decrease in fixed receivables                      |                      |                      |                      |
| Increase in financial debts                        |                      |                      |                      |
| <b>TOTAL I (A+B+C+D+E)</b>                         | <b>3 162 111 186</b> | <b>3 227 727 914</b> | <b>3 483 381 917</b> |
| <b>STOCKS (F)</b>                                  | <b>565 524 597</b>   | <b>684 381 546</b>   | <b>919 486 573</b>   |
| Goods  | 562 798 353          | 680 598 561          | 914 963 258          |
| Materials and supplies, consumables                | 2 726 245            | 3 782 986            | 4 523 315            |
| Ongoing products                                   |                      |                      |                      |
| Intermediate and residual products                 |                      |                      |                      |
| Finished products                                  |                      |                      |                      |
| <b>Operating receivables (G)</b>                   | <b>995 573 792</b>   | <b>1 326 904 411</b> | <b>1 426 905 788</b> |
| Provided. payables, deposits and down-payments     | 29 296 696           | 32 405 051           | 21 217 509           |
| Trade account receivables                          | 661 708 172          | 811 579 889          | 793 987 548          |
| Staff  | 6 847 132            | 6 443 696            | 7 663 554            |
| State  | 268 619 947          | 353 826 911          | 438 337 048          |
| Associates accounts                                | 560 357              | 3 063 325            | 547 020              |
| Other receivables                                  | 26 812 894           | 114 595 441          | 158 264 038          |
| Prepayment and accrued income                      | 1 728 594            | 4 990 097            | 6 889 071            |
| <b>Cash and investment securities (H)</b>          | <b>9 212 244</b>     | <b>127 048 081</b>   | <b>57 048 081</b>    |
| <b>Currency translation - Active (I)</b>           | <b>9 196</b>         | <b>290 187</b>       | <b>360 457</b>       |
| (current assets)                                   | 0                    | 0                    | 0                    |
| <b>TOTAL II ( F+G+H+I )</b>                        | <b>1 570 319 829</b> | <b>2 138 624 225</b> | <b>2 403 800 899</b> |
| <b>Cash asset position</b>                         |                      |                      |                      |
| Checks and cash values                             | 123 433 327          | 14 306 587           | 17 072 410           |
| Banks, TG et CCP                                   | 502 910 747          | 340 330 822          | 58 260 272           |
| Imprest and flow-through - Fund                    | 6 990 821            | 7 167 322            | 8 065 890            |
| <b>TOTAL III</b>                                   | <b>633 334 895</b>   | <b>361 804 730</b>   | <b>83 398 572</b>    |
| <b>OVERALL TOTAL I+II+III</b>                      | <b>5 365 765 909</b> | <b>5 728 156 870</b> | <b>5 970 581 389</b> |

| Liabilities  | 12/31/2011           | 12/31/2012           | 12/30/2013           |
|--|----------------------|----------------------|----------------------|
| <b>EQUITY</b>  | <b>254 527 700</b>   | <b>254 527 700</b>   | <b>254 527 700</b>   |
| Social or personal capital (1)                               | 254 527 700          | 254 527 700          | 254 527 700          |
| Less: Shareholders, uncalled subscribed capital              |                      |                      |                      |
| Called capital Of which was transferred...                   |                      |                      |                      |
| Issue, merger and transfer premiums                          | 783 417 514          | 783 417 514          | 783 417 514          |
| Reevaluation reserve   | 59 813 722           | 59 813 722           | 59 813 722           |
| Legal reserve  | 10 220 835           | 13 409 842           | 15 115 490           |
| Other reserve  | 5 692 733            | 21 613 032           | 61 889 494           |
| Retained earnings (2)  | 89 651 078           | 150 242 204          | 32 732 707           |
| Net income pending allocation (2)                            |                      |                      |                      |
| Net income of fiscal year (2)                                | 46 118 451           | 116 716 009          | 54 641 007           |
| <b>Total of Equity (A)</b>                                   | <b>1 238 056 568</b> | <b>1 356 513 959</b> | <b>1 262 137 635</b> |
| <b>Minority interests</b>                                    | <b>3 404 723</b>     | <b>1 663 340</b>     | <b>11 163 857</b>    |
| Minority interests   | 3 404 723            | 1 663 340            | 11 163 857           |
| <b>Financing liabilities (C)</b>                             | <b>1 793 455 989</b> | <b>1 725 063 138</b> | <b>1 715 436 527</b> |
| Bond issues  | 500 000 000          | 900 000 000          | 900 000 000          |
| Other financing liabilities                                  | 1 293 455 989        | 825 063 138          | 815 436 527          |
| <b>Sustainable provisions of liabilities and charges (D)</b> | <b>1 616 776</b>     | <b>2 221 676</b>     | <b>3 004 502</b>     |
| Provisions of liabilities                                    | 1 616 776            | 2 221 676            | 3 004 502            |
| Provisions of charges  |                      |                      |                      |
| <b>Translation assets-liabilities (E)</b>                    |                      |                      |                      |
| Increase in fixed receivables                                |                      |                      |                      |
| Decrease of financing liabilities                            |                      |                      |                      |
| <b>Total I(A+B+C+D+E)</b>                                    | <b>3 036 534 056</b> | <b>3 085 462 114</b> | <b>2 991 742 521</b> |
| <b>Current liabilities debts (F)</b>                         | <b>2 314 102 327</b> | <b>2 468 684 180</b> | <b>2 709 293 815</b> |
| Trade payables   | 1 748 373 295        | 1 816 517 963        | 2 079 036 304        |
| Customer payables, advances and down-payments                | 8 061 813            | 7 015 055            | 5 026 920            |
| Staff  | 7 661 539            | 3 923 643            | 5 620 534            |
| Social bodies  | 8 260 109            | 10 309 203           | 11 385 866           |
| State  | 529 855 094          | 589 314 482          | 573 687 250          |
| Associated accounts  | 217                  | 0                    | 49 240               |
| Other assets   | 2 769 238            | 13 069 290           | 3 907 367            |
| Accruals and deferred income                                 | 9 121 022            | 28 534 545           | 30 580 335           |
| <b>Other provisions for liabilities and charges (G)</b>      | <b>4 909 196</b>     | <b>5 190 187</b>     | <b>1 360 457</b>     |
| <b>Currency translation – Passive</b>                        | <b>88 933</b>        | <b>336 386</b>       | <b>74 791</b>        |
| <b>(current assets) (H)</b>                                  |                      |                      |                      |
| <b>Total II (F+G+H)</b>                                      | <b>2 319 100 455</b> | <b>2 474 210 753</b> | <b>2 710 729 064</b> |
| <b>Liability cash flow</b>                                   |                      |                      |                      |
| Discount credit  |                      |                      |                      |
| Cash loans   | 10 131 398           | 168 484 003          | 268 109 805          |
| Banks  |                      |                      |                      |
| <b>Total III</b>   | <b>10 131 398</b>    | <b>168 484 003</b>   | <b>268 109 805</b>   |
| <b>OVERALL TOTAL I+II+III</b>                                | <b>5 365 765 909</b> | <b>5 728 156 870</b> | <b>5 970 581 389</b> |

(1)Personal debtor Capital

(2) Beneficiary (+). In the red (-)

## 2. Revenue and expense accounts

| Revenue and Expense accounts (excluding tax)             | 12/31/2011           | 12/31/2012           | 12/31/2013           |
|--|----------------------|----------------------|----------------------|
| <b>Operating revenues</b>                                |                      |                      |                      |
| Goods sales (as it is)                                   | 4 891 164 824        | 5 166 909 386        | 5 308 419 165        |
| Sales of goods and services produced                     | 510 187 657          | 504 620 464          | 480 156 257          |
| <b>Turnovers</b>   | <b>5 401 352 480</b> | <b>5 671 529 850</b> | <b>5 788 575 422</b> |
| Changes in product inventories (1)                       |                      |                      |                      |
| Assets produced by the company itself                    |                      |                      |                      |
| Operating subsidies                                      |                      |                      |                      |
| Other operating revenues                                 |                      |                      |                      |
| Reversals : transfer of expenses                         | 19 418 780           | 37 345 338           | 42 072 601           |
| <b>Total I</b>   | <b>5 420 771 260</b> | <b>5 708 875 188</b> | <b>5 830 648 023</b> |
| <b>Operating expenses</b>                                |                      |                      |                      |
| Purchased goods resold (2)                               | 4 486 551 821        | 4 726 648 898        | 4 812 872 717        |
| Consumed purchases (2) of materials and supplies         | 107 376 531          | 111 235 731          | 111 569 080          |
| Other external expenses                                  | 246 468 264          | 260 677 972          | 284 236 452          |
| Taxes  | 16 570 863           | 29 308 809           | 30 418 378           |
| Personnel expenses                                       | 229 633 983          | 258 423 259          | 282 945 848          |
| Other operating expenses                                 | 0                    | 0                    | -32 460              |
| Operating charges  | 171 737 243          | 154 855 815          | 168 781 950          |
| <b>Total II</b>  | <b>5 258 338 706</b> | <b>5 541 150 484</b> | <b>5 690 791 964</b> |
| <b>Operating results (I-II)</b>                          | <b>162 432 554</b>   | <b>167 724 704</b>   | <b>139 856 059</b>   |
| <b>Financial revenue</b>                                 |                      |                      |                      |
| Income from equity securities and other fixed securities | 1 625 000            | 619 916              | 6 785                |
| Exchange gains   | 869 084              | 903 629              | 193 052              |
| Interest and other financial revenue                     | 5 811 380            | 9 689 701            | 15 159 076           |
| Financial reversals : transfer of expenses               | 9 702 042            | 9 498 196            | 12 149 246           |
| <b>Total IV</b>  | <b>18 007 506</b>    | <b>20 711 444</b>    | <b>27 508 159</b>    |
| <b>Financial expenses</b>                                |                      |                      |                      |
| Interest charges   | 116 707 491          | 110 030 652          | 117 848 357          |
| Exchange loss  | 545 386              | 693 660              | 771 343              |
| Other financial expenses                                 | 158 560              | 832 116              | 287 833              |
| Financial allocations                                    | 9 196                | 288 153              | 360 438              |
| <b>Total V</b>   | <b>117 420 633</b>   | <b>111 844 581</b>   | <b>119 267 972</b>   |
| <b>Financial revenues (IV-V)</b>                         | <b>-99 413 127</b>   | <b>-91 133 138</b>   | <b>-91 759 813</b>   |
| <b>Current revenues (III+VI)</b>                         | <b>63 019 427</b>    | <b>76 591 567</b>    | <b>48 096 247</b>    |

1) Variation of stocks : Final stock - Initial stock; Increase (+) ; Decrease (-)

2) Re-sold or consumed purchases : Purchases - variation of stocks

| Revenues and expenses account (excluding tax) (continued) | 31/12/2011         | 31/12/2012         | 30/06/2013        |
|---|--------------------|--------------------|-------------------|
| <b>Current revenues (deferment)</b>                       | <b>63 019 427</b>  | <b>76 591 567</b>  | <b>48 096 247</b> |
| <b>Non-current revenues</b>                               |                    |                    |                   |
| Proceeds of sale of fixed assets                          | 226 739 072        | 151 065 942        | 86 670 038        |
| Balancing subsidies                                       | 0                  | 0                  | 0                 |
| Reversals over investment subsidies                       | 0                  | 0                  | 0                 |
| Other non-current revenues                                | 4 215 239          | 7 447 234          | 2 359 579         |
| Non-current reversals ; Transfer of expenses              |                    |                    | 3 900 000         |
| <b>Total VIII</b>   | <b>230 954 311</b> | <b>158 513 175</b> | <b>92 929 617</b> |
| <b>Non-current expenses</b>                               |                    |                    |                   |
| Net value of sold fixed asset repayment                   | 219 507 406        | 81 221 182         | 39 413 329        |
| Approved subsidies  | 0                  | 0                  | 0                 |
| Other non-current expenses                                | 877 784            | 8 676 461          | 10 096 886        |
| Non-current allocations to repayment and provisions       | 3 000 000          | 0                  | 2 524 844         |
| <b>Total IX</b>   | <b>223 385 190</b> | <b>89 897 643</b>  | <b>52 035 059</b> |
| <b>Non-current revenues (VIII-IX)</b>                     | <b>7 569 121</b>   | <b>68 615 532</b>  | <b>40 894 558</b> |
| <b>Pre-tax revenues (VII+X)</b>                           | <b>70 588 548</b>  | <b>145 207 099</b> | <b>88 990 804</b> |
| <b>Revenues taxes</b>                                     | <b>24 470 097</b>  | <b>28 491 090</b>  | <b>34 349 797</b> |
| <b>Net revenues (XI-XII)</b>                              | <b>46 118 451</b>  | <b>116 716 009</b> | <b>54 641 007</b> |

Source : Label'Vie

## IV. RISK FACTORS

### 1. Economic risks

Future revenues and results of the Label'Vie Group depend on the development of the Moroccan economy.

The main activity of Label'Vie Group is selling consumer products. Thus, the turnover and profitability of the Label'Vie Group depend on the change of Moroccan consumer demand. The change of consumption in Morocco is correlated to changes in the economic situation of the country and, more particularly, to the disposable income of the population. The tightening or lower future growth of the Moroccan economy could have a negative impact on the increasing number of consumers and the average basket.

Economic risk is however mitigated in the case of Label'Vie Group, due to its structure of turnover, which mainly consist of selling alimentary products, thus there are a necessity.

### 2. Competitive risk

Competitive risk includes the risk of an emerging organized new competitor as well as the risk of losing ground before existing competitors. Label'Vie Group may thus face intensifying competition within the Moroccan retail market because of competing brands development, resulting therefore in a loss of market share and lower revenues of Label'Vie Group.

### 3. Investment risk

Investment risk is the risk of not achieving projects within the time and budget originally planned, which would induce a gap in project performance. However, Label'Vie Group has a rich experience in conducting store openings projects, supported by experts from Best Real Estate. In addition, the MCCM Real Estates also has a huge expertise in land management. Conversely, investment risk is reduced so far; all thanks to the decision made relative to gathering a team that is entirely dedicated to managing development, and who benefits from the experience of different Label'Vie Group operational departments.

The Label'Vie Group has also at hand the expertise of its partner, Carrefour International Partnership to carry out the development of new Carrefour hypermarkets.

In addition, the investment risk also includes certain risks relative to the shifts in real estate prices in Morocco. Demand on urban real estate is increasing due to population growth, increasing urbanization rate and easy access to credit. There is a greater probability that the property prices will continue increasing is important. This situation is considered a risk factor for Label'Vie Group, if it fails to limit the impact of auctioneering commercial real estate in its investment program.

This risk is however mitigated by the willingness of the State to create 15 new cities by 2020. These satellite towns constitute an offer of additional land in urban areas, which would tend to mitigate soaring prices.

### 4. Management risk

As part of its business, the Label'Vie Group is subject to several risk management including: risks related to foods, to theft and fraud, as well as risks related to human resources.

Food products are by definition likely to cause real health risks. Although the company has liability assurances, yet a consumer affected by a food product purchased of only one of the brands sold in the Label'Vie Group could harm the image and reputation for the whole group. This could result in a loss of particular customers and affect the Group's revenues.

### 5. Legal risk

#### a) Legal Risk pertaining to Sector of supermarkets

Label'Vie Group activities are subject to many regulations related to the nature of the products it sells. The regulatory framework is likely to change, which could be favorable or unfavorable to the group. Such changes could lead to additional costs, or not being in line with the development Label'Vie Group model, or changing the competitive environment in which the group could develop.

#### b) Investment-based legal risk

Any request for any license in order to construct large stores in major cities is investigated by municipalities that submit them to services and agencies for specific technical aspects, namely the Urban Agency and the Economic Division of the Prefecture. These requests are then processed by a tripartite committee chaired by the Director of the Urban Agency, in addition to other representatives of the municipality and the Town Hall. This committee then decides on the project in accordance with laws and regulations in effect, and according to the planning documents in force (Urban Master Plan, Development Plan, etc.).

As far as requests of operating licenses are concerned, it delivery is the responsibility of the president of the municipality in accordance with section 44 of the municipal charter. However, the investigation procedure of such requests, it differs from one municipality to another.

#### **6. Currency risk relative to purchases**

Label'Vie is a sourcing company on the international market of some imported products such as fresh products (Carrefour products, cheese, cooked meats, etc.), dry goods or certain bazaar products. And therefore like any importing company, it is exposed to the risk of unfavorable changes in exchange rates within the currency market.

#### **Warning**

The above information represents only part of the prospectus approved by the (CDVM) under reference no: *VI/EM/027/2014, on September 18<sup>th</sup>, 2014*. The CDVM advises reading the entire prospectus available to the public in French.