



**LABEL'VIE**

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**Summary of information prospectus**  
**Commercial Papers Issuance Program**  
***2014 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>
The logo for CDG Capital, featuring the words "CDG CAPITAL" in a bold, sans-serif font, with "GROUPE CDG" in a smaller font below it. The "C" in "CDG" is stylized with a vertical line through it.	The logo for CDG Capital, featuring the words "CDG CAPITAL" in a bold, sans-serif font, with "GROUPE CDG" in a smaller font below it. The "C" in "CDG" is stylized with a vertical line through it.

**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/038/2015 on December 22th, 2015.

**Warning**

On December 22th 2015, 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 in a deadline of 48 hours maximum.

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 the Issuer's financial service		<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 31/07/2015)</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.
<b>Competent courts in case of litigation</b>	Court of Commerce, Rabat
<b>Tax regime</b>	<ul style="list-style-type: none"> <li>• The company is subject to company tax at the standard rate of 30%;</li> <li>• The company is subject to VAT (0%, 7%, 10%,14% et 20%), and to standart tax of 20% for investments and other income</li> </ul>

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

On June 30<sup>th</sup>, 2015, the Label'Vie capital is distributed as follows:

Shareholders	June 30 <sup>th</sup> , 2015	
	Number of shares	% of share capital and voting rights
Retail Holding	1 293 621	50,82%
Saham Assurances (ex-CNIA SAADA)	257 230	10,11%
Arisaig Africa Consumer	202 750	7,97%
ALJIA Holding (ex-ETAMAR)	106 455	4,18%
Employees	1 627	0,06%
Other	2	0,0%
Floating shares	683 592	26,86%
<b>Total</b>	<b>2 545 277</b>	<b>100%</b>

Source : Label' Vie

## 3. Board of Directors Members

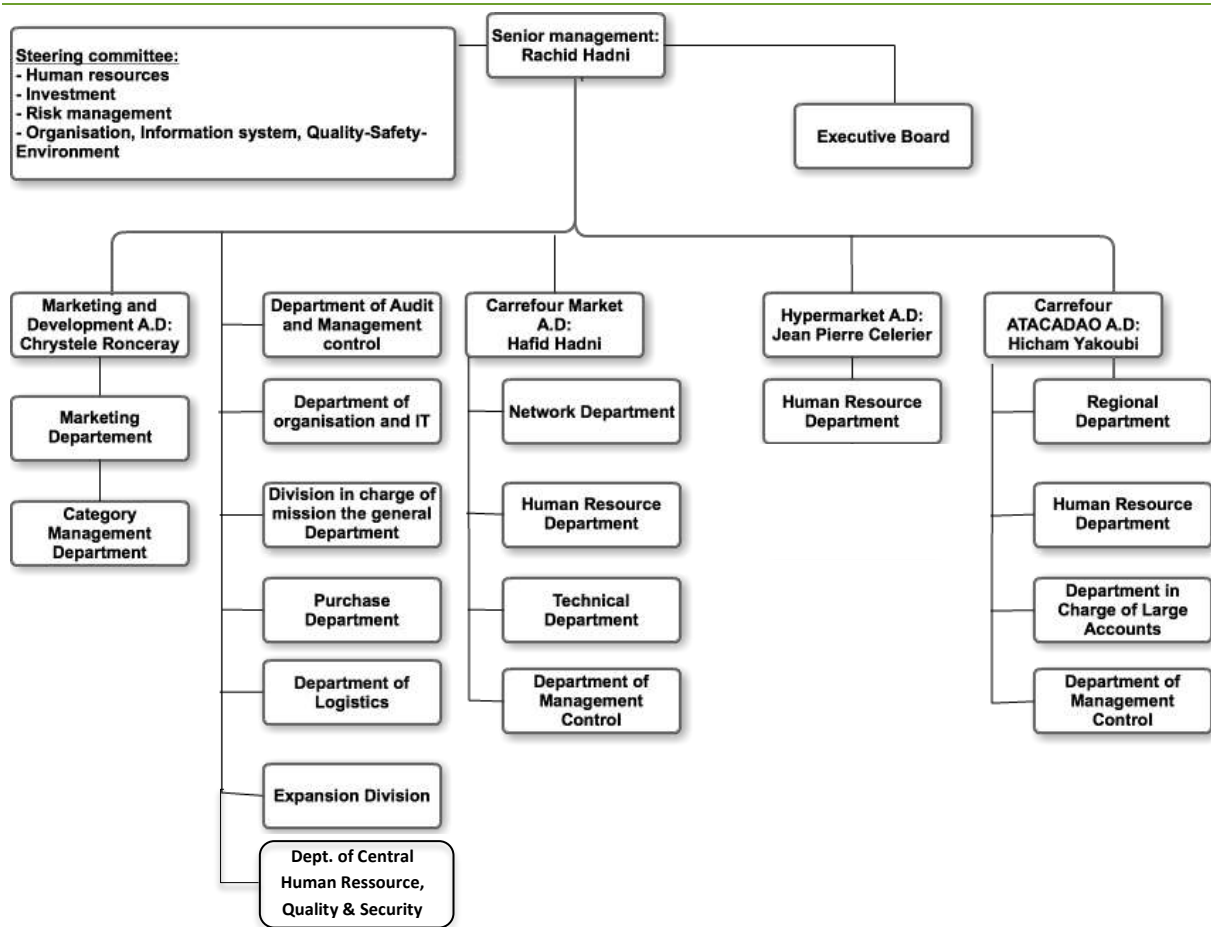
On July 30<sup>th</sup>, 2015, the board of directors of Label'Vie is composed as follow:

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	OGM reviewing accounts for year 2016	Administrator	-
Mr. Mly Hafid El Alamy	12/13/2007	06/27/2011	OGM reviewing accounts for year 2016	Administrator	Intuitu personae
Mr. Said Ibrahim	12/13/2007	06/27/2011	OGM 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 July 31<sup>th</sup>, 2015, the organizational flowchart of Label'Vie is as follows:

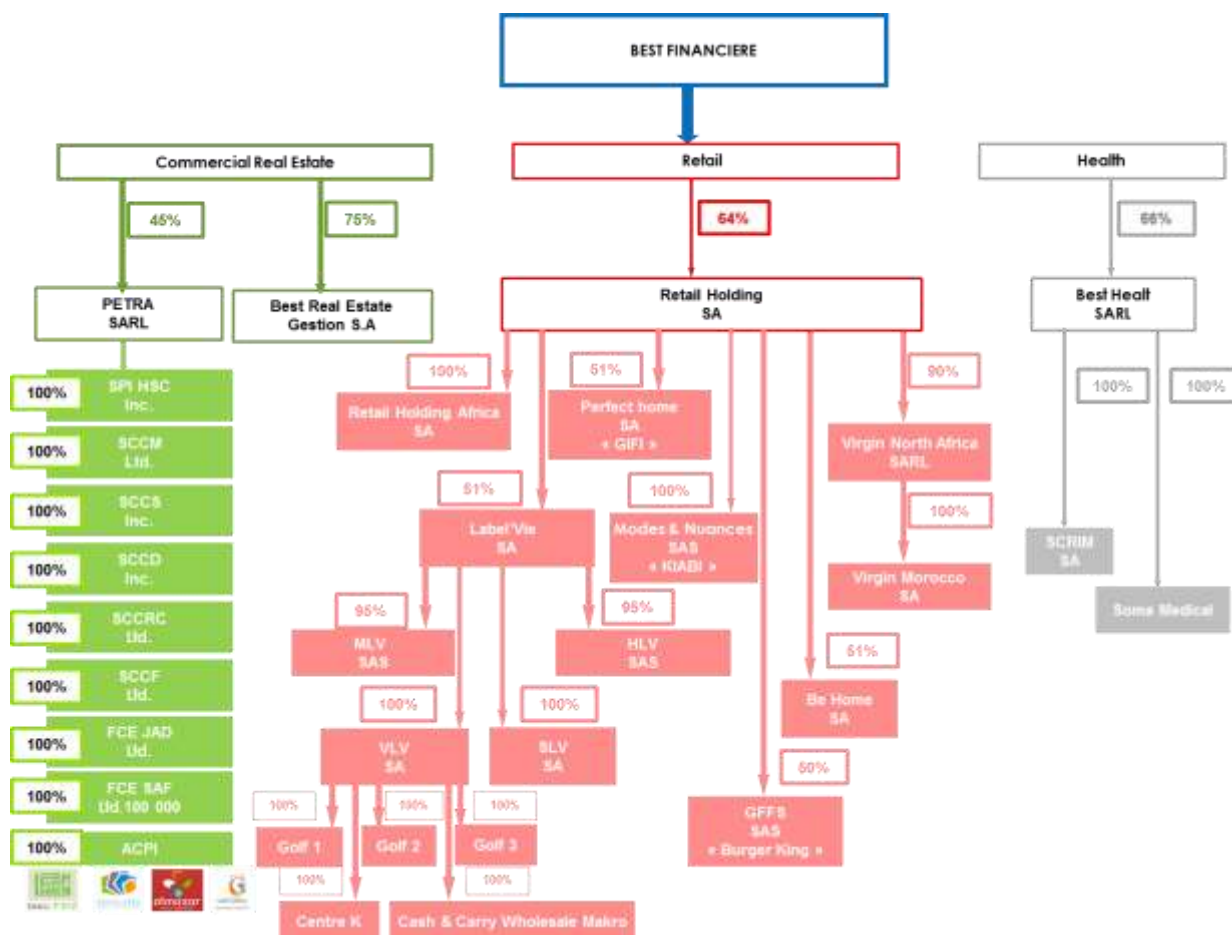


Source : Label' Vie

## 5. Affiliation to the Best Financière Group

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

**Legal organizational chart of Best financière in 07/31/2015:**



Source : Label' Vie

## 6. Activity of Label'Vie

On the 2012 –2014 period, the sales of the Label'Vie Group are presented as follow:

In Million MAD	2012	2013	Var 13/12	2014	Var 14/13
Sales of goods	5 166.9	5 308.4	2.7%	5 760.2	8.5%
<i>In % of revenues</i>	91.1%	91.7%	0.6 pts	91.3%	-0.4 pts
Sales of services	504.6	480.2	-4.8%	550.2	14.6%
<i>In % of revenues</i>	8.9%	8.3%	-0.6 pts	8.7%	0.4 pts
<b>Total sales</b>	<b>5 671.5</b>	<b>5 788.6</b>	2.1%	<b>6 310.4</b>	9.0%

Source : Label'Vie

### ■ 2013 – 2014 Evolution

The Group sales went from MAD 5 788.64 million to MAD 6 310.4 million, hence an increase of 9%.

The sales of goods reached MAD 5 760.2 million by the end of 2014. This increase is explained as follow:

- The increase of 3.2% in supermarket sales “Carrefour Market” to MAD 2 270 million;

- The increase of 27.6% in hypermarkets' sales to MAD 837.74 million;
- The increase of 8.2% in Atacadao sales to MAD 2 652.8 million.

Likewise, sales of goods and produced services increased to 14.6% between 2013 and 2014, rising from MAD 480.2 million to MAD 550.2 million.

■ **2012 – 2013 Evolution**

In December 31<sup>st</sup>, 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 5.1% in "Carrefour Market" sales to MAD 2 199.4 million t 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, combined with a 1% increase in sales of existing stores;
- 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

Assests – Million MAD	2012	2013	Var 13/12	2014	Var 14/13
<b>Intangible assets</b>	<b>354.8</b>	<b>373.6</b>	<b>5.3%</b>	<b>424.9</b>	<b>13.7%</b>
<b>Intangible assets</b>					
Patents, trademarks and similar rights and values	161	169.8	5.5%	203.9	20.1%
Goodwill	7.8	17.8	>100%	35.0	96.5%
Other intangible assets	186	186	-	186.0	-
<b>Fixed assets</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0.0</b>	<b>-</b>
Lands	<b>2792.4</b>	<b>3029.3</b>	<b>8.5%</b>	<b>3 030.3</b>	<b>0.0%</b>
Constructions	1 764.90	1	3.3%	1 727.7	-5.3%
Technical installations. materials and tools	555.2	648.6	16.8%	625.9	-3.5%
Transportation equipment	199.5	191.4	-4.1%	222.6	16.3%
Furniture, office equipment and different fittings	0.1	0.1	0.0%	0.4	>100%
Other fixed assets	131.3	197.7	50.6%	215.3	8.9%
Ongoing fixed assets	0	0	-	0.0	-
<b>Financial Assets</b>	<b>141.4</b>	<b>167.6</b>	<b>18.5%</b>	<b>238.4</b>	<b>42.3%</b>
Fixed loans	<b>80.7</b>	<b>80.1</b>	<b>-0.7%</b>	<b>106.6</b>	<b>33.2%</b>
Other financial receivables	0.2	0.1	-50.0%	0.1	25.0%
Equity securities	23.9	23.4	-2.1%	29.9	27.8%
Other fixed securities	56.6	56.6	-	76.6	35.3%
<b>Currency translation - Active</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0.0</b>	<b>-</b>
Decrease in fixed receivables	<b>0</b>	<b>0</b>	<b>-</b>	<b>0.0</b>	<b>-</b>
Increase in financial debts	0	0	-	0.0	-
<b>TOTAL I</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0.0</b>	<b>-</b>
<b>STOCKS</b>	<b>3 227.9</b>	<b>3 483.0</b>	<b>7.9%</b>	<b>3 561.8</b>	<b>2.3%</b>
Goods	<b>684.4</b>	<b>919.4</b>	<b>34.3%</b>	<b>998.5</b>	<b>8.6%</b>
Materials and supplies, consumables	680.6	914.9	34.4%	994.5	8.7%
Ongoing products	3.8	4.5	18.4%	4.1	-9.4%
Intermediate and residual products	0	0	-	0.0	-
Finished products	0	0	-	0.0	-
<b>Operating receivables</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0.0</b>	<b>-</b>
Trade receivables, deposits and down-payments	1 326.9	1 426.5	7.5%	1 722.0	20.7%
Suppliers and related accounts	32.4	21.2	-34.6%	36.7	72.9%
Staff	811.6	793.9	-2.2%	852.9	7.4%
State	6.4	7.6	18.8%	7.4	-2.3%
Associates accounts	353.8	438.3	23.9%	468.1	6.8%
Other receivables	3.1	0.5	-83.9%	0.0	-100.0%
Prepayment and accrued income	114.6	158.2	38.0%	308.5	95.0%
<b>Cash and investment securities</b>	<b>5.0</b>	<b>6.8</b>	<b>36.0%</b>	<b>48.4</b>	<b>&gt;100%</b>
<b>Currency translation - Active</b>	<b>127</b>	<b>57</b>	<b>-55.1%</b>	<b>178.0</b>	<b>&gt;100%</b>
(current assets)	0.3	0.3	-	0.2	-37.9%
<b>TOTAL II</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0.0</b>	<b>-</b>
<b>Cash asset position</b>	<b>2 138.6</b>	<b>2 403.2</b>	<b>12.4%</b>	<b>2 898.8</b>	<b>20.6%</b>
Checks and cash values	<b>361.8</b>	<b>83.4</b>	<b>-76.9%</b>	<b>752.8</b>	<b>-</b>
Banks. TG et CP	14.3	17.1	19.6%	34.0	99.0%
Imprest and flow-through - Fund	340.3	58.2	-82.9%	708.8	>100%
<b>TOTAL III</b>	<b>7.2</b>	<b>8.1</b>	<b>12.5%</b>	<b>10.1</b>	<b>24.2%</b>
<b>OVERALL TOTAL I+II+III</b>	<b>361.8</b>	<b>83.4</b>	<b>-76.9%</b>	<b>752.8</b>	<b>&gt;100%</b>

LABEL' VIE Inc.

Liability – Million MAD	2012	2013	Var 13/12	2014	Var 14/13
<b>EQUITY</b>	<b>1 356.4</b>	<b>1 262.0</b>	-7.0%	<b>1 336.1</b>	5.9%
Social or personal capital (1)	254.5	254.5	-	254.5	-
Less: Shareholders. uncalled subscribed capital	-	-	-	-	-
Called capital Of which was transferred...	-	-	-	-	-
Issue. merger and transfer premiums	783.4	783.4	-	783.4	-
Goodwill	59.8	59.8	-	59.8	-
Legal reserve	13.4	15.1	12.7%	17.7	16.9%
Other reserve (Consolidated reserves)	-21.6	61.9	-	59.4	-4.0%
Retained earnings (2)	150.2	32.7	-78.2%	81.0	>100%
Net income pending allocation (2)	0.0	0.0	-	0.0	-
Consolidated net income	116.7	54.6	-53.2%	80.3	47.1%
<b>Minority interests</b>	<b>1.7</b>	<b>11.2</b>	<b>&gt;100%</b>	<b>9.9</b>	<b>-12.0%</b>
Minority interests	1.7	11.2	>100%	9.9	-12.0%
<b>Financing liabilities</b>	<b>1 725.1</b>	<b>1 715.4</b>	<b>-0.6%</b>	<b>2 599.0</b>	<b>51.5%</b>
Bond issues	900.0	900.0	-	1 900.0	>100%
Other financing liabilities	825.1	815.4	-1.2%	699.0	-14.3%
<b>Sustainable provisions of liabilities and charges</b>	<b>2.2</b>	<b>3.0</b>	<b>36.8%</b>	<b>5.2</b>	<b>72.2%</b>
Provisions of liabilities	2.2	3.0	36.8%	5.2	72.2%
Provisions of charges	0.0	0.0	-	0.0	-
<b>Translation assets-liabilities</b>	<b>0.0</b>	<b>0.0</b>	<b>-</b>	<b>0.0</b>	<b>-</b>
Increase in fixed receivables	0.0	0.0	-	0.0	-
Decrease of financing liabilities	0.0	0.0	-	0.0	-
<b>Total I</b>	<b>3 085.4</b>	<b>2 991.7</b>	<b>-3.0%</b>	<b>3 950.1</b>	<b>32.0%</b>
<b>Current liabilities debts</b>	<b>2 468.6</b>	<b>2 709.3</b>	<b>9.8%</b>	<b>2 845.9</b>	<b>5.0%</b>
Trade receivables and related accounts	1 816.5	2 079.0	14.5%	2 194.1	5.5%
Customer payables. advances and down-payments	7.0	5.0	-28.1%	8.6	70.2%
Staff	3.9	5.6	43.6%	5.9	5.4%
Social bodies	10.3	11.4	10.7%	10.7	-6.0%
State	589.3	573.7	-2.6%	591.4	3.1%
Associated accounts	0.0	0.1	-	0.0	1.5%
Other assets	13.1	3.9	-70.2%	3.2	-17.6%
Accruals and deferred income	28.5	30.6	7.3%	32.0	4.7%
<b>Other provisions for liabilities and charges</b>	<b>5.2</b>	<b>1.4</b>	<b>-73.8%</b>	<b>67.1</b>	<b>&gt;100%</b>
<b>Currency translation – Passive</b>	<b>0.3</b>	<b>0.1</b>	<b>-66.7%</b>	<b>0.3</b>	<b>&gt;100%</b>
<b>Total II</b>	<b>2 474.1</b>	<b>2 710.8</b>	<b>9.6%</b>	<b>2 913.34</b>	<b>7.5%</b>
<b>Liability cash flow</b>	<b>168.5</b>	<b>268.1</b>	<b>59.1%</b>	<b>350.0</b>	<b>30.5%</b>
Discount credit	0.0	0.0	-	0.0	-
Cash loans	168.5	268.1	59.1%	350.0	30.5%
Banks (Credit balances)	0.0	0.0	-	0.0	-
<b>Total III</b>	<b>168.5</b>	<b>268.1</b>	<b>59.1%</b>	<b>350.0</b>	<b>30.5%</b>
<b>OVERALL TOTAL I+II+III</b>	<b>5 728.0</b>	<b>5 970.5</b>	<b>4.2%</b>	<b>7 213.5</b>	<b>20.8%</b>

## 2. Revenue and expense accounts

En MDh	2012	2013	Var 13/12	2014	Var 14/13
Goods sales (as it is)	5 166.9	5 308.4	2.7%	5 760.2	8.5%
Sales of goods and services produced	504.6	480.2	-4.8%	550.2	14.6%
<b>Consolidated turnovers</b>	<b>5 671.5</b>	<b>5 788.6</b>	<b>2.1%</b>	<b>6 310.4</b>	<b>9.0%</b>
Reversals	37.3	42.1	12.7%	91.5	>100%
Consolidated operating revenues I	<b>5 708.9</b>	<b>5 830.6</b>	<b>2.1%</b>	<b>6 401.9</b>	<b>9.8%</b>
Purchased service resold	4 726.6	4 812.9	1.8%	5 216.9	8.4%
Consumed purchases of materials and supplies	111.2	111.6	0.3%	121.2	8.7%
Other external expenses	260.7	284.2	9.0%	315.6	11.0%
Taxes	29.3	30.4	3.8%	39.3	29.3%
Staff expenses	258.4	282.9	9.5%	296.9	4.9%
Other operation expenses	0	0	-	44.2	>100%
Operating charges	154.9	168.8	9.0%	197.5	17.0%
<b>Consolidated operating charges II</b>	<b>5 541.2</b>	<b>5 690.8</b>	<b>2.7%</b>	<b>6 231.7</b>	<b>9.5%</b>
<b>Operating results (I-II) III</b>	<b>167.7</b>	<b>139.9</b>	<b>-16.6%</b>	<b>170.2</b>	<b>21.7%</b>
Income from equity securities and fixed securities	0.6	0.0	-98.9%	0.0	4.3%
Exchange gains	0.9	0.2	-78.6%	0.9	>100%
Interest and other financial revenue	9.7	15.2	56.4%	42.0	>100%
Financial reversals: transfer of expenses	9.5	12.1	27.9%	20.3	67.4%
<b>Financial expenses IV</b>	<b>20.7</b>	<b>27.5</b>	<b>32.8%</b>	<b>63.3</b>	<b>&gt;100%</b>
Interest charges	110.0	117.8	7.1%	147.7	25.3%
Exchange loss	0.7	0.8	11.2%	1.0	30.2%
Other financial expenses	0.8	0.3	-65.4%	2.8	>100%
Financial allocations	0.3	0.4	25.1%	0.2	-38.0%
<b>Financial expenses V</b>	<b>111.8</b>	<b>119.3</b>	<b>6.6%</b>	<b>151.7</b>	<b>27.2%</b>
<b>Financial revenues (IV-V) VI</b>	<b>-91.1</b>	<b>-91.8</b>	<b>-0.7%</b>	<b>-88.4</b>	<b>3.6%</b>
<b>Current revenues (III+VI) VII</b>	<b>76.6</b>	<b>48.1</b>	<b>-37.2%</b>	<b>81.8</b>	<b>70.1%</b>
Proceeds of sale of fixed assets	151.1	86.7	-42.6%	466.2	>100%
Other non-current revenues	7.4	6.3	-15.9%	17.4	>100%
<b>Non-current revenues VIII</b>	<b>158.5</b>	<b>92.9</b>	<b>-41.4%</b>	<b>483.6</b>	<b>&gt;100%</b>
Net value of sold fixed asset repayment	81.2	39.4	-51.5%	363.0	>100%
Other non-current expenses	8.7	10.1	16.4%	61.9	>100%
Non-current allocations to repayment and provisions	0.0	2.5	-	24.6	>100%
<b>Non-current expenses IX</b>	<b>89.9</b>	<b>52.0</b>	<b>-42.1%</b>	<b>449.5</b>	<b>&gt;100%</b>
<b>Non-current revenue (VIII-IX) X</b>	<b>68.6</b>	<b>40.9</b>	<b>-40.4%</b>	<b>34.1</b>	<b>-16.6%</b>
<b>Pre-tax revenues (VII+X) XI</b>	<b>145.2</b>	<b>89.0</b>	<b>-38.7%</b>	<b>115.9</b>	<b>30.3%</b>
Revenue taxes	28.5	34.3	20.6%	35.6	3.8%
<b>Net revenue</b>	<b>116.7</b>	<b>54.6</b>	<b>-53.2%</b>	<b>80.3</b>	<b>47.0%</b>
<b>Net revenues Group share</b>	<b>117.8</b>	<b>55.9</b>	<b>-52.5%</b>	<b>81.0</b>	<b>44.8%</b>
<b>Minority net revenues</b>	<b>-1.1</b>	<b>-1.3</b>	<b>-19.1%</b>	<b>-0.7</b>	<b>44.6%</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 VLV 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/038/2015 on December 22th, 2015.*

The CDVM advises reading the entire prospectus made available to the public in French.