

A vertical column of colorful paint splashes in shades of green, blue, purple, and orange runs down the left side of the page. At the bottom of this column, a single red paint drop is captured in mid-air, falling towards the center of the page.

# ANNUAL REPORT

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## 2014



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Abed Chagar  
CEO

In 2014, COLORADO continued its progress towards excellence and, despite an adverse economic environment, proved that its fundamentals were sound.

The highlight of the year was that a clear vision for the company's progress was mapped out for the 2014-2016 biennium. This was then put before a broad spectrum of contributors as a basis for developing a multifaceted strategy for a number of cross-cutting, structurally vital projects.

The success of this strategy will in time raise our company up to the level of the multinationals operating in our field.

Against the backdrop of a general slowdown in the construction sector, COLORADO had rather a good year in 2014. Both sales and net profits held up well and consolidated the previous year's growth of around 20%.

The company's solid fundamentals and its proactive recovery policy kept it broadly in surplus in cash terms, with the result that the Board of Directors was in a position to put a proposal to the OGM for a dividend payout equivalent to 105% of the net for 2014.

Abed Chagar  
CEO

**Soleiman Berrada**  
Chairman of the Board of Directors

**Abed Chagar**  
CEO

**Colbert Finances**  
Board Member

**Josette Ducastel**  
Board Member

**Mohammed Jaouad Berrada**  
Board Member

**Fipar Holding**  
Board Member



**Abed Chagar**  
CEO



**Meryem Lotfi**  
Deputy General-Manager



**Naima El Badri**  
Production Director



**Aboudihaje Lazrak**  
Sales Director



**Ali Bidouli**  
Regional Director



**Anas Benhima**  
Partnerships  
& Prescription Director



**Mark Powell**  
Director of Laboratories



**Khaled Nouiti**  
Maintenance  
& New Works Director



**Mohamed Amin ADAD**  
Development Director



# KEY FIGURES



552

Million dirhams in turnover



12

showrooms and branches



43 000

Metric tons of paint sold



16

New products launched



511

Staff

2014 NEWS



COLORADO NEWS



# MANAGEMENT CONVENTION ON IMTIAZ 2016

On 14 and 15 February 2014, COLORADO held its Annual Management Convention in a the warm and welcoming environment of one of Marrakesh's major hotels.



The annual meeting, which was organized and run in collaboration with a consultancy company, gave managers an opportunity to put the previous year under review, welcome new recruits and share the values, mission and vision we hold in common.

There will be nine strategic projects carried out in order to realize our vision for 2016, and three of them will be cross-cutting ones: forward-looking management of careers, manpower and skills; upgrading the branches; and performance-indicator-driven placement and guidance.

Participants expressed their commitment to the values and their definitions adopted by the Convention by adding their signatures to the banner on which they had all been set forth.

The Convention concluded with team-building activities and a gala dinner in a truly wonderful atmosphere.



# GOLD LABEL AS A TOBACCO-FREE COMPANY



In February 2014, COLORADO was awarded the Gold Label as a tobacco-free company from the Lalla Salma Cancer Prevention and Treatment Foundation. COLORADO signed up to the tobacco-free company programme in August 2013 in order to provide a healthy and pleasant environment for its staff to work in. The prize is a reward for the efforts made by all the members of staff who contributed towards the success of the programme, for which the company put in place a two-part action plan:

- Raising awareness of the harmful effects of tobacco and the benefits of stopping smoking for both smokers and non-smokers.
- Encouragement and support for coming off tobacco through training on controlling tobacco consumption and on helpful techniques for stopping smoking, in order to reduce the percentage of people smoking. COLORADO covers some of the medical costs of assisted tobacco withdrawal for staff who want to stop smoking by providing them with ongoing medical supervision.

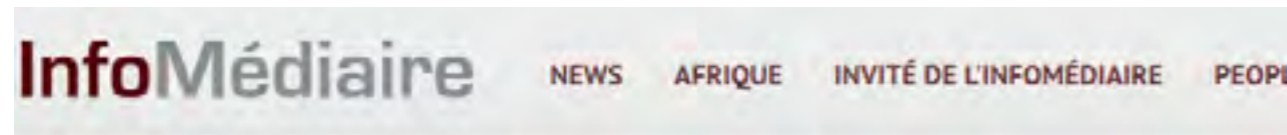




## ANOTHER DISTINCTION FOR COLORADO: TAX «CATEGORIZATION» BY THE MOROCCAN TAX AUTHORITIES

In September 2014, COLORADO became a «categorized» taxpayer. This makes it only the ninth company in any sector in Morocco to be granted this status so far, and the only company in the paint sector.

«Categorization» status was granted following an external audit and far-reaching scrutiny of the company’s fiscal, economic and social situation. It should be noted that over and above the tax advantages which «categorization» bestows, for COLORADO, which is a listed company on the Casablanca Stock Exchange, this is «an additional distinction and recognition of the company’s transparency, regulatory compliance and economic and social health».



### Impôts : Colorado devient le 9ème "Contribuable Catégorisé" du Maroc

Posté le jeudi, 25 septembre 2014 - 3:00 pm



(www.infomedialre.ma) - Selon une information parvenue à Infomédiaire Maroc, la Direction Générale des Impôts vient d'octroyer à Colorado le statut de "contribuable catégorisé". Ce qui fait d'elle la 9ème société sur le plan national, tous secteurs confondus, et la seule société dans le secteur de la peinture ayant décroché ce label, à ce jour. Cette labellisation a été accordée suite à un audit externe et un examen poussé de la situation fiscale, économique et sociale de la société. A noter que, au-delà des avantages fiscaux offerts par la catégorisation fiscale, ce label constitue pour Colorado, société cotée à la Bourse de Casablanca, "une distinction supplémentaire et une reconnaissance de transparence, de régularité et de santé économique et sociale".

## CAPITAL INCREASE RESERVED TO SALARIED EMPLOYEES

To help underpin its strategic plan for 2014-2016, in 2014 COLORADO carried out a capital increase operation reserved to its salaried employees.

A number of goals were set for the operation: first, to enhance loyalty to the company among the staff; second, to give them an additional incentive; and third, to enhance their feeling of belonging and ownership by making a direct linkage between them and the company’s capital, development and results.

The decision in favour of the capital increase reserved to salaried employees was taken by the Board of Directors on 7 May 2014 and ratified by the Extraordinary General Meeting on 11 June 2014.

The capital increase was in the amount of 200,000 (two hundred thousand) shares at an issue price of 58 (fifty-eight) Dirhams per share.

Once the Moroccan Securities Commission, the Conseil Déontologique des Valeurs Mobilières (CDVM), gave its approval on 10 November 2014, the capital increase was opened for subscriptions from 3 to 5 December 2014. A total of 66,156 shares were taken up, i.e., 33% of the total, with 71 subscribers among the salaried staff.

The subscribers benefited from an issue price that offered them a discount of over 40% on the market rate for the month of December 2014.





## INNOVATION: NEW PRODUCTS LAUNCHED

As in previous years, there was a wealth of new product launches in 2014.

### DECORATIVE, ACOUSTIC AND HEAT-INSULATING PAINT-ON SURFACE TREATMENTS



ISOL'DECO



ISOL'DECO is a top-end decorative paint-on surface treatment with acoustic and heat-insulating properties. It is intended not just for new builds but also for retrofitting, reconstruction work and so on.

With ISOL'DECO, walls and ceilings can be clad or re-clad more quickly and above all more easily than they can using traditional techniques.

ISOL'DECO is a non-woven, cellulose- and polyester-based surface treatment. The cellulose/polyester base (90%) is a very hard-wearing and dimensionally stable material and has a minimum thickness of 250 g/m<sup>2</sup>.

Advantages :

- Provides both sound and heat insulation.
- PVC- and fibreglass-free.
- Covers up defects by masking any irregularities underneath.
- Strengthens and stabilizes weak surfaces and surfaces in poor condition.
- Provides an even surface when used as an undercoat.
- As the material of which it is made can breathe, room air quality is improved.
- Peut être repeint plusieurs fois sans perte de relief.

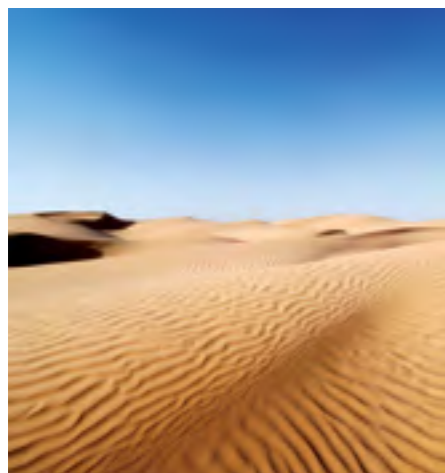


ISOL'DECO PASTE

Extra-strong paste for wall claddings that are either pre-painted or can be painted in situ (wallpapers of all types).

# Commercial and Marketing News

## PAINT MIXING MACHINE PRODUCTS



Rimal



Rimal is a decorating paint with a sandy/pearly effect and is available in a total of 53 colours.



Touareg



Touareg is a waterbased decorating paint providing pearly and metallic decorative effects. Touareg is available in 103 colours.



ARABESK



is a water-based decorating paint that provides a pearly, misty finish to enhance your interiors.

It is easy to apply, and the way it looks makes Arabesk an exceptional paint for giving your walls and ceilings that intimate yet modern look. Arabesk is available in 103 colours using the Magic Color system.



ACRYMAT



Acrymat is an environmentally friendly matte paint that comes in over 1,000 colours.

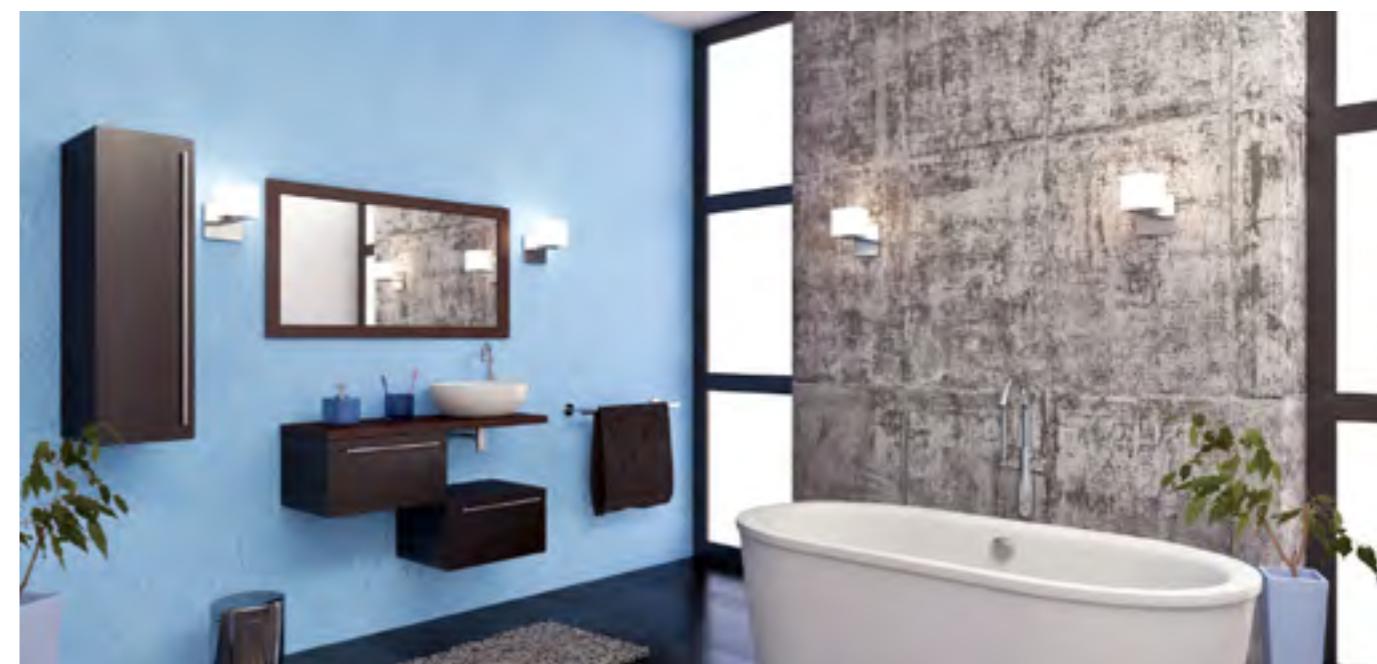


KASBAA-CIRE



KASBAA-CIRE gives a glossy finish to KASBAA decorative paints, enhances decorative motifs and gives expression to the natural appearance of the surface treatment. KASBAA-CIRE is available in 28 colours.

## PRODUITS BATIMENT



STUCCO KSOUR



STUCCO KSOUR is the decorating paint with the renowned «duet» effect: Tadelakt and Stucco, with its new, harder-wearing formula, new packaging and a wider selection of colours. Stucco Ksour paint is washable. It is designed for exterior surfaces and for bathrooms, and gives you that traditional look with an old-style Venetian marbled look.



ITOPATE



ITOPATE is a ready-to-use, easy to apply paste. The advantage of this surface treatment is that a finishing layer does not have to be applied immediately. As a result, it is ideal for construction works that are to be sold semi-finished.



COLOGRIFFI



COLOGRIFFI is the adhesive component of the Griffi exterior finish, where it is used together with grains of special sand and marble dust to make the Griffi mix. The Griffi exterior finish is a form of cladding that can be used on any exposed external surface (façade). It forms an excellent adhesive bond with the substrate, is extremely stable and is highly weather- and water-resistant.



## BODYWORK PRODUCTS



COLOCRYL



Colocryl is an acrylic paint for body shops and industry. It comes in a variety of colours: Snow White, Mitsubishi White, Kango White, White 147, Casablanca White, Ice White, Princess Blue, White, Capri Blue, Black Diamond and Casablanca Red.



COLOCAR



Colocar is a cellulose paint for any kind of job, whether on bodywork, in industry or on wood.



## SPECIAL PAINTS



COLOAQUA : new formula



COLOAQUA is a semi-gloss, waterbased paint for indoor and outdoor use. The new formula is both odourless and environmentally friendly.



RUSTPROOFING PAINT: MINIMUM RED



Red oxide rustproofing, corrosion-inhibiting primer for iron, steel and iron alloy substrates.

Minimum Red rustproofing paint has particularly strong bonding properties.



RUSTPROOFING PAINT: MINIMUM GREY



Quick-drying primer for rust and grease-free iron and steel and ferrous alloys. Minimum Grey is

a powerful corrosion inhibitor and is highly thought of for use in ironworking, locksmithing, boilermaking, construction, agricultural equipment and the like.



COLOXANE



COLOXANE is a matte siloxane based external wall treatment that is resistant to stain, weather and mould. It protects external walls against damp and run-off, and allows water vapour to escape so

that the walls can breathe. COLOXANE is the only paint of this kind that is available on the Moroccan market with a 5-year warranty.



ACRYMAT : nouvelle formule et nouvel emballage



ACRYMAT is an environmentally friendly and very smooth matte white paint. It is odour-free and protects the environment. ACRYMAT is intended for interior use and has some significant

advantages:  
 - Excellent coverage  
 - Very easy to apply  
 - Stays whiter longer  
 - Very washable



## PAINTERS' RAFFLE OF 2014

COLORADO is well aware that painters are important inasmuch as they are the ones who order most paint, and so painters are one of the principal focuses of its marketing policy. This is why every year COLORADO holds a competition with prizes for painters, to reward the painters who are our most loyal customers. The 2014 competition, which ran from February to December, rewarded painters with free gifts depending on how many points they were able to collect. At the end of the competition, there was a raffle for painters who had built up a certain number of points.

A total of over 300 painters came in from the Kingdom's four Regions for this major event.



## COMMUNICATION

### SHOWS AND EXHIBITIONS

COLORADO's participation to both domestic and international professional showrooms constitutes one of the major components of its marketing strategy. There are many reasons why COLORADO takes part in events of this kind :

- Meeting new sales prospects
- Raising awareness of the company's product range
- Building the company's brand image
- Keeping up with what's new on the foreign markets in terms of new sources of supply, new partners and so forth.



In 2014 COLORADO took part in a number of shows and exhibitions, including:

- BIG SHOW in Oman
- BATIMAT in Russia
- BATIMATEC in Algeria
- BUILD EXPO in Tanzania
- PROJECT QATAR in Qatar
- CARTHAGE BUILDING FAIR in Tunisia
- WARSAW BUILD in Poland
- ADDIS BUILD in Ethiopia
- BIG5 SHOW in the United Arab Emirates
- SAUDI BUILD in Saudi Arabia





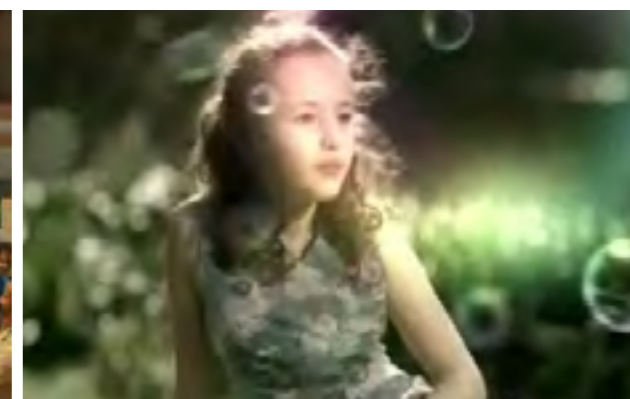
## A NOTABLE SHOWING AT THE SALON INTERNATIONAL DU BÂTIMENT INTERNATIONAL CONSTRUCTION EXHIBITION

COLORADO put on a notable showing at the SIB international construction exhibition in Casablanca from 25 to 30 November 2014. With 112 m<sup>2</sup> of stand floorspace split into several separate areas showcasing the company's latest products for 2014, a special team was on hand to provide answers to the many questions put by the many visitors who flocked to the COLORADO stand.



## TELEVISION CAMPAIGN

In July 2014, COLORADO made during the Ramadan month a television advertisement campaign targeting various audiences by broadcasting two different spots «Sbagha Zyna Bayna» (Great and Colourful Paint) and «Les Bulles» (Bubbles).





## PRESS CAMPAIGNS

2014 saw a great deal of publicity go out, and not using just one medium either: COLORADO put out its marketing message through newspapers, magazines, business and telephone directories and other print media.



## FIRST MEETING OF CONSTRUCTION PROFESSIONALS



The first Meeting of Construction Professionals was held on 28 November 2014 in a major hotel in Casablanca. The Meeting was organized on the initiative of COLORADO, the leader in the construction paint sector in Morocco. The theme of the Meeting was «Innovation and Trends for 2015».

The Meeting, which brought together a good hundred construction professionals, was designed to showcase the innovative, creative aspect of the COLORADO brand by demonstrating the company's projects and putting them on show.

The audience was primarily made up of architects, design professionals, developers and other distinguished guests, who all benefited from having COLORADO experts together

with some of its international partners in various fields.

Mr. Abed Chagar, *CEO* of COLORADO, discussed the exceptionally good relationships with architects, technical design bureaux and developers which COLORADO always tries to nurture. These are close relationships of trade and service provision from COLORADO that go to help with project design, implementation and completion.



The Meeting also provided an opportunity for COLORADO to present its latest innovations in 2014 in three exhibition spaces, which promoted discussion centred around the brand and its range of innovative products.



In this context, Mr. Mark Powell, *Director of Laboratories* at COLORADO for over 11 years now, gave a presentation on the 2014 innovations in terms of technical solutions. These included COLOXANE, an exterior wall (façade) paint that carries a five-year guarantee; the environmentfriendly, odour-free matte, satin-finish and gloss product range (ACYMAT, ACRYSAT and ACRYLAC); and IRON EXPOXY high-protection rustproofing paint.

Mr. Mohamed Islah, *Operational Marketing Manager*, and Mr. George Vial presented the MAGIC COLOR construction paint mixing system project. With MAGIC COLOR, with the help of a range of colour charts users will be able to select and produce their ideal colour in a range of decorating, environment-friendly and solvent-based paint types, including the newly launched TOUAREG, AMBRA Gloss and ARABESK ranges, among others.

2014 also saw COLORADO launch a paintable acoustic and thermal insulating wallpaper. A presentation on this was given by Ms. Hanane Taoufiq, *Marketing Development Manager*, and Mr. Alain Leblay.



## EXPORT CONVENTION

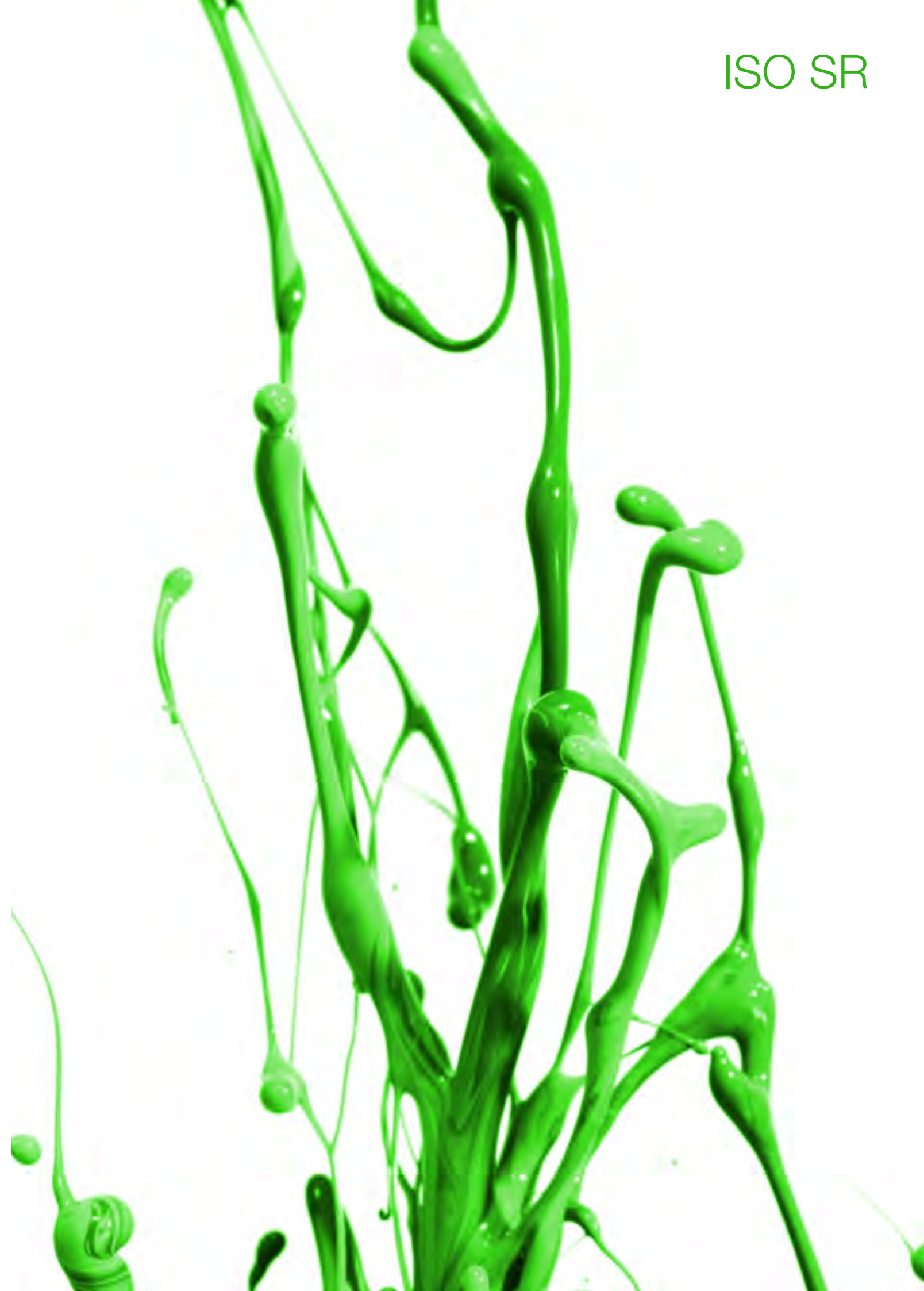
At the «Salon International du Bâtiment » international construction exhibition and the first Meeting of Construction Professionals, COLORADO took the opportunity to play host to its international distributors.

These events gave the distributors a chance to update their knowledge of the COLORADO range and meet the company's various teams.

The experience was very highly rated among the distributors and strengthened our guests' feeling of identification with the brand.



ISO SR





# ISO SR

In terms of social responsibility, COLORADO is well aware of the impacts of its activities and its decisions, and is committed to a policy of sustainable development that takes the environmental, economic and social aspects into account.

In its everyday operations, COLORADO abides by the Responsible Care Club Charter established by the International Council of Chemical Associations. The objective of the Charter is to ensure that the chemicals industry worldwide commits itself to health, safety and the environment in relation to its products and processes, and to improving its performance in those areas.

COLORADO is also an official partner of the Heure Joyeuse association, which operates in the area of child protection and vocational training for young people.

COLORADO stands by its commitments to social responsibility, and is therefore continuing to provide ongoing support to the various stake-holders in its vicinity.

## 1- Blood Drive

A Blood Drive for the regional blood transfusion centre was held on 27 March 2014. Manual, clerical and administrative staff, together with managers and other executives, all contributed towards making the Blood Drive a success and will help save quite a few lives.



## 2-Sponsorship at Dar Cheikh Primary School

COLORADO donated the paint and provided the labour to repaint Dar Cheikh Primary School in Dar Bouazza between 11 and 17 June 2014. COLORADO aims to be a «citizen» company by getting more involved in activities to promote high-quality education of all children regardless of their social class or group. Executives and directors also mobilized to make this event a success and a moment of joy which was shared by the school's 500 pupils and their teachers.

## 3-Signing of the Al-Jisr Accord

COLORADO is consolidating its activities for the public good with a view to making them permanent, implementing a progressive policy of social responsibility and engagement with a Morocco that is changing. It is doing so by signing an accord with the Al-Jisr Association, which works to support public education in efforts to rehabilitate schools and upgrade them in order to improve the performance of public education systems.

The Association works in particular towards raising awareness among the business network and mobilize businesses to get involved in education.

As part of the Green Chip project, COLORADO donated second-hand computer equipment to Al-Jisr so that it could be refurbished and made available to public schools.

Equipment that cannot be brought up to scratch will be dismantled, and the waste will be sorted and sent to the Managem company for recycling in compliance with current environmental standards.



## Hajj

As part of its social polity, COLORADO pays the expenses for staff members who want to make the pilgrimage to Mecca.

In 2014, one of COLORADO's employees was selected in a random draw by the public authorities, and the company paid for his travel and also paid his salary for the period he was away.

## Retirements celebrated

Retirements are major events at COLORADO.

In gratitude to its retiring members of staff for their commitment and loyalty over long years of service, in 2014 the whole staff of COLORADO turned out to celebrate the retirements of four staff members in a festive and convivial atmosphere.





# COLORADO IN THE PRESS

# COLORADO IN THE PRESS



## Colorado distribue la totalité de ses bénéfices

La conjoncture morose de 2013 n'a pas eu raison de Colorado. Le spécialiste de la peinture a réussi une croissance de ses résultats à deux chiffres et envisage de distribuer la totalité de ses bénéfices à ses actionnaires, soit 48 MDH.

Faisant savoir que 2013 avait obtenu une croissance de ses résultats à deux chiffres, Colorado envisage de distribuer la totalité de ses bénéfices à ses actionnaires, soit 48 MDH.



### Endement favorable à l'expansion

Avec un marché à deux chiffres, Colorado a réussi à faire face à la demande croissante dans le secteur des peintures. Le spécialiste de la peinture a réussi une croissance de ses résultats à deux chiffres et envisage de distribuer la totalité de ses bénéfices à ses actionnaires, soit 48 MDH.





# COLORADO IN THE PRESS

# FINANCIAL REPORT





The company's activity during the 2014 financial year can be summed up using the Profit & Loss Account analyses shown below together with the balance sheet.

## PROFIT & LOSS ACCOUNT ANALYSIS

### Turnover :

IN '000 MAD	2014	2013	CHANGE. %
Sales of unprocessed merchandise	14 599	9 166	59,3%
Sales of finished products	537 749	550 528	-2,3%
<b>Total</b>	<b>552 348</b>	<b>559 694</b>	<b>-1,3%</b>

Turnover was down slightly (-1.3%) between 2013 and 2014.

### Margin on purchases

IN '000 MAD	2014	2013	CHANGE. %
Turnover before tax	552 348	559 695	-1,31%
Margin on purchases	246 964	246 417	0,22%
<b>Margin on turnover before tax</b>	<b>44,7%</b>	<b>44,0%</b>	

The margin in 2014 was 247 million MAD as against 246 million MAD in 2013, so between the two financial years the margin was basically flat.

The gross margin rose from 44% of turnover in 2013 to 44.7% in 2014. This improvement in the margin in percentage terms was mainly attributable to the drop in the prices of a number of raw materials and to tight control of purchasing.

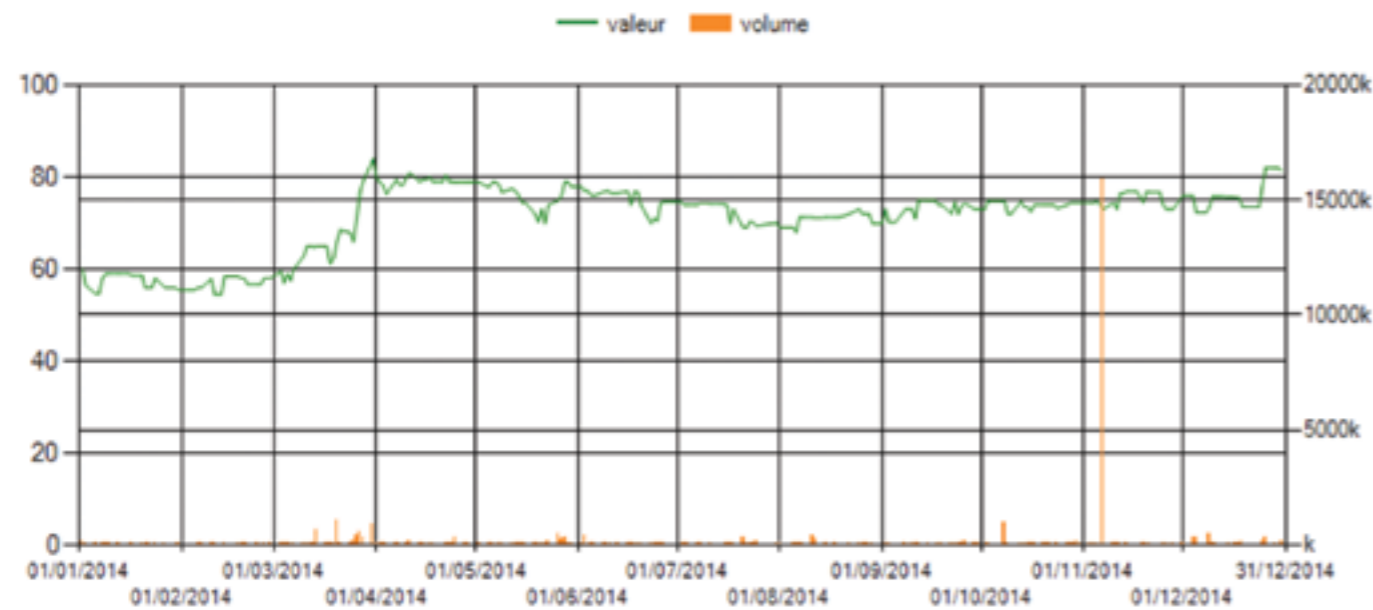
### Operating result :

IN '000 MAD	2014	2013	CHANGE. %
Margin on purchases	246 964	246 417	0,22%
Other external expenses	161 146	171 452	-6,01%
Taxes & imposts	1 452	2 555	-43,17%
Personnel costs	52 390	50 439	3,87%
Other operating expenses	500	500	0,00%
Operating provisions	28 457	33 083	-13,98%
Operating write-backs/ Expense transfers	76 903	92 046	-16,45%
<b>Operating result</b>	<b>79 921</b>	<b>80 436</b>	<b>-0,64%</b>
<b>OpRes / Turnover before tax</b>	<b>14,5%</b>	<b>14,4%</b>	

The operating result stayed flat between 2013 and 2014 at 80 million MAD.

That being the case, the operating result for 2014 was 14.5% of turnover compared to 14.4% for 2013.

## COLORADO'S SHARE PRICE





## Financial result

The breakdown of the financial result is shown in the following table

IN '000 MAD	2014	2013	CHANGE. %
Financial income	1789	307	482.9%
Exchange rate gains	266	133	100,3%
Interest and other financial income	1498	1	252885.7%
Financial write-backs / Expenses transfers	25	174	-85.9%
Financial expenses	9 865	9 770	1,0%
Interest charges	2 167	2 332	-7,1%
Exchange rate losses	268	457	-41.5%
Other financial expenses	7340	6 933	5.9%
Financial provisions	89	48	85.3%
<b>Financial result</b>	<b>-8 076</b>	<b>-9 463</b>	<b>14,7%</b>

The financial profits comprise capital gains on disposals of SICAV funds, and exchange rate gains. Financial charges are basically in the form of cash discounts to clients (7.3 million MAD) and interest charges (2.2 million MAD).

The financial loss account was down 14.7%, from -9.5 million MAD in 2013 to -8.1 million MAD in 2014.

## Non-operating income

The breakdown of non-operating income is shown in the following table.

IN '000 MAD	2014	2013	CHANGE. %
<b>Non-operating income</b>	<b>3720</b>	<b>4 513</b>	<b>-17,6%</b>
Income from the disposal of capital assets	1 121	1 346	-16,7%
Write-backs on Investment Subsidies	100	100	0,2%
Other non-operating income	1	460	-99,8%
Non-operating income: expenses transfers	2 498	2 608	-4,2%
<b>Non-operating expenses</b>	<b>6 188</b>	<b>6 816</b>	<b>-9,2%</b>
Net value of amortization of capital assets disposed of	854	226	277,9%
Other non-operating expenses	1 351	4 463	-69,7%
Non-operating allowances for depreciation and provisions	3 983	2 127	87,3%
<b>Non-operating result</b>	<b>-2 468</b>	<b>-2 303</b>	<b>7,2%</b>

The non-operating result in 2014 was a loss of 2.5 million MAD as against a -2.3 million MAD loss in 2013.

Non-operating expenses comprised losses on non-recoverable debts and allocations to provisions for contingencies and charges.

Non-operating income consisted of income from the disposal of capital assets and write-backs on special depreciation allowances.

## Net result

The net result as of 31 December 2014 was 47.3 million MAD against 48 million MAD in 2013, a fall of 1.5%.

## BALANCE SHEET ANALYSIS

### Operating capital

#### Long-term capital

Long-term capital before tax as of 31 December 2014 is shown below:

IN '000 MAD	2014	2013	CHANGE. %
Equity (excluding income)	288 510	285 242	1,1%
Quasi-equity	9 724	11 832	-17,8%
Financing liabilities	23 610	23 441	0,7%
<b>Total</b>	<b>321 844</b>	<b>320 515</b>	<b>0,4%</b>

In 2014, the following movements in the company's capital took place.

- The earnings for 2013, 48.6 million MAD, were distributed in their entirety to shareholders.
- Financing liabilities rose in 2014 following the release of the 2nd tranche of a medium-term loan in the amount of 10 million MAD. Paybacks on other medium-term loans that had been taken out totalled 9 million MAD.

#### Net capital expenditures

Net expenditures on fixed assets as of 31/12/2014 are shown in the table below:

IN '000 MAD	2014	2013
Non-monetary-value intangible assets	753	317
Depreciation / Non-monetary-value intangible assets	-257	-168
Intangible fixed assets	6172	5 769
Depreciation / intangible fixed assets	-1 753	-1 650
Tangible fixed assets	236 412	231 673
Depreciation / tangible fixed assets	-96 438	-83 923
<b>Net capital expenditures</b>	<b>1 559</b>	<b>1 629</b>
<b>Total</b>	<b>146 448</b>	<b>153 647</b>

Allowances for operating amortization and depreciation charges in 2014 totalled 13.6 million MAD.

### Working capital requirement

The working capital requirement as of end 2013 is shown below:

IN '000 MAD	2014	2013
Working capital requirement	136 920	125 057
Turnover	552 348	559 695
<b>Working capital requirement as turnover days</b>	<b>89</b>	<b>80</b>

The working capital requirement rose slightly from 2013 to 2014, from 80 turnover days to 89.



## Net cash

The net cash position for the year is shown below:

IN '000 MAD	2014	2013
Net cash	88 757	89 843

Net cash held stable between 2013 and 2014. Net cash consists of cheques for collection and short-term cash investments.

## ALLOCATION OF 2014 RESULT:

The foregoing balance sheet to 31 December 2014 shows a net book profit of 47,322,453.46 MAD and a balance forward of 158,833,450.16 MAD, and the Board of Director will propose to the next General Meeting that it be allocated as follows.

- Contribution in the amount of 66,146.00 MAD to the legal reserve to bring it up to 10% of share capital.
- Distribution of ordinary dividend of 3 MAD per share and exceptional dividend of 2.50 MAD per share for a total dividend distribution of 49,863,858.00 MAD.
- Balance forward 156,275,889.82 MAD.

	ASSETS	FINANCIAL YEAR			PREVIOUS YEAR
		Gross	Depreciation & Provisions	Net	Net
L	Non-monetary-value intangible assets (A)	752 877.25	257 073.09	495 804.16	149 426.22
D	Start-up costs	510 372.23	102 163.43	408 208.80	
	Deferred charges	242 073.00	154 912.51	87 160.49	149 426.22
N	Goodwill and intangible assets				
	Intangible assets (B)	6 171 629.45	1 753 089.55	4 418 539.90	4 118 476.53
G	Capital expenditures on R&D				
T	Patents, trademarks and similar rights and assets	2 007 529.45	1 753 089.55	254 439.90	193 996.83
E	Goodwill				
	Other intangible assets	4 170 300.00		4 170 300.00	3 922 500.00
R	Tangible assets (C)	236 411 591.64	96 437 758.51	139 973 833.13	147 749 944.57
	Land	21 316 703.00		21 316 703.00	21 316 703.00
M	Structures	112 284 520.62	31 238 968.49	81 045 552.13	62 641 333.72
	Industrial machinery, equipment and tools	80 722 519.83	50 513 504.01	30 209 015.82	36 513 225.44
	Transport equipment	7 618 280.13	3 646 351.44	3 971 928.69	1 491 247.85
	Furnishings, office equipment and sundry fixtures and fittings	3 236 727.49	5 674 266.37	2 462 461.12	2 558 287.33
A	Other tangible assets	604 335.37	364 948.20	239 387.15	229 167.46
S	Tangible assets under development	1 087 207.97		1 087 207.97	1 776 214.47
S	Financial assets (D)	1 559 457.32		1 559 457.32	1 525 502.65
	Asset gains	1 077 162.00		1 077 162.00	1 143 507.33
S	Other financial receivables	482 295.32		482 295.32	482 295.32
E	Equity holdings				
T	Other securities holdings				
	Unrealized foreign exchange gains (E)				
S	Reductions in long-term receivables				
	Increases in debt financing				
	<b>TOTAL 1 (A+B+C+D+E)</b>	<b>241 895 555.66</b>	<b>98 447 921.42</b>	<b>146 447 634.24</b>	<b>153 616 672.27</b>
S	Inventories (F)	125 379 235.22	3 580 435.41	121 798 800.81	125 244 290.18
H	Merchandise	4 989 404.35		4 989 404.35	4 250 325.02
D	Consumables and supplies	79 256 918.37	42 228.11	79 223 700.40	79 732 247.33
R	Products in process	1 979 284.55		1 979 284.55	1 924 284.02
T	Intermediate and residual products				
	Finished products	39 123 762.69	3 637 177.24	35 486 585.45	38 121 233.61
T	Current receivables (G)	241 158 945.11	44 610 341.44	196 548 603.67	191 841 771.01
E	Trade receivables, advances and prepayments to suppliers	317 339.90		317 339.90	3 251 911.40
R	Accounts receivable	219 224 483.20	42 294 233.15	173 957 230.02	167 482 337.60
M	Personnel	1 957 520.43	1 336 268.25	621 252.18	713 806.70
A	State	17 413 127.37		17 413 107.37	18 241 985.81
S	Partners' accounts				
S	Other receivables				326 152.76
E	Accruals and deferred income	1 631 542.21		1 631 542.21	1 806 507.14
T	Marketable securities (H)	70 385 946.75		70 385 946.75	50 296 775.40
S	Unrealized foreign exchange gains (short-term) (I)	67 526.66		67 526.66	2 717.30
	<b>TOTAL 2 (F+G+H+I)</b>	<b>436 991 553.74</b>	<b>48 290 746.85</b>	<b>388 700 806.89</b>	<b>365 385 553.89</b>
C	Cash assets	39 946 409.71		39 946 409.71	47 941 038.71
A	Cheques to be cleared and securities to be liquidated	38 171 309.16		38 171 309.16	33 250 269.17
S	Banks' General Industry and Post Office accounts	1 512 793.17		1 512 793.17	12 542 713.86
H	Cash on hand, imprest accounts and letters of credit	262 307.38		262 307.38	133 033.78
	<b>TOTAL 3</b>	<b>39 946 409.71</b>		<b>39 946 409.71</b>	<b>47 941 038.71</b>
	<b>GRAND TOTAL (1+2+3)</b>	<b>721 833 719.11</b>	<b>146 738 668.27</b>	<b>575 095 050.84</b>	<b>566 973 265.07</b>



LIABILITIES		FINANCIAL YEAR	PREVIOUS YEAR
L O W N E R S ' E Q U I T Y	<b>OWN AND EQUITY CAPITAL</b>	<b>335 832 951,82</b>	<b>335 273 450,16</b>
	Share capital and personal assets (1)	92 661 569,00	92 070 709,00
	Minority shareholders' non-collateral capital		
	Collateralized capital	92 661 569,00	92 070 709,00
	Call-up and paid-up capital	92 661 569,00	92 070 709,00
	Resurcharge/contribution premium	3 172 989,00	
	Revaluation differences		
	Legal reserve	7 020 200,00	7 020 200,00
	Other reserves	26 790 709,00	26 790 709,00
	Balance forward (2)	129 839 450,16	129 452 145,53
	Earnings awaiting allocation		
	Net income for the year	47 322 133,66	48 031 304,63
	<b>Total own and equity capital (A)</b>	<b>335 832 951,82</b>	<b>335 273 450,16</b>
	<b>Quasi-equity (B)</b>	<b>9 725 757,09</b>	<b>11 852 297,97</b>
	Investment subsidy	604 954,36	705 196,74
Statutory provisions	9 118 802,73	11 147 101,23	
<b>Debt financing (C)</b>	<b>23 609 833,02</b>	<b>23 442 508,88</b>	
Debt lines			
Other debt financing	23 609 833,02	23 442 508,88	
<b>Long-term provisions for contingencies and charges (D)</b>			
Provisions for contingencies			
Provisions for charges			
<b>Unrealized foreign exchange losses (E)</b>			
Increases in long-term receivables			
Reductions in debt financing			
<b>TOTAL 1 (A+B+C+D+E)</b>	<b>369 166 541,93</b>	<b>366 546 257,01</b>	
C U R R E N T L I A B I L I T I E S	<b>Short-term debt (F)</b>	<b>179 219 126,06</b>	<b>186 605 267,10</b>
	Trade accounts payable	127 478 509,69	117 459 521,03
	Client accounts, advances and prepayments	12 216 767,69	9 550 500,83
	Personnel	4 929 407,90	4 697 911,40
	Social security and welfare	3 409 521,75	3 025 763,77
	State	48 333 593,45	52 473 100,40
	Partners' accounts	10 681,00	10 681,00
	Other short-term	687 310,29	675 870,32
	Accruals and deferred income	672 026,79	563 397,26
	Other provisions for contingencies and charges (G)	4 984 905,66	1 426 717,30
<b>Unrealized foreign exchange losses (short-term) (H)</b>	<b>149 169,93</b>		
<b>TOTAL 2 (F+G+H)</b>	<b>184 353 201,65</b>	<b>190 031 984,40</b>	
C A S H	<b>Cash liabilities</b>	<b>21 575 307,26</b>	<b>8 395 023,66</b>
	Discount credits		
	Leasehold loans	18 076 595,03	9 397 223,66
	Factoring loans	3 498 712,23	
	<b>TOTAL 3</b>	<b>21 575 307,26</b>	<b>8 395 023,66</b>
<b>GRAND TOTAL 1+2+3)</b>	<b>575 095 050,84</b>	<b>566 973 265,07</b>	

	BUDGET LINE	TRANSACTIONS	Total for year (3=2+1)	Total for previous year (4)
		in year (1)		
O P E R A T I O N I N G	<b>OPERATING INCOME</b>	<b>628 947 232,59</b>		<b>628 947 232,59</b>
	Sales of processed merchandise	14 593 992,76		14 593 992,76
	Sales of goods and services	527 743 786,54		527 743 786,54
	Turnover	552 347 776,73		559 694 500,65
	Change in inventory (1)	301 529,37		11 493 649,72
	Capital assets produced by company (2)			
	Operating subsidies			
	Other operating income			
	Operating write-backs - expenses transfers	76 902 963,26		76 902 963,26
	<b>Total I</b>	<b>628 947 232,59</b>		<b>628 947 232,59</b>
	<b>OPERATING EXPENSES</b>	<b>549 014 336,13</b>	<b>13 819,29</b>	<b>549 028 155,39</b>
	Cost of goods sold (2)	5 597 372,50		5 689 523,93
	Cost of consumable materials and supplies (2)	297 521 341,74	1 276,77	297 522 617,91
	Other external expenses	161 145 721,53	715,02	161 146 436,57
	Taxes and imposts	1 440 158,96	11 327,50	1 451 486,46
Personnel expenses	52 389 753,72		50 433 843,64	
Other operating expenses	500 070,00		500 070,00	
Operating provisions	28 457 498,83		33 062 649,91	
<b>Total II</b>	<b>549 014 336,13</b>	<b>13 819,29</b>	<b>549 028 155,39</b>	
<b>OPERATING RESULT (III=II-I)</b>	<b>79 934 896,49</b>	<b>-13 819,29</b>	<b>79 921 077,20</b>	
F I N A N C I A L	<b>FINANCIAL EARNINGS</b>	<b>1 786 611,13</b>		<b>1 786 611,13</b>
	Earnings from equity holdings & other long-term securities			
	Exchange rate gains	265 640,74		265 640,74
	Interest and other financial earnings	1 499 459,63		582 371
	Financial write-backs - expenses transfers	24 510,76		173 629,07
	<b>Total IV</b>	<b>1 786 611,13</b>		<b>1 786 611,13</b>
	<b>FINANCIAL EXPENSES</b>	<b>9 864 555,95</b>		<b>9 767 873,43</b>
	Interest charges	2 167 477,96		2 331 320,38
	Exchange rate losses	267 387,27		457 186,13
	Other financial expenses	7 340 200,66		6 932 676,77
Financial provisions	39 320,12		48 190,10	
<b>Total V</b>	<b>9 864 555,95</b>		<b>9 767 873,43</b>	
<b>FINANCIAL RESULT (VI=IV-V)</b>	<b>-8 075 944,82</b>		<b>-8 075 944,82</b>	
<b>CURRENT RESULT (VII=III+VI)</b>	<b>71 858 951,67</b>	<b>-13 819,29</b>	<b>71 845 132,38</b>	
N O N- R E C U R R I N G	<b>NON-RECURRING INCOME</b>	<b>3 720 409,65</b>		<b>3 720 409,65</b>
	Income from disposal of capital assets	1 121 323,90		1 345 751,53
	Exchange grants			
	Write-backs on investment subsidies	100 211,58		100 211,58
	Other non-recurring income	385,40		693 417,57
	Non-recurring write-backs - expenses transfers	2 497 946,67		2 607 645,84
	<b>Total VIII</b>	<b>3 720 409,65</b>		<b>4 747 089,64</b>
	<b>NON-RECURRING EXPENSES</b>	<b>6 188 453,57</b>		<b>6 816 293,61</b>
	Values of net depreciation on fixed assets disposed of	354 153,56		225 940,16
	Subsidies granted			
Other non-recurring expenses	1 351 263,24		4 463 183,56	
Non-recurring allowances for depreciation and provisions	3 483 026,47		2 127 146,09	
<b>Total X</b>	<b>6 188 453,57</b>		<b>6 816 293,61</b>	
<b>NON-RECURRENT RESULT (X=V-III+X)</b>	<b>-2 468 043,72</b>		<b>-2 069 201,17</b>	
R E S U L T	<b>RESULT BEFORE TAX (XI=VII+X)</b>	<b>69 390 907,95</b>	<b>-13 819,29</b>	<b>69 377 088,66</b>
	<b>CORPORATION TAX (XII)</b>	<b>22 054 635,08</b>		<b>20 871 604,08</b>
	<b>NET RESULT (XIII=XI-XII)</b>	<b>47 336 272,95</b>	<b>-13 819,29</b>	<b>48 031 304,63</b>
	<b>TOTAL INCOME I + (IV+VII)</b>	<b>634 458 253,57</b>		<b>634 458 253,57</b>
(Total uncorrected (figures sum to))	702 596 795,59		711 525 407,13	
<b>TOTAL EXPENSES (II+Y+(IX+XIII)+(XII, not XIII)</b>	<b>587 121 980,42</b>	<b>13 819,29</b>	<b>597 269 079,54</b>	
<b>NET RESULT (total income - total expenses)</b>	<b>47 336 272,95</b>	<b>-13 819,29</b>	<b>48 031 304,63</b>	



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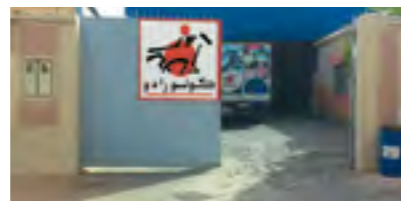
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