



**COLORADO**

*Be Inspired*



**ANNUAL REPORT 2018**

## OUR COMPANY

Founded in 1962, COLORADO is a Moroccan manufacturing company specialized in the producing and distributing of different types of paints such as: building paints, automotive bodywork paints, as well as industrial, ecological and functional paints

COLORADO was very successful in meeting its objectives, mainly thanks to:

- The five Research and Development laboratories;
- Highly trained and organized teams ;
- Products that have been certified by national and international laboratories;
- A voluntary approach in terms of Quality, Safety and Environment resulted in certification: ISO 9001 (Quality), ISO 14001 (Environment) and OHSAS 18001 (Occupational Health and Safety);



## OUR VALUES

Armed with a clear and widely shared strategic vision, COLORADO sets out five core values that cement our relationships and strengthen our efforts

A genuine tool for mobilizing all the teams, our Values give meaning to our actions, and thus deepen the spirit of cohesion within our company.

The values of COLORADO as defined by our charter are as follows:

**Proactivity** : By being responsive and sensitive to our environment and implementing anticipatory behaviors.

**Rigor** : By respecting all of our commitments internally and with regards to all shareholders (the State, customers, suppliers).

**Efficiency** : Through permanent determination to achieve results and objectives within the set time limits and under the defined conditions.

**Courage** : Through the decisions, actions and initiatives we take and accept in a responsible manner.

**Coherence** : With consistency and equity, we keep a watchful eye on the coherence of our actions, methods of operations and decision – making with respect to our commitments and objectives.

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# MESSAGE from the Chief EXECUTIVE OFFICER



In spite of the unfavorable economic situation in the Moroccan building sector in 2018 and the exceptional increase in input prices, COLORADO showed great resilience and maintained solid fundamentals.

The turnover has almost stagnated while the net income has experienced a decline of 25%

However, new segments continue strengthening, especially industry and export.

*Abdel Chagar*  
**CEO**

# LETTER to SHAREHOLDERS



COLORADO continues to enjoy a very good financial health and excess cash. Indeed, the debt ratio is kept below 10% and the cash shows a surplus

This allows the company to reward its shareholders handsomely.

This year too, all of the net income will be distributed as dividends.

*Abdel Chagar*  
**CEO**



# BOARD OF DIRECTORS

## SOLEIMAN BERRADA

CHAIRMAN OF THE BOARD OF DIRECTORS

## ABED CHAGAR

CHAIRMAN

## COLBERT FINANCES

ADMINISTRATOR

## JOSETTE DUCASTEL

ADMINISTRATOR

## MOHAMMED JAOUAD BERRADA

ADMINISTRATOR

# EXECUTIVE COMMITTEE



**Abed Chagar**  
CEO



**Meriem Lotfi**  
Deputy managing  
director in charge of the  
Support Division



**Naima El Badri**  
Deputy managing director  
in charge of the Industrial  
& Technical Division



**Ibrahim Arhzaf**  
Purchasing Director



**Khalid Nouiti**  
Maintenance  
and New Works



**Charles Albert Paulos**  
Laboratory Director



**Mohamed Amin Adad**  
Marketing and  
Development Director



**Anas Benhima**  
Prescription and  
Partnership Director



**Aboudihaje Lazrak**  
Sales Director



**Ali Bidouli**  
Regional Director

# KEY FIGURES



**525**  
a turnover of  
MAD 525 million



**36,5**  
Net income (in million  
dirhams) in 2018



**10**  
New products  
launched



**478**  
Employees



**2**  
Plants with 100  
product lines



**43 000**  
Tons of paints sold



**15**  
showrooms  
and agencies



**15**  
Presence in 15  
countries

# KEY FIGURES



**FEBRUARY 2018: RENEWAL OF THE COFACE CERTIFICATION WITH THE SCORE « @@@ »**



For the fifth year running, COLORADO was awarded the highest quality rating « @@@ » by COFACE (credit insurer). This quality mark confirms the reliability and solvency of the company towards its trading partners.

**APRIL 2018 : RENEWAL OF CERTIFICATIONS**



As part of its sustainable development approach via the environmental, economic and social dimension, COLORADO was able to successfully renew the certification of its management system (Health, Safety and Environment) in accordance with the international standards ISO 14001 V2015, OHSAS 18001 V2007 and the follow-up audit in accordance with the ISO 9001 V2015 international standard.

This comes to crown the efforts and investments made by COLORADO and confirms its commitment and sustainable development approach that takes into account the environmental, economic and social dimension.



**HIGHLIGHTS**

### MAY 2018: CATEGORISED ECONOMIC OPERATOR : SAFETY - SECURITY



After having been granted the status of categorized operator : customs simplification in 2012, COLORADO has signed an agreement with the customs administration which grants it the status of «authorized economic operator»: safety-security.

As a result, COLORADO became the 2nd company in Morocco to obtain this status in all sectors.

It is a trusted customs label, assimilated to an approval certifying the control of the production chain and the security of the supply chain, which allows COLORADO to take advantage of several personalized facilities.

### JUNE 2018: GOLD LABEL - TOBACCO- FREE COMPANY



For the fifth year running, COLORADO has been awarded the Gold Label - Tobacco-Free Company by the Lalla Salma Foundation. This fifth consecration is synonymous with the status of tobacco-free enterprise. It offsets the significant efforts made by COLORADO and confirms its commitment and its social approach.

### SEPTEMBER 2018: TOP PERFORMERS



on September 27, 2018, Colorado received the «Top Performers 2018» trophy in Social and Environmental Responsibility awarded by Vigeo Eiris, for its performance on the criterion «Taking into account the risks of pollution». This trophy is given to the company that has made the greatest contribution in the fight against pollution.

COLORADO belongs to the list of the 16 most efficient companies in the field of Social and Environmental Responsibility that issue securities to the general public in Morocco.

Each company is noted on the tangibility of its information and on the coherence and the efficiency of its managerial system with regard to six areas: human resources, human rights, environment, business ethics, governance and societal commitment.

### NOVEMBER 2018: STATUS OF «CATEGORIZED TAX PAYER»



COLORADO is proud to renew for the 2nd time the status of «categorized tax payer».

It should be noted that in addition to the tax advantages granted by the tax categorization, this label is primarily an honor and a mark of global recognition, transparency, regularity and economic and social health.



# SOME ACHIEVEMENTS in 2018

American School - Rabat



French International School - Rabat



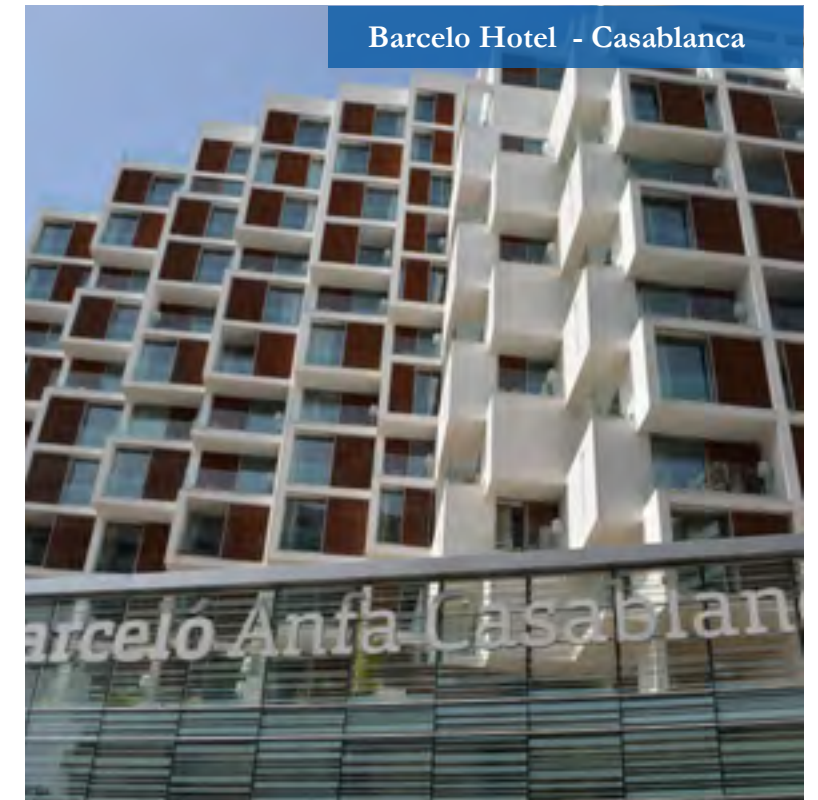
Belgian School - Rabat



Agdal Train Station - Rabat



Barcelo Hotel - Casablanca

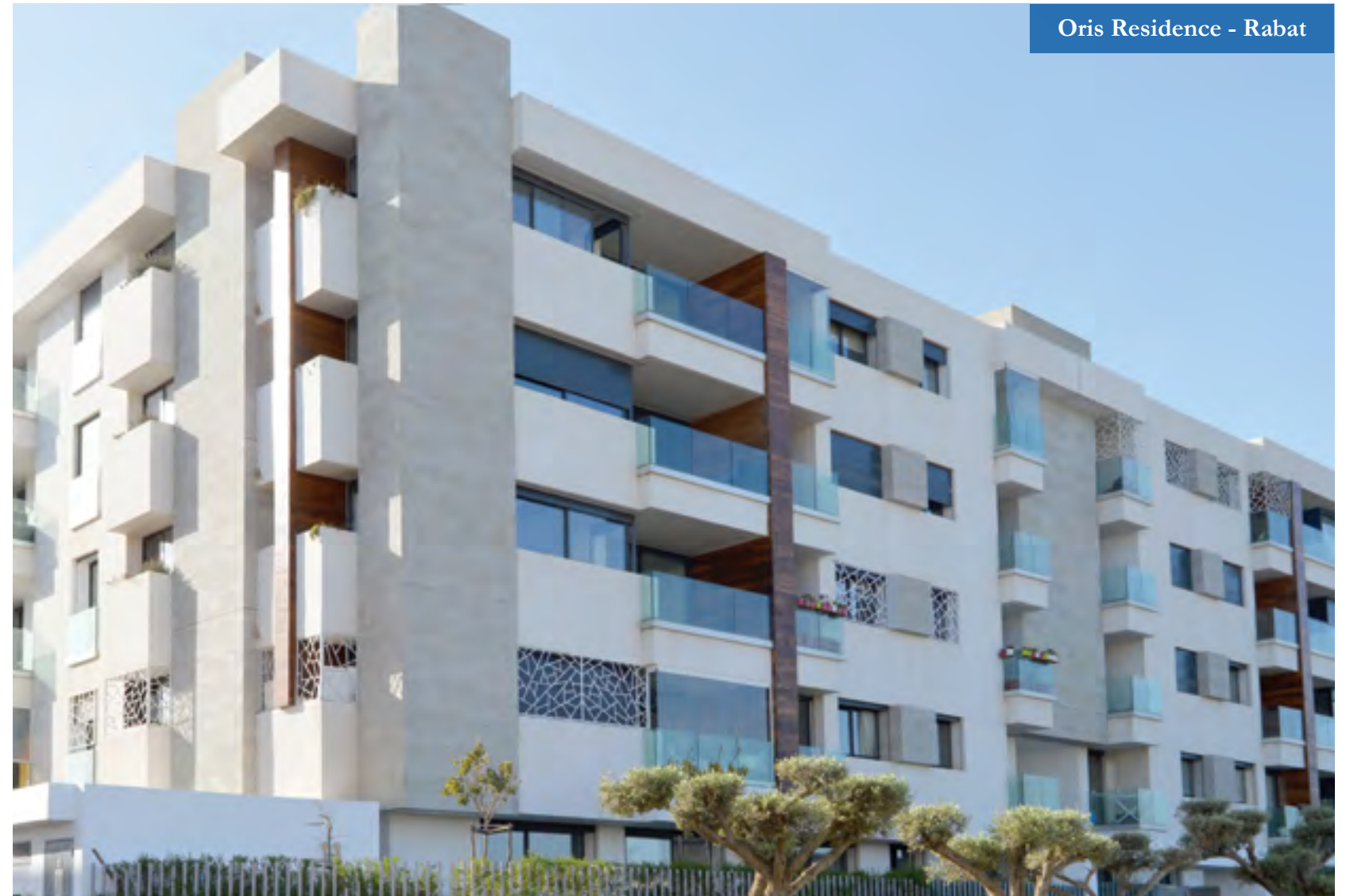




# SOME ACHIEVEMENTS in 2018



Ash shams residence - Harhoura



Oris Residence - Rabat



L'orangerai du Souissi - Rabat



Riyad Alandalous Prestige - Rabat



Family Court - Rabat



# SOME **ACHIEVEMENTS** in 2018

## LAAYOUNE THERMAL STATION





# NEW PRODUCTS launched in 2018

## FEBRUARY 2018: COLOR AUTO



Color Auto is a synthetic enamel paint for both indoor and outdoor use

The available colors are:



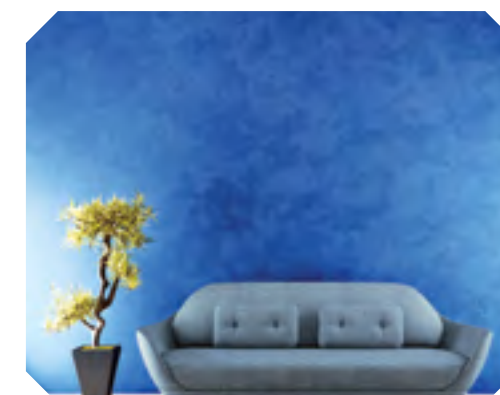
## APRIL 2018 : STELLA



The reference 12 of the Stella product is launched in April in a new packaging of 1KG .

Stella is a decorative paint, pearlescent and glittering with diamond powder. It gives your interior stylish effects and a gentle

atmosphere.



## MAY 2018 : ACRYSAT



Acrysat is launched in May with a new packaging of 3L, in addition to that of 13L.

Acrysat is a white, satin and water-based acrylic paint, with a very smooth finish. Acrysat is intended for indoor and outdoor work



## MAY 2018 : ACRYLAC



Acrylac is launched in May in a new packaging of 3L, in addition to that of 13L.

Acrylac is a white, glossy and very smooth acrylic paint. Acrylac is intended for indoor and outdoor work.



**Commercial  
and Marketing  
News**



**JUNE 2018 : NATURA**



Concrete glaze intended for indoor and outdoor work.

Natura is an acrylic glaze for the protection and decoration of rough supports such as concrete, bricks and mineral substrates. Protects concrete against carbonation and keeps it in its natural state.

It is easy to use, odourless and allows two coats to be applied in the same day.



**JUNE 2018 : COLOVINYL 600 EXTRA**



Colovinyl 600 Extra is a water-based acrylic copolymer paint for fine work that is applied to interior and exterior supports such as: cement, plaster and concrete.



**JUNE 2018 : AQUAVERNIS**



AquaVernis is a protective varnish for interior and exterior decorative paints.

AquaVernis is a finishing varnish that allows the protection of water-based and decorative paints.

AquaVernis is algicide and fungicide.



**JULY 2018 : YELLOW COLOFER**

Colofer is polyester putty launched in a new yellow tint in a package of 1kg.



Colofer is a polyester putty, used to finish irregularities and damage to the car body surfaces.



**JULY 2018 : ACRYMAT**



Acrymat is launched in a new packaging of 3L, in addition to that of 10L.

Acrymat is a white, matt and water-based acrylic paint, with a very smooth finish.

Acrymat is intended for indoor work.



**AUGUST 2018 : COLOFOOD**



Colofood is a new addition to our range of industrial paints. Colofood is a two-component solvent-free coating based on modified epoxy resin.

Designed for protecting the interiors of tanks containing food products.

The product is certified in accordance with the European regulations in force for food contact, EU regulation No. 11/2011 (test report RJ 10100-0 of the laboratory POURQUERY, LYON, of 14/11/2017).



**OCTOBER 2018 : ENDUIT P77**



Enduit P77 is a paste coating, very filling for interior.

It is based on vinyl copolymer emulsion. It is applied to all types of cement, fiber cement, plaster and wood.

**DECEMBER 2018 : ENDUIT FAÇADE P10**



Enduit Façade P10 is a finishing plaster that allows the smoothing of walls and masonry repairs in facade work.

It is endowed with a good behavior outside and a great resistance to crazing.

**DECEMBER 2018 : OR'SILV**



Or'Silv is a metallic paint with a smooth appearance, ideal to bring a chic effect to your furniture, doors, and decorative objects.

It can be applied practically on all surfaces after preparation.

This preparatory work must take place in accordance with the standard NFDTU59.1



# INAUGURATION of SHOWROOMS

## INAUGURATION OF THE DOHA SHOWROOM IN QATAR



The DOHA showroom, located on the largest avenue of Arryan opened its doors to the general public since early October 2018, extends over an area of 200 m<sup>2</sup>. The inauguration of the Showroom coincided with the organization of a training intended for professional painters. The objective of this training session was to point out the importance of Showrooms in linking end customers and to inform them about the latest products and paints, including decorative paints.

The DOHA Showroom features a tinting machine and offers a wide range of decorative paints that combine the latest trends in effects and colors.



## INAUGURATION OF THE ABIDJAN SHOWROOM IN IVORY COAST



COLORADO inaugurated on December 6, 2018 its first showroom in Ivory Coast in collaboration with its local partner.

The COLORADO paint has indeed been able to enter the Ivorian market for several years through an efficient sales and marketing strategy.

The DOHA showroom is a showcase of great relevance for all the latest innovations in terms of effect paints, colors and functional products.





# PARTICIPATION in INTERNATIONAL FAIRS

## PROJECT LEBANON EXHIBITION

COLORADO participated in the PROJECT LEBANON exhibition which took place in Beyrouth from June 26 to 29, 2018.

This exhibition deals mainly with topics related to painting and the development of buildings.



## SENCON SENEGAL EXHIBITION

SENCON is the must-attend event for building materials and infrastructure in West Africa. Visitors and exhibitors are steadily increasing.



## FOIRES DE PARIS

Today, The Foire de Paris is a not-to-be-missed event for the latest trends in interior and exterior decoration.

During the period of the exhibition, the decoration professionals, addicts of the last innovations, or generally, visitors who are looking for solutions to renovate their interiors will have the opportunity to meet more than 3,500 exhibitors and brands.

COLORADO is keen to take part in these world-class fairs as they represent a real opportunity to not only meet with the lovers of decoration in Europe, but also to take advantage of the media power of these events.

In 2018, COLORADO participated in the following fairs:

- «Rénovation de Paris» Exhibition from 02 to 05 February 2018
- «Foire de Paris» from April 25 to May 09, 2018
- «La maison de Paris» from 26 to 28 September 2018





### THE BIG5 SHOW EXHIBITION

In 2018, COLORADO participated in the BIG5 SHOW Exhibition which took place in Dubai (United Arab Emirates) from 26 to 29 November 2018.

BIG5 SHOW is one of the largest construction fairs in the Middle East region and is a major annual event for professionals in the building, construction and civil engineering field from around the world.



### AFRIBAT CAMEROUN EXHIBITION

COLORADO participated in the African Building and Related Trades Exhibition which took place in Yaoundé (Cameroon) from 17 to 22 April.

The AFRIBAT Exhibition is an annual «must do» event for building professionals in CAMEROON during which the different players exhibit the latest advances within their sector and exchange with the visitors on the proposed solutions.



### SAUDI BUILDING & INTERIORS EXHIBITION:

SBIE - Saudi Building & Interiors Exhibition is an international exhibition dedicated to construction and interior decoration.

This annual event enjoys significant support from a large number of international companies, manufacturers, agents, leading Saudi distributors as well as from a broad range of high-level professional visitors from all over Saudi Arabia and neighbouring countries. For COLORADO, SBIE is a good opportunity to promote its products and increase its presence in the region.





## EPOWER & BUILDING

The COLORADO's participation in the E Power & Building in Madrid, Spain, a key European event, helped forge new partnerships and explore new markets.



## SEMINARS and TRAININGS

COLORADO places the training of painters at the center of its concerns. For this purpose, eleven vocational schools were created in the Kingdom's main cities, namely in Casablanca, Rabat, Kenitra, Meknes, Fez, Tangier, Agadir, Oujda, Marrakech and Beni mellal, with the objective of contributing to the development of the painters' expertise

COLORADO regularly organizes seminars whose primary objective is to train painters on the techniques of applying building paints and to improve their skills throughout the year.

COLORADO provides theoretical and practical training on all ranges of paints for more than a thousand painters. At the end of training courses, professionals attending these trainings obtain merit diplomas as well as professional training cards





# OPEN DAYS

In 2018, COLORADO organized in its showroom network several events called «day of colors» in the form of open days for its individual and professional customers to keep them updated on the latest trends in decoration and colors.



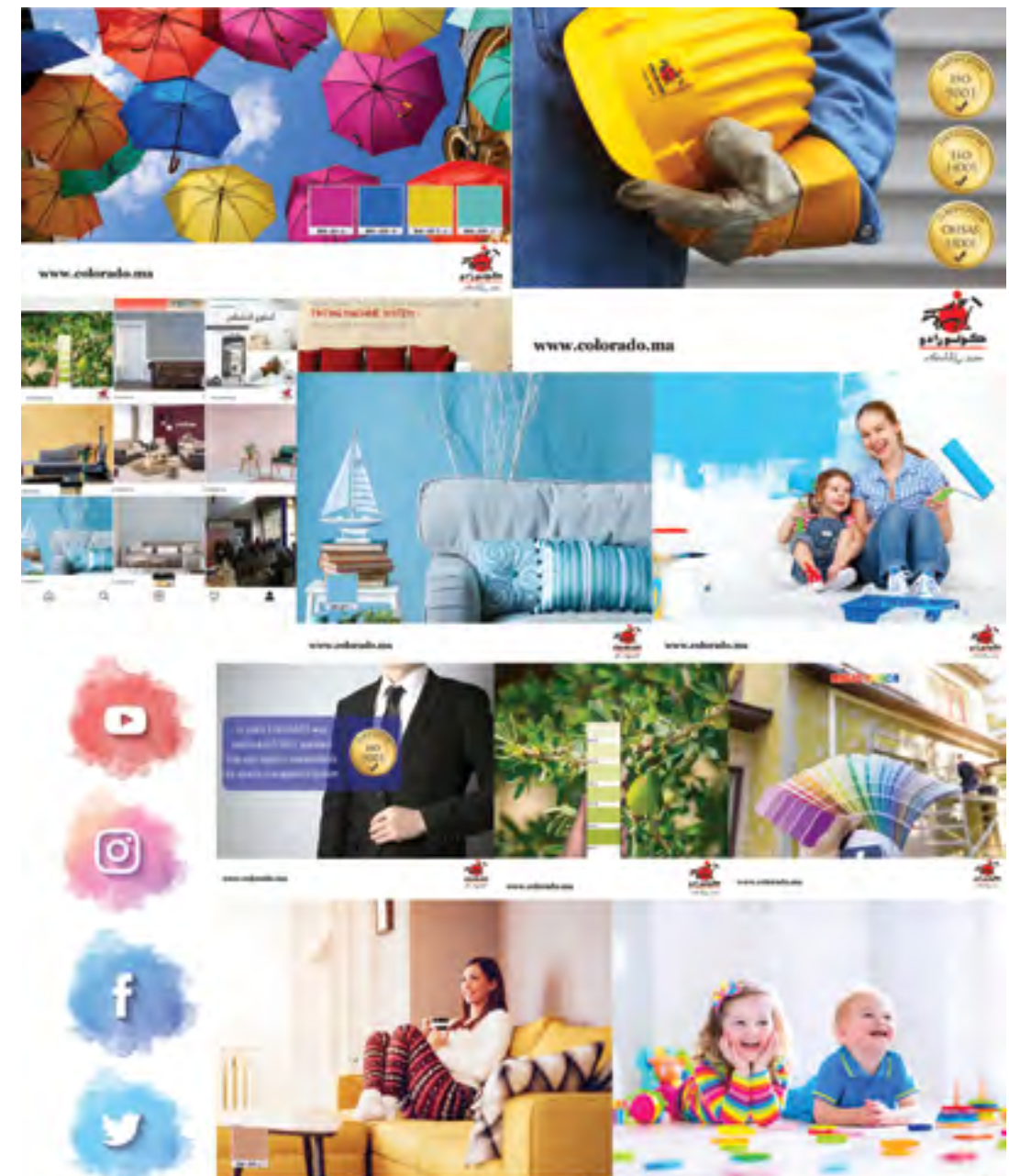
# COLORADO on the DIGITAL

Digital is now a central part of the COLORADO's marketing strategy.

In order to exchange, share and interact with its customers, COLORADO has maintained its presence on social networks, while integrating other media such as Instagram.

Today, followers from all over the world join the COLORADO family on social networks.

Professionals and individuals alike, follow the pages of our brand seeking information on the company, its news and the most recent events in which it participates.





# DIGITAL CAMPAIGN



In order to increase the flow of visitors in showrooms, COLORADO launched a digital campaign in 2018. Its ultimate objective is to democratize the concept of showrooms for Moroccan Internet users and invite them to discover this space dedicated to painting, decorations and colors.

To achieve this objective, several videos have been produced in a humorous setting. These capsules start from a generic problem raised whose imminent solution is in the COLORADO showrooms.

With the participation of actors and influencers known on the Moroccan scene, the campaign has borne fruit in terms of notoriety among end customers.



**SOCIAL  
POLICY**



# HR EVENTS

## EXECUTIVE MANAGEMENT SEMINAR



COLORADO organized on 16 and 17 February 2018 a residential seminar in Marrakech for its senior executives.

Besides the presentation of the company's strategic orientations, this seminar was the occasion to present the main transverse projects realized during the year as well as the future projects that will be carried out. with particular focus on the role that senior management must play in the organization as a relay of information, motivation and embodiment of COLORADO values on a daily basis. During this seminar, and in a friendly atmosphere, team cohesion activities were organized in collaboration with a professional coach.

## RETIREMENT



In 2018, eight COLORADO employees retired.

To celebrate their retirement and to pay tribute to them for all the efforts

they made during these years spent in COLORADO, ceremonies were organized in the presence of their colleagues, leaders and members of their families.

In recognition of their accomplishments and as a gesture of thanks, OMRAAs were offered to them

## FTOUR RAMADAN



As usual, COLORADO organized on June 8, 2018 a Ffour for the benefit of all its management.

The Ffour goes beyond a simple meal, it is especially a moment for convivial sharing which allows to strengthen the links between people, to improve the inter-personal relationships and to introduce the new recruits.

## CEREMONY FOR THE GRADUATES



As has been a part of its tradition , COLORADO organized an award ceremony for the employees' children who obtained their high school diplomas. This year was marked by a good vintage consisting of eight graduates from different sectors.

In a family and friendly atmosphere, the General Management has warmly congratulated them and renewed its commitment to accompany them in the future whether for internships, advice or others.

In turn, the graduates took the floor to introduce themselves and talk about their future ambitions.

By way of encouragement, young graduates have received certificates of merit and bonuses.

## ACHOURA



On September 22, 2018, COLORADO organized the first edition of ACHOURA for the benefit of its employees' children.

In a festive and setting, 104 children aged between 5 and 12 years, in the presence of their parents, were able to participate in the recreational morning organized for this purpose.

On the menu of this morning: various workshops (drawing and painting, beading,

modeling clay ...), games for children (basketball, football, big slide ...) and theatrical performances (the story of Baba Achour, juggling fountain, boxing clowns, magic show ...).

The morning ended with the realization of a collective canvas that the children made with their little hands thus leaving their marks forever.

## AGREEMENT WITH DAR AL AMANE



COLORADO has signed an agreement with Dar Al Amane for the implementation of a mortgage at very attractive rates for the benefit of employees, It is an alternative banking product that allows people who wish to take out a participating loan.

In the presence of the director of the agency Dar Al Amane «Bernoussi», two information sessions were organized on the 9th and 10th of October in the two sites of Ain Sébaâ and Dar Bouaâza and attended by 30 COLORADO employees. The aim of the sessions was to answer all questions related to this loan.

## AWARENESS RAISING ON HEALTH TOPICS

In a process of information and awareness raising on health topics, COLORADO celebrated some World Health Days:

December 1<sup>st</sup>  
**WORLD AIDS DAY**



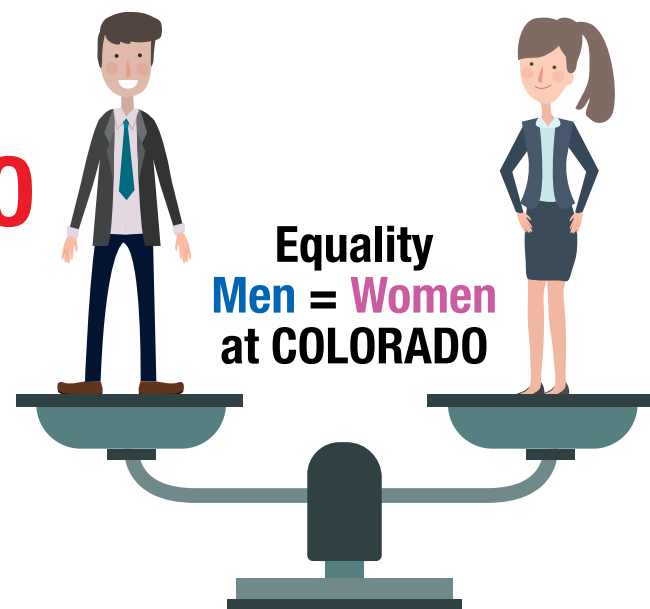
- November 14, 2018: celebration of the World Diabetes Day through sensitization meetings led by the occupational doctor and the distribution of leaflets on the causes of diabetes and how to protect against it.

- December 1, 2018: during the World AIDS Day, all staff were sensitized

through information meetings, internal messages and publication on the intranet.



# GENDER DIVERSITY at COLORADO



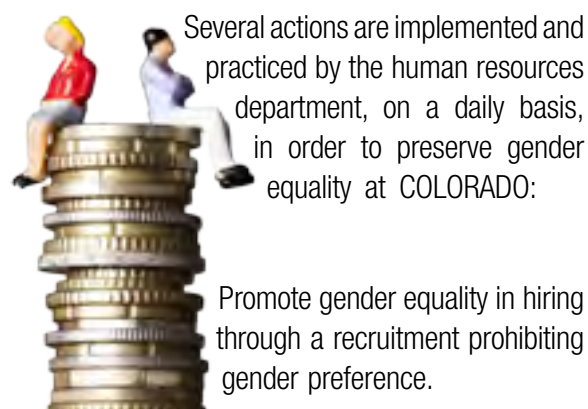
WOMEN IN COLORADO REPRESENT:

**28%**  
OF THE OVERALL NUMBER OF EMPLOYEES AND EXECUTIVES

**32%**  
OF THE OVERALL NUMBER OF EXECUTIVES

**22%**  
OF THE OVERALL NUMBER OF THE EXECUTIVE COMMITTEE MEMBERS

## COLORADO'S ATTITUDE REGARDING GENDER INEQUITIES ...



Several actions are implemented and practiced by the human resources department, on a daily basis, in order to preserve gender equality at COLORADO:

Promote gender equality in hiring through a recruitment prohibiting gender preference.

All of our job offers are published with the mention H / F , we

do not take into account the gender of the applicants during pre-selection, what we're interested in is skills « says the recruitment manager.

Promote equal opportunities in training through the development of annual training plans for men and women working at COLORADO;

Equal pay approved in COLORADO women and men have the right to equal pay for equal value-added work;

A transparent promotion policy that results in a culture of meritocracy and equality of opportunity;



## FIGURES PROVE IT...

80% of COLORADO employees gave their opinion on the subject of gender diversity through a barometer launched internally.

They are more than 80% who declared that COLORADO is ahead in the field of Gender Equality;

70% of them believe that there are no inequalities in terms of wages, promotion and private and professional life balance between women and men.



## HOW CAN WE FIGHT AGAINST GENDER INEQUALITY IN THE WORKPLACE IN MOROCCAN COMPANIES

39% believe that women's access to positions of responsibility should be facilitated;

36% think that wage discrimination should be eliminated;

while 65% believe that training sessions should be organized to raise awareness against gender stereotypes



## THEIR OPINION INTERESTS US ...

«No distinction between men and women at the level of administrative work for example, even a man can occupy positions that are occupied only by women in the market ex (executive assistant, the secretariat, management administration». «Women and men at COLORADO have the same salary level and can work in the same way, only the work done counts»

(Source: Internal survey)

## MEETINGS ABOUT THE SUBJECT ...

De following the survey carried out, the Human Resources Department Following organized meetings at the two sites of Ain Sébaâ and Dar Bouaâza gathering a sample of respondents of 32 employees. The debate on this subject reaffirms the results obtained.





# PATRONAGE and SPONSORSHIP

## SIDI MOHAMMED BEN ABDELLAH HOSPITAL IN ESSAOUIRA



Colorado participated in the programme of upgrading and expansion of the Sidi Mohammed Ben Abdellah university hospital centre. A project that aims to support the development of the city and provide the best possible service to the inhabitants of the city and surrounding areas. Through its expertise, Colorado has provided support and technical expertise for the renovation of the hospital



# PATRONAGE and SPONSORSHIP

## THE IBNOU RACHID SCHOOL IN MOHAMMEDIA



Bring smiles to the faces of her little pupils, that was the wish of Mrs. KASIMI Maria, teacher at Ibnou Rachid Public School who sent a request for a donation to COLORADO through social networks to replace the dull color of her class by colors more cheerful and clearer. COLORADO, as usual, responded favorably to this request by offering the necessary assistance in terms of products.





# PATRONAGE and SPONSORSHIP

## BOUTAGHRAR PRIMARY SCHOOL



The Boutaghrar primary school is located between Jbel Mgoun and Boutaghrar village, 28 kilometers away from the city of Kalaat M'gouna

Following the request of the association «Daam Annajah» concerned with the village, COLORADO has given its fullest support to accompany the work of refurbishing the school.



# PATRONAGE and SPONSORSHIP

## REDA SMILE

Stop Silence is the first anonymous listening center for young people by ch@t in Morocco.

Established by the Reda Smile Association to enable young people to express themselves freely and in confidence at the most difficult times of their lives. It is a one-off relay that can help them overcome isolation and reconnect with others.

COLORADO, as usual, responded favorably to the request for a donation of painting by the REDA Smile Association.





# COLORADO around the WORLD





# COLORADO In the PRESS

In 2018, as always, COLORADO ensures its presence through several communication channels and media



**COLORADO  
IN THE  
PRESS**







# FINANCIAL REPORT

## COLORADO VALUE





## ANALYSIS OF THE INCOME ACCOUNT & CHARGES

### Turnover:

ITEMS IN KDH	2018	2017	VAR. %
Sale of goods in the unaltered state	9806	13 768	28,87%
Sales of finished products	514 751	533 401	3,50%
<b>Total</b>	<b>524 557</b>	<b>547 169</b>	<b>4,13%</b>

The turnover recorded a decrease of (-4%) between 2017 and 2018

### Margin on purchases consumed :

ITEMS IN KDH	2018	2017	VAR. %
Turnover excluding tax	524 557	547 169	-4,13%
Margin on purchases consumed	235 930	260 829	-9,55%
<b>Margin rate on turnover excluding tax</b>	<b>45,0%</b>	<b>47,7%</b>	

In 2018, the margin is 236 million dirhams, compared to a margin of 261 million dirhams in 2017, with a slight decrease of 9.5 percent.

The gross margin percentage is 45% of the turnover in 2018 compared to 47.7 % in 2017.

### Operating income:

ITEMS IN KDH	2018	2017	VAR. %
Margin on purchases consumed	235 930	260 829	-9,6%
Other external expenses	153 256	172 179	-11,0%
Taxes and duties	1 659	1 826	-9,1%
Personnel Expenses	57 970	59 466	-2,5%
Other operating expenses	400	400	0,00%
Operating allowances	22 339	27 185	-17,8%
Operating write-backs /expense transfers	61 938	77 539	-20,1%
<b>Operating income</b>	<b>62 244</b>	<b>77 313</b>	<b>-19,5%</b>
<b>Operating income / Turnover excluding tax.</b>	<b>11,9%</b>	<b>14,1%</b>	

The operating income achieved in 2018 is 62.2 million dirhams or 11.9% of the turnover.

## Financial income

The financial income is formed as follows:

ITEMS IN KDH	2018	2017	VAR. %
Financial products	817	1 703	-52,0%
Foreign exchange gains	227	571	-60,3%
Interest and other financial products	461	783	-41,2%
Financial write-backs; expense transfers	129	350	-63,0%
Financial expenses	11 569	11 580	-0,1%
Interest expenses	2 729	1 889	44,5%
Exchange losses	623	562	10,7%
Other financial expenses	8 060	8 792	-8,3%
Financial allocations	157	337	-53,3%
<b>Financial income</b>	<b>-10 752</b>	<b>-9 877</b>	<b>-8,9%</b>

Financial income consists of capital gains on disposal of SICAVs and foreign exchange gains.

Financial expenses consist mainly of settlement discounts granted to customers (8 MDH) and interest charges (2.7 MDH).

The financial income (loss) stagnated between 2017 and 2018 to stand at -10.7 million dirhams. This is due to the decline in financial products.

## Non-current income

The non-current income is formed as follows:

ITEMS IN KDH	2018	2017	VAR. %
<b>Non-current products</b>	<b>1 754</b>	<b>4 599</b>	<b>-61,9%</b>
Proceeds from asset disposals	162	947	-82,9%
Write-backs of investment subsidies	67	67	0,0%
Other non-current products	120	432	-72,3%
Extraordinary write-backs; expense transfers	1 406	3 152	-55,4%
<b>Non-current expenses</b>	<b>944</b>	<b>2 439</b>	<b>-61,3%</b>
Net values of amortization of transferred assets	210	43	387,4%
Other non-current expenses	651	1 972	-67,0%
Non-current depreciation charge	56	424	-80,3%
<b>Non-current income</b>	<b>810</b>	<b>2 160</b>	<b>-62,5%</b>

The non-current income realized in 2018 is a gain of 810 KDH, against 2 160 KDH in 2017 . Non-current expenses consist of bad debt loss and provisions for risks and expenses.

Non-current products consist of Proceeds from asset disposals and write-backs of depreciation

## Net income

The net income as at December 31, 2018 is 36.52 million dirhams against 48.25 million dirhams in 2017; a decrease of 24%.



## BALANCE SHEET ANALYSIS

### Working capital

#### Permanent capital

As of December 31, 2018, the permanent capital (excluding income) is as follows:

ITEMS IN KDH	2018	2017	VAR. %
Shareholders' equity (excluding income)	277 918	285 875	-2,8%
Quasi-equity	3 096	4 486	-31,0%
Financing debts	34 574	36 418	-5,1%
<b>Total</b>	<b>315 589</b>	<b>326 779</b>	<b>-3,4%</b>

In 2018, the permanent capital experienced the following movements: suivants :

- Distribution of a total dividends of 56 MDH.
- Financing debts decreased by 5.1% in 2018 compared to 2017, despite the release of the second tranche of MAD 10 million.

#### The net fixed assets

The net fixed assets at 31/12/2018 are as follows:

ITEMS IN KDH	2018	2017
Nil value assets	869	1 380
Depreciation / nil value assets	-595	-830
Intangible assets	6 313	6 315
Depreciation / Intangible assets	-1 692	-1 806
Tangible assets	287 891	271 353
Depreciation / Tangible assets	-144 428	-133 167
Financial fixed assets	1 624	1 607
<b>Total</b>	<b>149 982</b>	<b>144 852</b>

Depreciation charges for the 2018 fiscal year are 14.7 million dirhams. They remain identical to those of 2017.

#### The working capital requirement:

The working capital requirement at the end of the 2018 fiscal year is as follows:

ITEMS IN KDH	2018	2017
Working Capital Requirement	156 750	154 403
Turnover	524 556	547 169
<b>The Working Capital Requirement expressed in number of days of the turnover</b>	<b>108</b>	<b>102</b>

The Working Capital Requirement recorded an increase of 1.5% between 2017 and 2018, from 102 days' turnover to 108 days.

### Net cash

The net cash of the fiscal year is as follows:

ITEMS IN KDH	2018	2017
<b>Net Cash</b>	<b>45 380</b>	<b>75 777</b>

The net cash recorded a decrease between 2017 and 2018 due to an increase in the Working Capital Requirement.

It consists of bank balances and short-term cash investments.

### 2018 INCOME APPROPRIATION:

The financial statements as at December 31, 2017 show an accounting net profit of MAD 36 513 312,11 and a balance brought forward of MAD 104 947 745.08, and an optional reserve of MAD 40,000,000, representing a cumulative appropriation of MAD 181,461,057. 19 Dirhams.

the Board of Directors will propose the following appropriation at the coming General Meeting: suivante:

- Dividends : .....35 055 803,20 DH,  
Distribution of an ordinary dividend of 2.9 DH.
- Optional reserve: .....40 000 000,00 DH,
- Balance brought forward: .....106 405



	ASSETS	YEAR			PREVIOUS YEAR
		GROSS	Depreciation and Provisions	NET	NET
FIXED ASSETS	Deferred costs	868 874,40	595 288,32	273 586,08	549 521,41
	Start-up costs	309 221,40	247 377,12	61 844,28	225 849,01
	Deferred expenses over several years	559 653,00	347 911,20	211 741,80	323 672,40
	Bond redemption premiums				
	Intangible fixed assets	6 313 463,00	1 691 600,85	4 621 862,15	4 509 023,94
	Research and development costs				
	Patents, trademarks, rights and similar assets	2 390 963,00	1 691 600,85	699 362,15	574 523,94
	Commercial funds				
	Other Intangible fixed assets	3 922 500,00		3 922 500,00	3 934 500,00
	Tangible fixed assets	287 891 320,26	144 428 194,64	143 463 125,62	138 186 552,27
	Land	27 445 760,00		27 445 760,00	27 445 760,00
	Constructions	136 483 218,90	59 284 780,91	77 198 437,99	83 436 155,29
	Technical installations, plant and machinery, equipment and fixtures	87 826 338,31	70 432 389,59	17 393 948,72	22 093 353,36
	Transport equipment	8 829 613,31	8 048 004,33	781 608,98	1 091 308,97
	Office and computing equipment	9 166 716,15	6 187 534,76	2 979 181,39	2 950 188,06
	Other tangible fixed assets	506 138,62	475 485,05	30 653,57	27 769,35
	Tangible fixed assets in progress	17 633 534,97		17 633 534,97	1 142 017,24
	Financial fixed assets	1 624 473,29		1 624 473,29	1 606 737,46
	Asset loans	1 408 541,75		1 408 541,75	1 340 805,92
	Other financial receivables	215 931,54		215 931,54	265 931,54
Equity securities					
Other capitalized securities					
Currency translation adjustments					
Receivables decrease adjustments					
Liabilities increase adjustments					
<b>CURRENT ASSETS</b>	<b>TOTAL (A+B+C+D+E)</b>	<b>296 698 130,95</b>	<b>146 715 083,81</b>	<b>149 983 047,14</b>	<b>144 851 835,08</b>
Stocks	122 208 372,42	1 664 433,02	120 543 939,40	154 320 258,19	
Goods	5 329 599,00	7 884,77	5 321 714,23	4 403 554,03	
Consumables and Supplies	79 106 608,54	1 059 050,76	78 047 557,78	112 262 421,96	
Products in progress	2 968 116,10		2 968 116,10	2 539 362,74	
Intermediate products and residual products					
Finished products	34 804 048,78	597 497,49	34 206 551,29	35 114 919,46	
Receivables in current assets	254 099 817,18	45 211 561,87	208 888 255,31	197 730 689,97	
Suppliers debtors, advances and deposits	244 946,78		244 946,78	376 247,08	
Customer and accounts receivable	232 870 172,19	44 564 566,77	188 305 605,42	178 464 510,83	
Personnel	380 521,35		380 521,35	299 799,59	
State	19 339 085,09		19 339 085,09	17 886 318,85	
Intercompany accounts					
Other receivables	776 394,11	646 995,10	129 399,01	20 505,96	
Prepaid expenses	488 697,66		488 697,66	683 307,66	
Securities and investment securities	23 864 217,28		23 864 217,28	59 104 873,94	
Foreign exchange	104 795,33		104 795,33	76 687,05	
<b>TOTAL II (F+G+H+I)</b>	<b>400 277 202,21</b>	<b>46 875 994,89</b>	<b>353 401 207,32</b>	<b>411 232 509,15</b>	
<b>CASH</b>	<b>Cash - Assets</b>	<b>33 620 394,27</b>	<b>33 620 394,27</b>	<b>49 502 858,47</b>	
Checks and cash values	30 469 338,40		30 469 338,40	41 564 937,43	
Banks, Treasury and public agency accounts	2 935 579,99		2 935 579,99	7 402 834,63	
Cash	215 475,88		215 475,88	535 086,41	
<b>TOTAL III</b>	<b>33 620 394,27</b>		<b>33 620 394,27</b>	<b>49 502 858,47</b>	
<b>TOTAL GENERAL I+II+III</b>	<b>730 595 727,43</b>	<b>193 591 078,70</b>	<b>537 004 648,73</b>	<b>605 587 202,70</b>	

	LIABILITIES	YEAR	PREVIOUS YEAR
P E R M A N E N T	Stockholders equity	314 431 345,19	334 128 200,28
	Capital (1)	120 882 080,00	120 882 080,00
	Minus : shareholders, uncalled committed capital		
	Called capital	120 882 080,00	120 882 080,00
	Which paid	120 882 080,00	120 882 080,00
	Premium paid for stock issues, mergers, and capital contributions		
	Revaluation reserve		
	Legal reserve	12 088 208,00	12 088 208,00
	Other reserves	40 000 000,00	
	Retained earnings (2)	104 947 745,08	152 904 916,75
	Allocation pending Result		
	Net income for the year (2)	36 513 312,11	48 252 995,53
	<b>Total stockholders equity (A)</b>	<b>314 431 345,19</b>	<b>334 128 200,28</b>
	Stockholders equity and equivalent	3 096 406,95	4 485 708,95
	Investment subsidies	269 647,32	337 059,16
	regulated provisions	2 826 759,63	4 148 649,79
	Financing debt ( C )	34 574 220,22	36 417 804,55
	Bonds		
	Other financing debt	34 574 220,22	36 417 804,55
	Term provisions for risks and charges (D)		
Provisions for risks			
Provisions for charges			
Long term currency translation adjustments			
Receivables increase adjustments			
Debt decrease adjustments			
<b>TOTAL I (A+B+C+D+E)</b>	<b>352 101 972,36</b>	<b>375 031 713,78</b>	
C U R R E N T L I A B I L I T I E S	Current liabilities debt (F)	172 619 201,78	197 614 348,59
	Accounts payable	108 760 909,41	126 286 138,38
	Advance payments from customers, deposits and advances	3 867 392,65	4 749 981,88
	Personnel	6 643 376,90	8 036 482,36
	Social security agencies	3 735 290,91	3 882 759,81
	State	48 859 753,93	53 925 179,91
	Intercompany accounts		
	Other creditors	424 672,43	241 138,70
	Prepaid income	327 805,55	492 667,55
	Other provisions for risks and charges (G)	104 776,71	76 687,05
Current currency translation adjustments	74 146,92	33 608,62	
<b>TOTAL II (F+G+H)</b>	<b>172 798 125,41</b>	<b>197 724 644,26</b>	
C A S H	Cash liabilities	12 104 550,96	32 830 844,66
	Discount Credits		
	Cash Loans	12 058 952,92	31 919 946,58
	Bank adjustment accounts	45 598,04	910 898,08
	<b>TOTAL III</b>	<b>12 104 550,96</b>	<b>32 830 844,66</b>
<b>TOTAL GENERAL I+II+III</b>	<b>537 004 648,73</b>	<b>605 587 202,70</b>	



	DESCRIPTION	OPERATIONS		TOTALS OF THE YEAR	TOTALS OF THE PREVIOUS YEAR
		Specific to the exercise	For earlier years		
		1	2		
				3 = 2 + 1	4
O P E R A T I N G	OPERATING PRODUCTS	585 423 633,85		585 423 633,85	625 048 255,35
	Sales of goods (in condition)	9 805 512,01		9 805 512,01	13 767 981,45
	Sales of goods and services	514 750 820,66		514 750 820,66	533 400 531,03
	Sales	524 556 332,67		524 556 332,67	547 168 512,48
	Change in product inventories (1)	-1 070 959,95		-1 070 959,95	340 480,67
	Assets produced by the company itself				
	Operating subsidies				
	Other operating income				
	Operating expense transfers Reversals	61 938 261,13		61 938 261,13	77 539 262,20
	<b>Total I</b>	<b>585 423 633,85</b>		<b>585 423 633,85</b>	<b>625 048 255,35</b>
I I	OPERATING CHARGES	523 179 682,31		523 179 682,31	547 734 894,54
	Purchases of resold goods (2)	6 488 401,51		6 488 401,51	9 399 447,86
	Purchases of materials and supplies (2)	281 066 554,57		281 066 554,57	277 280 247,83
	Other external expenses	153 256 376,68		153 256 376,68	172 178 673,56
	Tax & duties	1 659 498,89		1 659 498,89	1 825 844,21
	Staff costs	57 969 996,11		57 969 996,11	59 465 913,28
	Other operating expenses	400 000,00		400 000,00	400 000,00
	Operating Depreciations and impairments	22 338 854,55		22 338 854,55	27 184 767,80
	<b>Total II</b>	<b>523 179 682,31</b>		<b>523 179 682,31</b>	<b>547 734 894,54</b>
	F I N A N C I A L	OPERATING RESULT (I-II)	62 243 951,54		62 243 951,54
FINANCIAL PRODUCTS		816 733,10		816 733,10	1 703 018,48
Income from equity securities and other investments					
Exchange gains		226 713,64		226 713,64	570 518,30
Interests and other financial products		460 656,34		460 656,34	782 875,00
Financial costs transfer		129 363,12		129 363,12	349 625,18
<b>Total IV</b>		<b>816 733,10</b>		<b>816 733,10</b>	<b>1 703 018,48</b>
FINANCIAL EXPENSES		11 568 998,17		11 568 998,17	11 579 784,04
Interests expenses		2 729 185,65		2 729 185,65	1 888 977,67
Exchange losses		622 565,52		622 565,52	562 244,98
Other financial expenses	8 059 794,22		8 059 794,22	8 791 518,09	
Financial Depreciations and impairments	157 452,78		157 452,78	337 043,30	
<b>Total V</b>	<b>11 568 998,17</b>		<b>11 568 998,17</b>	<b>11 579 784,04</b>	
VI	FINANCIAL RESULT (IV-V)	-10 752 265,07		-10 752 265,07	-9 876 765,56
VII	CURRENT RESULT (III + VI)	51 491 686,47		51 491 686,47	67 436 595,25
E X C E P T I O N A L	EXCEPTIONAL PRODUCTS	1 754 452,98		1 754 452,98	4 599 167,30
	Disposals of fixed assets	161 800,00		161 800,00	947 200,00
	Compensating subsidies				
	Investment subsidies income	67 411,84		67 411,84	67 411,84
	Other exceptionnel products	119 630,49		119 630,49	432 256,55
	Exceptional expense transfers	1 405 610,65		1 405 610,65	3 152 298,91
	<b>Total VIII</b>	<b>1 754 452,98</b>		<b>1 754 452,98</b>	<b>4 599 167,30</b>
	EXCEPTIONAL EXPENSES	944 347,34		944 347,34	2 438 676,02
	Net value depreciation of fixed assets sold	209 723,18		209 723,18	43 025,06
	Subsidied Awarded				
Other exceptional expenses	650 903,67		650 903,67	1 971 694,99	
Exceptional depreciations and impairments	83 720,49		83 720,49	423 955,97	
<b>Total IX</b>	<b>944 347,34</b>		<b>944 347,34</b>	<b>2 438 676,02</b>	
X	EXCEPTIONAL RESULT (VIII-IX)	810 105,64		810 105,64	2 160 491,28
XI	RESULT BEFORE tax (VII-X)	52 301 792,11		52 301 792,11	69 597 086,53
XII	INCOME TAX	15 788 480,00		15 788 480,00	21 344 091,00
XII	NET INCOME (XI-XII)	36 513 312,11		36 513 312,11	48 252 995,53
XIV	TOTAL REVENUE (I-IV+VII)	587 994 819,93		587 994 819,93	631 350 441,13
XV	TOTAL EXPENSES (II+V+IX+XIII)	551 481 507,82		551 481 507,82	583 097 445,60
XVI	NET INCOME (total revenue-total expenses)	36 513 312,11		36 513 312,11	48 252 995,53



**OUR ADDRESSES**



**Our factories:**

- Casablanca Factory** | 5, Allée des Orchidées, Ain Sebaâ, Casablanca  
Tel : +212 (0) 5 22 35 23 35 / 35 47 20 / 35 47 21 / 35 47 22  
Fax : +212 (0) 5 22 35 41 54
- Dar Bouaâzza Factory** | Route Moulay Thami, km 15, commune rurale Oulad Azzouz, Dar Bouazza, Casablanca  
Tel. : +212 (0) 522 96 57 62 / 29 02 37/ 29 01 73  
Fax : +212 (0) 522 29 02 95

**Our agencies:**

- Logistics platform of Casablanca** | Route Moulay Thami, km 15, commune rurale Oulad Azzouz, Dar Bouazza, Casablanca  
Tel. : +212 (0) 5 22 96 57 62 / 29 02 37/ 29 01 73 | Fax : +212 (0) 522 29 02 95
- Logistics platform of Kenitra** | Zone libre LOT N° SR3 (Zone Franche) Amer Seflia  
Tel : 05 37 74 90 15 / 82 06 61 80 43 75
- Oujda Agencie** | Technopole Parcelle n°14 Commune Ahl Angad, Oujda  
Tel : 05 36 69 08 15 | Fax : 05 36 70 87 57
- Agadir Agencie** | Lot 76, Zone Industrielle Tassila, Agadir  
Tel : +212 (0) 528 33 25 09 | Fax : +212 (0) 528 33 11 92
- Marrakech Agencie** | Km 9, Route de Ouarzazate  
Tel : +212 (0) 524 32 92 29 | Fax : +212 (0) 524 32 92 29

**Showrooms in Morocco:**

- Casablanca Ain Sebaa Showroom** | 5, Allée des Orchidées, Ain Sebaâ, Casablanca  
Tel : +212 (0) 522 35 23 35
- Casablanca Zerktoni Showroom** | Résidence Zerktoni (à Côté du Twin centre) 185,bd Zerktoni - Casablanca  
Tel. : +212 (0) 522 23 80 94
- Casablanca CIL Showroom** | 15, Résidence El Mehdi, angle Boulevard Sidi Abderahmane et Boulevard Yacoub El Mansour, Casablanca  
Tel : +212 (0) 5 22 36 44 94
- Tangier Showroom** | Résidence RabiaaIII 45Av.Ibnou Zaraa, Quartier Branes -Tanger  
Tel. : +212 (0) 539 31 11 43
- Béni-Méllal Showroom** | 343, bd mohamed V, Béni-Méllal  
Tel. : +212 (0) 523 48 37 60
- Meknès Showroom** | RDC de la résidence Adnane, avenue des FAR hay moulay Ismail, Meknès  
Tel. : +212 (0) 535 52 65 42
- Kénitra Showroom** | 12 av. Yacoub El Mansour - Kénitra  
Tel.: +212 (0) 537 36 26 93
- Marrakech Showroom** | 523, Résidence A, Boulevard Abdelkrim El Khattabi, Marrakech  
Tel. : +212 (0) 524 44 93 17
- Oujda Showroom** | Technopole Parcelle n°14 Commune Ahl Angad, Oujda  
Tel. : 05 36 69 08 15 | Fax : 05 36 70 87 57

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- |                                |                |                       |                         |
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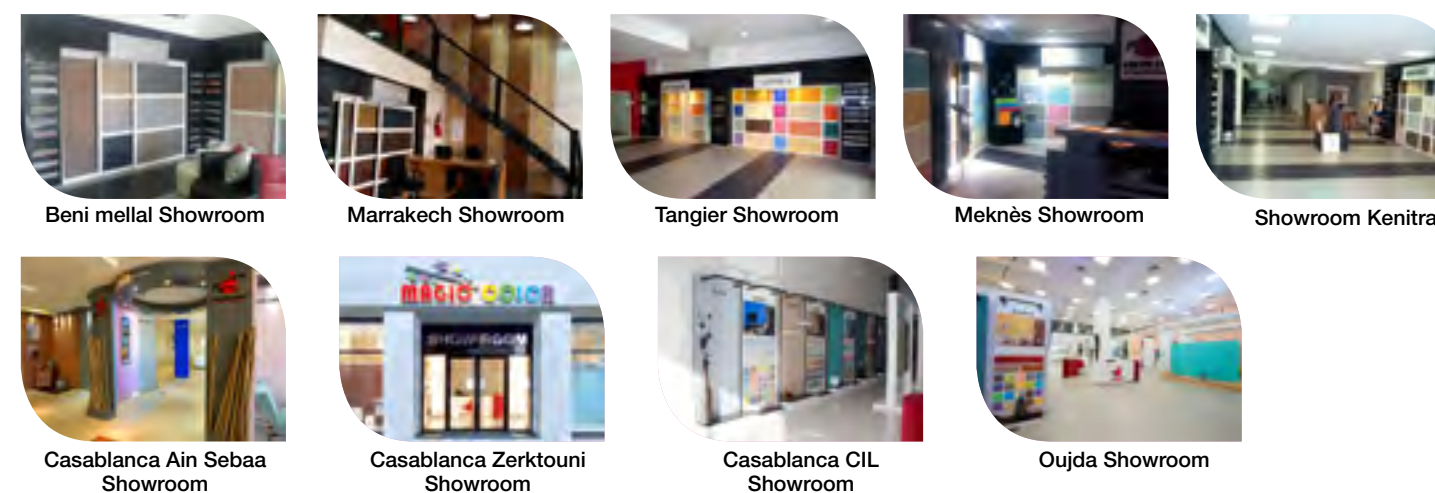
**Factory and Administration of Ain sebaa**



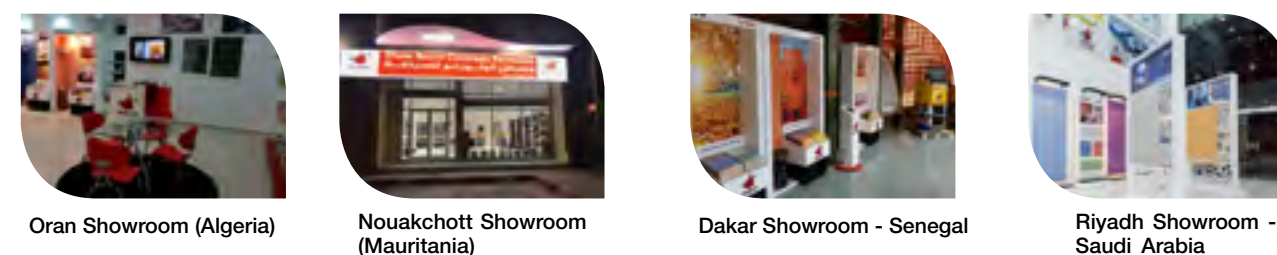
**Industrial site of Dar bouazza Casablanca**



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