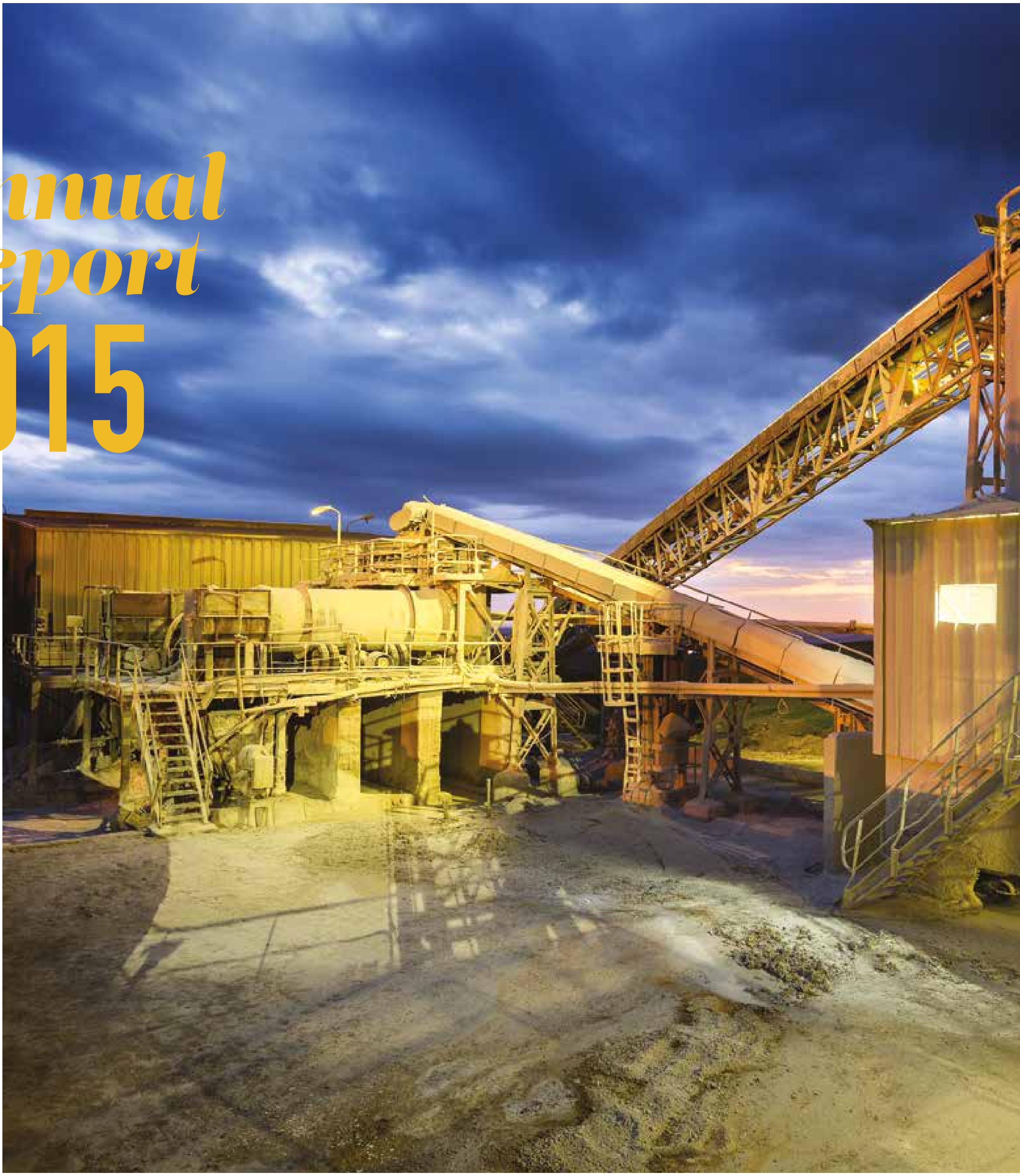
MANAGEM

Annual Report 2015



The electronic version of our report , is available on
www.managemgroup.com/Media-Center

Editorial

For Managem, 2015 was a year of strengthening of fundamentals and consolidation of financial and operational performa nce.

With the combined effects of the improvement of production performance and the reduction in cash costs and expenses, the group was able to partially mitigate the negative impacts of lower prices on the results.

The year 2015 was also marked by the discovery of new base metals, silver and cobalt reserves which will greatly extend the lifespan of our deposits.

Managem will continue its efforts to strengthen its resilience and improve the robustness of its projects in Morocco and abroad. This strategy will also consist in increasing production volumes of copper, silver and gold while directing the exploration program to the discovery of new deposits near operating sites.

And because economic performance goes hand in hand with responsibility, Managem remains committed to its employees and continues to safeguard their health and safety. Our performance is the result of their daily dedication.

Furthermore, we continue to build trust relationships with our neighboring communities. Trust built on facts and actions that make Managem a humane company, anxious to provide economic dynamism and social well-being where it is present.

We are also committed to improving our environmental performance and reducing the environmental impact of our operations through a sustainable and responsible strategy.

Innovation, rigor, solidarity and pride of belonging are the values that drive the Managem teams and which build today and tomorrow the future of the Group. In this sense, I would like to thank all our employees for their continued efforts.

Thanks to them, Managem faces the future with serenity. I would also like to thank our customers, suppliers, partners and shareholders for their unwavering support and trust.

Imad TOUMI
CEO.

This report has been printed on recycled paper in compliance with Managem's environmental commitments.

Contributors

Managem invited renowned contributors to comment on the various topics addressed. We thank them taking a look at specific topics and sharing their experience and expertise to enrich the common reflection.

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Minister of Handicrafts, Social Economy and Solidarity.

Graduated from the Faculty of medicine of Lyon, medical specialist in endocrinology, diabetes and nutritional disease. Member of the council of RNI party and the Council of the Region of Grand Casablanca.

His excellency Abdu Razzaq Guy Kambogo

Ambassador, High Representative of Gabon.

Holder of a degree in Management of Administration from HEC Paris, Knight of the Order of Merit of Gabon.

Gilbert Frade

Engineering, mining and energy consultant.

Graduated from the Ecole des Mines of Paris and holder of a PhD, decorated with the Legion of Honour as Officer

2015 News

OPERATIONS

SIGNIFICANT INCREASE IN PRODUCTION VOLUMES OF ALL MINING SITES COMPARED TO 2014

- Significant increase in production of Gold (+ 27%), 2251 Kg compared to 1778 Kg in 2014
- Strengthening of Copper production performance (+ 20%) following the increase recorded in the mines of CMG (+ 10%), AGM (+ 14%), SOMIFER (+ 46%) and CMO (+ 14%)
- Improvement of the production of Cobalt cathodes (+ 24%) and by-products: Arsenic (+ 10%) and Nickel (+ 14%)
- Increase in production of Zinc concentrate (+ 7%) and Lead concentrate (+ 18%)

DEVELOPMENT

SATISFACTORY EXPLORATION RESULTS WITH THE DISCOVERY OF NEW BASE METALS, SILVER AND COBALT RESERVES

- Discovery of new reserves of +402 tons of Silver metal in SMI, the equivalent of about two years of operation
- Discovery of new reserves of +4854 Kilo tons of run-of-mine Copper, thus lengthening the lifespan of deposits of SOMIFER, CMO and AGM two years on average
- Discovery of new reserves of +2751 metal tons of Cobalt in Bou-Azzer
- Discovery of 849 kilo tons run of mine in polymetallic worksites of Hajjar and Draa Sfar

HR

A NEW INTEGRATED SYSTEM FOR HUMAN RESOURCES MANAGEMENT

- In 2015, Managem launched a new system of classification of the positions of managerial staff to better define the contribution of each collaborator to the achievement of the Group's strategy

FINANCE

INCREASE IN TURNOVER AND OPERATING PROFIT

- Significant increase in consolidated turnover of MAD 477 million (+ 12%) thanks to the combined effects of the rise in sold volumes and the appreciation of the dollar, despite the drop in metal prices
- Consolidated operating profit amounted to MAD 617 million, an increase of MAD 171 million compared to 2014, that is, + 38% thanks to the rise in productions and decrease in cash costs accordingly for an overall impact of + 429 MMAD
- The appreciation of the dollar has partially offset the negative impact of the drop in metal prices
- The financial profit recorded a decrease of MAD 115 million, marked in part by the decrease in profits recorded on foreign currency hedging transactions and on the other hand by the increase in interest expense associated with the rise in the level of the Group's debt
- Net Income Group Share amounted to MAD 205 million, that is an increase of 13% compared to the end of 2014, reflecting thus the positive trend in operating income

Significant increase in the consolidated turnover of MAD 477 million (+ 12%)

CSR

MANAGEM, TOP CSR PERFORMER

For the second consecutive year, Managem won the Top CSR Performer trophy for its performance in building and strengthening of skills and employability, continuous improvement of health and safety conditions, prevention of pollution risks and respect of shareholder rights.
The rating reference lists more than 20 criteria and some 300 indicators covering six areas of social responsibility, including respect for human rights, human capital valorisation, protection of the environment, business ethics, effectiveness and independence of governance and commitment to the development of the regions where the company operates.

MANAGEM AT THE FORUM OF HUMAN RIGHTS IN GENEVA

As part of its commitment for human rights, Managem participated in the 4th United Nations Forum on Business and Human Rights, which was held from 16 to 18 November 2015 in Geneva, in Switzerland. The Forum is a place for dialogue for the representatives of civil society, companies, governments, United Nations organizations and affected groups, to discuss issues related to business and human rights and to update on the progress in the implementation of the Guiding Principles relating to business and Human Rights. The Forum addressed the following topics:

- Strengthening the dialogue and participation of stakeholders
- Identifying effective measurement tools to report on progress in the implementation of the Guiding Principles
- Discussing the national action plans to implement the Guiding Principles
- Exploring access to effective solutions
- Examining the current practices of States and businesses and highlighting what the implementation of the Guiding Principles means in specific areas/sectors

MANAGEM SOLIDAIRES

In 2015, Managem Solidaires, societal program of the Group, continued its objectives of inclusive and sustainable local development integrated strategy with an investment of MAD 15 million.

An investment of MAD 15 million

ENVIRONMENT

ISO 14001 CERTIFICATION OF CTT BOU-AZZER AND SOMIFER SITES IN BLEIDA

In 2015, Managem has continued the implementation of its environmental policy through the consolidation of its environment management system. The Group obtained environmental certification of the CTT Bou-Azzer and Somifer sites in Bleida according to the ISO 14001 standard by SGS.

Key figures

4317 MMAD
2015 TURNOVER
+12% COMPARED TO 2014

1411 MMAD
GROSS OPERATING SURPLUS
+12% COMPARED TO 2014

205 MMAD
NET INCOME GROUP SHARE
+13% COMPARED TO 2014

1111 MMAD
VOLUME OF INVESTMENTS ACHIEVED
-12% COMPARED TO 2014

BUSINESS

5660
EMPLOYEES

21
INDUSTRIAL UNITS

15
MARKETED PRODUCTS

402.5 MMAD
INVESTED IN RESEARCH AND DEVELOPMENT INCLUDING DEVELOPMENT OF NEW PROJECTS

19
COUNTRIES SERVED BY MANAGEM

7
PATENTS

E=mc²

100
RESEARCHERS

ENVIRONMENT

112 608 t
CO_2 SAVED VIA CLEAN ENERGY

47%
OF THE ELECTRIC CONSUMPTION COMES FROM CLEAN ENERGY

42%
OF CONSUMED WATER IS RECYCLED

RSE

550
JOBS CREATED IN 2015

12%
MANAGERIAL STAFF RECRUITED IN 2015 ARE WOMEN

15 MMAD
BUDGET OF SOCIETAL INVESTMENTS

13 MMAD
TRAINING BUDGET

Managem worldwide

PROJECT

MINE IN OPERATION

SERVICES

HEADQUARTERS

AFRICA

1. MOROCCO
   1 - 3 - 8 - 3
2. GUINEA
   2
3. BURKINA FASO
   1
4. GABON
   1 - 1
5. SUDAN
   3
6. ETHIOPIA
   2
7. DRC
   4

EUROPE

8. SWITZERLAND

MIDDLE EAST

9. U.A.E

RVIEW 2015

Overview 2015

Managem, a source of growth

Governance: responsability and transparency

A diversified product portfolio

A profitable growth strategy in the long term

Overview 2015

MANAGEM, A SOURCE OF GROWTH

AN INTEGRATED VALUE CHAIN

Managem is an integrated mining group managing a diversified portfolio of mineral resources, focusing mainly on precious metals, base metals, Cobalt and Fluorspar.

Managem has evolved over the years to become a leading player in the mining and hydrometallurgical industry.

The Group's expertise and unwavering insistence on safety, ethics, performance and innovation fostered its growth and diversification, thanks to its business model developed for over 85 years. The development of the Group's activities was included in a responsible growth pattern through strong commitments to environment, risk management and development of neighbouring communities.

The Group employs 5660 employees across all its subsidiaries.

The group's presence spreads beyond Morocco through Africa (Gabon, Democratic Republic of Congo, Sudan, Republic of Congo and Ethiopia), in addition to trading activities based mainly in Switzerland and UAE.
Managem is active across the entire value chain of mining activity.

GOVERNANCE

RESPONSIBILITY AND TRANSPARENCY

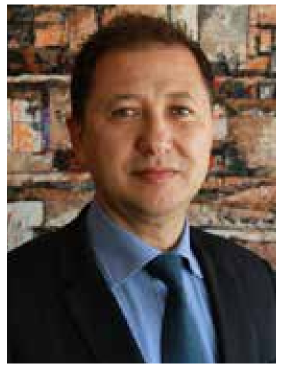
2015 OVERVIEW OF THE BOARD OF DIRECTORS

Managem's Board of Directors consists of 7 members. Its main prerogative is to ensure the social interest of the company. The Board defines beforehand the major strategic orientations and ensures the supervision of their implementation.

The board's mission is to ensure the proper functioning of the company and to protect the interests of shareholders. In accordance with the articles of association, it determines the orientations of the company's activity and ensures their implementation. Subject to the powers expressly attributed to meetings and within the limit of the corporate purpose, it considers all matters regarding the smooth running of the company and settles through their deliberations the matters related to it. The Board also performs the controls and verifications it deems appropriate.

Imad Toumi, CEO
Bassim Jaï Hokimi, Director
Hassan Ouriagli, Director
Ramsès Arroub, Director
SNI represented by Aymane Taud, Director
ONHYM represented by Amina Benkhadra, Director
SIGER represented by Hassan Ouriagli, Director

Overview 2015






Under the authority of the CEO, the Executive Committee is composed of activities directors and directors of central entities.

The members of the Executive Committee are (from the top, left to right):

- **Imad TOUMI,** CEO
- **Ismail AKALAY,** General Director of Mining and Industrial Activities in Morocco
- **Youssef EL HAJJAM,** General Director of International Activities and Development
- **Mohammed CHERRAT,** Executive Director of Human Resources, Communications and Sustainable Development
- **Naoual ZINE,** Executive Director of Finance & Strategy
- **Lhou MAACHA,** Executive Director of Exploration
- **Mohamed Amine AFSAHI,** Executive Director of Sales & Marketing

Overview 2015

TO HAVE CONFIDENCE IN THE FUTURE IS TO EXPLORE THE RISKS

Managem has implemented a Risk Management policy which main objectives are:
- Protecting human, tangible and intangible assets of the Group,
- Protecting the poles of value and the image and reputation of the Group,
- Securing the Group's development and the achievement of its strategic objectives,
- Providing a reference frame for the identification, assessment and control of risks,
- Improving the quality of decision making,
- Meeting the expectations of different stakeholders

The Risk Management process is an integral part of the Group's control environment, in conformity with the principles of the COSO (Committee of Sponsoring Organizations of the Treadway Commission) in accordance with the internal audit and internal control.

The RAC (Risk and Accounts Committee), appointed by the Board of Directors, ensures a regular review of the management, integrity and independence of the risk management system.

A DIVERSIFIED PRODUCT PORTFOLIO

OUR PRODUCTS

COBALT

27
Co
58.933195

OPERATING COMPANIES
Reserves : 15 652 TM
Resources : 1 096 TM
USES
Aeronautic super-alloys, batteries, metallurgy, catalyst for the petrochemical industry, pigments
PRODUCT
Cobalt cathodes

SILVER

47
Ag
107.87

RESERVES
3 965 TM
RESOURCES
1 082 TM
USES
Industry, jewellery and silverware , photography, ETF (exchange traded funds) and investments, coins and medals
PRODUCT
Silver anodes

GOLD

79
Au
196.97

REG RESERVES
2 099 Kg M
REG RESOURCES
4 256 Kg M
USES
Jewellery, ETF and investments, electronics industry, dentistry, medicine
PRODUCT
Gold ingots

COPPER

29
Cu
63.546

OPERATING COMPANIES
Reserves : 275 156 TM
Resources : 108 856 TM
USES
Electricity, construction, transport, consumer goods, medical and industrial equipment
PRODUCTS
Copper concentrate (oxides and sulfurs)

FLUORSPAR

9
CaF_2

RESERVES
532 549 TM
RESOURCES
332 907 TM
USES
Aluminium industry, chemistry
PRODUCT
Fluorspar concentrate

ZINC

30
Zn
65.39

RESERVES
404 412 TM
RESOURCES
89 298 TM
USES
Galvanization, automotive, chemistry
PRODUCT
Zinc concentrate

LEAD

82
Pb
207.2

RESERVES
139 924 TM
RESOURCES
63 435 TM
USES
Batteries, alloys, weaponry
PRODUCT
Lead concentrate

OTHERS PRODUCTS

The Group performs the valorisation of ores through different methods of processing, resulting in high added value products. The operations of hydrometallurgical processing units are located within 30 km around Marrakech.
Processing by using hydrometallurgy was developed through the Group's internal R&D efforts and allows the processing of complex mixtures and the achievement of optimal valorisation of the Group's mining reserves.

- Zinc oxide
- Nickel hydroxide
- Sulfuric acid
- Iron oxide
- Arsenic trioxide

SERVICES

The integrated model of Managem Group in the entire value chain includes specialized services in different fields of intervention of the mining cycle.

- Engineering
- Project management
- Technical assistance and advising
- Execution of drilling works

REMINEX
R&D, exploration and engineering services
TECHSUB
Specialized services in probing, underground or open pit mining
SAGAX MAGHREB
Specialized services in geophysics and topography
MANATRADE, MANADIST
Trading and Products distribution activities

USES

ZINC OXIDE
Rubber, ceramics
NICKEL HYDROXIDE
Nickel cathode production, nickel plating, steel additive
SULFURIC ACID
Phosphoric acid production, water treatment (pH regulator)
IRON OXIDE
Cement works, Iron Doped cement, Pigmentation, metallurgy
TRIOXIDE ARSENIC
Wood treatment (anti-fungal treatment), pesticides, glass treatment

Overview 2015

A PROFITABLE GROWTH STRATEGY IN THE LONG TERM

Managem pursues a strategy of profitable development over time, through the implementation of long-term investment programs

Its strategy is based on four pillars: the development of the mining resources portfolio, improvement of operational performance while reducing costs, investment in R&D and controlled and socially responsible growth.
In 2015, Managem has focused on consolidating its performance and continuing profitable operations of existing mines.

Zinc, Cobalt, Fluorspar
Key producer

Consolidating the performances and continuing the profitable operation of existing mines

Silver
Competitive producer

Reaching the cruise speed in a context of decrease in contents

Copper
Great potential

Increasing the existing capacity and putting into production two new projects with reduced cash costs in the second Quartile

Gold
Efficient developer

Looking for opportunities of acquisition of producing mines or mines in an advanced stage of development

PERMANENT INNOVATION

For Managem, innovation is not just a pillar of the strategy. It is embedded in its DNA since the start of its R&D activities over 30 years now. This scientific culture enables the group to attract high-level skills and find innovative solutions for the sustainable improvement of products, processes and productivity.
Thus, Managem can better anticipate market developments, continue to explore new horizons and enrich its technology portfolio.

A source of growth

A source of growth

Market and International environment

Financial performance: turnover on the rise

Operational performance: increasing production volumes and hedges

Development: discovery of new reserves

Outlook: enhancing the group's resilience

MARKET AND INTERNATIONAL ENVIRONMENT

2015, A NEW YEAR OF ECONOMIC SLOWDOWN

According to the IMF, global economic growth in 2015 remains modest and uneven.

Only the United States, South Asia - led by India - the Euro zone and Japan did well with an average economic revival. Meanwhile, emerging countries have experienced a slowdown, China in particular, whose growth fell to the lowest since the global financial crisis of 2009.
In its recent publication of January 2016, the IMF forecasts a modest global economic growth in 2016, which would not exceed 3.2%, marking a decline of 0.2% compared with the previously published estimates.
Concerning the trend of exchange rates, the divergence of monetary policy is made between the US and European central banks. On one hand, the Fed ended a long period of «affordable» money, and on the other hand the ECB continues to keep rates near zero.
In the commodity market, surplus is the key word in 2015. Oil, copper, nickel, iron ore, precious metals, coal, cereals ... All these commodities have experienced a drop in their prices in 2015. This surplus of commodities is mainly due to the unrestrained increase in production capacity for ten years.

[1] *Fed : Federal Reserve of USA or Central Bank of the United States*
[2] *ECB : European Central Bank*

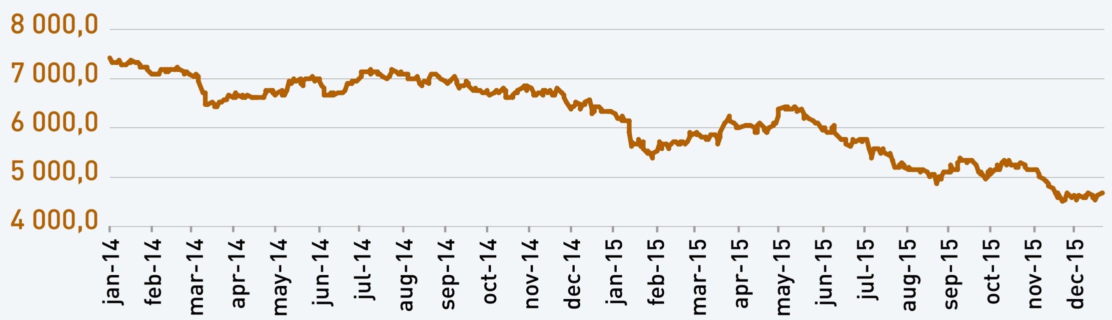
PRICE TRENDS (2014-2015)

COPPER (US $ / T)	GOLD (US $ / OZ)	SILVER (US $ / OZ)
-20%	-8%	-18%
5504	1159	15,68

ZINC (US $ / T)	LEAD (US $ / T)	COBALT (US $ / LB)
-11%	-15%	-9%
1930	1784	12.86

COPPER

The average price in 2015 is 5,504 $/ton against 6,862 $/t in 2014, a decrease of 20%

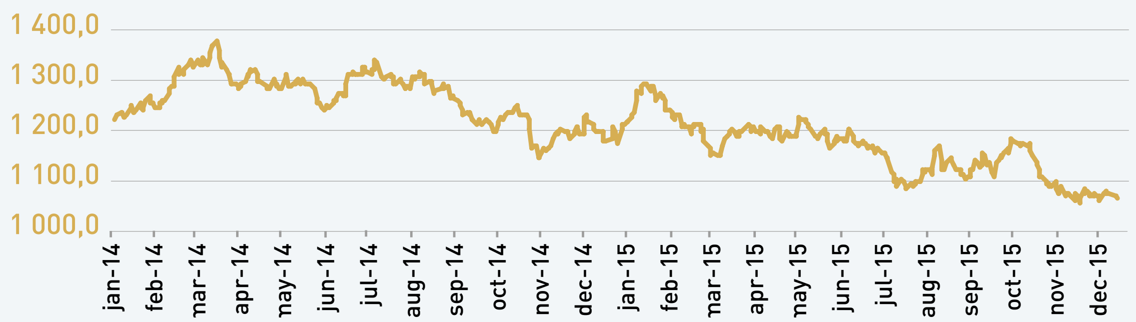


TREND OF COPPER PRICES FROM 2014 TO 2015

The price of copper has dropped significantly in the second half of 2015. This trend is explained by oversupply in a global context of weak economic growth and soft demand, strongly due to the decrease of Chinese imports (45% of global demand).
In 2016, the metal will remain influenced by the pace of China's imports and its investment incentive policy.

GOLD

The average in 2015 is 8% lower compared to that of 2014, it goes down from 1,266 $ / oz to $ 1,159 / oz

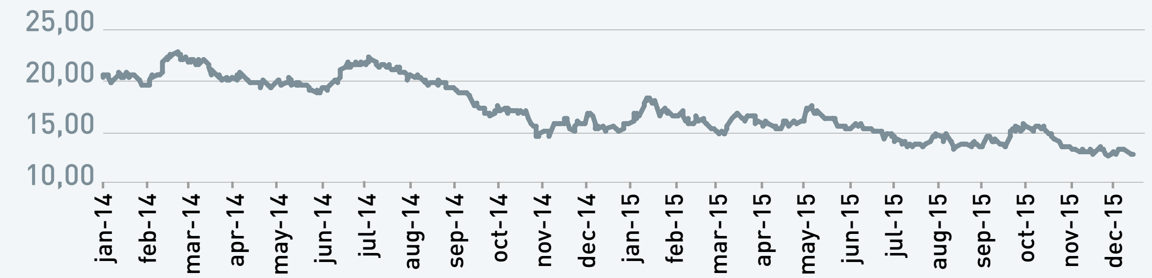


TREND OF GOLD PRICES FROM 2014 TO 2015

The price of gold has experienced several fluctuations in 2015, at first a decline reaching 1,080 $/oz in July, then a temporary recovery of 10% in October (1,183 $/oz) before falling back to 1,050 $/oz. This uneven trend is mainly explained by:
- The uncertainty around the Fed interest rate decisions (maintaining the rate at the beginning of the 2nd half then an increase in October)
- Temporary improvement in Chinese demand in August
- The decline in imports in China and India in the months of September and October (consumption of gold of the two countries represents about 50% of global consumption).

SILVER

A significant decrease of 18% in late December 2015 compared to 2014. The average price fell from 19.08 $/oz in 2014 to 15.68 $/oz in 2015

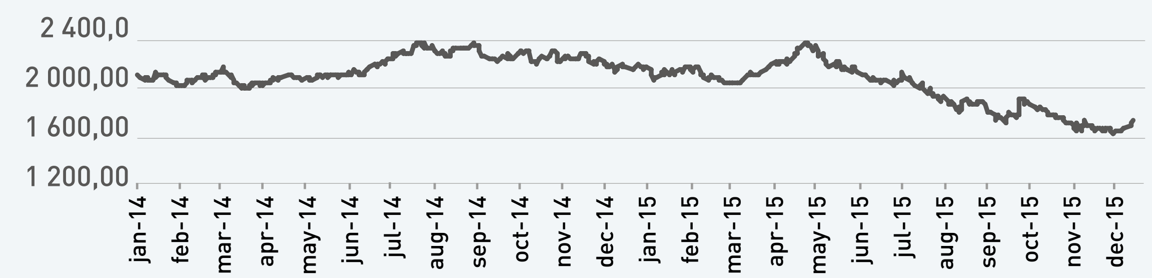


TREND OF SILVER PRICES FROM 2014 TO 2015

The Silver's price decline is highly correlated with that of Gold. In addition, the level of prices is very sensitive to the rise in interest rates by the Fed. The supply has continued to grow stronger in Mexico, Peru and Argentina. At the level of demand, India has imported about 1,972 tons of silver (63 million ounces) in the third quarter, that is, an increase of + 59% compared to the same period of last year. The segments sectors which experienced strong demand are: jewellery, silver coins and silverware.
In 2016, the price of silver will change depending on the fluctuation of the dollar according to US monetary policy, with the Brexit referendum as major event to likely influence the precious metals.

ZINC

The year saw a negative trend of 11% dropping from 2165 $/ t in 2014 to 1930 $ /t in 2015



TREND OF ZINC PRICES FROM 2014 TO 2015

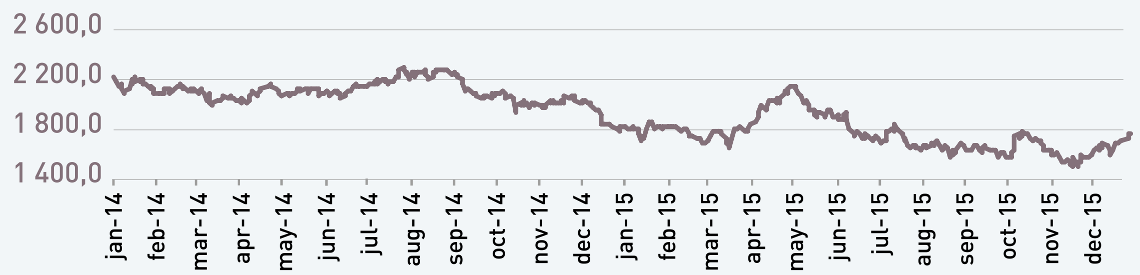
The decline in the price of zinc is due to the offsetting of the impact of the stoppage of several mines of Zinc (Century[1], Lisheen[2] and Galmoy[3]) by high stocks of concentrates and refined metal and mining extensions, which has the effect of a major destocking in 2015.
In 2016, the main driver of the Zinc market will be the mining production and its capacity to meet the needs of foundries as well as the consumption which would increase by 3%, driven by the sectors of automotive, construction, infrastructure household appliances.

[1] *The largest open pit zinc mine in Australia (owned by the Sino-Australian group MMG) whose production stopped in 2015.*
[2] *Irish Mine, the second largest zinc mine in Europe whose production stopped in November 2015*
[3] *Irish Lead/Zinc Mine stopped in 2015*

A source of growth

LEAD

The semi-annual average of prices of Lead fell to 2,096 $ /t in 2015, that is, a negative trend of -15%.

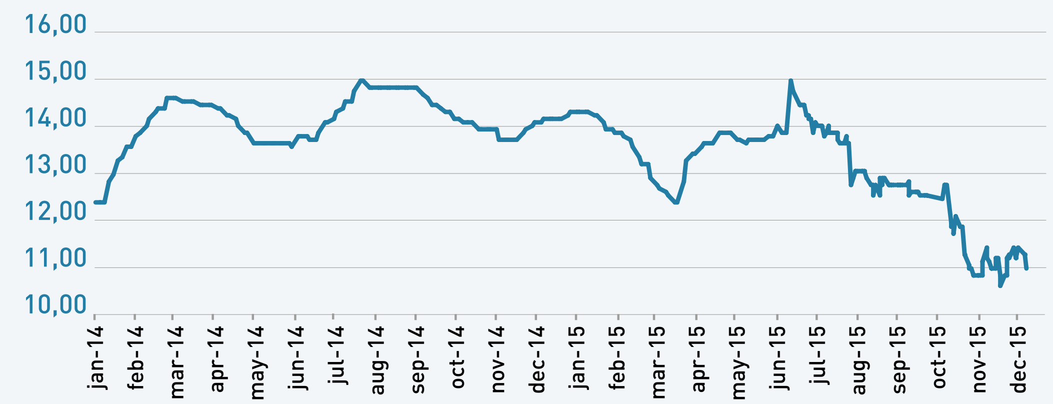


TREND OF LEAD PRICES FROM 2014 TO 2015

Lead occupies the place of the most resisting metal during the fourth quarter and in the year 2015, but has not escaped the general wave of price declines.
The downward trend of Lead is due to the slowdown in the Chinese economy and its mitigated effects on global consumption, China being the largest producer and consumer of lead in the world, and to the trend of base metals at which Lead is strongly linked. In 2016, analysts forecast a rise in demand from the automotive and industrial sectors, suggesting a rise in consumption of 3.5% in 2016 against 2.5% in 2015. However, as Lead is a metal strongly linked to Copper, it outperforms only if Copper progresses.

COBALT

The average price at the end of 2015 is 12.86 $/lb against 14.16 $/lb in 2014, that is, a decrease of 9%.



TREND OF COBALT PRICES FROM 2014 TO 2015

After an average of 13 $/lb and until the end of the third quarter of 2015, the prices have managed to resist the sluggish economy, a stability that was immediately caught up with the wave of price collapse.
This is explained mainly by:
- Demand weakened by the slowdown of the Chinese industry negatively impacting the Cobalt consumption.
- Supply adjusted downwards by production cuts by Glencore. However, this decline was not enough to support the Cobalt prices until the end of the year.
The 2016 forecasts indicate a stagnation of prices at the end of 2015 despite the expected increase in demand by 3% in 2016.

A source of growth

FINANCIAL PERFORMANCE

A TURNOVER ON THE RISE

CONSOLIDATED INCOME (IN IFRS)

IN MMAD	31/12/2015	31/12/2014	Evolution in MMAD Vs 2014	30/06/2015
Turnover	**4 317.0**	3 839.8	**477.2**	2 280.4
Gross operating surplus	**1 411.1**	1 256.8	**154.3**	775.8
Current operating income	**610.0**	446.1	**163.9**	348.1
Operating income	**617.2**	445.9	**171.3**	353.3
Financial income	**-250.6**	-135.3	**-115.3**	-133.8
Profit before tax	**366.6**	310.6	**56.0**	219.5
Consolidated net income	**257.5**	225.6	**31.9**	167.5
Net income Group share	**204.9**	181.8	**23.1**	140.1
Cash flow	**1 080.2**	1 061.6	**18.6**	624.6

Evolution of consolidated key indicators in accordance with IFRS at end-2015 compared to end 2014

+477.2 MMAD

4317 MMAD

Turnover 2015

Revenues at the end of 2015 rose by +477.2 million MAD (+ 12%) compared with end-2014, that is, MAD 4317 million against MAD 3839.8 million in 2014. This is explained by the rise in sold volumes and the appreciation of dollar offset by the drop in metal prices.

Current Operating Income achieved at the end of 2015 amounted to **MAD 610** million, which is an increase of MAD +163.9 million compared to end 2014. This rise is due to the following factors:

Volume effect
+205.6 MMAD

Sales price effect
-898.6 MMAD

Parity effect
+639.0 MMAD

Cash-costs effect
+222.9 MMAD

Other effects
-5.0 MMAD

The effect on volumes of **+205.6 MMAD** breaks down mainly as follows :

Silver
+73.2 MMAD

Cobalt
+20.6 MMAD

Gold
+56.4 MMAD

Zinc
+11.5 MMAD

Copper
+44.3 MMAD

The effect on cash costs of +222.9 MMAD includes the decrease of:

Zinc **-14%**	Cobalt **-30%**
Gold **-20%**	Silver **-16%**
Copper **-18%**	

The operating income amounted to **617.2 MMAD**, that is, an increase of MAD +171.3 million.

The negative effect on the sales price at **-898.6 MMAD** is due to a general decline in selling prices of metals, mainly:

Copper **-356.5** MMAD	Gold **-67.2** MMAD
Silver **-283.5** MMAD	Lead **-22** MMAD
Zinc **-81.1** MMAD	Fluorspar **-18.3** MMAD
Cobalt **-71.7** MMAD	

The financial income decreased by **115.3 MMAD**, marked on one hand by the lower earnings recorded in currency hedging transactions and on the other hand by the decrease in interest expenses associated with the rise in the debt level of the group.

The consolidated net income totalled **257.5 MMAD** at the end of 2015 against 225.6 MMAD at the end of 2014, that is, an increase of +31.9 MILLION MAD which is explained by:

Operating income

+171.3 MMAD

Financial income

-115.3 MMAD

Change in taxes

-24.1 MMAD

The net income Group share rose by MAD **+23.1million** compared to end 2014, due to :

Consolidated net income

+31.9 MMAD

Change in minority interests

-8.8 MMAD

FINANCIAL POSITION

	31/12/2015	31/12/2014	Change 2015 Vs 2014
Total shareholders' equity	3 867.1	3 897.7	-30.6
Shareholders' equity group share	3 433.0	3 450.4	-17.4
Consolidated financial debt	3 853.8	3 467.6	+386.2

Financial position at the end of 2015 compared to the end of 2014

(*) Composé des dettes à long terme moyen terme et court terme, diminué de la trésorerie actif en tenant compte du compte courant associés en hors groupe et hors dettes liées aux contrats de location-financement.

At the end of 2015, **the total shareholders' equity** dropped by **-30.6 million MAD** compared to the end 2014. This decrease is the outcome of the following components:

2015 consolidated net income

257.5 MMAD

Net change in fair value of financial instruments MTM

-108.2 MMAD

Dividend paid

-293.9 MMAD

Other variations

+114 MMAD

mainly by the positive evolution of the dollar impacting upward the shareholders' equity of Managem International.

Financial debt rose by **+386.2 MMAD** under the following main effects:

Cash flow

1080.2 MMAD

Rise in WCR

41.9 MMAD

Consolidated investments

1111 MMAD

Dividends

293.9 MMAD

News flash

BPC: ANTICIPATE TO BETTER PLAN

In 2015, the financial department of Managem has adopted an effective and efficient management tool: SAP Business Planning and Consolidation (BPC). BPC offers a unique view of financial and operational data, standardizes management processes and models the management scenarios.
With this tool, Managem can better anticipate trends, accelerate the process of decision making and benefit from even more reliable data.

+110 MMAD
HEDGES 2015

HEDGES

HEDGE RESULTS AT THE END OF 2015

Overall, Managem has achieved positive hedge results (**110 MMAD**) at the end of 2015, distributed as follows:

- The commodity hedge results are +15.2 MUSD, that is, **148 MMAD** including +7.0 MUSD related to the results achieved on the silver.
- Foreign exchange hedge loss was **-38.0 MMAD**, due to the closing of 40.16 MUSD at an average hedging rate of 8.74 against market rate of 9.69

Metals/foreign exchange	Silver	Copper	Gold	Lead	Zinc	Foreign exchange
Hedged positions	4 011 000	8 165	23 725	1 800	8 050	40.16
Average commitment rate	17.25	5 958	1 228	1 978	2 127	8.74
Average closing rate	15.50	5 380	1 158	1 762	1 951	9.69
Hedge results	**7.0 MUSD**	**4.7 MUSD**	**1.7 MUSD**	**0.4 MUSD**	**1.4 MUSD**	**-38.0 MAD**

Summary of hedging results at the end of 2015

COMMITMENTS OF HEDGING COMMODITIES AND FOREIGN EXCHANGE ON 31/12/2015

Underlying	Year	Protection (Oz/T/$)	Protection rate ($/T/Oz -$/MAD)	Commitment (Oz/T/$)	Commitment rate ($/T/Oz - $/MAD)
Silver	2016	945 000	14.86	945 000	14.86
Gold	2016	4 200	1 098	4 200	1 098
Copper	2016	2 470	4 893	2 470	4 893
Lead	2016	240	1 710	240	1 710
USD/MAD	**2016**	**182 524 873**	**8.59**	**182 524 873**	**8.59**

Table of Commitments of hedging of commodities and foreign exchange on 31/12/2015

MARK TO MARKET OF HEDGING BOOK ON 31/12/2015

At the end of December 2015, the Mark to Market of the positions of commodities hedging amounted to 1574 KUSD against 5102 KUSD at end December 2014, that is, a change of 3528 KUSD.

Commodities	31/12/2015	31/12/2014	Change in KUSD
Silver	982	3 650	-2 668
Gold	155	862	-708
Copper	458	0	458
Zinc	0	241	-241
Lead	-21	349	-370
MtM en KUSD	**1 574**	**5 102**	**-3 528**
MtM impacting the shareholders' equity	**1 574**	**5 280**	**-3 706**
MtM impacting the P&L	**0**	**-178**	**178**

Evolution of Mark to Market of commodities on 31/12/2015 compared to 31/12/2014 in KUSD

At end December 2015, the Mark to Market of foreign exchange hedging positions was around 238 914 KMAD against 127 579 KMAD end of 2014, that is, a change of 111 335 KMAD. This evolution is explained by the rise in USD / MAD.

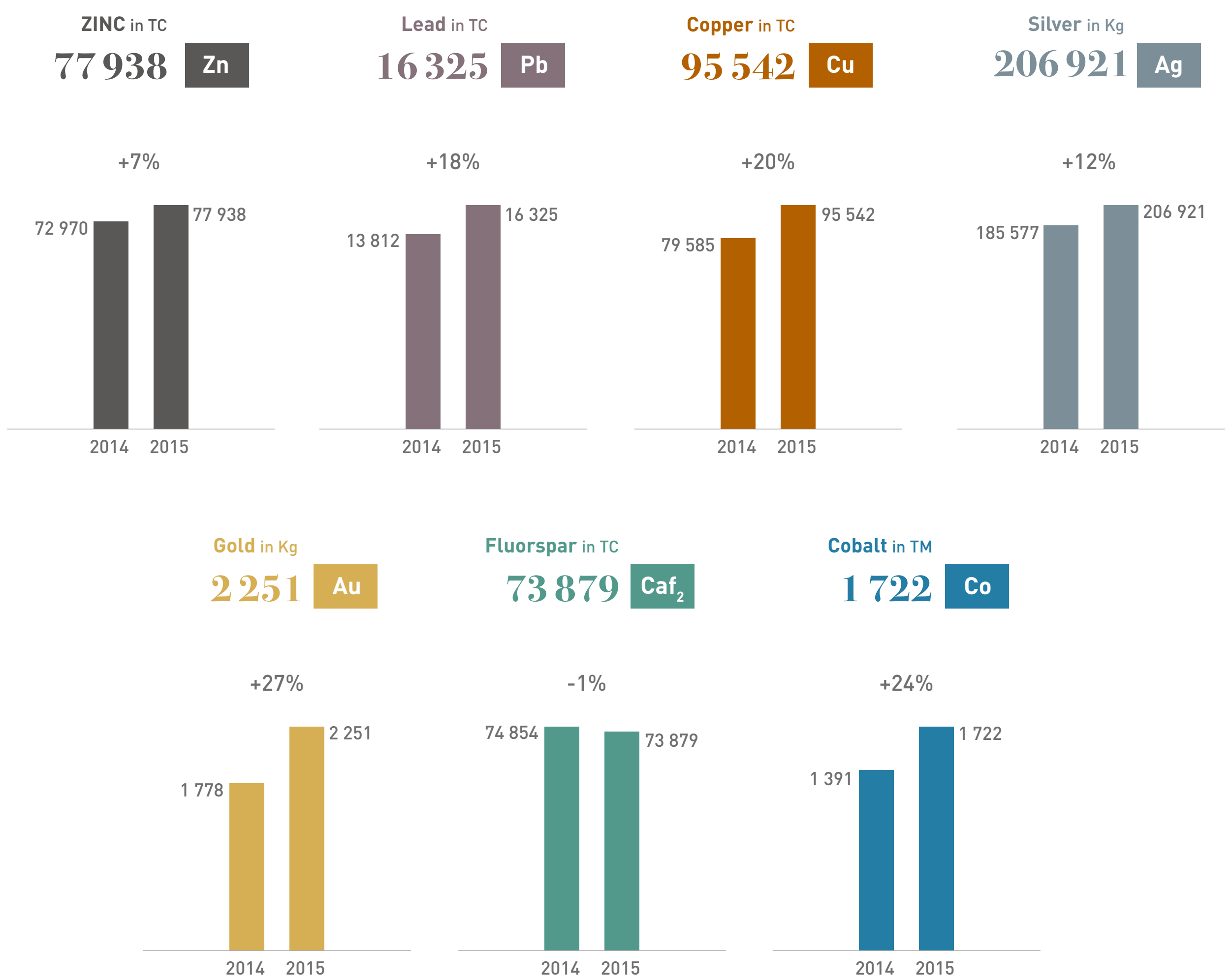
Foreign exchange derivatives	31/12/2015	31/12/2014	Change in KMAD
In Cash Flow Hedge (CFH)	-246 259	-131 198	-115 061
In Trading	7 345	3 619	3 726
Total MtM KMAD	-238 914	-127 579	-111 335

Evolution of Mark to Market of foreign exchange on 31/12/2015 compared to 31/12/2014 in KMAD

OPERATIONAL PERFORMANCE

INCREASE IN THE PRODUCTION VOLUMES

PRODUCTION



Summary of the production trend in 2015

+20%

COPPER

Rise in the copper production of the group by **+ 20%** to reach **95 542 TC**. This performance is explained by:

- The increase in production by **+46%** in Bleida
- Improvement of the production of Akka by **+14%**
- The increase in production of CMO by **+14%**
- The increase in production of CMG by **+10%**

+27%

GOLD

Significant increase in the production of Gold by **+27%**, rising from **1778 Kg** at the end of 2014 to **2251 Kg** at the end of 2015.

+12%

SILVER

Increase in the production of Silver of SMI by **+12%**, that is, **21 344 kg**

+7%

ZINC

Improvement of Zinc production performance in Guemassa by **+7%**

+24%

COBALT

Increase in the production of Cobalt cathodes by **+24%**, mainly due to the increase in the tonnage from Bou-Azzer and the good performance of yields in hydrometallurgical plants.

+18%

LEAD

Improvement of Lead production performance in Guemassa by **+18%**

-1%

FLUORSPAR

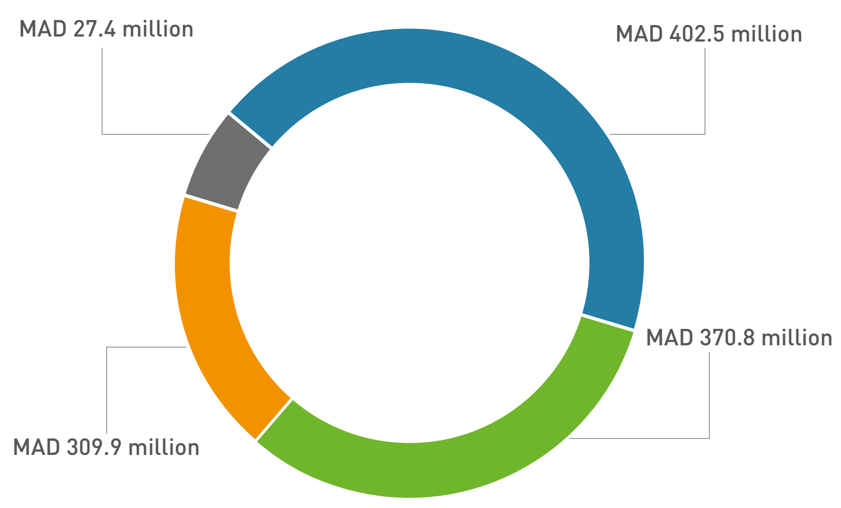
Slight decline in the production of fluorite at end 2015 by **-1%** because of the decrease in the processed content by **-2%**

INVESTMENTS

The consolidated investments recorded at the end of 2015 (in IFRS) amounted to MAD 1110.6 million.

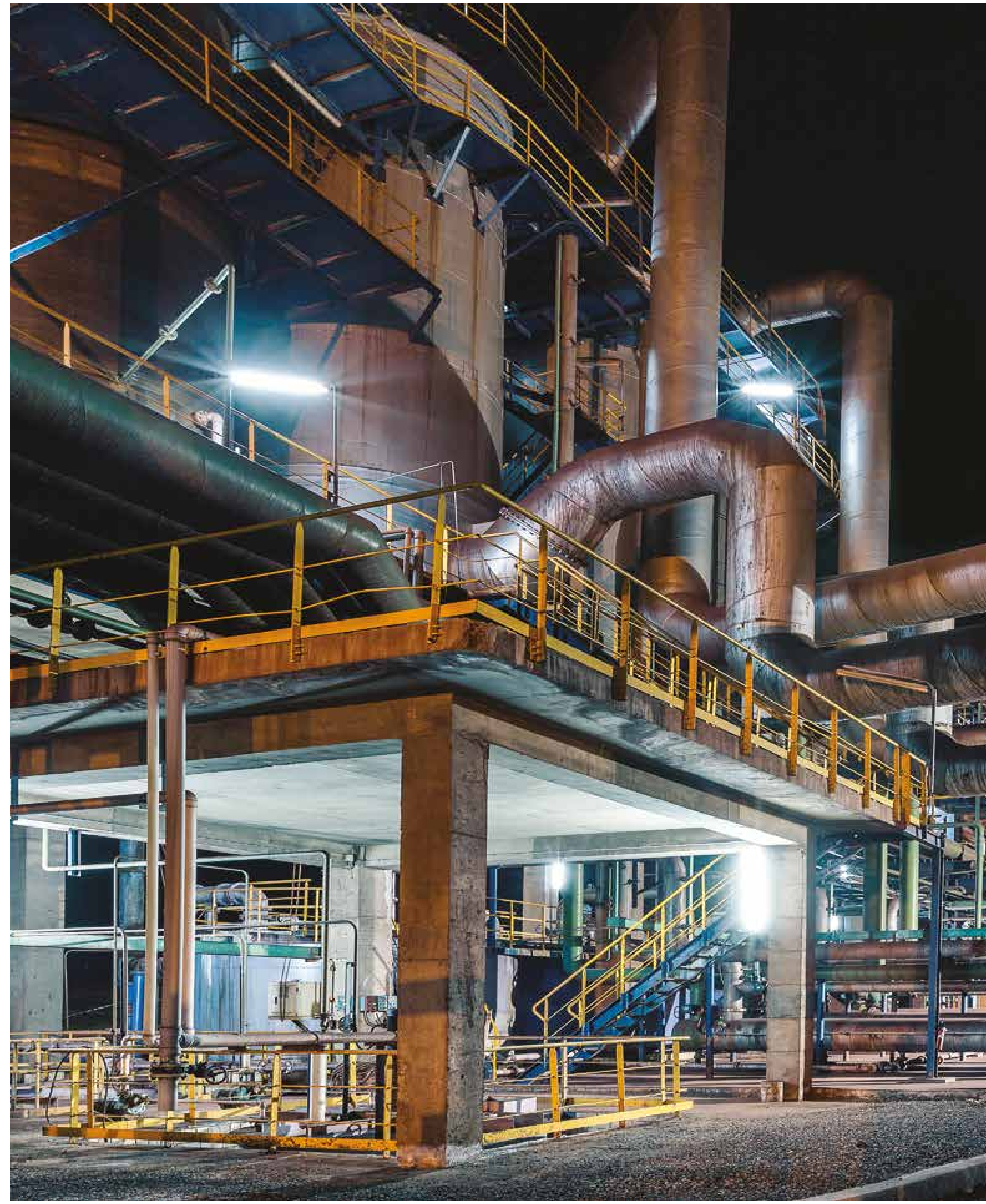
For the year 2015, Managem has invested a total amount of MAD 1110.6 million allocated to research and development, including the development of new Copper projects in Morocco and in the DRC as well as Gold at the international level, physical investments and mining infrastructure and other development projects.

1110.6 MMAD
INVESTMENTS 2015



Breakdown of the investment budget

- Research, development and exploration: **MAD 402.5** million, including the development of new Copper projects in Morocco and in the DRC as well as Gold at the international level
- Physical investments: **370.8 MMAD**
- Mining infrastructure: **309.9 MAMD**
- Other development projects: **27.4 MMAD**



A source of growth

DEVELOPMENT

DISCOVERY OF NEW RESERVES

RESERVES AND RESOURCES

In metal content			End 2015
Copper	Reserves	TM	241 789
	Resources	TM	88 628
Copper worksites CMG	Reserves	TM	3 697
	Resources	TM	2 560
Copper AGM	Reserves	TM	103 377
	Resources	TM	47 614
Copper SOMIFER	Reserves	TM	66 057
	Resources	TM	21 396
Copper CMO	Reserves	TM	68 658
	Resources	TM	17 058
Polymetallic: Zinc, Lead & Copper			
Zinc	Reserves	TM	404 412
	Resources	TM	89 298
Lead	Reserves	TM	139 924
	Resources	TM	63 435
Copper	Reserves	TM	33 367
	Resources	TM	20 228
Silver			
Silver SMI	Reserves	TM	3 965
	Resources	TM	1 082
Gold			
Gold REG	Reserves	Kg M	2 099
	Resources	Kg M	4 256
Fluorite			
Fluorspar SAMINE	Reserves	TM	532 549
	Resources	TM	337 902
Cobalt			
Cobalt CTT	Reserves	TM	15 652
	Resources	TM	1 096

The year 2015 was marked by the discovery of new polymetallic reserves of Silver, Copper and Cobalt.

+402 TONS METAL
NEW SILVER RESERVES

Discovery of new mining reserves of silver (402 tons metal in SMI), the equivalent of about two years of additional exploitation mining.

+4854 KILO TONS RUN OF MINE
NEW COPPER RESERVES

Discovery of new reserves of copper, or 4854 KT ROM lengthening the lifespan of SOMIFER, CMO and AGM by two years on average.

+2751 TON METAL
NEW COBALT RESERVES

Discovery of new reserves of Cobalt , that is, 2751 TM.

+849 KILO TONS RUN OF MINE
NEW POLYMETALLIC RESERVES

Discovery of 849 KT ROM at the polymetallic sites of Hajjar and Draa Sfar.

DEVELOPMENT PROJECTS

MOROCCO

COPPER PROJECT - BOUSKOUR

COMPLETION OF THE FEASIBILITY STUDY AND DUE DILIGENCE

The Bouskour Copper project is located approximately 80 km southeast of the city of Ouarzazate. Its reserves are estimated at more than 9 million tons run-of-mine at an average grade of 1.61% Copper.
The year 2015 was marked by the completion of the feasibility study of the project and the completion of audits (due diligence) by an independent international firm.

COPPER PROJECT - TIZERT

EXPLORATION, CERTIFICATION AND FEASIBILITY STUDY

The Tizert Copper project is located 80 km to the east of the city of Agadir in the province of Taroudant. The geological resources of the Tizert project are estimated at over 35 million tons run of mine.
The year 2015 saw the continuation of exploration and resource certification. The project feasibility study is underway.

AFRICA

GOLD PROJECT - ÉTÉKÉ

DELIMITATION OF DEPOSITS AND FURTHER RESEARCH

Gold deposits of Étéké are located near the city of Mouila in the Province of Ngounié in Gabon. The geological resources of the Étéké project totalled 513,000 ounces of Gold.
The year 2015 was marked by the completion of the Dango and Dondo Mobi deposits delineation program and further research in the promising areas.

GOLD PROJECTS - SUDAN

BOREHOLES AND FURTHER EXPLORATION

The licenses are located to the northeast of Sudan. Sudan is considered an emerging country for production of Gold with significant Gold potential and Managem holds three promising exploration blocks, in addition to a pilot production unit in block 15.
The year 2015 has witnessed:
- The production of 503 Kg of Gold in the pilot unit in block 15.
- The achievement of additional boreholes in the block 15 to increase the level of confidence in the reserves of Gabgaba Gold project.
- Further exploration on other blocks: 9 and 24.

COPPER AND COBALT PROJECT - PUMPI

FEASIBILITY STUDY AND DUE DILIGENCE

The Pumpi project is located near the city of Kolwezi in the Katanga province in the Democratic Republic of Congo. The geological resources of the Pumpi project exceed 800 000 tons of Copper and 100 000 tons of Cobalt with interesting contents.
The year 2015 was marked by continued works of the feasibility study and the launch of an audit (due diligence) of project resources by an independent international firm.

GOLD PROJET - ASOSA

GEOPHYSICS, GEOCHEMISTRY STREAM, ALLUVIAL AND SOIL WORKS

The Asosa Gold project is located in the Beneshangul Gumuz region in Ethiopia. The project presents the gold potential confirmed by the first exploration.
The year 2015 saw the completion of stream, alluvial and soil, geochemistry and geophysics works.

A WORD FROM...

HIS EXCELLENCY MR ABDU RAZZAQ GUY KAMBOGO
Ambassador, High Representative of Gabon

«Since February 2012, Managem Group operates a Gold mine in the Bakoudou Region, more than 650 kilometers to the southeast of Libreville, in the province of Haut-Ogooué, and gradually opens up other fields. This presence contributes to the diversification of the Gabonese economy as directed by the President of the Republic, Head of State, under the new Development Plan. In addition, social contributions and support to the preservation of the environment encourage the strengthening of this type of partnership which should also be further strengthened through a real presence of Managem in the training of Gabonese nationals to which the Group has already contributed.»

A source of growth

OUTLOOK

STRENGTHENING THE GROUP'S RESILIENCE CAPACITY

In a downtrend in metal prices, Managem will continue the efforts made to strengthen the Group's resilience.

Its strategy will consist of:

- Increasing Copper and Silver production volumes;
- Maintaining the levels of cash costs;
- Optimizing the renewal CAPEX;
- Orienting the exploration program to the discovery of deposits near the mining sites;
- Improving the robustness of the projects in Morocco and abroad;
- Developing the potential of the Copper and achieving the critical size in Gold in Africa.

MANAGEM IS COMMITTED

Managem is committed

To its human resources

To the environment

To local communities

To business ethics

THE AMBITION OF MANAGEM DOES NOT ONLY CONSIST IN LIMITING THE NEGATIVE IMPACTS. THE GROUP WORKS EVERY DAY AND IN EVERY LINK OF THE CHAIN TO OPTIMIZE ITS IMPACT BY INTEGRATING THE ENVIRONMENTAL, SOCIETAL, ECONOMIC AND SOCIAL ASPECTS. IN 2015, MANAGEM CREATED A DEPARTMENT DEDICATED TO CSR TO MEET THE CHANGES IN ITS STRUCTURE.

TO THE EMPLOYEES

THEY MAKE ALL THE DIFFERENCE

Managem develops a unique culture with employees who are committed and proud of their know-how

They are geologists, engineers, geomatics specialists, researchers, technicians, managers, doctors, salespeople, buyers, legal experts...
Their expertise is the first capital of the Group. Their commitment is a pledge of excellence and customer satisfaction. Managem develops a unique culture with employees who are devoted and proud of their expertise. Simplicity of relationships and respect for the individual are values that contribute to the employees' sense of belonging to Managem.

5660
EMPLOYEES

550
JOBS CREATED IN 2015

150
FAMILIES HAVE BENEFITTED FROM HOME OWNERSHIP PROGRAM

Managem is committed

SAFETY

A KEY TO INDUSTRIAL EXCELLENCE

Safety comes from a responsible industrial approach. At Managem, it is the responsibility of everyone. Rooted in the culture of the Group and the daily life of everyone, safety is a vector of excellence.

4,92

FREQUENCY RATE OF WORK ACCIDENTS

+8%

EMPLOYEE PARTICIPATION IN SAFETY ACTIONS BY +8% COMPARED TO 2014

-10%

DECLINE IN THE NUMBER OF CARE SERVICES BY -10% COMPARED TO 2014

1,02

THE INCIDENCE RATE OF SERIOUS ACCIDENTS AT WORK IN 2015

Managem is committed

HR PRACTICES

NEW INTEGRATED SYSTEM OF HUMAN RESOURCES MANAGEMENT

Link between the strategy of the organization and the contribution of each employee

In response to the development of the organization and its presence in the international market, Managem has launched in 2015 a new classification system for managerial positions. This new system is a key factor in the upgrading of the pay system and improvement of HR practices. With the will to be aligned with the best international standards, the move towards an integrated human resources management system responds to the consolidation of the strategy of the organization and everyone's contribution to its achievement. As a cornerstone of the new classification system, job descriptions help understand the real contribution of each and their level of responsibility within the organization.

Managem is committed

PROMOTING EQUAL OPPORTUNITIES AND DIVERSITY

NEW CHARTER FOR RESPONSIBLE RECRUITMENT FOR MANAGEM

At Managem, recruitment is a fundamental managerial act that calls on the group to commit for many years and has a direct impact on the human capital enrichment.

In 2015, Managem has expanded its recruitment charter through new ethics rules, which shall govern the implementation of the recruitment process by ensuring fairness and compliance with the applicable regulations.

In order to attract the skills necessary for its development at the national and international level, the Group defines with each new recruit the foundations for a lasting and mutually fruitful relationship.

In this context, the Group is committed to:

- Fully respecting the applicable social norms;
- Prohibiting all forms of discrimination;
- Encouraging diversity.

10
DIFFERENT NATIONALITIES

18000
APPLICATIONS PROCESSED IN 2015

12%
MANAGERIAL STAFF RECRUITED IN 2015 ARE WOMEN

890
INTERNS IN 2015

50%
MANAGERIAL STAFF RECRUITED IN 2015 HAVE NO PREVIOUS PROFESSIONAL EXPERIENCE

15
PARTICIPATIONS IN RECRUITING EVENTS IN MOROCCO AND ABROAD

NEWS FLASH

EQUITY AND DIVERSITY

Founding principle of Managem's responsibility ethics, equity is reflected in the Group, particularly through the promotion of diversity. In this context, Managem has signed in 2015 a partnership with the AMH Group (associative group of social entrepreneurship) to facilitate the integration of persons with disabilities in the company. The first recruits will begin in 2016 at the headquarters and in the Guemassa mine.

Managem is committed

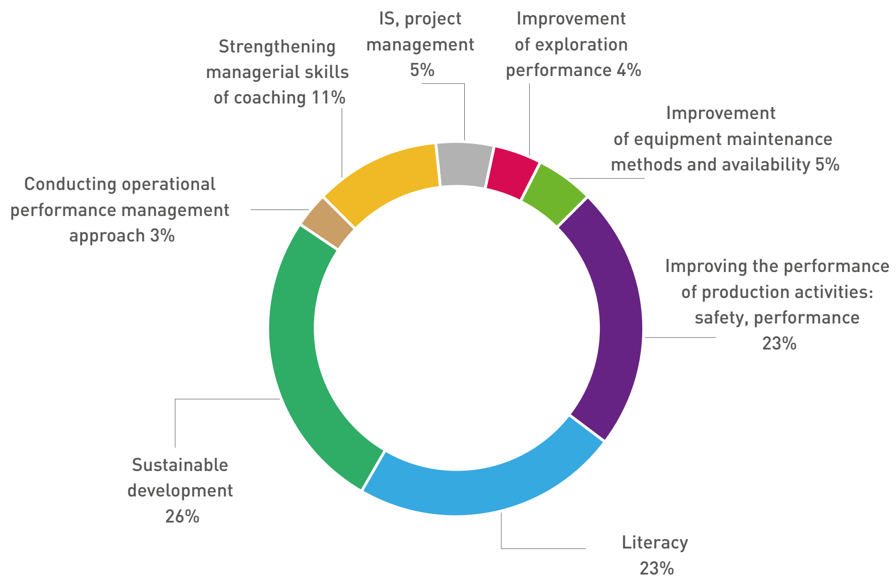
A MEMORABLE YEAR FOR MANAGEM CHILDREN

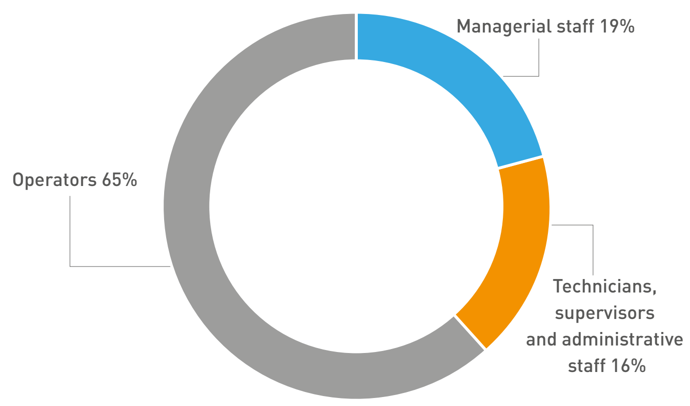
Each year, Managem implements operations for the children of its employees. In 2015, Managem has funded and organized recreational holidays for 851 children aged from 9 to 13, has rewarded 54 deserving students with paid-for trips, distributed 6429 toys on Ashoura and has covered the costs for the circumcision of 243 children.

SKILLS DEVELOPMENT

AT MANAGEM, WE BUILD CAREERS

The 2015 training plan was conducted in lines of action aiming at developing employees' skills and supporting the strategic objectives of Managem. Efforts by line of training in terms of man-days are broken down as follows:





Breakdown of training by category of trainees

Managem is committed

TRAINING CENTRE

ENCOURAGING CAREERS IN MINING

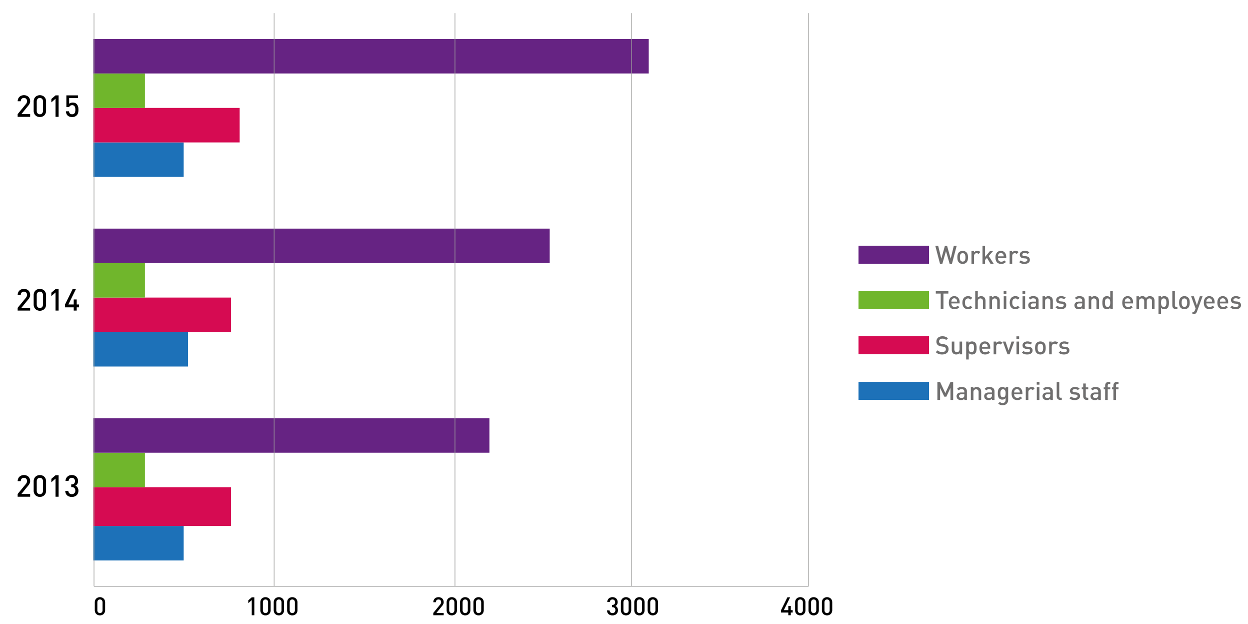
2,9 MAN-DAYS OF TRAINING PER EMPLOYEE

5 MMAD TRAINING BUDGET 2015

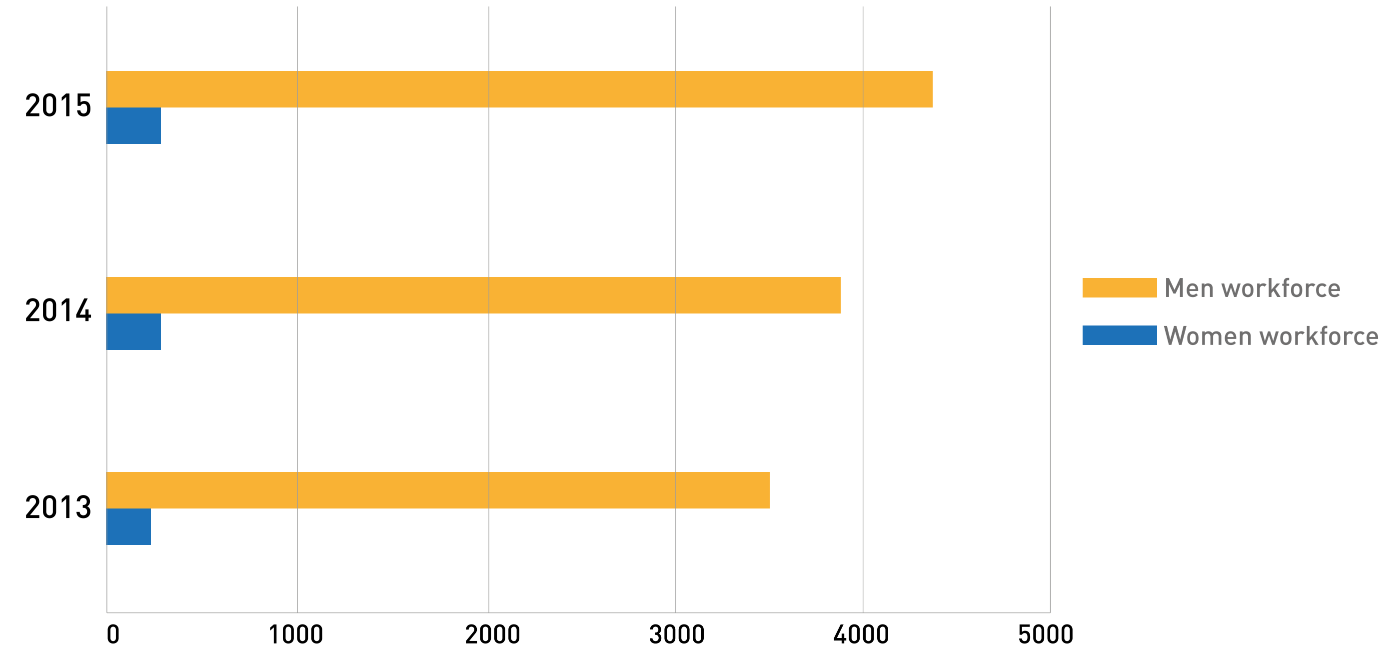
True catalyst for talent, the training centre supports Managem teams in the achievement of their development goals through programs designed around major themes such as:

- The preservation of health and safety
- The success of national and international projects
- The achievement of operational performance objectives
- The development of managerial culture
- The successful integration of new recruits
- The capitalization and sharing of the expertise of the Group

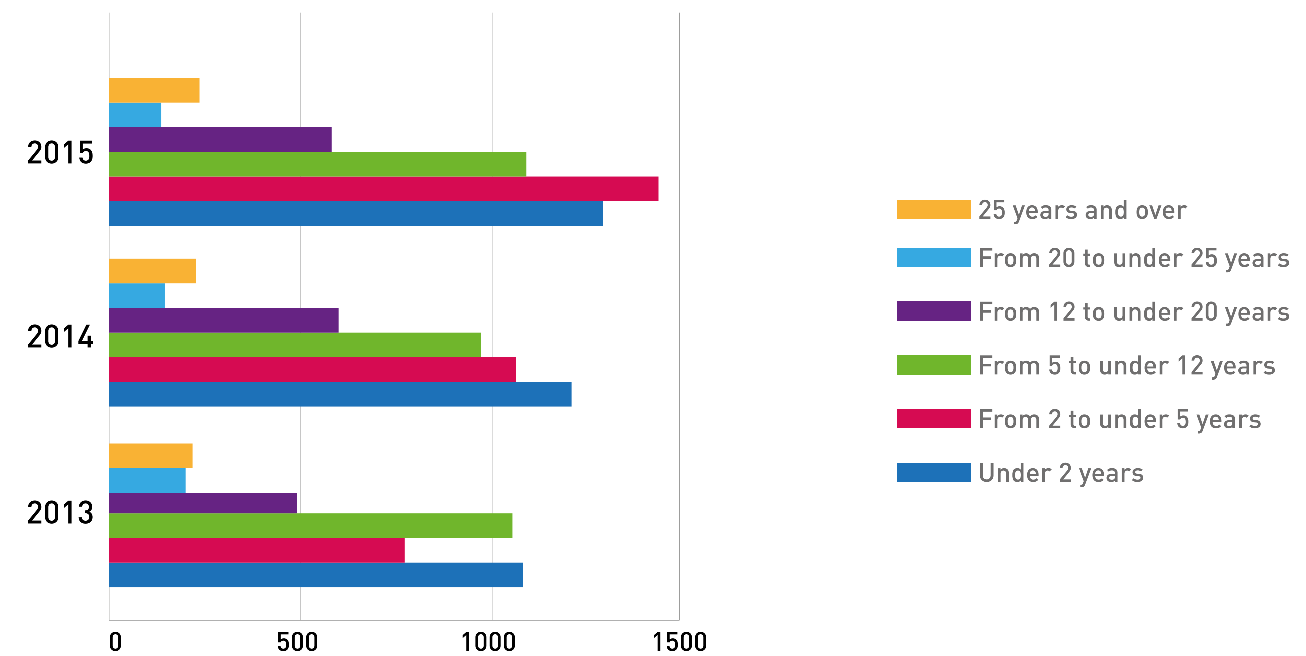
SOCIAL INFORMATION



Breakdown of permanent workforce by classification level



Breakdown of permanent workforce by gender



Breakdown of permanent workforce by seniority

TO THE ENVIRONMENT

CONTINUATION OF THE PROGRAM DEDICATED TO ENVIRONMENTAL PROTECTION

In 2015, Managem has continued the implementation of its environmental policy by the consolidation of its environmental management system.

The Group was granted environmental certification for the sites of CTT Bou-Azzer and Somifer in Bleida, according to the ISO 14001 standard by the audit firm and SGS certification. Meanwhile, Managem has launched the project of certification for the CMO mining site in Oumejrane and completed audits of renewal and monitoring of all operations.

To implement this policy, the Group has also taken advantage of various techniques recognized internationally to control the environmental impact of its activities and developed several internal responsible practices.

ISO 14001 certification for CTT Bou-Azzer and Somifer Bleida.

2015 Actions

LIMITING IMPACT

- Improvement of SMI cyanide preparation unit
- Replacement of SMI leaching unit by the project of intensive cyanidation to eliminate the negative impact of the acid leaching unit on the environment (NOx emissions, nitric acid dangers)
- Acquisition of a new generation of lightning rods for the site of Bakoudou

COMPLIANCE

- Acquisition of a safety and environmental regulatory monitoring tool for all mining operations in Morocco
- Implementation of an agreement with professionals for the recovery and processing of waste oil according to the current regulations

AWARENESS

- Conducting a study and installation of industrial display on the sites of SMI, SAMINE and Bakoudou

2016 Objectives

- Completion of the certification program of all the subsidiaries with the successful finalization of CMO project and renewal audits of the new version of ISO 14001
- Continuation of the reinforcement program of embankment dams and implementation of the embankment dams management charter
- Development of green spaces around the sites and planting of date palm trees in the southern sites, mainly in the CMO mine
- Launch of the Bakoudou site rehabilitation project with :
  • The installation of a nursery for the production of plant material in situ
  • The implementation of the first reforestation campaign

Managem is committed

TO THE ENVIRONMENT

ECOLOGY AND WATER

Managem Group has chosen to meet this challenge and put the theme of «Ecology and Water» at the heart of its mission.

Water is the central point of the life of communities especially in rural areas. Managem Group has been striving for years to address the various problems of populations surrounding its mining sites.
Managem Group has developed its flagship program «Rainwater Collection and Ecology Strengthening for an Inclusive & Sustainable development», implemented at the mining areas of Akka, Bleida, Bou-Azzer, Guemassa, Imiter and Oumejrane.
During 2015, a number of demonstrative projects have been identified and developed in close collaboration with local communities in those areas. These projects include:

- Collection and storage of rainwater
- Regeneration of waterways
- Reducing of erosion
- Biodiversity conservation and rehabilitation
- Treatment of domestic wastewater

Actions 2015

MEETINGS

THE MEETING OF ENVIRONMENT EXPERTS AND MANAGERS OF BIOSPHERES ON BIOSPHERE RESERVES CHALLENGES IN THE ARAB REGION

Hosted from 4 to 6 May 2015 in Agadir, jointly by the UNESCO Regional Office in Cairo and the UNESCO Office for the Maghreb headquartered in Rabat, in partnership with Managem Group and the National Agency for the Development of Oasis Areas and argan tree (ANDZOA), this meeting was an opportunity to discuss the threats faced by biosphere reserves in the region and to work together on possible solutions.

AWARENESS

AWARENESS WORKSHOP FOR SCHOOL KIDS

The Group organized in partnership with the Maghreb-Mashrek Alliance for Water (ALMAE), an awareness workshop dedicated to students of the Saba school and the Sidi Moumen Cultural Centre, on the theme: «I participate in the protection of the water».
This event was initiated on the sidelines of the 3rd edition of the International Exhibition of Water Technologies and Sanitation «SITeau» organized by ALMAE from 14 to 17 January 2015 in Casablanca.

ART

HARMONIA: ART FOR THE ENVIRONMENT

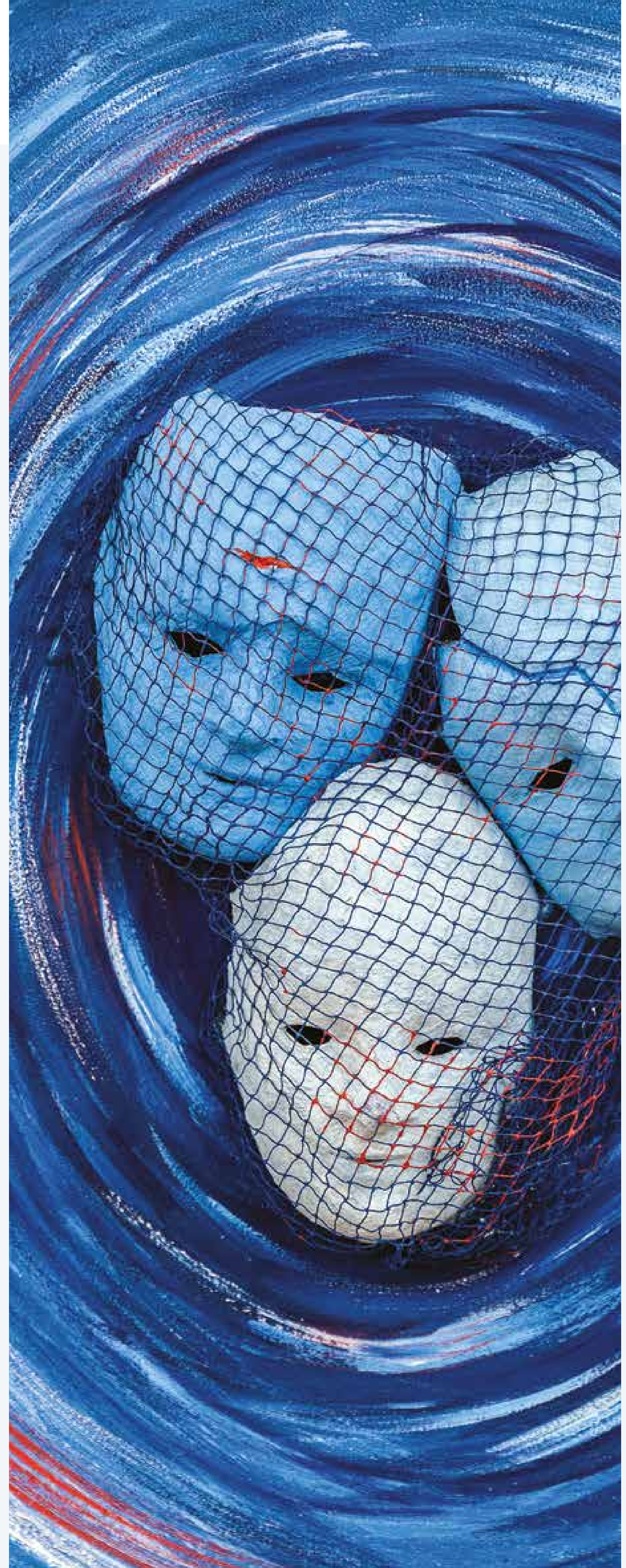
Harmonia is a multidisciplinary collective show (visual arts, performances, debates...) focusing on the creation as an educational, civic and citizen tool.
Held from 17 to 25 February 2015 at the Forum of Arts in Casablanca with the support of Managem, this event is the result of a partnership between the Association for the Promotion of Art and Heritage Preservation (ARKANE), the Association for Sustainable Development, Ecology and Environment Protection (ADEPE), and the city of Casablanca. On the sidelines of this event, Managem Group led a discussion on the theme of water.
Managem also supported the participation of a young artist painter from Tinghir, in support of the arts scene in the region.

RESEARCH

AWARD OF EXCELLENCE FOR BEST YOUNG RESEARCHERS ON THE ARGAN TREE AND THE ARGAN FOREST

In 2015, the Group sponsored the «First Award for the Best Doctoral Thesis» as part of the Awards of Excellence for the best young researchers, a scientific competition aimed to reward the best research on topics related to the argan tree and the argan forest.

This initiative of the National Agency for the Development of oasis areas and Argan tree (ANDZOA), aims to create motivation among young researchers for the valorisation of research results to the benefit of professional actors as well as the ecosystem and its preservation.



PARTNERSHIPS

STRONGER TOGETHER

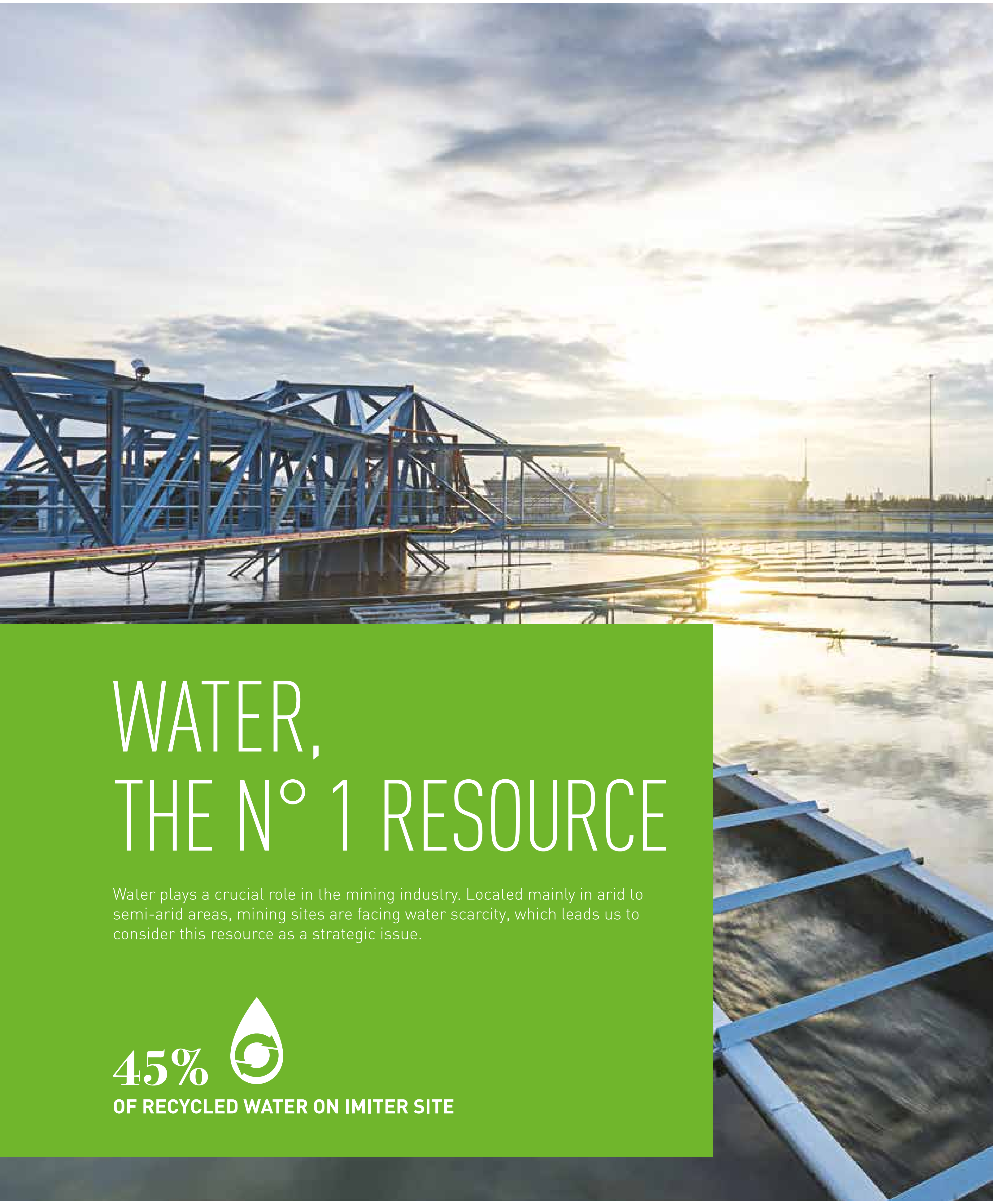
Managem Group signed three strategic partnerships in 2015:
- Meknes National School of Agriculture (ENAM)
- The National Agency for the Development of Renewable Energy and Energy Efficiency (ADEREE)
- The Social Development Agency (ADS)

These partnerships will enable the transfer of expertise from these institutions and the development of joint activities in the respective areas of expertise of each of these institutions.

SUSTAINABLE AGRICULTURE

MANAGEM LAUNCHES THE SCHOOL OF GOOD AGRICULTURAL PRACTICES (EBPA)

As part of the partnership with the Meknes National School of Agriculture (ENAM), Managem Group created a School of Good Agricultural Practices (EBPA) in favor of a core group of 25 farmers from El Hammam.
This training program aims to promote learning through practice by involving farmers in the works and debates on learning techniques.
The activities of the School of Good Agricultural Practices (EBPA) will extend throughout the agricultural season 2015-2016, and are intended to promote the skills of farmers in the rural district neighbouring the SAMINE mine site. Farmers of the core group will act as a vehicle for dissemination of knowledge and skills acquired to the neighbouring farmers.



WATER, THE N° 1 RESOURCE

Water plays a crucial role in the mining industry. Located mainly in arid to semi-arid areas, mining sites are facing water scarcity, which leads us to consider this resource as a strategic issue.

45%
OF RECYCLED WATER ON IMITER SITE

2015 Actions

STUDIES AND RESEARCH

- Detailed regional hydro-geological studies
- Evolution numerical models of water sheet
- Advanced study of new embankment dams to improve water collection and recycling
- Construction of a mathematical modelling of Eo-Cretaceous aquifer complex in the North of SMI

PROCESSES

- Optimization of solid concentrations in the processes
- Thickening before discharges and sealing of embankment dams
- Drop by drop for irrigation of green areas in mining sites
- Project of conveyance and use of treated water of the STEP of Tinghir at Imiter.

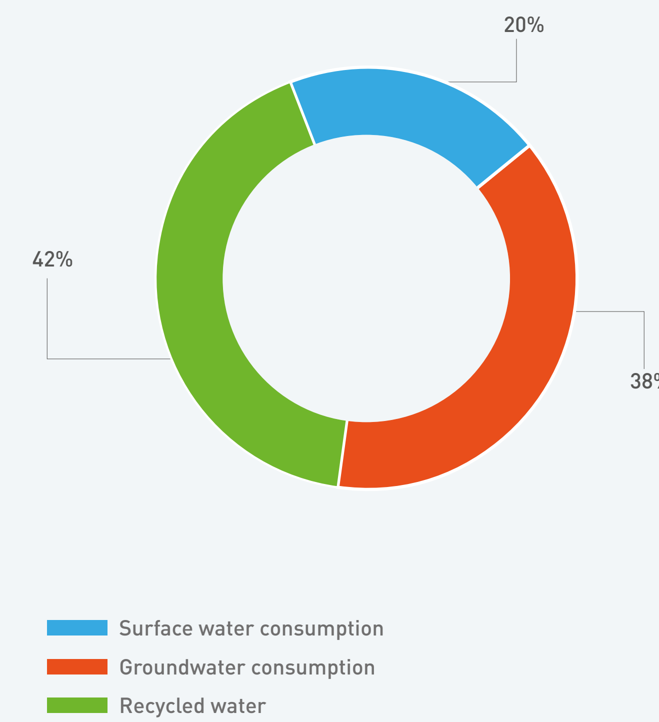
RECYCLING

- 100% of underground drilling needs are met by mine water
- Between 65% and 80% of the embankment dams' water is recycled in factories
- Construction of a basin with geo-membrane in the downstream of the embankment 5 of SMI to ensure a water stock of 3000 m3

QUALITY

- Implementation of a rigorous program of water quality monitoring
- Construction of a cyanide water neutralization unit in SMI

1,6 m^3/t TV
MANAGEM'S RATIO OF RATIO OF WATER CONSUMPTION



Breakdown of water consumption in 2015

Managem is committed

ENERGY EFFICIENCY

CONSUMING LESS AND BETTER

50%

OF THE CONSUMPTION OF ELECTRIC POWER OF MANAGEM IN MOROCCO COMES FROM THE WIND FARMS

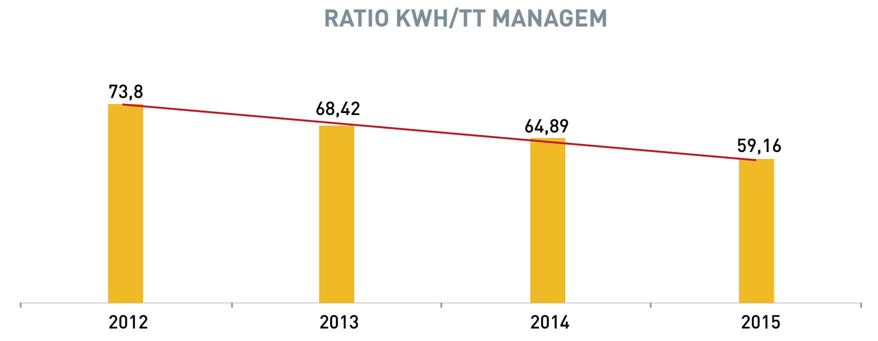
Energy efficiency is at the core of Managem's strategy with regard to sustainable development. The group works to contribute positively to this challenge by working on the energy efficiency of its facilities and activities.

Managem invests significantly in the development of renewable energy

By setting itself pragmatic objectives, Managem invests significantly in the development of renewable energy by promoting wind and solar energy for industrial units, and in research on future technologies to reduce its consumption and CO_2 emissions.

2015 CONSUMPTION

REDUCTION IN CONSUMPTION OF ELECTRIC POWER



Evolution of electric power consumption of Managem

The improvement recorded in the reduction of electricity consumption (KWH / TT) in 2015 is the result of the efforts and commitment at all levels of Managem. It results from the good management of the electric power consumption through the introduction of continuous control and energy saving actions and the consumption of wind energy.

WIND POWER KEEP ON TURNING!

Since 2013, Managem has focused on wind farming for the supply of electrical power of some of its operations. Efforts are underway to expand the introduction of other mines in the clean energy consumption. The consumption of electrical power of Managem from wind farms increased from 37% to 50% of overall consumption of Managem in Morocco for the last three years, which has helped prevent100 000 tons per year of CO_2 emissions.

CARBON FOOTPRINT

REDUCING ATMOSPHERIC EMISSIONS AND CARBON FOOTPRINT: ONGOING PROGRESS

The management of carbon footprint and air emissions holds a central place in the improvement of the industrial performance of Managem. Their reduction is necessary to fight against climate change. The group is committed with a diverse energy mix.

2015 Actions

- Achieving the programmed stoppage of the acid unit and improving the efficiency of the gas and dust treatment system
- Measuring of emissions and air quality in the sites of Bleida, Bou-Azzer and SAMINE
- Studying and upgrading of evaporation ponds in CTT Guemassa

2016 Objectives

- Generalization of the greenhouse gas emission balance (carbon balance) in collaboration with the Mohammed VI Foundation for the Environment
- Creation of a modelization study of the dispersion of air pollutants in the site of SMI and its surrounding areas.

SPECIAL FEATURE

Climate

MANAGEM IS COMMITTED TO GLOBAL CLIMATE

A PROACTIVE *climate* STRATEGY

01 | REDUCE OUR GREENHOUSE GAS EMISSIONS BY 10% BY 2020

03 | DEVELOP THE FACTORS OF THE **GREENHOUSE GAS EMISSIONS** FOR THE DIFFERENT SUBSTANCES OF THE PORTFOLIO OF MINERAL RESOURCES MANAGED BY MANAGEM

02 | TAKE INTO ACCOUNT THE CLIMATE CHANGES THROUGHOUT THE LIFE CYCLE OF THE MINE DEVELOPMENT

04 | PROMOTE INNOVATION AND THE BEST TECHNIQUES AND TECHNOLOGIES TO PROTECT THE CLIMATE

-10 %

OF GREENHOUSE GAS EMISSIONS BY 2020

To contribute to the fight against climate change, Managem Group has adopted a proactive strategy on climate, through a series of actions covering the following areas: energy, water, waste, processes and activities, purshasing, transport and logistics, and ecosystem.

Managem also carries out activities contributing to adapt to climate changes in the areas near its mining sites.

Similarly, the Group has founded a «Climate Commission» responsible for defining the guidelines for the implementation of the climate strategy, validating the annual action plans and assessing the achievements.

SHARING *of best practices* INTERNATIONALLY

PARTNERSHIP AGREEMENT WITH THE MOHAMMED VI FOUNDATION FOR THE PROTECTION OF ENVIRONMENT

In June 2015, Managem signed a partnership agreement with the Mohammed VI Foundation for the Protection of the Environment, on the implementation of the methodology of Greenhouse Gas Emissions Balance for the different substances of the mineral resources portfolio managed by Managem.

MANAGEM: FOUNDING MEMBER OF 4C MOROCCO (COMPETENCE CENTER FOR CLIMATE CHANGE OF MOROCCO)

Managem took part on October 7, 2015 in the works of the Constituent General Assembly of the Competence Center for Climate Change of Morocco (4C Morocco). Initiated by the Ministry of Environment with the support of the German Cooperation (GIZ), the 4C Morocco is composed of founding members (including Managem Group), government departments, public institutions, private professional groups and associations representing civil society. The center's mission is to develop national skills to adapt to climate change and mitigate greenhouse gas emissions. 4C Morocco thus supports research and knowledge management and will serve as a platform to strengthen the capacities of African countries, making Morocco a driving force for the fight against climate change in Africa.

JOINING FORCES *for the future of* CLIMATE

COP21 · CMP11
PARIS 2015
UN CLIMATE CHANGE CONFERENCE

Managem is committed

INNOVATION

FOCUS ON ECO-INNOVATION

Managem has stepped up its eco-innovation initiatives in 2015

In 2015, Managem accelerated its eco-innovation initiatives through the development of innovative technologies of energy efficiency and water and waste recycling, with the aim to protect waters from pollution, preserve natural landscapes and maintain a healthy ecosystem.
The objectives of Managem with regard to eco-innovation are to improve the environmental performance of the group and promote mining innovation and green mining practices.

2015 Actions

- Carrying on the actions of treatment and recycling of mining wastes of CMG, Bou-Azzer, CMG, Draa Sfar, AGM, CTT and SMI
- Development of the research center environmental expertise through the measurement of polluting potential of mining products and launch of several projects of water recycling and mining waste treatment for mines (CMG water, Akka tailings, intermediate products of CTT Guemassa and Imiter embankment among others)
- Launch of tailings embankment dam stability studies and a reinforcement program for these dams.

2016 Objectives

- Development of the laboratory and the environmental expertise of the research centre
- Providing the research centre with quality of air and atmospheric emissions measurement and analysis equipment, to strengthen the control and monitoring of internal air emissions.

INNOVATION

R&D TO MEET THE CHALLENGES OF THE MINING INDUSTRY

The Group's efforts in R&D have continued in 2015, improving performance, innovation and responsibility.

Experts from Managem's Research Center committed to continued support for the operational teams, in order to resist the effect of the drop in prices and improve product quality. R&D efforts carried on with the development of new processes for new projects currently under development in Morocco and abroad, particularly Ouanssimi, Bouskour and Tizert.
To extend the value chain, researchers continue to explore R&D in promoting the use of metals and their derivatives in different sectors: batteries, agriculture, specific industries, catalysis or alloys.
In addition, green projects have been strengthened through the intensification of R&D initiatives for the treatment and reuse of mine tailings.

UNWAVERING DEDICATION OF OUR RESEARCHERS

The fields of research serving sustainable development are numerous and include:
- Projects related to water (use, optimization, treatment, recycling and recovery);
- Mine tailings, to be reused and transformed into resources;
- Recycling of WEEE to draw on the reservoir of the «urban mine» and promote circular economy.

A WORD FROM...

GILBERT FRADE
Engineering, Mine, Energy Consultant.

«Managem was one of the first groups in Morocco to create a research center and optimize its use to work out the development and engineering tools for its activity and those of its national and international partners. In October 2015, Managem has gathered all its scientists, engineers and managers, in a reflection seminar to share experiences and discuss the future of innovation in the materials industry.
On this occasion, representatives of major international groups as ERAMET or SOLVAY, scientists from the Academy of Technologies in France and prestigious training institutions have contributed to the success of the seminar with their interventions and fruitful exchanges.
The event has opened the door to collaborative innovation and open innovation, as well as the first results of transformations induced by the digital economy and disruptive technologies that are the central themes addressed by Managem in 2016.»

Managem is committed

TO LOCAL COMMUNITIES

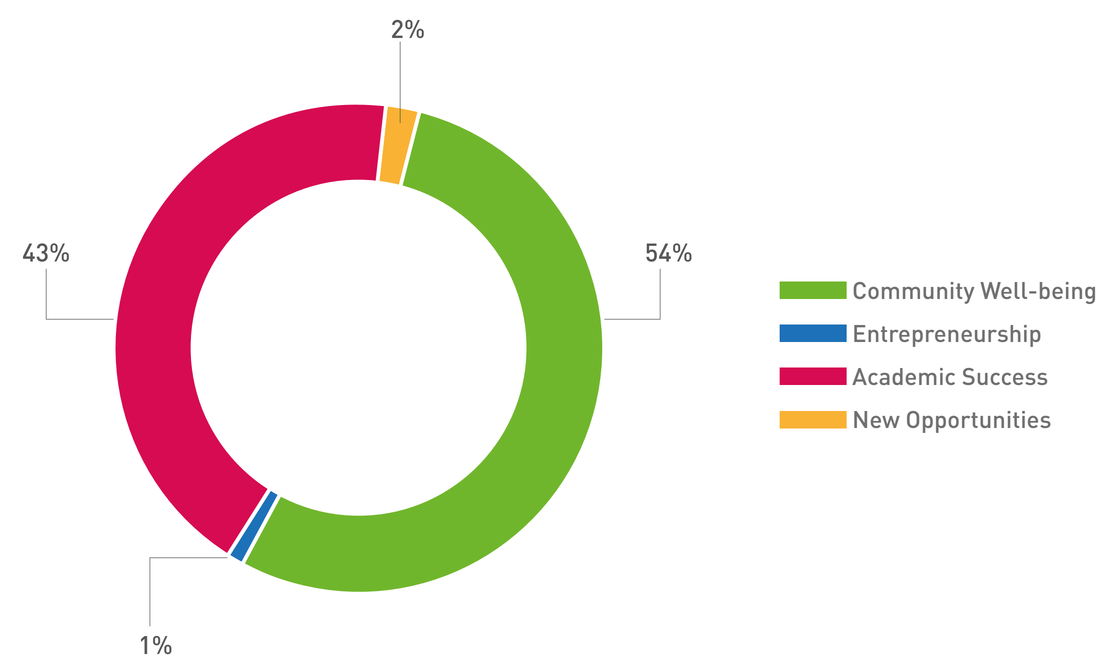
MANAGEM SOLIDAIRES: A VIRTUOUS APPROACH

845
CHILDREN OF LOCAL RESIDENTS HAVE BENEFITED FROM SUMMER CAMPS

15 MMAD
BUDGET OF SOCIETAL INVESTMENTS 2015

CLOSER TO OUR LOCAL COMMUNITIES

In 2015, Managem Solidaires, societal program of the Group, carried on its goals of integrated strategy of inclusive and sustainable local development. Concentrated on four strategic areas - the welfare of surrounding communities, academic success, offering new opportunities and entrepreneurship - the program contributes to job creation and the reduction of social disparities by promoting sustainable use of resources; strengthening mutual trust towards local communities with their participation in development programs, and finally by supporting initiatives targeting natural, cultural, architectural and historic heritage of rural areas.



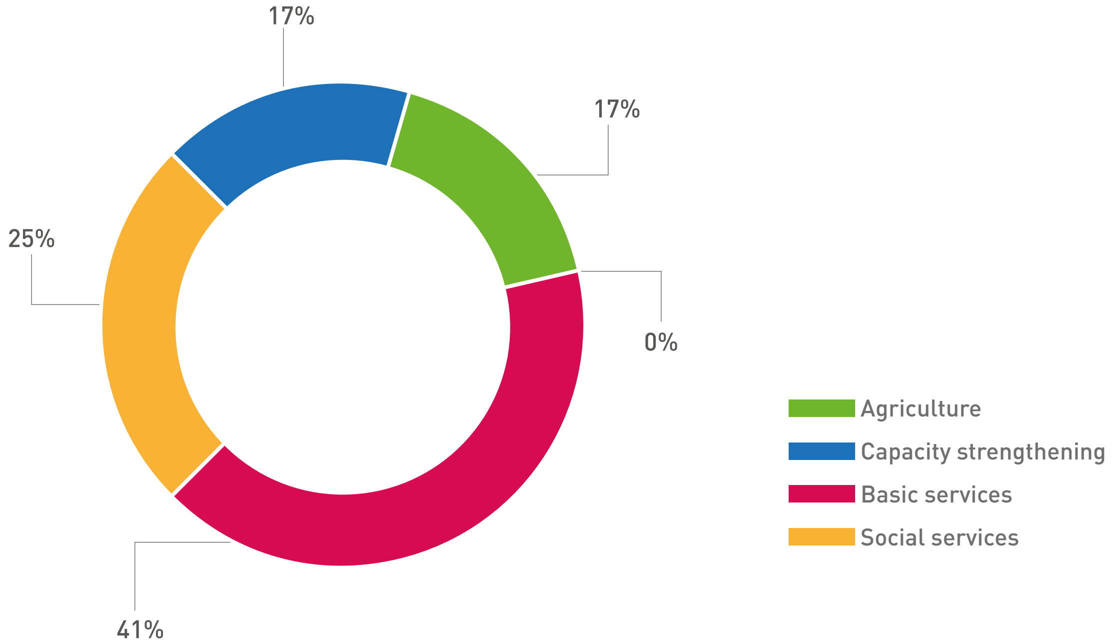
Areas of intervention

19 300
INDIVIDUALS HAVE BENEFITED FROM WELL-BEING ACTIONS

54%
OF THE BUDGET ALLOCATED

COMMUNITY WELL-BEING

For the second consecutive year, the well-being area occupies a predominant part in the Group's 2015 societal investments with 54% of the allocated budget. This predominance is due to the variety of fields the area covers and also to the scale and size of the basic service needs.
In 2015, the actions undertaken in the well-being area were directed to capacity strengthening, support to associations, contribution to access to drinking water, construction of khattaras for agricultural water, access to health and social support.



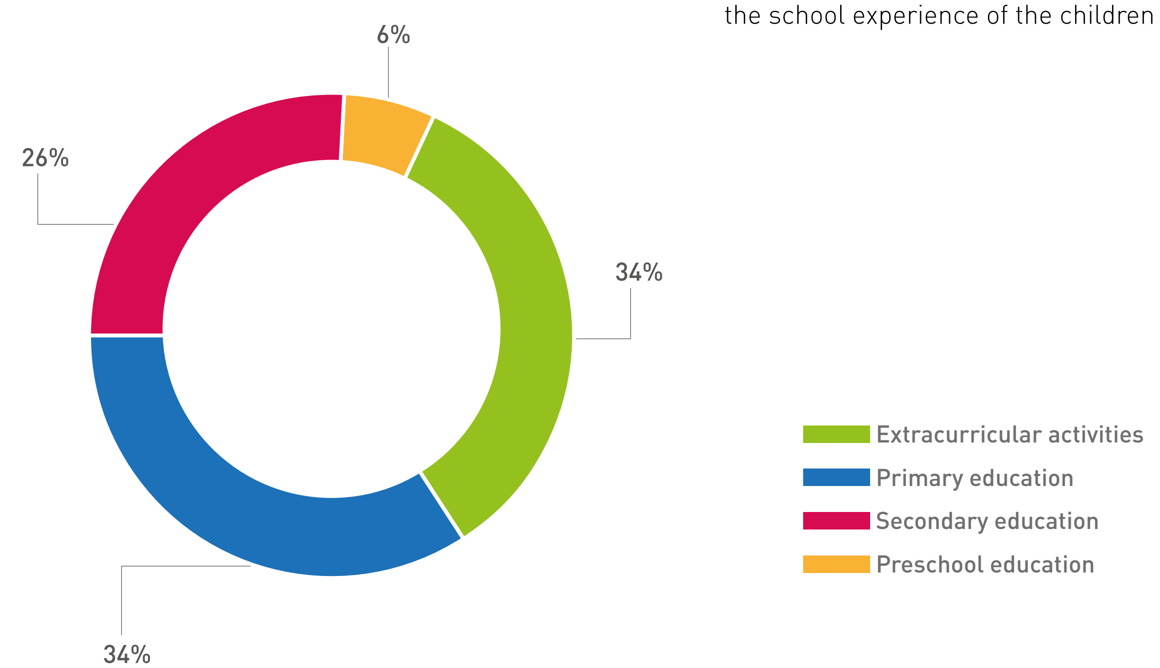
Community Well-being

3 600
TARGETED STUDENTS

43%
OF THE BUDGET ALLOCATED

ACADEMIC SUCCESS

The Academic Success area represents 43% of the budget allocated in 2015. The actions taken included the distribution of school kits and equipment, support to school life (transport and school canteen), construction of educational spaces, capacity strengthening and covering of the teachers-wages.
Both primary and secondary academic cycles (middle and high school) total 50% of the sums paid; preschool education, emerging with 6%, is a major project for Managem Solidaires, with an objective of going into a strategic partnership with the Moroccan Foundation for Preschool Education (FMPS).
The actions taken aim at supporting the school's qualification in order to contribute to the fight against school dropout, promote girls education and provide educational and civic dimension to the school experience of the children of local residents.



Academic Success

1 270
TARGETED WOMEN

127 KDH
ALLOCATED

ENTREPRENEURSHIP

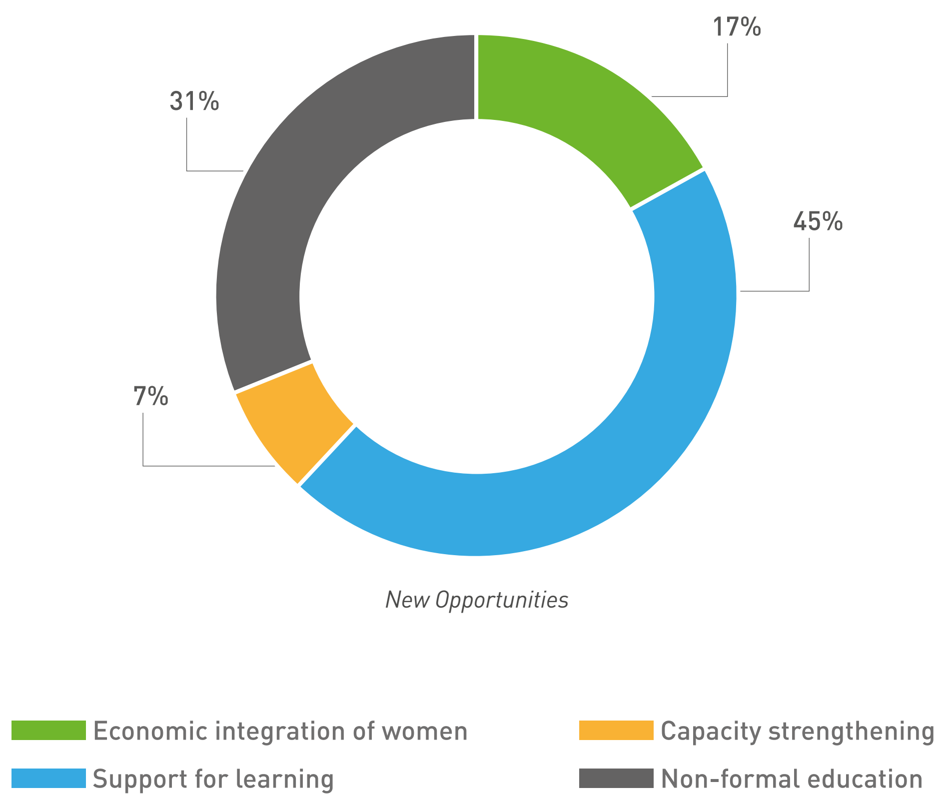
Dedicated to the capacity strengthening and economic integration of women, the Entrepreneurship area targeted nearly 1270 women. The investment in this area is still small, mainly due to the lack of projects initiated by local players.

730
TARGETS

371 KDH
ALLOCATED

NEW OPPORTUNITIES

Intended for youth and women, the actions of this area include learning programs for women and non-formal education. The budget of 371 KMAD allocated in 2015 has targeted nearly 730 persons. This area is expected to grow given its role in youth empowerment and inclusion of women in the local, regional and national economic landscape.



New Opportunities

A WORD FROM...

FATEMA MAROUANE
Minister of Handicrafts, Social Economy and Solidarity.

«As part of the partnership between the Ministry of Handicrafts, Social Economy and Solidarity, and Managem Group, a framework agreement for the development of the sector was signed.
This document addresses several areas of development for improving the income of craftsmen and professional groups and strengthening the production sector through the supply of raw materials, the achievement of technical expertise, the purchase of equipment and the marketing and promotion of products.
In continuation of the implementation of its social and responsible mission, Managem Group also participated in the 4th edition of the National Fair of Social and Solidarity Economy. At this event, Managem has sponsored 20 exhibiting cooperatives working in the fields of handicrafts and local products and also actively contributed to scientific workshops organized on the sidelines of the shows.»

TO BUSINESS ETHICS

CONDUCTING OUR BUSINESS RESPONSIBLY

The Group's commitment to responsible governance is reflected in the common founding documents that allowed mutualizing our values in more than 11 countries. These structuring commitments lead us to act in a responsible, transparent and ethical manner, and to ensure the sustainability of our business by creating value for all our stakeholders.

INTEGRATING CSR IN OUR PURCHASING

The group's expectations towards its suppliers are set out in its «Purchasing Code of Ethics», particularly in terms of prevention of corruption and conflicts of interest, promotion of equality and fair competition and a policy of sustainable development among its subcontractors. This approach is supported by an approval procedure incorporating criteria related to ethics and favouring local partners.

CONSOLIDATED FINANCIAL STATEMENTS

From January 1st
to December 31st Year 2015

CONSOLIDATED INCOME STATEMENTS

(In Million MAD)	31-DEC-15	31-DEC-14
Turnover	4317,0	3839,8
Other revenues from the activity	-41,3	90,4
Produits des activités ordinaires	4275, 7	3930,2
Purchases	-1727,9	-1691,3
Other external expenses	-897,0	-853,8
Personnel costs	-905,3	-824,2
Taxes	-65,8	-56,9
Amortizations and operating provisions	-876,9	-890,1
Other operating revenues and expenses	807,0	832,1
Current operating expenses	-3666,0	-3484,1
CURRENT OPERATING INCOME	609,7	446,1
Asset sales	0,2	1,0
Earnings on financial instruments	5,3	-0,4
Other non-current operating revenues and expenses	1,9	-0,7
INCOME FROM OPERATING ACTIVITIES	617,2	445,9
Interest income	13,6	12,7
Interest expenses	-206,6	-176,6
Other financial revenues and expenses	-57,7	28,6
FINANCIAL INCOME	-250,7	-135,3
INCOME BEFORE TAXES OF CONSOLIDATED COMPANIES	366,5	310,6
Profit taxes	-95,9	-88,0
Deferred taxes	-13,1	3,1
NET INCOME OF CONSOLIDATED COMPANIES	257,5	225,7
Share in the income of the equity-accounted companies	0,0	0,0
NET INCOME FROM CONTINUING OPERATIONS	257,5	225,7
INCOME OF ALL CONSOLIDATED ENTITIES	257,5	225,7
Minority interest	52,6	43,8
NET INCOME – GROUP SHARE	204,9	181,9

STATEMENT OF OTHER ELEMENTS OF CONSOLIDATED COMPREHENSIVE INCOME

(In Million MAD)	31-DEC-15	31-DEC-14
EARNINGS FOR THE YEAR	257,5	225,7
OTHER ELEMENTS OF COMPREHENSIVE INCOME (GROSS OF TAX)		
Translation adjustments of activities abroad	115,9	111,9
Profits and losses related to the revaluation of financial assets Available for sale	-	-
Effective portion of revenues or losses on cash flow hedging instruments	-147,7	-129,5
Change in the reserve of revaluation of fixed assets	-	-
Actuarial adjustments on the obligations of defined benefit plans	-8,5	-13,5
Income tax on other elements of comprehensive income	41,4	43,5
Share of other elements of comprehensive income in the associated companies	-	-
Capital increase expenses of subsidiaries	-	-
OTHER ELEMENTS OF COMPREHENSIVE INCOME NET OF TAX	1,1	12,4
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	258,5	238,1
INCLUDING MINORITY INTERESTS	52,4	51,8
INCLUDING NET COMPREHENSIVE INCOME - GROUP SHARE	206,1	186,3

STATEMENT OF THE FINANCIAL POSITION

(In Million MAD)

ASSETS	31-DEC-15	31-DEC-14
Goodwill	319,5	318,2
Intangible fixed assets, net	1467,4	1198,0
Tangible fixed assets, net	4477,5	4390,0
Investment property, net	26,3	26,6
Other financial assets	279,8	299,5
- Derivative instruments of hedging	15,5	47,6
Loans and receivables, net	3,7	4,1
- Financial assets available for sale	260,6	247,8
Receivables of corporate taxes	-	-
Deferred taxes assets	279,7	248,9
Other non-current receivables, net	-	-
NON CURRENT ASSET	6850,2	6481,3
Other financial assets	7,3	3,6
- Derivative financial instruments	7,3	3,6
- Loans and receivables and investments, net	-	-
Inventories and Work-in-progress	622,0	638,0
Trade receivables, net	608,4	616,6
Other current receivables, net	1663,1	1366,7
Cash and cash equivalents	384,3	128,0
CURRENT ASSET	3285,2	2752,9
TOTAL ASSETS	10135,3	9234,2

(In Million MAD)

LIABILITIES	31-DEC-15	31-DEC-14
Capital	915,9	915,9
Issue and merger premium	784,0	784,0
Reserves	1 325,1	1 475,3
Translation adjustments	203,3	93,4
Net income Group share	204,9	181,9
SHAREHOLDERS EQUITY ATTRIBUTABLE TO ORDINARY SHAREHOLDERS OF THE PARENT COMPANY	3 433,0	3 450,4
Minority interests	434,0	447,2
SHAREHOLDERS' EQUITY OF ALL CONSOLIDATED ENTITIES	3 867,1	3 897,7
Provisions	54,6	52,8
Employee benefits	127,5	112,4
Non-current financial liabilities	2 271,4	2 182,2
- Derivative financial instruments	-	1,6
- Amounts owed to credit institutions	1 104,4	952,3
- Debts for which a security was issued	950,0	950,0
- Debts linked to finance leases	217,0	278,4
Debts of corporate taxes	-	-
Deferred taxes liabilities	11,9	9,6
Other non-current payables	18,1	24,1
NON-CURRENT LIABILITIES	2 483,6	2 381,2
Provisions		
Current financial liabilities	1 741,1	1 137,0
- Derivative financial instruments	246,3	131,2
- Amounts owed to credit institutions	1 494,8	1 005,8
- Debts represented by a security	-	-
Current trade payables	977,0	779,5
Other current payables	1 066,5	1 039,0
CURRENT LIABILITIES	3 784,6	2 955,4
TOTAL LIABILITIES	6 268,2	5 336,6
TOTAL EQUITY AND LIABILITIES	10 135,3	9 234,2

Consolidated financial statements

CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

(In Million MAD)	CAPITAL	RESERVES	TRANSLATION ADJUSTMENT	NET INCOME GROUP SHARE	TOTAL GROUP SHARE	MINORITY INTEREST	TOTAL
AT 1ST JANUARY 2014	915,9	2 178,2	(12,4)	404,8	3 486,4	458,5	3 944,9
Changes in shareholders' equity for 2010	-	-	-	-	-	-	-
Net income of the period	-	-	-	181,9	181,9	43,8	225,7
Earning of cash flow hedging	-	(133,3)	-	-	(133,3)	3,8	(129,5)
Losses and gains of conversion	-	-	105,8	-	105,8	6,1	111,9
Losses and profits of revaluation of AFS	-	-	-	-	0,0	-	0,0
Actuarial losses / gains	-	(12,0)	-	-	(12,0)	(1,5)	(13,5)
Taxes related to other components of comprehensive income	-	43,9	-	-	43,9	(0,4)	43,5
Other components of comprehensive income	-	-	-	-	0,0	-	0,0
Total comprehensive income for the year	0,0	(101,4)	105,8	181,9	186,3	51,8	238,1
Dividends paid	-	(232,0)	-	-	(232,0)	(63,0)	(294,9)
Capital increase	-	9,8	-	-	9,8	-	9,8
Elimination of treasury shares	-	-	-	-	0,0	-	0,0
Other transactions with shareholders	-	(0,2)	-	-	(0,2)	(0,1)	(0,3)
Transfer to retained earnings	-	404,8	-	(404,8)	0,0	0,0	0,0
Total transactions with shareholders	0,0	182,4	0,0	(404,8)	(222,4)	(63,1)	(285,4)
AT 31ST DECEMBER 2014	915,9	2 259,2	93,4	181,9	3 450,3	447,3	3 897,7
AT 1ST JANUARY 2015	915,9	2 259,2	93,4	181,9	3 450,3	447,3	3 897,7
Changes in equity for 2010	-	-	-	-	-	-	-
Net income for the period	-	-	-	204,9	204,9	52,6	257,5
Cash flow hedging earnings	-	(140,3)	-	-	(140,3)	(7,4)	(147,7)
Conversion losses and profits	-	-	109,9	-	109,9	6,0	115,9
Losses and profits of revaluation of AFS	-	-	-	-	0,0	-	0,0
Actuarial losses / gains	-	(7,8)	-	-	(7,8)	(0,7)	(8,5)
taxes related to other components of comprehensive income	-	40,2	-	-	40,2	1,3	41,4
Other components of comprehensive income	-	-	-	-	0,0	-	0,0
Total comprehensive income for the year	0,0	(108,0)	109,9	204,9	206,8	51,7	258,5
Dividends paid	-	(229,0)	-	-	(229,0)	(64,9)	(293,9)
Increase in capital	-	4,8	-	-	4,8	-	4,8
Elimination of treasury shares	-	-	-	-	0,0	-	0,0
Other transactions with shareholders	-	(0,0)	-	-	(0,0)	-	(0,0)
Transfer to retained earnings	-	181,9	-	(181,9)	0,0	0,0	0,0
Total transactions with shareholders	0,0	(42,3)	0,0	(181,9)	(224,2)	(64,9)	(289,1)
AT 31ST DECEMBER 2015	915,9	2 108,9	203,3	204,9	3 432,9	434,1	3 867,1

STATEMENT OF CONSOLIDATED CASH FLOWS

(In Million MAD)	31-DEC-15	31-DEC-14
Net income of the consolidated entity	257,5	225,7
ADJUSTMENTS FOR	-	-
Allowance for depreciation and provisions, impairment losses	881,3	901,6
Profits / losses of revaluation (fair value)	(5,3)	0,4
Earnings from disposal and losses and profits of dilution	(0,2)	(1,0)
Income from dividends	0,0	0,0
CASH FLOW AFTER COST OF NET FINANCIAL DEBT AND TAX	**1 133,2**	**1 126,7**
Elimination of the taxes expense (revenue)	109,0	84,9
Elimination of the cost of net financial debt	206,6	176,6
CASH FLOW BEFORE COST OF NET FINANCIAL DEBT AND TAX	**1 448,9**	**1 388,3**
Effect of changes in WCR	(41,9)	(585,9)
Deferred taxes	0,0	0,0
Taxes paid	(95,9)	(88,0)
NET CASH FLOWS FROM OPERATING ACTIVITIES	**1 311,1**	**714,3**
Impact of changes in consolidation scope	0,0	0,8
Acquisition of tangible and intangible fixed assets	(1 110,7)	(1 306,5)
Acquisition of financial assets	(9,6)	(0,3)
Change in other financial assets	(1,2)	(599,1)
Investment subsidies received		
Transfers of tangible and intangible fixed assets	1,3	40,5
Transfers of Financial Assets	0,0	0,0
Dividends received	0,0	0,0
Financial Interests paid	(206,6)	(176,6)
NET CASH FLOWS FROM INVESTING ACTIVITIES	**(1 326,8)**	**(2 041,1)**
Increase in capital	4,8	9,8
Transactions between shareholders (acquisitions)	0,0	0,0
Transactions with shareholders (transfers)	0,0	0,0
Issuance of new loans	517,5	2 057,4
Repayment of loans	(431,5)	(933,6)
Change in receivables and payables arising from finance lease contracts	-	-
Repayment of finance lease	(65,8)	(36,5)
Other cash flows from financing transaction	-	-
Dividends paid to shareholders of the parent company	(229,0)	(232,0)
Dividends paid to minority	(64,9)	(62,9)
Change in associated current accounts	(17,7)	(60,7)
NET CASH FLOW FROM FINANCING ACTIVITIES	**(286,7)**	**741,6**
Effect of changes in exchange rates	5,9	9,7
Impact of change in accounting methods and principles	-	-
CHANGE IN CASH AND CASH EQUIVALENTS	**(296,4)**	**(575,5)**
Net cash and cash equivalents at the opening*	(451,9)	123,6
Cash and net cash equivalents at the closing *	(748,4)	(451,9)
CHANGE IN CASH AND CASH EQUIVALENTS	**(296,4)**	**(575,5)**

* This amount of cash and cash equivalents is not directly entered in the balance sheet to the extent that the Cash-liabilities are included in current debts owed to the credit institutions.

CONSOLIDATED FINANCIAL STATEMENTS

CONTENTS

NOTE 1

DESCRIPTION OF THE ACTIVITY

Managem Group is a leading operator of the mining sector in Morocco and in the region, with two core businesses: mining and hydrometallurgy.

The Group's activities include exploration, mining, valorisation and marketing of mineral substances.

Alongside these activities, the Group is also involved in research & development and engineering for the development of new methods and processes of operating of mining deposits.

The Group's operations are mainly conducted in Morocco with a presence in some African countries, through construction projects in Gabon and DRC as well as exploration projects in Sudan.

The Group's main products are: Cobalt, Silver, Zinc, Copper, Cobalt Oxide, Zinc Oxide, Fluorite, Gold and Lead.

NOTE 2

SIGNIFICANT EVENTS DURING THE PERIOD

- Significant decline in metal prices, that is, -20% for Copper, - 18% for silver, -15% for lead and -9% for Cobalt;
- Improvement of operational performance through the contribution of new projects and efforts of productivity improvement in all operating sites:
  - Significant increase in the production of gold (+ 27%),
  - Consolidation of Copper production performance (+ 20%),
  - Significant improvement of the production of Cobalt cathodes (+ 24%),
- Discovery of new reserves of base metals, silver and cobalt.

NOTE 3

ACCOUNTING POLICIES

3.1. ACCOUNTING STANDARDS

Pursuant to the opinion 5 of the National Accounting Council (CNC) of 26/05/2005 and pursuant to Article 6, paragraph 6.2 of Circular No 07/09 of the Ethics Council for Securities (CDVM) of 26 June 2009, the consolidated financial statements of the Managem Group are prepared in accordance with the international accounting standards adopted in the European Union.

International accounting standards include IFRS (International Financial Reporting Standards) and IAS (International Accounting Standards) and their SIC and IFRIC interpretations (Standards Interpretations Committee and International Financial Reporting Interpretations Committee).

The Group's accounting methods and principles are described below and were applied for the fiscal year 2015 and for the comparative periods presented.

3.2. BASES OF EVALUATION

The consolidated financial statements are presented in million dirhams (MMAD), rounded to the nearest million. They are prepared according to the historical cost convention except for certain assets and liabilities in accordance with the principles set by IFRS. The categories concerned are mentioned in the summary of the notes below.

3.3. USE OF ESTIMATES AND ASSUMPTIONS

The preparation of consolidated financial statements in accordance with international accounting standards, has led the Group to make estimates and assumptions that have an effect on the financial statements and the notes accompanying them.

A) DEPRECIATION OF INVENTORIES

Inventories and work-in-progress are valued at the lower of their cost and net realizable value. The inventory depreciation calculation is based on an analysis of foreseeable changes in demand, technology or the market to determine obsolete or excess inventories.

Impairment losses are recognized among current operating expenses or restructuring charges, if any, depending on the nature of the amounts concerned.

B) IMPAIRMENT OF TRADE RECEIVABLES AND LOANS

An impairment of trade receivables and loans is recognized if the discounted value of future cash receipts is below the present value. The amount of impairment takes into account the debtor's capacity to honour their debts and the age of the receivable. A higher default rate than estimated or failure of our major customers can have a negative impact on our future revenues.

C) CAPITALIZED DEVELOPMENT COSTS, GOODWILL, INTANGIBLE FIXED ASSETS AND TANGIBLE FIXED ASSETS

The Group activates exploration expenditures and mining research in accordance with the accounting principles set out below.

The activated exploration expenditures are reviewed for impairment in case of indicators of impairment losses and are depreciated if the carrying value of these assets exceeds their recoverable value.

The development costs capitalization conditions are set out below. Once capitalized, these costs are amortized over the estimated life of the products concerned.

The Group must therefore evaluate the commercial and technical feasibility of these projects and estimate the lifespan of the resulting products. If it turns out that a product was not able to meet the initial expectations, the Group could be obliged to depreciate in the future, all or part of the capitalized costs or modify the initial depreciation plan.

The Group has also to its credit intangible fixed assets acquired in cash or through business combination transactions as well as the resultant goodwill.

In addition to the annual impairment tests relating to goodwill, specific tests in case of an impairment indicator of the held intangible assets are carried out. The possible impairments result from a calculation of discounted future cash flows and/or values of the market of the assets concerned. A change in the conditions of the market or the cash flows initially estimated can therefore lead to review and modify the impairment losses previously recognized.

Regarding the impairment tests of tangible and intangible fixed assets, IAS 36 standard «Impairment of Assets» specifies that when events or changes in market conditions indicate a risk of impairment of these assets, they are subject to a detailed review to determine whether their accounting value is lower than recoverable value (the higher of value in use and fair value less costs to sell) that may lead to the recording of an impairment loss. Value in use is estimated by calculating the present value of future cash flows. The fair value is based on available information deemed most reliable (market data, recent transactions ...).

The planned closing of certain sites, reduction in complementary workforce and the downward revision of market outlook may in some cases be regarded as indications of impairment.

Assumptions and estimates are considered in the determination of the recoverable value of tangible fixed assets among which we note the market outlook, obsolescence and net realizable value in the event of sale or liquidation. Any changes in these assumptions can have a significant effect on the amount of the recoverable amount and could lead to reconsider the amount of impairment losses recognized.

D) PROVISIONS

The amount of provisions recognized by the Group is based on the best estimate of the output of future economic benefits on the date the Group recognized this obligation. The amount of provisions is adjusted at each reporting date taking into account any change in the estimate of the output of future benefits expected.

When the time effect is significant on the evaluation of an obligation of output of future benefits, provisions are discounted, the discounting effect being subsequently included in financial expenses.

E) DEFERRED TAXES

The recognized deferred tax assets result mainly from tax deficits carried forward and deductible temporary differences between accounting and tax values of assets and liabilities. The assets relating to carrying forward of tax losses are recognized if it is probable that the Group will have future taxable profits against which these tax losses can be offset.

Estimates of future earnings are achieved from the budgets and forecasts of accounting earnings, adjusted from tax adjustments. These estimates are made on the basis of market assumptions that could not be confirmed in the future.

The assets and liabilities of deferred taxes, whatever their maturity date, should be offset when they are levied by the same tax authority and concern the same tax entity which has the right to offset assets and liabilities of current taxes. Thus, each entity of the Group proceeded with the offset of these deferred tax assets and liabilities.

F) PROVISION FOR PENSION AND OTHER POST-EMPLOYMENT BENEFITS

The Group participates in defined contribution pension schemes. In addition, certain other post-employment benefits such as medical coverage, retirement benefits and work medals are the subject of provisions. All these commitments are calculated on the basis of actuarial calculations based on assumptions such as the discount rate, the medical inflation rate, future salary increases, staff turnover rates and mortality tables. These assumptions are generally updated annually.

G) REVENUE RECOGNITION

Revenues are recorded at the fair value of the consideration received or to be received when the enterprise has transferred to the buyer the significant risks and benefits inherent in ownership of the property.

H) FAIR VALUE OF DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group selects the methods and uses assumptions that it considers most appropriate, based primarily on market conditions existing at each closing date.

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3.4. PRINCIPLES OF CONSOLIDATION

3.4.1.SUBSIDIARIES

The companies in which the Group has exclusive control de facto nor de jure are consolidated according to the method of global integration. Control is defined as the power to direct and manage the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of controlled companies are consolidated when control becomes effective and until that control ceases.

Control is presumed to exist when the parent company owns, directly or indirectly through subsidiaries, more than half of the voting rights of an entity unless in exceptional circumstances where it can be clearly demonstrated that such ownership does not allow the control.

To determine if a group entity has control over another, it is also taken into account the existence and effect of potential exercisable voting rights on the date of the financial statements. However, the distribution between the percentage of interest of the group and minority interests is determined on the basis of the current percentage of interest.

The share of net income and equity is presented under «minority interests».

3.4.2. INTERESTS IN JOINT VENTURES AND ASSOCIATE COMPANIES

The companies in which the Group has significant influence on management and financial policy are consolidated using the equity method; significant influence is presumed when more than 20% of voting rights are held.

According to the equity method, equity interests are carried at cost, adjusted for post-acquisition changes in the share of the investor in the entity owned, and any impairment of the net investment. The losses of a consolidated entity using the equity method that exceed the Group's interest in that entity value are not recognized unless:

The Group has a legal or implicit obligation to cover these losses; or
The Group has made payments on behalf of the associate company.

Any excess of the cost of acquisition over the Group's share in the fair value of assets, liabilities and contingent liabilities of the associate company at the date of acquisition is recorded as goodwill but is not shown on the balance sheet among other goodwill of the Group. The latter is, in fact, included in the book value of the equity-accounted interest and is tested for impairment in the total accounting value of the interest. Any excess of the Group's share in the net fair value of assets, liabilities and identifiable contingent liabilities of the entity on the acquisition cost is immediately recognized in income.

The interests in entities over which the Group has ceased to exercise significant influence are no longer consolidated as of this date and are valued at the lower of their equity value at the date of deconsolidation or their value in use.

The Group has chosen, as permitted by IAS 31 standard «Interests in Joint Ventures», to consolidate according to the proportional integration method the entities over which it exercises joint control. Interests in entities over which the Group has ceased to exercise joint control or significant influence, are no longer consolidated from this date and are valued in accordance with IAS 39.

Investments in subsidiaries, joint ventures and associates that are classified as held for sale (or included in a group intended to be sold is classified as held for sale in accordance with IFRS 5 are accounted for in accordance with this standard.

Currently, the Group does not have in its scope of consolidation associate company or joint venture.

3.4.3. EXCLUSION OF CONSOLIDATION SCOPE

In accordance with IFRS, there is no exemption to the Group's consolidation scope. Insignificant interests are treated as AFS securities.

3.4.4. RESTATEMENTS OF CONSOLIDATION

All intra-group transactions and significant reciprocal assets and liabilities between the fully consolidated or proportionately consolidated companies are eliminated. It is the same for internal Group income (dividends, capital gains ...). The revenues of internal transfers achieved with equity accounted companies are eliminated to the extent of the percentage interest of the Group in these companies.

3.4.5. CLOSING DATE

All the Group's companies are consolidated from the annual accounts closed on December 31st, 2015.

3.5. TRANSLATION OF FINANCIAL STATEMENTS AND OPERATIONS INTO FOREIGN CURRENCY

The functional currency of MANAGEM company is the dirham, it is also the presentation currency of the Group's consolidated financial statements.

3.5.1. TRANSLATION OF FINANCIAL STATEMENTS OF FOREIGN COMPANIES

The financial statements of self- sustaining foreign subsidiaries, whose functional currency is the dirham, are translated into dirham as follows:

- With the exception of equity for which historical rates are applied, the balance sheet accounts are translated on the basis of the exchange rate prevailing at the balance sheet date,
- The income statements and cash flow statements are translated at the average exchange rate for the period,
- The resulting translation adjustment is recorded under «Translation adjustments» included in equity.

Goodwill and fair value adjustments arising from the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are expressed in the functional currency of the acquired entity and are translated into dirham at the closing rate. The financial statements of self- sustaining foreign operations whose functional currency is different than dirham and whose activity is the extension of the parent company are translated into dirham according to historical rate method.

3.5.2. TRANSLATION OF FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies (that is to say in a currency other than the functional currency of the entity) are translated at the exchange rate prevailing at the date of the transaction.
Assets and liabilities denominated in foreign currencies are valued at the rate prevailing at the closing date or at the rate of hedging assigned to them if necessary.

The corresponding foreign exchange differences are recorded in the income statement, the changes in fair value of hedging instruments are recorded in accordance with the treatment described in Note 3.17.3 «Derivative instruments 410 below».

3.6. BUSINESS COMBINATIONS

Rules specific to the first adoption: Business combinations prior to the transition date (January 1st, 2006 have not been restated in accordance with the option offered by IFRS 1.

Combinations after January 1st, 2006 :

Acquisitions of subsidiaries are accounted for using the acquisition method. The acquisition cost includes, at the date of the combination, the following elements :

- The fair value, at the date of exchange, of assets given, liabilities incurred or assumed;
- Any equity instruments issued by the Group in exchange for control of the acquired entity;
- Other costs potentially attributable to the business combination.

The assets, liabilities, identifiable contingent liabilities of the acquired entity that meet the recognition criteria under IFRS 3 are recognized at fair value with the exception of assets (or group of assets), complying with the provisions of the IFRS 5 for qualification of non-current assets intended to be sold, then recognized and valued at fair value less necessary costs to sell. In the case of a first consolidation of an entity, the Group proceeds in a period not exceeding one year from the acquisition date with the valuation of all assets, liabilities and contingent liabilities at fair value.

Goodwill represents the difference between the acquisition cost and the share of interest of the acquirer in the net fair value of assets, liabilities and identifiable contingent liabilities. It follows the principles defined in the section «3.7 Goodwill».

3.7. GOODWILL

Goodwill is measured in the functional currency of the acquired entity. It is recognized in the asset of the balance sheet. It is not amortized and is the subject of annual impairment test or as soon as there is evidence calling into question the value recorded in the balance sheet. Recorded impairment losses can not be subject to a subsequent recovery.
When the share of the fair value of assets, liabilities and contingent liabilities acquired exceeds the acquisition cost a negative goodwill is recognized immediately in the income, and after re-estimating the valuation of assets, liabilities and identifiable contingent liabilities.
Upon disposal of a subsidiary or a jointly controlled entity, the amount of goodwill attributable to the subsidiary is included in the calculation of the income from disposal.

For acquisitions occurring before January 1st 2006, goodwill is maintained at its deemed cost, which represents the amount recorded under Moroccan accounting principles (Opinion No. 5 of the National Accounting Council - CNC). The classification and treatment of business combinations that occurred before January 1st, 2006 have not been changed on the occasion of the adoption of IFRS on January 1st 2006 in accordance with IFRS 1.

3.8. INTANGIBLE FIXED ASSETS

Items recorded under intangible fixed assets are primarily expenses of exploration and mining research, patents and software.

A. EXPLORATION AND MINING RESEARCH EXPENSES

In accordance with IFRS 6, «Exploration and Evaluation of Mineral Resources», the Group maintains its accounting principles relating to the evaluation and recognition of mineral exploration expenses. These expenses mainly include costs directly related to the following elements:

- Geological Studies of a general nature to evaluate the potential of an area or a license;
- Detailed geology and geochemistry work;
- Geophysical works;
- Borehole drilling work;
- Mining work;
- Sampling;
- Treatment Trials;

Exploration expenses also include costs incurred for obtaining or acquiring the rights to explore «mining exploration permit.

Exploration expenditures are recorded :

- On the assets if such expenditures identify new deposits; or
- In expenses for the period in which they are incurred, if they do not allow the identification of new mineral reserves.

The activated exploration expenditures are amortized over the life of the reserves identified and reviewed for impairment in case of indicators of impairment.

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B.OTHER INTANGIBLE FIXED ASSETS

Intangible fixed assets are recorded in initial acquisition cost less accumulated depreciation and impairment losses.

Identifiable intangible assets whose useful life is defined are amortized according to their own useful life when putting into service.

Identifiable intangible assets acquired which useful life is undefined are not amortized but are subject, every year, to impairment tests or whenever there is indicators calling into question the value recorded in the balance sheet. If necessary, an impairment loss is recorded.

That method of amortization accurately reflects the pace of consumption of economic benefits.

3.9. TANGIBLE FIXED ASSETS

RULE SPECIFIC TO THE FIRST ADOPTION :

As part of the first application of IFRS and in accordance with IFRS 1, the Group carried out the fair value measurement at January 1st 2006 of certain assets (mainly some technical facilities), and retained this valuation as presumed cost. Fair value measurements were carried out by independent experts.

PRINCIPLES AAPLICABLE SINCE JANUARY 1, 2006 :

In accordance with IAS 16, tangible fixed assets are recorded in historical acquisition cost or initial manufacturing cost, less accumulated depreciation and, if applicable, any accumulated impairment losses.

The financial interests of capital used to finance investments during the period prior to their putting into operation, are an integral part of the historical cost.

Current maintenance costs are recognized as expenses of the period except those that extend the period of use or increase the value of the property concerned which are then immobilized.

Depreciation is based on the useful lives of tangible fixed assets or their components, within the limit of the lifespan of the deposit for equipment and other mining assets.

- Buildings and constructions
- Other tangible fixed assets

The depreciation method used by the Group is the straight line method. All of the provisions relating to the tangible fixed assets are also applied to tangible assets held through a finance lease.
The depreciation periods of these assets are provided below:

TANGIBLE FIXED ASSETS:

TYPES OF TANGIBLE FIXED ASSETS	DEPRECIATION METHOD	DEPRECTIATION PERIOD
Mining infrastructure	Straight line	Estimated operating lifespan of the deposit
Technical installations	Straight line	5 to 10 years
Equipment and tools	Straight line	5 to 10 years

3.10. INVESTMENT PROPERTY

Investment properties are real property held so as to earn rentals from them, to valorise the capital or both, rather than to use them in the production and supply of goods and services or for administrative purposes or to sell them as part of the ordinary activity.

Pursuant to the option offered by IAS 40, investment properties are recorded at cost less accumulated depreciation and impairment losses.

As part of the first application of IFRS and in accordance with IFRS 1, the Group carried out fair value measurement at January 1st 2006 of certain investment properties (land shown as investment property) and retained this valuation as deemed cost. Fair value measurements were carried out by independent experts.

3.11. BIOLOGICAL ASSETS

In accordance with IAS 41, the Group recognizes and records from January 1st 2009, the biological assets, agricultural produce relating to them at the time of harvest and public subsidies.

Biological assets are measured at initial recognition and at each closing date at their fair value less costs to sell.

The agricultural produce harvested from biological assets is also measured at fair value less costs to sell.

Under IAS 41, the fair value is considered and equated with the market price of a biological asset or agricultural produce in its current condition and state. For the first application of IAS 41, biological assets are valued at their costs corresponding to both their market value and their acquisition values.

3.12. LEASE AGREEMENTS

In accordance with IAS 17 «Lease agreements», leases are classified as finance leases whenever the terms of the lease transfer substantially almost all the risks and benefits inherent to ownership to the lessee. All other leases are classified as opearting leases.

Assets held under finance leases are recognized as assets at the lower of the present value of minimum payments under the lease and their fair value, determined at the inception of the lease. The corresponding liability due to the lessor is recorded in the balance sheet as obligations of the finance lease, in financial liabilities.

These assets are amortized over the shortest duration between the useful life of assets and the term of the finance lease, when there is reasonable assurance that there will be no transfer of ownership at end of term of contract.

For operating leases where the Group is the lessee, the payments made under operating leases (other than service costs such as insurance and maintenance) are recognized as expenses in the income statement on a linear basis over the term of the lease.

The lease agreements signed by the Group (lessor) with its clients are operating leases. In these contracts, the rental income is recorded linearly over the firm terms of the leases. Accordingly, specific provisions and benefits specified in the leases (rent-free periods, step rents, entrance fees) are spread over the fixed term of the lease, regardless of indexation. The reference period is the first firm term of the lease. The costs directly incurred and paid to third parties for the establishment of a lease are entered on assets, under «investment properties» or under other fixed assets concerned and depreciated over the firm period of the lease.

3.13. IMPAIRMENT TEST AND IMPAIRMENT OF ASSETS

In accordance with IAS 36, the Group reviews at least once a year the book values of tangible and intangible fixed assets with a finite useful life to determine whether there is any indication that those assets have lost value. If such indication exists, the recoverable amount of the asset is estimated in order to determine, if necessary, the amount of the impairment loss. The recoverable amount is the highest value between its fair value less costs to sell and its value in use.

Goodwill and intangible fixed assets with indefinite useful life are subject to an annual impairment test. An additional impairment test is performed each time a value of impairment could be identified.

The Group determined that the lowest level at which the assets shall be tested for impairment is constituted by the various mines operated by the Group.

When the recoverable amount of a cash generating unit (CGU) is less than its carrying amount, an impairment loss is then recognized in income. This impairment loss is allocated first to the balance sheet value of goodwill. The remainder is allocated to the remaining assets included in the CGU in proportion to their carrying values.

The recoverable amount of the CGU is determined on the basis of the discounted projections of future operating cash flow over a three-year period extrapolated to the limit of the duration of the deposit. The discount rate used for these calculations and the weighted average cost of capital differ according to the UGT and business sectors in which they operate. These rates vary between 5 and 10%.

For a listed subsidiary, the recoverable amount of the cash generating unit (CGU) is its market capitalization unless it is less than the carrying amount, in which case an estimate of the value in use is done.

3.14. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

The assets or groups of assets held for sale, meet the criteria for such a classification if their carrying amount will be recovered principally through a sale transaction rather than through their continuing use. This condition is considered fulfilled when the sale is highly probable and the asset (or group of assets held for sale) is available for immediate sale in its present condition.

Management must be committed to a plan to sell, and which one expects the sale to be concluded within twelve months from the date the asset or group of assets has been called non-current assets held for sale.

The Group assesses at each balance sheet date if it is engaged in a process of sale of asset or activity and present these, if any, as «assets held for sale».
These assets held for sale are presented separately from other assets in the balance sheet. Any liabilities related to these assets held for sale are also presented on a separate line in balance sheet liabilities.

Assets held for sale and groups of assets held for sale are measured at the lower of carrying amount and fair value less costs to sell. As of the date of such classification, the asset stops being depreciated.

A discontinued operation is an activity or a significant geographical area of the Group that is either the subject of a transfer or a classification as assets held for sale. The results of discontinued operations are presented in the income statement separately from the results of continuing operations.

3.15. INVENTORIES

Inventories are valued at the lower of cost price or net realizable value.
The cost price is the cost of acquisition or production costs incurred to bring inventories in the state and to the place where they are. These include, on the basis of a normal level of activity, direct and indirect production costs. Production costs are generally calculated according to the method of the weighted average cost.
The net realizable value of inventories is the estimated selling price in the ordinary rate of activity less the estimated costs to complete the products and the estimated costs necessary to make the sale.

3.16. TREASURY SHARES AND OWN SHARES

Treasury shares and own shares held by the Group are deducted from consolidated equity at their acquisition cost. Subsequent transfers are recognized directly in equity and do not result in the recording of any results.

3.17. FINANCIAL ASSETS

Financial assets must be classified in the following four categories :

- assets measured at fair value in the income: fair value with changes in fair value;
- Held-to-maturity assets; amortized cost, provisions for possible impairment are recognized in income. This category is not used by the Group;
- Loans and receivables: amortized cost, provisions for possible depreciation are recognized in income;
- Assets available for sale: fair value with changes in fair value in equity or income to fund sustainable objective depreciation (six months) or significant one (decrease over 20%) and in this case any further decline will be brought in income while any subsequent increase will be brought in equity.

3.17.1. EVALUATION OF TRADE RECEIVABLES AND NON-CURRENT FINANCIAL ASSETS

Trade receivables, loans and other non-current financial assets are considered as assets issued by the company and are recorded using the amortized cost method.
They may also be a provision for impairment if there is objective indication of impairment.

A provision for impairment of receivables is established when there is objective evidence that the Group will be able to collect all amounts due according to the original terms of the transaction.

Significant financial difficulties of the debtor, probability of bankruptcy or financial restructuring of the debtor or payment default are indicators of impairment of a receivable. The amount of the provision represents the difference between the carrying value of assets and the value of estimated future discounted cash flows if any. The amount of the impairment loss is recognized in receivables and consideration of a provision for impairment of current assets.

3.17.2. EQUITY INTERESTS OF NON-CONSOLIDATED COMPANIES AND OTHER LONG-TERM INVESTMENTS

Equity securities in unconsolidated companies and other long-term investments are classified as assets available for sale (AFS) and are recorded in the balance sheet for their fair value. The unrealized gains and losses are recorded in a separate component of equity. For listed securities, fair value corresponds to the market price. For other securities, if the fair value can not be estimated reliably, it corresponds to the net acquisition cost of any impairment losses.

Impairment is recognized if objective signs of impairment of assets other than those classified as transaction. Without exception, the Group considers that a prolonged or significant decline is presumed when the equity instrument has lost at least 20% of its value over a period of 6 consecutive months.

This criterion of prolonged or significant decline in the value of the security is a necessary but not sufficient condition to justify the recording of a provision. The The latter consists only insofar as the depreciation will result in a probable loss of all or part of the amount invested. The reversal of this loss of value by income statement can only occur at the time of the sale of securities, any previous reversal is recognized in equity.

Derivative instruments are recognized in the balance sheet at fair value under derivative instruments in current or non-current financial assets or current or non-current financial liabilities. The accounting impact of changes in fair value of these derivatives can be summarized as follows:

- Application of hedge accounting:
  - For cash flow hedges, the effective portion of the change in fair value of derivatives is recognized directly in equity and the ineffective portion impacts other financial income and expenses ;
  - For net investment hedges abroad, the gain or loss resulting from the hedge will be deferred in equity until the total or partial assignment of investment.
- If hedge accounting is not applied, the change in fair value of derivative instruments is recognized in income

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3.18. TRANSFERABLE SECURITIES OF INVESTMENT

In accordance with standard IAS 39 «Financial Instruments: Recognition and Measurement», transferable securities of investment are measured at fair value. No investment is analyzed as held to maturity. For investments classified as held for trading, changes in fair value are recognized systematically in the income (in other financial income and expenses). For investments available for sale, variations in fair value are recognized

Directly in equity or income (in other financial income and expenses) in the case of an objective indication of a more than temporary impairment of the transferable security or in case of assignment.

3.19. CASH AND CASH EQUIVALENTS

In accordance with IAS 7 «Cash Flow Statements», cash and cash equivalents shown on the balance sheet include cash (petty cash fund and demand deposits) and cash equivalents (short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value). Investments in listed shares, investments with original short-term or medium-term maturities without possibility of early unblocking and bank accounts subject to restrictions (blocked accounts) other than those related to regulations specific to some countries or sectors (exchange controls, etc.) are excluded from cash and cash equivalents in the cash flow statement.

Bank overdrafts related to financing operations are also excluded from cash and cash equivalents.

3.20. RECOGNITION OF FINANCIAL ASSETS

A financial asset as defined by IAS 32 «Financial Instruments: Disclosure and Presentation» is derecognized entirely or in part when the Group no longer expects future cash flows of it and transfers almost all the risks and benefits attached thereon.

3.21. DEFERRED TAXES

The Group recognizes deferred taxes for all temporary differences between the tax and book values of balance sheet liabilities and assets, except for goodwill.

The tax rates used are those adopted or substantially adopted at the reporting date of the financial year based on the tax jurisdictions.

The amount of deferred tax is determined by each tax entity.

Tax assets related to temporary differences and loss carry forwards are recognized only to the extent that it is probable that future taxable profit determined with sufficient accuracy is reached at the level of the tax entity.

Current and/or deferred taxes are recognized in the income statement of the period, unless they are generated by a transaction or event that is recognized directly in equity.

3.22. EMPLOYEE BENEFITS

The Group's obligations in respect of defined benefit health insurance coverage plans and retirement benefits are determined in accordance with IAS 19, based on the method of projected unit credit, taking into account the economic conditions of each country (mainly Morocco for the Group). The commitments are covered by provisions recognized in the balance sheet at the time of the acquisition of rights by employees. Provisions are determined as follows:

- The actuarial method used is the method called the projected unit credit («projected unit credit method») which stipulates that each period of service gives rise to an additional unit of benefit entitlement and separately evaluates each of these units for obtaining the final obligation. These calculations include assumptions regarding mortality, employee turnover and projected future salaries ...

The Group immediately recognizes all actuarial gains and losses in other components of comprehensive income as is now required by the revised IAS 19.
Premiums paid on the occasion of the presentation of the service awards during the employees' working time are the subject of a provision. The latter is measured taking into account the probability that employees will reach the required seniority for each grade and is discounted. The retirement benefits are also subject to a provision. The latter is measured taking into account the probability of the presence of employees in the Group at their date of retirement. This provision is discounted.

3.23. PROVISIONS

The Group recognizes a provision once there is a legal or constructive obligation towards a third party which will result in an outflow of resources without expected consideration, required to settle this obligation and that can be reliably estimated. The amounts recorded as provisions allow for a disbursement schedule and are discounted when the effect of the passage of time is significant. This effect is recognized in financial income.

Restructuring provisions are recognized when the Group has prepared a detailed formal plan which was announced to the parties concerned.

When a legal, contractual or constructive obligation necessitates the redevelopment of sites, a provision for restoration costs is recognized in other operating expenses. It is recognized over the operating life of the site depending on the level of production and advancement of operating of the said site.

Costs incurred to limit or prevent environmental risks and which generate future economic benefits, such as lengthening the lifetimes of fixed assets, increasing the production capacity and improving security, are immobilized.

3.24. COSTS OF CAPITAL INCREASE

Costs of capital increase are charged to the share issue, merger or contribution premiums.

3.25. FINANCIAL LIABILITIES

3.25.1. FINANCIAL DEBTS

Borrowings and other interest-bearing financial liabilities are measured at amortized cost using the effective interest rate of the loan. The costs and issue premiums affect the value at the entry and are spread over the life of the loan using the effective interest rate.
In the case of financial debts resulting from the recognition of finance lease, the financial debt recorded against the asset is recognized initially at the fair value of the leased property or, if it is lower, at the discounted value of the minimum payments under the lease.

3.25.2. OTHER FINANCIAL LIABILITIES

Other financial liabilities mainly concern trade payables and other payables. These financial liabilities are carried at amortized cost.

3.26. REVENUES FROM ORDINARY ACTIVITIES

The revenues from the ordinary activities of the Group consist primarily of the following types of revenues:

- Sales of goods and services ;
- Construction contracts;
- Rental income.

A revenue is recognized in revenues from ordinary activities when the company has transferred to the buyer the significant risks and benefits of ownership of property.

The revenues from ordinary activities are measured at the fair value of the consideration received or to be received. The rental income is recognized linearly over the firm terms of the leases. The rental charges re-invoiced to tenants are deducted from the corresponding charges accounts and are excluded from the turnover.

In general, revenues from ordinary activities related to the sale of goods and services are recognized when there is a formal agreement with the customer, delivery has occurred, the amount of revenue can be measured reliably and that it is probable that the economic benefits associated with the transaction will flow to the Group.

3.27. OTHER REVENUES FROM THE ACTIVITY

The other revenues related to the activity include revenues of non-recurrent nature or not directly related to the operations described under «turnover».

3.28. COST OF NET DEBT

Includes expenses and interest income on bank loans, bonds payable and other financial liabilities (including debts on finance leases).

Borrowing costs which are directly attributable to the acquisition, construction or production of an asset are included in the cost of that asset.

3.29. EARNINGS PER SHARE

The basic earnings per share are calculated by dividing net income Group share by the average number of the outstanding shares during the financial year. The average number of shares outstanding for the period and prior years presented is calculated excluding treasury shares and shares held under call options plans. To date, the Group has not issued any financial instrument having a dilutive effect. Consequently, basic earnings per share are equivalent to diluted earnings per share.

3.30. NEW STANDARDS AND INTERPRETATIONS

MANDATORILY APPLICABLE STANDARDS AND AMENDMENTS IN 2015

The standards, amendments to standards and interpretations issued by the IASB and mandatorily applicable from the fiscal year 2015 are listed below :

- Annual Improvements (2010-2012) of the IFRS
- Annual Improvements (2011-2013) of the IFRS
- Interpretation IFRIC 21 relating to the recognition of taxes

These new standards and interpretations are effective for periods beginning on or after January 1st 2015.

- Texts applied in advance in 2015
  - None.
- Interpretations not applied early in 2015
  - Amendments limited to IAS 19 «Employee benefits» – Employee Contributions
- Texts not yet adopted by the European Union (not applicable in advance)
  - IFRS 9 Financial Instruments
  - IFRS 14: Regulatory Deferral Accounts
  - IFRS 15: Revenue from contracts with customers

EVOLUTION OF THE SCOPE OF CONSOLIDATION DURING THE PERIOD

3.31. ASSIGNMENTS

No assignments have taken place during the financial year 2015.

NOTE 4

SEGMENT INFORMATION

4.1. LEVELS OF SEGMENT INFORMATION

The primary segmentation of Managem Group is based on business segments, the secondary segmentation is based on geographical segments.
Inter-segment transactions relate mainly to sales of gold concentrate and copper sulfate that take place between CTT and certain subsidiaries falling within the mining sector particularly AGM and CMG. These transactions are invoiced by CTT, with reference to international market prices.

4.1.1. FIRST LEVEL OF SEGMENT INFORMATION: BUSINESS SEGMENTS

Mining

This activity involves operating several deposits by Managem Group as well as producing varied concentrates as concentrates of zinc, copper, lead and fluorite. The production also relates to precious metals such as gold and silver.

Hydrometallurgy

This activity focuses on the transformation and beneficiation of ores to obtain high value-added products particularly metal derivatives and chemical specialties such as cobalt cathodes, cobalt oxide, nickel derivatives, copper sulfate, Sodium sulfate, gold-bearing coal and arsenic trioxide. Hydrometallurgy uses specific techniques and technologies such as: liquid extraction, electrolysis, drying, calcination, roasting, etc ....

4.1.2. SECOND LEVEL OF SEGMENT INFORMATION :

Geographical sectors
The geographical division of the activities of the selected Group is as follows :

- Morocco
- Europe
- Other

4.2. INFORMATION BY SECTOR OF ACTIVITY

AT DECEMBER 31ST, 2015

(In Million MAD)	Mines	Hydro	Other	TOTAL
External	4 155.2	121.78	40.0	4 317.0
Inter sectors	-	-	-	-
Total turnover	4 155.2	121.78	40.0	4 317.0
INCOME FROM OPERATING ACTIVITIES	**519.5**	**26.5**	**71.2**	**617.2**
FINANCIAL INCOME	**-121.1**	**-39.2**	**-90.4**	**-250.7**
Share in the income of equity-accounted companies	-	-	-	-
Corporate taxes	-90.8	-7.3	-10.9	-109.4
INCOME FROM CONTINUING ACTIVITIES	**307.6**	**-20.0**	**-30.2**	**257.5**

AT DECEMBER 31ST, 2014

The various turnover corresponds mainly to the sales made by the operating segment service particularly Reminex and Techsub.

Key balance sheet items can be assigned to different sectors of activity as follows :

AT DECEMBER 31ST, 2015

(In Million MAD)	Mines	Hydro	Other	TOTAL
ASSETS	8 277.4	1 601.5	256.4	10 135.3
Equity method investments	-	-	-	-
TOTAL CONSOLIDATED ASSETS	8 277.4	1 601.5	256.4	10 135.3
Investments	918.1	156.0	35.3	1 109.4
LIABILITIES	4 866.7	1 197.6	203.9	6 268.3
TOTAL CONSOLIDATED LIABILITIES	4 866.7	1 197.6	203.9	6 268.3

AT DECEMBER 31ST, 2014

(In Million MAD)	Mines	Hydro	Other	TOTAL
ASSETS	7 472,4	1 493.0	268,2	9 234,2
Investments in equity affiliates	-	-	-	-
TOTAL CONSOLIDATED ASSETS	7 472,4	1 493.0	268,2	9 234,2
Investments	1 079,9	163,8	22,3	1 266,0
LIABILITIES	4 057,8	1 066,7	212,1	5 336,6
TOTAL CONSOLIDATED LIABILITIES	4 057,8	1 066,7	212,1	5 336,6

4.3. INFORMATION BY GEOGRAPHICAL SECTORS

AT DECEMBER 31ST, 2015

(In Million MAD)	Morocco	Europe	Other	Total
TURNOVER	273.7	3596.8	446.5	4317.0
Other revenues (if applicable)	-21.3	-	-20.0	-41.3
TOTAL	252.4	3596.8	426.4	4275.7
Investments	920.1	0,8	189.3	1 109.4

AT DECEMBER 31ST, 2014

(In Million MAD)	Morocco	Europe	Other	Total
TURNOVER	225.1	3 468.0	146.7	3 839.8
Other revenues (if applicable)	2.7	-	87.7	90.4
TOTAL	227,8	3 468,0	234,4	3 930,2
Investments	1 069,0	0,6	196,5	1 266,0

NOTE 5

TURNOVER

The turnover (revenues from ordinary activities) of Managem Group consists of the following elements :

- Sales of goods and services;
- Construction contracts;
- Rental income.

The turnover breaks down as follows :

(In Million MAD)	DEC.2015	DEC.2014
TURNOVER (A)	4 317,0	3 839,8
Other revenues from the activity (b)	-41,3	90,4
TOTAL REVENUES FROM ORDINARY ACTIVITIES	4 275,7	3 930,2

(a) Including services.
(b) The Other revenues of the activity mainly include the change in inventory of products. At the end of fiscal year 2015, consolidated turnover increased by 12.4% compared with 2014, that is, an increase of 477.2.

NOTE 6

PURCHASES AND OTHER EXTERNAL EXPENSES

Purchases and external expenses break down as follows :

(In Million MAD)	DEC.2015	DEC.2014
Purchases of goods	(104,0)	(0,0)
Purchases of materials and supplies	(1 624,0)	(1 691,2)
PURCHASES (A)	(1 727,9)	(1 691,3)
Operating lease	(87,4)	(77,2)
Maintenance and repairs	(36,4)	(32,8)
Remuneration of staff outside the company	(83,1)	(110,5)
Various external expenses	(690,2)	(633,4)
OTHER EXTERNAL EXPENSES (B)	(897,0)	(853,8)
TOTAL PURCHASES AND OTHER EXTERNAL EXPENSES	(2 625,0)	(2 545,1)

(a) The entries of purchases and other external expenses recorded an evolution of +80 million dirhams compared to the previous year, following the combined effects of:
-Evolution of the entry Purchasing by 36 MMAD correlated with the increase in the production of subsidiaries
-Evolution of other external expenses by 43.2 MMAD following the increase in transportation costs by 48 MMAD, and other expenses (management remuneration, travel expenses, societal 24 MMAD), this increase was offset by a decrease of 40 MMAD.

NOTE 7

WORKFORCE AND STAFF COSTS

7.1. STAFF COSTS

The staff costs of the financial year are detailed, below, by cost type:

(In Million MAD)	DEC.2015	DEC.2014
WAGES AND SALARIES	(646,0)	(567,6)
Other social charges	(252,6)	(249,2)
Allocation to provisions for employee benefits	(6,7)	(7,4)
Employee participation	0,0	0,0
TOTAL	(905,3)	(824,2)

Note 20 describes in detail the other information related to employee benefits.

7.2. AVERAGE WORKFORCE

The average permanent workforce of fully consolidated companies is broken down as follows :

7.3. COMPENSATION OF ADMINISTRATION AND MANAGEMENT BODIES

The administration and management bodies are composed of :

- Board of Directors whose members are remunerated by director's fees;
- Executive Committee whose members receive salaries

Note 26 describes in detail the other information regarding the remuneration of the administration and management bodies.

NOTE 8

AMORTIZATIONS AND OPERATING PROVISIONS

The changes in amortizations and provisions affecting current operating income for the periods ending on December 31st, 2015 and December 31st, 2014 break down as follows :

(In Million MAD)	DEC.2015	DEC.2014
NET AMORTIZATIONS IMPACTING CURRENT OPERATING INCOME	-	-
Intangible fixed assets	(202,0)	(238,1)
Tangible fixed assets	(750,4)	(696,2)
Biological assets	0,0	0,0
Investment Property	(0,4)	(0,4)
TOTAL	(952,9)	(934,7)
NET PROVISIONS AND IMPAIRMENT LOSSES IMPACTING CURRENT OPERATING INCOME	-	-
Fixed assets	79,9	47,5
Inventories	(2,2)	5,6
Receivables	0,0	(0,3)
Provisions for risks and charges	(1,7)	(8,3)
TOTAL	75,9	44,6
TOTAL	(876,9)	(890,1)

(a) A description of changes in amortization and impairment of fixed assets is included in note 14 of these financial statements.
(b) Details of changes in impairment losses on inventories and receivables are included in notes 15 and 16 to these financial statements.

NOTE 9

OTHER OPERATING EXPENSES AND REVENUES

Other operating expenses and income break down as follows:

(In Million MAD)	DEC.2015	DEC.2014
Sale of assets	0,2	1,0
Disposals of subsidiaries and share holdings	0,0	0,0
Unrealized gain JVs / operations of materials-trading	0,0	0,0
Income on derivatives materials - trading	1,6	(3,9)
Income on currency derivatives - trading	3,7	3,5
Other operating expenses and revenues *	808,9	831,4
TOTAL OPERATING EXPENSES AND REVENUES	814,5	832,0

The changes in value between the two periods is attributable to the change in fair value of derivatives classified as trading because of the following elements:
a) Metals hedging :
  a. Trading materials reflects the part of financial instruments non-eligible for hedge accounting corresponding to the time value of tunnels and asymmetric part of sales option "Call"
  b. Foreign exchange hedge: corresponds to the time value and the asymmetric portion of tunnels

9.1. OTHER NON-CURRENT OPERATING EXPENSES AND REVENUES

Other non-current operating expenses and revenues are detailed as follows :

(In Million MAD)	DEC.2015	DEC.2014
Other non- current income	24,4	18,1
Other non-recurring expenses	(22,5)	(18,9)
Net other operating expenses and revenues *	807,0	832,1
Total other operating expenses and revenues	808,9	831,4

The entry other operating expenses and revenues mainly comprises self-productions of fixed assets.

NOTE 10

FINANCIAL INCOME

Financial income for December 31st, 2015 and 2014 breaks down as follows :

(In Million MAD)	DEC.2015	DEC.2014
FINANCIAL EXPENSES	-	-
Interest on loans	(206,6)	(176,6)
Other financial expenses	0,0	(0,0)
Impairment of financial assets	0,0	0,0
Impairment of financial assets	0,0	0,0
TOTAL FINANCIAL EXPENSES	(206,6)	(176,6)
FINANCIAL REVENUES	-	-
Interest and other financial income	13,5	12,7
Other revenues	11,4	4,2
Reversals of impairment of financial assets	0,0	0,0
Financial exchange gains and losses	(69,1)	24,4
TOTAL FINANCIAL REVENUES	(44,2)	41,3
FINANCIAL INCOME	(250,7)	(135,3)

- Interest expense have increased by 30 MMAD in correlation with that of the financial debt related to the investment effort
- The decline in the financial income by -115.4 MMAD impacted by the foreign exchange loss and the significant increase in interest expense at end December 2015

10.1. TAX EXPENSES

10.1.1. RECOGNIZED IN INCOME STATEMENT

The tax expense for the fiscal years ending on December 31st, 2015 and 2014 is as follows :

(In Million MAD)	DEC.2015	DEC.2014
CURRENT TAX EXPENSE	-	-
Expense for the year	- 95 ,9	- 87,7
Adjustment of tax expense from previous years	-	- 0.2
TOTAL	- 95.9	- 88.0
(EXPENSES) / REVENUES OF DEFERRED TAXES		
Changes in temporary differences	- 21.4	- 8.1
Changes in tax rates	0.0	-
Change in prior tax losses	8.3	11.2
TOTAL	- 13.1	3.1
TOTAL TAX (EXPENSE) / INCOME	- 109.0	- 84.9

- The decrease in current income tax is linked to the current tax of subsidiaries SMI, TECHSUB and Manatrade, following lower earnings at end December 2015;
- The current tax expense corresponds to amounts paid and /or payable in the short term to the tax authorities for the year 2015 according to the rules in force in different countries and specific conventions.
- The deferred tax income results from the recognition of a deferred tax asset on tax losses from the amortizations carried forward indefinitely.

10.1.2. DEFERRED TAXES RECORDED ON OTHER COMPONENTS OF COMPREHENSIVE INCOME

Deferred taxes recorded on other elements of comprehensive income are as follows :

10.1.3. DEFERRED TAXES RECOGNISED IN EQUITY

The deferred taxes recognized in equity break down as follows :

Net tax assets are limited to the capacity of each tax entity to recover its assets in the near future.

10.1.4. DEFERRED TAXES RECOGNISED IN THE BALANCE SHEET

(In Million MAD)	Asset		Liability		Net	
	DEC.2015	DEC.2014	DEC.2015	DEC.2014	DEC.2015	DEC.2014
DEFERRED TAXES	-	-	-	-	-	-
From temporary differences	14,9	(11,8)	11,9	9,6	2,9	(21,5)
From tax losses	264,8	256,3	0,0	0,0	264,8	256,4
From tax credits	0,0	4,5	0,0	0,0	0,0	4,5
TOTAL	279,7	248,9	11,9	9,6	267,8	239,4

Deferred tax assets not recognized

10.1.5. PROOF OF TAX

(In Million MAD)	DEC.2014	DEC.2013
NET INCOME OF THE ENTIRE CONSOLIDATED ENTITY	257,5	225,7
Share of income of equity-accounted companies	0,0	0,0
NET INCOME OF THE ENTIRE CONSOLIDATED ENTITY (EXCL..S.M.E)	257,5	225,7
Profit tax	(95,9)	(88,0)
Deferred taxes	(13,1)	3,1
TOTAL TAX EXPENSE	(109,0)	(84,9)
INCOME OF THE ENTIRE CONSOLIDATED ENTITY BEFORE TAX (EXCL.S.M.E)	366,5	310,6
Effective tax rate (Total tax expense / accounting income before taxes)	-29,75%	-27, 34%
Tax on permanent differences	58,1	50,1
Tax on non-activated tax losses	0,0	0,0
Tax on use of tax losses from previous years which have not given rise to ID	0,0	0,0
Non-activated tax credits		
Difference rate parent / daughter	(36,8)	(28,3)
Change rate IS (corporate tax) N / N-1		
Other differences	14,5	10,9
RE-CALCULATED TAX EXPENSE	(109,1)	(93,1)
Legal tax rate in Morocco (Re-calculated tax expense/ Accounting income before tax)	-30,00%	-30,00%

NOTE 11

ASSETS HELD FOR SALE AND RELATED LIABILITIES

The Group currently has no assets or liabilities held for sale.

NOTE 12

EARNINGS PER SHARE

The basic earnings per share are calculated by dividing net income Group share by the average number of shares outstanding during the year. The average number of shares outstanding for the period and prior years presented is calculated excluding treasury shares and shares held under call option plan.

FISCAL YEARS ENDED ON DECEMBER 31ST	31-DEC-15	31-DEC-14
Weighed overage numbers :	-	-
• of common shares issued	9 158 699	9 158 699
• of shares under stock option plan	-	-
• of treasury shares	-	-
NUMBER OF SHARES USED IN CALCULATING BASIC EARNINGS PER SHARE	9 158 699	9 158 699
Number of dilutive instruments	-	-
NUMBER OF SHARES USED IN CALCULATING DILUTED EARNINGS PER SHARE	9 158 699	9 158 699

To date, the Group has not issued any financial instrument having a dilutive effect. Consequently, basic earnings per share are equivalent to diluted earnings per share.

FISCAL YEARS ENDED ON DECEMBER 31ST	31-DEC-15	31-DEC-14
NET INCOME OF THE FISCAL YEAR ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY	204,9	181,9
Number of shares used to calculate earnings per share	9 158 699	9 158 699
BASIC EARNINGS PER SHARE	22,4	19,9
Including share on discontinued activities	-	-
DILUTED EARNINGS PER SHARE	22,4	19,9
Including share on discontinued activities	-	-

NOTE 13

GOODWILL

(In Million MAD)	DEC.2015	DEC.2014
AT 1ST JANUARY	318,2	317,0
Gross value	811,6	810,3
Accumulated impairment losses	(493,3)	(493,3)
Change in scope	0,0	0,0
Translation adjustment	1,2	1,2
Disposals	0,0	0,0
Impairment	0,0	0,0
Other movements	0,0	0,0
AT THE CLOSING OF THE PERIOD	319,5	318,2
Gross value	812,8	811,6
Accumulated impairment losses	(493,3)	(493,3)

In the balance sheet, net goodwill concerns the following companies :

(In Million MAD)	DEC.2015	DEC.2014
IMITER	161,2	161,2
CMG	130,9	130,9
CTT	13,3	13,3
RGGG	14,1	12,9
TOTAL	319,5	318,2

NOTE 14

INTANGIBLE FIXED ASSETS

(In Million MAD)	Development costs	licenses Telecom and Software programs	concessions patents and similar rights	Concession	Other	Total
GROSS VALUES						
AT JANUARY 1ST 2014	3 292	0	166	0	321	3 778
Acquisitions	364	1	2	0	75	442
Changes in scope	0	0	0	0	0	0
Disposals and assets classified as assets held for sale	(7)	0	0	0	0	(7)
Translation adjustments	78	0	0	0	0	78
Other movements	(27)	0	0	0	5	(22)
AT DECEMBER 31ST 2014	3 700	1	168	0	400	4 269
AT JANUARY 1ST 2015	3 700	1	168	0	400	4 269
Acquisitions	282	0	1	0	117	400
Disposals and assets classified as assets held for sale	0	0	0	0	0	0
Translation adjustments	84	0	0	0	0	84
Other movements	6	0	0	0	(6)	0
AT DECEMBER 31ST 2015	4 071	1	169	0	512	4 753
Amortizations and impairment	-	-	-	-	-	-
AT JANUARY 1ST 2014	(2 538)	(0)	(108)	0	(182)	(2 828)
Amortizations	(240)	(0)	2	0	0	(238)
Disposals and assets classified as assets held for sale	5	0	0	0	0	5
Changes in scope	0	0	0	0	0	0
Other movements	0	0	0	0	0	0
AT DECEMBER 31ST 2014	(2 783)	(0)	(106)	0	(182)	(3 071)
AT DECEMBER 31ST 2015	(2 783)	(0)	(106)	0	(182)	(3 071)
Amortizations	(204)	(0)	2	0	0	(202)
Reversal of impairment losses	0	0	0	0	0	0
Disposals and assets classified as assets held for sale	0	0	0	0	0	0
Other movements	0	0	0	0	0	0
AT DECEMBER 31ST 2015	(2 999)	(1)	(104)	0	(182)	(3 285)
Net values						
AT DECEMBER 31ST 2014	917	1	62	0	219	1 198
AT DECEMBER 31ST 2015	1 072	1	65	0	330	1 467

Amortizations for the period are recognized in income in the item "amortizations and operating provisions »
The item intangible fixed assets primarily include expenditures relating to exploration and mining research.

TANGIBLE FIXED ASSETS AND INVESTMENT PROPERTY

The main changes are explained by :

(In Million MAD)	Land	Buildings	Equipment and tools	Fixed assets in progress	Investment Property	Other	Total
GROSS VALUES	-	-	-	-	-	-	-
AT JANUARY 1ST 2014	40,0	3 044,4	3 829,1	1 224,0	28,9	1 304,3	9 470,6
Acquisitions	1,0	445,4	166,6	211,0	0,0	40,9	864,9
Changes in scope	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Disposals and assets Classified as assets held for sale	0,0	(10,1)	(20,2)	(10,2)	0,0	(1,4)	(41,8)
Translation adjustments	0,2	9,5	30,2	23,0	0,0	15,7	78,5
Other movements	0,0	263,9	553,0	(853,1)	0,0	58,0	21,8
AT DECEMBER 31ST 2014	41,1	3 753,0	4 558,7	594,8	28,9	1 417,5	10 394,0
AT JANUARY 1ST 2015	41,1	3 753,0	4 558,7	594,8	28,9	1 417,5	10 394,0
Acquisitions	8,4	360,1	140,4	141,7	0,0	60,2	710,7
Disposals and assets classified as assets held for sale	0,0	0,0	0,0	(1,1)	0,0	0,0	(1,1)
Translation adjustments	0,2	11,2	31,6	23,4	0,0	15,9	82,3
Other movements	0,0	153,2	(28,0)	(134,3)	0,0	9,1	(0,1)
AT DECEMBER 31ST 2015	49,7	4 277,4	4 702,6	624,5	28,9	1 502,6	11 185,7
AMORTIZATIONS AND IMPAIRMENT LOSSES	-	-	-	-	-	-	-
AT JANUARY 1ST 2014	(0,1)	(1 866,4)	(2 377,4)	0,0	(1,8)	(1 058,5)	(5 304,2)
Amortizations	(0,0)	(275,1)	(305,3)	0,0	(0,4)	(115,8)	(696,6)
Impairment losses	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Reversal of impairment losses	0,0	41,6	5,9	0,0	0,0	0,0	47,5
Disposals and assets Classified as assets held for sale	0,0	1,4	2,3	0,0	0,0	0,2	3,8
Translation adjustments	(0,0)	(4,3)	(15,2)	0,0	0,0	(8,4)	(27,9)
Change in scope	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Other movements	0,0	0,0	(4,4)	0,0	0,0	4,4	0,0
AT DECEMBER 31ST 2014	(0,1)	(2 102,9)	(2 694,0)	0,0	(2,2)	(1 178,1)	(5 977,3)
Amortizations	(0,0)	(349,4)	(297,8)	0,0	(0,4)	(103,2)	(750,8)
Impairment losses	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Reversal of impairment losses	0,0	41,8	38,1	0,0	0,0	0,0	79,9
Disposals and assets Classified as assets held for sale	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Translation adjustments	(0,0)	(5,8)	(18,4)	0,0	0,0	(9,5)	(33,7)
Change in scope	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Other movements	0,0	0,0	0,0	0,0	0,0	0,0	0,0
AT DECEMBER 31ST 2015	(0,1)	(2 416,3)	(2 972,1)	0,0	(2,6)	(1 290,8)	(6 682,0)
Net values	-	-	-	-	-	-	-
AT DECEMBER 31ST 2014	41,0	1 650,2	1 864,7	594,8	26,6	239,3	4 416,6
AT DECEMBER 31ST 2015	49,5	1 861,1	1 730,6	624,5	26,3	211,8	4 503,8

FINANCE LEASE AGREEMENTS

Fixed assets subject to finance lease agreements essentially included in the entries Lands, technical facilities and buildings, amounted at December 31st, 2015 to 460.5 MMAD.

INVESTMENT PROPERTY

The Group has not re-measured at fair value investment property at the end of December 2015, since almost all of these properties are carried at market value under the leaseback transactions carried out during the years 2009 and 2015.

13.1. OTHER FINANCIAL ASSETS

The Group's other financial assets are broken down into net value as follows :

(In Million MAD)	DEC.2015	DEC.2014
Non-current share		
• Derivative financial instruments	15,5	47,6
• Financial assets at fair value through profit or loss	0,0	0,0
• Loans and receivables	3,6	4,1
• Held-to-maturity financial assets	0,0	0,0
• Financial assets available for sale	260,6	247,7
TOTAL	279,8	299,5
Current share		
• Derivative financial instruments	7,3	3,6
• Financial assets at fair value through Profit or loss	0,0	0,0
• Assets available for sale	0,0	0,0
• Held-to-maturity financial assets	0,0	0,0
• Loans and receivables	0,0	0,0
TOTAL	7,3	3,6
Total other financial assets	287,2	303,1

13.2. DERIVATIVE FINANCIAL INSTRUMENTS

13.2.1. FINANCIAL ASSETS

Derivative financial instruments with positive fair value are recorded as assets and are distributed as follows :

(In Million MAD)	31-DEC-15 JV	31-DEC-14 JV
Financial assets at fair value through profit or loss	7,3	3,6
TOTAL	7,3	3,6

Derivative instruments whose fair value is negative are recognized as liabilities and are distributed as follows :

(In Million MAD)	National	31-DEC-15 JV	31-DEC-14 JV
Materials instruments		-246,3	-132,8
Futures Contracts			
Other materials instruments		-246,3	-132,8
Foreign exchange instruments		-	-
Forex forward		-	-
Other foreign exchange instruments		-	-
Other derivative instruments		-	-
Rate derivatives		-	-
Other derivatives		-	-
TOTAL		-246,3	-132,8

13.2.2. DERIVATIVE INSTRUMENTS CLASSIFIED ACCORDING TO THEIR TYPE AND CURRENCY

(In Million MAD)	€	USD	Other	Total
MATERIALS INSTRUMENTS	-	2 ,7	12,8	15,5
Futures contract	-	2,7	12,8	15,5
Other materials instruments	-	-	-	-
FOREIGN EXCHANGE INSTRUMENTS	-	-	-238, 9	-238, 9
Forex forward	-	-	-238, 9	-238, 9
Foreign exchange swaps	-	-	-	-
Foreign exchange options	-	-	-	-
Other	-	-	-	-
OTHER DERIVATIVE INSTRUMENTS	-	-	-	-
Rate swaps	-	-	-	-
Rate options	-	-	-	-
Equity derivatives	-	-	-	-
Other	-	-	-	-
TOTAL	-	2,7	-226,1	-223,4

13.3. FINANCIAL ASSETS AVAILABLE FOR SALE OR SECURITIES AVAILABLE FOR SALE

The assets available for sale include non-consolidated equity securities, other long-term investments and investment securities not reclassified as cash equivalents.

All of these elements are measured at fair value at the closing date.

Financial assets available for sale break down as follows at December 31st, 2015 and December 31st, 2014 :

(In Million MAD)	Fair value	% of interest	Shareholders' equity	Income	Closing date
AT DECEMBER 31ST 2015	260,6	-	-	-	-
Entity 1: Manacongo	9,2	-	-	-	-
Other	4,7	-	-	-	-
Entity: Other (BT)	246,7	-	-	-	-
AT DECEMBER 31ST 2014	247,8	-	-	-	-
Entity 1: Managem Gabon	2,7	-	-	-	-
Entity 3: Other (BT)	245,1	-	-	-	-

13.4. LOANS AND RECEIVABLES

Loans and receivables at December 31st, 2015 consist primarily of deposits and guarantees.

NOTE 15

INVENTORIES AND WORK-IN-PROGRESS

Inventories and work in progress break down as follows for the periods ended on December 31st, 2015 and December 31st, 2014 :

(In Million MAD)	DEC.2015	DEC.2014
Merchandise Inventory	6,3	6,3
Inventories of consumable materials and supplies	370,4	348,1
Work in progress	1,5	10,2
Inventory of intermediate finished product	262,6	289,9
TOTAL INVENTORIES IN GROSS VALUE	640,8	654,6
AMOUNT OF IMPAIRMENT AT THE BEGINNING OF PERIOD	(16,6)	(22,2)
Impairment loss recognized over the period	(18,8)	(16,6)
Reversal of impairment loss following disposals	6,8	21,0
Useless impairment loss reversal	9,8	1,2
Other movements	0,0	0,0
AMOUNT OF IMPAIRMENT AT THE END OF PERIOD	(18,8)	(16,6)
TOTAL INVENTORIES, NET	622,0	638,0

During the year 2015 :
The amount of provisions is -18.8 million dirhams;
The amount of reversals amounted to MAD 16,6 million.

NOTE 16

TRADE RECEIVABLES AND OTHER RECEIVABLES

The gross value and the realizable value of trade receivables at December 31st, 2015 and December 31st, 2014 are detailed in the table below :

(In Million MAD)	DEC.2015	DEC.2014
Trade receivables and related accounts	610,1	618,3
Impairment of trade receivables and related accounts	(1,7)	(1,7)
TOTAL TRADE RECEIVABLES	608,4	616,6
Other receivables	50,2	53,6
Accrued income and prepaid expenses - Asset	59,4	74,1
Shareholders' loan accounts	354,8	304,1
Receivables on disposals of assets	0,0	0,0
Depreciation of other receivables	0,0	0,0
Depreciation of shareholders' loan accounts	0,0	0,0
Depreciation supplier receivables –advances and instalments	0,0	0,0
Depreciation employee-related receivables	0,0	0,0
Depreciation receivables on disposals of assets	0,0	0,0
Interest accrued on receivables on disposal of assets	0,0	0,0
State - Receivables	1 167,7	908,3
Supplier receivables – advance payments	16,0	14,1
Staff - receivables	15,1	12,6
TOTAL OTHER CURRENT RECEIVABLES	1 663,1	1366,7

Decrease in accounts receivable by 8.1 MMAD
Increase in other receivables by 296.4 MMAD mainly explained by:
The increase in prepaid expenses of Managem international towards African subsidiaries by 51 MMAD,
a rise of VAT credits by 259 MMAD.

NOTE 17

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of petty cash, bank balances and short-term investments in monetary instruments.
These investments, having a maturity less than twelve months, are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

(In Million MAD)	DEC.2015	DEC.2014
Investment securities	0,0	0,0
Bank	344,6	126,3
Other cash accounts	39,7	1,7
TOTAL	384,3	128,0

NOTE 18

SHAREHOLDERS' EQUITY

17.1. CAPITAL MANAGEMENT POLICY

As part of its capital management, the Group aims to maintain its operating continuity, deliver a return to shareholders, provide benefits for other partners and maintain an optimal capital structure that would reduce the cost of capital.

To maintain or adjust the capital structure, the Group may either :

- Adjust the amount of dividends paid to shareholders;
- Repay the capital to shareholders;
- Issue new shares; or
- Sell assets to reduce the amount of debt.

The Group uses various indicators, including financial leverage (net debt / shareholders' equity), which provides investors with a vision of the Group's debt relative to total shareholders' equity. These shareholders' equity include particularly the reserve of the changes in value of cash flow hedges and the reserve of change in value of financial assets available for sale (AFS).

17.2. CHANGES IN SHAREHOLDERS' EQUITY GROUP SHARE

(In Million MAD)	DEC.2015	DEC.2014
Consolidated shareholders' equity Group Share beginning of the year	3450,3	3486,4
Dividends paid	-229,0	-232,0
Translation adjustments	109,9	105,8
Net change in JV of financial instruments	-140,3	-133,3
Other changes	-7,8	-12,2
Increase in capital	4,8	9,8
Net income (Group share) for the period	204,9	181,9
Taxes related to other components of comprehensive income	40,2	43,9
CONSOLIDATED SHAREHOLDERS' EQUITY GROUP SHARE	3433,0	3450,3

17.3. CHANGES IN MINORITY INTERESTS

(In Million MAD)	31-DEC-15	31-DEC-14
Minority interests at beginning of year	447,2	458,5
Dividends paid	-64,9	-63,0
Net change in JV of financial instruments	-7,4	3,8
Conversion losses and profits	6,0	6,1
Other changes	-0,7	-1,6
Increase in capital	0,0	0,0
Income for the fiscal year	52,6	43,8
Taxes related to other components of comprehensive income	1,3	-0,4
MINORITY INTERESTS	434,1	447,2

NOTE 19

PROVISIONS

The current and non-current provisions break down as follows :

(In Million MAD)	31-DEC-15	31-DEC-14
Provision environment	0,8	0,5
Restructuring	-	-
Disputes and litigation	-	-
Warranties	-	-
Other risks	53,8	52,3
TOTAL	54,6	52,8

(a) The provisions made at December 31st 2015 relate mainly to the risks associated with occupational diseases not covered by the insurance company during the period 2003 to 2006, that is, 46.6 million MAD.

(In Million MAD)	DEC.2014	TRANSLATION ADJUSTMENTS	CHANGE IN SCOPE	ALLOCATIONS FOR THE FISCAL YEAR	REVERSAL USED PROVISIONS	REVERSAL UNUSED PROVISIONS	RECLASSIFICATION	OTHER MOVEMENTS	DEC.2015
Provision environment	0,5	0,1	0,0	0,2	0,0	0,0	0,0	0,0	0,8
Restructuring	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Disputes and litigation	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Warranties	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Other risks	52,3	0,0	0,0	46,6	(7,8)	(37,3)	0,0	0,0	53,8
TOTAL	52,8	0,1	0,0	46,8	(7,8)	(37,3)	0,0	0,0	54,6
Including:									
- Non current share	52,8	0,1	0,0	46,8	(7,8)	(37,3)	0,0	0,0	54,6
- Current share	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0

NOTE 20

EMPLOYEE BENEFITS

The assumptions made at January 1st 2006, at December 31st 2006 and December 31st 2014 are as follows :

AT JANUARY 1ST 2006

Economic assumptions :

Valuation date	01.01.2006
Inflation rate	1,50%
Medical inflation rate	4%
Discount rate	
Health costs	6,20% or 6,95% according To the entities
Retirement allowance	6,20%
Average rate of social charges	15.00%
Remuneration increase rate (gross of inflation)	3,50%
Revaluation rate of lump sum benefits	1,50%
Demographic assumptions: Mortality Disability	 TVF 88-90 Not accounted for
Mobility rates by age group	

Age brackets	Managerial staff	Non-managerial staff
29 years and under	20.00%	10.00%
30 to 34 years	10.00%	5.00%
35 to 39 years	7.50%	3.75%
40 to 44 years	5.00%	2.50%
45 to 49 years	2.00%	1.00%
50 years and over	0.00%	0.00%

Occupation rate until retirement	Same as the valuation date
Retirement Age	Non-mining employees: 60 years mining employees: 55 years

AT DECEMBER 31ST, 2014:

- Valuation date : 31.12.2014
- Discount rate
  - Health costs 4,00%
  - Retirement allowance 6,30%

The rest of the economic and demographic assumptions remained unchanged compared to January 1st, 2006.
In accordance with the revised IAS 19, the Group immediately recognizes all actuarial gains and losses in other components of comprehensive income. The Group considers that the actuarial assumptions used are appropriate and justified but the changes that will be made to them in the future, however, can have a significant impact on the amount of commitments as well as on the Group's income. The test of sensitivity to the discount rate is made at the year end

AT DECEMBER 31ST 2014:

OTHER LONG-TERM BENEFITS

(In Million MAD)	Pensions and similar allowances 31-DEC-15	Social benefits granted after employment other than pensions 31-DEC-15
Amount of obligations at the beginning of the financial year	36,2	71,2
Cost of services	2,4	5,5
Interest expense	1,7	3,3
Member Contributions	0,0	0,0
Modifications of plan (Past cost of services)	0,0	0,0
Changes in scope/	0,0	0,0
Business Combination (only if significant)	0,0	0,0
Reduction	0,0	0,0
Liquidation de schemes	0,0	0,0
Benefits paid	-2,0	-2,8
Actuarial Gains and Losses	4,9	3,6
Exchange differences	0,0	0,0
Other: Reclassification IFRS 5 (Groups held for sale)	0,0	0,0
Amount of obligations at the closing of the year	43,2	80,7

(In Million MAD)	Pensions and similar allowances 31-DEC-15	Social benefits granted after employment other than pensions 31-DEC-15
Market value of plan assets at the opening	0,0	0,0
Expected return on assets	0,0	0,0
Employer contributions	2,0	2,8
Member Contributions	0,0	0,0
Changes in scope	0,0	0,0
Business Combination (only if Significant)	0,0	0,0
Reduction	0,0	0,0
Liquidation of plans	0,0	0,0
Benefits paid	-2,0	-2,8
Actuarial Gains and Losses	0,0	0,0
Translation adjustments	0,0	0,0
Others	0,0	0,0
Market value of plan assets at the closing	0,0	0,0

(In Million MAD)	Pensions and similar allowances 31-DEC-15	Social benefits granted after employment other than pensions 31-DEC-15
Cost of services	2,4	5,5
Interest expense	1,7	3,3
Expected return on assets	0,0	0,0
Amortizations of prior service cost	0,0	0,0
Amortizations of actuarial gains and losses	0,0	0,0
Reduction	0,0	0,0
Liquidation suppression	0,0	0,0
Other	0,0	0,0
Expense for the period	4,1	8,8

(In Million MAD)	Pensions and similar allowances 31-DEC-15	Social benefits granted after employment other than pensions 31-DEC-15
Net obligation	43,2	80,7
Pension asset limit	0,0	0,0
Unrecognized past service cost	0,0	0,0
Unrecognized actuarial gains and losses	0,0	0,0
Net Provision/Asset on the balance sheet	43,2	80,7

(In Million MAD)	31-DEC-15
Amount (Provisions) in the opening	-107,4
Allocations for the period/ expenses of the period (including Reversals of provision)	-12,9
Reversal for use/ benefits paid	4,8
Changes in scope	0,0
Business combination (only if significant)	0,0
Translation adjustment	0,0
Other: Reclassification IFRS 5 (Groups held for sale)	0,0
OCI (scope of application IAS 19 R)	-8,5
Amount (Provisions) at the closing	-123,9

SENSITIVITY OF OBLIGATION COMPARED TO THE DISCOUNT RATE	31-DEC-15
Sensitivity of obligation	-15,2%
Sensitivity of service cost	-19,1%
Sensitivity of interest expense (discount rate)	22,7%

SENSITIVITY OF OBLIGATION COMPARED TO THE DISCOUNT RATE	31-DEC-15
Sensitivity of obligation	13,8%
Sensitivity of service cost	21,2%
Sensitivity of interest expense (discount rate)	22,7%

(In Million MAD)	Pensions and similar allowances 31-DEC-14	31-DEC-15	Social benefits granted after employment other than pensions 31-DEC-14	31-DEC-15
Gross commitments at the beginning of financial year	31,2	36,2	55,1	71,2
Share not financed	31,2	36,2	55,1	71,2
Share financed	-	-	-	-
Gross commitments at the closing of the year	36,2	43,2	71,2	80,7
Share financed	36,2	43,2	71,2	80,7
Share not financed	-	-	-	-

NOTE 21

FINANCIAL LIABILITIES

The current and non-current financial liabilities of the group break down as follows :

(In Million MAD)	31-DEC-15	31-DEC-14
Bonds payable	950,0	950,0
Loans from credit institutions	1 104,4	952,3
Finance lease liabilities	217,0	278,4
Other financial liabilities	-	-
Derivative financial instruments	-	1,6
Total non-current financial liabilities	2 271,4	2 182,2
Bonds payable	-	-
Loans from credit institutions	1 494,9	1 005,8
Finance lease liabilities	-	-
Derivative financial instruments	246,3	131,2
Total current financial liabilities	1 741,1	1 137,0
TOTAL	4 012,5	3 319,2

Non-current financial liabilities rose by MAD 89.2 million including :
Loan repayment: -365 Million MAD
New loans: 517 Million MAD
Change in liabilities related to F.lease agreement: -61 Million MAD

NOTE 22

TRADE PAYABLE AND OTHER PAYABLES

(In Million MAD)	31-DEC-15	31-DEC-14
Trade accounts payable	977,0	779.5
Other payables (Excl. derivative instruments)	1066,5	1038,9
TOTAL DES DETTES FOURNISSEURS ET AUTRES CRÉDITEURS	2043,5	1 818,4

By maturity in million MAD	-1 year	1 to 5 year	+ 5 year	Total
Trade payable	977,0	0,0	0,0	977,0
Other payables	1 066,5	18,1	0,0	1084,6
AT DECEMBER 31ST 2015	2043,5	18 ,1	0,0	2061,6
AT DECEMBER 31ST 2014	1 818,4	24,1	0,0	1 842,5

NOTE 23

23.1. FAIR VALUE OF FINANCIAL ASSETS

Because of their short term nature, the book value of accounts receivable, cash, and treasury current accounts is an estimate of their fair value.

The fair value of other financial instruments is determined by reference to market prices resulting from trading on a national stock market or an OTC market.

If no listed market price is available, the fair value is estimated using other valuation methods, such as discounted value of cash flows. In any event, the estimate of market value is based on a certain interpretation of market information necessary to the valuation. The use of different estimates, methods and assumptions can have a significant effect on the estimated amount of fair value. The methods used are as follows:

- Equity securities in unconsolidated companies:
  - For shares of listed companies, the fair value is determined based on the market price published on the day of the considered reporting date.
  - For shares in unlisted companies, where the fair value cannot be reliably determined, the securities are valued at the share of net position IFRS, or failing that, at the share of the net position established by the Moroccan rules. In the absence of information on net position IFRS or Morocco GAAP, the securities are valued at their cost.
- Derivative instruments: the market value of transactions of exchange, rate and commodities is estimated using valuations provided by bank counterparties or financial models commonly used in the financial markets on the basis of market data at the date of the fiscal year end.

The table below shows the book value and the fair value of financial assets recognized in the balance sheet for which these two values are identical :

(In Million MAD)	31-DEC-15	31-DEC-14
	Carrying value <=> Fair value	
Cash and Cash equivalents	384,3	128,0
Trade and other receivables	2 271,5	1 983,3
Other financial assets	287,2	303,1
TOTAL	2 943,0	2 414,4

23.2. FAIR VALUE OF FINANCIAL LIABILITIES

Because of their short term nature, the carrying value of outstanding bank overdrafts, trade payable and other payables and short term loans appears as an estimate of their fair value.

The fair value of other financial instruments is determined by reference to market prices resulting from trading on a national stock market or an OTC market.

If no listed market price is available, the fair value is estimated using other valuation methods, such as the present value of cash flows. In any event, the estimate of market value is based on a certain interpretation of market information necessary to the valuation. The use of different estimates, methods and assumptions can have a significant effect on the estimated amount of fair value. The methods used are as follows :

- Financial debts: the fair value of financing debts (bonds payable, loans from credit institutions ...) corresponds to their amortized cost (nominal value less the loan issue expenses if they represent at least 1% this value)
- Derivative instruments: the market value of transactions of rate and exchange is estimated using valuations provided by bank counterparties or financial models commonly used in the financial markets on the basis of market data at the date of the fiscal year end.

The table below shows the carrying value and the fair value of financial liabilities carried on the balance sheet for which these two values are identical:

(In Million MAD)	31-DEC-15	31-DEC-14
	Carrying value <=> Fair value	
Outstanding bank overdrafts	1 494,9	1005,8
Trade payable and other payables	2 061,6	1 842,6
Bonds payable	950,0	950,0
Finance lease liabilities	217,0	278,4
Other financial liabilities	246,3	132,8
Put options granted to minority	-	-
Financing debts	1 104,4	952,3
TOTAL	6 074,2	5 161,9

23.3. RISK MANAGEMENT

The Group uses derivative financial instruments to manage its exposure to fluctuations of foreign exchange rate and raw material prices.

Risks of foreign exchange and raw materials are subject to decentralized management in subsidiary companies that manage in conjunction with the holding, their market risks.

23.4. HEDGED PRICE RISK

Given the nature of its activities, Managem Group has significant exposure to fluctuations in prices of commodity which it markets at the exchange rates with which its sales are denominated.

The hedging policy aims at protecting Managem Group from price risks that could have a significant impact on its short and medium-term profitability.

To manage these market risks, the use of derivative financial instruments (commodities and foreign exchange), is admitted into the exclusive objective of hedging. Derivative products used by the group are classified as cash flow hedges or Trading, in terms of IAS 39.

23.4.1.1 RISKS OF METAL PRICES

Managem hedges the risk attributable to changes in selling prices of metals, which are expressed in US dollars.

The hedging relationship is the future cash flow hedge resulting from future sales of commodities (zinc, lead, copper, silver and gold) determined according to a production planning.

Derivative instruments are intended to hedge a projected budget or future cash flows. It is a cash flow hedge relationship.

23.4.1.2 FOREIGN EXCHANGE RISKS

The policy of exchange rate risk within the group aims to hedge highly probable currency budget exposures and / or firm commitments on imports and exports.

Future currency exposures are determined as part of a regularly re-updated budget procedure.

The current hedging horizon, does not exceed the year at each reporting date.

Currency hedging instruments are intended to hedge a projected budget or future cash flows. It is a cash flow hedge relationship.

23.4.2 RECOGNITION AND ACCOUNTING AT 31/12/2015

23.4.2.1 COMMODITY RISK

At December 31st 2015, recording in the balance sheet at fair value of derivative products related to the hedging of commodity risk resulted in a gain of **15.5 MMAD** recorded for **15.5 MMAD** in cash flow hedges and **0.0 MMAD** in trading.

(In Million MAD)	31-DEC-15 TOTAL MTM	31-DEC-14 TOTAL MTM
Cash flow hedge (a)	15,5	47,5
Silver	9,7	33,5
Gold	1,5	8,0
Zinc	0,0	2,5
Lead	-0,2	3,2
Copper	4,5	0,3
DERIVATIVES CLASSIFIED IN TRADING (B)	0,0	-1,6
TOTAL (A) + (B)	15,5	46,0

23.4.2.2 FOREIGN EXCHANGE RISK

At December 31st 2015, recording in the balance sheet at fair value of derivatives related to the hedging of foreign exchange risk resulted in a loss of -238.9 MMAD of which -246.3 MMAD recorded in shareholders' equity and +7.3 MMAD recorded in income.

(In Million MAD)	31-DEC-15 TOTAL MTM	31-DEC-14 TOTAL MTM
Cash flow hedge	- 246,3	-131,2
Non-hedging derivatives	7,3	3,6
TOTAL	- 238,9	-127,6

23.4.3 SENSITIVITY ANALYSIS

23.4.3.1 COMMODITY RISK

The level of the fair value of commodity derivatives of the group at December 31st 2015 is +15.5 MMAD.

The scenario corresponding to the changes in metal price by 10% maximizing the Group's commodity risk, that is, a rise of 10% of the prices of Silver, Gold, Zinc, Lead and copper compared with the spot prices of closing would result in a loss of 13.6 MMAD recorded as cash flow hedge, that is, a change of -29.1 MMAD.

(In Million MAD)	Mtm at 31-DEC-15 (a)	Mtm+10% change (b)	Total change Mtm (b-a)	Impact on income	Impact on Shareholders' equity
+10% UNDERLYING	15,5	-13,6	-29,1	0,0	-13,6
Silver	9,7	-3,2	-12,8	-	-3,2
Gold	1,5	-2,9	-4,4	-	-2,9
Zinc	-	0,0	0,0	0,0	-0,0
Lead	-0,2	-0,6	-0,4	-	-0,6
Copper	4,5	-6,9	-11,4	0,0	-6,9

The scenario corresponding to changes in metal prices by -10% minimizing the Group' commodity risk, is a decrease of 10% in the prices of Silver, Gold, Zinc, Lead and copper compared to the closing spot price would result in a loss of 44.6 MMAD recorded as cash flow hedge, that is a change of +29.1 MMAD.

(In Million MAD)	Mtm at 31-DEC-15 (a)	Mtm+10% change (b)	Total change Mtm (b-a)	Impact on income	Impact on Shareholders' equity
+10% underlying	15,5	44,6	29,1	0,0	44,6
Silver	9,7	22,5	12,8	-	22,5
Gold	1,5	5,9	4,4	-	5,9
Zinc	-	0,0	0,0	0,0	0,0
Lead	-0,2	0,2	0,4	-	0,2
Copper	4,5	16,0	11,4	0,0	16,0

23.4.3.2 FOREIGN EXCHANGE RISK

The level of the fair value of foreign exchange derivatives of the group on December 31st 2015 is approximately -238.9 MMAD.

(In Million MAD)	Mtm at 31-DEC-15 (a)	Mtm+10% change (b)	Total change Mtm (b-a)	Impact on income	Impact on Shareholders' equity
+ 10% underlying	- 238,9	- 418,3	- 179,4	8,0	- 426,3
MANAGEM	- 238,9	- 418,3	- 179,4	8,0	- 426,3

The scenario corresponding to the changes in foreign exchange of + 10% maximizing the foreign exchange risk of Managem Group, that is, a 10% increase in the US dollar vis-à-vis the dirham would result in a foreign exchange loss of -418.3 MMAD of which + 8.0 MMAD in income and -426.3 MMAD in shareholders' equity, that is a change of -179.4 MMAD.

(In Million MAD)	Mtm at 31-DEC-15 (a)	Mtm+10% change (b)	Total variation Mtm (b-a)	Impact on income	Impact on Shareholders' equity
+ 10% underlying	-238,9	-59,5	179,4	6,7	-66,3
MANAGEM	-238,9	-59,5	179,4	6,7	-66,3

The scenario corresponding to changes in foreign exchange by -10% minimizing foreign exchange risk of Managem Group, that is, a decrease of -10% in the value of the US dollar vis-à-vis the dirham would lead to a situation of foreign exchange of + 59 5 MMAD of which + 6.7 MMAD in profit and a loss of -66.3 MMAD in shareholders' equity, that is, a change of 179.4 MMAD.

At December 31, 2015, undiscounted contractual cash flows (principal and interests) on the outstanding financial liabilities by maturity date are as follows:

By maturity in Million MAD	-1 year (*)	1 to 5 years	+5 years	End
Bonds payable	0,0	950,0	0,0	950,0
Loans from credit institutions	1494,9	1031,9	72,5	2599,3
Finance lease liabilities	0,0	217,0	0,0	217,0
Other financial liabilities	0,0	0,0	0,0	0,0
AT DECEMBER 31ST 2015	1494,9	2198,9	72,5	3766,3
AT DECEMBER 31ST 2014	1005,8	2180,7	0,0	3186,4

NOTE 24

OTHER COMMITMENTS

COMMITMENTS GIVEN

(In Million MAD)	31-DEC-15	31-DEC-14
Guarantees given	39,4	63,4
Debts secured by collateral or mortgaged assets	1878,0	-
Other commitments given*	-	-
TOTAL	1917,4	63,4

COMMITMENTS RECEIVED

The fiscal year 2015 saw the completion of two financial transactions: Securities lending « Treasury bills » from Wafa Gestion Pledging of securities lent in security of a debts contracted by Managem with AWB

- The securities were returned to WAFA Gestion on January 29, 2016, following the cancellation of the loan transaction
- Financial expenses inherent in this transaction were fully borne by the Attijariwafabank bank, therefore no impact on the accounts of Managem
- At the reporting date, the lent securities are still kept in the balance sheet of WAFA Gestion;

NOTE 25

CONTINGENT LIABILITIES

The SAMINE subsidiary was subject to a tax audit. Following the second notification, SAMINE Company rejected all reasons of reassessments and sent in parallel its application to the President of the Local Tax Committee. SAMINE company has begun negotiations with the tax administration in order to resolve the dispute by concluding an out of court settlement.

NOTE 26

26.1. TRANSACTIONS WITH OTHER RELATED PARTIES

Transactions with other related parties break down as follows :

(In Million MAD)	31-DEC-15	31-DEC-14
ASSET		
Trade receivables (net)	-	-
Other current receivables	-	-
Other non current assets	-	-
LIABILITY		
Trade payables	11.0	6 .1
Other current liabilities (Prepaid expenses)	670.0	670.0
Other long-term liabilities	681.0	676.1

Consolidated financial statements

(In Million MAD)	31-DEC-15	31-DEC-14
Turnover	14.5	14.5
Other revenues	32.3	30.5
Purchases and other external expenses	47.0	45.1
Other (FF)	-	-

Other related parties include the parent company SNI

NOTE 27

CASH FLOW STATEMENT

27.1. BREAKDOWN OF THE IMPACT OF CHANGE IN THE WCR ON THE CASH OF THE FISCAL YEAR

(In Million MAD)	DEC.2015	DEC.2014
Change in inventory	29 ,9	-110,9
Change in receivables	-175,3	-412,7
Change in payables	103,5	-62,3
CHANGE IN WCR	-41,9	585,9

The transactions relate to the interests on current account advances and remunerations of managements.

NOTE 28

EVENTS AFTER THE BALANCE SHEET DATE

Company name		DEC. 2015 % interest	DEC. 2014 % interest	consolidation method
Managem	Morocco	100.00%	100.00%	Consolidante
Compagnie Minière des Guemassa	Morocco	76.91%	76.91%	GI(*)
Compagnie de Tifnout Tighanimine	Morocco	99.77%	99.77%	GI
Akka Gold Mining	Morocco	88.46%	88.46%	GI
Manatrade	Switzerland	100.00%	100.00%	GI
Manadist	Switzerland	100.00%	100.00%	GI
Managem international	Switzerland	100.00%	100.00%	GI
Société Métallurgique d'Imiter	Morocco	80.26%	80.26%	GI
Société Anonyme d'entreprise Minière	Morocco	99.77%	99.77%	GI
Somifer	Morocco	99.77%	99.77%	GI
Reminex	Morocco	100.00%	100.00%	GI
Techsub	Morocco	99.87%	99.87%	GI
Cie minière SAGHRO	Morocco	100.00%	100.00%	GI
Cie minière d'OUMJRANE	Morocco	100.00%	100.00%	GI
Cie minière de Dades	Morocco	100.00%	-	GI
RGG	Gabon	75.00%	75.00%	GI
LAMIKAL	DRC	85.50%	85.50%	GI
MCM	Sudan	89.00%	89.00%	GI
MANUB	Sudan	69.42%	69.42%	GI
MANAGOLD	UAE	100.00%	100.00%	GI
TRADIST	DUBAI	100.00%	100.00%	GI

(*) GI : Global integration

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