MANAGEM

MANAGEM
ANNUAL REPORT
2014

All watercolor paintings featured are by Mohamed Ezziani, a young Moroccan artist from Tinghir, in support of the Moroccan art scene.

Furthermore, this report has been printed on recycled paper in keeping with Managem's environmental commitment.

For more information, please contact us on rse@managemgroup.com.
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MANAGEM
ANNUAL REPORT 2014

Letter of the Chairman and CEO

2014 - THE YEAR OF CORPORATE RESPONSIBILITY

2014 presented a large number of challenges to Group Managem. Together, we were able to overcome these challenges with resilience and by maintaining our development strategy.

This year was remarkable because of the significant decline in the value of precious metals and the volatility of other metals. However, Managem pursued its efforts of development by registering an investment of 1.26 billion MAD, over 290 MDH (million MAD) of which are reserved for exploration and development. We are also proud of the operational performance progress we are making, supported by the new projects of the Group and the efforts provided towards the improvement of ore grade and overall.

Moreover, the Group maintained its development as part of its ongoing plan, and continued the consolidation of performance throughout its operating companies.
This strategy has resulted in the development of our portfolio of mining assets, and the increase of our mineral resources. Within 3 years, Managem's aim is to increase by more than 40% its capacity of silver production, to execute 3 new copper projects and to expand its presence in 10 countries.

Significantly, 2014 was considered the year of corporate responsibility. Managem pursued its efforts in social policy, health and safety at work as well as the improvement of our environmental performance with the goal of reducing the ecological impact of exploration.

This commitment is underpinned by the structural role of the Group and its entities in the development of often-isolated regions where it is present, in order to create healthy and sustainable partnerships.
Managem displays leadership of character through continually defining new models of partnership, inclusiveness and togetherness in order to ensure solid and sustainable management.

Thanks to its assets, experience and the skills of its employees, Managem is preparing for the future with optimism. On behalf of the Board of Directors, I would like to congratulate the efforts of the entire organization and its partners who, year after year, participate in the development of the Group.

We strongly reaffirm our commitment to promote the ambitions and values that are the core of Managem, and to prove ourselves worthy of the trust of our shareholders.

Abdellaziz Abarro
Chairman - CEO

A commited group, here and abroad

Key figures
Profile
Governance
Group Strategy

Key Figures

Economic Commitment

+2%
increase in turnover in 2014

1,8%
of turnover invested in R&D (other than research for new reserves)

19
countries served by Managem

5 600
employees

26
industrialized processes

292MDH
for exploration

7
patents for inventions

50
researchers

21
industrial units

Environmental Commitment

130 000
tons of CO_2 saved through the use of green energy

4
sites supported by wind energy

7M m^3/year
of recycled water

51%
of the power consumption comes from clean energy

54,94 KwH
treated tons

-5,5%
of water consumption

Social Commitment

3,38
days of training per employee

16
nationalities represented

640
jobs created in 2014

4,33
frequency rate of industrial accidents

-42%
decrease in the rate of serious industrial accidents

35 %
of the recruited executives in 2014 are female

3840 MDH
2014 TURNOVER

1257 MDH
GROSS OPERATING INCOME

182 MDH
NET RESULT

1266 MDH
VOLUME OF INVESTMENTS

15
MARKETED PRODUCTS

Profile

MANAGEM IS A KEY REFERENCE IN THE MINING AND HYDRO METALLURGY INDUSTRY

MANAGEM IS AN INTEGRATED MINING GROUP MANAGING A PORTFOLIO OF DIVERSE MINERAL RESOURCES, MAINLY PRECIOUS METALS, BASE METALS, COBALT AND FLUORSPAR.

Thanks to its business model developed 85 years ago, Managem has evolved throughout the years to become a key reference in the mine and hydrometallurgy industry.

The expertise of the Group and its highest level of demand in security, ethics, performance and innovation favoured its growth and diversification. The development of the Group's activities was included in a responsible growth pattern thanks to strong commitments to environment, risk management and development of neighbouring communities.

The Group employs 5600 personnel across its subsidiaries. Its 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 present across the value chain of mining activity from exploration and extraction through to the trading of metals.

MANAGEM VALUE CHAIN

7
ISO9001 Certifications

10
CSR Labels

21
Industrial Units

15
Marketed Products

To explore
- Exploring responsibly

To evaluate
- Ensure profitable investments and efficient project implementation

To sustain
- Sustain relations with stakeholders
- Create a sustainable environment around neighbouring communities

To extract
- Improving performance
- Protecting our employees
- Optimizing the positive impact on communities and environment

To value
- Optimizing production
- Generating value by treating metals

To recycle
- Limiting outgoing flows
- Valuing mining industrial waste

To market
- Performing an efficient transportation for our products
- Listening to our clients and respond to their needs

QUALITY
- Improving sustainably the quality of our products and services
- Responding to the needs and expectations of our clients

SECURITY
- Improving our performance in health and security

R&D
- Permanent innovation for the improvement of sustainable products, processes and productivity.

ENVIRONMENT
- Improving our environmental performance

SOCIAL RESPONSIBILITY
- Reconciling benefits and socially responsible actions.

1928 - 1930
Start of the mining activity

- Discovery of the cobalt deposit in Bou-Azzer (1928)
- Start of the first mine of the Group specialized in the production of concentrated cobalt (1930)

1932 - 1980
Diversification in other substances

- Development of manganese mine projects at Aoulouz (1932)
- Start of iron prospecting works in Tanguerfa (1932)
- Start of manganese exploitation in Tiouine (1942)
- Creation of a commercial mine at Bouskour for the exploitation of a copper deposit in the area of Ouarzazate (1949)
- Participation in the consortium exploiting lead in Kasbat Tadla (1954)
- Creation of the Fluorspar consortium in Samine (1961)
- Creation of the company SMI and launch of the valuing of silver waste in Imiter (1969)
- Development of the copper deposit in Bleida

1980s
Structuring and modernizing the mining activity

- Development of engineering structures for probing and underground activities in order to support the operational activities of Managem
- Start of the R&D activity
- Start of copper project of the Bleida mine, designed and executed entirely by the Group's teams

1990s
Development of large-scale projects and increasing integration in the value chain

- Launch of the Guemassa mine, the most important polymetallic mine in Morocco with an investment of 1 billion MAD.
- Launch of the production of high purity cobalt cathodes from the hydrometallurgical valorisation of waste and mine concentrates on Bou-Azzer
- Acquisition of the Metallurgic Company of Imiter
- Consolidation of the mining companies within the Managem holding

2000s
International development

- Project development in Africa (Guinea, Niger, Burkina Faso, Gabon, DRC...)
- Akka gold operation launch
- Managem IPO

2010s
Accelerating the development of the Group

2010
- Signing of the mining convention with the Government of Gabon
- Creation of Managem International For Mining Company Ltd that owns an exploitation license in Sudan

2011
- Complying progress of construction works in the gold site of Bakoudou in Gabon to open production in the last quarter of 2011.
- Continuity of exploration of gold in Eteke in Gabon and Les Saras in Congo-Brazzaville

2012
- Launch of the production of gold in Bakoudou in Gabon

2013
- Start of the copper production in Jbel Laassal and silver production in the extension project of Imiter
- Launch of the production of sulphuric acid starting from mine waste in Guemassa
- Formalization of the commitments towards the communities through the Managem Solidaires program

2014
- Start of the copper production in the Oumejrane project
- Progress of feasibility studies for the projects of Bouskour and Pumpi

ACTIVITIES OVERVIEW

PRODUCTS

COPPER

29 Cu 63.546

Managem produces copper concentrates through CMG, AGM, SOMIFER and CMO.

The Group extends its presence by accelerating research and exploration programs performed in the Democratic Republic of Congo in the province of Katanga, among the richest copper reserves in the world. Moreover, Managem has already made major resources, some of which are already certified and led the Group to register advances in the projects.

COMPANIES IN EXPLOITATION
Reserves: 259 192 TM
Resources: 110 919 TM
ONGOING PROJECTS
Resources: 1 337 696 TM
USAGE
Power, construction, transportation, consumer goods, industrial equipment, medicine
PRODUCTS
Sulfurs and oxides

ZINC

30 Zn 65.39

Managem produces concentrates of zinc through CMG. The sites of Hajar and Draa Sfar contain polymetallic deposits rich with zinc which allow a production profile with a capacity of 75,000 tons of concentrate yearly. The group has increased its research efforts during the last years in order to increase the portfolio of mineral researches and increase the discovery of new reserves.

The Group stepped up its research efforts in recent years to increase the mineral resources portfolio and to expand discoveries of new reserves.

RESERVES
395 577 TM
RESOURCES
43 628 TM
USAGE
Galvanization, automobile, chemistry
PRODUCTS
Zinc concentrate

LEAD

82 Pb 207.2

Lead is also extracted and processed from polymetallic deposits of the subsidiary, CMG, with a production capacity for lead concentrate of 20,000 tons yearly.

Managem owns many research licenses that will lead to new discoveries in the near future, and it works on intensifying exploration efforts in neighbouring areas in order to confirm new reserves.

RESERVES
126 388 TM
RESOURCES
11 728 TM
USAGE
Batteries, weapons, alloys
PRODUCTS
Lead concentrate

FLUORSPAR

CaF_2

The deposit of El Hammam contains good quality ore. Managem has an annual capacity of 76,000 tons of Fluorspar concentrate of «acid grade» quality (98% CaF_2).

63 km away from Meknes, the mine of El Hammam is one of the first producers of fluorine in the world. It is maintained and run by the Samine subsidiary.

RESERVES
575 796 TM
RESOURCES
277 035 TM
USAGE
Aluminum industry, chemistry
PRODUCTS
Fluorspar concentrate

COBALT

27 Co 58.933195

The cobalt mine of Bou-Azzer is one of the oldest mines of the group. It is located 120 km away to the south of Ouarzazate and is a rare producer of primary cobalt.

CTT Bou-Azzer extracts cobalt where ore is characterized by a high concentration (around 1%) and where cash-costs are still weak in comparison with other worldwide producers. Products deriving from cobalt include arsenic and nickel.

The mine of Bou-Azzer also provides the hydrometallurgic units of Guemassa for their main provision of cobalt concentrate.
Cobalt cathode is one of the major products derived from the hydrometallurgic industry.

In the Democratic Republic of Congo, the group holds many licenses in different exploration phases targeting the exploitation of a cobalt-copper deposit with high potential.

COMPANIES IN EXPLOITATION
Reserves: 14 844 TM
Resources: 1 162 TM
ONGOING PROJECTS
Resources: 107 500 TM
USAGE
Batteries, metallurgy, aeronautic superalloys, petrochemistry industrial catalysts, pigments
PRODUCTS
Cobalt cathodes

GOLD

79 Au 196.97

Managem currently conducts numerous gold projects with high potential, notably the Bakoudou and Eteke projects in Gabon, the blocks 15, 9 and 24 in Sudan and other projects in Congo-Brazzaville and Ethiopia.

The progress of these development projects varies from one site to another: the gold mine of Bakoudou has reached the phase of production while others remain at different stages of exploration phase.

COMPANIES IN EXPLOITATION
Reserves: 5 082 Kg M
Resources : 2 625 Kg M
ONGOING PROJECTS
Resources: 91 164 Kg M
USAGE
Jewelry, ETF (Exchange Traded Funds) and investments, electronic industry, dentistry
PRODUCTS
Ingots

SILVER

47 Ag 107.87

Managem extracts metal silver from the silver deposit of Imiter through its subsidiary SMI and processes it in its factories. Located 150 km to the east of Ouarzazate, the mine of Imiter is one of the main silver producers in the world, annually producing over 7.4 million ounces of silver of high purity (99,5% Ag) in the form of silver anodes.

SMI is considered one of the rare mines benefiting from a high concentration of silver in the ore, and it holds large reserves. The mine has a grade potential that is expected to build further with the extension of the mine and the factory.

RESERVES
3 788 TM
RESOURCES
1 070 TM
USAGE
Industry, jewelry and silverware, photography, ETF (Exchange Traded Funds) and investments, coins and medals
PRODUCTS
Silver anodes

OTHER PRODUCTS

The operations of the hydrometallurgic treatment units are based within 30 km around Marrakesh. The Group assesses and values ore through various treatment procedures leading to products with high added value.

The treatment through hydrometallurgy was developed thanks to the efforts of internal R&D in the Group and allows the treatment of complex mixtures in order to reach an optimal valuation of the mining reserves of the Group.

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

ZINC OXIDE
RUBBER, CERAMIC
NICKEL HYDROXIDE
PRODUCTION OF NICKEL CATHODE, NICKEL PLATING, ADDITIVES IN STEEL
SULFURIC ACID
PRODUCTION OF PHOSPHORIC ACID, WATER TREATMENT (PH REGULATOR)
IRON OXIDE
CONCRETE MANUFACTURING, REINFORCING CONCRETE WITH IRON, PIGMENTATION, METALLURGY
ARSENIC TRIOXIDE
WOOD TREATMENT (ANTI-FUNGAL TREATMENT), PESTICIDES, GLASS TREATMENT

SERVICES

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

- Engineering
- Project management
- Advising and technical assistance
- Drilling works execution

REMINEX
R&D, EXPLORATION AND ENGINEERING SERVICES
TECHSUB
SERVICES SPECIALIZED IN PROBING, MINING WORKS UNDERGROUND OR OUTDOORS
SAGAX MAGHREB
SPECIALIZED SERVICES IN GEOPHYSICS AND TOPOGRAPHY
MANATRADE, MANADIST
TRADING AND PRODUCT DISTRIBUTION ACTIVITIES

TROPHIES AND CERTIFICATIONS IN 2014

- **Certification ISO 9001, version 2008:** for all the headquarters support activities, successful renewal for 8 subsidiaries.
- **Security Certification OHSAS 18001, version 2007:** for AGM, SAMINE, Techsub and REG Gabon in 2014.
- **Certification ISO 14 001, version 2004:** for SAMINE and REG Gabon, the process is engaged for the remaining sites.
- **CSR Label and maturity certification ISO 26 000:** for CTT Bou-Azzer, SAMINE, Techsub and REG Gabon in 2014.

Obtained
Planned

	ISO 14 001	OHSAS 18 001	ISO 9 001	ISO 17 025	CSR
REMINEX	Obtained	Obtained	Obtained	Obtained	Obtained
CTT*	Obtained	Obtained	Obtained		Obtained
CMG HAJAR	Obtained	Obtained	Obtained		Planned
TECHSUB	Obtained	Obtained	Obtained		Obtained
SAMINE	Obtained	Obtained	Obtained	Planned	Obtained
AGM	Obtained	Obtained	Planned		Obtained
REG GABON	Obtained	Obtained	Planned	Planned	Obtained**
SMI	Obtained	Planned	Planned	Planned	Obtained
CMG DSF	Obtained	Obtained	Planned		Planned
MANAGEM SA			Obtained		Obtained
CMO	Planned	Planned	Planned		Planned
SOMIFER	Planned	Planned	Planned		Planned

(*) Guemassa and Bou-Azzer
(**) Maturity certification ISO 26000

CSR Top Performer Trophy

In 2011, an an extra-financial rating agency launched the CSR rating for 40 companies in the stock market of Casablanca in six main areas: retention of human capital, respect of human rights, environmental protection, responsible governance, the ethics of business and the contribution to the economic and social development of areas of activity. In the context of this rating, Managem obtained the "CSR Top Performer" label.
Also, in 2013 Managem received the award for the best performance in the category of coherence and tangibility of the environmental strategy; for its contribution to the economic and social development of its areas of activity".

SMI received the award for the category "Quality of professional relationships and social dialogue; commitment to local stakeholders and the quality of the dialogue with associations and location authorities in favor of human development".

Innovative Company Award

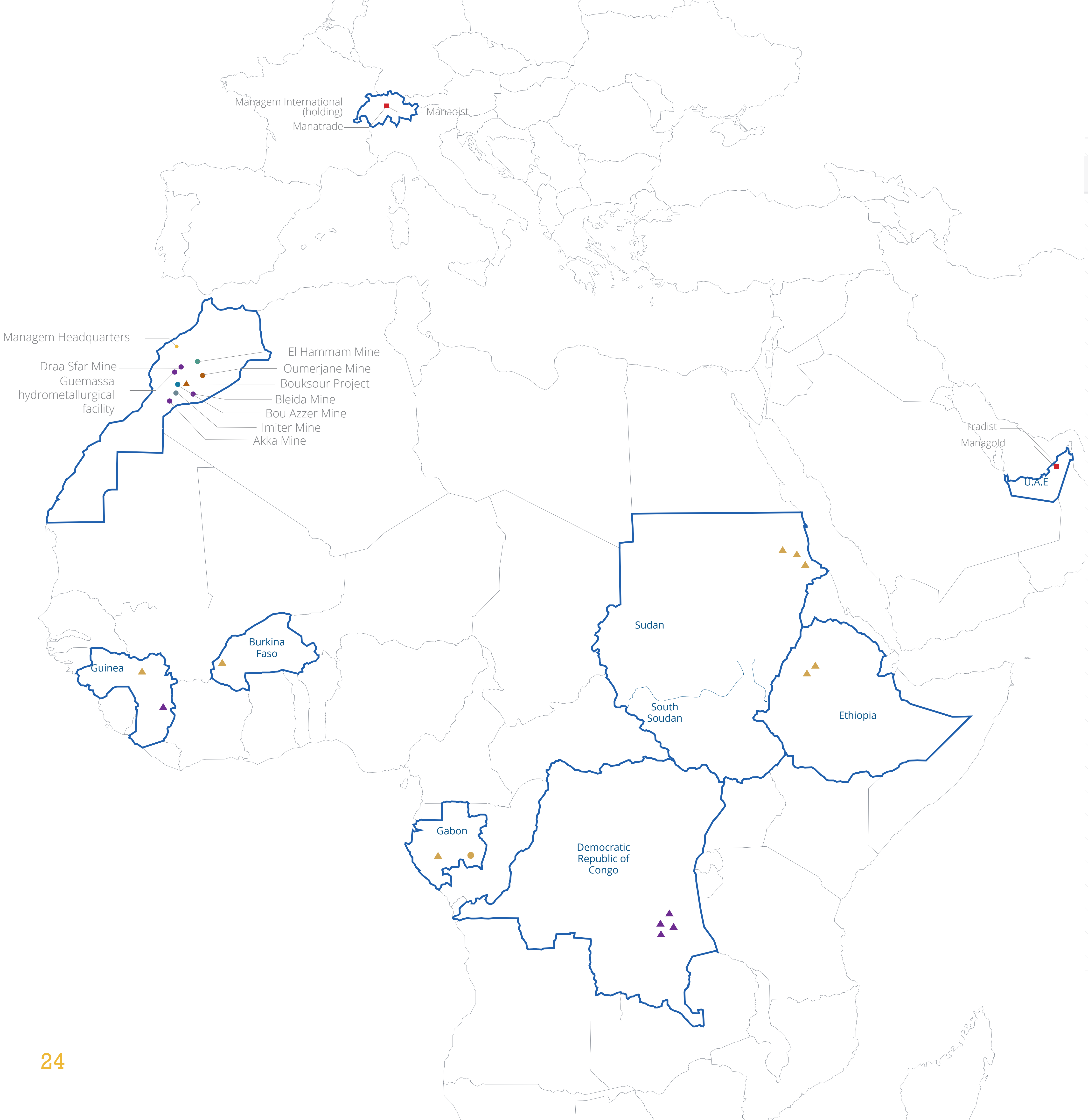
This award is organized and presented by the Ministry of Industry, Commerce and New Technology in collaboration with the General Confederation of Companies in Morocco (CGEM) and the Moroccan Association for R&D.
Managem was awarded in the category of "large companies"

Obtaining the ISO 26000 Norm

In 2014, subsidiaries Techsub, Samine, CTT Bou-Azzer and Bakoudou obtained the certification of conformity with the social responsibility norm ISO 26000. This is the first stage of a global plan with the objective of extending the conformity process across the subsidiaries of the Group.

Responsible Care

As an industrially responsible Group, Managem renewed its commitment to the Responsible Care Charter, an initiative of the chemical industry on a global scale with the objective of improving performance in security, health and environmental protection.



Legend

Activity

- Project in exploration
- Mine in exploitation
- Services

Products

- Gold
- Silver
- Copper
- Cobalt
- Fluorspar
- Polymetallic

Distribution of Projects by Region

Morocco

- El Hammam Mine
- Draa Sfar Mine
- Guemassa hydrometallurgical facility
- Imiter Mine
- Oumejrane Mine
- Bouksour Project
- Bou Azzer Mine
- Bleida Mine
- Akka Mine

Sudan

- Project Bloc 15
- Project Bloc 9
- Project Bloc 24

Democratic Republic of Congo

- Pumpi Project
- Kamassani Project
- Lamilu Project (13 licences)
- TMC Project (8 licences)

Gabon

- Eteke Project
- Bakoudou Mine

Burkina Faso

- Kouloco Project

Guinea

- Dinguiraye Project
- Beyla Project

Ethiopia

- Metekel Project
- Assoca Project

Service Subsidiaries

- Managem International (holding)
- Managold
- Manadist
- Tradist
- Manatrade

Key Facts

OPERATIONAL

IMPROVEMENT OF OPERATIONAL PERFORMANCE THANKS TO THE CONTRIBUTION OF NEW PROJECTS FOR THE GROUP AND EFFORTS TOWARDS IMPROVEMENT IN PRODUCTIVITY AT SITES IN EXPLOITATION

- Launching of the Oumejrane copper project with a production of 15.7 kilo tons of concentrate per year, according to the 2014 yearly objective.
- Enhancing the production performances of CMG
- Significant increase of copper production in Akka (+22%) due to the recentralization of copper activities
- Increase of production at the Jbel Laassal copper project (+61%)

DEVELOPMENT

PURSUIT OF THE GROUP'S DEVELOPMENT STRATEGY WITH A GLOBAL INVESTMENT PORTFOLIO COMMITTED UNTIL THE END OF 2014, AMOUNTING TO 1266.2 MILLION MAD, 23% OF WHICH IS DEDICATED TO RESEARCH AND EXPLORATION:

- Finalizing feasibility studies for the Bouskour copper project in Morocco and Pumpi in the Democtratic Republic of Congo
- Advances in the exploration works of copper in Tizzert (Morocco) and gold in Eteke (Gabon)
- Discovery of new silver mining reserves (+400 tons of metal in SMI), of copper (+1972 KT (ROM)) in Morocco and polymetallic (+1802 KT (ROM)) in CMG.

FINANCE

POSITIVE IMPACT OF +106 MILLION DIRHAMS OF COVER OPERATION ON THE RESULTS BY THE END OF DECEMBER 2014: + 9.4 MILLION USD FOR MATERIAL AND +25.2 MILLION MAD FOR EXCHANGE.

DECREASE OF THE PRICES OF METAL WITH AN IMPACT OF -136 MILLION MAD ON THE GROUP'S TURNOVER:

- The consolidated turnover registers a growth of +2% at 3840 million MAD; i.e. 66 million MAD in comparison with the end of 2013 under the effect of production increase for an impact of +274 million MAD, thus making up for the impact of decreasing prices
- The results of exploitation consolidated is established at 446 million MAD, with a decrease of 281 million MAD in comparison with the end of 2013, mainly after the decrease in the price of metals and the decrease of the concentration of 10% in SMI
- The financial result registers a decrease of 56 million MAD marked by an increase of the debt level of the Group
- The net result of the Group is at 182 million MAD with a decrease of 55% in comparison with the end of 2013, hence reflecting the negative evolution of the exploitation result.

SUBSIDIARIES DEBTS RESTRUCTURING WITH THE ESTABLISHMENT OF:

- A bond of 950 million MAD at Managem SA
- Two funds at medium run of 300 million MAD at AGM and 150 million MAD at Samine


Tinghir's canyons

Governance

GOVERNANCE STRUCTURE

The Board of Directors consists of 6 administrators and its main prerogative is to ensure the social interest of the company. It defines progressive strategic plans and ensures the follow-up of the implementation.

Directors are assigned by the General Assembly of shareholders based on the suggestion of the Board of Directors. Their knowledge of mining activity, and the contribution of other experiences, allows the Board to make strategic decisions by taking advantage of the general awareness of affairs and the capacity to objectify and compare with other situations in other sectors provided by its members.

The Chairman and CEO is a is a member of the Board of Directors, and represents the company in its relationship with third parties. He enjoys greater responsibility to act in any circumstances in the name of the company. As Chairman of the Board, he organizes and guides the activities of the Board according to the laws and its provisions.

The Group always ensures the capacity of its management components to pursue objectives according to the interests of other stakeholders and implements efficient control systems to manage potential conflicts of interests. The organization and governance of the Managem Group aims, beyond the compliance with the laws of the country where it operates, to pilot activities according to risks. The Board therefore formed a Risks and Accounts Committee to convene at least four times a year. Its control and internal audit measures reasonably ensure the following:

- The compliance of the Group to the laws and regulations in Morocco and on an international level
- The efficiency and effectiveness of various processes
- Governance in risk management
- The reliability of financial information
- Implementation of the strategy defined by the Board

THE BOARD OF DIRECTORS:

**THE BOARD OF DIRECTORS OF MANAGEM CONSISTS OF SIX MEMBERS.
THE MAIN RESPONSIBILITY OF THE BOARD IS TO PROTECT THE INTERESTS OF THE SHAREHOLDERS AND STAKEHOLDERS. IT DEFINES PROGRESSIVELY THE STRATEGIC ORIENTATIONS AND ENSURES THE FOLLOW-UP ON THEIR IMPLEMENTATION.**

THE BOARD'S MISSION

The mission of the Board is to ensure the progress of the company and the protection of the shareholders interests. As per the Statute, it determines the corporate aims and ensures their implementation. By virtue of the powers expressly attributed to the assemblies within the limit of the social objectives, the Board is in charge of every issue regarding the progress of the company and solves through consultation and discussion relevant affairs. The Board of Directors proposes also the controls and verifications that it deems appropriate.

MAIN RESPONSIBILITIES

- Approving the strategic trends and their business plans
- Approving budgets and the control of the company's management
- Approving yearly and quarterly accounts and submitting them to the approval of the yearly General Assembly

Members	Function
Abdellaziz Abarro	Chairman CEO
Bassim Jaï Hokimi	Administrator
Hassan Ouriagli	Administrator
SNI Represented by Aumane Taud	Administrator
ONHYM Represented by Amina Benkhadra	Administrator
SIGER Represented by Hassan Ouriagli	Administrator
Ramses Arroub	Administrator

The composition of this Board has been in place since its last meeting in March 2015.

SPECIALIZED COMMITTEES

**MANY YEARS AGO THE BOARD OF DIRECTORS FORMED COMMITTEES ON WHICH IT RELIES TO POSSESS GOOD MANAGEMENT TOOLS.
THESE COMMITTEES WORK WITHIN THE LIMIT OF POWERS AND MANDATES GIVEN TO THEM BY THE BOARD OF MANAGEM, ACCORDING TO THE LAW OF LIMITED COMPANIES. THESE COMMITTEES EXAMINE ISSUES SUBMITTED TO THEM BY THE BOARD FOR ADVICE AND REPORT THEIR ACTIVITIES, ADVICE AND RECOMMENDATIONS IN THE SESSIONS OF THE BOARD.**

STRATEGIC COMMITTEE

The strategic committee is mandated by the Board of Directors to prepare strategic decisions relevant to the investments of the company and general orientations.

RISKS AND ACCOUNTS COMMITTEE

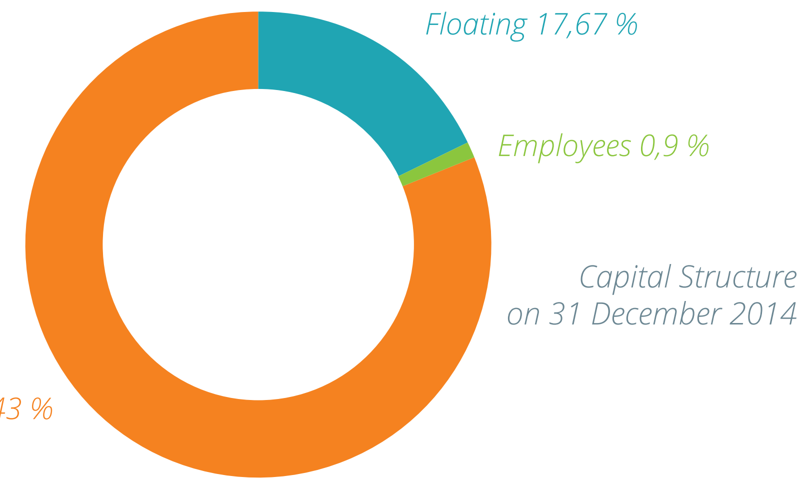
This committee is in charge of ensuring the integrity of all accounting and financial operations in the company and ensuring that they are compliant with the rules and the interior control of reporting and risk management systems.

REMUNERATION COMMITTEE

This committee is in charge of preparing the Board's decisions regarding the policy and HR orientations of the Group as well as remuneration conditions of of the top management.

STOCK MARKET AND SHAREHOLDING

CAPITAL STRUCTURE

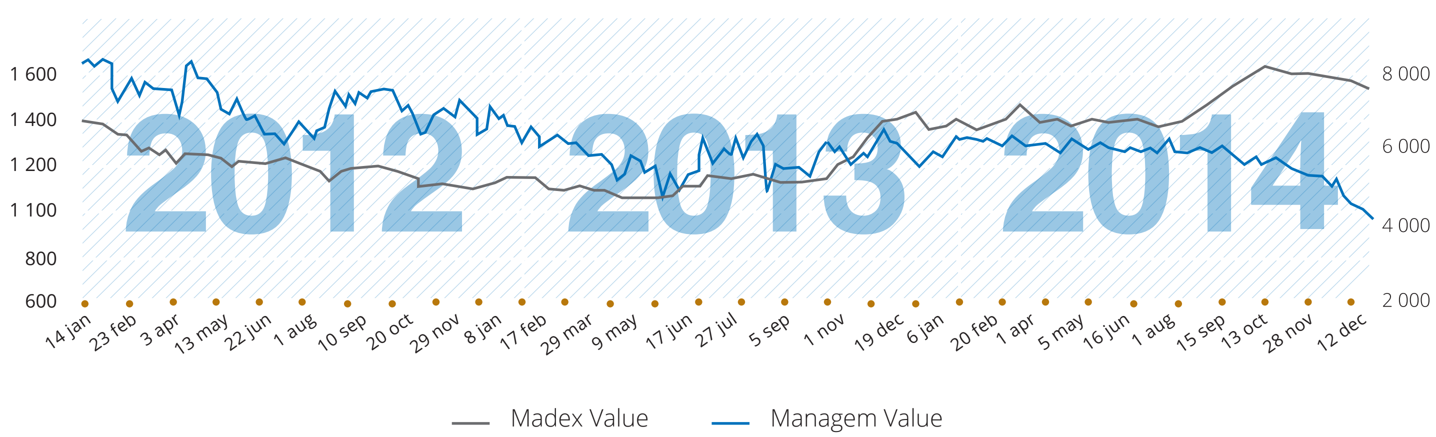


MANAGEM SHARE

on 31 December 2014

ISIN Code	TICKER	RATING PLACE
MA0000011058	MNG	CASABLANCA STOCK MARKET
Nominal Value	**FIRST RATING**	**NUMBER OF SHARES**
100 DH	656 DH THE 13/07/2000	9,158,699
Stock Market Capitalization	**INDEXES**	
11.3 BILLION DH	MASI, MADEX	

Evolution of the share between 2012 and 2014



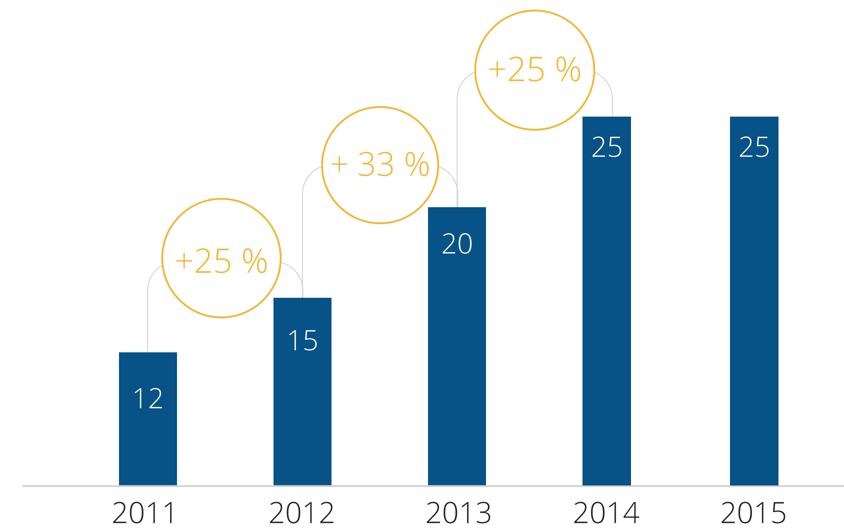
2014 EXERCISE

Closing Price: 980 DH	**Highest Price:** 1400 DH	**Lowest Price:** 980 DH

PROFITS

In the 2014 exercise, the Board submitted for the vote of the General Assembly of May 22, 2014 a dividend of 25 dirhams per share, an increase of 25% compared to 2013. The date of payment is determined on the 1st of July 2015.

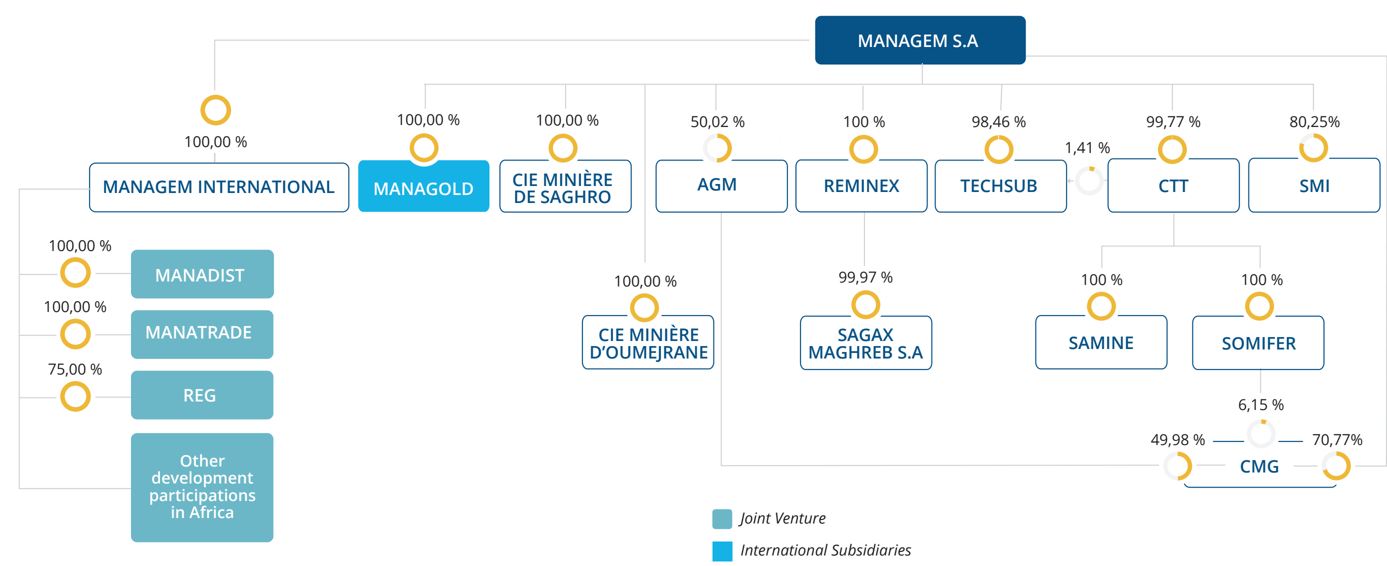
Dividend per share - Managem



Evaluation of the dividend between 2011 and 2015

PARTICIPATION PORTFOLIO

The following chart details the participation portfolio of Managem Holding:

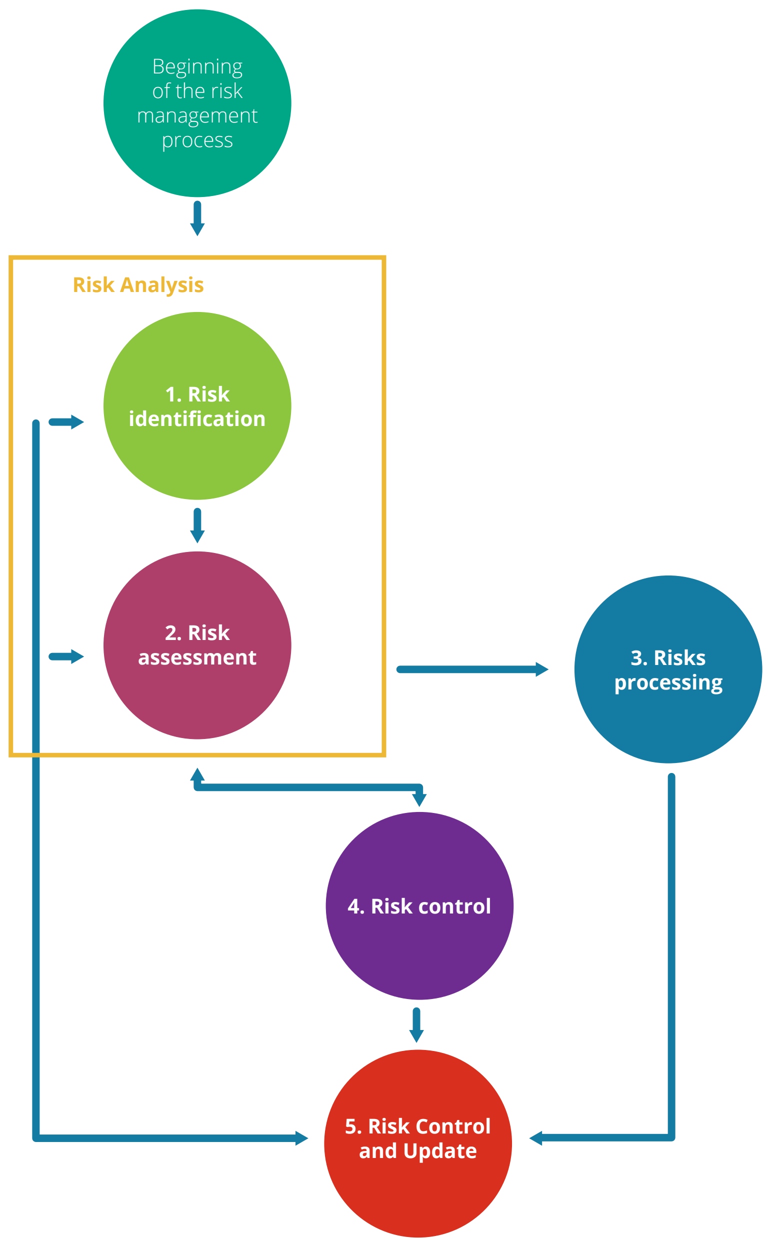


ENSURING OPTIMAL MANAGEMENT OF RISKS

Managem developed a risk management policy, its main objectives are:
• Protecting human, material and non-material assets of the Group
• Protecting value poles as well as the image and reputation of the Group
• Securing the development of the Group and reaching strategic objectives
• Providing a reference frame for identification, evaluation and risk control
• Improving the quality of the decision making process
• Responding to the various expectations of stakeholders

The process of Risk Management is an integral part of the control environment of the group according to the COSO Principles (Committee of Sponsoring Organizations of the Treadway Commission) and compliant with internal audit and control.
The Risks and Accounts committee, mandated by the Board of Directors, ensures a regular review of the management, integrity and independence of the risk management body.

RISK MANAGEMENT PROCESS



1. Risk Identification
It is subject to a methodical approach (Top-Down and Bottom-Up), which allows the identification of threats of lost opportunities of internal or external origin that can impact the Group's objectives.

2. Risk Assessment
It is performed according to a scientific and documented procedure (risk modeling), which allows quantifying and prioritizing the risks at the level of the cartography based on the occurrence probability, the severity and the quality of control measures.

3. Risk Processing
Risk processing is a measure that allows ensuring that all the risks are handled through the implementation of prevention and protection plans as well as funding and/or outsourcing.

4. Risk Control
It is mainly a follow up of the risk evolution through a regular follow-up of Key Risk Indicators (KRI)

5. Risk Control and Update
This stage allows the assessment of the efficiency of the control actions implemented and the update of the risk profile subsequently.

RISK MANAGEMENT, A BROAD ORGANIZATION

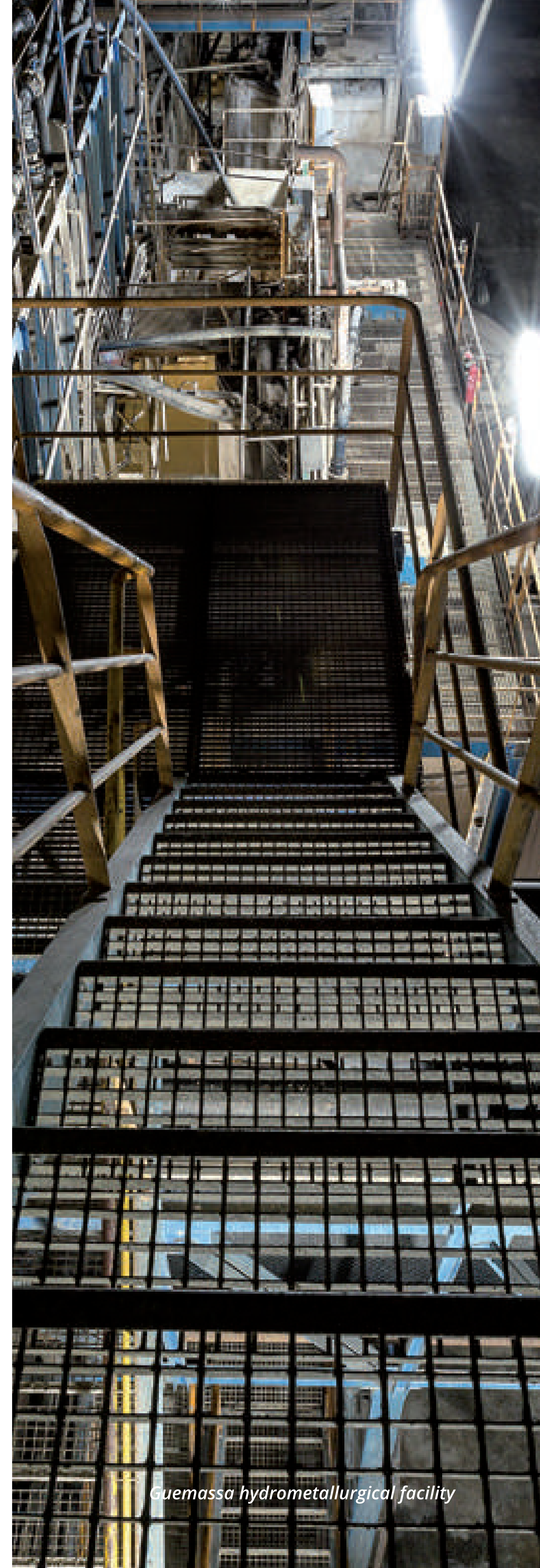
With close collaboration, functional entities of risk management, internal audit, control, judicial entity and operational entities are mandated to assess in the frame of an objective, rigorous and impartial approach the conformity of operation, the level of actual risk, respect of procedures and the effectiveness and appropriate character of the control measurement.

Internal Auditing
The measure of company governance is based on an adapted internal control environment, where internal audit plays an important role and is considered an essential element for the success and sustainability of the organization.
2014 represents a quantum leap in the internal audit of Managem; the entity celebrates its 10th year with an outcome that makes it a performance catalyst inside the Group.
In 2014, executed auditing missions led to:
• Offering around 190 recommendations in order to reinforce internal control measures and limitation of risk exposure;
• Disseminating good practices identified during auditing in order to exploit the experience return and share the knowledge;
• Transferring to the operatives simple and practical methods allowing the auto-evaluation and the global performance measure.

The internal auditing mission intervenes to examine all the Group's organization processes and activities based on the experience of delegated auditors or, when needed, on the contribution of external auditors. The performance of different auditing missions is subject to the usual frame of professional practices defined by the IIA (Institute of Internal Auditors). These missions are the subject of an action statement for the progress to be submitted quarterly to the Risks and Accounts and Management Committees.

Internal Auditing
Intenal control is also one of the governance pillars in Managem and an essential element for the risk management. It represents a global process enabling the safety of operations and the increase of financial information in order to assess the efficiency of organization in the systems.

The development of internal control methods has an important influence on the development of information systems because their function has an impact on the effectiveness of the Group process. Therefore, it was necessary to establish adapted management control measures. The latter is also based also on the information system monitoring the process follow-up.


Guemassa hydrometallurgical facility

« At Managem, we succeeded in establishing a real culture of awareness to risks across the Group.
This is what allows us today to be sure that actual and future risks are identified, assessed and managed efficiently and responsibly. »

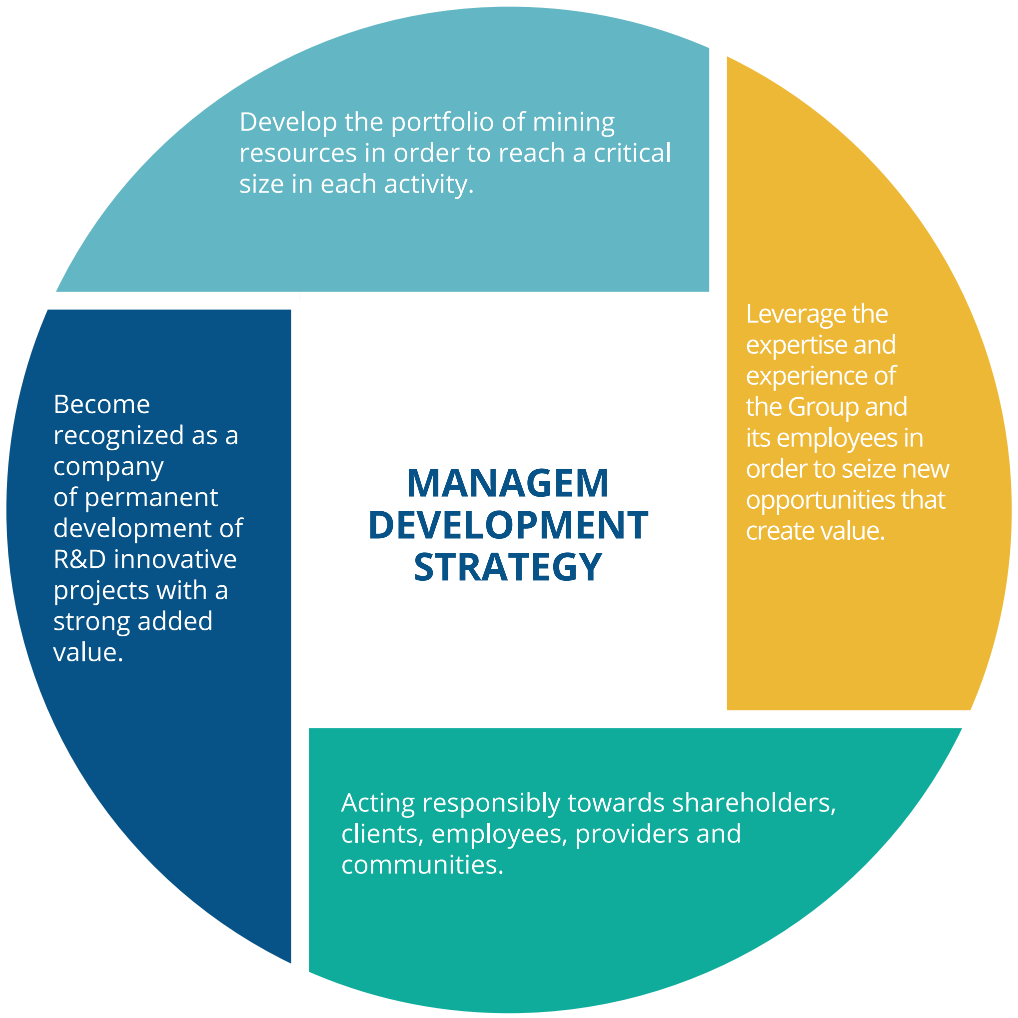
Yassine Lahbil
Internal Auditor


Control tower of Guemassa hydrometallurgical facility

The Group Strategy

The aim of Managem is to become a recognized group, for its experience and the quality of its mining products. For this reason, it relies on the quality of customer service, constant innovation and the development of partners' experience.

Given its international dimension, the quality of its assets and the commitment of the teams, Managem Group established its vision and perspectives that reveal important development spaces, mainly the pursuit of its strategy and the development of projects regarding copper in Morocco, and gold and copper worldwide. Thus, the Group implements a long-term investment program with the objective of improving significantly its production capabilities, reducing costs and investing in R&D in order to develop new technologies and confirm its international vision.



DEVELOPING THE PORTFOLIO OF MINING RESOURCES

Across the production chain and through to ore transformation, Managem possesses high quality skills. From the mine to the treatment, through metallurgy, geology or maintenance, Managem reinforces its leading regional position and develops its works continuously to support better performance of activities.

Its objectives include:
- The sustainability of activities by improving the performances of recent activities
- Developing new mining projects in Morocco and abroad
- Developing activity worldwide

IMPROVING OUR OPERATIONAL PERFORMANCE

From production to metals valuing through transformation, the Group establishes specialized units that intervene according to their specialized field in a coordinated and efficient way.

VARIOUS JOBS, ONE VISION

Managem has created a dynamic of development focusing on two main jobs: mining and hydrometallurgy.
In this context, the Group relies on various service companies specialized respectively in exploration, R&D, engineering, probing and mining works.

Mine Exploitation
This activity encompasses exploitation of various deposits, the production of concentrates like cobalt, zinc, lead, copper, Fluorspar and the production of precious metals like gold and silver.
Mining exploitation covers many projects in Morocco and Africa.

Hydrometallurgy
In the field of hydrometallurgy, Managem Group handles complex materials and produces cobalt cathodes or chemical specialties like zinc oxide, hydroxides, nickel sulfate and arsenic trioxide.

« In 2014, there was important work on the quality of the cobalt cathode. On the market, our Asian, European and US clients are unanimous in recognizing the performance achieved in terms of quality. »

Ismail Akalay
General Director of the Base Metals and Cobalt Branch

« We are satisfied with CTT cobalt metal quality and delivery arrangement and MANATRADE assistance. The quality has been improved compared to the time we started business with CTT. We appreciate your everyday kind support and assistance. »

Mie Sugimoto
Kohsei Co., Ltd.
CTT client, Japan

Product quality management is a cross function at Managem

INNOVATION THROUGH PERFORMANCE

As part of the central role of innovation at Managem, the Group launched in 1983 the creation of its Research & Development center dedicated to the sustainable improvement of products, processes and productivity. Major investment and continuous efforts have allowed Managem to develop the efficiency of its production facilities and the quality of its products to better meet the changing needs of its customers and even anticipate their expectations.

MANAGEM R&D, A COLLABORATIVE APPROACH

The center works closely with the teams in charge of development in the different units. This organization ensures a direct bridge between the Research Center and sites, for optimal efficiency. From the definition of the approach to the implementation of innovations, each program is carefully monitored.

EXPERTS THROUGHOUT THE VALUE CHAIN

Building on the expertise and know-how of more than 30 years of activity, the Research Center teams master all the steps of research:

- Laboratory,
- Pilot,
- Industrial scale,
- Mineral processing technologies based on the physical separation between minerals (flotation, gravimetric analysis, magnetic separation, densimetric separation...),
- Hydrometallurgical techniques and processes, from the solution treatment to the purification and recovery.

The Group's Research Center

Research Center
The Research Center conducts analysis and physicochemical tests in its laboratories.

Reminex Exploration
Managem Research Center entity, in charge of geology works (geological mapping, structural analysis, photogeology, satellite imagery, geochemistry, etc.) and those of mining research projects in Morocco and worldwide.

Reminex Engineering
This entity provides engineering and project management services, as well as technical assistance in the industrial, hydrometallurgical and mineral fields. These services start from feasibility studies and extend to the launch of the facilities, in the aim of following the phases of full development of a project.

Techsub
Subsidiary in charge of conducting underground works and surveys necessary for the geological and geotechnical recognition of the territories.

CONNECT PERFORMANCE TO SOCIAL RESPONSIBILITY

The Group is keen to align its development in a controlled and sustainable growth, while maintaining healthy relations with its employees, customers, competitors, suppliers and the surrounding communities.

Reconciling profitability and socially responsible actions, Managem integrate CSR throughout the length and breadth of its value chain. The Group rigorously respects the rules applicable to its activities and develops performance standards consistent with best industry practices. This policy applies to all stakeholders and integrates the management of industrial, social and environmental risks associated with its activities.

Guemassa hydrometallurgical facility

Committed to growth

International market and environment
Financial Performance
Operational Performance
Our operating sites
Development

International market and environment

According to the IMF verdict of 2014, global growth is disappointing. This decrease mainly concerns the countries of the Eurozone, Japan, Brazil with its structural imbalances and Russia, faced with increasing capital outflows. This decrease was however offset by the improvement observed in the United States and the consolidation of growth in China and India.

Growth that enabled China to officially become the leading world power and surpass for the first time the US in terms of PPP (purchasing power parity).

Similarly, oil lower prices continue to remain at less than $50, reaching an unprecedented level in more than six years because of overproduction, supported primarily by Saudi Arabia, and a demand remaining sluggish due to poor global economic outlook, especially in Europe and China.

Regarding the metals market, despite a difficult business environment due to the sluggish metal prices, the beginning of a rebalance has started with an offer that is reduced without exceeding global demand, according to Macquarie analysts.

Draa Sfar mine

« In an uncertain global environment, we managed to increase our sales volume, due in particular to the startup of the Oumejrane copper project and the success of the Jbel Laassal and Draa Sfar mines. »

Naoual Zine
Director of Finance and Corporate Management

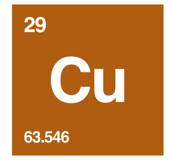
A sluggish economy due to unfavorable macroeconomic conditions and declining metal prices.

Increase of the Managem revenues by 66,1 MDH

PRICE DEVELOPMENT (2013-2014)

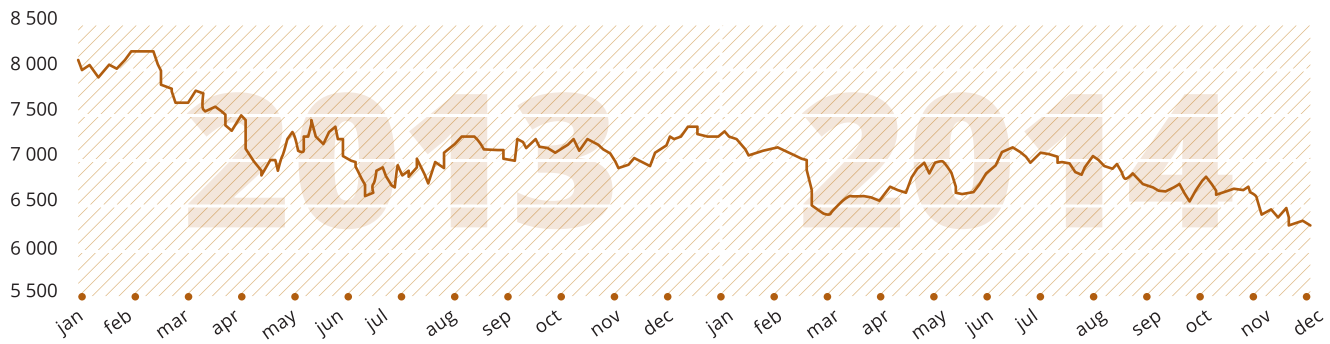
COPPER (US $/T)	6 862	- 6 %
GOLD (US $/OZ)	1 266	- 10 %
SILVER (US $/OZ)	19,10	- 20 %
ZINC (US $ / T)	2 162	+ 13 %
LEAD (US $ / T)	2 095	- 2 %
COBALT (US $ / LB)	14,17	+ 14 %

COPPER

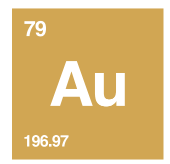


The price of copper decreased by 6% in 2014, with an identified annual price average of $6862 compared to $7326 in 2013.
This decrease was mainly driven by slightly unbalanced mining production, currently being improved, as well as by the weak demand of the American, European, and Chinese markets.

Price development of copper from 2013 until 2014



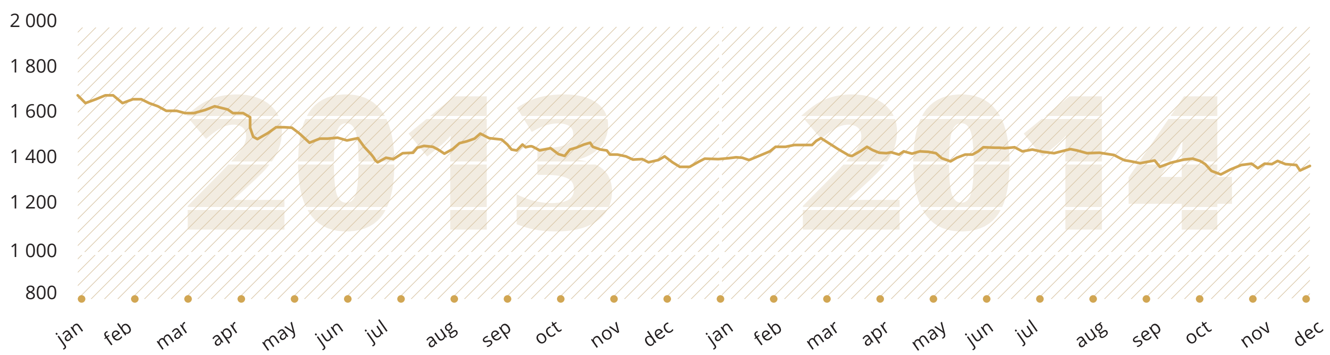
GOLD



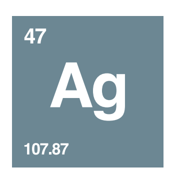
The average price of gold witnessed a hampered evolution in 2014, with a 10% decrease compared with 2013, going from $1412 in 2013 to $1266 in 2014.

A traditional safe investment in case of inflation, gold suffered because of a supply larger than the demand, due to an increase in the Asiatic production, a decrease in Indian and Chinese consumption, the limitation of plants' investments, in addition to the strengthening of the US Dollar as of the 3rd quarter of 2014. Such a drop in gold prices is also due to the unfavorable geopolitical conditions, namely the Ukrainian-Russian gas conflict.

Price development of gold from 2013 until 2014



SILVER



2014 witnessed a decrease of 20% in silver prices compared to 2013, therefore dropping from an annual average of $23,85/oz. to $19,10/oz.

In fact, knowing its correlation with gold, silver witnessed a decrease of its prices due to the same reasons affecting the gold prices, a stronger American dollar, and lower interest rates.
Despite higher performance expectations than gold, silver, which was expected to benefit from the economic recovery as a result of strong industrial demand associated with it, has had the opposite result.

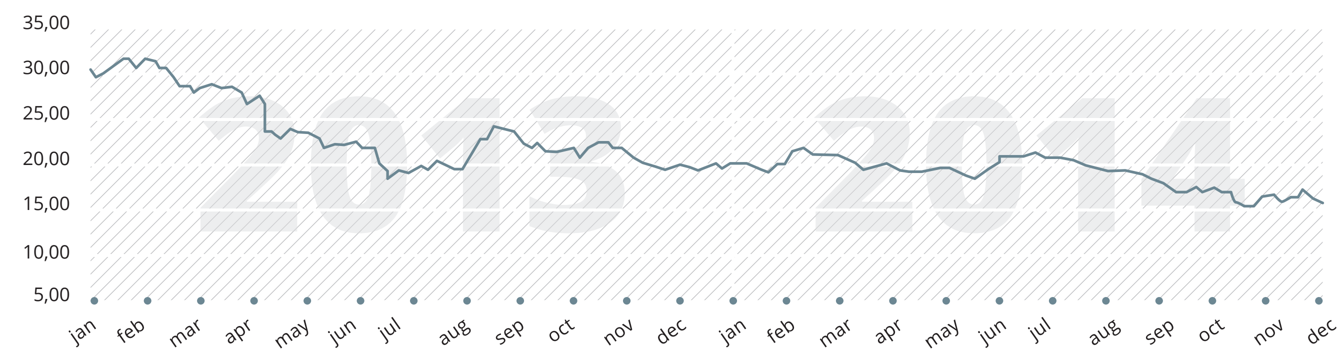
Two major parameters could explain this reverse situation:

- Gold benefits from its 'safe haven' quality, contrary to silver.
- Production has stagnated despite the good start at the beginning of the year.

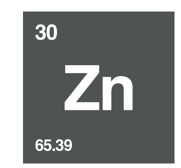
The decrease in silver prices had important implications on the levels of supply and demand. In fact, the international production of silver (mainly in Peru, USA, and Australia) increased by 3% to reach 15,500 tons.
Despite a sustained level of production, supply levels remained limited, due to the reluctance of producers facing the daunting prices of silver.

Nevertheless, industrial demand for silver this year was quite strong, with a growth level of 6% despite the decline in demand from the photography sector. However, other sectors witnessed their demand grow strongly (semiconductors, solar power, jewelry)

Price development of silver from 2013 until 2014

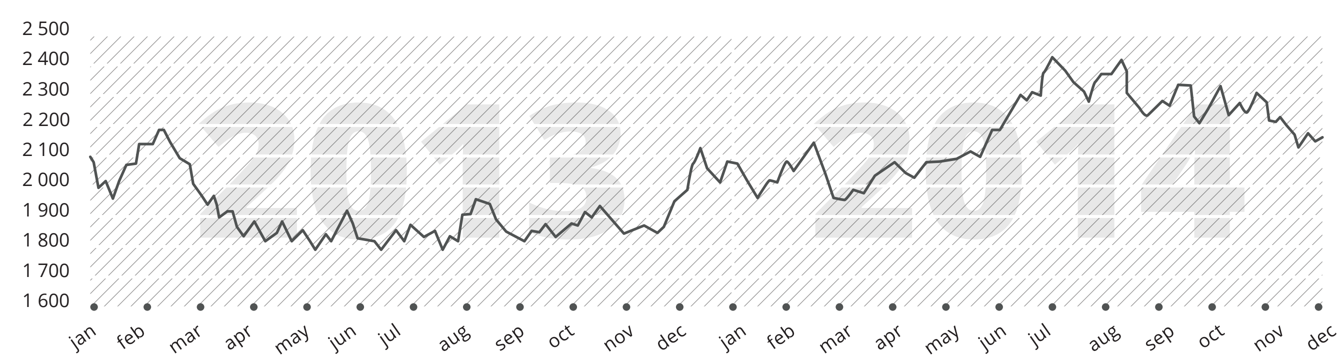


ZINC

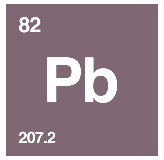


The zinc market saw a net recovery in 2014 with a positive growth of 13%, passing from $1910 in 2013 to $2162 in 2014.
Such a rise is due to a supply level reflecting the situation of an apparently healthy zinc market, because of the Penoles production increase, the No.1 Mexican gold, zinc, and lead producer, the Lundin production in Sweden, in addition to a zinc production increase in China, boosted by the metal price increase.
Moreover, these positive price developments of zinc could also be explained by a demand generally aligned with supply, thus supporting higher prices.

Price development of zinc from 2013 until 2014



LEAD

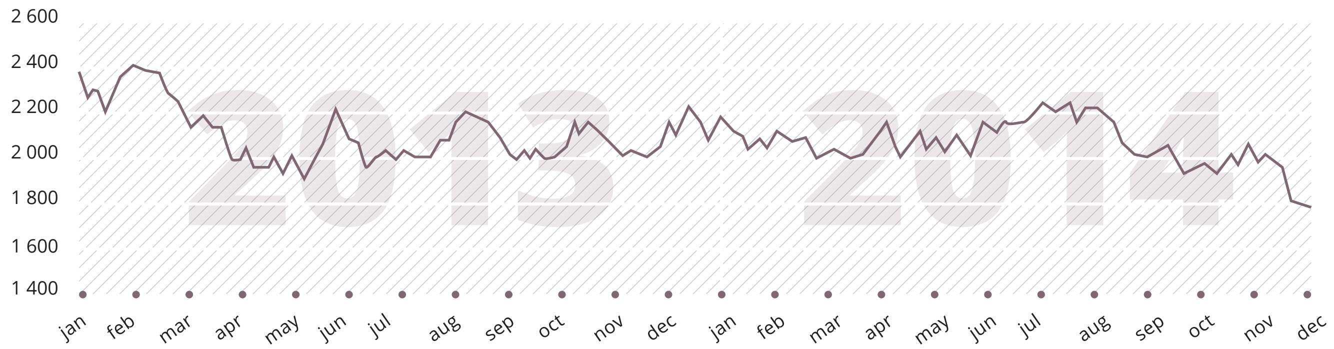


Lead prices stabilized between 2013 and 2014 with a slight decrease of 2% from $2142 to $2095, respectively.

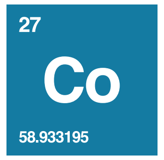
Contrary to other metals, especially zinc, whose prices took an upward trend, lead has instead stabilized with a margin of very limited evolution. This consolidation is explained by a generally low supply despite the important production levels provided by various international groups, especially Vedanta, Boliden and Goldcorp.

Furthermore, this evolution of lead prices is also due to an international weak demand in 2014 provoked by a decline of the Chinese demand, for the second consecutive year.

Price development of lead from 2013 until 2014

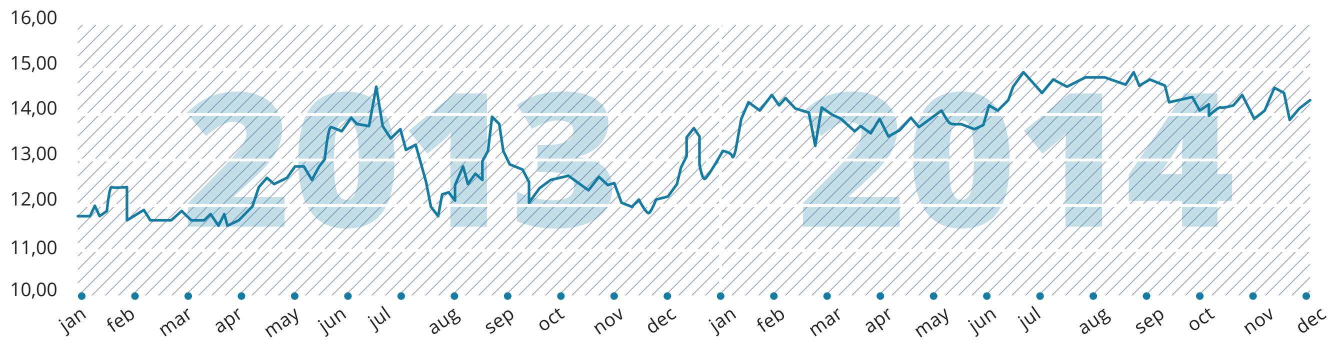


COBALT



Despite a trend reversal at end of the year, 2014 was a prosperous year for cobalt; the average price has seen a 14% annual increase from $12,39 to $14,17. The cobalt market appears to be very healthy and has been growing continuously for 18 months. Thus, it registers the best performance among all other metals. The strengthening of supply and sustained demand, particularly in aerospace, in the battery market as well as hybrid and electric vehicles are the main reasons for this positive development.

Price development of lead from 2013 until 2014



Cobalt cathodes

Financial performance

KEY INDICATORS

CONSOLIDATED RESULTS (BY IFRS)

		31/12/2014	31/12/2013	Change in Million MAD VS 2013	%
Revenues	Million MAD	3 839,8	3 773,7	66,1	2
EBITDA	Million MAD	1 256,8	1 508,9	-252,1	-17
Current operating income	Million MAD	446,1	726,7	-280,6	-39
Operating income	Million MAD	445,9	717,8	-271,9	-38
Financial Income	Million MAD	-135,3	-79,0	-56,4	-71
Income before tax	Million MAD	310,6	638,8	-328,2	-51
Consolidated Net Income	Million MAD	225,6	499,8	-274,2	-55
Net income per group share	Million MAD	181,8	404,7	-222,9	-55
Operating cash flow	Million MAD	1 061,6	1 314,6	-252,9	-19

Development of the key indicators in accordance with IFRS standards at end 2014 compared to end 2013

+66 MILLION MAD

2014 REVENUES
3840 MILLION MAD

2014 HAS SEEN AN IMPROVEMENT IN REVENUES OF MORE THAN 66 MILLION MAD COMPARED TO THE PREVIOUS YEAR; 3840 MILLION MAD IN 2014 COMPARED TO 3774 MILLION MAD IN 2013

This performance is explained by the increase in production, for an overall impact of +274 Million MAD , partially mitigated by lower metal prices, - 136 Million MAD , as well the negative impact of storing a part of the 2014 production for -74 Million MAD

+274 MILLION MAD

PRODUCTION VOLUMES 2014

DESPITE THE DECLINE OF METAL PRICES, MANAGEM WAS ABLE TO INCREASE ITS PRODUCTION LEVEL

The increase in production volumes, with an impact of +274 million MAD is distributed as follows:

+329 MILLION MAD COPPER

+20 MILLION MAD ZINC

-49 MILLION MAD SILVER

-136 MILLION MAD

SELLING PRICES 2014

THE INCREASE IN PRODUCTION VOLUMES WAS MARKED BY A DECREASE OF -136 MILLION MAD OF THE SELLING PRICES

The selling price is rationalized as follows:

-88 MILLION MAD SILVER

+72 MILLION MAD ZINC

-29 MILLION MAD GOLD

-89 MILLION MAD COPPER

+41 MILLION MAD COBALT

-42 MILLION MAD Fluorspar

-281 MILLION MAD
CURRENT OPERATING INCOME
446 MILLION MAD

The current operating income achieved at the end of 2014 amounted to 446 Million MAD , changing by less than 281 Million MAD compared to end 2013. This result is due to a price decline to -136 Million MAD, a 10% decline in the level of run-of-mine silver of SMI, with an impact of -120 Million MAD, as well as an increase in depreciation of a -57 Million MAD impact (startup of Oumejrane mine, and an extension of SMI Company).

-272 MILLION MAD
OPERATING INCOME
446 MILLION MAD

The operating income amounted to 446 Million MAD, i.e. a decrease of 272 Million MAD, mainly reflecting the evolution of the current operating income.

-56 MILLION MAD
FINANCIAL RESULT

The financial result has seen a decrease of 56 millions Million MAD, following the increase of financial debt and the decline of the positive impact of currency hedges around 10 Million MAD.

-275 MILLION MAD
CONSOLIDATED NET INCOME
226 MILLION MAD

The consolidated net income amounted to 226 Million MAD at end 2014, compared to 500 Million MAD at end 2013, thus showing a decrease of 275 Million MAD due to an operating and financial income decline of, respectively, -272 Million MAD and -56 Million MAD, in addition to a change of +54 Million MAD in taxes levels.

-223 MILLION MAD
NET INCOME PER GROUP SHARE
275 MILLION MAD

The net income per group share witnessed a decrease of 223 Million MAD compared to end 2013 due to a decline of the consolidated net income by 275 Million MAD, and a variation of +51 Million MAD in minority interests.

FINANCIAL SITUATION[1]

	31/12/2014	31/12/2013	Change in MAD Vs 2013
Overall equity	3 897,7	3 945,0	**-47,3**
Equity, Group share	3 450,4	3 486,5	**-36,1**
Consolidated Financial Debt*	3467,6	2309,3	**1158,3**

Development of the key indicators in accordance with IFRS standards at end 2014 compared to end 2013

1 Consolidated Financial Situation

(*) Consisting of long/medium/short term debt, less the cash assets, taking into consideration the current account, all associated outside the group, and excluding debts related to finance leasing contracts.

-47 MILLION MAD
OVERALL OWN CAPITAL

At the end of 2014, the overall capital witnessed a decrease of -47 Million MAD.
At the end of 2014, the overall capital variance of -47,3 Million MAD compared to end 2013; such evolution due to the following:

- The consolidated net income of 226 Million MAD at the end of 2014
- Net change in the fair value of financial instruments (MTM) of -88 Million MAD
- Less paid dividends by -295 Million MAD
- Other changes of +110 Million MAD, mainly marked by a positive evolution of the American dollar that is having an impact on the increase of Managem International equity

+1 158 MILLION MAD
FINANCIAL DEBT

The financial debt increased by +1158 Million MAD.
This change is due to the following key effects:
- Operating cash flow rising to 1 062 Million MAD;
- Increase of the working capital requirements of 586 Million MAD* ;
- 1 266 Million MAD of consolidated investments;
- 295 Million MAD of dividends.

(*) Taking into consideration exchange differentials


Fluorspar ore deposit at El Hammam mine

Operational performance

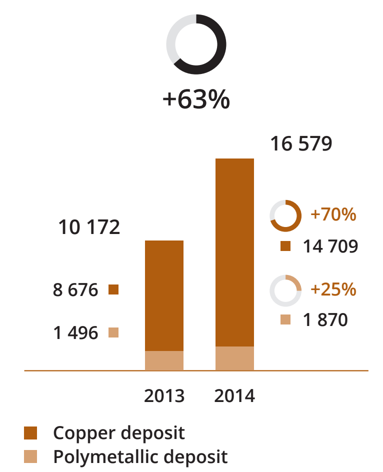
Silver anodes

ACTIVITY

SIGNIFICANT INCREASE IN PRODUCTION LEVELS

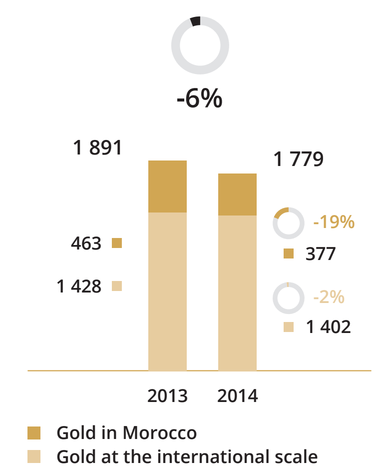
COPPER in TM

16 579 Cu



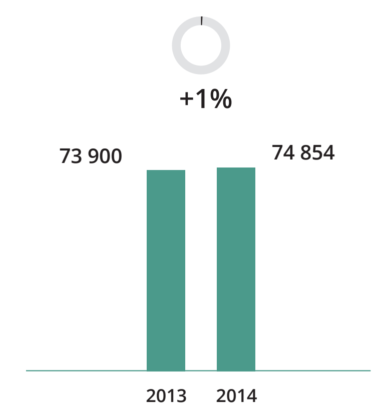
GOLD in KG M

1 779 Au



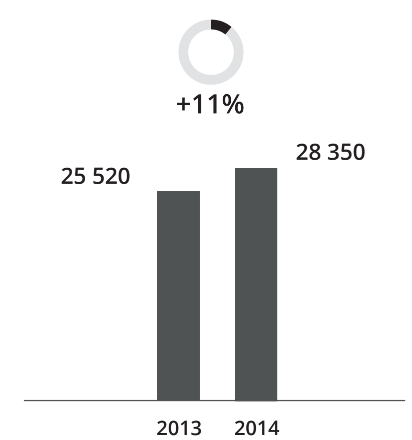
FLUORSPAR in TC

74 854 CaF_2



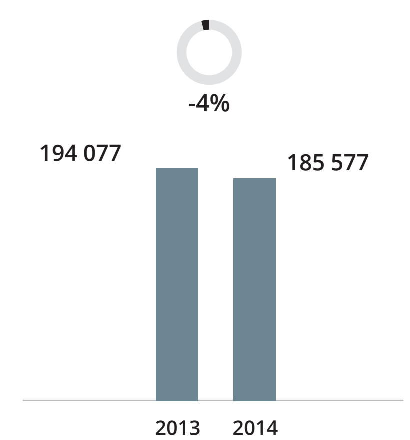
ZINC in TM

28 350 Zn



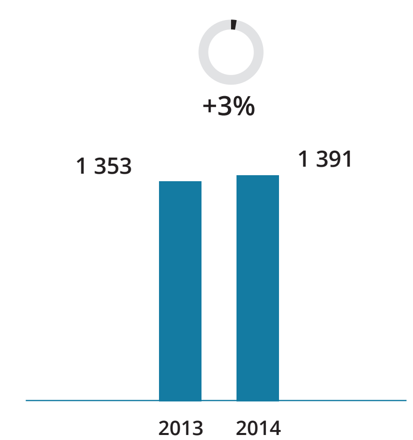
SMI SILVER in KG M

185 577 Ag



COBALT in TM

1 391 Co



Summary of the production evolution at the end of 2014

ZINC

+11%

28 350 TM PRODUCED IN 2014

Guemassa showed a good performance in the production of zinc, an increase of 11% recorded at the end of 2014. This result is attributed to both the increase in processed tonnage of Draa Sfar and Amensif, and the efforts in improvement of grades, compensating for the impact of lower tonnages of Hajjar currently depleting.

COPPER

+63%

16 579 TM PRODUCED IN 2014

A significant increase in the copper production of the Group to achieve 16579 Tons of metal in 2014, i.e. +63% compared to the end of 2013, mainly due to the following performances:

- Startup of the Oumejrane project production
- Ramp-up of the Jbel Laassal project, realizing a progress in production by +60%
- Increase in the Akka copper production of +22%, following the refocus of the mining activity on copper and the improvement of the treated grades.

SILVER

-4%

-8500 KG OF METAL IN 2014

The 10% decrease in the treated grades, passing from 401 g/TTV to 359g/TTV, has resulted in the decline of SMI silver production by 4%, i.e. -8500 kg of metal. The treated tonnage increased by 6%, thus partially mitigated the negative impact of the decrease in run-of-mine content.

« In 2014, the copper related activities of Akka and Bleida recorded a rebound in production of oxidized copper; a performance that defied the unfavorable economic environment and that we owe to our ongoing efforts to improve our productivity and increase our production volumes. »

Hassan Nassib
Director of the Akka, Bleida and Anti-Atlas Operations

GOLD

-6%

1778 KG END OF 2014

The gold production of the group slightly decreased by 6%, with 1778 Kg at the end of 2014 compared to 1892 Kg at the end of 2013. Such change is due to the:

- Decrease of the share of gold produced in Morocco (-19%) following the refocusing of the Akka mine activity on copper
- Decrease of 11% of the gold production of Bakoudou following a 6% decrease in the grade, explained by the crossing to the pit of a low-grade transition zone during the first quarter of 2014, and the operational disruption in rich areas downstream the pit due to the limited availability of mining equipment
- Production of gold of the Sudan pilot plant (+33%)

FLUORSPAR

+5%

74 854 TONS OF CONCENTRATED FLUORSPAR PRODUCED IN 2014

The 5% increase in processed tonnage allowed the consolidation of Fluorspar production performances, with more than 64,854 concentrated tons in 2014 compared with 73,900 tons of concentrated Fluorspar tons of the previous year.

COBALT

+3%

1391 TM PRODUCED IN 2014

The production of cobalt cathodes showed a 3% increase compared to 2013, mainly due to higher tonnages from Bou-Azzer, and the consolidation of the performance of Guemassa.

« The exploitation of a mine requires continuous efforts in terms of prospection and innovation to identify new sources of growth and increase the production rhythm. In 2014 in particular, the mining site of Bakoudou confronted us with major technical, economic, and human challenges. This year, we are planning to initiate new operation zones due to the surveys and studies conducted in the region in order to support the development of our production. »

Barro Bama
Director of the Bakoudou mine, Gabon

HEDGES

Globally, Managem has achieved a positive balance sheet (+106 Million MAD) on the hedges at the end of 2014.
The balance sheet hedges of materials increased of +9.5 million USD, of which +7,35 million USD are related to the balance sheet of silver.
The gain on foreign currency hedges is of + 26.3 Million MAD, due to the unwinding of 106,2 million USD with an average hedge price of 8,38 vs. a market price of 8,14.

+106 MILLION MAD
HEDGES 2014

METALS	SILVER	GOLD	COPPER	ZINC	LEAD
Closed Positions	4 169 300	26 170	10 125	13 060	1 860,00
Hedges Prices	20,82	1 303	7 063	2 104	2 151
Market Prices	19,06	1 255	6 879	2 188	2 092
Balance Sheet Hedges in million USD	+7,35	+1,23	+1,86	-1,10	+0,11
Raw Materials Balance Sheet Hedges in million USD	+9,46				

CURRENCY	USD-Million MAD
Closed Positions	106,2
Hedges Prices	8,38
Market Prices	8,14
Balance Sheet Hedges	26,25

Summary of the Balance Sheet Hedges in Million MAD

MATERIAL AND CURRENCY HEDGES ENGAGEMENTS ON 31/12/2014

UNDERLYING	Year	Protection (Oz/T)	Protection prices ($/T/Oz)	Engagements (Oz/T)	Engagements prices ($/T/Oz)
Silver	2015	1 380 000	18.27	1 380 000	18.68
Zinc	2015	1 590	2 337	1 590	2 337
Lead	2015	1 020	2 206	1 020	2 264
Gold	2015	13 350	1 250	13 350	1 256
$/MAD	2015	220 187 171	8.45	220 187 171	8.53

Table of the material and currency hedges Engagements on 31/12/2014

MARK TO MARKET 2014

At the end of 2014, the Mark to Market of the raw material hedges positions (USD) increased to 5102 KUSD compared to 3810 KUSD end of December 2013, i.e. a variation of +1292 KUSD, mainly related to a significant decline in the silver prices late in the year to less than 16$/Oz.

RAW MATERIALS	31/12/2014	31/12/2013	VARIATION
Silver	+3 650	+2 974	**+676**
Gold	+862	+1 054	**-192**
Copper	0	-75	**+75**
Zinc	+241	-132	**+373**
Lead	+349	-11	**+361**
MtM in K$	+5 102	+3 810	**+1 292**
MtM affecting the equity	+5 280	+3 527	**+1 753**
MtM affecting the P&L	-178	+283	**-460**

Evolution of the raw material Mark to Market at the end of 2014 compared to the closing of 2013, in KUSD

At the end of 2014, the Mark to Market of the currency hedges positions in KMAD was in the order of -127 579 KMAD vs. 16 665 KMAD at the end of 2013, a variation of -144 243 KMAD. This evolution is explained by the combined effect of the rise in USD / Million MAD and the rising of dollar Engagements.

CURRENCY DERIVIATIVES	31/12/2014	31/12/2013	Variation
From the MtM affecting the equity	-131 198	+16 549	**-147 747**
From the MtM affecting the P&L	+3 619	+115	**+3 504**
Total MtM KMAD	-127 579	+16 665	**-144 243**

Evolution of the currency Mark to Market at the end of 2014 compared to the closing of 2013, in KUSD

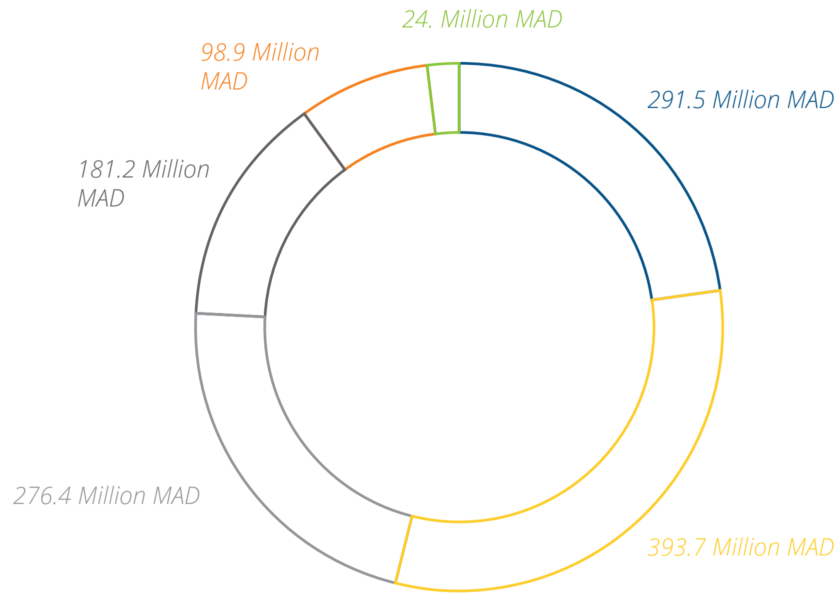
INVESTMENTS

THE CONSOLIDATED INVESTMENTS ACCOUNTED END OF 2014 (IN IFRS) AMOUNTED TO **1266.2 MILLION MAD**

In 2014, Managem has committed a total investment amounting to 1266.2 Million MAD allocated to research and development, physical investments and mining infrastructures, as well as to the completion of copper projects of Oumejrane, the extension of SMI, and other development projects.

1266.2 MILLION MAD

CONSOLIDATED INVESTMENTS



Distribution of the investment envelope

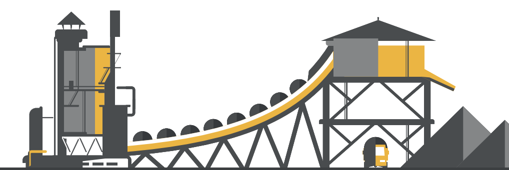
- *Research and development: 291,5 Million MAD, including exploring new copper projects in Morocco. DRC, and gold projects internationally*
- *Physical investments: 393.7 Million MAD*
- *Mining infrastructure: 276.4 Million MAD*
- *Completion of the copper project of Oumejrane: 181.2 Million MAD*
- *Completion of the extension project of SMI: 98.9 Million MAD*
- *Finalization and implementation of other development projects, for a total of 24.4 Million MAD including the pilot project in Sudan.*

(1) Besides the acquisition of lease-back equipment

Smelting furnace - IMITER mine

Our operating sites

BAKOUDOU MINE



PRODUCT
Gold ingots

LOCATION
650 km from Libreville - Gabon

DEPOSIT GEOLOGY
Granite and gneiss with a mineralization associated with quartz veins

OPERATION METHOD
Open pit mine

TREATMENT METHOD
Gravemetry & CIP

RESERVES & RESOURCES
Reserves: 5 082 KG M
Resources: 2 625 KG M

2014 PRODUCTION
1012 Kg

OPERATOR
REG

79
Au
196.97

1012
KG METAL

PROFILE

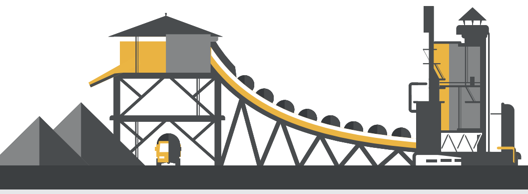
The Bakoudou mine is located more than 650 Km southeast of the capital Libreville, in the Moanda region. The company «REG» is 75% owned by Managem, and the remaining 25% are owned by the Gabonese government.
The Bakoudou site contains, by itself, nearby 7,6 tons of gold resources and reserves.

2014 MILESTONES

The gold production of Bakoudou decreased of 11% following a 6% decrease in the grade, due to the crossing to the pit of a low-grade transition zone during the first 2014 semester, and the operational disruption in rich areas downstream the pit due to the limited availability of mining equipment

2015 PERSPECTIVES

• Continue the exploration works on the allowed zones of Bakoudou, in order to extend the mine.



BLEIDA Mine

PRODUCT
Concentrated Copper

LOCATION
Bleida, Central Anti-Atlas

DEPOSIT GEOLOGY
Copper Oxide

OPERATION METHOD
Open pit mine with optimized pit

TREATMENT METHOD
Crushing, grinding, flotation, thickening and filtration

RESERVES & RESOURCES
Reserves: 53 482 TM
Resources: 30 677 TM

2014 PRODUCTION
17 291 Tons of concentrated copper

OPERATOR
SOMIFER

29
Cu
63.546

17 291

TONS OF CONCENTRATED COPPER

PROFILE

The Bleida sector is located on the eastern end part of the buttonhole Bou Azzer - El Grara, part of the Central Anti-Atlas. The buttonhole reveals several copper showings including at the Adoudounnien coverage and at the base.

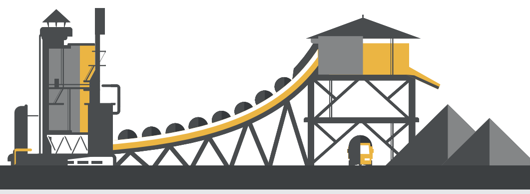
2014 MILESTONES

The research conducted in the Bleida sector during 2014 led to the discovery of a significant potential for copper, thus allowing to extend the life duration of the mine to 9,4 years.

The extraction rate has been improved through the development of new projects with better grade and closer to the factory.
The efficiency of the treatment process was improved by optimizing the consumption of reagents and ballmills.

2015 PERSPEPECTIVES

- Pursue research on several targets around Jbel Laassal and the former mine of Bleida.
- Open a new career to continue improving the extraction rate.
- Complete the extension of the factory and improve the extraction rate.



AKKA Mine

PRODUCT
Concentrated Copper

LOCATION
280 km southwest of Agadir

DEPOSIT GEOLOGY
Copper carbonates

OPERATION METHOD
Open pit mine

TREATMENT METHOD
Concentration by gravimetry

RESERVES & RESOURCES
Reserves: 95 310 TM
Resources: 55 651 TM

2014 PRODUCTION
29 795 Tons of concentrated copper

OPERATOR
AGM

29
Cu
63.546

29 795

TONS OF CONCENTRATED COPPER

PROFILE

The Akka mine is located in the Occidental Anti-Atlas region. The discovery of new copper resources starting from 2006 in the region of the western Anti-Atlas (Agoujgal, Tazalakht and Ouansimi) marked a turning point, leading to the gradual conversion of the factory, originally dedicated to gold mining activities in the site of Akka, to the treatment of copper, reaching an annual capacity of 25,000 tons of concentrated copper.

2014 MILESTONES

The copper production of Akka rose by 22% following the refocusing of the mining activity on copper and the improvement of the treated grades (+7%).

2015 PERSPECTIVES

- Anticipating further progress in research and exploration in order to consolidate the copper resources portfolio and increase reserves, given the potential of the area, rich in relatively promising oxidized copper deposits.
- Successful conversion of the former gold facilities, including the factory, dedicated to the extension of the copper treatment capacity.
- Realizing opportunities to acquire new copper mining licenses that will expand the existing portfolio and start operating new mining sites in the area.

GUEMASSA Mine

PRODUCT
Concentrated Zinc & Zinc Oxide
Concentrated Lead
Concentrated Copper

LOCATION
Jbilet region
near Marrakech

DEPOSIT GEOLOGY
VMS type deposit

OPERATION METHOD
Underground mining

TREATMENT METHOD
Differential flotation

RESERVES & RESOURCES

LEAD
Reserves: 126 388 TM
Resources: 11 728 TM
ZINC
Reserves: 395 577 TM
Resources: 43 628 TM
COPPER
Reserves: 37 281 TM
Resources: 9 203 TM

COPPER PROJECTS CMG
Reserves : 4 733 TM
Resources : 2 408 TM

2014 PRODUCTION
72 970 Tons of concentrated Zinc
13 812 Tons of concentrated Lead
16755 Tons of concentrated Copper
4200 T of Zinc Oxide

OPERATOR
CMG

82 Pb 207.2

13 812
TONS OF CONCENTRATED LEAD

30 Zn 65.3

72 970
TONS OF CONCENTRATED ZINC

29 Cu 63.546

16 755
TONS OF CONCENTRATED COPPER

PROFILE

CMG operates in the polymetallic mines of Hajar, Draa Sfar, Tighardine, and Amensif. At Guemassa, CMG performs the valuation of certain minerals by hydrometallurgical means, allowing the obtention of high added value products with cobalt cathodes, cobalt oxides, and copper sulfate, zinc oxide, arsenic and nickel derivatives.

2014 MILESTONES

The copper related activities achieved a good performance level with an 8% increase following the grade and tonnages improvement efforts.
At Guemassa, the zinc production increased by 11% following the increase of treated tonnages of Draa Sfar and Amensif, and the grade improvement efforts, offsetting the effect of lower Hajar tonnages currently depleting.

2015 PERSPECTIVES

• Expand the existing resource portfolio and reserves of zinc, copper and lead by supporting the exploration programs near the sites and outside of the existing platforms.

EL HAMMAM Mine

PRODUCT
Fluorspar 98% CaF_2

LOCATION
63 km south of Meknes

DEPOSIT GEOLOGY
Peri-granatic vein deposit

OPERATION METHOD
Underground mining

TREATMENT METHOD
Underground cut & fill

RESERVES & RESOURCES
Reserves: 575 796 TM
Resources: 277 035 TM

2014 PRODUCTION
74 854 Tons of concentrated fluorspar

OPERATOR
SAMINE

CaF_2

74 854
TONS OF CONCENTRATED FLUORSPAR

PROFILE

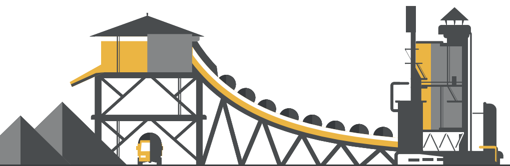
The El Hammam mine is located 63 Km south of Meknes in the Middle Atlas region. Managed by Samine, it is one of the best producers of high quality Fluorspar in the region. With an annual capacity reaching 76 000 tons of concentrated Fluorspar (98% CaF_2), the product is exported to many countries around the world.

2014 MILESTONES

SAMINE consolidated the performances of Fluorspar production by +5% following the increase of treated tonnages.

2015 PERSPECTIVES

- Continue intensive exploration programs to develop new deposits or promising satellite fields.
- Study the opportunities of new mining licenses that will allow expanding the existing resource portfolio and extend the life of Samine.



BOUAZZER Mine

and Guemassa hydrometallurgic facilities

PRODUCT
Cobalt cathodes and other derivatives (Arsenic, Nickel, etc.)

LOCATION
120 km south of Ouarzazate

DEPOSIT GEOLOGY
Hydrothermal vein deposit

OPERATION METHOD
Underground mining

TREATMENT METHOD
Flotation and hydrometallurgy

RESERVES & RESOURCES
Reserves: 14 844 TM
Resources: 1 162 TM

2014 PRODUCTION
(Cobalt cathodes) 1 391 TM

OPERATOR
CTT

27
Co
58.933195

1 391

TONS OF METAL (COBALT CATHODES)

PROFILE

CTT has been operating the Bou-Azzer mine, the oldest exploitation of the Group, located 120 Km south of Ouarzazate, since 1928.
It is also one of the few mines producing the Cobalt as a single product.

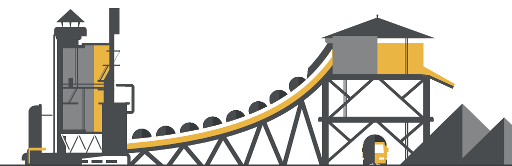
2014 MILESTONES

The production of cobalt cathodes showed an increase of 3% compared to the end of 2013, mainly due to higher tonnages from Bou Azzer and the consolidation of the Guemassa performances.

2015 PERSPECTIVES

- Ensuring the sustainability of the mine by sufficiently increasing the levels of reserves and possibly targeting an extension plan.
- Develop the gold sector of Bou-Azzer with the aim of improving the fundamentals.
- Explore and develop new high-value targets in the buttonhole of Bou-Azzer, such as silver, nickel or chrome.

OUMEJRANE Mine



PRODUCT
Concentrated copper

LOCATION
90 km north of Zagora

DEPOSIT GEOLOGY
Copper hydrothermal veins

OPERATION METHOD
Cut & fill

TREATMENT METHOD
Flotation

RESERVES & RESOURCES
Reserves: 68 387 TM
Resources: 12 981 TM

2014 PRODUCTION
15 744 Tons of concentrated copper

OPERATOR
CMO

29
Cu
63.546

15 744

TONS OF CONCENTRATED COPPER

PROFILE

Compagnie Minière d'Oumejrane, a 100% subsidiary of Managem, holds copper mining licenses in the Tinghir region.
The project foresees the production of concentrated copper from 5 underground mines and a flotation mill built on the site of Bounhas.

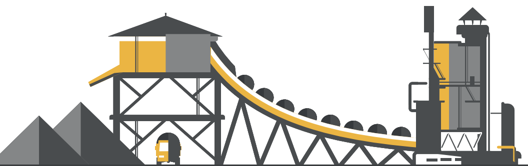
The estimated life of the project is about 12 years.

2014 MILESTONES

New copper reserves and resources were discovered, respectively, 632 kilo tons (run-of-mine), and 278 kilo tons (run-of-mine).

2015 PERSPECTIVES

Reaching the level of production corresponding to the design capacity of the plant.



IMITER Mine

PRODUCT
Silver anodes (99,5% Ag)

LOCATION
150 km east of Ouarzazate

DEPOSIT GEOLOGY
Epithermal veins

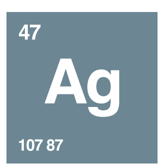
OPERATION METHOD
Underground Mine

TREATMENT METHOD
Concentration by gravimetry

RESERVES & RESOURCES
Reserves: 3 788 TM
Resources: 1 070 TM

2014 PRODUCTION
185,5 TM

OPERATOR
SMI



185,5

TONS OF METAL SILVER

PROFILE

The Imiter mine comprises of quality deposits with a high silver grade; it ranks among the leading producers of primary silver in the world. SMI, the company operating the Imiter mine, is listed on the Casablanca stock exchange.

2014 MILESTONES

Despite the -10% decline of the run-of-mine grade, SMI was able to contain its silver production decrease at -4% due to the +6% increase in the treated tonnages.

2015 PERSPECTIVES

• Improve the SMI operating performances, and search for new operating sites in order to increase the discoveries of new resources and reserves.

Pit - IMITER mine

Development

RESERVES & RESOURCES

DISCOVERY OF NEW RESERVES

The year 2014 was marked by the discovery of new polymetallic, silver, and copper reserves.

Zn Ld Cp **+1 802** KT (ROM) new polymetallic reserves

47 Ag 107 87 **+400** TM new silver reserves

29 Cu 63.546 **+1 972** KT (ROM) new copper reserves

Metal Content			End 2013	End 2014
COPPER	Reserves		211 092	221 911
	Resources		85 292	101 716
CMG Copper sites	Reserves	TM	6 032	4 733
	Resources	TM	0	2 408
AGM Copper	Reserves	TM	84 533	95 310
	Resources	TM	58 134	55 651
SOMIFER Copper	Reserves	TM	54 717	53 482
	Resources	TM	16 904	30 677
CMO Copper	Reserves	TM	65 811	68 387
	Resources	TM	10 254	12 981
POLYMETALLIC, ZINC, LEAD, COPPER	Zinc Reserves & Resources		416 816	439 205
	Lead Reserves & Resources		138 362	138 117
	Copper Reserves & Resources		37 623	46 483
Zinc	Reserves	TM	375 729	395 577
	Resources	TM	41 102	43 628
Lead	Reserves	TM	121 839	126 388
	Resources	TM	16 522	11 728
Copper	Reserves	TM	32 087	37 281
	Resources	TM	5 536	9 203
SILVER				
SMI Silver	Reserves	TM	3 610	3 788
	Resources	TM	1 027	1 070
GOLD				
REG Gold	Reserves	Kg M	5 915	5 082
	Resources	Kg M	2 404	2 625
FLUORSPAR				
SAMINE Fluorspar	Reserves	TM	626 599	575 796
	Resources	TM	295 050	277 035
COBALT				
CTT Cobalt	Reserves	TM	16 006	14 844
	Resources	TM	1 120	1 162

Summary tables of operating sites's reserves-resources

MINE DEVELOPMENT STAGES

DUE DILIGENCE

EXPLORATION

Strategic
- Realization of mapping, geophysical and / or geo chemical surveys at large scale (approximatively 100 km²).

Tactical
- Determination of exploration targets and conduct of on-site sampling and surveys on a smaller scale (a few km²).
- Execution of a preliminary economic assessment of a potential mining project, a «conceptual study», based on preliminary geological, technical and financial data.

Valorisation
- Resources certification with close spacing.
- Launching a pre-feasibility study covering the economic evaluation of the mine development related to highlighted deposit.
  The study includes:
  - Geotechnical, hydrological and hydrogeological, mineralogical and metallurgical studies.
  - The design of the extraction and deposit valorization methods.
  - The assessment of the regulatory framework.
  - The assessment of environmental, social and economic impacts.
  - Estimations of the development and operating costs.
  - The financial assessment results.

FEASIBILITY STUDY

- Preparation of the final economic assessment with sufficient precision, faithful to the best industrial practices.

MINE CONSTRUCTION

- Preparation of detailed engineering studies.
- Launch of mining machinery and plant . equipment orders
- Civil works completion.
- Mine development.
- Installation and commissioning of the factory service.

CASE STUDY : OUMEJRANE'S MINE DEVELOPMENT

EXPLORATION*
2010 - 2013

Planning
- Managem won the international tender launched by ONHYM for the acquisition of the Oumejrane deposit
- Managem began its exploration works in June 2010

Achievements
- Geophysics:
  - Induced polarization survey (60 km)
  - Airborne magnetic survey (60 km)
- Drillings: 39000 m of core drilling and 10,000 m of RC drilling
- Ore tracing : 1080 m

Results
- Resources: 3,2 million tons of run-of-mine copper (Cu)
- Reserves: 3,1 million tons of run-of-mine copper (Cu)

FEASIBILITY STUDY
NOVEMBER 2011 - APRIL 2012

- Geotechnical, hydrological, hydrogeological, mineralogical, and metallurgical studies
- Estimation of resources and reserves, engineering works (civil, electrical, mechanical)
- Resources:
  - Geology: 5-6 persons
  - Engineering: about 15 FTE
  - Building owner: 2-3 persons
  - Contractor: 5 local design offices and one foreign office

Budget
Over 40 million MAD (excluding costs of geological studies and mining permits fees)

CONSTRUCTION
OCTOBER 2012 - NOVEMBER 2013

- Studies carried out on schedule and budget
- Detailed engineering and procurement studies (signing crushing equipment contracts)
- Civil engineering work

Key achievements
- 16 months of construction instead of the 18 planned month
- 400 people mobilized for construction
- 60% of civil engineering applications made by local businesses
- Contributions to the infrastructure development around the site (about 40 million MAD)
- Execution of multiple social actions for the benefit of the surrounding populations: classes in the village schools, solar-powered water pumping, summer camps for school

Budget
Over 500 Million MAD

(*) This case study does not take into account upstream exploration

DEVELOPMENT PROJECTS

PROJECT	STAGE	DESCRIPTIONS
Bouskour Copper project	Feasibility study	2014 experienced the progress of the project feasibility study finalized work.
Tizert Copper project	Certifications - Feasibility study	2014 experienced the progress of resource certification work and the development of the project feasibility study.
Etéké Gold project	Drilling	The Eteke gold deposits are located in the region of Mouila in Gabon. 2014 was marked by the continuation of the drilling campaign in Dondo Mobi, Dango and Massima.
Wadi Gabgaba Project	- Due diligence of the feasibility study - Certifications - Strategic Prospection	2014 experienced the following developments: - Completion of due diligence for the project feasibility study - further reserves certification program and exploration as per Bloc 15 permit - Progress in strategic foresight activities on Bloc 24 and the exploration of Bloc 9*.
Pumpi & Kamassani Project (Copper & Cobalt)	Study of the different variants of the feasibility study	The Pumpi project is located on the territory of Kolwezi in Katanga in the Democratic Republic of Congo (DRC). Kamassani is at 3 km from Pumpi. This project aims to put into operation copper and cobalt deposits. 2014 was dedicated to the project feasibility study.

** Blocs 9 and 24 are related to annexed exploration licenses.*

« This year we are launching the PRO project (Performance, Rigor, and Organisation) at exploitation level. It is a working method to boost performance by identifying the relevant performance indicators, action plans and an organization clarifying roles. The PRO project will be implemented in best practices in the new operating sites to ensure they are commissioned in the best conditions. »

Youssef El Hajjam
General Manager of Precious Metals and Fluorspar Activities

As part of improving the overall operating performance of Managem, the PRO Project has been set up to optimize work processes and project management, and gather the experiences and best practices.

Committed as a responsible leader

The Group's ethics and principles of action
The 10 commitments of Managem

The Group's ethics and principles of action

Managem bases its sustainable development strategy on strong and engaging governance principles, guarantors of safe and sustainable economic performance, coupled with a renewed social and environmental responsibility.

Hammam mine employees

Annual report 2014

THE 10 COMMITMENTS OF MANAGEM

01 — Respect the fundamental rights of our employees, our subcontractors and all those affected by our activities.

02 — Permanently seek ways of improving our performance in terms of occupational health and security.

03 — Contribute to the socio-economic development of all sites, regions, and countries where we operate, and pay in full and good faith all our tax obligations.

04 — Seek continuous improvement of our environmental performance and preserve biodiversity.

05 — Integrate the goal of reducing our air emissions, including emissions of greenhouse gases, in all our processes and throughout our value chain.

06 — Promote our waste reduction, recovery, recycling, and disposal while respecting our environment.

07 — Effectively identify and manage our risks by integrating the principles of social responsibility into making decisions related to our activities.

08 — Prevent all forms of corruption and conflict of interests.

09 — Sustainably improve the quality of our products and our services according to the needs and expectations of our customers.

10 — Implement engagement and communication devices and produce independent, efficient, and transparent reports

« Environmental engagement and local roots form a major axis of the Managem strategy and underpin sustainable and inclusive development. Act as a citizen for the good of the community and participate in the promotion of culture of solidarity; this is the course of action that unites us and guides us every day. »

Mohammed Cherrat
Director of Human Resources, Communications and Sustainable Development

Create true dynamic progress, engaging our employees to contribute to the well-being of our surrounding communities, protect the environment; these are our goals for a sustainable future for all.

COMMITMENT 1

Respect the fundamental rights of our employees, our subcontractors and all those affected by the conducted activities.

PRINCIPLES AND HUMAN RIGHTS

Managem maintains the promotion of universally recognized and adopted rights and principles at the heart of its CSR strategy. This approach is realized through a formalized commitment in terms of respecting the fundamental rights of employees, contractors and all those affected by its activities.
This commitment is deployed in all subsidiaries and essentially concerns the promotion of trade union freedoms and rights of association, the prohibition of child labor on sites and with suppliers and subcontractors, the promotion of gender approach, in terms of recruitment, training and access to positions of responsibility, and finally strengthening partnerships with community actors, for socio-economic development of mining areas through the Managem Solidaires program.

35 %

35% of executives recruited in 2014 were women

16

16 different nationalities

COMMITMENT 2

Improve our performance in terms of occupational health and security.

OCCUPATIONAL HEALTH AND SECURITY

At Managem, the occupational health and security is always at the top of our priorities. We believe that all tasks, of any kind, should be carried out safely. Managem continuously builds a culture of health and safety at the highest level, through the accountability of each of its employees, and the frame according to which the Group identifies the annual health and security targets.

4,33

20% less occupational accidents compared to 2013 frequency rate

« I have spent thirty years working in Managem. It might seem long, but I did not feel the time passing. Throughout my career, I had the opportunity to discover a complex yet fascinating job; mining. I have worked with employees and supervisors who gave me the opportunity and desire to move up. As a purchasing manager, the function I held before my retirement, I was able to deal with many responsibilities. It is hard to leave Managem. Even when being retired, I continue today to act as an independent consultant, with an emphasis of the transfer of knowledge. »

Khadija Sghyer
External Consultant

« Managem is my very first professional experience. I joined the Group, as Quality, Security and Environment manager, three months ago. I was offered an on-site visit, meetings and training program to facilitate my integration. Thus, I had the opportunity to quickly meet the Directorate members and Heads of various departments, and share knowledge with them. I was also faced with a concrete problem of conducting a compliance audit of the site of Bou-Azzer, which allowed me to interact with Managem experts and benefit from their experience. »

Sara Hosni
QSE Manager – Bou-Azzer site

Managem gives the opportunity to its retired executives to work as consultants. This win-win formula allows them to pursue an occupation and to transmit their knowledge to young employees.

Each new recruit is accompanied by a tutor during all phases of the integration. The program includes site visits, trainings and and case studies.

School at Bou-Azzer

COMMITMENT 3

Contribute to the socio-economic development of all sites, regions, and countries where we operate, and pay in full and good faith all our tax obligations.

MANAGEM SOLIDAIRES

Established in 2013, Managem Solidaires is a social program whose vision is based on the desire to define the conditions of an overall management characterized by solidarity. In 2014, Managem Solidaires benefited from a total budget of 31 million MAD of which 55% were borne exclusively by operating sites.
Managem Solidaires is the result of a reflective process that is based on four strategic areas: the well-being of surrounding communities, school success, offering new opportunities and entrepreneurship

WELFARE OF SURROUNDING COMMUNITIES

To work for the welfare of surrounding communities, Managem Solidaires participates in their opening up and helps ensuring access to basic services (water, health). Moreover, Managem Solidaires is committed providing assistance to people in difficult situations while investing in the future, in particular by facilitating the approach via culture and development, and promoting and sponsoring cultural and sports activities.

SCHOOL SUCCESS

In 2014, many children benefited from the programs supporting the school and preschool program of Managem Solidaires. Indeed, preschool cycles were set up for children of residents and teaching practices focusing on entrepreneurship have been initiated in their schools. Managem Solidaires also ensures the development of frameworks conducive to quality education, encourages, and accompanies children beyond their ambitions.

NEW OPPORTUNITIES

The commitment to solidarity in granting a second chance is a major challenge for Managem Solidaires, through the development of alternative training for school dropouts and the preparation for the working life.
By providing training and upgrades to strengthen regional civil society, Managem Solidaires gives the impulse to animate a dynamic around employment and development.

ENTREPRENEURSHIP

In order to encourage entrepreneurship and dynamism of the regional economy, Managem Solidaires has set up apprenticeship training programs for master craftsmen and encourages the creation of micro-enterprises serving local needs. This support program for all small business and women's cooperatives is also supported by legal, technical, economic and financial assistance.

COMMITMENT 4

Seek for the continuous improvement of our environmental performance and preserve the biodiversity.

ENVIRONMENT PROTECTION

Each activity of the mine lifecycle has an environmental impact, from exploration to the redevelopment of the sites.
The Group, with the support of its Research Center, has developed new techniques for mastering its impacts and preserving the environment.
Dike construction of factories discharges, water recovery and recycling systems, and other storage, treatment and reuse of materials and waste practices are witnesses of all efforts deployed for years in the environmental field.

150
Monitoring and water quality control points (wells, spring, surface water...) in and around the mining sites.

Award ceremony at a sports event organized in the region of Oumejrane

CASE STUDY: OUMEJRANE MINE

Launched in 2014 for the enhancement of a copper deposit, the Oumejrane mine was designed in a sustainable development approach in order to integrate into its environment, revitalize the region and enhance the well-being of surrounding communities.

The societal action plan of the -Oumejrane site is based on four strategic axes:

- Build shared values of cohesion and living together through advocacy, information and support
- Territorialize development action and strengthen the common basic structures
- Develop female associative action
- Develop social and professional skills of the young

PROMOTION OF LOCAL HERITAGE

Furthermore, Managem has also undertaken initiatives to preserve local heritage, such as:

- The contribution to the environment day in Ksar Mejane
- Participation in the collective wedding ceremony
- The contribution to the Henna Tazarine festival
- Sponsorship of the commemoration of the Battle of Bougafer

WELL-BEING OF THE COMMUNITY

Concerning the well-being of the surrounding communities, Managem has deployed many actions to meet their infrastructure, water and electricity, as well as emergency and health services' needs:

- Participation in the upgrading of the road between Aït Saadane and Oumejrane (35 km), up to a third of the budget set for its completion
- Participation to 50% of the cost of the substation 60 kV-22 kV in the village of Ait Saadane
- Drilling and the supply line for drinking water (about 3 km)
- Telecommunication services coverage
- Installation of solar panels
- Emergency support during weather conditions in the eastern part of Morocco, in November 2014, through the provision of logistics park for the restoration of roads, the opening up of douars, and the distribution of donations to injured persons (blankets, mattresses, food)
- Acquisition of an equipped ambulance for the benefit of the town of Hssia for Ksar Oumejrane and the neighboring ksours (2100 beneficiary households)
- Contribution to the organization of a marathon and a football tournament in Ksar Oumejrane

SCHOOL SUCCESS

Being a key component of the Managem Solidaires program, academic achievement in the area of Oumejrane is a priority for the Group. As part of its commitment to education and teacher training of children in the region, Managem has made the following actions:

- Provision of the preschool classes equipment at Hsiya & Alnif
- Contribution to the school year by participating in school transportation in Sidi Fellah
- Rehabilitation of schools (Bounhas, Takcha, Ihndar, etc.)

COMMITMENT 5

Integrate the goal of reducing our air emissions, including emissions of greenhouse gases, in all our processes and throughout our value chain.

REDUCING CARBON FOOTPRINT AND EMISSIONS

Evaluating the volume of greenhouse gases emissions (GHGs) generated by the various activities of the Group is now at the heart of our reduction strategy of carbon footprint and atmospheric emissions. Following a study, an action plan has been implemented to reduce our emissions of greenhouse gases.
Areas for improvement affect most transmitters of energy, freight and inputs.

51 %
of the total electrical energy consumption comes from clean energy


Guemassa metallurgic facility

COMMITMENT 6

Promote our waste reduction, recovery, recycling, and disposal while respecting our environment.

RESPONSIBLE WASTE MANAGEMENT

Aware of the value of mining industrial waste, Managem considers it a strategic priority in its sustainable development policy by placing the value of mining industrial waste in the scope of its responsibility.
These wastes are considered a source of wealth and untapped potential in the triptych of sustainable development combining economic, environmental and social dimensions.

+40 %
of mining industrial waste recycled in 2014

700 000 tons
of sterile valued at Draa Sfar

COMMITMENT 7

Effectively identify and manage our risks by integrating the principles of social responsibility into decision making related to our activities

RESPONSIBLE MANAGEMENT OF ACTIVITIES

Managem seeks to enforce with its employees and promote with its other stakeholders values such as respect for laws and regulations, social responsibility, solidarity and social equity, innovation, customer service and the commitment to sustainable development.

Integrity encourages us to respect our values and conduct our business responsibly, in a transparent and ethical manner, and to ensure the sustainability of our development while creating value for our ecosystem.

The policy of sustainable purchase relays Managem commitments by integrating social and environmental issues in the Purchasing process and Supplier Relationship Management. This policy helps to include suppliers and subcontractors in its sustainable development, in order to initiate a chain of integrated and sustainable value.
The Group incorporates and gives priority to the contribution of its ecosystem starting from the construction phase of its projects to their operation.

« Between 2013 and 2014, Managem has engaged in nearly 100 Million MAD orders from a hundred of local suppliers, mainly SMEs surrounding the mining sites, to complete the construction of mining projects. A number that shows the creation of direct value by Managem in its operating regions. »

Amin Abrak
General Manager of the Supports, Logistics Purchasing, and Information Systems

82% of Managem purchase commitments are established for domestic suppliers.

CASE STUDY: GUEMASSA

In the Guemassa mine nothing is lost, everything is transformed. The Guemassa mine was initially supposed to produce cobalt, zinc, lead and copper for metallurgical industries; however, with the establishment of a pyrrotite roaster unit in 2013, Managem transformed a regulatory constraint into an economic and competitive advantage.

WASTE PROCESSING INTO SULPHURIC ACID AND IRON OXIDE

The dam of the CMG mine, which converts mine waste since 1992, is today the resource that feeds the unit to convert the solid rejection based on sulfur and iron in value products: sulfuric acid and iron oxide.

This activityhas important economic and environmental impacts with the added bonus of producing over 20% of the site's energy needs.

In addition to the creation of over 100 direct jobs, the project has a positive impact on the environment through the recycling of mining waste, the production of clean energy for providing power to the site and reducing CO_2 emissions, leading to the elimination of transportation of sulfuric acid between the supplier and the operation sites.

Sulfuric acid production plant

COMMITMENT 8

Prevent all forms of corruption and conflicts of interest

ETHICS MANAGEMENT

Always close to its employees, Managem encourages their adhesion to corporate culture, and through a number of actions and systems, including amongst others, a set of everyday rules of conduct for the Group and its employees. In addition to an internal procedure for conflicts of interest prevention and management, a monitoring device attached to the internal audit function specializing in fraud management and a code of ethics defining ethical guidelines and professional conduct relating to transactions in company securities, and insider trading relating to officers, directors and employees. The group also established a buyers' own Code of Ethics.

COMMITMENT 9

Sustainably improve the quality of our products and our services according to the needs and expectations of our customers.

EXCELLENCE AND QUALITY

Daring and innovative, our strategy has been successful, allowing us today to be internationally known and recognized for the quality of our work, seriousness of our teams and the innovation spirit that we know how to display; a reflection of the full range of services we provide or the excellence of the processes developed by our teams.

Our subcontractors are subject to our requirements that ILO conventions be respected, as well as regulations, local laws and regulations. Our Evaluation Committee conducts continuous evaluation of their performance in terms of the quality of products delivered, on time delivery and the overall level of service. The offshore suppliers are also subject to the same requirements and this through the consideration of users' opinions.

COMMITMENT 10

Implement engagement and communication devices and produce independent, efficient, and transparent reports

INDEPENDENT AND TRANSPARENT REPORTING

Recognizing the importance of producing open and transparent reports, Managem issues relevant documents to promote effective communication with its stakeholders and report its achievements and strategic guidance.

The Group also appointed an ethics officer responsible for ensuring the proper application of rules established by the Code of Ethics and, as such, developing regular reporting to be submitted to the CDVM.

Annual report 2014

Consolidated financial statements

FROM JANUARY 1ST UNITIL DECEMBER 31ST 2014

CONSOLIDATED INCOME STATEMENT

Million dirhams	Dec. 2014	Dec. 2013
Turnover	3 839,8	3 773,7
Other business products	90,4	22,5
Income from ordinary activities	**3 930,2**	**3 796,2**
Procurement	(1691,3)	(1 525,1)
Other external expenses	(853,8)	(861,7)
Personnel costs	(824,2)	(696,8)
Dues and taxes	(56,9)	(54,6)
Impairment and working Provisions	(890,1)	(832,7)
Other net products and working expenses	832,1	901,5
Current working expenses	**(3 484,1)**	**(3 069,4)**
Current working results	**446,1**	**726,8**
Shares transfer	1,0	0,2
Subsidaries/affiliates assets disposals	0,0	0,0
Results on financial instruments	(0,4)	(1,3)
Other non-current products and working expenses	(0,7)	(7,8)
Results of operating activities	**445,9**	**717,9**
Interest products	12,7	10,3
Interest charges	(176,6)	(148,7)
Other financial results and charges	28,6	59,4
Financial result	**(135,3)**	**(79,0)**
Result before tax of the consolidated companies	**310,6**	**638,9**
Income taxes	(88,0)	(134,6)
Deferred taxes	3,1	(4,4)
Net results of the consolidated companies	**225,7**	**499,9**
Share in results of associates	0,0	0,0
Net result from continuing operations	**225,7**	**499,9**
Net result from discontinued operations	0,0	0,0
Consolidated result	**225,7**	**499,9**
Of which minority interests	43,8	95,1
Including Net result - Group share	**181,9**	**404,8**

STATE OF THE OTHER ELEMENTS OF THE CONSOLIDATED INCOME STATEMENT

Million dirhams	Dec. 2014	Dec. 2013
Trading results	**225,7**	**499,9**
Other comprehensive result elements (gross of tax)		
Currency translation adjustments of foreign operations	111,9	-34,5
Profits and losses relating to the revaluation of financial assets available for sale	-129,5	192,2
Effective portion of the products or losses on cash flow hedging instruments		
Change in the revaluation reserve for fixed assets		
Actuarial gains and losses on the obligations of defined benefit plans	-13,5	15,7
Tax on the result of other comprehensive result elements	43,5	-38,6
Share of other comprehensive income of associates		
Subsidiaries capital increase expenses		
Other elements of the comprehensive result of net taxes	**12,4**	**134,8**
Total comprehensive result of the year	**238,1**	**634,7**
Of which minority interests	**51,8**	**122,0**
Overall net result – Group share	**186,3**	**512,7**

FINANCIAL SITUATION STATEMENT

Million dirhams	Dec. 2014	Dec. 2013
ACTIF		
Goodwill	318,2	317,0
Intangible assets, net	1198,0	950,5
Tangible assets, net	4390,0	4139,4
Biological assets	0,0	0,0
Investment property, net	26,6	27,0
Investments in associated companies	0,0	0,0
Other financial assets	299,5	284,7
Derivative financial instruments	47,6	32,6
Financial assets at fair value through profit	0,0	0,0
Loans and receivables, net	4,1	4,6
Financial assets available for sale	247,8	247,6
Deferred tax assets	248,9	197,8
Other non-current receivables	0,0	0,0
Non-current assets	**6 481,3**	**5 916,5**
Other financial assets	3,6	16,7
Derivative financial instruments	3,6	16,7
Financial assets available for sale	0,0	0,0
Loans and receivables and investments, net	0,0	0,0
Stock and current, net	638,0	516,8
Trade receivables, net	616,6	481,4
Other current receivables, net	1366,7	898,4
Cash and cash equivalents	128,0	256,6
Non-current assets held for sale	0,0	0,0
Current assets	2 752,9	2 169,8
TOTAL ASSETS	**9 234,2**	**8 086,3**

Million dirhams	Dec. 2014	Dec. 2013
EQUITY AND AND LIABILITIES		
Capital	915,9	915,9
Share and merger premiums	783,9	783,9
Reserves	1 475,3	1 394,3
Currency translation adjustments	93,4	(12,5)
Net result of the Group share	181,9	404,8
Equity attributable to ordinary shareholders of the parent company	**3 450,4**	**3 486,5**
Minority interests	447,2	458,5
Equity of the consolidated group	**3 897, 7**	**3 945,0**
Provisions	52,8	44,3
Personnel benefits	112,4	91,5
Non-current financial debts	2 182,2	1 243,9
Derivative hedging instruments	1,6	1,6
Debts to credit institutions	952,3	932,0
Debts represented by securities	950,0	0,0
Debts related to finance leases	278,4	310,3
Other debts	0,0	0,0
Debts of corporate taxes	0,0	0,0
Deferred tax liabilities	9,6	5,3
Non-current suppliers debts	0,0	0,0
Other non-current payables	24,1	33,2
Non-current liabilities	**2 381,2**	**1 418,2**
Provisions	0,0	0,0
Current financial debts	1137,0	1 000,4
Derivative hedging instruments	131,2	0,0
Debts to credit institutions	1005,8	400,4
Debts represented by securities	0,0	600,0
Debts related to finance leases	0,0	0,0
Suppliers current liabilities	779,5	783,5
Other current payables	1039,0	939,3
Liabilities associated with non-current assets held for sale	0,0	0,0
Current liabilities	**2 955,4**	**2 723,2**
TOTAL LIABILITIES	**5 336,6**	**4141,4**
TOTAL EQUITY AND AND LIABILITIES	**9 234,2**	**8 086,3**

VARIATION OF THE CONSOLIDATED EQUITY

Million dirhams	Capital	Reserves	Currency translation adjustments	Net result per Group share	Total share of the Group	Minority Interest	Total
From January 1st 2013	**915,9**	**1 956,9**	**20,0**	**269,6**	**3 162,4**	**375,5**	**3538,0**
Equity variation for 2010							
Net result of the period				404,8	404,8	95,1	499,9
Cash flow hedging results		159,2			159,2	33,0	192,2
Translation gains and losses			(32,5)		(32,5)	(2,0)	(34,5)
Gains and losses from the AFS revaluation					0,0		0,0
Actuarial gains / losses		14,0			14,0	1,7	15,7
Income taxes related to other global result elements		(32,8)			(32,8)	(5,8)	(38,6)
Other elements of the global result					0,0		0,0
Total global result of the year	**0,0**	**140,4**	**(32,5)**	**404,8**	**512,7**	**122,0**	**634,7**
Distributed dividends		(183,2)			(183,2)	(39,0)	(222,1)
Capital increase		10,8			10,8		10,8
Disposal of treasury shares					0,0		0,0
Other transactions with shareholders		(16,4)			(16,4)		(16,4)
Transfer to retained earnings		269,6		(269,6)	0,0		0,0
Total transactions with shareholders	**0,0**	**80,9**	**0,0**	**(269,6)**	**(188,7)**	**(39,0)**	**(227,7)**
To December 31 2013	**915,9**	**2 178,2**	**(12,4)**	**404,8**	**3 486,4**	**458,5**	**3 944,9**
From January 1st 2014	**915,9**	**2 178,2**	**(12,4)**	**404,8**	**3 486,4**	**458,5**	**3 944,9**
Equity variation for 2010							
Net result of the period				181,9	181,9	43,8	225,7
Cash flow hedging results		(133,3)			(133,3)	3,8	(129,5)
Translation gains and losses			105,8		105,8	6,1	111,9
Gains and losses from the AFS revaluation					0,0		0,0
Actuarial gains / losses		(12,0)			(12,0)	(1,5)	(13,5)
Income taxes related to other global result elements		43,9			43,9	(0,4)	43,5
Other elements of the global result					0,0		0,0
Total global result of the year	**0,0**	**(101,4)**	**105,8**	**181,9**	**186,3**	**51,8**	**238,1**
Distributed dividends		(232,0)			(232,0)	(63,0)	(294,9)
Capital increase		9,8			9,8		9,8
Disposal 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)**
To December 31 2014	**915,9**	**2 259,2**	**93,4**	**181,8**	**3 450,3**	**447,3**	**3 897,6**

CONSOLIDATED CASH FLOW STATEMENT

Million dirhams	Dec. 2014	Dec. 2013
Consolidated net result	225,7	499,9
Adjustments for		
Depreciation and amortization, impairment losses	901,6	844,5
Results of associates	0,0	0,0
Transfer results and dilution gains and losses	(1,0)	(0,2)
Revaluation gains/losses (fair value)	0,4	1,3
Dividends products	0,0	(0,0)
Cash flow after cost of tax net financial debt	**1 126,7**	**1 345,5**
Elimination of the product taxes	84,9	139,0
Elimination of the net financial debt cost	176,6	148,7
Cash flow before cost of tax net financial debt	**1 388,3**	**1 633,1**
Impact of changes in working capital	(585,9)	(231,4)
Deferred taxes	0,0	0,0
Paid taxes	(88,0)	(134,6)
Cash flows from operating activities	**714,3**	**1 267,2**
Impact of changes in consolidation	0,8	49,5
Acquisition of tangible and intangible assets	(1 266,0)	(1 402,6)
Acquisition of financial assets	(0,3)	(1,2)
Change in other financial assets	(599,1)	(0,9)
Transfer of tangible and intangible assets	0.0	0.0
Transfer of financial assets	0,0	0,0
Received dividends	0,0	0,0
Paid interests	(176,6)	(148,7)
Net cash used in investing activities	**(2 041,1)**	**(1 503,8)**
Capital increase	9,8	10,8
Transactions with shareholders (acquisitions)	0,0	(12,3)
Transactions with shareholders (transfer)	0,0	0,0
Loans issuing	2 057,4	820,2
Loans repayment	(933,6)	(199,1)
Changes in debts resulting from finance lease contracts	(36,5)	164,1
Dividends paid to shareholders of the parent company	(232,0)	(183,2)
Dividends paid to minority	(62,9)	(39,0)
Change in partners' current accounts	(60,7)	548,4
Net cash-flow from financing activities	**741,6**	**1109,9**
Effect of changes in exchange rates	9,7	(5,8)
Impact of reclassifications at the opening	0,0	0,0
CHANGE IN CASH AND CASH EQUIVALENTS	**(575,5)**	**867,5**
Net cash and cash equivalents at the opening	123,6	(743,9)
Net cash and cash equivalents at the closing	(451,9)	123,6
CHANGE IN CASH AND CASH EQUIVALENTS	**(575,5)**	**867,5**

Notes to consolidated accounts

SUMMARY

NOTE 1: ACTIVITY DESCRIPTION

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, extraction, upgrading and marketing of minerals.

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

Group's main products are: cobalt, silver, zinc, copper, cobalt oxide, zinc oxide, Fluorspar, gold and lead.

NOTE 2: SIGNIFICANT EVENTS OCCURRING DURING THE PERIOD

Improved operational performance through the contribution of the Group's new projects and productivity improvement efforts at the operating sites:

- Start up the copper project of Oumejrane, and produce 15.7 Kilo tonnes of concentrated copper over the year, in line with the 2014 annual target ;
- Strengthening CMG production performance (+ 7% zinc, 8% for copper);
- Significant increase in copper production at AKKA (+ 22%) following the refocusing of activity on copper;
- Revving production of the Jbel Laassal copper project (+ 61%);
- Continuation of the group's development strategy with an overall investment envelope of about 1.2662 billion dirhams committed to the end of 2014, including 23% dedicated to research and exploration;
- Ongoing finalization of the feasibility study of the copper projects of Bouskour in Morocco, and Pumpi in DRC
- Advancement of the copper exploration expenditures in Tizert (Morocco) and gold in Eteke (Gabon);
- Discovery of new mineral reserves of silver (400 tons metal for SMI), copper in Morocco (1972 KT (ROM)) and polymetallic for CMG (+968 KT (ROM))
- Positive impact of around 106 Million MAD hedges operations on incomes in end December 2014: +9.4 MUSD for substances and +25.2 Million MAD for the currency change.

Restructuring of the subsidiaries debts with the establishment of:

- A bond issue of 950 Million MAD at Managem SA
- Two mid-term fundings of 300 Million MAD at AGM and 150 Million MAD at SAMINE.

Lower metal prices with an impact of -136 Million MAD on the Group turnover:

- The consolidated turnover recorded an increase of + 2% to 3840 Million MAD, i.e. an increase of 66 Million MAD compared to end 2013, following due to higher production for an impact of + 274 Million MAD offsetting the impact of lower prices;
- Consolidated operating profit amounted to 446 Million MAD, down 281MAD compared to end 2013 mainly due to lower metal prices and the decrease of 10% in the SMI content;
- The financial income recorded a decrease of 56 Million MAD marked by the rise in the Group's debt level;
- Net income for the Group was 182 Million MAD, down 55%.

NOTE 3: ACCOUNTING POLICIES

3.1. ACCOUNTING

Pursuant to Opinion No. 5 of the National Accounting Council (CNC) of 26/05/2005, and the provisions of Article 6, paragraph 6.2 of Circular No 07/09 of the Securities Council of Ethics; the consolidated financial statements of the Managem Group are prepared in accordance with international accounting standards adopted in the European Union in December 31, 2014 and as published on the same date.
The international accounting standards include the IFRS (International Financial Reporting Standards), IAS (International Accounting Standards) and their SIC and IFRIC interpretations (Interpretations Committee Standards and International Financial Reporting Interpretations Committee).
The Group's accounting policies are described below and were applied for the 2014 year, and for the comparative presented period.

3.2. EVALUATION

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

3.3. ASSUMPTIONS AND ESTIMATES USE

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

A) Impairment of stocks
Industrial stocks and under production are valued at the lower of cost and net realizable value. The inventory impairment calculation is based on an analysis of foreseeable changes in demand, technology or market to determine obsolete or excess of stocks.
Impairment losses are recognized among current operating expenses or restructuring charges, as appropriate, depending on the nature of the amounts concerned.

B) Impairment of trade receivables and loans
An impairment of trade receivables and loans is recorded if the present value of future receipts is below the nominal value. The amount of impairment takes into account the debtor's ability to honor its debt and the age of the debt. A recoverability rate lower than estimated or the deterioration of our major customers can have a negative impact on our future results

C) Capitalized development costs, goodwill, intangible assets and tangible fixed assets

The Group's active exploration expenditures and mining research accordance with the accounting principles set out below.

The activated exploration expenditures are reviewed for impairment losses in cases of indicators thereof and are impaired if the carrying amount of these assets exceeds their recoverable amount.
Development costs capitalization conditions are set out below. Once capitalized, these costs are amortized over the estimated life of the products.

The Group must therefore evaluate the commercial and technical feasibility of these projects and estimate the useful lives of resulting products. If it turns out that a product was not able to meet the initial expectations, the Group may be forced to devalue in the future, some or all capitalized costs or modify the initial depreciation plan.

The Group has also intangible assets acquired in cash or through business combination transactions and the resultant goodwill, in addition to annual impairment losses tests relating to goodwill, the procedure to specific tests in cases of impairment losses indicators of ownership of intangibles. Possible impairments of calculating future cash flows and / or market values of the assets concerned. A change in market conditions or the cash flows initially estimated can therefore lead to review and amend the impairment previously recognized.
Regarding the impairment of tangible and intangible assets, IAS 36 «Impairment of Assets» clarifies that when events or changes in the market conditions indicate a risk of impairment of these assets, they are subject to a detailed review to determine whether their carrying value is lower than their recoverable amount (the higher of value in use and fair value less costs to sell) that could lead to the recognition 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 statistics, recent transactions ...).

The planned closure of some sites, complementary workforce reductions and the downward revision of market forecasts can, in some cases, be considered as evidence of impairment loss.

Assumptions and estimates are considered in determining the recoverable value of tangible assets, among which we note in particular market outlooks, obsolescence and net realizable value in case of disposal or liquidation. Any change in these assumptions can have a significant effect on the amount of recoverable amount and could lead to review the amount of impairment loss.

D) Provisions

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

When the time effect is significant in the assessment of an exit obligation to future benefits, provisions are discounted, considering that the discounting effect is subsequently recognized as an interest expense.

E) Deferred taxes

Deferred accounted tax assets are mainly recognized as the result of tax loss carry forwards and deductible temporary differences between the accounting and the tax basis of assets and liabilities. The deferral assets arising from the carry forward of unused tax losses are recognized if it is likely that the Group will have future taxable profits against which these tax losses can be offset.

Estimates of future profits are made from the budgets and forecasts of the accounting results, adjusted for tax adjustments. These estimates are made based on market assumptions that may not be confirmed in the future.

Deferred tax assets and liabilities, regardless of their estimated due dates, should be offset when they are levied by the same taxation authority and relate to the same taxable entity which has the right to offset current tax assets and liabilities. Thus, each entity of the Group carried out the clearing these deferred tax assets and liabilities.

F) Provision for pension and other post-employment benefits

The Group contributes to defined contribution pension plans. Moreover, certain other post-employment benefits, such as medical coverage, retirement benefits, and working medals, are the subject of provisions. All of these engagements are calculated based on actuarially calculations, using assumptions such as the discount rate, the medical inflation rate, future salary increases, staff turnover rates and mortality tables. Generally, these assumptions are updated each year.

G) Revenue Recognition

Revenues are recognized at the fair value of the consideration received or to be received when the company has transferred to the buyer the significant risks and rewards of ownership of the property.

H) Fair value of derivatives and other financial instruments

The fair value of financial instruments not being traded in an active market is determined using evaluation techniques. The Group selects methods and retains the most appropriate assumptions, primarily based on market conditions existing at each closing date.

3.4. PRINCIPLES OF CONSOLIDATION

A) Affiliates

The companies in which the Group has exclusive control de facto or de jure are consolidated using the full consolidation method. Control is defined as the power to govern 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 control.
To determine if a group entity has control over another, the existence and effect of potential voting rights exercisable at the date of the financial statements should be taken into consideration. However, the distribution between the percentage of the Group interest and minority interest is determined based on the current percentage interest. The share of net income and equity is presented under «minority interests».

B) Investments in associates and joint ventures

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 securities are carried at cost, adjusted for post-acquisition changes in the share of the investor in the investee, and the possible Impairment losses of the net investment. The losses of a consolidated entity using the equity method in excess of the Group's interest in that entity value are not recognized unless:

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

Any excess of acquisition cost over the Group share in the fair value of the associate assets, liabilities and contingent liabilities at the date of acquisition is recognized as goodwill. However, this excess is not presented in the balance sheet as other goodwill of the Group. The latter is, in fact, included in the carrying amount of the equity participation and is tested for impairment in the carrying value of total participation.
Any excess of the Group's share in the net fair value of assets, liabilities and contingent liabilities of the entity on the acquisition cost is recognized immediately in the result.

Investments in entities over which the Group has ceased to exercise significant influence are no longer consolidated from that date and are valued at the lower of their equity carrying value at the date of withdrawal from this perimeter or their utility value.
In accordance with IAS 31 «Interests in Joint Ventures», and as per the method, the Group has chosen to consolidate the proportional integration of entities over which it exercises joint control.
Investments in entities over which the Group has ceased to exercise joint control or significant influence, are no longer consolidated from that date and are valued in accordance with IAS 39.
Investments in subsidiaries, companies and associates classified as held for sale (or included in a group held for sale or classified as held for sale) in accordance with standard IFRS 5, are accounted for in accordance with provisions of this standard.

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

C) Exclusions from the scope of consolidation.

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

D) Consolidation adjustments

All intra-group transactions and significant reciprocal assets and liabilities between the fully or proportionately consolidated companies are eliminated. It is the same for the Group internal results (dividends, capital gains ...).
The results of internal transfers with companies at equity are eliminated to the extent of the Group's percentage interest therein.

E) Closing date

All Group companies are consolidated from the annual financial statements at December 31, 2014.

3.5. TRANSLATION OF FINANCIAL STATEMENTS AND FOREIGN CURRENCY OPERATIONS

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

A) Conversion of financial statements of foreign companies

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

- Except for the equity for which historical prices are applied, the balance sheet accounts are translated at the exchange rates prevailing at the closing date, income statements and cash flow statements are translated based on average exchange rates for the period,

- The resulting translation adjustment is recorded under «Translation differences» in shareholders' equity. Goodwill and fair value adjustments arising from the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity, expressed in the functional currency of the acquired entity, and translated at the closing rate of dirham.

- The accounts of non-autonomous foreign entities whose functional currency is different from the dirham and whose activity is an extension of the parent company are translated using the dirham historical rate method.

B) Foreign currency translation 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 at the date of the transaction.
Assets and liabilities denominated in foreign currencies are valued at the rates prevailing at the closing date or during the coverage assigned to them if applicable.
The corresponding exchange rate differences are recorded in the income statement, changes in fair value of hedging instruments are recorded using the accounting treatment described in Note 3.17.3, hereinafter «instruments deriviatives »

3.6. BUSINESS COMBINATIONS

Specific rules for first adoption: Business combinations prior to the transition date (January 1 st, 2006) have not been restated in accordance with the option offered by IFRS 1.
Acquisitions of subsidiaries are accounted for using the acquisition method. The acquisition cost includes, at the date of the combination, the following:

- 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;
- Other costs possibly attributable to the business combination.

The assets, liabilities, contingent liabilities of the acquired entity meeting the recognition criteria under IFRS 3 are recognized at fair value, with the exception of assets (or disposal groups) that meet the provisions of the IFRS 5 for classification as non-current assets held for sale when being recognized and measured at fair value less costs to sell.
In the case of a first consolidation of an entity, the Group conducts an evaluation of all assets, liabilities and contingent liabilities at fair value, in a period not exceeding one year from the acquisition date.

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

3.7. GOODWILL

Goodwill is valued in the functional currency of the acquired entity and recognized in the balance sheet. It is not amortized and is subject to annual impairment losses tests or as soon as any evidence capable of calling into question the value recognized in the balance sheet. Recorded impairment losses can not be the subject of a subsequent recovery.
When the share of the acquired fair value of assets, liabilities and contingent liabilities exceeds the acquisition cost, a negative goodwill is recognized immediately in the income statement, after re-estimation of the assessment of assets, liabilities and contingent liabilities.

On disposal of a subsidiary or a jointly controlled entity, the amount of goodwill attributable to the subsidiary is included in the calculation of income from the sale.

Concerning acquisitions that occurred before 1 January 2006, goodwill is maintained at its deemed cost, which represents the amount recognized under Moroccan accounting principles (Opinion No. 5 of the National Accounting Council - NAC).

The classification and treatment of business combinations that occurred before January 1, 2006 have not been changed in connection with the adoption of IFRS on 1 January, 2006, in accordance with the IFRS 1 standards.

3.8. INTANGIBLE ASSETS

Items recognized as intangible assets are mainly exploration and mining research expenses, patents and software.

A)Exploration and mining research expenses:

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

- General geological studies to evaluate the potential of an area or permit
- Retail geological work and Geochemistry
- Geophysical work
- Survey work
- Mining work
- Sampling
- Treatment trials

Exploration expenses also include the costs of obtaining or acquiring the rights to explore, «mining exploration license»

Exploration expenditures are counted:

- On the assets if such expenses can identify new deposits; or
- In expense in the period in which they are incurred, if they did not allow the identification of new mineral reserves

B) Other tangible assets

Intangible assets are recorded at the original acquisition cost less accumulated depreciation and any impairment losses. Identifiable intangible assets acquired with a finite useful life are amortized over their own useful life upon commissioning.

Identifiable intangible assets acquired with an indefinite useful life are not amortized but is subject, each year, to impairment tests or whenever there is an indication that could challenge the recorded value the balance sheet. If necessary, an impairment loss is recorded.

Intangible assets with finite useful life are amortized using the following periods: That method accurately reflects the rate of consumption of economic benefits.

3.9. TANGIBLE ASSETS

A) Specific rule to the first adoption

In the context of the first application of IFRS and in accordance with IFRS 1, the Group has assessed the fair value on January 1st, 2006 of certain of its assets (mainly certain technical facilities), and retained this valuation as deemed cost. Independent experts carried out valuations at fair value.

B) Principles applicable since January 1, 2006

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

The financial interests of capital used to finance investments, during the period prior to commencing operation, are part of the historical cost.
Current maintenance costs are expensed in the period except those that extend the useful life or increase the value of the property concerned, which are then capitalized.
Depreciation is based on the useful lives of tangible assets or their components, within the limit of the deposit life for equipment and other mining assets.

C) Buildings and constructions

Other tangible assets

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

Tangible assets:

Types of tangible assets	Depreciation Mode	Depreciation period
Mining infrastructures	Linear	Estimated useful life of the deposit
Technical installations	Linear	5 to 10 years
Matériel et outillage	Linear	5 to 10 years

3.10. INVESTMENTS PROPERTIES

Investment properties are property assets held to earn rental income, for capital appreciation or both, rather than for use 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 carried at cost less accumulated depreciation and any impairment losses.

In the context of the first application of IFRS standards, and in accordance with IFRS 1, the Group has assessed, on January 1st, 2006, the fair value of certain investment properties (land presented as investment properties) and retained this valuation as deemed cost. Independent experts carried out evaluations at fair value.

3.11. BIOLOGICAL ASSETS

In accordance with IAS 41, the Group accounts from January 1st, 2009, biological assets, and agricultural products thereof at harvest time and public subsidies.

The biological assets are measured on initial recognition, and at each closing date, at fair value less selling costs. Moreover, agricultural production harvested from biological assets is measured at fair value less selling costs.

In the context of IAS 41, the fair value is assimilated to the market price of a biological asset or agricultural product in its present location and condition.

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. LEASES

In accordance with IAS 17 «Leases», the leases are classified as finance leases when the terms of the lease transfer substantially all risks and rewards of ownership to the lessee. Whereas, all other leases are classified as operating leases.

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

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

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

The lease agreements signed by the Group (lessor) with his customers are operating leases. In these contracts, rental income is recorded linearly over the firm terms of the leases. Therefore, specific provisions and benefits specified in the leases (exemptions, bearings, input) are spread over the fixed term of the lease, regardless of indexation

The reference period is the first firm lease term. Expenses directly incurred and paid to third parties for the establishment of a lease are recognized as assets in the item «investment properties» or other positions of assets concerned, and amortized over the fixed term of lease.

3.13. IMPAIRMENT AND ASSETS IMPAIRMENT LOSSES TESTING

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

Goodwill and intangible assets with indefinite useful lives are subject to an annual impairment test. An additional impairment test is performed whenever a value of impairment loss was identified. The Group determined that the smallest level at which assets could be tested for impairment loss is made up 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 carrying amount of goodwill. The relic is allocated to the remaining assets included in the CGU in proportion to their book values.
The recoverable amount of the CGU is determined based on discounted future operating cash flows over a three-year extrapolated period to the limit of the deposit life. The discount rate used for these calculations and the weighted average cost of capital differ according to the CGU and activity sectors in which they operate. These rates vary between 5 and 10%.

For a listed subsidiary, the recoverable amount of the CGU is the market capitalization unless it is less than the carrying amount, in which case an estimate of the value in use is conducted.

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 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 marketing plan and which one expects the sale to be concluded within a period of twelve months from the date the asset or group of assets has been described as 'non-current assets held for sale.

The Group evaluates at each closing date whether it is engaged in an disposal of asset process or activity and presents them, if any, as «assets held for sale».

Assets held for sale are presented separately from other assets in the balance sheet. Contingent liabilities related to these assets held for sale are also presented on a separate line in the liabilities side.

Assets held for sale and groups of assets held for sale are measured at the lower of carrying amount and fair value less selling costs. As of the date of such a classification, the asset ceases to be amortized.
A discontinued operation is a business or an important geographical area of the Group being subject to a transfer or being a part of a classification as assets held for sale. The results of discontinued operations are presented in the income statement separately from income from continuing operations

3.15. STOCKS

Stocks are valued at the lower of cost or net realizable value.

The production cost is the cost of acquisition or production costs incurred when bringing them in the state and at the point where they are. These include, based on a normal level of activity, direct and indirect production costs. Returns costs are generally calculated on the weighted average cost.

The net realizable value of inventories is the estimated selling price in the ordinary course of business less the estimated costs to complete the goods and the estimated costs necessary to make the sale.

3.16. TREASURY STOCK AND OWN SHARES

Treasury shares and own shares held by the Group are deducted from equitys at their cost of acquisition. Subsequent transfers are charged directly in the equity and do not lead to the registration 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 statement: fair value with changes in the income fair value;
- Assets held to maturity: 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 impairment are recognized in income;
- Assets available for sale: fair value with changes in fair value in equity, or income to fund sustainable objective (six months) or significant (20% greater decrease) impairment, and in this case any further decline will be recognized in income while any subsequent increase will be recognized directly in the equity.

A) Evaluation of trades receivables and non-current financial assets

Trade receivables, loans and other non-current financial assets are considered assets issued by the company and are recorded using the amortized cost method. Nevertheless, they can be subject to a provision for impairment if there is objective evidence of impairment loss.

A provision for impairment of receivables is established when there is objective evidence that the Group is not capable of to recover the full amounts due under the original terms of the transaction. Significant financial difficulties of the debtor, probability of bankruptcy or financial restructuring of the debtor or a payment default are indicators of impairment of a receivable.

The amount of the provision represents the difference between the carrying amount of the asset and the value of future estimated cash flows discounted, if applicable.
The amount of the loss is recognized in impairment of accounts receivables and in consideration of a provision for impairment

B) Equities of non consolidated companies and other fixed securities

Equities of non consolidated companies and other fixed securities are classified as "Available on Sale Financial Assets" (AFS) and are accounted for in the balance sheet at fair value. Underlying losses and gains are registered as a separate equity component. For listed securities, the fair value corresponds to the stock price. For other securities, if the fair value is not estimated in a trusted method, it corresponds to the net acquisition cost of possible impairment.
Une dépréciation est constatée en cas de signes objectifs de dépréciation des actifs autres que ceux classés en transaction. An impairment loss is recorded in the presence of objective signs of assets depreciation other than those classified in the market. In general terms, the Group considers that a significant or sustainable decrease is presumed when the equity tool has lost at least 20% of its value during a period of 6 consecutive months.

This criterion for the significant or sustainable of the security value is a necessary condition but it is not sufficient to justify the registration of a provision. A provision is only constituted when the depreciation is to be translated in a possible loss of the whole invested amount or a part thereof. The reversal of this impairment loss in the profit and loss account can only be recognized at the time of waiver of securities, and any anterior reversal is recorded in the equity item.

C) Derivative instruments

Derivative instruments are entered in the balance sheet at fair value under current, non-current financial assets or current or non-current financial liabilities. The accounting impact of the fair value of these derivative instruments may be summarized as follows:
Application of hedge accounting:
- For cash flow hedge, the effective portion of the derivative instruments fair value variation is recognized in shareholders' equity, whereas the ineffective portion impacts other financial income and expenses
- For the hedge of net investments in foreign operations, gains and losses resulting from hedge accounting are deferred in equity until the total or partial transfer of the investment.

When hedge accounting is not applied, the variation of fair value of derivatives instruments is entered in the profit and loss account.

3.18 INVESTMENT TRANSFERABLE SECURITIES

In compliance with the standard IAS 39 "Financial Instruments: Recognition and measurement", investment transferable securities are evaluated at their fair value. No investment is analyzed as being a held-to-maturity investment. As for held for trading investments, fair value variations are systematically recognized in the loss and profit account (in other financial income and expenses). For available for sale investments, fair value variations are directly recognized in equity or in the profit and loss account (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 the case of transfer.

3.19 CASH AND CASH EQUIVALENTS

In compliance with the standard IAS 7 "Statement of Cash Flows", cash and cash equivalents shown in the balance sheet, include cash (Cash on hand and Overnight deposits) and cash equivalents (short-term investment, that are very liquid, and readily convertible to known amounts of cash et that are subject to an insignificant risk of changes in value). Investments in listed shares which are investments that have an original maturity of a short term without the possibility of early termination as well as bank accounts subject to restrictions (blocked accounts) other than restrictions due to regulations specific to ac country or activity sector (exchange controls, etc.) are not classified as cash and cash equivalents in the statement of cash flows.

Bank overdrafts used in financing operations are not also classified as cash and cash equivalents.

3.20 DERECOGNITION OF FINANCIAL ASSETS

A financial asset as defined in standard IAS 32 "Financial Instruments: Information to be provided and Presentation" is totally or partially derecognized with the Group does not expect any further cash inflows from this asset and substantially transfers all risks and rewards attached to the asset.

3.21 DEFERRED TAXES

The Group recognizes deferred taxes for all temporary differences between the tax and book values of assets and liabilities in the balance sheet, except for goodwill assets.
The tax rates are those adopted totally or partially at the end of the financial year based on tax jurisdictions.
The amount of deferred taxes is determined on the level of each tax entity.
Tax assets resulting from temporary differences and tax loss carry-forwards are only recognized when a future taxable income, determined precisely, will be created on the level of the tax entity.

Tax receivables and/or deferred taxes are recognized in the loss and profit account of the period except when they result from a transaction or an event directly recognized in equity.

3.22 STAFF REWARDS

The Group's commitments in terms of a health coverage scheme with defined benefits plans and end-of-service indemnity are determined in compliance with standard IAS 19, based on the projected unit credit method, keeping in mind economic conditions specific to each country (essentially in Morocco in the Group's case). Commitments are covered by provisions included in the balance sheet, as and when the corresponding rights are acquired by the employees.
Provisions are determined by the actuarial method called "projected unit credit method" that provides that each period of service gives the right to one unit of rights to benefits and evaluates these units separately in order to reach the final commitment. These calculations include mortality, staff rotation assumptions and future salaries projection.

The Group immediately recognizes all the actuarial discrepancies in other elements of the loss and profit account where this is required by the reviewed standard IAS 19.

Premiums paid upon the payment of service awards during the employees' period of service are subject to a provision. This provision is valuated, taking into consideration probabilities that employees reached the seniority required for each level and that it is actualized.

Provision is also made for retirement benefits that are calculated while keeping in mind the probability of presence of employees in the Group at the date of retirement. This provision is actualized.

3.23 PROVISIONS

The Group recognizes a provision where there is a legal or implicit obligation toward a third party, which is translated by the totality or a part of resources, without any expected related inflow which is necessary to extinguish this obligation et could ne actualized when the effect of time is significant. This effect is recognized in the loss and profit account.

Restructuring provision are recognized where the Group has established a formal and detailed plan communicated to the concerned parties.

When a legal, contractual or implicit obligation makes sites redevelopment necessary, a restoration provision is recognized in other operating expenses based on the period of site operation compared tso the level of production and progress of actual working in the said site.

Costs incurred to mitigate or prevent environmental risks and that generate future economic benefits, such as extending useful lives, increasing production capacity and improving the security level are capitalized.

3.24 CAPITAL INCREASE COSTS

Capital increase costs are deducted from the issue, merger and share premium.

3.25 FINANCIAL LIABILITIES

A) Financial Debts

Borrowings and other financial liabilities are measured at amortized cost using the effective interest rate. Issue expenses and premiums impact the entry value and are amortized over the loan period through the effective interest rate.

In the event of financial liabilities arising from financial leases, the financial liability recorded to offset the tangible asset is initially recorded at the fair value of the leased asset or, if this is lower at the present value of the minimum lease payments.

B) Other Financial liabilities

Other financial liabilities are essentially related to debts to suppliers and other creditors. These financial liabilities may be carried at amortized cost.

3.26 PRODUCTS OF ORDINARY ACTIVITIES

Products of ordinary activities performed by the Group are mainly composed of the following kinds of turnover:

- Sales of produced goods and services;
- Construction contracts;
- Rental revenues

A product is recognized as income of ordinary activities when the company has transferred to the buyer all important risks and rewards related to property ownership.

Products of ordinary activities are measured at the fair value of the consideration received or receivable. Rental payments are recognized on a straight line basis over strong leases terms. Rental charges rebilled to tenants are deducted from the corresponding charges accounts and are excluded from the turnover.

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

3.27 OTHER ACTIVITY PRODUCTS

Other activity-related products include non-recurring income and income that is not directly related to operations described in paragraph "Turnover".

3.28 NET DEBT COST

It includes the expenses and revenues of bank loans, debenture loans and other financial debts (including debts on finance leases).

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

3.29 EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net income attributable to shareholders by the weighted average number of shares outstanding during the year. The weighted average number of shares in circulation during the reporting period and previous financial years is calculated excluding own shares and shares held for stock options plans. Up to the present date, the Group has not issued any financial instrument which has a dilution effect. As a consequence, the basic earnings per share are equal to diluted earnings per share.

3.30 NEW STANDARDS AND INTERPRETATIONS

Compulsory applicable standards and amendments in 2014

Standards, amendments and interpretations published by the IASB and the application of which is compulsory as of the year 2014 are listed below:

Investment Entities-Amendments to IFRS10, IFRS 12 and IAS 27

These amendments are applied to a specific category of enterprises that are exempted from the accounting provisions of the standard on the consolidated financial statements, IFRS 10. Provisions of this amendment are not applied to the Group.

IFRIC 21- Duties or Taxes

The interpretation is applied to taxes due by an entity to a public authority, in application of the legislation and recognized by virtue of IAS 37.
This interpretation gives clarifications related to the fate of recognition of a liability related to the payment of taxes, other than the income tax in application of IAS 37.
Provisions of this interpretation have no impact on the Group.

Amendment to IAS 32- Offsetting financial assets/liabilities
This amendment clarifies some provisions of standard IAS 32 regarding rules of offsetting of assets/liabilities.
Provisions of this amendment have no impact on the Group.

Amendment to IAS 36- Information about the recoverable value of non financial assets
This amendment prescribes that the recoverable value of an asset or of a CGU shall be provided when a loss of value or a reversal was recognized for the period.
Provisions of this amendment are not applicable to the period.

Amendment of IAS 39 and IFRS 9: Derivatives novation and application of hedge accounting
These amendments exceptionally allow the application of hedge accounting in the case where a derivative, indicated as hedging instrument, is subject to a transfer through the novation of a consideration into a central consideration by virtue of legislative or regulatory provisions.

These new standards and interpretations are applicable on open periods starting from January 1, 2014.

Texts applied by advance in 2014: None
Texts not applied by advance in 2014

Amendments of IAS "Financial Statements Presentation"

This amendment aims at clarifying the provisions regarding two point:

- Application of the materiality concept, noting that it is applied to financial statements, included annexed notes and that the inclusion of non important information may compromise their comprehension,
- The application of the professional judgment by amending some prescriptive formulations and not leaving a place for judgment.

Texts that are not yet adopted by the European Union (Not applicable by advance)

- IFRS 9: Financial Instruments
- IFRS 14: Regulatory Deferral Accounts
- IFRS 15: Products of contracts concluded with customers

EVOLUTION OF THE CONSOLIDATION PERIMETER DURING THE PERIOD

3.31 TRANSFERS

No transfers took place during the financial year 2014.

NOTE 4: SECTORIAL INFORMATION

4.1 SECTORIAL INFORMATION LEVELS

The primary segmentation of Managem Group is based on activity sectors, while secondary segmentation is based on geographic sectors.
Inter-segment transactions mainly focus on sales of gold concentrate and copper sulfate that take place between CTT and some subsidiaries which are relevant to the mineral sector, and in particular AGM and CMG. These transactions are billed by CTT based on international market prices.

A) First level of sectorial information: Activity sectors

Mining Exploitation
Through this activity, Managem Group aims at exploiting multiple fields and producing diversified concentrates such as concentrates of zinc, copper, lead and Fluorspar. The production implies also precious metals such as gold and silver.

Hydrometallurgy
This activity focuses on the transformation and valorization of ores to receive high value-added products, especially metallic derivatives and specialty chemicals, such as cobalt cathodes, cobalt oxide, nickel derivatives, copper sulfate, sodium sulfate, gold coal, and arsenic trioxide. The hydrometallurgy uses specific techniques and technologies: liquid extraction, electrolysis, drying, calcination and grating, … etc.

B) Second level of sectorial information: Geographic sectors

The Group's activities are geographically divided as follows:

- Morocco
- Europe
- Others

4.2. INFORMATIONS PER ACTIVITY SECTOR

On December 31, 2014

Millions MAD	Mines	Hydro	Others	Total
External	3 690 967	84 029	64 783	3 839 779
Inter-sectors				
Total Turnover	**3 690 967**	**84 029**	**64 783**	**3 839 779**
Recurring Operating Income	**448 921**	**-38 324**	**35 460**	**446 057**
Profit on Operating Activities	**445 321**	**-35 492**	**36 086**	**445 915**
Financial Result	-70 396	-38 122	-26 775	-135 293
Share of Profit from Equity Affiliates	-	-	-	-
Corporate Taxes	-84 453	5994	-6 450	-84 909
Income from continuing operations	**290 473**	**-67 620**	**2861**	**225 714**

On December 31, 2013

Millions MAD	Mines	Hydro	Others	Total
External	3 624 721	83 087	65 899	3 773 707
Inter-sectors				
Total Turnover	**3 624 721**	**83 087**	**65 899**	**3 773 707**
Profit on Operating Activities	**757 650**	**-66 593**	**26 807**	**717 864**
Financial Result	-42 388	-27 114	-9 497	-78 999
Share of Profit from Equity Affiliates	-	-	-	-
Corporate Taxes	-138 194	5 477	-6 245	-138 962
Income from continuing operations	**577 068**	**-88 230**	**11 065**	**499 903**

The Miscellaneous column corresponds to sales performed by the operations segment, especially Reminex and Techsub.

Principal budget elements may be allocated to different activity sectors in the following method:

On December 31, 2014

Millions MAD	Mines	Hydro	Others	Total
Assets Investments in equity affiliates	7 472,4	1 493.0	268,2	9 234,2
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**

On December 31, 2013

Millions MAD	Mines	Hydro	Others	Total
Assets Investments in equity affiliates	6 473,1	1414	199,2	8086,3
Total Consolidated Assets	**6 473,1**	**1414**	**199,2**	**8086,3**
Investments	1 199,6	175,4	27,6	1402,6
Liabilities	3 066,9	929,1	145,4	4141,4
Total consolidated liabilities	**3 066,9**	**929,1**	**145,4**	**4141,4**

4.3 INFORMATION PER GEOGRAPHIC SECTOR

On December 31, 2014

Millions MAD	Morocco	Europe	Others	Total
Turnover	**225.1**	**3 468,0**	**146,7**	**3 839,8**
Other products (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

On December 31, 2013

Millions MAD	Morocco	Europe	Others	Total
Turnover	228,4	3544,4	0,8	3773,7
Other products (If applicable)	22,4			22,4
Total	**250,8**	**3544,4**	**0,8**	**3796,1**
Investments	1101,9	0,0	300,7	1402,6
Sectorial assets	6316,4	560,2	1209,6	8086,3

NOTE 5: TURNOVER

The turnover (income of ordinary activities) of Managem Group is constituted of the following elements:

- Sales of produced goods and services;
- Construction contracts;
- Rental revenues

The turnover is broken down in the following manner:

Million MAD	Dec. 2014	Dec. 2013
Turnover (a)	3 839,8	3 773,7
Other activity revenues (b)	90,4	22,4
Total revenue of ordinary activities	**3 930,2**	**3 796,1**

a) Including services delivery
b) Other activity revenues include mainly the goods stock variation

At the end of the financial year 2014, the consolidated turnover increased of 2% compared to the year 2013, i.e. and increase of 66,1 which is explained mainly by the increase of production for an impact of +274 MDHS, compensating the low metals prices with an impact of -136 Million MAD

NOTE 6: PURCHASES AND OTHER EXTERNAL EXPENSES

Purchases and external expenses are broken down as follows:

In million MAD	Dec. 2014	Dec. 2013
Purchases of goods	(0,0)	(1,7)
Purchases of materials and supplies	(1 691,3)	(1 523,4)
Purchases (a)	**(1 691,3)**	**(1 525,1)**
Operating leases	(77,2)	(83,4)
Maintenance and repairs	(32,8)	(33,2)
Payment for external staff	(110,5)	(138,1)
Various external expenses	(633,3)	(607,1)
Other external expenses	(853,8)	(861,7)
Total purchases and other external expenses (b)	**(2 545,1)**	**(2 386,9)**

a) Posts of "Purchases and other expenses" increased by +158,2 million MAD compared to last year, following the cumulative effects of:
** Evolution of the purchase post of +166 mdhs explained the entrance to production of new projects, especially the copper project of CMO.*

(b) : This increase was mitigated by the decrease of other external expenses of 7.9 MDHS.

NOTE 7: EMPLOYEES AND PAYROLL EXPENSES

7.1 EMPLOYEES EXPENSES

Employees expenses in the financial year are detailed below per cost nature:

In million MAD	Dec. 2014	Dec. 2013
Wages and Salaries	(567,6)	(473,9)
Other company costs	(249,2)	(213,4)
Net allocations to provisions for staff allowances	(7,4)	(9,5)
Employees participation	0,0	0,0
Total	**(824,2)**	**(696,8)**

Note 20 details other information related to staff allowances.

7.2 AVERAGE WORKFORCE

The permanent average workforce of enterprises consolidated through integration are broken down as follows:

	Dec. 2014				Dec. 2013				
	M. nt Staff	Non M. nt Staff	Interim and other staff	Total	M. Staff	Non M. nt Staff	Interim and other staff	Total	Var %
Mines Activity	309	2 407	0	**2 716**	285	1 963	0	**2248**	16%
Hydro Activity	76	1 044	0	**1 120**	76	744	0	**820**	36%
Others	122	383	0	**505**	112	285	0	**397**	49%
Total	**507**	**3 834**	**0**	**4 341**	**473**	**2 992**	**0**	**3 465**	**100%**

7.3 REMUNERATION OF ADMINISTRATIVE AND MANAGEMENT BODIES

Administrative and management bodies are constituted of:

- Board of Directors whose members are remunerated with attendance fees;
- Management committee whose members receive salaries.

Note 26 details other information relative to remunerations of administrative and management bodies.

NOTE 8: AMORTIZATION AND EXPLOITATION PROVISIONS

Variations in amortization and provision with an impact on the recurring operating income for periods ended on December 31, 2014 and December 31, 2013 are broken down as follows:

Million MAD	Dec. 2014	Dec. 2013
Net amortization impacting the recurring operating income		
Intangible assets	(238,1)	(259,9)
Tangible assets	(696,2)	(601,6)
Biological assets	0,0	0,0
Investment property	(0,4)	(0,4)
Total	**(935,0)**	**(862,0)**
Net provisions and value losses impacting the recurring operating income		
Reversal of amortizations	47,6	26,5
Stocks	5,6	4,5
Receivables	(0,3)	0,0
Provisions for risks and charges	(8,3)	(1,8)
Total	**44,6**	**29,2**
Total	**(890,1)**	**(832,7)**

(a) A description of the variations of amortization and fixed assets depreciation is included in Note 14 of these financial statements.
(b) The detail of variations in depreciation relative to stocks and receivables is included in Notes 15 and 16 of these financial statements.

NOTE 9: OTHER OPERATING REVENUES AND EXPENSES

Other operating revenues and expenses are analyzed as follows:

Million MAD	Dec. 2014	Dec. 2013
Transfer of assets	1,0	0,2
Disposals of subsidiaries and participations	0,0	0,0
Gain of latent joint ventures/ Commodity trading operations	0,0	0,0
Results on commodity trading derivatives	(3,9)	(3,8)
Results of foreign exchange derivatives- trading	3,5	2,6
Other operating revenues and expenses*	831,4	893,7
Total operating revenues and expenses	**832,0**	**892,6**

Value variations between two periods are imputable to the variation of fair value of derivatives that are classified as trading derivatives based on the following elements:

A) Metals hedging
Commodity trading reflects the part of financial instruments that are not eligible to the hedge accounting corresponding to the time value of tunnels and the asymmetric part of sales options "Call".

B) Foreign exchange hedging
Corresponds to the time value and asymmetric part of tunnels.

9.1 OTHER NON-RECURRING OPERATING REVENUES AND EXPENSES

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

Million MAD	Dec. 2014	Dec. 2013
Other non-recurring revenues	18,1	12,1
Other non-recurring expenses	(18,9)	(19,9)
Other net operating revenues and expenses*	832,1	901,5
Total of other operating revenues and expenses	**831,4**	**893,7**

The post entitled "other operating revenues and expenses" records mainly productions of fixed assets for itself.

NOTE 10: FINANCIAL RESULT

The financial result on December 31, 2014 and 2013 is broken down as follows:

Million MAD	Dec. 2014	Dec. 2013
Financial expenses		
Interest on borrowings	(176,6)	(148,7)
Other financial expenses	0,0	(0,0)
Impairment loss incurred on financial assets	0,0	0,0
Net allocations to provisions	0,0	0,0
Total financial expenses	**(176,6)**	**(148,7)**
Financial revenues		
Interests and other financial revenues	12,6	10,3
Other revenues	4,2	11,1
Reversal of impairment loss incurred in financial assets	0,0	(0,0)
Exchange rate gains and losses	24,4	48,3
Total financial revenues	**41,3**	**69,6**
Financial result	**(135,2)**	**(79,0)**

- Interest expenses increased of 27,9 MDH correlatively to the increase of financial debt linked to the investment effort.
- The financial result decreased by +56,3 MDH impacted by the loss of exchange rate and the significant increase in interest expenses at the end of December 2014.

10.1 TAX EXPENSE

A) Recognized in the income statement

The tax expense for the financial years ended on December 31 of the year 2014 and 2013 is analyzed as follows:

Million MAD	Dec. 2014	Dec. 2013
Current tax expense		
Financial year expense	(87,8)	(136,0)
Adjustment of the tax expense resulting from previous financial years	(0,2)	1,5
Total current tax expense	**(88,0)**	**(134,5)**
(Expenses)/Deferred tax revenues		
Variations of temporary differences	(8,2)	4,0
Variations of taxation rates	0,0	(4,6)
Variation of previous tax deficits	11,3	(3,9)
	3,1	(4,4)
(Expenses)/Total tax revenues	**(84,8)**	**(138,9)**

- *The decrease of taxes payables is related to the decrease of the tax payable of the affiliates SMI and SAMINE, following the decrease of results at the end of December 2014.*
- *The current tax expense corresponds to amounts paid and/or that still need to be paid in short term to tax administrations in the financial year 2014 in compliance with applicable rules in different countries, as well as specific conventions.*
- *Deferred tax revenues result from the recognition of an active deferred tax on fiscal deficits resulting from amortizations that can be carried over indefinitely.*

B) Deferred taxes recognized on other elements of the global result
Deferred taxes recognized on other elements of the global result are broken down as follows:

Million MAD	Dec 2014			Dec 2013		
	Before tax	Tax	After tax	Before tax	Tax	After tax
Differences resulting from the conversion of activities abroad	111,9	0,0	111,9	(34,5)	0,0	(34,5)
Losses and profits related to the reevaluation of available for sale financial assets	0,0	0,0	0,0	0,0	0,0	0,0
Effective portion of gains and losses on cash flow hedging instruments	(129,5)	41,2	(88,4)	192,2	(35,7)	156,4
Actuarial differences of obligations of defined allowances schemes	(13,5)	2,3	(11,2)	15,7	(2,9)	12,8
Total	**(-31,1)**	**43,5**	**12,4**	**173,4**	**(38,6)**	**134,7**

C) Deferred taxes recognized in equity
Deferred taxes recognized in equity are broken down as follows:

Million MAD	Dec. 2014	Dec. 2013
Other reserves	0,0	0,0
Latent gains and losses on the securities available for sale- shares	0,0	0,0
Latent gains and losses on the available for sale financial assets	0,0	0,0
Reserves for future flows hedging	41,2	(30,5)
Fair value reserves	0,0	(5,2)
Actuarial differences of obligations of defined allowances schemes	2,3	(2,9)
Total	**43,5**	**(38,6)**

Net tax assets are limited to the capacities of each fiscal entity to recover their assets in the near future.

D) Deferred Taxes recognized in the balance sheet

	Assets		Liabilities		Net	
Million MAD	Dec 2014	Dec 2013	Dec 2014	Dec 2013	Dec 2014	Dec 2013
Deferred Taxes						
Resulting from temporary differences	(11,8)	(51,3)	9,6	5,3	(21,6)	(56,6)
Resulting from fiscal deficits	256,3	244,9	0,0	0,0	256,3	244,9
Resulting from tax credits	4,4	4,3	0,0	0,0	4,4	4,2
Total	**248,9**	**197,8**	**9,6**	**5,3**	**239,3**	**192,5**

E) Non recognized deferred tax assets

Million MAD	Dec 2014	Dec 2013
Deductible temporary differences		
Fiscal losses	NA	NA
Non recognized deferred tax assets	**NA**	**NA**

E) Tax Proof

Million MAD	Dec 2014	Dec 2013
Net income for all consolidated accounts	**225,7**	**499,9**
Group's share in the profits and losses of associates	0,0	0,0
Net income for all consolidated accounts (excluding SME)	225,7	499,9
Income taxes	(88,0)	(134,6)
Deferred taxes	3,1	(4,4)
Total fiscal expense	**(84,9)**	**(139,0)**
Income for all consolidated accounts before taxes (excluding S.M.E)	**310,6**	**638,9**
Effective tax rate (Total tax expense/Accounting income before taxes)	**-27, 34%**	**-21,75%**
Tax on permanent differences	50,1	52,2
Tax on inactivated fiscal losses	0,0	0,0
Tax on the utilization of fiscal losses of previous years that didn't result in an ID	0,0	0,0
Inactivated tax credits		
Rate difference mother company/subsidiary	(28,3)	(47,6)
Variation rate IS N/N-1		
Other differences	10,9	20,3
Recalculated fiscal charge	**(93,1)**	**(191,7)**
Legal tax rate in Morocco (Recalculated fiscal charge/Accounting income before taxes)	**-30,00%**	**-30,00%**

NOTE 11: ASSETS TO BE TRANSFERRED AND RELATED LIABILITIES

Actually, the Group does not dispose of any assets or liabilities to be transferred.

NOTE 12: EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net income attributable to shareholders by the weighted average number of shares outstanding during the year. The weighted average number of shares in circulation during the reporting period and previous financial years is calculated excluding own shares and shares held for stock options plans.

Financial years ended on December 31	Dec 2014	Dec 2013
Weighted average number:		
• Ordinary issued shares	9 158 699	9 158 699
• Shares held for stock options plans		
• Own shares		
Number of shares held for the calculation of the basic earnings per share	**9 158 699**	**9 158 699**
Number of dilutive instruments		
Number of shares held for the calculation of the diluted earnings per share	**9 158 699**	**9 158 699**

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

Fiscal Years Ending December 31	Dec. 2014	Dec. 2013
Net income for the period attributable to shareholders of the parent company	**181,9**	**404,7**
Number of shares used to calculate earnings per share	9 158 699	9 158 699
Basic earnings per share	**19,9**	**44,1**
A part of which attributable to discontinued operations		
Diluted earnings per share	**19,9**	**44,1**
A part of which attributable to discontinued operations		

NOTE 13: GOODWILL

In million MAD	Dec. 2014	Dec. 2013
On the 1st of January	**317,0**	**317,4**
Gross Value	810,3	810,8
Accumulated impairment losses	(493,3)	(493,3)
Change in the scope	0,0	0,0
Translation adjustment	1,2	(0,4)
Sales	0,0	0,0
Impairment losses	0,0	0,0
Other activities	0,0	0,0
At the end of the period	**318,2**	**317,0**
Gross Value	811,6	810,3
Accumulated impairment losses	(493,3)	(493,3)

In the balance sheet. the net Goodwill concerns the following companies:

In million MAD	Dec. 2014	Dec. 2013
IMITER	161,2	161,2
CMG	130,9	130,9
CTT	13,3	13,3
RGGG	12,9	11,6
TOTAL	**318,2**	**317,0**

NOTE 14: INTANGIBLE ASSETS

In million MAD	Development expenses	Telecom and software permit	Concessions patents and similarri	Concession	Others	Total
Gross values						
On 1st Jan 2013	**2 739,9**	**0,1**	**156,0**	**0,0**	**252,6**	**3 148,5**
Acquisitions	378,2	0,0	9,8	0,0	74,6	**462,7**
Change in the scope	152,5					**152,5**
Sales and assets classified as held for sale	0,0	0,0	0,0	0,0	0,0	**0,0**
Translation adjustment	(22,0)	(0,0)	(0,0)	0,0	0,0	**(22,0)**
Other activities	42,9	0,0	0,0	0,0	(6,3)	**36,6**
On 31st Dec 2013	**3 291,6**	**0,1**	**165,8**	**0,0**	**320,9**	**3 778,4**
On 1st Jan 2014	**3 291,6**	**0,1**	**165,8**	**0,0**	**320,9**	**3 778,4**
Acquisitions	364,2	0,9	1,7	0,0	74,8	**441,6**
Change in the scope	0,0					**0,0**
Sales and assets classified as held for sale	(6,7)	(0,0)	(0,0)	0,0	0,0	**(6,7)**
Translation adjustment	77,7	0,1	(0,0)	0,0	0,0	**77,8**
Other activities	(27,0)	0,0	0,0	0,0	4,6	**(22,4)**
On 31st Dec 2014	**3699,9**	**1,0**	**167,5**	**0,0**	**400,3**	**4 268,7**
Depreciationand impairment losses						
On 1st Jan 2013	**(2 283,8)**	**(0,0)**	**(104,3)**	**0,0**	**(181,6)**	**(2 569,8)**
Depreciation	(255,9)	(0,0)	(3,9)	0,0	0,0	**(259,9)**
Sales and assets classified as held for sale	0,0	0,0	0,0	0,0	0,0	**0,0**
Change in the scope	0,0	0,0	0,0	0,0	0,0	**0,0**
Translation adjustment	1,8	0,0	0,0	0,0	0,0	**1,8**
Other activities	(3,7)	0,0	0,0	0,0	3,7	**0,0**
On 31st Dec 2013	**(2 537,9)**	**(0,1)**	**(108,2)**	**0,0**	**(181,6)**	**(2 827,9)**
On 1st of Jan 2014	**(2 537,9)**	**(0,1)**	**(108,2)**	**0,0**	**(181,6)**	**(2 827,9)**
Depreciation	(240,4)	(0,1)	2,4	0,0	0,0	**(238,1)**
Reversal of impairment losses	0,0	0,0	0,0	0,1	0,0	**0,1**
Sales and assets classified as held for sale	5,1	0,0	0,0	0,0	0,0	**5,1**
translation adjustment	(9,9)	(0,0)	(0,0)	0,0	0,0	**(9,9)**
other activities	0,0	0,0	0,0	0,0	0,0	**0,0**
On 31 Dec 2014	**(2 783,1)**	**(0,2)**	**(105,7)**	**0,0**	**(181,6)**	**(3 070,7)**
Net Values						
On 31 Dec 2013	**753,7**	**0,0**	**57,6**	**0,0**	**139,2**	**950,5**
On 31 Dec 2014	**916,7**	**0,8**	**61,8**	**0,0**	**218,7**	**1 198,0**

The depreciations of the period are recorded in the income under"depreciations and other non-cash costs".
The intangible assets includes mainly the expenses related to the mining exploration

NOTE 15: PROPERTY AND EQUIPMENT AND INVESTMENT PROPERTIES

The main changes are explained by:

In million MAD	Capital	Reserves	Currency translation adjustments	Net result per Group share	Immeubles de placement	Total share of the Group	Total
Gross values							
On 1 Jan 2013	**39,1**	**2 687,5**	**3 411,7**	**1 096,0**	**28,9**	**1 225,3**	**8 488,5**
Acquisitions	0,9	289,5	222,3	359,1	0,0	68,2	939,9
Sales and assets classified as held for sale	0,0	0,0	0,0	0,0	0,0	(1,3)	(1,3)
Change in the scope				103,5			103,5
Translation adjustment	(0,0)	(2,3)	(8,7)	(7,4)	0,0	(5,1)	(23,5)
Other activities	0,0	69,7	11,1	(134,5)	0,0	17,1	(36,5)
On 31 Dec 2013	**40,0**	**3 044,4**	**3 636,4**	**1 416,7**	**28,9**	**1 304,2**	**9470,6**
On 1 Jan 2014	**40,0**	**3 044,4**	**3 636,4**	**1 416,7**	**28,9**	**1 304,2**	**9470,6**
Acquisitions	1,0	445,4	166,6	211,0	0,0	40,9	864,9
Sales and assets classified as held for sale	0,0	(10,1)	(20,2)	(10,2)	0,0	(1,4)	(41,8)
Change in the scope				0,0			0,0
Translation adjustment	0,1	9,5	30,2	23,0	0,0	15,7	78,5
Other activities	0,0	263,9	553,0	(853,1)	0,0	58,0	21,8
On 31 Dec 2014	**41,1**	**3 753,1**	**4 366,0**	**787,4**	**28,9**	**1 417,4**	**10 394,0**
Depreciation and impairment losses							
On 1 Jan 2013	**(0,1)**	**(1 652,4)**	**(2 135,4)**	**0,1**	**(1,4)**	**(946,5)**	**(4 735,6)**
Depreciation	(0,0)	(229,2)	(257,7)	0,0	(0,4)	(114,7)	(602,0)
Impairment losses	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Reversal of impairment losses	0,0	14,5	11,9	0,0	0,0	0,0	26,5
Sales and assets classified as held for sale	0,0	0,0	0,0	0,0	0,0	1,3	1,3
Translation adjustment	0,0	0,7	3,2	0,0	0,0	2,1	5,9
Change in the scope	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Other activities	0,0	0,0	0,0	0,0	0,0	0,0	0,0
On 31 Dec 2013	**(0,1)**	**(1 866,4)**	**(2 377,4)**	**0,1**	**(1,8)**	**(1 058,5)**	**(5 304,2)**
On 1 Jan 2014	**(0,1)**	**(1 866,4)**	**(2 377,4)**	**0,1**	**(1,8)**	**(1 058,5)**	**(5 304,2)**
Depreciations	(0,0)	(275,1)	(305,3)	0,0	(0,4)	(115,7)	(696,5)
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
Sales and assets classified as held for sale	0,0	1,4	2,3	0,0	0,0	0,2	3,9
Translation adjustment	(0,0)	(4,3)	(15,2)	0,0	0,0	(8,4)	(27,9)
Change in the scope	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Other activities	0,0	0,0	(4,4)	0,0	0,0	4,4	0,0
On 31 Dec 2014	**(0,1)**	**(2 102,9)**	**(2 694,0)**	**0,1**	**(2,2)**	**(1178,1)**	**(5 977,3)**
Gross values							
On 1 Dec 2013	**39,9**	**1178,0**	**1451,7**	**1224,0**	**27,1**	**245,8**	**4166,5**
On 31 Dec 2014	**41,0**	**1650,2**	**1672,0**	**787,5**	**26,7**	**239,3**	**4416,7**

15.1.FINANCIAL LEASE CONTRACT

Assets subject to financial leases contract fall substantially within the categories of the land. constructions and technical installations.increased on the 31st of December 2014 to 451Morrocan Dirhams.

15.2. INVESTMENT PROPERTY

The Group has not revalued at fair the value of investment properties at the end of December 2014. since almost all of these properties are recorded at market value under the leaseback transactions completed during 2009 and 2014.

15.3. OTHER FINANCIAL ASSETS

The Group's other financial assets are divided into gross value as follows:

In million MAD	Dec. 2014	Dec. 2013
Non-current share		
Derivative financial instruments	47,6	32,6
Financial assets at fair value through profit or loss	0,0	0,0
Loans and receivables	4,1	4,5
Financial assets held-to-maturity	0,0	0,0
Available-for-sale financial assets	247,8	247,6
Total	**299,5**	**284,7**
Current share		
Derivative financial instruments	3,6	16,7
Derivative financial instruments	0,0	0,0
Available-for-sale financial assets	0,0	0,0
Financial assets held-to-maturity	0,0	0,0
Loans and receivables	0,0	0,0
Total	**3,6**	**16,7**
Total of other financial assets	**303,1**	**301,4**

14.2. DERIVATIVE FINANCIAL INSTRUMENTS

A) Financial assets

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

In million MAD	Dec. 2014 Jan	Dec. 2013 Jan
Financial assets at fair value through profit or loss	3,6	3,4
Total	**3,6**	**3,4**

Derivative instruments with a negative fair value are recorded as liabilities and are divided as follows:

In million MAD	Dec. 2014 Jan	Dec. 2013 Jan	Déc. 2013 JV
Instruments		-132,8	-1,6
Futures contract			
Other instruments		-132,8	-1,6
Exchange rate instruments			
Forward exchange			
Other exchange instruments			
Other derivative instruments			
Interest rate derivative			
Other derivatives			
Total		**-132,8**	**-1,6**

B) Derivatives classified by type and currency

In million MAD	€	USD	Others	Total
Instruments		**7,8**	**38,2**	**45,9**
Futures contract		7,8	38,2	45,9
Other instruments				
Exchange rate instruments			**-127, 6**	**-127,6**
Forward exchange			-127, 6	-127,6
Swaps de change				0,0
Currency options				0,0
Others				
Other derivatives				
Rate swaps				
Currency options				
Equity derivatives				
Others				
TOTAL		**7,8**	**-89,4**	**-81,6**

C) Financial assets available for sale and securities

The assets available for sale include the non-consolidated equity securities. The non-equity securities, investment securities and values are reclassified as cash equivalent. All these elements are evaluated at fai value at the balance sheet date. The available-for-sale financial asstes break down as follows on the 31st of December 2014 and the 31st of December 2013:

In million MAD	Juste equity	% interest	Stockoholder's	Earnings	closing date
On 31st of December 2014	**247,8**				**31/12/2014**
Entity 1: Managem Gabon **Entity 3: Others (BT)**	**2,7** **245,1**				
On 31st of December2013	**247,5**				**31/12/2013**
Entity 1: Managem Gabon	2,2				
Entity 3: Others (BT)	245,3				

D) Loans and receivables

Loans and receivables at December 31, 2014 consist primarily of deposits and guarantees.

NOTE 16: INVENTORIES

Inventories break down as follows for the periods ended 31st of December 2014 and 31st of December 2013:

In million MAD	Dec. 2014	Dec. 2013
Stocks of good	6,3	6,3
Stocks consumable materials and supplies	348,1	324,2
Production in progress	10,2	0,0
Stocks of finished and semi-finished products	289,9	208,5
Total stocks on gross value	**654,6**	**539,0**
Amount of the impairment loss at the beginning of the period	(22,2)	(26,7)
Impairment losses recognized during the period	(16,6)	(22,2)
Reversal of impairment losses due to transfers and acquisitions	20,9	19,0
Reversal of impairment losses having no useful purpose	1,2	7,7
Other activities	0,0	0,0
Amount of the impairment loss at the end of the period	**(16,6)**	**(22,2)**
TOTAL STOCKS. NET	**638,0**	**516,8**

During the year 2014:
- The amount of provisions is -16.6 Million MAD;
- The amount of reversal increases to reach 22.1 Million MAD

NOTE 17: TRADE AND OTHER RECEIVABLES

The gross value and the value of realizing the trade receivables at the 31st of December 2014 and the 31st of December 2013 are detailed in the following table:

In million MAD	Dec. 2014	Dec. 2013
Advances, down payments, trade payables	14,1	14,3
Accounts receivable and related accounts	618,3	482,8
Receivables related to finance lease contracts		
Associated accounts receivables	304,1	172,7
Other receivables	1 048,5	711,4
Total of trade and other non-current receivables	**1 985,0**	**1381,2**
Amount of the impairment loss at the beginning of the period	-1,5	-1,5
Impairment losses recognized during the period	-0,3	0,0
Utilization	0,0	0,0
Reversal of impairment losses having no useful purpose	0,0	0,0
Other activities	0,0	0,0
Amount of the impairment loss at the end of the period	**-1,8**	**-1,5**
TOTAL IN GROSS VALUE OF TRADE RECEIVABLE	**1 983,2**	**1 379,8**

Increase of trade receivable by 135.5 Million MAD.

Increase of other receivable by 468.3 Million MAD which can be explained by the following:
- the increase of the Managem international CCA towards the African subsidiaries by 69 Million MAD.
- increase of VATcredit by 293 Million MAD.

NOTE18: CASH AND CASH EQUIVILENT

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

In million MAD	Dec. 2014	Dec. 2013
Investment securities and value	0,0	0,0
Bank	126,3	242,7
Other treasury accounts	1,7	13,9
TOTAL	**128,0**	**256,6**

NOTE 19: STOCKHOLDERS EQUITIES

A) Capital management policy

As part of managing its capital, the Group aims at maintaining its business continuity in order to generate a return for the shareholder, to provide benefits for other stakeholders and to maintain an optimal capital structure to reduce the likely cost of capital.
To maintain or adjust the capital structure, the Group may:

- Adjust the amount of dividends paid to shareholders;
- Reimburse the capital for the shareholders;
- Issue new shares; or
- Sell assets to reduce the amount of debts.

The Group uses various indicators, including financial leverage (net debt / equity), which provides investors with a view of the Group's debt compared to total equity.This capital includes namelythe reserve of change in the value of cash flow hedges namely the reserve of change in the value of the available –for-sale financial assets.

B) Equity change in Group share

In million MAD	Dec. 2014	Dec. 2013
Consolidated of the Group's stockholders' equities at the beginning of the year	3486,4	3162,4
Paid dividents	-232,0	-183,2
Translation adjustment	105,8	-32,5
Gross change of Jan. in the financial instruments	-133,3	159,2
Other changes	-12,2	-2,4
Increase of capital	9,8	10,8
Net Earnings (Group's share) of the period	181,9	404,8
Taxes related to other elements of the global earnings	43,9	-32,8
CONSOLIDATED OF THE GROUP'S STOCKHOLDERS' EQUITIES	**3450,3**	**3486,4**

C) Change in the minority interests

In million MAD	Dec. 2014	Dec. 2013
minority interests at the beginning of the year	458,5	375,5
Paid dividends	-63,0	-39,0
Gross change of Jan. in the financial instruments	3,8	33,0
Losses and profits from the adjustment	6,1	-2,0
Other changes	-1,6	1,7
Increase of the capital	0,0	0,0
End of year earnings	43,8	95,1
Taxes related to other elements of the global earnings	-0,4	-5,8
MINORITY INTERESTS	**447,2**	**458,5**

NOTE 20: PROVISIONS

The current and non-current provisions are analyzed as follows :

In million MAD	Dec. 2014	Dec. 2013
Provision environnement	0.5	-
Restructuring	-	-
Disputes	-	-
Guarantees	-	-
Other risks	52,3	44,3
TOTAL	**52,8**	**44,3**

In million MAD	Dec. 2013	Translation adjustment	Change in the scope	Current year allotment	Recovery provisions used	Recovery provisions unused	Reclassification of movements	Others	Dec. 2014
Provision environnement	0,0	0,0	0,0	0,3	0,0	0,0	0,2	0,0	0,5
Restructuring	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Disputes	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Guarantees	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Other risks	44,3	0,0	0,0	51,6	(43,5)	(0,0)	0,0	0,0	52,3
Total	**44,3**	**0,0**	**0,0**	**51,9**	**(43,5)**	**(0,0)**	**0,2**	**0,0**	**52,8**
From which:									
Non-current part	44,3	0,0	0,0	51,9	(43,5)	(0,0)	0,2	0,0	52,8
Current part	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0

The provisions made at 31 December 2014 relate mainly to the risks of occupational diseases not covered by the insurance company during the period 2003 to 2006 which is 51.9 million dirhams.

NOTE 21: EMPLOYEES' BENEFITS

21.1. ASSUMPTIONS

The assumptions at 1 January 2006 to 31 December 2006 and 31 December 2014 are as follows:

At 1 January 2006:

Economic assumptions:

- Valuation date: 01.01.2006
- Rate of inflation: 1.50%
- Rate of medical inflation: 4%
- Discount rate
  - -Healthcare cost 6.20% or 6.95% based on the entity
  - -Retirement benefit 6.20%
- Average rate of social security contributions 15.00%
- Rate of increase in remunerations (gross inflation) 3.50%
- Rate of revaluation of lump indemnity 1.50%

Demographic assumptions:

- Mortality: TVF 88-90
- Disability: not taken into account

- Mortality rate by age range

Age rate	Management	Non Management
29 years and before	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 above	0.00%	0.00%

- Rate of occupation until retirement: Same as the valuation date
- Retirement age:
  - Non-mining staff 60 years
  - Mining staff 55 years

At 31 December 2014

- Valuation date: 31.12.2014
- Discount rate
  - Healthcare contributions 4.00%
  - retirement benefit 6.30%

The rest of the economic and demographic assumptions remained unchanged from 1 January 2006. In accordance with the revised IAS 19, the Group immediately records all actuarial gains and losses in other global earnings.

The Group believes that the actuarial assumptions used are appropriate and justified, but the changes that will be made in the future can, however, have a significant impact on the amount of commitments as well as on the Group earnings. The sensitivity test to the discount rate is carried out at the annual closing date

21.2. OTHER LONG-TERM BENEFITS

At 31 December 2014

In million MAD	Retirement and pension	Social benefits provided after employment other than pension
	Dec. 2014	
Amount of commitments at the beginning of the fiscal year	**31,2**	**55,1**
Services costs	2,2	3,7
Interest expenses	2,0	3,5
Participants' contributions	0,0	0,0
Change in plans (past-services cost)	0,0	0,0
Change in the scope /	0,0	0,0
Business Combination (only if meaningful)	0,0	0,0
Reduction	0,0	0,0
Plan wind-ups	0,0	0,0
Paid benefits	-1,2	-2,6
Actuarial losses and gains	2,0	11,5
Translation adjustment	0,0	0,0
Others: Reclassification of the IFRS 5 (groups held for sale)	0,0	0,0
Amount of commitments at the closing of the fiscal year	**36,2**	**71,2**

In million MAD	Retirement and pension	Social benefits provided after employment other than pension
	Dec. 2014	
Market value of the assets employed in the plans at the opening	**0,0**	**0,0**
Expected return on assets	0,0	0,0
Employer contributions	1,2	2,6
Participants' contributions	0,0	0,0
Change on the scope/	0,0	0,0
Business Combination (only if meaningful)	0,0	0,0
Reduction	0,0	0,0
Plan wind-ups	0,0	0,0
Paid benefits	-1,2	-2,6
Actuarial losses and gains	0,0	0,0
Translation adjustment	0,0	0,0
Others	0,0	0,0
Market value of the assets employed in the plans at the closing	**0,0**	**0,0**

In million MAD	Retirement and pension	Social benefits provided after employment other than pension
	Dec.2014	
Services costs	2,2	3,7
Interests expense	2,0	3,5
Expected return on assets	0,0	0,0
The effect of limiting surpluses	0,0	0,0
Amortization of past services cost	0,0	0,0
Amortization of actuarial losses and gains	0,0	0,0
Reduction	0,0	0,0
Liquidation deletion	0,0	0,0
Others	0,0	0,0
PERIOD EXPENSES	**4,2**	**7,2**

In million MAD	Retirement and pension	Social benefits provided after employment other than pension
	Dec. 2014	
Gross commitments	**36,2**	**71,2**
Limitation of pension's assets	0,0	0,0
Unrecognized past service costs	0,0	0,0
Unrecognized actuarial losses and gains	0,0	0,0
Gross Assets/Provision shown in the balance sheet	**36,2**	**71,2**

In million MAD	Dec. 2014
Amount (Provisions) at the opening of the fiscal year	**86,3**
The charges of the period (including the reversal of the provisions)	11,3
Reversal for use / benefits paid	-3,8
Change on the scope	0,0
Business combination (only if meaningful)	0,0
Translation adjustment	0,0
Others: Reclassification of IFRS 5 (groups held for sale)	0,0
OCI (first application of IAS 19 R)	13,5
Amount (Provisions) at the closing of the fiscal year	**107,4**

Sensitivity of the commitment compared with the discount rate	Dec. 2014
Sensitivity of the commitment	-11,4%
Sensitivity of services costs	-16,3%
Sensitivity of the interest expense (discount rate)	15,9%

Sensitivity of the commitment compared with the medical inflation	Dec. 2014
Sensitivity of the commitment	14,7%
Sensitivity of services costs	22,2%
Sensitivity of the interest expense (discount rate)	14,7%

In million MAD	Dec. 2014	
Assumptions (weighted average)		
Discount rate	6,30%	6,30%
Medical inflation rate		4,00%
The salary escalation rate	3,50%	
Long term expected return on assets		
Number of beneficiaries		
Assets Retired	3 056	3 056 531
Assets mix plan		

In million MAD	Retirement and pension		Social benefits provided after employment other than pension	
	Dec. 2013	Dec. 2014	Dec. 2013	Dec. 2014
Gross commitment at the opening of fiscal year	**33,8**	**31,2**	**58,9**	**55,1**
Unfunded part	33,8	31,2	58,9	55,1
Funded part				
Gross commitment at the closing of fiscal year	**31,2**	**36,2**	**55,1**	**71,2**
Unfunded part	31,2	36,2	55,1	71,2
Funded part				

NOTE 22: FINANCIAL LIABILITIES

The current and non-current financial liabilities of the Group are as follows:

In million MAD	Dec. 2014	Dec. 2013
Bonds issues	950 ,0	-
Bonds from the credit institutions	952,3	932,0
Finance lease liabilities	278,4	310,3
Other financial liabilities	-	-
Derived financial instruments	1,6	1,6
Total of non-current financial liabilities	**2 182,2**	**1 243,9**
Loans	0,0	600,0
loans from the credit institutions	1005,8	400,4
Finance lease liabilities	-	-
Derived financial instruments	131,2	-
Total of current financial liabilities	**1 137,0**	**1 000,4**
TOTAL	**3 319,3**	**2 244,3**

The non-current financial liabilitieswitnessed an increase of -938.3 million dirhams from which:

• Managem SA loans :	*950 Million MAD*
• Reclassification of liabilities<1 year :	*-185 Million MAD*
• Loans' redemption :	*-303.2 Million MAD*
• New loans :	*507.4 Million MAD*
• Change of debts related to the lease contract :	*-32.0 Million MAD*

NOTE 23 : PAYABLES AND OTHER CREDITORS

In million MAD	Dec. 2014	Dec. 2013
Payables	779,5	783,5
Other creditors (excluding derivatives)	1063,0	972,4
TOTAL OF PAYABLES AND OTHER CREDITORS	**1 842,5**	**1 756,0**

NOTE 24: FINANCIAL INSTRUMENTS

A) Fair value of the financial assets

Due to their short term nature, the book value of accounts receivable, cash and current cash accounts constitute an estimation of their fair value.
The fair value of other financial instruments is determined by referring to the market prices resulting from trade in a national stock market or an over-the-counter market.

In cases where listed market prices are not available, the fair value is based on different valuation methods.In any event, estimated market values are based on a certain interpretation of market information necessary for recovery. The use of different estimates, methods and assumptions may have a material effect on the estimated fair value amounts.

The used methods are the following:

- Equity investments in unconsolidated companies:

  -For listed shares, fair value is determined based on the published share price on the day considered to be the closing date.

  -For shares in unlisted companies, where the fair value can not be reliably determined, the securities are valued at the share of equity IFRS, or by default based on the share in net position established by the rules Moroccan. In the absence of information on equity IFRS or GAAP Morocco, securities are valued at cost.

- Derivatives: the market value of exchange rate operations and materials is estimated using valuations provided by bank counterparties or financial models commonly used in financial markets on the basis of market data at the closing date of the fiscal year.

The table below details the book valueand the fair value of the financial assetsrecorded in the balance sheet where these two values are identical:

In million MAD	Dec. 2014	Dec. 2013
	book value<=>fairvalue	
Cash and cash equivilent	128,0	256,6
Trade and other recivables	1 983,3	1 379,8
Other financial assets	303,1	301,4
TOTAL	**2 414,4**	**1 937,8**

B) The fair value of financial liabilities

Given their short-term nature, the book value of current bank overdrafts, accounts payables and other creditors and short term loans appear as an estimation of the fair value.

The fair value of other financial instruments is determined by referring to the market price resulting from trade in a national stock market or an over-the-counter market.

In cases where listed market prices are not available, the fair valueis estimated based on different valuationmethods. In any event, estimated market values are based on a certain interpretation of market information necessary for recovery. The use of different estimates, methods and assumptions may have a material effect on the estimated fair value amounts.
The used methods are the following:

- Financing liabilities: the fair value of the financing liabilities (bonds, debts from financial institutions...) corresponds to their amortized cost (nominal value minus bonds issuance costs if they represent at least 1% of this value).

- Derivatives:the market value of exchange rate operations and materials is estimated using valuations provided by bank counterparties or financial models commonly used in financial markets on the basis of market data at the closing date of the fiscal year.

The table below details the book value and the fair value of the financial assetsrecorded in the balance sheet where these two values are identical:

In million MAD	Dec. 2014	Dec. 2013
	book value<=>fair value	
Current back overdrafts	1005,8	400,4
Payables and other creditors	1 842,6	1 755,9
Bonds	950,0	600,0
Finance lease liabilities	278,4	310,3
Other financial liabilities	132,8	1,6
Options granted to minority owners		
Financing liabilities	952,3	932,0
TOTAL	5161,9	4000,3

C) Risk management

The Group uses financial derivatives to manage its exposure to exchange rate and commodities' prices fluctuation.

Currency risks and raw materials are the subject of decentralized management by the subsidiaries that manage in consultation with the holding, their market risks.

D) The covered price risk

Given the nature of its activities, Managem Group is largely exposed to fluctuations in commodities prices which it sells at the exchange rates with which its sales are denominated.

The hedging policy aims at protectin Managem Group from price risk that could have a significant impact on its short and medium-term profitability.
To manage these market risks, the use of financial derivatives (commodities and exchange rates) was admitted to the exclusive coverage objective.
Derivatives used by the Group are qualified as cash flow hedges (cash flow hedge) or Trading under IAS 39.

E) Risk of metal prices

Managem covers the risk attributable to changes in selling prices of metals, which are in US dollars.
The hedging relationship is the hedge of future cash flows from future sales of raw materials (zinc, Lead, Copper, Silver and gold) determined by a production plan.
Derivatives are intended to cover an estimated budget which is the future cash flows. This is a cash flow hedge type of relationship.

Currency risk

The foreign exchange risk policy within the Group aims to cover budget exposures in a highly probable foreign currency and / or firm commitments for the import and export.
Future currency exposures are determined as part of a regularly updated budget procedure.
The current hedging horizon shall not exceed the year at each balance sheet date.
Derivatives are intended to cover an estimated budget which is the future cash flows. This is a cash flow hedge type of relationship.

Recording at 31/12/2014

Commodity Risk

At 31 December 2014, the record in the balance sheet at fair value of derivatives related to the hedging of commodities resulted in a gain of 46 Million MAD recorded for 47.5 MMD in cash flow hedges and -1.6 Million MAD in Trading.

In million MAD	Dec 2014	Dec 2013
	Total Mtm	
Hedging cash flows (a)	47,5	28,60
Silver	33,5	21,70
Gold	8,0	8,30
Zinc	2,5	-0,40
Lead	3,2	0,00
Copper	0,3	0,00
Derivative instruments classified as trading	-1,6	2,30
TOTAL (a)+(b)	46,0	30,90

Currency Risk:

On 31 December 201, the recording in the balance sheet at fair value of derivatives related to foreign exchange hedging resulted in a loss of -127.6 MMD from which -131 Million MAD recorded in equity and +3.6 MMD recorded in earning.

In million MAD	Dec 2014	Dec 2013
	Total Mtm	
Hedging cash flow	-131,2	16,5
Derivatives not qualified for hedging	3,6	0,1
TOTAL	- 127,6	16,7

Sensitivity analysis

Commodity Risk

The level in the fair value of derivatives on the Group's commodities at December 31st 2014 is 46 billions MAD.

The scenario corresponding to metal price fluctuations of + 10% maximizing the risk on the Group's raw material, namely an increase of 10% of silver, gold, zinc, lead and copper prices over the closing spot price would result in a gain of 8.1 to 7.6 billions MAD recorded in cash flow hedges and 0.5 billions MAD in trading, a change of -37.8 billions MAD.

In million MAD	Mtm at 31-12-2014 (a)	Mtm +10% variation (b)	Total Variation of MT (b-a)	Impact on earnings	Impact on equities
+10% underlying	46,0	8,1	-37,8	0,5	7,6
Silver	32,9	13,7	-19,1	0,4	13,3
Gold	7,8	-6,2	-14,0	0,1	- 6,3
Zinc	2,2	-1,0	-3,1	-0,0	-1,0
Lead	3,1	1,5	-1,6	0,1	1,5
Copper	-	-0,0	-0,0	-0,0	-

The scenario corresponding to the price fluctuations of metals of -10% minimizing the risk on Groupe's commodities namely a 10% decrease of silver, gold, zinc, lead and copper's prices in comparison with the prices at closing would result in a profit 84.2 Million MAD recorded for 84.1 Million MAD in cash flow hedges and for 0.1 Million MAD in trading which is a change of +38.3 Million MAD.

In million MAD	Mtm at 31-12-2014(a)	Mtm -10% fluctuation (b)	Total fluctuation of MTM(b-a)	Impact On the result	Impact on equity
- 10% underlying	**46,0**	**84,2**	**38,3**	**0,1**	**84,1**
Silver	32,9	52,2	19,3	0.0	52,1
Gold	7,8	21,9	14,1	0.0	21,9
Zinc	2,2	5,3	3,1	0.0	5,3
Lead	3,1	4,8	1,7	0.0	4,8
Copper	-	-0,0	- 0,0	0.0	-

Currency risk

The level of the fair value of the Group's foreign exchange derivatives at 31 December 2013 is about -127.6 Million MAD.

In million MAD	Mtm at 31-12-2014(a)	Mtm +10% fluctuation (b)	Total fluctuation of MTM (b-a)	Impact On the result	Impact on equity
+ 10% underlying	-127,6	- 317,7	-190,1	2,4	-320,1
Managem	-127,6	- 317,7	-190,1	2,4	-320,1

The scenario corresponding to the exchange rate fluctuations of +10% maximizing the Group's exchange risk namely an increase of 10% of the US dollar against the dirham would result in a loss of exchange of -317.7 Million MAD from which +2.4 Million MAD in earnings and -320.1 Million MAD in equity is of -190. Million MAD.

In million MAD	Mtm at 31-12-2014(a)	Mtm +10% fluctuation (b)	Total fluctuation of MTM (b-a)	Impact On the result	Impact on equity
- 10% underlying	-127,6	**63,5**	191,0	3,4	60,0
Managem	-127,6	**63,5**	191,0	3,4	60,0

The scenario corresponding to the exchange rate fluctuations of -10% minimizing Managem's exchange risk namely a decrease of -10% of the US dollar values against the dirham would result in a profit of exchange of + 63.5 Million MAD from which + 3.4% Million MAD in earnings and + 60.4 Million MAD in equity is a fluctuation of + 63.5 Million MAD.

In 31 December 2014, the contractual flows (principal and interests) not discounting on outstandig financial liabilities by maturity date are as follow:

Maturity in million MAD	- 1 year (*)	1 to 5 years	+ 5 years	Closing period
Bonds	0,0	950,0	0,0	950,0
Loans from credit institutions	1005,8	952,30	0,0	1 958,1
Finance lease liabilities	0,0	278,4	0,0	278,4
Other financial debts	0,0	0,0	0,0	0,0
At 31 December 2014	**1 005,8**	**2180,7**	**0,0**	**3 186,4**
At 31 December 2013	**1000,4**	**1227,6**	**14,8**	**2 242,7**

NOTE 25 : OTHER COMMITMENTS

Given commitments

In million MAD	Dec 2014	Dec 2013
Given endorsements bails and garanties	63,4	74,9
Debts guaranteed by pledged or mortgaged assets	-	-
Other given commitments	-	-
TOTAL	**63,4**	**74,9**

Received commitments

In million MAD	Dec 2014	Dec 2013
Received endorsements bails and garanties	17,9	21,2
Received pledge and mortgage	-	-
Other received commitments	-	-
TOTAL	**17,9**	**21,2**

NOTE 26 :CONTINGENT LIABILITIES

The SAMINE subsidiary was subject to a tax audit, following the first notification Managem believes that the case will be unwound upon payment of 6 700 KMAD.

NOTE 27 : RELATED PARTS

In million MAD	Dec 2014	Dec 2013
Short-term benefits	26,4	21.7
Post-employment benefits		
Other long term benefits		
Termination benefits		
Payment in shares		
TOTAL	**26 ,4**	**21.7**

In fiscal year 2013, the Groupe's executives were paid 26.4 million dirhams.
In fiscal year 2012, the Groupe's executives were paid 21.7 million dirhams

The remuneration of directors and members of the steering committee included in the staff cost breaks down as follows:

In million MAD	Dec 2014	Dec 2013
Directors		
Steering committee members	26,4	21.7
TOTAL	**26,4**	**21.7**

A) Transactions with other related parts

The transactions with other related parts break down as follows :

In million MAD	Dec 2014	Dec 2013
Assets		
Receivables client (gross)	-	-
Other current receivables		
Other non-current assets		
TOTAL	**-**	**-**
Liability		
Payables	6 .1	24 .7
Other current debts	670.0	
Other long-term debts		
TOTAL	**676.1**	**24.7**

In million MAD	Dec 2013	Dec 2014
Turnover		
Other products		
Purchases and other external charges	14.5	15.1
Others (FF)	30.5	28.1
TOTAL	**45.1**	**43.2**

The other related parts include the parent company SNI. Transactions refer to the interests on advances to current account and payments of managaments.

NOTE 28 : CASH FLOW TABLE

A) Details of the changes impact in working capital requirements in the fiscal year

In million MAD	Dec. 2014	Dec. 2013
Stocks' fluctuation	-110,9	-47,6
Receivables ' fluctuation	-412,7	-90,2
Debts' fluctuation	-62,3	-93,6
Working capital requirements fluctuation	**585,9**	**231,4**

B) Reconciliation of cash posted in the balance and table of cash flow

In million MAD	Dec. 2014	Dec. 2013
Net cash and cash equivalents - balance sheet	-451.9	123.6
Cash and cash equivalent - table of cash flow	**-451.9**	**123.6**

NOTE 29 : EVENTS AFTER THE CLOSING YEAR DATE

Managem and its subsidiary « La Société Métallurgique d'Imiter» (SMI) published a press release « Profit warning » on February 20, 2015 on the results of the year 2014.

Corporate name		Dec. 2014	Dec. 2013	Consolidation method
		% interest		
Managem	Morocco	100.00%	100.00%	Consolidating
Compagnie Minière des Guemmassas	Morocco	76.91%	76.91%	IG(*)
Compagnie de Tifnout Tighanimine	Morocco	99.77%	99.77%	IG
Akka Gold Mining	Morocco	88.46%	88.46%	IG
Manatrade	Switzerland	100.00%	100.00%	IG
Manadist	Switzerland	100.00%	100.00%	IG
Managem International	Switzerland	100.00%	100.00%	IG
Société Métallurgique d'Imiter	Morocco	80.26%	80.25%	IG
Société Anonyme d'Entreprise Minière	Morocco	99.77%	99.77%	IG
SOMIFER	Morocco	99.77%	99.77%	IG
REMINEX	Morocco	100.00%	100.00%	IG
TECHSUB	Morocco	99.87%	99.87%	IG
Cie Minière SAGHRO	Morocco	100.00%	100.00%	IG
Cie Minière d'OUMEJRANE	Morocco	100.00%	100.00%	IG
RGGG	Gabon	75.00%	75.00%	IG
LAMIKAL	DRC	85.50%	85.50%	IG
MCM	Soudan	89.00%	89.00%	IG
MANUB	Soudan	69.42%	69.42%	IG
MANAGOLD	UAE	100.00%	100.00%	IG
TRADIST	Dubai	100.00%	-	IG

(*) Global integration

In addition, 2014 witnessed :

- The entry into the scope of TRADIST.
- Moreover, the Group did not dispose of any entity during the fiscal year 2014.

Glossary

A -

Adit
Horizontal opening of an underground mine from the surface.

Advanced exploration
Excavation of an exploration well, an access adit or descent, construction of an access road at any time on site, derivation, modification or containment of a natural watercourse for the purpose of a bulk sampling, mine development or mining operations and other similar activities that may be related to an advanced exploration project. This type of work is usually undertaken following the discovery of a significant mineralization.

Authorized through a licence
Activity authorized by a retention of a suitable or special permits.

B -

Bond Loan
Financial instrument issued by a legal entity (state public entity , public or private company) loaned a certain amount of money from the securities purchasers.

Boulders
Especially those big stones worn by erosion.

Building lease
Right to use the surface of a land area that excludes the rights on minerals. The underground right is the property of surface and underground minerals.

Buttonhole
Depression hollowed out by erosion in the upper part of the anticline causing an inverted relief, discovering the different geological layers to that of the surface.

C -

Cementum
Mineral material from chemical precipitation existing in the spaces between the grains of a consolidated sedimentary rock binding the material.

Cleavage
Rocks and crystals fracture etc. giving a smooth and even surface, also referred to desintegration for sedimentary rocks.

Cobalt cathode
Electrode of electrons' output charged of an electric current (negative potential); it is the seat of the reduction reaction. It is considered as source of electrons and acts like a reductant.

Concentrate
Product which contains a mineral and a valuable metal from which most waste has been removed.

Concentration
A method of separating a mineral from a host rock with no value in the preparation for a further processing.

Copper
Malleable metallic red-brown element used to manufacture electrical conductors and used as an alloy's component.

Core
Cylindrical rock sample taken out from the soil through a drill with diamond crown for the purpose of research and exploration.

Crusher
Machine for crushing rock or other materials.

Cyanide
Highly toxic substance used to extract gold or silver through the solution treatment (cyanidation process).

D -

Deposits
Layer or natural sand, rocks or minerals accumulation etc.

Discovery
The knowledge of the presence of valuable minerals in a place close enough to it which justifies believing in it.

Drilling device
Drill machine with all the tools and auxiliary equipment needed to drill wells or mine holes.

Due diligence
The due diligence is a potential buyer or investor's checks that will be carried out before a transaction in order to get a clear idea of a company's situation.

E -

Energy index
Numerically the energy index is expressed by the number kWh per short ton (907 kg) required to reduce a material of an infinite feeding size to a d80 of 10 Um. It is also called 'Index Bond' or 'Work Index'.

Exchange hedging
Process in a company or for an investor that consists of protecting themselves from exchange risk.

Exploration
The whole range of activities from ore deposit's research to its operation.

Exploration cost
Expenses spent in order to determine the existence, the location, the extent, the quality or the economic potential of an ore, but does not include the production launch expenses of a mine.

Exploration permit
Permit conferring to its holder the exclusive right to conduct mining research work on the scope of the permit.

Exploration work
All work carried out in order to determine the economic potential of a region for which a permit was granted.

F -

Flotation
Process of separating a mixture of finely ground material using the possessed by certain substances in an aqueous medium to fix air bubbles thus acquiring an artificially reduced density.

G -

Geochemical
Adjective denoting alterations in the Earth's crust caused by chemical reactions .

Geochemical exploration
Search for mineral deposits or valuable oil through exploring abnormal concentrations of chemicals on the surface of the Earth.

Geochemical survey
Analysis of the chemical composition of rock, soil, stream sediments, plants and water samples.

Geological study
Detailed investigation of geological features and resources of a region.

Geologist
Trained person working in one of geological sciences.

Geophysical exploration
Exploration in order to discover minerals or mineral fuels, or to determine the nature of the terrestrial materials by measuring the physical property of the rocks and interpreting the results in terms of geological characteristics or deposits with sought economic value.

Geophysical prospection
Mapping of rock structures through measuring magnetic fields, force of gravity, electrical properties of the seismic waves' propagation and speed, radioactivity and heat flow.

Gravimetry
Physical technique of minerals separation according to their density. It is effectively used for particles that are larger than 100 Um presenting a sufficient contrast density.

Grindability
Ability to mechanical fragmentation of a material that can be measured by energy consumed by the fragmentation operation.

H -

Hazardous waste
Material which, because of its quantity, concentration, composition or its corrosives characteristics flammables, reactives, toxics, infectious or radioactives, presents a real potential danger for people's health, safety and welfare or constitutes a danger for the environment if it's not properly stored, treated, transported, eliminated, used or managed.

I -

Impact study
Assessment of effects arising from development activity such as the operation of mine.

Indicator
Geological feature or other indicator of the existence of a mineral deposit.

Infrastructure
Material improvements aim at supporting mining operations such as buildings, gas pipelines, aqueducts, sewage and water networks, telephone cables and storage tanks. They may also include roads, railways, airports, bridges and power cables.

L -

Leaching
Solution process of acid.

Lead
Malleable, metallic, soft, heavy and toxic element, it's blue-white when pure but quickly tarnishes in matt grey.

M-

Mark to market
Method of revaluation of a financial contract depending on the market prices through comparing, on a daily basis, the settlement price of the day with the price at which it was negotiated.

Metal
Inorganic solid element capable of conducting heat and electricity and is foldable through heart or pressure. Ordinary metals include bronze, copper and iron.

Mine
Excavation of the basement from which we extract minerals.

Mine operating life
The period during which a mine is in production, or could be.

Mineral evaluation
Estimated number of deposits or metal tonnage in a particular region.

Mineral rights
Property right over minerals found on the surface or underground of a given scope.

Mineralization
Process by which a mineral is introduced into a rock creating deposit with a real or potential value.

Mining
Extraction and concentration of economic value of a mineral ore deposit.

Mining concession
Mining rights that grant the holder the exclusive right to seek and exploit any mineral substance in a specific region
Mining property
Concession or lease of a scope of land in which a mine is located entirely or partially.

O -

Open pit mining
Method of extracting rocks or earth mineral by removing them from an open pit mining.

Opencast mining
Mine operated by excavation open to the surface

Ore
Rock showing an abnormally high concentration in useful minerals. An ore may also contain valueless mineral constituting thegangue .

Outcrop
Rock or ore deposits that can be seen in non-covered ground or water surface.

P -

Precious metal
Relatively rare and precious metal such as gold, silver, platinum and palladium.

Preparatory work
Operations of a mine for ore extraction. .

Prospecting permit
Authorization granted by a government to a person or company giving permission to prospect for minerals and record a concession.

Q -

Quarry
Opencast or surface mining site from which stones and rocks and building materials are extracted.

Quarrying
Extraction of stones, rocks and construction materials from an open pit mine or on surface.

R -

Raw coal
Crude extracted from the quarry, or a mixture of sand and gravel originated from sorted rubbles which size is from 0-100 and its components have a granulometry between 0 and 100 millimeters.

Research poll
Wells drilling from the surface or underground worksite in order to search and discover ore deposits, oil or gas reserves and to determine the geological structure.

Reserve
Estimation in specified limits of accuracy of metal or ore content with commercial value, of mineral deposits that can be extracted under the economic conditions and the current technology; part of the small reserve that can be extracted or produced profitably at the time of determination.

Resources
Concentration of solid, liquid or gaseous materials of natural origin on the surface of the earth's crust or in a form and an amount that make the profitable extraction of a product, feasible, through the concentration of these materials.

S -

Solution
1. starting from the confirmation of the ore deposit's presence up to the decision to construct a mine ;
2. the whole geological, engineering and economic work necessary to ensure profitable mining operation and compliance with applicable laws .

Steel
Alloy consisting mainly of pure iron on which other elements were added, such as carbon.

T -

Tailings
Products made of soil and rocks excavated during the operation of mine after the recovery of the commercially valuable fraction which is the ore.

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