IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) QUALIFIED INSTITUTIONAL BUYERS WITHIN THE MEANING OF RULE 144A UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR (2) PERSONS OTHER THAN U.S. PERSONS WHO ARE OUTSIDE OF THE UNITED STATES IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT.

IMPORTANT: You must read the following before continuing. The following applies to the prospectus following this notice, whether received by email or otherwise received as a result of electronic communication. You are advised to read this disclaimer carefully before reading, accessing or making any other use of the prospectus. In accessing the prospectus, you agree to be bound by the following terms and conditions, including any modifications to them, each time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE FOLLOWING PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Confirmation of your representation: In order to be eligible to view the prospectus or make an investment decision with respect to the notes, investors must be either (1) qualified institutional buyers within the meaning of Rule 144A under the Securities Act ("**QIBs**") or (2) persons other than U.S. persons who are outside of the United States within the meaning of and in reliance on Regulation S under the Securities Act, provided that, in either case, investors resident in a member state of the European Economic Area are qualified investors (within the meaning of Article 2(1)(e) of Directive 2003/71/EC (as amended by Directive 2010/73/EU) and any relevant implementing measure in each member state of the European Economic Area). The prospectus is being sent to you at your request. By accepting this e-mail and by accessing the prospectus, you shall be deemed to have represented to us that:

(1) you consent to delivery of such prospectus by electronic transmission, and

(2) either you or any customers you represent are:

  (a) (i) QIBs, or

    (ii) non-U.S. persons outside the United States and the e-mail address that you gave us and to which this e-mail has been delivered is not located in the United States, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any State of the United States or the District of Columbia; and

  (b) if you are a resident in a member state of the European Economic Area, you are a qualified investor.

Prospective purchasers that are QIBs are hereby notified that the seller of the notes offered under the prospectus may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A under the Securities Act.

You are reminded that the prospectus has been delivered to you on the basis that you are a person into whose possession the prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver the prospectus to any other person.

Under no circumstances shall the prospectus constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and any initial purchaser of the notes offered under the prospectus or any affiliate of any such initial purchaser is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such an initial purchaser or affiliate on behalf of the Issuer in such jurisdiction.

The prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the initial purchasers, any person who controls any initial purchaser, or any of their respective directors, officers, employees or agents accepts any liability or responsibility whatsoever in respect of any difference between the prospectus distributed to you in electronic format and the hard copy version available to you from the initial purchaser upon your request.

OCP S.A.

(a joint stock company organised and existing under the laws of the Kingdom of Morocco)

U.S.$1,000,000,000 4.50% Notes due 2025

Issue Price: 98.765%

The U.S.$1,000,000,000 4.50% Notes due 2025 (the "**Notes**") to be issued by OCP S.A. (the "**Issuer**" or "**OCP**") will mature and be redeemed at their principal amount on 22 October 2025. The Notes will bear interest from, and including 22 April 2015 (the "**Issue Date**") at a rate of 4.50% per year and will be payable semi-annually in arrear on 22 April and 22 October in each year. The first payment of interest in respect of the Notes will be made on 22 October 2015. Payments on the Notes will be made in U.S. Dollars without deduction for or on account of any Moroccan withholding taxes unless the withholding is required by law, in which case the Issuer will pay additional amounts in respect of such taxes, subject to certain exceptions as set forth in "*Terms and Conditions of the Notes—Condition 8*" and "*Taxation*".

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or any U.S. state securities laws and are not being offered and sold in the United States, or to, for the account of or for the benefit of, any U.S. persons, other than to qualified institutional buyers ("**QIBs**") (as defined in Rule 144A under the Securities Act ("**Rule 144A**")) pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Prospective purchasers that are QIBs are hereby notified that the seller of Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A (such Notes so offered and sold, the "**Rule 144A Notes**"). In addition, Notes are being offered outside the United States to persons other than U.S. persons as defined in and in reliance on Regulation S under the Securities Act ("**Regulation S**", and such Notes so offered and sold, the "**Regulation S Notes**"). Transfers of Notes are subject to the restrictions described under "*Transfer Restrictions*".

This prospectus (the "**Prospectus**") has been approved by the Central Bank of Ireland, as competent authority under Directive 2003/71/EC (the "**Prospectus Directive**"). The Central Bank of Ireland only approves this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Application has been made to the Irish Stock Exchange plc (the "**Irish Stock Exchange**") for the Notes to be admitted to the Official List (the "**Official List**") and trading on its regulated market. This Prospectus constitutes a prospectus for the purpose of the Prospectus (Directive 2003/71/EC) Regulations 2005 (the "**Prospectus Regulations**") (which implement the Prospectus Directive in Ireland). Reference in this Prospectus to being listed (and all date references) shall mean that such Notes have been admitted to trading on the regulated market of the Irish Stock Exchange.

Investing in the Notes involves risks. Please see "Risk Factors" beginning on page 21.

The Notes will be offered and sold in registered form in minimum denominations of U.S.$200,000 and any amount in excess thereof that is an integral multiple of U.S.$1,000. The Regulation S Notes will initially be represented by beneficial interests in a unrestricted global certificate (the "**Unrestricted Global Certificate**") in registered form without interest coupons attached, which will be registered in the name of Citivic Nominees Ltd, as nominee for, and shall be deposited on or about the Issue Date with, Citibank Europe Plc, as common depositary for, and in respect of interests held through, Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"). Beneficial interests in the Unrestricted Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream, Luxembourg and their participants. The Rule 144A Notes will initially be represented by a restricted global certificate (the "**Restricted Global Certificate**" and, together with the Unrestricted Global Certificate, the "**Global Certificates**") in registered form, without interest coupons attached, which will be deposited with a custodian (the "**Custodian**") for, and registered in the name of Cede & Co., as nominee of, The Depository Trust Company ("**DTC**") on or about the Issue Date. Beneficial interests in the Restricted Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its participants. See "*Clearing and Settlement*". Except as described herein, definitive registered certificates evidencing holdings of Notes issued in exchange for beneficial interests in the Global Certificates will be available only in certain limited circumstances. See "*The Global Certificates—Registration of Title*".

The Notes are expected to be rated BBB− by Standard & Poor's Credit Market Services Europe Limited ("**S&P**") and BBB− by Fitch Ratings Limited ("**Fitch**"). A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, reduction or withdrawal at any time by the assigning rating organisation. The credit ratings included or referred to in this Prospectus will be treated for the purposes of Regulation (EC) No 1060/2009 on credit rating agencies (the "**CRA Regulation**") as having been issued by S&P and Fitch, respectively. Each of S&P and Fitch is established in the European Union (the "**EU**") and is registered under the CRA Regulation. As such, each of S&P and Fitch is included in the latest update of the list of registered credit rating agencies published by the European Securities and Markets Authority on its website (http://www.esma.europa.eu/page/List-registered-and-certified-CRAs) in accordance with the CRA Regulation as at the date of this Prospectus. Any change in the rating of the Notes could adversely affect the price that a purchaser will be willing to pay for the Notes. See "*Risk Factors—Risks Relating to the Notes—Credit ratings may not reflect all risks*".

Joint Lead Managers

Barclays **Morgan Stanley**

The date of this Prospectus is 20 April 2015.

IMPORTANT NOTICE

No person has been authorised to give any information or to make any representation other than as contained in this Prospectus in connection with the offering of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Joint Lead Managers (as defined in "*Subscription and Sale*"). Neither the delivery of this Prospectus nor any offer or sale of the Notes made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date hereof. The Joint Lead Managers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Notes or to advise any investor in Notes of any information coming to their attention. This Prospectus may only be used for the purpose for which it has been published.

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The opinions, assumptions, intentions, projections and forecasts expressed in this Prospectus with regard to the Issuer are honestly held by the Issuer, have been reached after considering all relevant circumstances and are based on reasonable assumptions.

The Joint Lead Managers have not separately verified all the information contained in this Prospectus. Accordingly, no representation, warranty or undertaking, express or implied, is made, and no responsibility or liability is accepted, by the Joint Lead Managers as to the accuracy or completeness of the information contained in this Prospectus or any other information provided by the Issuer in connection with the Notes or their distribution. No Joint Lead Manager accepts any liability in relation to the information contained in this Prospectus or any other information provided by the Issuer in connection with the offer or sale of the Notes or their distribution.

This Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer or the Joint Lead Managers that any recipient of this Prospectus should purchase any of the Notes. Each investor contemplating purchasing Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and its consolidated subsidiaries and consolidated joint ventures (the "**Group**"). Neither this Prospectus nor any other information supplied in connection with the Notes constitutes an offer or invitation by or on behalf of the Issuer or any of the Joint Lead Managers to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer or the Group is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Notes is correct as of any time subsequent to the date indicated in the document containing the same.

The Notes have not been registered with, recommended by or approved or disapproved by the U.S. Securities and Exchange Commission ("SEC") or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities passed upon or endorsed the merits of the offering of the Notes or approved this Prospectus or confirmed the accuracy or determined the adequacy of the information contained in this Prospectus. Any representation to the contrary is a criminal offence in the United States.

This Prospectus does not constitute an offer to sell or an offer to buy in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction, nor does this Prospectus constitute an offer or an invitation to subscribe for or purchase any Notes and it should not be considered as a recommendation by the Issuer or any Joint Lead Manager that any recipient of this Prospectus should subscribe for or purchase any Notes. The distribution of this Prospectus and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Joint Lead Managers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes, see "*Subscription and Sale*" and "*Transfer Restrictions*".

Neither this Prospectus nor any other information supplied in connection with the offering of the Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or any of the Joint Lead Managers that any recipient of this Prospectus or any other information supplied in connection with the offer or sale of the Notes should purchase Notes. Each person contemplating making an investment in the Notes must make its own investigation and

analysis of the creditworthiness of the Issuer and its own determination of the suitability of any such investment, with particular reference to its own investment objectives and experience, and any other factors that may be relevant to it in connection with such investment. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in this Prospectus or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal and interest payments is different from the potential investor's currency;
- understand thoroughly the terms of the Notes and be familiar with the behaviour of financial markets in which they participate; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

None of the Issuer, the Joint Lead Managers or any of their respective representatives is making any representation to any offeree or purchaser of the Notes (or beneficial interests therein) regarding the legality of any investment by such offeree or purchaser under applicable legal investment or similar laws. Each investor should consult with its own advisers as to the legal, tax, business, financial and related aspects of an investment in the Notes.

IN CONNECTION WITH THE ISSUE OF THE NOTES, MORGAN STANLEY & CO. INTERNATIONAL PLC (THE "STABILISING MANAGER") (OR ANY PERSON ACTING FOR THE STABILISING MANAGER) MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILISING MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILISING MANAGER) WILL UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE NOTES IN EACH SERIES AND 60 DAYS AFTER THE DATE OF THE INITIAL ALLOTMENT OF THE NOTES IN EACH SERIES. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE STABILISING MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILISING MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

This Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States, the resale of the Notes in the United States in reliance on Rule 144A under the Securities Act and the admission of the Notes to the Official List and to trading on the Market. The Issuer and the Joint Lead Managers reserve the right to reject any offer to purchase Notes, in whole or in part, for any reason. This Prospectus does not constitute an offer to any person in the United States other than any QIB to whom an offer has been made directly by one of the Joint Lead Managers or its U.S. broker-dealer affiliate. Distribution of this Prospectus to any person within the United States, other than any QIB and those persons, if any, retained to advise such QIB with respect thereto, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any person within the United States, other than any QIB and those persons, if any, retained to advise such QIB, is prohibited.

NOTICE TO NEW HAMPSHIRE RESIDENTS ONLY

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENCE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ("RSA 421 B") WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY

DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

FORWARD-LOOKING STATEMENTS

Certain statements included herein may constitute "forward-looking statements". Such statements, certain of which can be identified by the use of forward-looking terminology such as "believes", "expects", "may", "are expected to", "intends", "will", "will continue", "should", "could", "would be", "seeks", "approximately", "estimates", "predicts", "projects", "aims" or "anticipates", or similar expressions or the negative thereof or other variations thereof or comparable terminology, or by discussions of strategy, goals, objectives, future events, plans or intentions, involve a number of risks and uncertainties. Such forward-looking statements are necessarily dependent on assumptions, data or methods that may be incorrect or imprecise and that may be incapable of being realised. These forward-looking statements include matters that are not historical facts. They appear in a number of places throughout this Prospectus and include statements regarding the Issuer's current intentions, plans, estimates, assumptions, programmes, beliefs and expectations.

Factors that could cause actual results to differ materially from the Issuer's expectations are contained in cautionary statements in this Prospectus and include, among other things, the following:

- price fluctuations in the markets for phosphates and phosphate products and related fluctuations in demand for such products;
- overall global economic and business conditions, including commodity prices and currency fluctuations;
- incidents or conditions affecting the export of phosphate and phosphate products;
- changes in government policies and regulations in the Group's export markets affecting the fertiliser and agricultural industries;
- changes in the regulations and policy of the Government of the Kingdom of Morocco (the "**Government**"), including with respect to the Group's activities, mining, environmental and health and safety regulations;
- competitive strengths of the Group's competitors and worldwide supply of phosphate products and fertilisers;
- operational limitations, including equipment failures, labour disputes and processing limitations;
- unplanned events or accidents affecting the Group's operations or facilities;
- the successful implementation of the Group's strategy and capital expenditure programme;
- the ability of the Group to maintain or increase its market share for its products and control expenses;
- the ability of the Group to implement any potential acquisition or partnerships and acquire such interests on terms proposed by the Group;
- changes in the Group's transportation and production costs and supply of raw materials;
- mining risks and the continuity of operation of the Group's mines, plants and production facilities;
- exchange rate and interest rate risks;
- the ability of the Group to obtain financing on commercially acceptable terms;
- supply of skilled labour and labour disputes;
- changes in tax requirements, including tax rate changes, new tax laws and revised tax law interpretations;
- economic and political conditions in the Kingdom of Morocco ("**Morocco**") and international markets, including governmental changes;

- the impact of regional tensions, including on the Group's ability to extract and transport its principal products; and
- the other factors discussed in more detail under "*Risk Factors*."

The list of factors relating to forward-looking statements is not exhaustive. Such forward looking statements only speak as at the date on which they are made.

The sections of this Prospectus entitled "*Risk Factors*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" contain a more complete discussion of the factors that could affect the Group's future performance and the industry in which it operates. In light of these risks, uncertainties and assumptions, the forward-looking events described in this Prospectus may not occur.

The Issuer is not obliged to, and does not intend to, update or revise any forward-looking statements made in this Prospectus whether as a result of new information, future events or otherwise. The Issuer and the Group do not make any representation, warranty or prediction that the results anticipated by such forward looking statements will be achieved. Such statements represent, in each case, only one of the range of possible scenarios that could occur and should not be viewed as the most likely scenario. All subsequent written or oral forward-looking statements attributable to the Issuer or the Group, or persons acting on their behalf, are expressly qualified in their entirety by the cautionary statements contained throughout this Prospectus. As a result of these risks, uncertainties and assumptions, a prospective purchaser of the Notes should not place undue reliance on these forward-looking statements.

ENFORCEMENT OF FOREIGN JUDGMENTS

The Issuer is a *société anonyme*, or joint stock company, organized under the laws of Morocco. A majority of the members of the Board of Directors and all of the executive officers of the Issuer are residents of Morocco, and the substantial majority of the assets of the Group and of such persons are located in Morocco. As a result, it may not be possible for investors to effect service of process upon the Issuer or such persons outside Morocco or to enforce judgments obtained against such parties outside Morocco.

According to the Moroccan Code of Civil Procedure, any judgment obtained against the Issuer in any court other than the courts of Morocco in respect of any legal suit or proceeding arising out of or relating to the Notes will be enforced by the courts of Morocco without further review of the merits only if the foreign judgment satisfies the following conditions:

- the foreign judgment must have been issued by a court competent to do so under the law of the relevant country;
- the foreign judgment must be final and enforceable in the country in which it was rendered;
- the defendant must have been properly served with legal process with respect to the proceeding in which the foreign judgment was rendered and due process must have been observed in connection with the proceeding;
- the foreign judgment must not be contrary to Moroccan public policy; and
- a final judgment in the same case between the same parties must not have been rendered by a Moroccan court.

PRESENTATION OF FINANCIAL AND CERTAIN OTHER INFORMATION

The Group is required to maintain its books of account in Dirhams in accordance with Moroccan accounting and tax regulations. The financial information of the Group set forth in this Prospectus has, unless otherwise indicated, been derived without material adjustment from its audited consolidated financial statements as at and for each of the years ended 31 December 2014, 2013 and 2012 (together with the accompanying notes thereto) (the "**Financial Statements**"). The Financial Statements were prepared in accordance with International Financial Reporting Standards ("**IFRS**") issued by the International Accounting Standards Board (the "**IASB**") and as adopted by the European Union and have been audited by EY and Deloitte Audit in accordance with International Standards on Auditing.

The Financial Statements were prepared in French and have been translated into English. The French-language version of the Financial Statements is available from the specified offices of each of the Paying and Transfer Agents (as defined below). In the event of any discrepancy between the

French-language version of the Financial Statements and the English-language version of the Financial Statements, the French-language version shall prevail.

Certain amounts, which appear in this Prospectus, have been subject to rounding adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures, which precede them.

Other Financial Information

This Prospectus includes non-IFRS measures and ratios, including Adjusted EBIT, Adjusted EBITDA, net financial debt and net debt that are not required by, or presented in accordance with, IFRS. The Group's management believes that the presentation of these non-IFRS measures is helpful to investors because these and other similar measures are widely used by certain investors, security analysts and other interested parties as supplemental measures of performance and liquidity. However, Adjusted EBIT, Adjusted EBITDA, net financial debt, net debt and other non-IFRS measures should not be considered in isolation and potential investors should not construe these non-IFRS measures as an alternative to net income determined in accordance with IFRS or to cash flows from operations, investing activities, financing activities or other measures of performance as defined by IFRS. These measures do not reflect the Group's capital expenditure or future requirements for capital expenditure, and do not reflect changes in, or cash requirements for, the Group's capital needs. They have not been prepared in accordance with SEC requirements, IFRS or the accounting standards of any other jurisdiction. The financial information included in this Prospectus is not intended to comply with the reporting requirements of the SEC and will not be subject to review by the SEC. In addition, the Group's Adjusted EBIT, Adjusted EBITDA, net financial debt, net debt and other non-IFRS measures may not be comparable to similarly titled measures used by other companies.

The Group calculates Adjusted EBIT as net profit for the period plus corporate income tax, financial profit, other non-current operating income and expenses and non-current depreciation and amortisation. The Group calculates Adjusted EBITDA as Adjusted EBIT plus current depreciation and amortisation. The Group calculates net financial debt as debt minus cash and cash equivalents and cash financial assets. The Group calculates net debt as net financial debt plus liabilities related to employee benefits, pension and health insurance. Adjusted EBIT, Adjusted EBITDA, net financial debt, net debt and other non-IFRS measures should not be considered in isolation or as an alternative to results from operating activities, cash flow from operating activities or other financial measures of the Group's results of operations or liquidity reported in accordance with IFRS. The Issuer has included Adjusted EBIT, Adjusted EBITDA, net financial debt, net debt and other non-IFRS measures in this Prospectus because it believes that they are useful measures of the Issuer's performance and liquidity. Other companies, including those in the Group's industry, may calculate similarly titled financial measures differently from the Issuer. As all companies do not calculate these financial measures in the same manner, the Issuer's presentation of such financial measures may not be comparable to other similarly titled measures of other companies. These non-IFRS measures are not audited. A reconciliation of Adjusted EBIT and Adjusted EBITDA to net profit for the period is included in "*Summary Consolidated Financial Data and Other Information*".

Certain Reserves, Production and Other Information

Certain of the estimates contained in this Prospectus, in particular with respect to reserves and production figures (including statistical data and other information relating to the phosphates industry in Morocco) have been based on the Issuer's own estimates, information obtained from trade and business organisations, the U.S. Geological Survey ("**USGS**") and other third parties. The Issuer believes these estimates to be accurate in all material respects as at the dates indicated. However, this information may prove to be inaccurate because of the method by which the Issuer obtained some of the data for these estimates or because this information cannot always be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other inherent limitations and uncertainties.

Certain Definitions and Terminology

Certain defined terms are used in this Prospectus. See *Appendix I* for a list of frequently used defined terms. Additionally, see *Appendix II* for a glossary of measurement and technical terms used in this Prospectus.

Certain Third Party Information

Statistical data and other information appearing in this Prospectus relating to the phosphates industry in Morocco have, unless otherwise stated, been based on information obtained from the Group. In addition, certain statistical data relating to Morocco appearing in the section headed "*Risk Factors*" and elsewhere in this Prospectus has been extracted from documents and other publications released by Bank Al-Maghrib, the Central Bank of Morocco (the "**Central Bank**"), the Moroccan Ministry of Economy and Finance and other Government sources.

This Prospectus includes market share and industry data, which the Group obtained from industry publications and surveys, industry reports prepared by consultants, internal surveys and customer feedback. The market, economic and industry data has primarily been derived and extrapolated from reports provided by the World Bank, the United Nations Food and Agriculture Organisation ("**FAO**"), the United States Environmental Protection Agency ("**EPA**"), the United States Department of Agriculture ("**USDA**"), the International Plant Nutrition Institute ("**IPNI**"), the USGS, the International Fertilizer Industry Association ("**IFA**"), Fertecon, CRU, Arab Fertilizer Association, Argus and publicly available sources.

Third-party sources generally state that the information they contain has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed and that the projections they contain are based on significant assumptions. The Group believes that third-party sources, to the extent quoted or referred to herein, are reliable, but the Group has not independently verified them and cannot guarantee their accuracy or completeness. The Group confirms that all third-party information has been accurately reproduced and that as far as the Group is aware and is able to ascertain from the information published by such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading. However, the Group accepts no further responsibility in respect of such information. None of the third-party sources has made any representation, express or implied, and has not accepted any responsibility, with respect to the accuracy or completeness of any of the information contained in this Prospectus. Where third-party information has been used in this Prospectus, the source of such information has been identified.

In addition, certain information in this Prospectus is not based on published data obtained from independent third parties or extrapolations thereof but on information and statements reflecting the Group's best estimates based upon information obtained from trade and business organisations and associations, consultants and other third parties, information published by the Group's competitors, and the Group's senior management team's business experience and experience in the industry. The Group cannot assure that any of the assumptions that it has made in compiling this data are accurate or correctly reflect the Group's position in its markets.

Similar statistics may be obtainable from other sources, although the underlying assumptions and methodology, and consequently the resulting data, may vary from source to source. Although every effort has been made to include in this Prospectus the most reliable and the most consistently presented data, the Issuer cannot guarantee that such data has been compiled or prepared on a basis consistent with international standards. In particular, any discussion of matters relating to Morocco in this Prospectus is, therefore, subject to uncertainty due to concerns about the reliability of available official and public information.

EXCHANGE RATES

For ease of presentation, certain financial information included herein is presented as translated into U.S. Dollars and Euros. As at 6 April 2015, the closing exchange rates, expressed as an average of the selling and buying rate as quoted by the Central Bank were U.S.$1 = Dh 9.7535 and €1 = Dh 10.7610.

The following tables set forth the exchange rate history for the periods indicated, expressed in Dirhams per U.S. Dollar and not adjusted for inflation, as published by the Central Bank.

	Low	High	Average	Period End
		(Dh per U.S.$1.00)		
2015 (up to and including 6 April 2015)	9.1108	10.1405	9.6281	9.7535
2014	8.0714	9.0419	8.4072	9.0419
2013	8.1382	8.6717	8.4097	8.1516
2012	8.3067	9.0627	8.6290	8.4390
2011	7.6294	8.5921	8.0835	8.5651

Source: Central Bank.

The following tables set forth the exchange rate history for the periods indicated, expressed in Dirhams per Euro and not adjusted for inflation, as published by the Central Bank.

	Low	High	Average	Period End
		(Dh per €1.00)		
2015 (up to and including 6 April 2015)	10.6480	10.9495	10.7978	10.7610
2014	10.9695	11.254	11.1554	10.9695
2013	11.0240	11.2345	11.1537	11.2305
2012	10.9635	11.1845	11.0905	11.1465
2011	11.1015	11.3835	11.2504	11.1095

Source: Central Bank.

The rates in the above tables may differ from the actual rates used in the preparation of the information appearing in this Prospectus. The inclusion of these exchange rates is not meant to suggest that any amount of the currencies specified above has been, or could be, converted into the applicable currency at the rates indicated or at any other rate.

EXCHANGE CONTROL REGULATIONS IN MOROCCO

There are no restrictions on the payment of principal and interest on the Notes from Morocco. The Dirham is convertible for all current transactions, as well as for some capital transactions, notably capital repatriation by foreign investors. The Dirham is not, however, convertible outside of Morocco. All foreigners, whether or not they are resident in Morocco, are entitled to open a bank account in Morocco (either in foreign currencies or convertible Dirhams) and to make deposits from overseas. Moroccan exchange control regulations permit Moroccan banks to accept foreign currency deposits freely and to place funds in foreign currencies to facilitate client transactions and to finance imports and exports in foreign currencies within certain limits.

The Central Bank sets an exchange rate on a daily basis for the Dirham against a basket of currencies of Morocco's principal trading partners. Exchange control is administered by the Office of Foreign Exchange, an agency operating under the auspices of the Ministry of Economy and Finance.

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OVERVIEW

This overview does not contain all of the information that may be important to prospective investors and, therefore, should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Prospectus, the Financial Statements and the notes thereto and the other financial information contained in this Prospectus. Prospective investors should also carefully consider the information set forth in "Risk Factors" prior to making an investment decision. Any decision to invest in the Notes should be based on the consideration of this Prospectus as a whole by prospective investors.

The Group

The Group is a leading vertically-integrated fertiliser company involved in the extraction, production and commercialisation of: (i) phosphate rock; (ii) phosphoric acid (including purified phosphoric acid); and (iii) phosphate-based fertilisers. The Group is the largest producer of phosphate rock and phosphoric acid, and the second largest producer of phosphate-based fertilisers (DAP, MAP and TSP), globally (by volume), based on company information and publicly available data of competitors. The Group's mining activities are based in Morocco and focus on the extraction, treatment, enrichment and delivery of phosphate rock to its processing facilities in Jorf Lasfar and Safi, as well as the export of phosphate rock to its customers in approximately 35 countries. The Group processes approximately two-thirds of its phosphate rock production into phosphoric acid, a significant part of which is in turn further processed into phosphate-based fertilisers. In addition to phosphoric acid, the Group produces and exports four major types of phosphate-based fertilisers: monoammonium phosphate ("**MAP**"), diammonium phosphate ("**DAP**"), nitrogen-phosphorus potassium ("**NPK**") and triple superphosphate ("**TSP**"). The Group also recently started producing a number of specialised fertiliser products, such as sulphur-enriched fertilisers, reactive phosphate rock, fertilisers enriched with micronutrients and feed phosphate products. The Group sells its products to other industrial companies, including integrated and non-integrated players, large and established traders and distributors.

For the year ended 31 December 2014, the Group's total revenue was Dh 41.4 billion, its Adjusted EBITDA was Dh 11.4 billion and its net profit for the period was Dh 5.1 billion. The Group's total assets were Dh 128.2 billion as at 31 December 2014.

According to the USGS Report of January 2015, approximately 75% of the world's largest reserves of phosphate rock are located in Morocco (including Western Sahara, referred to as the "**Southern Provinces**" herein), and under Moroccan law, the Group has exclusive access to Morocco's phosphate reserves. All of the Group's mining activities are conducted at open-pit mines. The Group operates ten phosphate rock mines at three locations in central Morocco (six at Khouribga, three at Gantour (Ben Guerir and Youssoufia) and one in the Southern Provinces (Boucraa)), with a combined annual production capacity of 32.4 million tonnes per year. The average P_2O_5 content of the phosphate rock currently mined by the Group is approximately 31%, based on IFA estimates

The Group operates processing plants in two locations on the Atlantic coast in central Morocco: Jorf Lasfar, which receives phosphate rock principally from the mines at Khouribga; and Safi, which receives phosphate rock principally from the mines at Gantour.

- At the Jorf Lasfar site, the Group operates a number of facilities that have a total nominal production capacity of 6.2 million tonnes of fertilisers and 3.3 million tonnes of phosphoric acid per year, including the nominal production capacity of its joint ventures IMACID and PMP, which have a combined production capacity of 0.8 million tonnes of phosphoric acid per year, and EMAPHOS, which has a production capacity of 0.15 million tonnes of purified phosphoric acid per year.
- At the Safi site, the Group's facilities have a nominal production capacity of 1.5 million tonnes of phosphoric acid, 1.0 million tonnes of TSP and 0.3 million tonnes of feed phosphate products per year.

The Group has also entered into production joint ventures and has direct or indirect interests in processing plants in Belgium, Brazil, France, India and the United States.

The Group is currently able to export phosphate rock from the ports of Casablanca, Jorf Lasfar and Safi, as well as the wharf at Laâyoune, phosphoric acid and phosphate-based fertilisers from the ports of Jorf Lasfar and Safi, and feed phosphate products from the port of Safi.

As part of its Capital Expenditure Programme, the Group has undertaken or plans to undertake a number of industrial projects designed to improve operational and cost efficiency and increase its nominal production capacity, including:

- increasing the mining capacity of Khouribga and Ben Guerir by approximately 26 million tonnes with the opening of three mining facilities and the construction of four beneficiation plants;
- expanding the fertiliser and phosphoric acid production capacity at Jorf Lasfar and Safi;
- completing slurry pipelines from Khouribga to Jorf Lasfar and Gantour to Safi, which are intended to transport up to 48 million tonnes of rock per year and generate significant savings on transportation costs by transporting phosphate rock by pipeline rather than by rail. The slurry pipeline from Khouribga to Jorf Lasfar was completed in April 2014; and
- expanding the port and storage facilities and water-related infrastructure at Jorf Lasfar to accommodate increased production and optimise the Group's operational flexibility.

Strengths

The Group believes that its principal strengths and competitive advantages include the following:

A Global Leader across the Phosphate Value Chain

The Group is the largest producer of phosphate rock and phosphoric acid, and the second largest producer of phosphate-based fertilisers (DAP, MAP and TSP), globally (by volume), based on company information and publicly available data of competitors. The Group has leading positions in production and trade volumes across the phosphate value chain. As at 31 December 2014, the Group had annual production capacity of phosphate rock, phosphoric acid and fertilisers of 32.4 million tonnes, 4.8 million tonnes and 7.5 million tonnes, respectively. In 2013 the Group accounted for approximately 33%, 47% and 17% of the global phosphate rock, phosphoric acid and fertiliser trade, respectively, according to IFA. The Group believes its vertically-integrated business model across the phosphate value chain provides flexibility optimising its product mix between phosphate rock, phosphoric acid and fertilisers, which allows it to maximise margins and optimise capacity utilisation according to demand. In addition, the Group benefits from the substantial industry expertise and experience gained during its past 95 years of phosphate production.

Large and Quality Reserve Base which Constitutes a Natural Barrier to Entry

According to the USGS Mineral Commodities Summaries published in January 2015, Morocco (including Western Sahara, or the Southern Provinces as referred herein) has the largest phosphate rock reserves in the world with 50 billion tonnes (more than 13 times larger than the world's second largest reserves located in China), and under Moroccan law, the Group has exclusive access to Morocco's phosphate reserves. The Group estimates that economically-exploitable reserves account for several hundred years of global phosphates consumption (at current consumption levels). The average P_2O_5 content of the phosphate rock currently mined by the Group is approximately 31%, based on IFA estimates.

Due to the significantly larger reserve base, high average quality P_2O_5 content and low extraction costs, the Group believes it is one of the lowest cost producers of phosphate rock in the industry. Fertiliser producers that do not have access to their own phosphate rock reserves tend to have higher production costs, and experience significant difficulties when the market price of the phosphate rock they consume increases faster than the prices of their products, which may require them to reduce production or stop production altogether when such prices are particularly high relative to the prices of their products. Lack of access to phosphate rock reserves, in addition to high capital investments required, significant infrastructure facilities and lack of technical know-how, act as a significant barrier to entry for any producer seeking to enter the market on a significant scale and compete with the Group in relation to sales of phosphate rock, phosphoric acid and phosphate-based fertilisers.

Low-Cost Position in Phosphate Rock and Phosphate-Based Fertilisers

The Group believes that it is one of the lowest cost producers of phosphate rock in the industry. This is a result of three principal factors: (i) the Group's relatively high-quality phosphate rock reserves, which lowers processing and production costs; (ii) the reserves to which the Group has exclusive access are mined using open-pit sites and are located in close proximity to ports, the processing facilities at Jorf Lasfar

(the "**Jorf Phosphate Hub**") and Safi; and (iii) the geographic position of Morocco which permits the Group to have access to efficient shipping routes in terms of freight costs and time of delivery to key export markets. The CRU Phosphate Rock Cost Report 2015 states that the Group's mines are among the lowest in terms of cash costs in 2014. The Group began operating a slurry pipeline in April 2014 to transport phosphate rock from Khouribga to Jorf Lasfar, which is another factor contributing to its cash cost leadership. In addition, the majority of the Group's mining operations, chemical plants and port operations are concentrated in a relatively small area in central Morocco, which allows the Group to benefit from operational synergies as well as economies of scale.

Balanced Product Portfolio and International Footprint

The Group is present in all segments of the phosphate value chain, from the extraction of phosphate rock and the production of phosphoric acid to the production of phosphate-based fertilisers. Apart from purchases of sulphur and ammonia (and to a lesser extent sulphuric acid, potash and micronutrients) from third-parties, the Group is self-sufficient in all three segments. The Group believes its vertically-integrated business model across the phosphate value chain provides flexibility in optimising its product mix between phosphate rock, phosphoric acid and fertilisers, which allows it to maximise margins and optimise capacity utilisation according to demand.

The Group is present in all global major markets and its customer base comprises over 150 customers on all five continents. The Group is, therefore, able to mitigate decreases in sales in regions where there is poor demand by shifting sales to other regions, which creates a natural hedge against adverse events in any given market or region. For 2014, the Group's largest single customer accounted for 4.4% of the Group's total revenue and, accordingly, the Group is not dependent on any single customer. In addition, the Group's export sales are balanced between Asia/Oceania, Europe, Latin America, North America and Africa, which accounted for 30.9%, 27.8%, 20.8%, 14.1% and 6.4% of total export sales in 2014 respectively. As a result, the Group believes it is able to both reduce its exposure to adverse events and increase its sales where favourable conditions prevail, which, in turn, allows the Group to seek higher profitability margins. The location of the Group's operations in Morocco also gives the Group a competitive advantage in terms of time to market as compared to its main competitors, especially when combined with low-cost transportation in certain key export markets, including South America, Europe, West Africa and the United States.

Growth Industry, Underpinned by Sustainable Long-Term Trends

Given P_2O_5's role as an essential soil nutrient in agricultural production, the Group believes that it is well positioned to benefit from the strong fundamentals of the global agricultural industry, which, to a large extent, are driven by: (i) population growth; (ii) the reduction in available arable land per capita; and (iii) increase in consumption of meat and dairy in emerging markets. Global phosphate fertiliser demand is projected to grow at a compound annual growth rate ("**CAGR**") of 2.1% from 2014 to 2018, according to IFA. The Group believes that higher agricultural commodity prices and an improved economic environment following the global financial crisis provide a favourable background for investment in fertilisers by farmers and growers.

The Group believes that the long-term growth in demand for fertilisers will principally be driven by the need to increase crop production primarily due to the world's growing population, which is projected to increase to 9.6 billion people by 2050, an increase of 39% from 2010, according to the FAO. In addition, in light of the expected growth of the world's population and the expected reduction of available arable land per capita stemming in part from increased urbanisation and industrialisation, the area of arable land per capita is expected to decrease by 21% globally between 2010 and 2050 to approximately 0.18 hectares per person, according to the FAO. As a result of the limited ability to expand the existing stock of arable land, it will be necessary to increase yields on the existing fields to improve crop yields and meet future anticipated demand for food, which in turn is expected to increase demand for fertilisers, according to the FAO. Accordingly, the FAO estimates that an increase of approximately 80% in global crop production will be required by 2050 to meet global food demand.

In addition, an increase in per capita income, especially in emerging markets, such as Brazil, China and India, is leading to changes in dietary habits. According to the FAO, world meat consumption is projected to grow by 1.5% per year on average until 2022, while emerging market countries meat consumption is projected to grow by 2.0% per year on average during the same period. Higher consumption of meat

results in increased demand for fertilisers (due to higher demand for crops used as feed for livestock) and feed phosphate products.

Strong Financial Position and Flexible Investment Programme to Further Improve the Group's Cost Position

As described in more detail in *"—Strategy—Improve Efficiency and Increase Industrial Capacity"* below, in 2008 the Group launched its Capital Expenditure Programme, which the Group believes will improve its operating performance and help the Group strengthen its positions across the phosphate value chain. The Group's Capital Expenditure Programme involves the development of three new mines, the development of mining infrastructure, the construction of the Khouribga to Jorf Lasfar slurry pipeline (completed in April 2014), the construction of a slurry pipeline from Gantour to Safi, as well as the development of the Jorf Phosphate Hub, among other projects and initiatives. The Group has structured the Capital Expenditure Programme in various phases to 2025, allowing the Group significant flexibility in developing the programme according to the Group's cash position and market conditions. The Group also expects the Capital Expenditure Programme to further lower its cost position and increase the Group's profitability over the medium- to long-term.

The Group's low production cost has enabled it to preserve margins and maintain positive cash flow generation, even in periods of sustained low phosphate rock and fertiliser prices. The Group has a cautious approach to liquidity with significant undrawn lines of credit available to it. The Group's net financial debt has increased in recent years, from Dh (10.7) billion as at 31 December 2012 to Dh 10.6 billion as at 31 December 2013 and Dh 26.2 billion as at 31 December 2014, as the Group invested in its Capital Expenditure Programme. The Group expects its leverage ratios to continue to increase manageably in connection with its Capital Expenditure Programme. Despite these increases, the Group expects that its net financial debt levels will remain consistent with its objective of maintaining its investment grade rating, with a maximum target net financial debt to Adjusted EBITDA ratio of 2.5x.

Highly Experienced Management Team

The Group has a strong and experienced senior management team, who have a detailed knowledge of, and experience in, the fertiliser industry and provides the Group with the skills and expertise required to implement its strategy and Capital Expenditure Programme. The Group's senior management team combines extensive industry and marketing experience with financial and management expertise. In addition, in 2008 the Group has undergone major structural changes, from the *Office Chérifien des Phosphates*, a state-owned organisation earning royalties based on volume, to becoming a joint stock company (*société anonyme*) with a new governance structure and a decentralized, more flexible and profit-driven organisation.

Strategy

The Group's goal is to strengthen its position as a leading integrated phosphate producer and maintain flexible positioning across the value chain, by focusing on the following priorities:

Improve Efficiency and Increase Industrial Capacity

The Group is engaged in a significant Capital Expenditure Programme to enhance its leading positions through improved efficiency and increased capacity across the entire phosphate value chain. First, it is expanding its phosphate rock production by approximately 26 million tonnes at its mining sites in Khouribga and Ben Guerir with the development of three mines and the construction of four beneficiation plants. Second, the Group is expanding its fertiliser and phosphoric acid production capacity at the Jorf Phosphate Hub, by constructing four fully integrated fertiliser production units which are expected to become operational in a modular ramp-up starting in the second quarter of 2015 through to the fourth quarter of 2016, and potentially six additional units in accordance with market demand. The first fertiliser unit is already complete and is currently being tested. Each of these units is expected to have an annual production capacity of one million tonnes of fertiliser. The Group has also constructed two granulation plants in 2013, which have a combined annual production capacity of 1.7 million tonnes. As part of the expansion of the Jorf Phosphate Hub, the Group is also expanding, amongst other things, its port and storage facilities and water-related infrastructure to accommodate such increased production. Third, in April 2014, it launched a new slurry pipeline to transport phosphate rock from Khouribga to Jorf Lasfar (with a length of 234 km, including secondary pipes, and an annual capacity of up to 38 million tonnes). The Group also plans to construct a second slurry pipeline from Gantour to Safi (with a length of 155 km

and an annual capacity of up to 10 million tonnes). The slurry pipelines are intended to replace more expensive transport by train and significantly reduce the Group's transportation costs. The slurry pipelines will also eliminate the need for drying procedures required for transporting phosphate rock by train. Other significant planned long term investments include: the development of the Safi complex through the addition of further integrated fertiliser production units, along with associated infrastructure, including port expansion; the development of a port and a potential fertiliser unit in Laâyoune and other facilities in connection with new product development initiatives. The Group may, in the future, consider opening a new mining front in Meskala to address long-term demand. The Group has structured the Capital Expenditure Programme in various phases to 2025, allowing significant flexibility in developing the programme according to the Group's cash position and market conditions.

Based on its current plans and estimates and in accordance with its Capital Expenditure Programme, the Group expects its annual production capacity of phosphate rock to increase from 32.4 million tonnes in 2014 to 38.4 million tonnes in 2017 and 57.0 million tonnes in 2025, of phosphoric acid from 4.8 million tonnes in 2014 to 7.1 million tonnes in 2017 and 11.6 million tonnes in 2025, and of fertilisers from 7.5 million tonnes in 2014 to 11.3 million tonnes in 2017 and 22.2 million tonnes in 2025.

These planned capacity increases of the Group's Capital Expenditure Programme are expected to help the Group strengthen its position across the phosphate value chain. Based on current plans, the total estimated costs of the Capital Expenditure Programme since its launch in 2008 to 2025 are approximately U.S.$[1]21 billion (Dh 189 billion), with U.S.$4 billion (Dh 37.1 billion) already incurred between 2008 and 2014. During the period from 1 January 2008 to 31 December 2014, approximately US$6 billion (Dh 54.7 billion) was contractually committed on the Capital Expenditure Programme. The costs of the Capital Expenditure Programme are expected to be funded from internally-generated cash flows, existing and future external financings and the proceeds of the Notes. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Capital Expenditures*".

Reinforce Cost Leadership

The Group believes that it is one of the lowest cost producers of phosphate rock in the industry. As part of its strategy, the Group is actively engaged in improving the efficiency and cost of its operations, in particular, its mining and transportation activities, through the implementation of new technologies, processes and procedures. In particular, the use of slurry pipelines as compared to rail is expected to substantially reduce the Group's transportation costs. Furthermore, the development of the Jorf Phosphate Hub allows the Group to increase its capacity production levels while optimizing the Group's costs by leveraging existing platforms and centralizing some of the industrial operations.

Increase Commercial Agility and Industrial Flexibility

The capacity expansion and efficiency improvements of the Capital Expenditure Programme are designed to increase the flexibility provided by the Group's vertically-integrated upstream, midstream and downstream phosphate operations. By further increasing its ability to optimise its product mix between phosphate rock, phosphoric acid and fertilisers in line with demand and market conditions, the Group believes it will be better able to maximise its margins and capacity utilisation. The Group is also able to leverage its global presence to selectively place its products according to market demand and margin attractiveness. In addition, the Group intends to pursue strategic partnerships focused primarily on achieving synergies with or complementing its existing business, operations and product range, increasing its flexibility of production and serving selected target markets, including potential material investments in Africa. See *"—Recent Developments"*, below. The Group created representation offices in Singapore in August 2014 and Ivory Coast in February 2015. The Group also plans to open representation offices or establish wholly-owned subsidiaries in certain key export markets in the future, including China, the United Arab Emirates and the United States.

The Issuer

The *Office Chérifien des Phosphates*, the first forerunner of the Issuer, was established on 7 August 1920. The *Office Chérifien des Phosphates* became a joint stock company (*société anonyme*) in 2008 and was

1 For convenience, these figures have been translated into U.S.$ at the Dh/U.S.$ exchange rate published by the Central Bank as at 31 December 2014, which was Dh 9.0419 per U.S.$1.00. Such translation is not reflective of a translation in accordance with IFRS and it should not be construed as a representation that the Dh amounts have been or could be converted into U.S. Dollars at this rate or any other rate.

renamed OCP S.A. The Issuer is 94.12% owned by the Moroccan State. The remaining interests in the Issuer are held by BCP (4.57%), SADV (0.88%) and Infra Maroc Capital (0.43%). BCP is a major Moroccan bank which is partially owned by the Issuer (4.2%). SADV is wholly-owned by the Issuer. Infra Maroc Capital is wholly-owned by BCP. The registered office and principal place of business of the Issuer is 2-4, Rue Al Abtal, Hay Erraha, BP 5196 Casablanca, Morocco, and its telephone number is +212 5 22 23 00 25. The Issuer is incorporated as a joint stock company (*société anonyme*) under the laws of the Kingdom of Morocco and is registered in the Casablanca Commercial Registry under number 40327.

Recent Developments

New drawdown with European Investment Bank

On 9 April 2015, the Issuer drew U.S.$43.8 million, under the European Investment Bank loan facility signed in December 2011, which bears interest at a fixed rate.

Dividend payment

On 27 March 2015, the Issuer made a gross dividend payment of Dh 1,250,583,750 based on profits for the year ended 31 December 2014.

Acquisition of 10% of Fertilizantes Heringer S.A.

In January 2015, the Issuer completed the acquisition, through its subsidiary OCP International, of approximately 10% of the shares in Fertilizantes Heringer S.A. for R$ 145,415,034.00 (approximately U.S.$ 55 million as of 12 January 2015) by way of capital increase. Fertilizantes Heringer S.A. also signed a long-term supply agreement with the Issuer and an industrial consignment agreement with OCP Fertilizantes Ltda, both relating to phosphate based products.

New Loan Agreements with Moroccan banks

In January 2015, the Issuer entered into two loan agreements with two Moroccan banks for Dh 1.5 billion each in connection with capital expenditure funding. The loans bear interest at a fixed rate and mature in December 2020 and December 2021 respectively.

In March 2015, the Issuer entered into a loan agreement with a Moroccan bank for Dh 2.0 billion in connection with capital expenditure funding. The loan bears interest at a fixed rate and matures in March 2020. In March 2015, the Issuer drew down Dh 1 billion under this loan agreement.

Strategic Partnership in the Republic of Gabon

In March 2014, the Issuer and representatives of the Gabonese government signed a preliminary memorandum of understanding in which they agreed to a non-binding strategic partnership in the field of natural gas, ammonia and fertilisers. This preliminary memorandum of understanding was further developed in December 2014 by another non-binding agreement between the parties, which describes the strategic partnership in further detail and the pre-requisites to be fulfilled by each party prior to implementing such strategic partnership. The strategic partnership contemplates the potential joint ownership and operation of (i) two productions units of phosphoric acid and one fertiliser granulation plant in Morocco (using the Group's phosphate rock) and (ii) an ammonia production unit (using Gabonese gas) and one fertiliser granulation plant in Gabon.

SUMMARY CONSOLIDATED FINANCIAL DATA AND OTHER INFORMATION

The tables below set forth the Group's summary consolidated financial data as at and for the years ended 31 December 2014, 2013 and 2012. The selected financial data as at and for the years ended 31 December 2014, 2013 and 2012 has been extracted from the Financial Statements, which were prepared in accordance with IFRS and are included elsewhere in this Prospectus. The selected financial data as at and for the years ended 31 December 2012 and 2013 have been adjusted in accordance with IFRS 11 and extracted from the financial statements for the period ended 31 December 2014.

The following tables should be read in conjunction with, and are qualified in their entirety by reference to, the Financial Statements and the related notes, included elsewhere in this Prospectus. Prospective investors should read this section together with the information contained in "Use of Proceeds", "Presentation of Financial and Certain Other Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Summary Consolidated Statement of Comprehensive Income

	For the year ended 31 December			
	2014[1]	2014	2013	2012
	(unaudited) (U.S.$ millions)		(Dh millions)	
Revenue	4,929	41,436	38,986	50,541
Production held as inventory	30	250	(131)	62
Purchases consumed	(1,957)	(16,456)	(14,293)	(17,324)
External expenses	(771)	(6,480)	(6,112)	(6,671)
Personnel expenses	(964)	(8,102)	(8,270)	(8,238)
Taxes	(29)	(241)	(231)	(226)
Amortisation, depreciation and operating provisions	(274)	(2,304)	(1,394)	(985)
Profit (loss) of equity-accounted operating companies	37	312	(69)	(23)
Other operating income and expenses	81	684	35	206
Current operating profit	**1,082**	**9,099**	**8,451**	**17,343**
Other non-current operating income and expenses	(20)	(167)	418	(766)
Operating profit	**1,063**	**8,932**	**8,869**	**16,578**
Cost of gross financial debt	(51)	(425)	(479)	(506)
Financial income from cash investments	37	311	756	1,023
Cost of net financial debt	**(14)**	**(114)**	**277**	**517**
Other financial income and expenses	(308)	(2,593)	101	216
Financial profit	**(322)**	**(2,707)**	**378**	**734**
Profit before tax	**740**	**6,225**	**9,246**	**17,311**
Corporate income tax	(137)	(1,152)	(2,159)	(3,670)
Net profit for the period	**603**	**5,073**	**7,087**	**13,641**
Revaluation of assets held-for-sale	3	28	(27)	(17)
Translation differences	5	40	(146)	(40)
Revaluation differences relating to defined benefit plans	154	1,293	2,285	749
Tax	(26)	(215)	99	2
Deferred tax	0	1	(10)	3
Share of gains and losses recognised in equity-accounted entities	2	16	10	(4)
Income and expenses for the period, recognised directly in equity	138	1,163	2,210	694
Consolidated comprehensive income	**742**	**6,236**	**9,297**	**14,335**
Basic and diluted earnings per share	7.35	61.81	86.28	164.60

Summary Consolidated Statement of Financial Position

	As at 31 December			
	2014[1]	2014	2013	2012
	(unaudited) (U.S.$ millions)	(Dh millions)		
ASSETS				
Current assets				
Cash and cash equivalents	1,070	8,996	5,440	9,390
Current financial assets	567	4,767	4,627	18,142
Inventories	1,075	9,039	7,832	6,990
Trade receivables	763	6,412	3,843	6,589
Current tax receivables	26	222	1,152	1,053
Other current assets	1,129	9,492	18,384	11,279
Total current assets	**4,630**	**38,928**	**41,277**	**53,443**
Non-current assets				
Non-current financial assets	1,555	13,071	2,632	2,449
Investments in associates	317	2,668	2,296	3,017
Deferred tax assets	13	110	135	307
Property, plant and equipment	8,726	73,360	55,944	35,350
Intangible assets	13	109	71	62
Total non-current assets	**10,624**	**89,319**	**61,079**	**41,185**
TOTAL ASSETS	**15,254**	**128,247**	**102,355**	**94,628**
LIABILITIES				
Current liabilities				
Current loans and financial debts	526	4,418	3,442	4,139
Current provisions	3	24	7	30
Trade payables	1,434	12,059	8,781	6,411
Current tax payable	2	17	30	13
Other current liabilities	1,659	13,944	8,571	7,028
Total current liabilities	3,623	**30,461**	**20,830**	**17,620**
Non-current liabilities				
Non-current loans and financial debts	4,233	35,589	17,206	12,610
Non-current provisions for employee benefits	501	4,216	9,172	11,593
Other non-current provisions	39	324	234	1,019
Deferred tax liabilities	8	67	46	(23)
Total non-current liabilities	**4,781**	**40,196**	**26,658**	**25,199**
EQUITY				
Issued capital	986	8,288	8,288	8,288
Paid-in capital	2,224	18,698	18,698	18,698
Consolidated reserves	3,001	25,232	20,795	11,182
Net profit for the period	604	5,077	7,087	13,641
SHAREHOLDERS' EQUITY	**6,815**	**57,294**	**54,867**	**51,808**
Non-controlling interests	35	296		
TOTAL EQUITY	**6,850**	**57,590**	**54,867**	**51,808**
TOTAL EQUITY AND LIABILITIES	**15,254**	**128,247**	**102,355**	**94,628**

Summary Statement of Cash Flows

	For the year ended 31 December		
	2014	2013	2012
	(Dh millions)		
Net cash flows from operating activities	8,635	6,440	11,427
Net cash flows used in investing activities	(18,419)	(20,235)	(12,820)
Net cash flows from/(used in) financing activities	13,685	10,839	(1,073)

Other Financial Data

	As at and for the year ended 31 December		
	2014	2013	2012
	(Dh millions)		
Adjusted EBIT[(2)(8)]	9,201	8,392	17,379
Adjusted EBITDA[(2)(8)]	11,402	9,845	18,327
Debt (including current portion)[(3)]	40,007	20,648	16,749
Equity (period end)	57,590	54,867	51,808
Capitalisation (period end)[(4)]	97,597	75,516	68,557
Net capitalisation (period end)[(5)]	87,222	73,826	51,854
Net financial debt (period end)[(6)(8)]	26,244	10,581	(10,784)
Net debt (period end)[(7)(8)]	29 633	18,959	46
Net financial debt/Adjusted EBITDA	2.3	1.1	(0.6)
Net debt/Net capitalisation (period end)	0.3	0.3	0.0
Debt/Equity (period end)	0.7	0.4	0.3
Current liquidity[(9)]	1.6	2.0	3.0
Adjusted EBIT/Interest expense	(22)	(18)	(34)

(1) For convenience, these figures have been translated into U.S.$ at the average Dh/U.S.$ exchange rate published by the Central Bank on 31 December 2014, which was Dh 8.4072 per U.S.$1.00. Such translation is not reflective of a translation in accordance with IFRS and it should not be construed as a representation that the Dh amounts have been or could be converted into U.S. Dollars at this rate or any other rate.

(2) Adjusted EBIT consists of net profit for the period plus corporate income tax, financial profit, other non-current operating income and expenses and non-current depreciation and amortisation. Adjusted EBITDA consists of Adjusted EBIT plus current depreciation and amortisation. The reconciliation of net profit for the period to Adjusted EBIT and Adjusted EBITDA is as follows for the periods indicated.

	For the year ended 31 December		
	2014	2013	2012
Net profit for the period	5,073	7,087	13,641
Corporate income tax	1,152	2,159	3,670
Financial profit (loss)	2,707	(378)	(734)
Other non-current operating income and expenses	167	(418)	766
Non-current depreciation and amortization[(a)]	102	(59)	37
Adjusted EBIT	9,201	8,392	17,379
Current depreciation and amortization[(a)]	2,202	1,453	948
Adjusted EBITDA	**11,402**	**9,845**	**18,327**

(a) Non-current depreciation and amortisation consists of exceptional depreciation and amortisation of assets. Current depreciation and amortisation consists of depreciation and amortisation of assets in the normal course of business.

(3) Debt is current portion of loans and financial debts plus non-current portion of the loans and financial debts.

(4) Capitalisation is debt plus equity.

(5) Net capitalisation is net debt plus equity.

(6) Net financial debt is debt minus cash and cash equivalents and cash financial assets.

(7) Net debt is net financial debt plus liabilities related to employee benefits, pension and health insurance.

(8) Adjusted EBIT, Adjusted EBITDA, net financial debt and net debt and other non-IFRS measures should not be considered in isolation or as an alternative to results from operating activities, cash flow from operating activities or other financial measures of the Group's results of operations or liquidity derived in accordance with IFRS. The Issuer has included Adjusted EBIT, Adjusted EBITDA, net financial debt and net debt and other non-IFRS measures in this Prospectus because it believes that they are useful measures of the Issuer's performance and liquidity. Other companies, including those in the Group's industry, may calculate similarly titled financial measures differently from the Issuer. As all companies do not calculate these financial measures in the same manner, the Issuer's presentation of such financial measures may not be comparable to other similarly titled measures of other companies. These non-IFRS measures are not audited. See "*Presentation of Financial and Certain Other Information—Other Financial Information*".

(9) Current liquidity is current assets divided by current liabilities.

THE OFFERING

The following overview contains basis information about the Notes. It may not contain all information that is important to investors. This overview is indicative only, does not purport to be complete and is qualified in its entirety by the more detailed information appearing elsewhere in this Prospectus. For a more complete understanding of the Notes, please refer to the section of this Prospectus entitled "Terms and Conditions of the Notes". Terms used in this overview and not otherwise defined have the meaning given to them in "Terms and Conditions of the Notes".

Issue	U.S.$1,000,000,000 principal amount of 4.50% Notes due 2025.
Interest and Interest Payment Dates	The Notes will bear interest from and including 22 April 2015 at the rate of 4.50% per year, payable semi-annually in arrear on each of 22 April and 22 October in each year (each an "**Interest Payment Date**"); *provided* that, as described in each case in Condition 6.4, if any such date is not a Business Day (as defined in each case in Condition 6.4), then such payment will be made on the next Business Day. The first payment (representing a full six months' interest) will be made on 22 October 2015.
Maturity Date	22 October 2025.
Use of Proceeds	The net proceeds of the Offering will be used to fund the Capital Expenditure Programme and for general corporate purposes.
Status	The Notes will be direct, unconditional and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and (subject as provided above) rank and will rank *pari passu*, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
Negative Pledge	The terms of the Notes contain a negative pledge provision binding on the Issuer and its subsidiaries as further described in Condition 4.1.
Other covenants	The terms of the Notes contain certain other covenants (including in relation to the delivery of the Issuer's annual and interim consolidated financial statements), as further described in Condition 4.
Taxation; Payment of Additional Amounts	All payments in respect of the Notes by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed or levied by or on behalf of a Relevant Jurisdiction (as defined in Condition 8), unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer will (subject to certain exceptions) pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes in the absence of the withholding or deduction. Under current Moroccan law, withholding tax at the rate of 10% applies on interest on the Notes. However, the Issuer believes that articles 6.I.C.3° and 45 of the Moroccan tax code (the "**Moroccan Tax Code**") grant an exemption to the withholding tax and that accordingly interest on the Notes will not be subject to withholding tax in Morocco. See "*Taxation—Certain Moroccan Tax Considerations*", "*Terms and Conditions of the Notes—Condition 8*" and "*Risk Factors—Risks Relating to the Notes—The Notes may be subject to withholding tax*".

Redemption for Taxation Reasons . . .	The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (subject to certain conditions), at their principal amount (together with interest accrued to but excluding the date of redemption) if: (a) as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction, or any change in the application or official interpretation of the laws or regulations of a Relevant Jurisdiction, which change or amendment becomes effective after 20 April 2015, on the next Interest Payment Date and the Issuer would be required to pay additional amounts as provided or referred to in Condition 8 beyond the prevailing applicable rates on 20 April 2015; and (b) the requirement cannot be avoided by the Issuer taking reasonable measures available to it.
Redemption at the Option of the Holders upon a Change of Control .	If a Change of Control occurs (as defined in Condition 7.3), each Noteholder will have a right, at such Noteholder's option, to require the Issuer to redeem in whole (but not in part) such Noteholder's Notes at 101% of their principal amount together with interest accrued to the date of redemption, as further described in Condition 7.3.
Events of Default	The Notes will be subject to certain Events of Default including (among others) non-payment of principal for a period of seven days, non-payment of interest for a period of 14 days, failure to perform or observe any of the other obligations in respect of the Notes, cross-default and certain events related to disposals, bankruptcy and insolvency, all as further described in Condition 10. For certain Events of Default a threshold of 5% in aggregate of Notes then outstanding is required to call an Event of Default. See "*Terms and Conditions of the Notes—Condition 10*".
Form, Transfer and Denominations . .	Notes offered and sold in reliance upon Regulation S will initially be represented by beneficial interests in the Unrestricted Global Certificate(s) in registered form, without interest coupons attached, which will be delivered to a common depositary and registered in the name of a nominee of a common depositary for Euroclear and Clearstream, Luxembourg. Notes offered and sold in reliance upon Rule 144A will initially be represented by beneficial interests in the Restricted Global Certificate(s), in registered form, without interest coupons attached, which will be deposited with the custodian and registered in the name of Cede & Co. as nominee for DTC. Except in limited circumstances, certificates for the Notes will not be issued in exchange for beneficial interests in the Global Certificates. See "*Terms and Conditions of the Notes—Condition 1*".

Interests in the Rule 144A Notes will be subject to certain restrictions on transfer. See "*Transfer Restrictions*". Interests in the Global Certificates will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream, Luxembourg, in the case of the Regulation S Notes, and by DTC and its direct and indirect participants, in the case of Rule 144A Notes. Notes will be issued in minimum denominations of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof.

Governing Law	The Notes, the Agency Agreement and any non-contractual obligations arising out of or in connection with the Notes or the Agency Agreement (as defined in the Conditions), as the case may be, will be governed by, and construed in accordance with, English law subject to compliance with mandatory provisions of Moroccan law relating to the Notes and the rights of Noteholders and the Masse (as defined below).
Listing	Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its regulated market.
Selling Restrictions	The Notes have not been and will not be registered under the Securities Act or any state securities laws and beneficial interests therein may not be offered or sold within the United States or to, or for the account or benefit of, any US person (as defined in Regulation S under the Securities Act) except to QIBs in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The offer and sale of Notes (or beneficial interests therein) is also subject to restrictions in Morocco and the United Kingdom. See "*Subscription and Sale*".
Risk Factors	For a discussion of certain risk factors relating to the Group, Morocco and the Notes that prospective investors should carefully consider prior to making an investment in the Notes, see "*Risk Factors*".
Issue Price	98.765% of the principal amount.
Yield	4.65%.
Regulation S Notes Security Codes	ISIN: XS1221677120.
Common Code	122167712.
Rule 144A Notes Security Codes	ISIN: US67091TAC99. CUSIP: 67091TAC9.
Representation of Noteholders	There will be no trustee. Under Moroccan law the Noteholders are automatically grouped in a masse endowed with legal personality for the defence of their common interests (the "**Masse**"). The Masse is a separate legal entity acting either through one or more agents (the "**Representatives**") and in part through a general assembly of the Noteholders (the "**General Assembly**") as further described in Condition 13.
Expected Note Rating(s)	"BBB−" by S&P's and "BBB−" by Fitch. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation. Any change in the rating of the Notes could adversely affect the price that a purchaser would be willing to pay for the Notes. As at the date of this Prospectus, each of the Rating Agencies is established in the European Union and registered under the CRA Regulation.
Joint Lead Managers	Barclays Bank PLC and Morgan Stanley & Co. International plc.
Fiscal Agent, Paying Agent and Transfer Agent	Citibank N.A., London Branch.
Registrar	Citigroup Global Markets Deutschland AG.

The purchase of Notes involves substantial risks and is suitable only for, and should be made only by, investors that are fully familiar with the Group in general and that have such other knowledge and experience in financial and business matters as may enable them to evaluate the risks and the merits of an investment in the Notes. Prior to making an investment decision, prospective investors should consider carefully, in light of their own financial circumstances and investment objectives, all the information set forth herein and, in particular, the risk factors set forth below.

The Issuer believes that the risk factors described below represent the principal risks in relation to the Group and the Notes. Prospective investors should, however, note that there may be additional risks and uncertainties that the Issuer currently considers immaterial or of which the Issuer is currently unaware, and any of these risks and uncertainties could have similar effects as those set forth below or other adverse effects. Prospective purchasers of Notes should make such inquiries as they think appropriate regarding the Group and the Notes without relying on the Issuer or the Joint Lead Managers.

Risks Relating to the Phosphates and Fertiliser Industry

Demand for fertiliser and other phosphate-based products is cyclical and may fluctuate significantly.

The fertiliser industry is cyclical in nature, which normally results in fluctuations in demand and prices for the Group's products. The international market for fertilisers and other phosphate-derived products is affected by periodic imbalances of supply and demand. Historically, demand and prices for the Group's products have fluctuated significantly in response to changes in market conditions. Demand is, among other things, affected by agricultural product prices, weather conditions, population growth, changes in dietary habits and planted acreage, fertiliser application rates, exchange rates, and government policies. Supply is, among other factors, affected by available capacity and operating rates, raw material costs, government policies and global trade. Periods of high demand, high capacity utilisation and increasing profit margins tend to result in new plant investment and increased production, thereby causing supply to exceed demand and prices and capacity utilisation to subsequently decline. The resulting reduced prices then generally lead to restricted investment thereby initiating a new cycle.

During periods of industry oversupply, the Group's results of operations tend to be adversely affected as the price at which it sells its products typically declines, resulting in reduced profit margins and lower production volumes of its products. In addition, high prices for the Group's fertiliser products may lead the Group's customers to delay purchasing decisions in anticipation of future lower prices, which could, in turn, negatively impact the Group's sales volumes. Accordingly, the cyclical nature of the fertiliser global industry has had and may have a material adverse effect on the Group's business, results of operations and financial condition.

Demand for fertilisers and phosphate-based products may be volatile in response to macroeconomic factors.

The Group operates on a global basis and generally attempts to mitigate reduced sales volumes in a particular region experiencing adverse economic conditions by increasing sales to other regions where economic conditions are more favourable. Such mitigation, however, can be difficult or impossible when economic conditions are unfavourable globally, in a number of regions or in one of the large consuming countries or regions. For example, during the global economic crisis that commenced in the second half of 2008, the global fertiliser markets experienced a significant decrease in demand for fertiliser products and a resulting decline in prices for such products as a result of the impact of the global economic crisis on consumers of fertiliser products, including, most importantly, the agricultural industry. This resulted in reduced demand for fertiliser products and a general lack of credit financing available to the agricultural sector. Accordingly, the Group experienced a significant decrease in revenue in 2009 as compared to 2008. Revenue also decreased in 2013 compared to 2012 as a result of a number of macroeconomic factors, including weaker economic conditions across a number of emerging markets where the Group exports its products, adverse exchange rate movements, and a decrease in crop prices which had an adverse effect on farmers' purchasing power in respect of fertilisers. Similar events in the future, such as a continuation or intensification of the Eurozone crisis or other protracted periods of slow or negative economic growth in the Group's export markets, could reduce demand for, or the prices of imports of, the Group's fertiliser products, which could, in turn, have a material adverse effect on the Group's business, results of operations and financial condition.

Worldwide production, export and supply of fertilisers are expected to increase, which may result in a decline in global fertiliser prices.

According to CRU, approximately 193.5 tonnes of phosphate rock were produced worldwide in 2013, and global production levels are expected to increase in coming years, in part due to announced capacity increases by other industry players. When some or all of these plants commence production, world supply of fertilisers is expected to increase, which may result, particularly in the absence of a matching increase in demand, in a decline in global fertiliser prices. In addition, at present almost all of the fertilisers produced in China are used to satisfy local demand. The Chinese government has recently softened fertiliser export regulations and may enact further measures which may increase exports of fertilisers from China, and subsequently lead to lower worldwide fertiliser prices.

Middle Eastern and Asian producers are located closer to the Asian market than the Group's fertiliser production facilities. India is one of the major global consumers of fertilisers and Asia is one of the largest export markets for the Group, as sales to Asia accounted for 26.1% of the Group's total revenue in 2014. Such producers may be able to offer lower prices to customers in Asia, due primarily to lower transportation costs, than the Group, which could in turn require the Group to lower its fertiliser prices to remain price competitive and thereby reduce its profit margin on such sales.

A decrease in fertiliser prices due to an increase in worldwide supply or production of fertilisers may cause a decline in the Group's fertiliser sales revenue and the Group's profitability, which could, in turn, have a material adverse effect on the Group's business, results of operations and financial condition.

The Group's business depends in large part on the agricultural sector and is significantly affected by trends influencing the agricultural sector generally, including agricultural product prices, adverse weather conditions and seasonality.

The principal use for the Group's products is, directly or indirectly, in agriculture as a fertiliser for crops. A decline in the demand for fertiliser and in fertiliser prices due to developments affecting the agricultural industries in the Group's major export markets (including markets in South America, North America, Asia and Europe) have in the past adversely affected, and may in the future adversely affect, the Group's business, results of operations and financial condition.

The following factors have in the past affected, and may in the future affect, the agricultural sector:

Lower Agricultural Product Prices

Lower agricultural product prices may negatively impact farmers' purchasing power, which could decrease demand for fertilisers and result in downward pressure on fertiliser prices. Movements in commodity crop prices also affect the Group's results, which may result in both reduced sales and competitive price pressure in certain markets when commodity crop prices are depressed. For example, during the global economic crisis, which began in the second half of 2008, agricultural product and commodity crop prices substantially declined, resulting in lower fertiliser prices. Prices may fall again in the future. Any such declines may adversely affect sales of the Group's products. Moreover, global energy prices could impact biofuels prices, which could in turn put pressure on grain prices.

Use of Substitute Products and Changes in Phosphate Technologies

Replacement of fertiliser application with other products or techniques aimed at improving crop yield could result in a decline in fertiliser demand and prices. For example, genetically modified organisms (GMOs), which are organisms whose genetic material has been altered by genetic engineering, can be used to grow agricultural products that require less fertiliser application.

In addition, future technological advances unavailable to the Group, including relating to the extraction and treatment of phosphates, may have a material adverse effect on the Group's business, results of operations and financial condition.

Adverse Weather Conditions

The agricultural sector is heavily influenced by local weather conditions. Significant deviations from the typical weather patterns of a given region, variations in local climates or major weather-related disasters may reduce demand for the Group's fertilisers, particularly in the short-term, if agricultural products or the land on which they grow are damaged or if such deviations, variations or disasters reduce the income of

growers and, accordingly, their ability to purchase the Group's products. The effect of adverse weather conditions, in particular, can be very significant and result in delays or intermittent disruptions during the planting and growing seasons, which may, in turn, cause agricultural customers to reduce their use of fertilisers or change the timing of their use of fertilisers. For example, the longer than anticipated winter in the United States in 2013 resulted in delayed planting, which, in turn, led to a decreased demand for fertiliser in the first six months of 2013, and in January and February 2014, Morocco experienced adverse weather conditions and unusually high sea swells, which delayed loading of export products and unloading of raw materials at the port of Casablanca, Jorf Lasfar and Safi and the wharf at Laâyoune. Similarly, adverse weather conditions that occur following a harvest may delay or eliminate appropriate opportunities to apply fertiliser in the autumn in certain regions. Adverse weather conditions may also have an adverse effect on crop yields, which, in turn, lowers the income of growers and may reduce their ability to purchase fertilisers. Furthermore, the impact of potential climate change, including on weather conditions, rainfall patterns, local water shortages, rising sea levels, changing storm patterns and changing temperature levels, remains uncertain.

Seasonality

Fertiliser application periods differ from region to region which may lead to significant fertiliser demand variations through the year. In addition, purchasing timing by farmers and distributors could lead to increased seasonality and volatility in demand. If the Group is unable to spread this seasonality throughout the year as a result of the varied export markets in which it operates, the Group's profitability, as well as its working capital and liquidity requirements may be adversely affected. If seasonal demand exceeds the Group's projections and the projections and capacity of the importers of the Group's products, it will not have enough product and, therefore, will be unable to meet demand. If seasonal demand is less than the Group's projections, the Group may be left with excess inventory and higher working capital and liquidity requirements. The degree of seasonality of the Group's business can change significantly from year-to-year due to conditions affecting the agricultural sector and other factors, including changes in purchasing and import timing which can vary depending on importers' and consumers' purchasing behaviour.

A decline or changes in agricultural production, particularly in one or more of the Group's major export markets, due to these or other factors could result in decreased demand and prices for the Group's fertilisers, which could have a material adverse effect on the Group's business, results of operations and financial condition.

Government policies and regulations could adversely affect demand and prices for the Group's products.

Government policies and regulations in Morocco and the Group's export markets, as well as in other markets that are significant consumers of products sold by the Group, or markets where key raw materials suppliers of the Group operate, significantly affect the demand and prices for the products sold by the Group, including:

- policies and commodity support programmes that provide fertiliser and logistics subsidies;
- export and import duties on fertilisers;
- quotas imposed by governments that limit the amount of phosphate products that may be imported or exported;
- government policies affecting prices of raw materials used in fertiliser production (which may affect the production costs and profitability of fertiliser producers, which, in turn, may result in upward pressure on fertiliser prices);
- environmental and fertiliser-use policies;
- policies affecting trade of agricultural products;
- government regulations imposing restrictions on certain types of phosphate rock, phosphoric acid and fertilisers; and
- other policies such as those restricting the number of hectares that may be planted, requiring particular type of crops to be grown and limiting the use of fertilisers in certain areas or for certain types of agricultural products.

For example, fertiliser demand and prices in India, one of the markets to which the Group exports its products, have historically been heavily dependent on government policies, and the Indian government has

provided subsidies to nutrient importers. Government policies can also influence market conditions in markets with indirect government subsidies such as in Europe and the United States, which are also export markets of the Group. In a number of markets, the Group benefits from governmental policies that support the agricultural industry and fertiliser products specifically.

In addition, international treaties and agreements, including those promulgated by the World Trade Organisation (the "**WTO**"), may also result in reductions in the subsidies available for agricultural producers or in other adverse changes to agricultural state support programmes, which could undermine the growth of, or cause a decline in, demand and prices for fertilisers.

Any adverse changes in government policies relating to agriculture or fertiliser use could have a material adverse effect on the Group's business, results of operations and financial condition.

Trade barriers may impact the demand for the Group's products.

The Group's products are subject to various trade barriers, such as anti-dumping duties, tariffs and quotas, in its principal export markets, which include markets in South America, North America, Asia and Europe. These trade barriers affect the demand for the Group's products by effectively increasing the prices for those products, as compared to domestically available products. Accordingly, as a result of relatively high anti-dumping duties, certain markets are effectively closed for the import of the Group's products. How anti-dumping regimes will evolve in the future is unknown and the regulators in the principal markets in which the Group operates may amend the anti-dumping duties currently in force. An increase in existing trade barriers, or the imposition of new trade barriers, may result in a decrease in demand for the Group's products in its principal export markets, which could, in turn, have a material adverse effect on the Group's business, results of operations and financial condition.

The phosphate and fertiliser market is competitive.

The Group is subject to intense competition from foreign producers. Phosphate rock, phosphate acid and phosphate-based fertilisers are global commodities. Customers make their purchasing decisions principally on the basis of delivered price, customer service, product quality and time to market. The Group competes with a number of foreign producers, including certain producers that benefit from government support as state-owned or government-subsidised entities. Some of the Group's competitors (including, among others, CF Industries (USA), Foskor (South Africa), Industries Chimiques du Senegal (Senegal), Jordan Phosphates Mines Company (Jordan), GCT (Tunisia), Ma'aden (Saudi Arabia), Mosaic (USA), PotashCorp (USA), PhosAgro (Russia), Vale (Brazil), Wengfu (China), Yara (Norway) and Yuantianhua (China)) may have competitive advantages similar to, or even superior to, those of the Group, such as control over or access to a low-cost raw materials base, access to low-cost credit, locations close to major suppliers or consumers, good market reputation and long-standing trade relationships with global market participants. In addition, government policies in the countries in which the Group's competitors operate may have an impact on these producers' ability to compete with the Group. For example, from January 2014, the Chinese government significantly reduced the tax paid on certain export sales, which could make exports for Chinese producers more attractive. Furthermore, in certain markets, some of our customers of phosphate rock and phosphoric acid are also our competitors in the phosphate-based fertilisers market. Any failure of the Group to compete successfully could result in the loss of customers, which could, in turn, have a material adverse effect on the Group's business, results of operations and financial condition.

Risks Relating to the Group's Business

The Group may not be able to realise all of the expected benefits of its Capital Expenditure Programme or secure funding sufficient for the implementation of its entire Capital Expenditure Programme.

The Group is engaged in a significant Capital Expenditure Programme and plans to continue to invest in its infrastructure and operations, including by undertaking a number of capital-intensive expansion projects, including the construction of a slurry pipeline from Gantour to Safi which is expected to further reduce transportation costs (see "*Business—Strategy—Improve Efficiency and Increase Industrial Capacity*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Capital Expenditures*").

The construction of the infrastructure and projects contemplated by the Capital Expenditure Programme are subject to a number of risks. Factors such as changes in economic conditions in Morocco or the region, higher capital costs than expected, slower than anticipated revenue growth, regulatory developments,

delays in project completion, cost overruns and defects in design or construction, could impair the Group's ability to implement its Capital Expenditure Programme on time and within budget. If the Group is unable to complete the projects of its Capital Expenditure Programme, including the construction of the slurry pipeline from Gantour to Safi, the expected efficiency gains and cost reductions will not be achieved and any growth prospects based on the assumption that the construction will be completed will not materialise. Any of these factors may have a material adverse effect on the Group's business, results of operations and financial condition.

Based on current plans, the total estimated costs of the Capital Expenditure Programme since its launch in 2008 to 2025 are approximately U.S.$[2]21 billion (Dh 189 billion), with U.S.$4 billion (Dh 37.1 billion) already incurred between 2008 and 2014. During the period from 1 January 2008 to 31 December 2014, approximately U.S.$6 billion (Dh 54.7 billion) was contractually committed on the Capital Expenditure Programme. In the next three years, the Group expects to incur capital expenditure of approximately Dh 69 billion (including maintenance capital expenditure). These costs are expected to be funded from internally-generated cash flows, existing and future external financings and the proceeds of the Notes.

The Group may not be able to secure sufficient financing to complete the entire Capital Expenditure Programme, on acceptable commercial terms or at all. An inability to finance planned capital investments, to finance such investments at an acceptable cost or to fully implement its Capital Expenditure Programme for any other reason could have a material adverse effect on the Group's business, results of operations and financial condition.

Changes in transportation costs and delays in transportation may cause delays and reduced sales volumes.

The Group uses a number of different forms of transportation to move its products and the costs associated with such forms of transportation expose the Group to a number of risks, including in relation to the following:

Transportation Risks

The cost of delivery of the Group's products is a significant factor in the total cost of the Group's products to its customers, as a result, changes in transportation costs or customers' expectations in respect of transportation costs, can affect the Group's sales volumes and prices. The Group regularly enters into cost and freight ("**CFR**") contracts with customers that require the Group to arrange for the transportation of its products directly to the customers or to a port. When the Group enters into a CFR contract, it assumes the risk that its transportation costs will not increase, which can affect the profitability of such contracts. In addition, the Group also enters into free on board ("**FOB**") contracts with customers, whereby the customers are responsible for transport costs. If such costs increase, it may reduce the ability of the Group's customers to purchase its products. If transportation costs negatively affect the Group's sales volumes and prices or its profit margins, this would have a material adverse effect on the Group's business, results of operations and financial condition.

Railway Transportation

Railway transportation is currently the Group's principal means of transporting phosphate rock from its mines to the Group's processing facilities and to the ports of Casablanca and Safi for export, as well as certain raw materials that the Group imports from ports to the Group's production facilities. As a result, the Group's transport operations depend, to a degree, on *Office National des Chemins de Fer* ("**ONCF**"), the Moroccan state-owned railway company. The Group has historically negotiated tariffs with ONCF for ten year periods, and the parties are currently negotiating a new agreement. While negotiations are on-going, the Group and ONCF are continuing transport operations under the same conditions and tariffs that applied as at 31 December 2013.

In addition, a strike or other industrial action affecting ONCF or any other disruption to ONCF's operations could result in disruption to the transportation of the Group's raw materials and products, including delays, increased transportation costs for the Group and phosphoric acid and fertiliser production disruptions, which could, in turn, have a material adverse effect on the Group's business, results of operations and financial condition.

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2 For convenience, figures expressed in U.S.$ in this paragraph have been translated into U.S.$ at the Dh/U.S.$ exchange rate published by the Central Bank as at 31 December 2014, which was Dh 9.0419 per U.S.$1.00. Such translation is not reflective of a translation in accordance with IFRS and it should not be construed as a representation that the Dh amounts have been or could be converted into U.S. Dollars at this rate or any other rate.

Sea Transportation

A significant portion of the Group's export products are shipped through the ports of Casablanca, Jorf Lasfar and Safi and the wharf at Laâyoune. Were these facilities to experience a sustained disruption due to inclement weather (including, in particular, wind at Laâyoune, which typically shuts the wharf for, on average, 200 days per year), strikes, political or other factors, the Group could face difficulties transporting export products or accessing raw materials or doing so at a reasonable cost. For example, in the first quarter of 2014, Morocco experienced adverse weather conditions and unusually high sea swells, which delayed loading of export products and unloading of raw materials at the ports of Casablanca, Jorf Lasfar and Safi and the wharf at Laâyoune. See "*Overview—Recent Developments*". Disruptions in sea transportation due to inclement weather, reduced availability of vessels of the required tonnage or other reasons could result in higher transportation costs, delays for the Group and phosphoric acid and fertiliser production disruption, and, if alternative shipment routes are not available at a reasonable cost or at all, such disruptions may have a material adverse effect on the Group's business, results of operations and financial condition.

Increases in the Group's production costs would have a material adverse effect on the Group's business, results of operations and financial condition.

In addition to the costs of materials and services, the Group's significant production costs are expenditures on sulphur and ammonia, salaries and social contributions, as well as fuel and electricity costs, all of which could increase.

Sulphur is the principal raw material used in the production of sulphuric acid, which is required for the production of the Group's phosphoric acid. Sulphur and ammonia are the principal raw materials used in the production of the Group's fertilisers. The Group's profitability has in the past been, and may continue to be, affected by the price and availability of those raw materials. As the majority of the Group's products are commodities, the Group may not be able to pass on an increase in raw materials and other production costs to its customers. The Group's expenditures on sulphur accounted for 37.0% of the Group's purchases consumed in 2014. The price of the sulphur obtained from third-party suppliers is generally negotiated on a quarterly or annual basis under medium-term supply agreements and has been historically volatile. The Group's average sulphur consumption cost was U.S.$155 per tonne in 2014, U.S.$140 per tonne in 2013 and U.S.$206 per tonne in 2012. The Group's expenditures on ammonia accounted for 20% of the Group's purchases consumed in 2014. The Group primarily purchases ammonia through medium-term agreements. From time to time, in order to increase flexibility in supply, the Group purchases ammonia from the spot market. The Group's average ammonia consumption cost decreased to U.S.$509 per tonne in 2014 from U.S.$542 per tonne in 2013 and U.S.$560 per tonne in 2012.

In addition, government policy has had, and may in the future have, an impact of the Group's costs. For example, Government increases in minimum wage in Morocco have an indirect impact on the Group's labour costs, as well as the rates the Group pays for sub-contractors, which employ minimum wage workers. In June 2012, the Government raised the prices of diesel fuel by Dh 1 per litre, gasoline by Dh 2 per litre and industrial fuel by Dh 988 per tonne to reduce subsidy costs, which, in turn, increased the Group's production and transportation costs. In addition, in August 2013, the Government adopted a decree relating to the partial indexation of domestic diesel, gasoline and industrial fuel prices to international market prices pursuant to which prices for such products are reviewed and adjusted on a monthly basis by reference to international market prices. As a result of this partial indexation, on 16 September 2013, the Government raised the prices of diesel fuel by Dh 0.69 per litre, gasoline by Dh 0.59 per litre and industrial fuels by Dh 662.88 per tonne, which led to an increase in the Group's production and transportation costs at the time. In 2014, the Government removed all subsidies with respect to fuel prices, representing an increase in the price of industrial fuels of Dh 800 per tonne, with gasoline indexing remaining partial. The Government may enact further policies that have the effect of increasing the Group's costs, which could have a material adverse effect on the Group's business, results of operations and financial condition, in particular, if the Group is unable to pass on these cost increases to its customers.

If the prices at which the Group purchases its raw materials or other production costs increase, then the Group's cost of sales would increase accordingly, which could have a material adverse effect on the Group's business, results of operations and financial condition, in particular if the Group is unable to pass on these cost increases to its customers.

Any interruption to the Group's supplies of raw materials could have a material adverse effect on the Group's business, results of operations and financial condition.

If any of the Group's principal raw materials suppliers were to experience business interruptions or become insolvent, or if the Group was unable to renew contracts with its suppliers on commercially reasonable terms or at all, it could be difficult or impossible to replace these suppliers either in a timely fashion or at all. The Group purchases ammonia from various sources, including Ukraine, which is currently experiencing regional tensions with Russia. If any such supplies were interrupted, it may be difficult for the Group to obtain alternative supplies on commercially reasonable terms or at all. Moreover, in the event that either the Group's demand increases or its suppliers experience a scarcity of resources, the Group's suppliers may be unable to meet the Group's demand for raw materials.

In addition, any disruptions to the Group's mining activities or other disruptions to the Group's ability to produce phosphate rock may prevent the Group from maintaining current levels of supply of this raw material to the Group's processing activities (including but not limited to phosphoric acid and phosphate-based fertilisers). If supply of phosphate rock from within the Group were disrupted, the Group may have to reduce its processing activities, which would have a material adverse effect on the Group's costs (including higher transportation costs and import, customs or other duties) and profit margins, which could, in turn, have a material adverse effect on the Group's business, results of operations and financial condition.

The Group may experience equipment failure, production curtailment, shutdowns or other interruptions to its mining and production processes.

The Group's business depends on the uninterrupted operation of the Group's mines, the Group's phosphate rock processing plants and the Group's production facilities, as well as various critical pieces of equipment at these and other facilities. The Group's facilities may experience shutdowns, downtime or periods of reduced production as a result of unanticipated malfunction, including due to power shortages, equipment failure or defect, human error or other circumstances. In addition, the Group's facilities may be damaged as a result of unforeseen events, including natural disasters such as floods or fires resulting in property damage, casualties or loss of life. In the event of equipment failure or damage to the Group's facilities, the Group may experience loss of, or a decrease in, revenue due to lower production levels and may require additional capital expenditure to repair or replace faulty equipment. In addition, restarting a production line may involve significant additional costs and time. As a result of the Group's vertically-integrated business model, disruption at one of the Group's facilities could adversely affect the Group's other facilities. Any of these factors or events could have a material adverse effect on the Group's business, results of operations and financial condition.

The Group is subject to mining risks.

The Group's phosphate mining operations are subject to the hazards and risks normally associated with the exploration and extraction of natural resources, any of which could result in extraction shortfalls or damage to persons or property. The principal hazards and risks associated with the Group's open-pit mining operations include (i) accidents associated with blasting operations, (ii) accidents associated with construction activities, (iii) collapses of mine walls, (iv) accidents associated with the operation of large mining and transportation equipment, (v) falling of personnel into ore passes and (vi) flooding. The occurrence of any of these hazards could delay the extraction of phosphate, increase production costs and result in injury to, or the death of, the Group's employees, contractors or other persons and damage to property, as well as in liability for the Group, which could, in turn, have a material adverse effect on the Group's business, results of operations and financial condition.

Accidents involving the Group's production facilities could cause severe damage or injury, which could result in the incurrence of significant costs.

As a business working with chemicals and hazardous substances, the Group's production activities are inherently subject to the risk of spills, discharges or other releases of hazardous substances into the environment. The Group uses, manufactures, stores or transports ammonia, sulphur, sulphuric and phosphoric acid and phosphate-based fertilisers, as well as other chemicals and chemical products that are volatile and explosive or the release of which may have an adverse impact on the environment.

Environmental risks associated with the Group's production operations include:

- explosions at the Group's production facilities;
- discharges of ammonia or toxic gases into the atmosphere;
- spillages of sulphuric or phosphoric acid; and
- discharge of gypsum in waterways (typically done in rough seas to reduce pollution risks).

Accidents involving these or other substances could result in fires, explosions, severe pollution or other catastrophic circumstances, which could cause severe damage or injury to persons, property or the environment, as well as disruptions to the Group's business. Such events could result in equipment failures or shutdowns, civil lawsuits, criminal investigations and regulatory enforcement proceedings, any of which could lead to significant liabilities for the Group. Any damage to persons, equipment or property, or any other disruption to the Group's ability to produce or distribute its products could result in a significant decrease in the Group's revenue and profits, as well as the incurrence of significant additional cost to replace or repair the Group's assets, and, depending on the nature of the incident, the Group may not be fully insured, or insured at all, all of which could result in a material adverse effect on the Group's business, results of operations and financial condition.

In addition, certain environmental laws applicable to the Group impose liability on the Group for clean-up costs on persons who have disposed of or released hazardous substances into the environment to the extent that the Group is responsible for such disposals or releases. As a result, given the nature of the Group's business, it may incur environmental clean-up liabilities in respect of its current or former facilities, adjacent or nearby third-party facilities or offsite disposal locations. Pollution risks and related clean-up costs are often impossible to assess unless environmental audits have been performed and the extent of liability under environmental laws is clearly determinable. The costs associated with future clean-up activities that the Group may be required to conduct or finance may be material. Additionally, the Group may become liable to third parties for damages, including personal injury and property damage, resulting from the disposal or release of hazardous substances into the environment. The Group may also be exposed to environmental and health and safety risks through the actions and activities of vendors, suppliers, subcontractors or other third parties.

Furthermore, the Group's properties have a long history of industrial operations and its mines and plants generate large amounts of waste materials. The Group incurs substantial costs to manage, store and dispose of such waste materials. Any findings of contamination at the Group's properties and facilities could require removal and reclamation action and result in costs and other liabilities that could have a material adverse effect on the Group's business, results of operations and financial condition.

The Group is subject to increasingly onerous environmental and health and safety laws and regulations.

The Group's operations and properties are subject to various environmental protection and occupational health and safety laws and regulations relating to the protection of the environment and the protection of human health and safety in Morocco and in each of the jurisdictions in which it conducts business, including those governing the discharge of substances into the air and water, the use and handling of hazardous substances and waste, the remediation of environmental contamination and protection of flora and fauna. These laws and regulations set various standards regulating certain aspects of health, safety, security and environmental quality, provide for civil and criminal penalties and other liabilities for the violation of such standards and may in certain circumstances impose obligations to remediate current and former facilities and locations where operations are or were carried out. The Group may not be in compliance at all times with all other applicable environmental and health and safety laws and regulations, which could change from time-to-time. As such regulation is evolving in Morocco, the Group is in the process of developing an initial comprehensive environment compliance system. Any failure by the Group to comply with existing or future environmental requirements could result in the imposition of fines, assessments, or other liabilities against the Group or the incurrence of costs that could have a material adverse effect on the Group's business, results of operations and financial condition. In addition, lack of adherence to international standards relating to environmental, health and safety and sustainability matters or social and community issues (including issues relating to the resettlement of people) may adversely affect the Group's reputation.

In addition, the enforcement of environmental and health and safety regulation in Morocco is evolving and governmental authorities' attitude to such enforcement is being assessed on a continual basis. Any failure

of the Group to comply with applicable environmental and health and safety requirements could subject the Group to, among other things, civil liabilities, administrative sanctions and penalty fees and, as a last resort, the temporary shutdown of Group facilities. To the extent that the Group incurs fines or remediation costs for environmental or health and safety liabilities, which are not provisioned for, or are greater than any such provisions, this could have a material adverse effect on the Group's business, results of operations and financial condition.

The Group is exposed to exchange rate risk.

The Dirham/U.S. Dollar exchange rate affects the Group's results of operations principally because the Group's reporting currency is Moroccan Dirhams and substantially all of the Group's revenue, derived from export sales, are received in U.S. Dollars. In 2014, export sales accounted for 85% of the Group's total revenue. In addition, the Group purchases raw materials (sulphur and ammonia), international freight services and certain other goods and services in U.S. Dollars. As a result, fluctuations in the Dirham/U.S. Dollar exchange rate, and, particularly, any depreciation of the U.S. Dollar relative to the Dirham, could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group makes a limited use of hedging instruments to hedge its U.S. Dollar exposure and is in the process of expanding its hedging and financial risk management activities. In addition, the Group seeks to create a "natural hedge" by borrowing in U.S. Dollars. As at 31 December 2014, 68% of the Group's debt was denominated in foreign currencies (principally U.S. dollars). Any depreciation of the Dirham against the U.S. Dollar will result in higher interest expense on the Group's U.S. Dollar-denominated borrowings (in Dirham terms) and in losses from the translation of U.S. Dollar-denominated monetary liabilities into Dirhams at the end of each reporting period. The Group may be unable to successfully manage any exchange rate risk relating to its operations or its loans and borrowings.

Any mismatch between the proportion of total revenue received in foreign currencies and the proportion of total costs and expenses paid in foreign currencies, or a material fluctuation in the exchange rate of the Dirham against the U.S. Dollar could have a material adverse effect on the Group's business, results of operation and financial condition.

The Group is exposed to interest rate risk.

As at 31 December 2014, the Group's total outstanding loans and financial debts (current and non-current) were Dh 40 billion, all of which were composed of fixed rate instruments. Interest rates are sensitive to many factors beyond the Group's control, including the policies of central banks, economic conditions and political factors. The Group may be unable to protect itself from the adverse effects of future interest rate increases or volatility risk in respect of fluctuations of floating interest rates. Any such increases could lead to an increase in the Group's interest expense, which could, in turn, have a material adverse effect on the Group's business, results of operations and financial condition.

The Group's business is affected by the foreign exchange rate risk to which its customers are exposed.

While the Group sells its products primarily in U.S. Dollars, its customers pay for such products in local currencies, and, accordingly, their willingness or ability to purchase the Group's products is dependent on the relevant exchange rate at any given time. For example, in 2013, the depreciation in the Indian Rupee had a negative impact on Indian importers' purchasing power, which, in turn, reduced imports of the Group's products in the Indian market. Continued depreciation or similar depreciation experienced in other markets in which the Group operates could have a similar effect on demand for the Group's products. Any decline in demand for the Group's products, or significant financial difficulties by the Group's customers, could have a material adverse effect on the Group's business, results of operations and financial condition.

The Issuer conducts certain of its production operations through joint ventures in which it has a non-controlling interest.

The Issuer directly or through its subsidiaries is party to several joint venture entities and agreements relating principally to phosphoric acid and purified phosphoric acid production, and it holds a 50% or less interest in the majority of these joint ventures. For example, in addition to the Group's own operations, certain of the Group's joint ventures operate production facilities at Jorf Lasfar, India and Belgium, including Euro-Maroc Phosphore ("**EMAPHOS**"), Indo Maroc Phosphore ("**IMACID**"), Pakistan Maroc

Phosphore ("**PMP**"), Paradeep Phosphates Limited ("**PPL**") and Prayon S.A. ("**Prayon**"), of which the Group directly or indirectly owns 50%, 33.33%, 50%, 40.25% and 50%, respectively. Accordingly, while it has a certain degree of influence, the Issuer does not solely control the operations or the assets of these joint venture entities, nor can it unilaterally make major decisions with respect to such entities. This lack of majority control may constrain the Issuer's ability to cause such entities to take actions that would be in the best interests of the Group or refrain from taking actions that would be adverse to the interests of the Group and may result in operational or production inefficiencies or delay, which could, in turn, adversely affect the Group's business, results of operations and financial condition. The Issuer may in the future enter into additional joint venture entities and agreements as a means of conducting its business, including potential material investments in Africa. See "*Overview—Recent Developments*".

The Issuer may be unable to obtain financing, or refinancing for its current borrowings, on commercially acceptable terms, if at all.

As at 31 December 2014, the Group's total outstanding loans and financial debts (current and non-current) were Dh 40 billion. In addition, in connection with its Capital Expenditure Programme, the Group expects to continue to increase its borrowing levels. The Group evaluates its options in respect of its debt based on its actual performance in any given year. If the Group's cash flows are insufficient to repay its loans and financial debts, the Group will need to renegotiate its loans or seek alternative financing from the capital markets.

The Group's ability to raise alternative financing or to renegotiate loans on commercially acceptable terms, or at all, depends on, among other factors, the general condition of the domestic and international capital markets and the overall economic conditions in Morocco. If alternative financing becomes necessary, the Group may not be able to obtain such financing on commercially acceptable terms, if at all.

The ratings assigned to the Issuer, among other things, are dependent on those assigned to Morocco as well as on the overall global economic conditions, the economic and financial conditions in Morocco and the market for fertilisers and related products. In the event that the ratings agencies downgrade Morocco's ratings or downgrade the Issuer's ratings, the Issuer's ability to obtain debt or equity financing may be materially adversely affected and any debt financing the Issuer were then able to obtain would likely bear higher interest than would have been the case had the rating not declined.

Any default under the Group's existing indebtedness or any failure to generate sufficient funds from operating cash flows or obtain sufficient debt financing on commercially acceptable terms to repay its loans and financial debts could have a material adverse effect on the Group's business, results of operations and financial condition.

Increased investment in non-core activities could have an adverse effect on the Group's profits.

The Group undertakes a number of these non-core projects to support its phosphates activities, including the construction and operation of facilities designed to provide social services to employees and their families in the areas in which the Group operates and the construction of infrastructure in Morocco in order to facilitate transportation of the Group's products. The Group is also engaged in a number of non-core projects that are not directly related to its phosphates activities, such as initiatives to improve education (including higher education programmes) and research and development initiatives, reduce poverty, improve access to healthcare services, increase youth employability, foster agricultural development, promote socio-cultural activities and preserve Moroccan heritage through the OCP Foundation. See "*Business—Non-Core Activities*". An increase in the investment related to such activities could divert funds needed for the Group's core activities, which could, in turn, have a material adverse effect on the Group's business, results of operations and financial condition.

The Group's facilities are located in a region that is vulnerable to natural catastrophes.

The Group is exposed to the adverse effects of natural catastrophes occurring in Morocco. Some regions of Morocco, have suffered serious earthquakes in the past. For example, in 1960 an earthquake killed more than a third of the population of Agadir, in addition to the destruction of assets in the region. A significant seismic event at one of the Group's mines or other facilities could result in significant and costly damage and cause the Group to change its processes or abandon the facility or mine.

In addition, sections of Morocco's Atlantic coastline are vulnerable to tsunamis. The Group's facilities at Jorf Lasfar are located on the Atlantic coast and are approximately 60 metres above sea level. The Group's

facilities at Safi are also located on the Atlantic coast and are between 10 metres and 20 metres above sea level. A seismic effect that produces a tsunami that comes ashore at or close to the Group's facilities could result in significant and costly damage and cause the Group to change its processes, abandon the affected facility or incur significant reconstruction, environmental and other clean-up liabilities.

Any of the foregoing factors could have a material adverse effect on the Group's business, results of operations and financial condition.

Loss of services of the Group's senior management could have a material adverse effect on the Group's competitive position.

The Group's ability to maintain its competitive position and to implement the Group's strategy is dependent to a large degree on the Group's senior management team. The Group depends on its existing senior management for the implementation of the Group's strategy and the management of day-to-day activities. In addition, the business and governmental connections of members of the Group's senior management are important to its business.

These individuals, however, may not continue to make their services available to the Group in the future or, if they do not, the Group may be unable to replace such personnel with suitable personnel in a timely manner. The loss or unavailability of the Group's senior management and other skilled personnel for an extended period of time, or any inability of the Group to promptly replace such personnel with suitably qualified and experienced personnel to support its business, could have a material adverse effect on the Group's business, results of operations and financial condition. The Group does not maintain key person life insurance on any of its senior managers.

The Group's business may be affected by shortages of skilled labour or labour disputes.

Competition for skilled labour in Morocco is intense due to the relatively small number of available qualified individuals. The demand for skilled engineers, technicians, chemical experts, mining and construction workers, and operators of specialised equipment continues to increase, reflecting the significant demand from other industries and public infrastructure projects. Further increases in demand for skilled labour are likely to lead to increases in labour costs, which could have a material adverse effect on the Group's business, results of operations and financial condition.

There are four main labour unions that represent the Group's employees. As at 31 December 2014, approximately 20% of the Group's employees were estimated to be supporters of labour unions. Such union representation subjects the Group's businesses to the threat of interruptions through strikes, lock-outs or delays in the renegotiation of labour contracts, and the Group has been subject to brief strikes in recent years. The Group may also be adversely affected by labour strikes or other disruptions due to labour disputes at third-party companies that are suppliers or contractors for the Group. In addition, the Group may be unable to renew its existing collective bargaining agreements with the Group's employees on favourable terms, or at all. A failure to renew the Group's collective bargaining agreements, significant work slowdowns, stoppages or other labour-related developments could have a material adverse effect on the Group's business, results of operations and financial condition.

There are certain events for which the Group may not be adequately insured.

While the Group believes that the types and amounts of insurance coverage it currently maintains are in line with customary practice in the phosphate industry and are adequate for the conduct of its business, the Group's insurance does not cover all potential risks associated with its business or for which it may otherwise be liable, as it is not possible for companies within the industry to obtain meaningful coverage at reasonable rates for certain types of hazards. For example, our insurance policies may not cover, or fully cover, us against certain risks such as environmental risks or the inherent hazards of our operations and products. In addition, our policies are subject to standard deductibles, exclusions and limitations that could affect our ability to make a claim. Consequently, we cannot provide any assurance that our insurance coverage will adequately protect us from all risks that may arise or in amounts sufficient to prevent any material loss.

Risks Relating to the Kingdom of Morocco

The Moroccan State, in its capacity as shareholder, may cause the Group to engage in business practices that may not be in the interests of the Noteholders.

The Moroccan State directly owns 94.12% of the Issuer. The Moroccan State has conferred on the Issuer a monopoly since 1920, at the time the Issuer was the *Office Chérifien des Phosphates*, and subsequently to the Issuer in 2008 (when the Issuer became a joint stock company), pursuant to the OCP Law, with respect to phosphates exploration and mining in Morocco, although the Moroccan State retains ownership of phosphate rock reserves in Morocco. The remaining interests in the Issuer are held by *Banque Centrale Populaire S.A.* ("**BCP**") (4.57%), *Société d'Aménagement et de Développement Vert* ("**SADV**") (0.88%) and Infra Maroc Capital (0.43%). BCP is a major Moroccan bank which is partially owned by the Issuer (4.2%). SADV is wholly-owned by the Issuer. Infra Maroc Capital is wholly-owned by BCP.

The rights of the Moroccan State as a majority shareholder of the Issuer are contained in the Issuer's articles of association and the Issuer is managed in accordance with those articles and with the provisions of Law n°17-95 (as amended from time to time) relating to *sociétés anonymes*. The Moroccan State, as a majority shareholder of the Issuer, has the right to propose and approve the appointment of, and to remove, the members of the Issuer's Board of Directors (the "**Board of Directors**"). The Minister of the Interior, the Minister of Foreign Affairs and Cooperation, the Minister of Economy and Finance, the Secretary General to the Minister of Agriculture and Maritime Fishing, the Minister of Energy, Mines, Water and the Environment, the Minister of Industry, Trade, Investment and Digital Economy and the Deputy Minister to the Head of the Government Responsible for General Affairs and Governance are members of the Board of Directors. Accordingly, none of the Issuer's directors are independent directors. The Moroccan State may also influence the Issuer's results or financial condition through shareholder approval of the Issuer's capital-related matters and other policies. For example, dividend payments are subject to the approval of the General Meeting of shareholders on an annual basis. See "*Relationship with the Government—Dividends*".

As a result of all of the foregoing, the Moroccan State has the ability to control the operations of the Group. The Moroccan State may cause the Group to engage in business practices, including undertaking new or loss making activities, which could materially affect the Group's ability to operate on a commercial basis or in a way that is consistent with the best interests of the Noteholders. Should the Moroccan State choose or compel the Group to make commercially unfavourable decisions, this will have a material adverse effect on the Group's business, results of operations and financial condition.

Emerging markets such as Morocco are generally subject to greater risks than more developed markets.

Investments in securities of issuers located in emerging markets, such as Morocco, generally involves a higher degree of risk than investments in securities of issuers from more developed countries. These higher risks include, but are not limited to, higher volatility, limited liquidity, a narrow export base, current account deficits, exchange capital controls and changes in the political, economic, social, legal and regulatory environment. Morocco's budget deficits and other weaknesses characteristic of emerging market economies make it susceptible to future adverse effects similar to those suffered by other emerging market countries. In any event, the market for securities bearing Moroccan risk, such as the Notes, could be affected negatively by events elsewhere, especially in emerging markets.

In addition, international investors' reactions to events occurring in one emerging market country or region sometimes appear to demonstrate a "contagion" effect, in which an entire region or class of investment is disfavoured by such investors. If such a "contagion" effect occurs, Morocco could be adversely affected by negative economic or financial developments in other emerging market countries. Morocco has been adversely affected by "contagion" effects in the past, including recent volatility in the Middle East and North Africa, as well as the recent global financial crisis and could be affected by similar effects in the future.

As a consequence, an investment in the Group carries risks that are not typically associated with investing in more mature markets. These risks may be compounded by incomplete, unreliable or unavailable economic and statistical data on Morocco, including elements of information provided in this Prospectus. Prospective investors should also note that emerging economies, such as Morocco's, are subject to rapid change and that the information set out in this Prospectus may become outdated relatively quickly. Accordingly, prospective investors should exercise particular care in evaluating the risks involved and must decide for themselves whether, in light of those risks, their investment is appropriate. Generally,

investment in emerging markets is suitable only for sophisticated investors who fully appreciate the significance of the risks involved. Prospective investors are urged to consult with their own legal and financial advisers before making an investment decision.

The Government may seek higher dividend or other payments from the Group as a result of the Government's budget deficit.

Morocco's budget deficit was 1.0% of its gross domestic product ("**GDP**") in 2009, before increasing to 2.3% of GDP in 2010, 4.2% of GDP in 2011, 7.3% in 2012 and 5.4% in 2013, according to the World Bank. The budget deficit as a percentage of GDP was 5% in 2014. Increases in 2012 and 2011 have been due, in part, to increased Government spending on fuel and food subsidies and the introduction of a public sector wage increase in 2011. Since 2007, the budget deficit has been financed by increased borrowing. While the Government has taken measures to reform public subsidies, if the budget deficit is not reduced or the Government is unable to finance the budget deficit through other means, the Government may seek funding through higher dividend or other payments from the Issuer which could materially adversely affect the Group's business, results of operations and financial condition.

The Issuer is subject to changes in Government policy.

As a state-owned company, the Issuer is subject to changes in Government policy. In the event of a change of Government, a new government may not have the same or similar economic, political or social policies as the current Government, including with respect to the Group and the monopoly on the mining of phosphate resources first conferred on the Issuer's predecessor, *l'Office Chérifien des Phosphates*, in 1920 and subsequently conferred on the Issuer in 2008, pursuant to Article 2 of Law No 46-07 promulgated on 26 February 2008 (the "**OCP Law**"). Any change to such policies and, in particular, the OCP Law, could have a material adverse effect on the Group's business, results of operations and financial conditions.

The Group has operations in the Southern Provinces (also referred to as the Western Sahara region by certain third parties).

The Group's Boucraa mining operations are located in the Southern Provinces (also referred to as the Western Sahara region by certain third parties), an area which until 1975 was a colony of Spain. Pursuant to the Madrid Accords, Spain withdrew from the region and Morocco proclaimed its sovereignty over the territory. The Polisario Front, a political organization opposing Morocco's control over the Southern Provinces, commenced hostilities with Morocco following this proclamation. The United Nations brokered a ceasefire in 1988 and subsequently convinced the parties to pursue, under the auspices of the United Nations, a negotiated resolution of the conflict which includes the holding of a self-determination referendum. The United Nations continues to lead negotiations concerning the legal and logistical conditions of the referendum. Meanwhile, the United Nations issued a legal opinion in 2002 concluding that resource development in the Southern Provinces is permissible under international law so long as it benefits the local people. Because the Group's Boucraa operations provide significant employment, investment and other benefits to the local economy and its people, the Group views its Boucraa operations as permitted under applicable international law. Though not anticipated, any renewal of violence in the region, any change in the applicable legal standard, or any adverse determination by the United Nations or other relevant authorities about the benefits of the Group's operations to the local people could disrupt the Group's operations and adversely impact the Group's business at the Boucraa mine, or adversely impact existing or potential customers' willingness to purchase the phosphate rock produced in Boucraa, any of which could adversely affect the Group's business, results of operations or financial condition.

Regional tensions could have a material adverse effect on the Group's business.

Morocco is located in a region that has been subject to on-going political and security concerns, especially in recent years. Political instability in the region has increased since the terrorist attacks of 11 September 2001, the U.S. intervention in Iraq, tensions over Iran's reported nuclear programme and the conflict in Syria. Some Middle Eastern and North African countries have experienced in the recent past, or are currently experiencing, political, social, and economic instability, extremism, terrorism, armed conflicts and war, some of which have negatively affected Morocco in the past.

Since the "Arab Spring" began, a number of Arab countries have experienced significant political and military upheaval, conflict and revolutions leading to the departure of long-time rulers in Tunisia, Egypt, Yemen and Libya. In addition, Syria has continued to experience significant civil unrest and internal

conflict. In July 2012, the Government expelled the Syrian ambassador to Morocco. The continuation of such events or the outbreak of new problems in the region could further strain political stability in the region, the general resources of the Government and the Government's finances and negatively affect the Morocco's economy, any of which could, in turn, have a material adverse effect on the Group's business, results of operations and financial condition.

Risks Relating to the Notes

The Notes may be subject to withholding tax.

Based on articles 6.I.C.3° and 45 of the Moroccan Tax Code, the Issuer believes that interest payments on the Notes will not be subject to withholding tax in Morocco. In the event this interpretation is incorrect, however, payments made in respect of Notes will be subject to withholding tax. Generally, payments of interest on borrowed funds made by a Moroccan entity to a non-resident are subject to Moroccan withholding tax at the rate of 10% for legal entities, unless such withholding tax is reduced or eliminated pursuant to the terms of an applicable double tax treaty. See "*Taxation—Certain Moroccan Tax Considerations*".

In the event that payments in respect of the Notes are subject to withholding of Moroccan tax, the Issuer is obliged to increase payments as may be necessary so that the net payments received by Noteholders will not be less than the amounts they would have received in the absence of such withholding. In addition, the Issuer may be able to redeem the Notes under Condition 7.2 *(Redemption for Taxation Reasons)* as a result of the application or an increase in the prevailing rate of any withholding tax resulting from a change in the application or official interpretation of the laws or regulations of Morocco.

Changes in market interest rates may adversely affect the value of the Notes.

Investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes, since the Notes have a fixed rate of interest and prevailing interest rates in the future may be higher than that fixed rate of interest.

The Notes will constitute unsecured obligations of the Issuer.

The Issuer's obligations under the Notes will constitute unsecured obligations of the Issuer. The ability of the Issuer to pay such obligations will depend upon, among other factors, its liquidity, overall financial strength and ability to generate cash flows, which could be affected by the circumstances described in these "*Risk Factors*".

The Issuer will have the right to redeem the Notes upon the occurrence of certain changes to taxation laws and regulations.

In the event that the Issuer would be obliged to increase the amounts payable in respect of the Notes due to any change in or amendment to the laws or regulations of Morocco or any political sub division thereof or of any authority therein or thereof having the power to tax or in the interpretation or administration thereof and the requirement cannot be avoided by the Issuer taking reasonable measures available to it, the Issuer may redeem all, but not some only, outstanding Notes at their principal amount in accordance with the Conditions. Upon such redemption, it may not be possible to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes and this may only be possible at a significantly lower rate.

There is no public trading market for the Notes and an active trading market may not develop or be sustained in the future.

The Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. If investments in the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price depending on prevailing interest rates, the market for similar securities, general economic conditions and the Issuer's financial condition. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a severely adverse effect on the market value of the Notes.

Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its regulated market. There can be no assurance that either such listing or declaration will

be obtained or, if such listing or declaration is obtained, that an active trading market will develop or be sustained. In addition, the liquidity of any market for the Notes will depend on the number of Noteholders, the interest of securities dealers in making a market in the Notes and other factors. Accordingly, there may be no development or liquidity of any market for the Notes. If an active trading market for investments in the Notes is not developed or maintained, the market or trading price and liquidity of investments in the Notes may be adversely affected.

The market price of the Notes may be subject to a high degree of volatility.

The market price of the Notes could be subject to significant fluctuations in response to actual or anticipated variations in the Group's operating results and those of its competitors, adverse business developments, changes to the regulatory environment in which the Group operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of other debt securities, as well as other factors, including the trading market for notes issued by Morocco. In addition, in recent years, the global financial markets have experienced significant price and volume fluctuations, which, if repeated in the future, could adversely affect the market price of the Notes without regard to the Group's results of operations or financial condition. Factors including increased competition, fluctuations in commodity prices or the Group's operating results, the regulatory environment, availability of reserves, general market conditions, natural disasters, terrorist attacks and war may have an adverse effect on the market price of the Notes.

The market price of the Notes is influenced by economic and market conditions in Morocco and, to a varying degree, economic and market conditions in other countries in the region and the international capital markets generally. Volatility in the international capital markets in the past has adversely affected market prices for companies that operate in those and other developing economies. Even if Morocco's economy remains stable, financial turmoil in the international capital markets could materially adversely affect the market price of the Notes.

Disruptions in the international capital markets may lead to reduced liquidity and increased credit risk for certain market participants and could result in a reduction of available financing. Companies located in emerging market countries, such as Morocco, may be particularly susceptible to these reductions in the availability of credit or to increased financing costs, which could result in financial difficulties for them. In addition, the availability of credit to entities operating within the emerging markets is significantly influenced by levels of investor confidence in these markets and, as such, any factors that impact market confidence, for example, a decrease in credit ratings or state or central bank intervention in one market could affect the price or availability of funding for entities within any of these markets.

Credit ratings may not reflect all risks.

The Notes are expected to be rated BBB− by S&P and BBB− by Fitch. One or more other independent credit rating agencies may assign credit ratings to the Notes and/or the Issuer. Credit ratings assigned to the Notes and/or the Issuer do not necessarily mean that they are a suitable investment. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, reduction or withdrawal at any time by the assigning rating organisation. Each of S&P and Fitch are established in the EU and is registered under the CRA Regulation. As such, each of S&P and Fitch is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation as at the date of this Prospectus.

Similar ratings on different types of notes do not necessarily mean the same thing. The initial ratings by S&P and Fitch will not address the likelihood that the principal on the Notes will be prepaid or paid on the scheduled Maturity Date. Such ratings also will not address the marketability of investments in the Notes or any market price. Accordingly, any adverse change in (or withdrawal of) the Issuer's credit ratings may affect the market's perception of the Issuer's creditworthiness and may have an adverse effect on the interest rate and/or tenor at which the Issuer can obtain funding.

Any adverse change in an applicable credit rating could adversely affect the trading price of the Notes. S&P and Fitch's current ratings are investment grade. Ratings may not reflect the potential impact of all risks related to structure, market and other additional factors discussed above, and other factors that may affect the value of the Notes.

Legal investment considerations may restrict certain investments.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) the Notes are legal investments for it, (ii) the Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any of the Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

Transfers of investments in the Notes will be subject to certain restrictions.

The Notes have not been, and are not expected to be, approved by, or registered with, any external authorities, including: (i) under the Securities Act or any applicable state's or other jurisdiction's securities laws; or (ii) with the SEC or any other applicable state's or other jurisdiction's regulatory authorities. The offering of the Notes will be made pursuant to exemptions from the registration requirements of the Securities Act and from other securities laws. Accordingly, reoffers, resales, pledges and other transfers of investments in the Notes will be subject to certain transfer restrictions. See "*Transfer Restrictions*". Each investor is advised to consult legal counsel in connection with any such reoffer, resale, pledge or other transfer.

As transfers of interests in the Global Certificates can be effected only through book entries at DTC, Clearstream, Luxembourg or Euroclear (as the case may be) for the accounts of their respective participants, the liquidity of any secondary market for investments in the Global Certificates may be reduced to the extent that some investors are unwilling to invest in Notes held in book-entry form in the name of a participant in Clearstream, Luxembourg, Euroclear or DTC, as the case may be. The ability to pledge interests in the Notes may be limited due to the lack of a physical certificate. In the event of the insolvency of Clearstream, Luxembourg, Euroclear, DTC or any of their respective participants in whose name interests in the Notes are recorded, the ability of beneficial owners to obtain timely or ultimate payment of principal, premium (if any) and interest on the Notes may be impaired.

The Issuer may issue further notes, which may dilute the Noteholders' share of the total issuance.

The Issuer may from time to time, without the consent of the Noteholders, create and issue further notes, having terms and conditions that are the same as those of the Notes, or the same except for the amount of the first payment of interest, which new notes may be consolidated and form a single series with the Notes then outstanding. To the extent that the Issuer issues such further notes, the existing Noteholders' share of the total issuance (for purposes such as voting) will be diluted.

Investors whose financial activities are not denominated in U.S. Dollars will be subject to exchange rate risk and the Issuer's ability to make payments on the Notes may be affected by exchange controls.

The Issuer will pay principal and interest on the Notes in U.S. Dollars. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than U.S. Dollars. These include the risk that exchange rates may significantly change (including changes due to any devaluation of U.S. Dollars or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. In addition, such risks generally depend on economic and political events over which the Group has no control. An appreciation in the value of the Investor's Currency relative to U.S. Dollars would decrease: (i) the Investor's Currency equivalent yield on the Notes; (ii) the Investor's Currency equivalent value of the principal payable on the Notes; and (iii) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Investors in the Notes must rely on DTC, Euroclear and Clearstream procedures.

The Regulation S Notes will be represented on issue by an Unrestricted Global Certificate that will be delivered to a common depositary for, and registered in the name of a nominee of a common depositary for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the Unrestricted Global Certificate, investors will not be entitled to receive Notes in definitive form. Euroclear and

Clearstream, Luxembourg and their respective participants will maintain records of the beneficial interests in the Unrestricted Global Certificate. While the Notes are represented by the Unrestricted Global Certificate, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg and their respective participants.

The Rule 144A Notes will be represented on issue by a Restricted Global Certificate that will be deposited with a custodian for DTC. Except in the circumstances described in the Restricted Global Certificate, investors will not be entitled to receive Notes in definitive form. DTC and its direct and indirect participants will maintain records of the beneficial interests in the Restricted Global Certificate. While the Notes are represented by the Restricted Global Certificate, investors will be able to trade their beneficial interests only through DTC and the Issuer will discharge its payment obligation under the Notes by making payments through the relevant clearing systems.

A holder of a beneficial interest in a Global Certificate must rely on the procedures of the relevant clearing system and its participants to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in either Global Certificate. Holders of beneficial interests in a Global Certificate will not have a direct right to vote in respect of the Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies.

The Notes have a minimum denomination of U.S.$200,000 (the "**Minimum Denomination**") and are tradable in the clearing systems in the Minimum Denomination and incremental amounts of U.S.$1,000 thereafter. Should Notes in definitive form be required to be issued, a Noteholder that does not have an integral multiple of the Minimum Denomination in its account with the relevant clearing system at the relevant time may not receive all of its entitlement in Notes in definitive form unless and until such time as its holding becomes an integral multiple of the Minimum Denomination.

Sales of the Notes may be subject to capital gains tax in Morocco.

Unless specified otherwise in a double taxation treaty signed between Morocco and the country of residence of the Noteholder, for Moroccan tax purposes, a capital gain derived from the disposal of Notes issued by a Moroccan entity is considered sourced in Morocco, and therefore subject to taxation in Morocco. The individual or entity that is not resident in Morocco will be subject to Moroccan capital gains tax only by virtue of realising a capital gain on the Notes issued by the Moroccan entity. In addition, it is the responsibility of the non-resident individual or entity to file a tax return and to pay the applicable tax no later than 30 days after the month of sale. See further "*Taxation—Certain Moroccan Tax Considerations*" below for further details on the amounts payable.

If a double taxation treaty is in effect between Morocco and the country of residence of the Noteholder, it may provide for the application of a different taxation aimed at eliminating or reducing double taxation. Each investor should consult its own tax advisers concerning the tax considerations applicable to its particular situation taking into account the existence or not of a double taxation treaty signed between Morocco and the country of residence of the Noteholder.

EU Savings Directive and Moroccan law and regulations may impose tax withholding.

The Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments (the "**EU Savings Directive**") requires each Member State as from 1 July 2005 to provide to the tax authorities of a second Member State details of any payments of interest and other similar income (within the meaning of the EU Savings Directive) made by a paying agent within its own jurisdiction to, or under certain circumstances collected for the benefit of, a beneficial owner (within the meaning of the EU Savings Directive) residing in the second Member State, except that Austria imposes instead a withholding system for a transitional period unless the beneficiary of interest payments elects for the exchange of information. A number of non-EU countries and territories have adopted similar measures (for example a withholding system in the case of Switzerland). Similarly, Morocco applies a withholding system, which in certain instances is subject to the double taxation treaties to which Morocco is a party and where information on any tax withheld on interest may be disclosed to the tax authority in the country having jurisdiction over the recipient of such interest.

On 24 March 2014, the Council of the European Union adopted a directive amending the EU Savings Directive, which, when implemented, will amend and broaden the scope of the requirements described above. In particular, the amending directive aims at extending the scope of the EU Savings Directive to

new types of savings income and products that generate interest or equivalent income. In addition, tax authorities will be required in certain circumstances to take steps to identify the beneficial owner of interest payments (through a look through approach). The EU Member States will have until 1 January 2016 to adopt the national legislation necessary to comply with this amending directive.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying and Transfer Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying and Transfer Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the EU Savings Directive.

Provisions of the Notes permit defined majorities to bind all Noteholders.

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

Condition 13 (Representation of Noteholders and Modification) of the Notes provides that, in the event of a modification to the Conditions that is not approved by the General Assembly, the Issuer must offer to repay Noteholders requesting the redemption of their Notes, which, if such offer is accepted by a significant number of Noteholders, could impact the liquidity of the Notes.

Exercise of Noteholder Rights in Certain Circumstances.

Condition 13 (*Representation of Noteholders and Modification*) of the Notes is governed by Moroccan law. Pursuant to mandatory requirements of Moroccan law, Noteholders shall have a designated representative appointed (the "**Representative**" as defined in Condition 13) to represent them in certain circumstances. To be so represented, the Noteholders, acting by way of General Assembly (as defined in Condition 13), must formally direct the Representative to act on their behalf by way of a Noteholder meeting. The circumstances in which the Noteholders may need to involve the Representative may include the taking of legal action by Noteholders against the Issuer in respect of the Notes and the enforcement of judgments in Morocco obtained by the Noteholders against the Issuer in respect of the Notes. This may affect the way in which, and the ability of, a Noteholder to recover principal, interest or other amounts payable upon the occurrence of an Event of Default (as defined in Condition 10).

The Agency Agreement (as defined in the Conditions) includes provisions for how Noteholders may convene a meeting of the General Assembly to direct the Representative to act on their behalf. Those provisions, which comply with Moroccan law requirements, include certain notice period requirements and requirements as to quorum and voting to formally direct the Representative to act on behalf of Noteholders. Noteholders are deemed to have notice of those provisions and are required to familiarise themselves with their requirements. Because of the quorum and voting requirements that apply, it may mean that a Noteholder wishing to take legal action on its own (without other Noteholders) may not be able to do so until that action is sanctioned by a simple majority of the requisite quorum of Noteholders (such quorum being (i) 25% of the Notes then outstanding (as defined in the Agency Agreement) at the first General Assembly or, if that meeting is inquorate (ii) those Notes outstanding (in whatever amount) as are represented at the second General Assembly). A failure to comply with the applicable provisions of Moroccan law in this regard may mean that any judgment ultimately obtained in respect of the Notes without the Representative's participation may not be enforceable. This may affect the way in which, and the ability of, a Noteholder to recover principal, interest or other amounts payable upon the occurrence of an Event of Default.

Noteholders need not direct the Representative to act on their behalf to give notice to the Issuer declaring an Event of Default. However, for certain Events of Default a threshold of 5% in aggregate of Notes then outstanding is required to call an Event of Default (see Condition 10).

The use of the Representative to act on behalf of Noteholders in the context of an international securities offering (like the Notes) is untested. Accordingly, there is no practice or precedent in this regard and whilst the Issuer regards the above as being a fair summary of the position, Noteholders are advised to seek appropriate legal advice before taking any legal or other action in connection with the Notes.

No assurance can be given as to the impact of any possible judicial decision or change to Moroccan law or administrative practice after the date of this Prospectus and any such decision or change could materially adversely impact the value of the Notes.

USE OF PROCEEDS

The net proceeds of the Offering are estimated to be approximately U.S.$987,650,000 (after deduction of fees and expenses relating to the Offering, not including discretionary fees, if any), and will be used to fund the Capital Expenditure Programme and for general corporate purposes.

SELECTED CONSOLIDATED FINANCIAL DATA AND OTHER INFORMATION

The tables below set forth the Group's selected consolidated financial data as at and for the years ended 31 December 2014, 2013 and 2012. The selected financial data as at and for the years ended 31 December 2014, 2013 and 2012 has been extracted from the Financial Statements, which were prepared in accordance with IFRS and are included elsewhere in this Prospectus. The selected financial data as at and for the years ended 31 December 2012 and 2013 have been adjusted in accordance with IFRS 11 and extracted from the financial statements for the period ended 31 December 2014.

The following tables should be read in conjunction with, and are qualified in their entirety by reference to, the Financial Statements and the related notes, included elsewhere in this Prospectus. Prospective investors should read this section together with the information contained in "Use of Proceeds", "Presentation of Financial and Certain Other Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Selected Consolidated Statement of Comprehensive Income

	For the year ended 31 December		
	2014	2013	2012
		(Dh millions)	
Revenue	41,436	38,986	50,541
Production held as inventory	250	(131)	62
Purchases consumed	(16,456)	(14,293)	(17,324)
External expenses	(6,480)	(6,112)	(6,671)
Personnel expenses	(8,102)	(8,270)	(8,238)
Taxes	(241)	(231)	(226)
Amortisation, depreciation and operating provisions	(2,304)	(1,394)	(985)
Profit (loss) of equity-accounted operating companies	312	(69)	(23)
Other operating income and expenses	684	(35)	206
Current operating profit	9,099	8,451	17,343
Other non-current operating income and expenses	(167)	418	(766)
Operating profit	8,932	8,869	16,578
Cost of gross financial debt	(425)	(479)	(506)
Financial income from cash investments	311	756	1,023
Cost of net financial debt	(114)	277	517
Other financial income and expenses	(2,593)	101	216
Financial profit	(2,707)	378	734
Net profit before tax	6,225	9,246	17,311
Corporate income tax	(1,152)	(2,159)	(3,670)
Profit for the period	5,073	7,087	13,641
Revaluation of assets held-for-sale	28	(27)	(17)
Translation differences	40	(146)	(40)
Revaluation differences relating to defined benefit plans	1,293	2,285	749
Tax	(215)	99	2
Deferred tax	1	(10)	3
Share of gains and losses recognised in equity and equity-accounted entities	16	10	(4)
Income and expenses for the period, recognised directly in equity	1,163	2,210	694
Consolidated comprehensive income	6,236	9,297	14,335
Basic and diluted earnings per share	61.81	86.28	164.60

Selected Consolidated Statement of Financial Position

	2014	2013	2012
		(Dh millions)	
ASSETS			
Current assets			
Cash and cash equivalents	8,996	5,440	9,390
Current financial assets	4,767	4,627	18,142
Inventories	9,039	7,832	6,990
Trade receivables	6,412	3,843	6,589
Current tax receivables	222	1,152	1,053
Other current assets	9,492	18,384	11,279
Total current assets	**38,928**	**41,277**	**53,443**
Non-current assets			
Non-current financial assets	13,071	2,632	2,449
Investments in associates	2,668	2,296	3,017
Deferred tax assets	110	135	307
Property, plant and equipment	73,360	55,944	35,350
Intangible assets	109	71	62
Total non-current assets	**89,319**	**61,079**	**41,185**
TOTAL ASSETS	**128,247**	**102,355**	**94,628**
LIABILITIES			
Current liabilities			
Current loans and financial debts	4,418	3,442	4,139
Current provisions	24	7	30
Trade payables	12,059	8,781	6,411
Current tax payable	17	30	13
Other current liabilities	13,944	8,571	7,028
Total current liabilities	**30,461**	**20,830**	**17,620**
Non-current liabilities			
Non-current loans and financial debts	35,589	17,206	12,610
Non-current provisions for employee benefits	4,216	9,172	11,593
Other non-current provisions	324	234	1,019
Deferred tax liabilities	67	46	(23)
Total non-current liabilities	**40,196**	**26,658**	**25,199**
EQUITY			
Issued capital	8,288	8,288	8,288
Paid-in capital	18,698	18,698	18,698
Consolidated reserves	25,232	20,795	11,182
Net profit for the period	5,077	7,087	13,641
SHAREHOLDERS' EQUITY	**57,294**	**54,867**	**51,808**
Non-controlling interests	296		
TOTAL EQUITY	**57,590**	**54,867**	**51,808**
TOTAL EQUITY AND LIABILITIES	**128,247**	**102,355**	**94,628**

Selected Statement of Cash Flows

	For the year ended 31 December		
	2014	2013	2012
		(Dh millions)	
Net cash flows from operating activities	8,635	6,440	11,427
Net cash flows used in investing activities	(18,419)	(20,235)	(12,820)
Net cash flows from/(used in) financing activities	13,685	10,839	(1,073)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The financial information of the Group set forth below as at and for the years ended 31 December 2014, 31 December 2013 and 31 December 2012 has been extracted from, should be read in conjunction with, and is qualified in its entirety by, the Financial Statements, including the notes thereto, contained elsewhere in this Prospectus.

The Financial Statements have been prepared in accordance with IFRS. This management's discussion and analysis contains forward-looking statements which, although based on assumptions that management considers reasonable, are subject to risks and uncertainties which could cause actual events or conditions to differ materially from those expressed or implied by the forward-looking statements. For a discussion of risks and uncertainties that the Group faces as a result of various factors, see "Forward-Looking Statements" and "Risk Factors".

Overview

The Group is a leading vertically-integrated fertiliser company involved in the extraction, production and commercialisation of: (i) phosphate rock; (ii) phosphoric acid (including purified phosphoric acid); and (iii) phosphate-based fertilisers. The Group is the largest producer of phosphate rock and phosphoric acid, and the second largest producer of phosphate-based fertilisers (DAP, MAP and TSP), globally (by volume), based on company information and publicly available data of competitors. The Group's mining activities are based in Morocco and focus on the extraction, treatment, enrichment and delivery of phosphate rock to its processing facilities in Jorf Lasfar and Safi, as well as the export of phosphate rock to its customers in approximately 35 countries. The Group processes approximately two-thirds of its phosphate rock production into phosphoric acid, a significant part of which is in turn further processed into phosphate-based fertilisers. In addition to phosphoric acid, the Group produces and exports four major types of phosphate-based fertilisers: MAP, DAP, NPK and TSP. The Group also recently started producing a number of specialised fertiliser products, such as sulphur-enriched fertilisers, reactive phosphate rock, fertilisers enriched with micronutrients and feed phosphate products. The Group sells its products to other industrial companies, including integrated and non-integrated players, large and established traders and distributors.

For the year ended 31 December 2014, the Group's total revenue was Dh 41.4 billion, its Adjusted EBITDA was Dh 11.4 billion and its net profit for the period was Dh 5.1 billion. The Group's total assets were Dh 128.2 billion as at 31 December 2014. For financial reporting purposes, the activities of the Group are divided into three operating segments: Northern Axis, Central Axis and Headquarters and Other. See "*—Operating Segments*" below.

Recent Developments

New drawdown with European Investment Bank

On 9 April 2015, the Issuer drew U.S.$43.8 million, under the European Investment Bank loan facility signed in December 2011, which bears interest at a fixed rate.

Dividend payment

On 27 March 2015, the Issuer made a gross dividend payment of Dh 1,250,583,750 based on profits for the year ended 31 December 2014.

Acquisition of 10% of Fertilizantes Heringer S.A.

In January 2015, the Issuer completed the acquisition, through its subsidiary OCP International, of approximately 10% of the shares in Fertilizantes Heringer S.A. for R$ 145,415,034.00 (approximately U.S.$ 55 million as of 12 January 2015) by way of capital increase. Fertilizantes Heringer S.A. also signed a long-term supply agreement with the Issuer and an industrial consignment agreement with OCP Fertilizantes Ltda, both relating to phosphate based products.

New Loan Agreements with Moroccan banks

In January 2015, the Issuer entered into two loan agreements with two Moroccan banks for Dh 1.5 billion each in connection with capital expenditure funding. The loans bear interest at a fixed rate and mature in December 2020 and December 2021 respectively.

In March 2015, the Issuer entered into a loan agreement with a Moroccan bank for Dh 2.0 billion in connection with capital expenditure funding. The loan bears interest at a fixed rate and matures in March 2020. In March 2015, the Issuer drew down Dh 1 billion under this loan agreement.

Strategic Partnership in the Republic of Gabon

In March 2014, the Issuer and representatives of the Gabonese government signed a preliminary memorandum of understanding in which they agreed to a non-binding strategic partnership in the field of natural gas, ammonia and fertilisers. This preliminary memorandum of understanding was further developed in December 2014 by another non-binding agreement between the parties, which described the strategic partnership in further detail and the pre-requisites to be fulfilled by each party prior to implementing such strategic partnership. The strategic partnership contemplates the potential joint ownership and operation of (i) two productions units of phosphoric acid and one fertiliser granulation plant in Morocco (using the Group's phosphate rock) and (ii) an ammonia production unit (using Gabonese gas) and one fertiliser granulation plant in Gabon.

Key Factors Affecting Results of Operations

Set forth below is an overview of the key factors that have affected the Group's results of operations during the years ended 31 December 2014, 2013 and 2012 and that are expected to affect the Group's results of operations in future periods.

Global Macroeconomic Conditions and Agricultural Commodity Prices

Selling prices for phosphate rock, fertilisers and phosphoric acid, revenue from the sales of which accounted for 24.9%, 44.9% and 20.4% of the Group's revenue in the year ended 31 December 2014, respectively, significantly affect the Group's revenue and profitability and have fluctuated significantly during the periods under review. Selling prices for the Group's products generally move in line with global market prices for these products, which are directly influenced by global macroeconomic conditions, agricultural commodity prices and the supply/demand balance in the phosphates market. In addition, global market prices for phosphate rock, fertilisers and phosphoric acid are strongly correlated with the international DAP index.

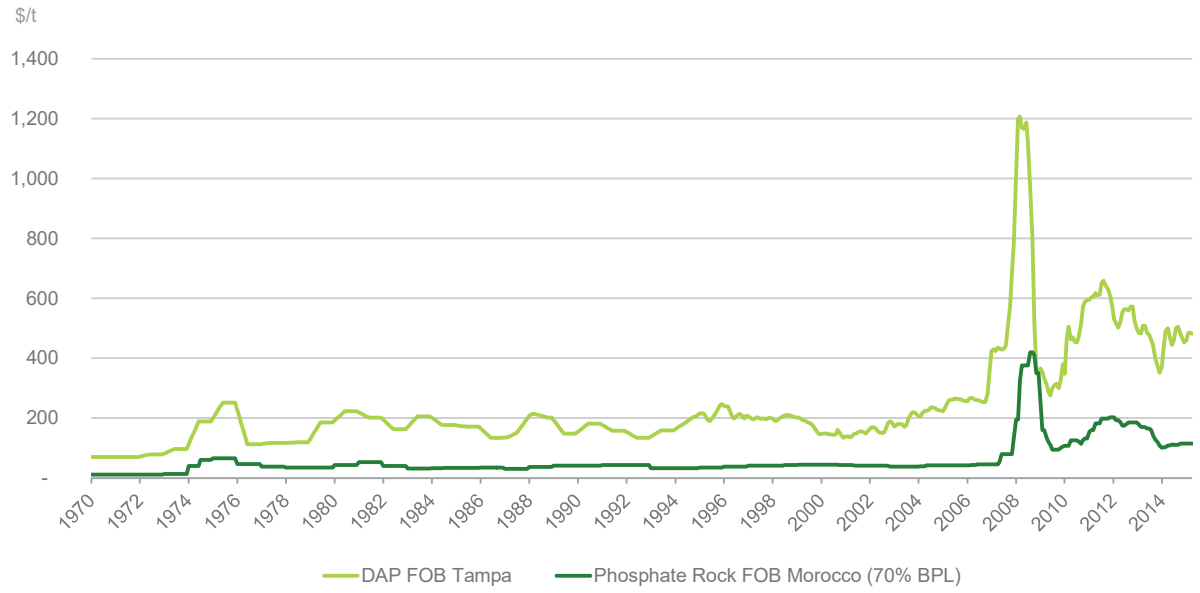
The table below sets out the Group's average price per tonne of phosphate rock, phosphoric acid and phosphate-based fertilisers for the periods indicated.

	For the year ended 31 December		
	2014	2013	2012
		(U.S.$)	
Phosphate rock	106	112	148
Phosphoric acid	700	711	891
Phosphate-based fertilisers	422	417	507

Global prices of phosphate rock and fertilisers from the 1980s were comparatively lower than current prices and had relatively low volatility until 2007, and increased until they reached a peak in summer 2008. In late 2008 and the first quarter of 2009, the global financial crisis resulted in a decrease in agricultural commodity prices which, in turn, led to a significant decrease in prices obtainable for the Group's products. Demand was weakened by high-cost phosphate products inventories accumulated along the value chain, as well as the negative impact of the turmoil in the financial markets on farmers', distributors' and traders' access to trade finance, which limited their ability to purchase fertilisers and feed phosphate products. While demand for the Group's products increased in the second half of 2009, prices remained depressed through the end of 2009. In 2010, as the economies of the principal fertiliser consuming markets began to recover, prices for the Group's products generally started to increase.

This upward trend in prices generally continued during the first half of 2011, due, among other things, to crop price increase, sound market demand, and constraints in supply by the United States and the

countries affected by the Arab Spring. In the second half of 2011, increasing retail prices for products sold to Indian farmers due to the Indian government's adjustment of its fertiliser subsidy policy led to a sharp decrease in demand in India, which, in turn, led to a decrease in global DAP imports and global DAP prices. These prices reached a low in March 2012. In the second quarter of 2012, global prices for fertilisers began to rise, reaching their peak 2012 levels in mid-summer, due, in part, to increased "just-in-time" demand from North America, which, in turn, created upward price pressure in the spot market. In the third quarter of 2012, global fertiliser prices slightly decreased, principally due to the seasonal effect, pursuant to which fertiliser demand in the second half of November and in December is usually at the lowest level for the year and, as a result, fertiliser prices tend to decline slightly in September and October. Overall, as a result of decreases in global fertiliser prices towards the end of 2011 and in the first quarter and, to a lesser extent, third quarter of 2012, the average global fertiliser prices in U.S. Dollar terms in the first three quarters of 2012 were, for the most part, lower than in the comparable period in 2011. Downward pressure on prices continued in the first quarter of 2013 due to farmers' decisions to defer purchases. Prices, however, rebounded and reached a 2013 peak in April due to strong demand from Latin American farmers anticipating a favourable growing season. Prices declined thereafter due to decreased demand in the United States as a result of the late spring in the corn belt and reduced imports in India due to the weakness of the Indian Rupee against the U.S. Dollar (reducing Indian importers' purchasing power to purchase fertilisers). Price volatility resulted in Indian importers as well as importers in other regions such as Europe relying on their existing stocks rather than importing additional fertiliser volumes, which led to a decrease in fertiliser stocks, particularly in India. Subsequent increased purchases primarily from Europe, the United States and Australia led to an increase in fertiliser prices from November 2013 to March 2014. Starting mid-April 2014, the price of fertiliser decreased as demand fell at the end of the United States and European growing seasons. Fertiliser prices started to increase again by the end of May 2014 as demand in the Latin American market grew due to last minute purchases by Brazilian producers ahead of the Brazilian growing season. Uncertainties over the prices of agricultural commodities combined with record high levels of Chinese exports of fertilisers limited the increase in the price of fertiliser in the second half of 2014. In the middle of the third quarter of 2014, the price of phosphate-based fertilisers weakened again due to the end of the demand seasons in Europe and the Americas, but started to increase again in late December 2014 due to the higher demand for fertilisers ahead of the spring season in Europe and the Americas.



Source: CRU.

Long-Term Global Demand and Supply Factors

In the longer term, the Group's management believes that a number of factors will drive demand for fertiliser products. These factors include:

- rising populations and limited arable land, leading to a decline in available arable land per capita, which results in the need for more intensive application of fertiliser products in order to achieve adequate crop yields; and

- income growth in emerging economies resulting in changes in diet (such as increased consumption of meat, which results in increased demand for grain and other animal feed, and increased consumption of fruit and vegetables, which are higher-priced crops requiring higher fertiliser application rates to ensure crop yield and quality).

A number of medium-term factors could also drive increased demand for fertiliser products, including growth in Latin America and Asia, a demand recovery in Europe and Australia, and a demand increase in Africa.

Supply-related factors influencing fertiliser prices in the future will most notably include changes in worldwide fertiliser production capacity and increased availability of fertiliser product exports from major producing regions such as China and the Middle East. The Group believes that it is likely to face additional competition in the short- to medium-term, in part due to announced capacity increases by other industry players. When some or all of these plants commence production, world supply of fertilisers is expected to increase, which may result, particularly in the absence of a matching increase in demand, in a decline in fertiliser prices.

Sales Volumes and Product Mix

Changes in the Group's sales volumes and product mix also significantly affect the Group's revenue and profitability.

The table below sets forth the Group's export sales of phosphate rock, phosphoric acid and phosphate-based fertilisers for the periods indicated.

	For the year ended 31 December		
	2014	2013	2012
	(million tonnes)		
Phosphate rock	8.7	8.6	9.4
Phosphoric acid	2.1	2.0	1.9
Phosphate-based fertilisers	4.7	4.3	4.5

In 2013, the decrease in export sales, by volume, of phosphate rock, compared to 2012, was primarily due to increased competition in the phosphate rock market, especially from Latin America where new phosphate rock capacities increased exported volumes. The increase in export sales, by volume, of phosphoric acid and the decrease in export sales, by volume, of phosphate-based fertilisers, as compared to 2012, were primarily due to a stronger demand for phosphoric acid from Indian importers which contrasted with a decrease in DAP imports in the same region (in part due to the depreciation of the Indian Rupee which reduced Indian importers' purchasing power for fertilisers). The slight increase in export sales, by volume, of phosphate rock in 2014, as compared to 2013, was primarily due to additional export sales in South Asia, which was almost completely off-set by a decrease in sales in the United States. The Group's export sales of phosphoric acid remained relatively stable between 2013 and 2014. The increase in the Group's export sales, by volume, of phosphate-based fertilisers in 2014, as compared to 2013, was primarily due to a recovery in higher sales in the Americas, Europe and Africa.

In addition, the composition of sales volumes in terms of product mix resulting from changes in market demand for specific products also affects the Group's revenue and profitability. The principal changes in product mix during the period under review include the following:

- the share of MAP in the Group's export sales of phosphate-based fertilisers, by volume, increased from 33.8% in 2012 to 38.7% in 2013 and reduced to 29.3% in 2014;
- the share of TSP in the Group's export sales of phosphate-based fertilisers, by volume, increased from 19.1% in 2012 to 23.0% in 2013 and decreased to 21.2% in 2014;
- the share of DAP in the Group's export sales of phosphate-based fertilisers, by volume, decreased from 45.4% in 2012 to 32.2% in 2013 and increased to 34.0% in 2014.

Fluctuations in the Group's fertiliser export mix are mainly related to market conditions and changes in regional demand. The Group's diversification into NPK contributed to the decrease of the share of standard fertilisers (namely DAP, MAP and TSP) in its product mix over the last three years.

Seasonality

The Group is subject to certain seasonal fluctuations in fertiliser demand due to the timing of fertiliser application and, as a result, fertiliser purchases by farmers. Fertiliser application periods differ from region to region which may lead to significant fertiliser demand variations through the year. In addition, purchasing timing by farmers and distributors could lead to increased seasonality and volatility in demand. The effect of seasonality on the Group's revenue is partially offset by the fact that the Group sells its fertilisers globally and that fertiliser application and purchases vary by region.

Exchange Rates

The Dirham/U.S. Dollar exchange rate and inflation trends in Morocco affect the Group's results of operations principally because: (i) a majority of the Group's consolidated revenue from sales of its products is denominated in U.S. Dollars, while a substantial portion of the Group's expenses is denominated in Dirhams; and (ii) a part of its borrowings and accounts payable is denominated in U.S. Dollars. Accordingly, fluctuations in the Dirham/U.S. Dollar exchange rate may significantly affect the Group's consolidated results of operations. Although the Dirham/U.S. Dollar exchange rate has been fairly stable in recent years, the exchange rate has fluctuated significantly in the past.

A depreciation of the Dirham would positively affect the Group's consolidated sales revenue in light of the breakdown of its transactional currency exposures. An improvement of the U.S. Dollar against the local currencies in the Group's export markets, may, however, negatively affect the Group's consolidated sales revenue as its customers will demand lower prices for the Group's products in order to compensate for the depreciation of their currencies. For example, in 2013, the depreciation in the Indian Rupee had a negative impact on Indian importers' purchasing power, which, in turn, reduced the Indian market's demand for the Group's products. Continued depreciation or similar depreciation experienced in other markets in which the Group operates could have a similar effect on demand for the Group's products. Any resulting lowering of the Group's prices will, in turn, adversely affect the Group's revenue. In 2014, a strengthening of the Indian Rupee led to an increase in the purchasing power of Indian importers and had a positive effect on the Group's consolidated sales revenues.

On the other hand, the Group has significant U.S. Dollar-denominated liabilities and any depreciation of the Dirham relative to the U.S. Dollar would result in foreign currency translation losses that are recognised in the Group's consolidated statement of comprehensive income. Because part of the Group's consolidated total borrowings is denominated in U.S. Dollars, a devaluation of the Dirham would have a net negative impact on the Company's financial condition and results of operations.

The Group currently uses limited foreign exchange derivatives contracts to manage its exposure to changes in foreign exchange rates. The Group's management regularly monitors the Group's currency risk and monitors changes in foreign currency exchange rates and its effect on operations of the Group. The Group is considering changes to its hedging policy and may, in the future, broaden its hedging activities.

The following table sets forth the year average and year-end Dirham/U.S. Dollar exchange rates, as published by the Central Bank, for the years indicated:

	Average	Period End
	(Dh per U.S.$1.00)	
2014	8.4072	9.0419
2013	8.4097	8.1516
2012	8.6290	8.4390

Costs of Raw Materials and Energy

Costs of raw materials (including energy costs) are the largest component of the Group's costs of purchases consumed, accounting for 79.4%, 76.3% and 82.0% of the Group's purchases consumed for the years ended 31 December 2014, 2013 and 2012, respectively. The Group's costs of raw materials primarily relate to the Group's purchases of sulphur and sulphuric acid, ammonia and energy.

Costs of Sulphur and Sulphuric Acid

The Group's expenditures on sulphur and sulphuric acid accounted for 37.0%, 34.9% and 44.1% of the Group's purchases consumed in 2014, 2013 and 2012, respectively.

Sulphur is the principal raw material used in the production of sulphuric acid, which is required for the production of the Group's phosphoric acid. The Group estimates that its consumption of sulphur amounted to 4.5 million tonnes in 2014, which represented approximately 14% of the worldwide sulphur market according to IFA.

The Group's average sulphur consumption cost was U.S.$155 per tonne in 2014, U.S.$140 per tonne in 2013 and U.S.$206 per tonne in 2012. The price of the sulphur obtained from third-party suppliers is generally negotiated on a quarterly or annual basis under medium-term supply agreements.

Costs of Ammonia

The Group's expenditures on ammonia accounted for 20.0%, 22.3% and 21.2% of the Group's purchases consumed in 2014, 2013 and 2012, respectively.

Ammonia is used in the production of MAP, DAP and NPK, as well as specialised fertiliser products, such as sulphur and fertilisers enriched with micronutrients. The ammonia market is regionally-driven due to high freight costs. The transportation of ammonia requires specialised ships and is often expensive, which makes non-regional suppliers less attractive.

The Group's average ammonia consumption cost decreased to U.S.$509 per tonne in 2014 from U.S.$542 per tonne in 2013 and U.S.$560 per tonne in 2012. The Group primarily purchases ammonia through medium-term agreements. From time to time, in order to increase flexibility in supply, the Group purchases ammonia from the spot market.

Energy Costs

The Group's purchases of energy from third parties accounted for 17.9%, 17.9% and 13.8% of the Group's purchases consumed in 2014, 2013 and 2012, respectively.

Because the Group's fertiliser production operations are, to a certain extent, energy self-sufficient, the Group's third party purchases of energy mainly consist of electricity for use at the Group's mining and phosphate rock production facilities.

Morocco is a net importer of energy. Accordingly, the Moroccan economy and, in turn, the Group's energy prices, are subject to fluctuations from changes in international energy prices, in particular oil prices. Energy prices have been rising in Morocco in recent years, in particular, due to international increases in oil prices.

The Group's average electricity consumption cost was U.S.$0.085 per kWh in 2014, U.S.$0.088 per kWh in 2013 and U.S.$0.081 per kWh in 2012.

The Group's average fuel consumption cost increased to U.S.$632 per tonne in 2014 from U.S.$539 per tonne in 2013 and U.S.$454 per tonne in 2012, principally due to the gradual decrease in fuel subsidies by the Government and the partial indexation of industrial fuel prices to international market prices.

The Group's average diesel consumption cost increased to U.S.$0.97 per litre in 2014 to U.S.$0.89 per litre in 2013 from U.S.$0.80 per litre in 2012, principally due to the partial removal of subsidies with respect to diesel prices by the Government.

Capital Expenditure

In 2008, the Group launched its Capital Expenditure Programme until 2025 which the Group believes will improve its operating performance and help the Group strengthen its positions across the phosphate value chain. The Group's Capital Expenditure Programme involves the development of three new mines, the development of mining infrastructure, the construction of the Khouribga to Jorf Lasfar slurry pipeline (completed in April 2014), the construction of a slurry pipeline from Gantour to Safi, as well as the development of the Jorf Phosphate Hub, among other projects and initiatives. See "*Overview—Strategy—Improve Efficiency and Increase Industrial Capacity*" and "*—Capital Expenditures*" below.

Based on current plans, the total estimated costs of the Capital Expenditure Programme since its launch in 2008 to 2025 are approximately U.S.$[3]21 billion (Dh 189 billion), with U.S.$4 billion (Dh 37.1 billion) already incurred between 2008 and 2014. During the period from 1 January 2008 to 31 December 2014, approximately U.S.$6 billion (Dh 54.7 billion) was contractually committed on the Capital Expenditure Programme. In the next three years, the Group expects to incur capital expenditure of approximately Dh 69 billion (including maintenance capital expenditure). These costs are expected to be funded from

internally-generated cash flows, existing and future external financings and the proceeds of the Notes. Accordingly, the Group expects its interest costs to increase in the future. When completed, the projects that are the subject of the Capital Expenditure Programme are expected to improve the Group's operating performance and help the Group strengthening its position across the phosphate value chain.

Costs of Transportation

The Group offers to sell products to its customers on the basis of certain industry-standard delivery terms reflecting different levels of the Group's responsibilities in terms of the cost and execution of delivery of its products.

When the Group arranges and pays for transport, the Group's selling prices are higher and include expected freight and rail costs to the point of delivery, resulting in higher revenue and external expenses.

External expenses constituted 15.6% of the Group's revenue in 2014, 15.7% in 2013 and 13.2% in 2012. Freight out costs (including rail costs) accounted for 56.9% of the Group's external expenses in 2014, 51.1% in 2013 and 53.3% in 2012.

As the Group's selling prices must remain competitive with prices charged by other suppliers, the Group's profit margins may be adversely affected to the extent the Group is required to compete with suppliers who have lower delivery costs to the customer.

Railway transportation is currently the Group's principal means of transporting phosphate rock from its mines to the Group's processing facilities and to the ports of Casablanca and Safi for export, as well as certain raw materials that the Group imports from ports to the Group's production facilities. As a result, the Group's operations depend, to a degree, on ONCF. The Group has historically negotiated tariffs with ONCF for ten year periods, and the parties are currently negotiating a new agreement. While negotiations are on-going, the Group and ONCF are continuing transport operations under the same conditions and tariffs that applied as at 31 December 2013. The Group is not always able to pass on to its customers increases in railway transportation costs associated with the delivery of raw materials to or between Group companies and the delivery of the Group's products to ports for onward transportation overseas to the Group's export customers. Accordingly, the Group may not be able to increase its prices to fully recoup any future railway tariff increases, which could have a material adverse effect on the Group's profit margins.

In addition, Government policy has had, and likely will continue to have, an impact on the Group's transportation costs. For example, in June 2012, the Government raised the prices of diesel fuel by Dh 1 per litre, gasoline by Dh 2 per litre and industrial fuels by Dh 988 per tonne to reduce subsidy costs, which, in turn, increased the Group's transportation costs. In addition, in August 2013, the Government adopted a decree relating to the partial indexation of domestic diesel, gasoline and industrial fuel prices to international market prices pursuant to which prices for such products are reviewed and adjusted on a monthly basis. As a result of this partial indexation, on 16 September 2013, the Government raised the prices of diesel fuel by Dh 0.69 per litre, gasoline by Dh 0.59 per litre and industrial fuels by Dh 662.88 per tonne, which increased the Group's transportation costs. Since 2014, the Government has removed all subsidies with respect to fuel prices, representing an increase in the price of industrial fuel of Dh 800 per tonne, with gasoline indexing remaining partial. The Government may consider further measures to reduce subsidy costs and may enact further policies that have the effect of further increasing the Group's transportation costs.

In order to reduce transportation costs between the Group's mines, chemical processing facilities and ports, the Group began operating a slurry pipeline in April 2014 to transport phosphate rock from Khouribga to Jorf Lasfar. The Group also plans to construct a second slurry pipeline from Gantour to Safi. Once operational, the slurry pipelines are expected to decrease the Group's reliance on rail transportation and, accordingly, to lower the Group's production costs. The pipelines are expected to reduce the Group's transportation costs to less than U.S.$1.00 per tonne, as compared to approximately U.S.$8.00 per tonne with rail transportation. The pipelines are also expected to save energy and water by eliminating the drying procedures required for transporting phosphate rock intended for local use by train. The Group expects

3 For convenience, figures expressed in U.S.$ in this paragraph have been translated into U.S.$ at the Dh/U.S.$ exchange rate published by the Central Bank as at 31 December 2014, which was Dh 9.0419 per U.S.$1.00. Such translation is not reflective of a translation in accordance with IFRS and it should not be construed as a representation that the Dh amounts have been or could be converted into U.S. Dollars at this rate or any other rate.

that the total cost of the Khouribga to Jorf Lasfar and the Gantour to Safi slurry pipelines will be approximately Dh 7.9 billion. See "*Business—Strategy*".

Descriptions of Principal Income Statement Items

Descriptions of certain principal income statement items are set forth below.

Revenue

The Group principally derives revenue from the sale of goods and services in the ordinary course of business through three business divisions: Northern Axis, Central Axis and Headquarters and Other. The Group's products principally include phosphate rock, phosphoric acid and phosphate-based fertilisers.

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, taking into account the amount of any trade discounts and volume rebates permitted. Revenue is recognised upon the transfer of the significant risks and rewards of ownership of the goods and when the amount of such revenue can be reasonably estimated. This transfer of ownership is made at the time of delivery of goods for local sales and as per the relevant Incoterms for export sales.

Production Held as Inventory

Production held as inventory represents the difference between the opening and closing inventories for goods and services stored. Production held as inventory is valued at the production cost of the finished products and services held as inventory.

Purchases Consumed

Purchases consumed includes the costs of raw materials and supplies, adjusted for opening and closing inventories, as well as the costs of goods, services and studies that cannot be held as inventory. Purchases of raw materials and other consumables typically represent the largest portion of such expenses, with ammonia, sulphur and energy representing the most significant components.

External Expenses

External expenses include transportation expenses incurred bringing the Group's goods in a saleable condition and to a location agreed with the customers and other parties (freight out), as well as other expenses relating to the Group's operating transport costs, external personnel, contributions and donations, maintenance and repairs, insurance and rental charges.

Personnel Expenses

Personnel expenses include the salaries of the Group's employees and the related social security expenses, as well as certain retirement and other employee benefits.

Amortisation, Depreciation and Operating Provisions

See Note 5 to the Financial Statements for a description of the Group's amortisation, depreciation and operating provisions policies.

Other Current Operating Income and Expenses

Other current operating revenue and expense includes exchange gains or losses on accounts receivable and payable, as well as income generated by the Group's assets as a result of capitalised production.

Other Non-Current Operating Income and Expenses

Other non-current income and expenses include: (i) other intangible assets; (ii) profit or loss from disposals of intangible assets and property, plant and equipment; (iii) restructuring costs and costs relating to workforce adjustment measures; and (iv) unusual items corresponding to income and expenses that are unusual in terms of their frequency, nature or amount.

Financial Profit

Financial profit represents financial income from cash investments and other financial income less cost of gross financial debt and other financial expense. Financial income from cash investments includes income from investments of cash and cash equivalents, as well as financial cash assets. Cost of gross financial debt includes interest charges calculated using the effective interest rate method, the costs relating to early repayment of loans or the cancellation of credit lines.

Corporate Income Tax

Corporate income tax has been accounted for in the Financial Statements in accordance with applicable legislation. The income tax charge comprises current tax and deferred tax and is recognised in the statement of profit or loss unless it relates to transactions that are recognised, in the same or a different period, directly in equity. Current tax is the amount expected to be paid to or recovered from the taxation authorities in respect of taxable profits or losses for the current and prior periods. Taxes, other than on income, are recorded within operating expenses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets and liabilities are netted only within the individual companies of the Group. Deferred tax assets for deductible temporary differences and tax loss carry forwards are recorded only to the extent that it is probable that future taxable profit will be available against which the deductions can be utilised.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the Group controls the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income taxes are provided in full on temporary differences arising on recognition and subsequent measurement of provision for asset retirement obligations and related adjustments to the cost of property, plant and equipment.

Results of Operations

The following table sets forth the Group's consolidated results of operations for each of the periods indicated.

	For the year ended 31 December		
	2014	2013	2012
		(Dh millions)	
Revenue	41,436	38,986	50,541
Production held as inventory	250	(131)	62
Purchases consumed	(16,456)	(14,293)	(17,324)
External expenses	(6,480)	(6,112)	(6,671)
Personnel expenses	(8,102)	(8,270)	(8,238)
Taxes	(241)	(231)	(226)
Amortisation, depreciation and operating provisions	(2,304)	(1,394)	(985)
Profit (loss) of equity-accounted operating companies	312	(69)	(23)
Other operating income and expenses	684	35	206
Current operating profit	9,099	8,451	17,343
Other non-current operating income and expenses	(167)	418	(766)
Operating profit	8,932	8,869	16,578
Cost of gross financial debt	(425)	(479)	(506)
Financial income from cash investments	311	756	1,023
Cost of net financial debt	(114)	277	517
Other financial income and expenses	(2,593)	101	216
Financial profit	(2,707)	378	734
Profit before tax	6,225	9,246	17,311
Corporate income tax	(1,152)	(2,159)	(3,670)
Net profit for the period	5,073	7,087	13,641
Revaluation of assets held-for-sale	28	(27)	(17)
Translation differences	40	(146)	(40)
Revaluation differences relating to defined benefit plans	1,293	2,285	749
Tax	(215)	99	2
Deferred tax	1	(10)	3
Share of gains and losses recognised in equity and equity-accounted entities	16	10	(4)
Income and expenses for the period, recognised directly in equity	1,163	2,210	694
Consolidated comprehensive income	6,236	9,297	14,335
Basic and diluted earnings per share	61.81	86.28	164.60

Year ended 31 December 2014 compared to Year ended 31 December 2013

Revenue

Revenue increased from Dh 39.0 billion in the year ended 31 December 2013 to Dh 41.4 billion in the year ended 31 December 2014, an increase of Dh 2.5 billion, or 6.3%. This increase was primarily due to an increase in the volume of fertiliser and phosphoric acid exported, partially offset by a decrease in the volume of phosphate rock exported, and is reflective of a recovery in demand in 2014. The increase in total revenue reflected a Dh 3.5 billion, or 23.2%, increase in revenue from the sales of fertilisers, a Dh 1.3 billion, or 11.6%, decrease in revenue from the sales of phosphate rock, and a Dh 0.5 billion, or 7.2%, increase in revenue from the sales of phosphoric acid.

The following table sets forth the components of the Group's revenue for the years indicated:

	For the year ended 31 December		
	2014	2013	Change
	(Dh millions)		(%)
Phosphate rock	10,300	11,647	(11.6)
Fertiliser	18,609	15,100	23.2
Phosphoric acid	8,453	7,886	7.2
Other income[1]	4,075	4,352	(6.4)
Total	**41,436**	**38,986**	**6.3**

(1) Other income comprises freight, resale of sulphur products and other ancillary products.

Net Sales of Phosphate Rock

Revenue from phosphate rock sales decreased from Dh 11.6 billion in the year ended 31 December 2013 to Dh 10.3 billion in the year ended 31 December 2014, a decrease of Dh 1.3 billion, or 11.6%. The decrease is primarily due to a change in consolidation scope (due to the change in the Group's ownership of JFC V from 50% in 2013 (integrated by equity method) to 100% in 2014 (fully consolidated), which had a Dh 690 million impact. It is also due to lower phosphate rock prices. The Group's average phosphate rock prices were U.S.$106 per tonne as at 31 December 2014, as compared to U.S.$109 per tonne as at 31 December 2013.

The following table sets forth certain information regarding the Group's phosphate rock sales revenue and volumes for the years indicated:

	For the year ended 31 December		
	2014	2013	Change
			(%)
Phosphate rock (*Dh millions*)[1]	10,300	11,647	(11.6)
Phosphate rock, volumes (*thousands of tonnes*)	11,652	12,687	(8.2)
Average price per tonne (*U.S.$*)[2]	106	109	(2.6)

(1) After elimination of intra-group sales (FOB prices).

(2) Average price per tonne is calculated by dividing net sales revenue by sales volumes.

Net Sales of Fertilisers

Revenue from fertiliser sales increased from Dh 15.1 billion in the year ended 31 December 2013 to Dh 18.6 billion in the year ended 31 December 2014, an increase of Dh 3.5 billion, or 23.2%. This increase in demand is primarily linked to a change in consolidation scope, and to a recovery in fertiliser demand worldwide, in particular the greater purchasing power of Indian importers due to a strengthening of the Indian Rupee against the U.S. dollar, as well as growth in demand from North and Latin America. In addition, demand increased due to the rise of export sales volume to Africa due to the introduction of new tailor-made products, such as NPK, and further market penetration in existing and new markets for the Group. The Group's average fertiliser prices were U.S.$422 per tonne as at 31 December 2014, as compared to U.S.$417 per tonne as at 31 December 2013.

The following table sets forth certain information regarding the Group's fertiliser sales revenue and volumes for the years indicated:

	For the year ended 31 December		
	2014	2013	Change
			(%)
Fertilisers (*Dh millions*)[1]	18,609	15,100	23.2
Fertilisers, volumes (*thousands of tonnes*)	5,303	4,302	23.3
Average price per tonne (*U.S.$*)[2]	422	417	1.2

(1) After elimination of intra-group sales.

(2) Average price per tonne is calculated by dividing net sales revenue by sales volumes.

Net Sales of Phosphoric Acid

Revenue from phosphoric acid sales increased from Dh 7.9 billion in the year ended 31 December 2013 to Dh 8.5 billion in the year ended 31 December 2014, an increase of Dh 0.5 billion, or 7.2%. The increase was primarily due to a higher volume of phosphoric acid sales because of a recovery in phosphoric acid demand in India. Phosphoric acid volumes grew from 1,318 thousand tonnes as at 31 December 2013 to 1,444 thousand tonnes as at 31 December 2014. This increase was partially offset by a decrease in the Group's average phosphoric acid prices from U.S.$711 per tonne as at 31 December 2013, to U.S.$700 per tonne as at 31 December 2014, due to a significant decrease in prices in the second half of 2013, that was partially mitigated by the recovery in prices in 2014.

The following table sets forth certain information regarding the Group's phosphoric acid sales revenue and volumes for the years indicated:

	For the year ended 31 December		
	2014	2013	Change
			(%)
Phosphoric acid (*Dh millions*)[1]	8,453	7,886	7.2
Phosphoric acid, volumes (*thousands of tonnes*)	1,444	1,318	9.6
Average price per tonne (*U.S.$*)[2]	700	711	(1.5)

(1) After elimination of intra-group sales.

(2) Average price per tonne is calculated by dividing net sales revenue by sales volumes.

Revenue from Other Income

Revenue from other income decreased from Dh 4.4 billion in the year ended 31 December 2013 to Dh 4.1 billion in the year ended 31 December 2014. This decrease was primarily due to a decrease in the Group's sales volumes of liquid sulphur, partially offset by an increase in freight revenues.

Purchases Consumed

Purchases consumed increased from Dh 14.3 billion in the year ended 31 December 2013 to Dh 16.5 billion in the year ended 31 December 2014, an increase of Dh 2.2 billion, or 15.1%. This increase was mainly due to a Dh 1.8 billion, or 21.5%, increase in purchases of raw materials. This increase was mainly attributable to an increase in the average price and volumes of sulphur, which is used in the production of phosphoric acid. The average price rose from U.S.$140 per tonne in 2013 to U.S.$155 per tonne in 2014, and volumes of sulphur consumed increased from 4,108 thousand tonnes in 2013 to 4,473 thousand tonnes in 2014.

The following table sets forth the components of the Group's purchases consumed for the years indicated:

	For the year ended 31 December		
	2014	2013	Change
	(Dh millions)		(%)
Purchases of materials and supplies	261	161	62.2
Purchases of raw materials	10,126	8,337	21.5
Purchases of other consumables	3,569	3,191	11.8
Purchases of non-storable supplies	1,206	1,101	9.5
Purchases of works, studies and services	1,294	1,503	(13.9)
Total	**16,456**	**14,293**	**15.1**

External Expenses

External expenses increased from Dh 6.1 billion in the year ended 31 December 2013 to Dh 6.5 billion in the year ended 31 December 2014, an increase of Dh 0.4 billion, or 6%. This increase was primarily due to a Dh 0.6 billion, or 18.1%, increase in maritime transport costs due to increased CFR revenues. This increase was partially offset by a Dh 0.4 billion, or 49.5%, decrease of remuneration of external employee.

The following table sets forth the components of the Group's external expenses for the years indicated:

	For the year ended 31 December		
	2014	2013	Change
	(Dh millions)		(%)
Freight out	3,687	3,123	18.1
Other operating transport	438	431	1.7
Remuneration of external personnel	438	867	(49.5)
Contributions and donations	576	469	22.8
Maintenance and repairs	242	195	24.2
Leases and lease expenses	296	277	6.8
Insurance premiums	150	139	8.4
Other external expenses	651	610	6.7
Total	**6,480**	**6,112**	**6.0**

Personnel Expenses

Personnel expenses decreased from Dh 8.3 billion in the year ended 31 December 2013 to Dh 8.1 billion in the year ended 31 December 2014, a decrease of Dh 0.2 billion, or 2%. This decrease was primarily due to a Dh 0.4 billion, or 15.1%, decrease in retirement benefits and other employee benefits, following a revised policy relating to the Group's property access programme (a programme through which the Group may provide financial support to employees' access to property). This decrease was partially offset by a Dh 0.2 billion, or 4.5%, increase in employee remuneration and social charges.

The following table sets forth the components of the Group's personnel expenses for the years indicated:

	For the year ended 31 December		
	2014	2013	Change
	(Dh millions)		(%)
Employee remuneration and related social charges	5,743	5,493	4.5
Retirement benefits and other employee benefits	2,354	2,772	(15.1)
Other	6	6	1.0
Total	**8,102**	**8,270**	**(2.0)**

Depreciation, Amortisation and Operating Expenses

Depreciation, amortisation and operating expenses increased from Dh 1.4 billion in the year ended 31 December 2013 to Dh 2.3 billion in the year ended 31 December 2014, an increase of Dh 0.9 billion, or 65.2%. This increase was mainly due to an increase of 0.5 billion, or 32% of current amortisation, primarily due to the commissioning of additional fixed assets as a result of the Group's Capital Expenditure Programme.

Operating Profit

As a result of the foregoing, operating profit remains steady at Dh 8.9 billion in the year ended 31 December 2013 and Dh 8.9 billion in the year ended 31 December 2014.

Financial Profit

Financial profit decreased from Dh 0.4 billion in the year ended 31 December 2013 to Dh (2.7) billion in the year ended 31 December 2014, a decrease of Dh 3.1 billion. This decrease was mainly due to an increase of Dh 2.3 billion, a provision on unrealised exchange rate losses on foreign currency-denominated borrowings.

The following table sets forth the components of the Group's financial profit for the years indicated:

	For the year ended 31 December		
	2014	2013	Change
	(Dh millions)		(%)
Cost of gross financial debt	(425)	(479)	(11.1)
Financial income from cash investments	311	756	(58.8)
Cost of net financial debt[1]	(114)	277	—
Other financial income and expenses, net	(2,593)	101	—
Total	**(2,707)**	**378**	**—**

(1) Cost of net financial debt includes (i) cost of gross debt, including interest charges calculated using the effective interest rate method, the costs of early repayment of loans or cancellation of lines of credit and (ii) financial income from cash investments, comprising income from investments of cash and cash equivalents as well as financial cash assets.

Corporate Income Tax

Total tax expense decreased from Dh 2.2 billion in the year ended 31 December 2013 to Dh 1.2 billion in the year ended 31 December 2014. The Group's effective tax rate in 2014 was 20.08%, as compared to 20.47% in 2013. Current tax expense decreased by Dh 0.6 billion, primarily due to lower taxable income, while deferred tax expense increased by Dh 0.3 billion.

The following table sets forth the details of the Group's corporate income tax expenses for the years indicated:

	For the year ended 31 December		
	2014	2013	Change
	(Dh millions)		(%)
Current tax expense	(1,319)	(2,018)	(34.6)
Deferred tax expense/(tax income)	167	(141)	(218.9)
Total	**(1,152)**	**(2,159)**	**(46.6)**

Net profit for the Period

As a result of the foregoing, the Group's net profit for the period decreased from Dh 7.1 billion in the year ended 31 December 2013 to Dh 5.1 billion in the year ended 31 December 2014, a decrease of Dh 2 billion, or 28.4%.

Year ended 31 December 2013 compared to Year ended 31 December 2012

Revenue

Revenue decreased from Dh 50.5 billion in the year ended 31 December 2012 to Dh 39.0 billion in the year ended 31 December 2013, a decrease of Dh 11.6 billion, or 22.9%. This decrease was primarily due to a decrease in average prices of the Group's products, primarily reflecting lower global demand. The decrease in total revenue reflected a Dh 4.4 billion, or 22.5%, decrease in revenue from the sales of fertilisers, a Dh 4.6 billion, 28.3%, decrease in revenue from the sales of phosphate rock, and a Dh 2.3 billion, or 22.8%, decrease in revenue from the sales of phosphoric acid.

The following table sets forth the components of the Group's revenue for the years indicated:

	For the year ended 31 December		
	2013	2012	Change
	(Dh millions)		(%)
Phosphate rock	11,647	16,251	(28.3)
Fertiliser	15,100	19,486	(22.5)
Phosphoric acid	7,886	10,222	(22.8)
Other income[1]	4,352	4,582	(5.0)
Total	**38,986**	**50,541**	(22.9)

(1) Other income comprises freight, resale of sulphur products and other ancillary products.

Net Sales of Phosphate Rock

Revenue from phosphate rock sales decreased from Dh 16.3 billion in the year ended 31 December 2012 to Dh 11.6 billion in the year ended 31 December 2013, a decrease of Dh 4.6 billion, or 28.3%. This decrease was primarily due to lower global phosphate rock prices, reflecting lower phosphate-based fertiliser prices because of lower global demand in phosphate-based fertilisers due to the depreciation of the Indian Rupee and adverse weather conditions in the United States. The Group's average phosphate rock prices were U.S.$109 per tonne as at 31 December 2013, as compared to U.S.$148 per tonne as at 31 December 2012. This decrease was accentuated by reduced export sales volumes (as a result of the decrease in global demand) and negative movements in the U.S. Dollar/Dirham exchange rate.

The following table sets forth certain information regarding the Group's phosphate rock sales revenue and volumes for the years indicated:

	For the year ended 31 December		
	2013	2012	Change
			(%)
Phosphate rock (*Dh millions*)[1]	11,647	16,251	(28.3)
Phosphate rock, volumes (*thousands of tonnes*)	12,687	12,749	(0.5)
Average price per tonne (*U.S.$*)[2]	109	148	(26.4)

(1) After elimination of intra-group sales.

(2) Average price per tonne is calculated by dividing net sales revenue by sales volumes.

Net Sales of Fertilisers

Revenue from fertiliser sales decreased from Dh 19.5 billion in the year ended 31 December 2012 to Dh 15.1 billion in the year ended 31 December 2013, a decrease of Dh 4.4 billion, or 22.5%. This decrease was primarily due to lower global fertiliser prices, reflecting lower global demand in phosphate-based fertilisers due to the depreciation of the Indian Rupee and adverse weather conditions in the United States. The Group's average fertiliser prices were U.S.$417 per tonne as at 31 December 2013, as compared to U.S.$507 per tonne as at 31 December 2012. This decrease was accentuated by reduced export sales volumes (as a result of the decrease in global demand) and negative movements in the U.S. Dollar/Dirham exchange rate.

The following table sets forth certain information regarding the Group's fertiliser sales revenue and volumes for the years indicated:

	For the year ended 31 December		
	2013	2012	Change
			(%)
Fertilisers (*Dh millions*)[1]	15,100	19,486	(22.5)
Fertilisers, volumes (*thousands of tonnes*)	4,302	4,471	(3.8)
Average price per tonne (*U.S.$*)[2]	417	507	(17.7)

(1) After elimination of intra-group sales.

(2) Average price per tonne is calculated by dividing net sales revenue by sales volumes.

Net Sales of Phosphoric Acid

Revenue from phosphoric acid sales decreased from Dh 10.2 billion in the year ended 31 December 2012 to Dh 7.9 billion in the year ended 31 December 2013, a decrease of Dh 2.3 billion, or 22.8%. The decrease was primarily due to lower global phosphoric acid prices, reflecting lower phosphate-based fertiliser prices because of lower global demand in phosphate-based fertilisers due to the depreciation of the Indian Rupee and adverse weather conditions in the United States. The Group's average phosphoric acid prices were U.S.$711 per tonne as at 31 December 2013, as compared to U.S.$891 per tonne as at 31 December 2012.

The following table sets forth certain information regarding the Group's phosphoric acid sales revenue and volumes for the years indicated:

	For the year ended 31 December		
	2013	2012	Change
			(%)
Phosphoric acid (*Dh millions*)[1]	7,886	10,222	(22.8)
Phosphoric acid, volumes (*thousands of tonnes*)	1,322	1,333	(0.8)
Average price per tonne (*U.S.$*)[2]	711	891	(20.2)

(1) After elimination of intra-group sales.

(2) Average price per tonne is calculated by dividing net sales revenue by sales volumes.

Revenue from Other Income

Revenue from other income increased from Dh 4.6 billion in the year ended 31 December 2012 to Dh 4.4 billion in the year ended 31 December 2013. This decrease was primarily due to an decrease in the Group's sales volumes of liquid sulphur.

Purchases Consumed

Purchases consumed decreased from Dh 17.3 billion in the year ended 31 December 2012 to Dh 14.3 billion in the year ended 31 December 2013, a decrease of Dh 3 billion, or 17.5%. This decrease was primarily due to a Dh 3.5 billion, or 29.4%, decrease in purchases of raw materials. The decrease in purchases of raw materials was mainly attributable to a decrease in the average price of sulphur, which is used in the production of phosphoric acid, from U.S.$206 per tonne in 2012 to U.S.$140 per tonne in 2013, due to lower global demand.

The decrease in purchases consumed was partially offset by a Dh 0.5 billion, or 48%, increase in purchases of works, studies and services.

The following table sets forth the components of the Group's purchases consumed for the years indicated:

	For the year ended 31 December		
	2013	2012	Change
	(Dh millions)		(%)
Purchases of materials and supplies	161	268	(39.9)
Purchases of raw materials	8,337	11,808	(29.4)
Purchases of other consumables	3,191	3,183	0.2
Purchases of non-storable supplies	1,101	1,049	5.0
Purchases of works, studies and services	1,503	1,015	48.0
Total	**14,293**	**17,324**	**(17.5)**

External Expenses

External expenses decreased from Dh 6.7 billion in the year ended 31 December 2012 to Dh 6.1 billion in the year ended 31 December 2013, a decrease of Dh 0.6 billion, or 8.4%. This decrease was primarily due to a Dh 0.4 billion, or 45.8%, decrease in contributions and donations and a Dh 0.4 billion, or 12.1%, decrease in freight expenses.

The following table sets forth the components of the Group's external expenses for the years indicated:

	For the year ended 31 December		
	2013	2012	Change
	(Dh millions)		(%)
Freight out	3,123	3,553	(12.1)
Other operating transport	431	496	(13.0)
Remuneration of external personnel	867	775	11.9
Contributions and donations	469	866	(45.8)
Maintenance and repairs	195	150	29.9
Leases and lease expenses	277	163	69.8
Insurance premiums	139	111	24.6
Other external expenses	610	557	9.6
Total	**6,112**	**6,671**	**(8.4)**

Personnel Expenses

Personnel expenses increased from Dh 8.2 billion in the year ended 31 December 2012 to Dh 8.3 billion in the year ended 31 December 2013, an increase of Dh 0.1 billion, or 0.4%. This increase was primarily due to a Dh 0.5 billion, or 22%, increase of retirement benefits and other employee benefits mainly due to an increase in the Group's contributions related to the Group's access to property programme, through which the Group provides financial support, subject to certain conditions, to the Group's employees in respect of the purchase of property. This increase was partially offset by a Dh 0.5 billion, or 7.8%, decrease of employee remuneration and social charges.

The following table sets forth the components of the Group's personnel expenses for the years indicated:

	For the year ended 31 December		
	2013	2012	Change
	(Dh millions)		(%)
Employee remuneration and related social charges	5,493	5,957	(7.8)
Retirement benefits and other employee benefits	2,772	2,271	22.0
Other	6	10	(44.7)
Total	**8,270**	**8,238**	**0.4**

Depreciation, Amortisation and Operating Expenses

Depreciation, amortisation and operating expenses increased from Dh 1.0 billion in the year ended 31 December 2012 to Dh 1.4 billion in the year ended 31 December 2013, an increase of Dh 0.4 billion, or 41.6%. This increase principally reflected a Dh 0.4 billion increase of current amortisation primarily due, in turn, to commissioning of additional fixed assets (beneficiation facilities in Khouribga and a fertiliser production unit in Jorf Lasfar).

Operating Profit

As a result of the foregoing, operating profit decreased from Dh 16.6 billion in the year ended 31 December 2012 to Dh 8.9 billion in the year ended 31 December 2013, a decrease of Dh 7.7 billion, or 46.5%.

Financial Profit

Financial profit decreased from Dh 0.7 billion in the year ended 31 December 2012 to Dh 0.4 billion in the year ended 31 December 2013, a decrease of Dh 0.35 billion, or 48.5%. This decrease was primarily due to a decrease in financial income from cash investments, which exceeded a decrease in cost of net financial debt.

The following table sets forth the components of the Group's financial profit for the years indicated:

	For the year ended 31 December		
	2013	2012	Change
	(Dh millions)		(%)
Cost of gross financial debt	(479)	(506)	(5.4)
Financial income from cash investments	756	1,023	(26.2)
Cost of net financial debt[1]	277	517	(46.5)
Other financial income and expenses, net	101	216	(53.5)
Total	**378**	**734**	**(48.5)**

(1) Cost of net financial debt includes (i) cost of gross debt, including interest charges calculated using the effective interest rate method, the costs of early repayment of loans or cancellation of lines of credit and (ii) financial income from cash investments, comprising income from investments of cash and cash equivalents as well as financial cash assets.

Corporate Income Tax

Total tax expense decreased from Dh 3.7 billion in the year ended 31 December 2012 to Dh 2.2 billion in the year ended 31 December 2013, a decrease of Dh 1.5 billion, or 41.2%. The Group's effective tax rate in 2013 was 20.47%, as compared to 19.75% in 2012. The decrease in total tax expense was primarily due to a decrease in current tax expense from a charge of Dh 3.1 billion in the year ended 31 December 2012 to a charge of Dh 2 billion in the year ended 31 December 2013 due to lower taxable income. This decrease was accentuated by a Dh 0.4 billion decrease in deferred tax expense.

The following table sets forth the details of the Group's corporate income tax expenses for the years indicated:

	For the year ended 31 December		
	2013	2012	Change
	(Dh millions)		(%)
Current tax expense	(2,018)	(3,124)	(35.4)
Deferred tax expense/(tax income)	(141)	(546)	(74.3)
Total	**(2,159)**	**(3,670)**	**(41.2)**

Net profit for the Period

As a result of the foregoing, the Group's net profit for the period decreased from Dh 13.6 billion in the year ended 31 December 2012 to Dh 7.1 billion in the year ended 31 December 2013, a decrease of Dh 6.6 billion, or 48.0%.

Operating Segments

Overview

For financial reporting purposes, the activities of the Group are divided into three operating segments: Northern Axis, Central Axis and Headquarters and other. The operating segments of the Group comprise the following activities:

- *Northern Axis (Khouribga—Jorf Lasfar):* this axis constitutes an integrated platform for the chemical transformation of phosphate. The phosphate rock extracted at Khouribga is transported via the slurry pipeline to Jorf Lasfar where it is processed into phosphoric acid and phosphate-based fertiliser.
- *Central Axis (Youssoufia, Ben Guerir—Safi and Boucraâ):* this axis constitutes an integrated platform for the chemical transformation of phosphate. The phosphate rock extracted at Youssoufia and at Ben Guerir is transported by rail to Safi where it is processed into phosphoric acid and phosphate-based fertiliser. The products are then exported from the Safi port. The Boucraâ site is an extraction site dedicated to phosphate rock mining. The extracted phosphate is transported by conveyer belt to the treatment centre at Laâyoune and then exported by freight ship.

- *Headquarters and Other.* The Group's activities in support of its core chemicals and mining activities are recorded as part of the Headquarters and Other segment.

The Group's segments are strategic business units located in two different areas of Morocco. Management monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and performance assessment. Transfer prices between operating segments are agreed on an arm's-length basis, similarly to transactions with third parties.

The Group's management evaluates the performance of each segment based on the results of that segment.

Segment Information for the year ended 31 December 2014

The following tables set forth certain financial information for each of the Group's segments as at and for the year ended 31 December 2014:

	For the year ended 31 December 2014				
	Northern Axis	Central Axis	Headquarters and other	Intersegment eliminations[1]	Total
			(Dh millions)		
Revenue	28,349	12,598	1,154	(665)	41,436
Current Operating Profit/(Loss)	9.089	3,111	(3,101)	—	9,099
Other Non-Current Income and Expenses	(217)	(111)	161	—	(167)
Operating Profit	8,872	3,000	(2,940)	—	8,932

Segment Information for the year ended 31 December 2013

The following tables set forth certain financial information for each of the Group's segments as at and for year ended 31 December 2013:

	For the year ended 31 December 2013				
	Northern Axis	Central Axis	Headquarters and other	Intersegment eliminations[1]	Total
			(Dh millions)		
Revenue	26,179	12,557	575	(325)	38,986
Current Operating Profit/(Loss)	8,787	3,525	(3,861)	—	8,451
Other Non-Current Income and Expenses	6	(104)	516	—	418
Operating Profit	8,793	3,421	(3,345)	—	8,869

Segment Information for the year ended 31 December 2012

The following tables set forth certain financial information for each of the Group's segments as at and for the year ended 31 December 2012:

	As at and for the year ended 31 December 2012				
	Northern Axis	Central Axis	Headquarters and other	Intersegment eliminations[1]	Total
			(Dh millions)		
Revenue	33,836	16,530	610	(435)	50,541
Current Operating Profit/(Loss)	13,104	5,541	(1,303)	—	17,343
Other Non-Current Income and Expenses	57	(223)	(599)	—	(766)
Operating Profit	12,996	5,319	(1,739)	—	16,578

(1) Intersegment eliminations relate to the elimination of transactions between consolidated joint ventures and subsidiaries.

Liquidity and Capital Resources

Cash Flows

The following table sets forth the principal items of the statement of cash flows for the years indicated:

	For the year ended 31 December		
	2014	2013	2012
	(Dh millions)		
Net cash flows from operating activities	8,635	6,440	11,427
Net cash flows used in investing activities	(18,419)	(20,235)	(12,820)
Net cash flows from/(used in) financing activities	13,685	10,839	(1,073)

Net Cash Flows from Operating Activities

In the year ended 31 December 2014, net cash flows from operating activities were Dh 8.6 billion, as compared to Dh 6.4 billion in the year ended 31 December 2013, an increase of Dh 2.2 billion, or 34.1%. This increase was primarily attributable to a Dh 2.6 billion positive variation in net working capital due to better management of the Group's working capital and to a Dh 2.8 billion positive variation of tax paid due to a decrease in taxable profit and the discount of an advance payment of corporation tax paid in the 2013 tax year, offset by a Dh 2 billion decrease of net profit from Dh 7.1 billion in the year ended 31 December 2013 to Dh 5.1 billion in the year ended 31 December 2014.

In the year ended 31 December 2013, net cash flows from operating activities were Dh 6.4 billion, as compared to Dh 11.4 billion in the year ended 31 December 2012, a decrease of Dh 5 billion, or 43.6%. This decrease was primarily attributable to lower net profit from Dh 13.6 billion in the year ended 31 December 2012 to Dh 7.1 billion in the year ended 31 December 2013. The decrease was partially offset by a Dh 1.8 billion increase in net working capital.

Net Cash Flows used in Investing Activities

Net cash flows used in investing activities principally reflects purchases and sales of property, plant and equipment and intangible property (principally related to the Capital Expenditure Programme), distributions received from joint ventures and placements of term deposits.

In the year ended 31 December 2014, net cash flows used in investing activities were Dh 18.4 billion. The main components of the Group's net cash flows used in investing activities in the year ended 31 December 2014 included: (i) Dh 7.4 billion expenditure in the development of fertiliser production capacity at Jorf Lasfar; (ii) Dh 2.0 billion expenditure on the construction of beneficiation plants; (iii) Dh 1.8 billion expenditure in respect of the slurry pipeline between Khouribga and Jorf Lasfar; (iv) Dh 1.6 billion expenditure in respect of the port (v) Dh 1.9 billion expenditure in respect of non-core activities (vi) Dh 1.4 billion expenditure on maintenance projects; and (vii) other projects as part of the Capital Expenditure Programme, including water-related, storage infrastructure, and the expansion of the Group's mining capacity.

In the year ended 31 December 2013, net cash flows used in investing activities were Dh 20.2 billion. The main components of the Group's net cash flows used in investing activities in the year ended 31 December 2013 included: (i) Dh 4.2 billion expenditure in the development of fertiliser production capacity at Jorf Lasfar; (ii) Dh 3.9 billion expenditure in respect of the slurry pipeline between Khouribga and Jorf Lasfar; (iii) Dh 1.8 billion expenditure in respect of the Jorf Phosphate Hub project; (iv) Dh 2.7 billion expenditure in respect of non-core activities; (v) Dh 2.1 billion expenditure on maintenance projects; (vi) Dh 0.9 billion expenditure on the construction of beneficiation plants; and (vii) other projects as part of the Capital Expenditure Programme, including water-related, port and storage infrastructure, and the expansion of the Group's mining capacity.

In the year ended 31 December 2012, net cash flows used in investing activities were Dh 12.8 billion. The main components of the Group's net cash flows used in investing activities in the year ended 31 December 2012 included: (i) Dh 2.1 billion expenditure in respect of the slurry pipeline between Khouribga and Jorf Lasfar; (ii) Dh 2.3 billion expenditure in the development of fertiliser production capacity at Jorf Lasfar; (iii) Dh 1.4 billion expenditure on maintenance projects; (iv) Dh 1.7 billion expenditure in non-core activities; (v) Dh 0.8 billion expenditure on the construction of beneficiation plants; (vi) Dh 0.6 billion expenditure in respect of the Jorf Phosphate Hub project; and (vii) other projects as part of the Capital

Expenditure Programme, including water-related, port and storage infrastructure, and the expansion of the Group's mining capacity.

Net Cash Flows from/(used in) Financing Activities

In the year ended 31 December 2014, net cash flows used in financing activities were Dh 13.7 billion, principally reflecting cash flows from the incurrence of debt in the amount of Dh 20.5 billion which were partially offset by cash flows from debt repayments in the amount of Dh 3.0 billion and dividend payments in the amount of Dh 3.7 billion.

In the year ended 31 December 2013, net cash flows from financing activities were Dh 10.8 billion, principally reflecting cash flows from the sale of marketable securities in the amount of Dh 13.4 billion and from the incurrence of debt in the amount of Dh 5.6 billion, which were partially offset by dividend payments in the amount of Dh 6.2 billion and debt repayments in the amount of Dh 1.9 billion.

In the year ended 31 December 2012, net cash flows used in financing activities were Dh 1.1 billion, principally reflecting dividend payments in the amount of Dh 4.7 billion and debt repayments in the amount of Dh 2.3 billion, which were partially offset by cash flows from the incurrence of debt in the amount of Dh 7.9 billion.

Capital Expenditures

In 2008, the Group launched its Capital Expenditure Programme until 2025, which the Group believes will improve its operational performance and help the Group strengthen its positions across the phosphate value chain. The following table sets forth the Group's total capital expenditures, by segment, for the periods indicated:

	For the year ended 31 December		
	2014	2013	2012
	(Dh millions)		
Mining	10,767	13,045	7,867
Chemicals	8,665	6,845	4,580
Support	72	87	124
Total capital expenditures	**19,504**	**19,977**	**12,570**

The mining segment represented 55% of the capital expenditures of the Group in the year ended 31 December 2014, 65% in the year ended 31 December 2013 and 63% in the year ended 31 December 2012. The chemicals segment represented 44% of the capital expenditures of the Group in the year ended 31 December 2014, 34% in the year ended 31 December 2013 and 36% in the year ended 31 December 2012.

The principal current and future projects of the Group's Capital Expenditure Programme until 2025 include the following:

- expanding the Group's phosphate rock production by approximately 26 million tonnes at its mining sites in Khouribga and Gantour with the development of three mines and the construction of four beneficiation plants;
- expanding the Group's fertiliser and phosphoric acid production capacity at the Jorf Phosphate Hub, by constructing four fully integrated fertiliser production units which are expected to become operational starting 2015 through to 2016, and potentially six additional units in accordance with market demand. Each of these units are expected to have an annual production capacity of one million tonnes of fertiliser;
- completing two slurry pipelines to transport phosphate rock (i) from Khouribga to Jorf Lasfar (with a length of 234 km, including secondary pipes, and an annual capacity of up to 38 million tonnes) (completed in April 2014) and (ii) from Gantour to Safi (with a length of 155 km and an annual capacity of up to 10 million tonnes) to generate savings on transportation costs by transporting phosphate rock by pipeline rather than by rail; and
- as part of the expansion of the Jorf Phosphate Hub, expanding, amongst other things, its port and storage facilities and water-related infrastructure to accommodate such increased production.

Other significant planned long-term investments include: the development of the Safi complex through the addition of further integrated fertiliser production units, along with associated infrastructure, including port expansion; the development of the Laâyoune port; and other facilities in connection with new product development initiatives. The Group may, in the future, consider opening a new mining front in Meskala to address long-term demand.

Based on its current plans and estimates and in accordance with its Capital Expenditure Programme, the Group expects its annual production capacity of phosphate rock to increase from 32.4 million tonnes in 2014 to 38.4 million tonnes in 2017 and 57.0 million tonnes in 2025, of phosphoric acid from 4.8 million tonnes in 2014 to 7.1 million tonnes in 2017 and 11.6 million tonnes in 2025, and of fertilisers from 7.5 million tonnes in 2014 to 11.3 million tonnes in 2017 and 22.2 million tonnes in 2025.

Based on current plans, the total estimated costs of the Capital Expenditure Programme since its launch in 2008 to 2025 are approximately U.S.$[4]21 billion (Dh 189 billion), with U.S.$4 billion (Dh 37.1 billion) already incurred between 2008 and 2014. During the period from 1 January 2008 to 31 December 2014, approximately U.S.$6 billion (Dh 54.7 billion) was contractually committed on the Capital Expenditure Programme. In the next three years, the Group expects to incur capital expenditure of approximately Dh 69 billion (including maintenance capital expenditure). These costs are expected to be funded from internally-generated cash flows, existing and future external financings (in particular, from possible domestic bond issuances, follow-on international bond issuances or other similar financings) and the proceeds of the Notes. The Group has the ability to delay projects according to its cash position and market demand. See *"Risk Factors—Risks Relating to the Group's Business—The Group may not be able to realise all of the expected benefits of its Capital Expenditure Programme or secure funding sufficient for the implementation of its Capital Expenditure Programme."*

Contractual Obligations and Commercial Commitments

The following table sets forth the Group's aggregate contractual obligations and commercial commitments as at 31 December 2014 and the payments due, by period, under such obligations and commitments:

	As at 31 December 2014				
	Less than one year	1 - 3 years	3 - 5 years	More than 5 years	Total
			(Dh millions)		
Capital commitments[(1)]	14,890	2,695	—	—	17,585
Long-term and short-term loans[(2)]	4,418	7,612	6,557	21,419	40,007
Letters of credit	392	827	—	—	1,219
Total	**19,700**	**11,134**	**6,557**	**21,419**	**58,811**

(1) Principally includes contracts for purchase or construction of plant and equipment.

(2) This amount excludes future interest payments associated with the loans.

Debt Obligations

Over the past few years, the Group has raised significant amounts, principally through long-term borrowings, to supplement the net cash generated by its operating activities in order to fund its Capital Expenditure Programme.

4 For convenience, figures expressed in U.S.$ in this paragraph have been translated into U.S.$ at the Dh/U.S.$ exchange rate published by the Central Bank as at 31 December 2014, which was Dh 9.0419 per U.S.$1.00. Such translation is not reflective of a translation in accordance with IFRS and it should not be construed as a representation that the Dh amounts have been or could be converted into U.S. Dollars at this rate or any other rate.

The following table sets forth the total interest-bearing loans, borrowings and leases of the Group as at the dates indicated.

	As at 31 December		
	2014	2013	2012
	(Dh millions)		
Current interest-bearing loans, borrowings and leases			
Sovereign-guaranteed bank loans	65	63	60
Current portion of long-term bank loans	3,543	2,477	2,340
Finance lease liabilities	332	275	110
Short Term borrowings	162	507	1,502
Accrued interest payable	315	120	128
Sub-total	**4,418**	**3,442**	**4,139**
Non current interest-bearings loans, borrowings and leases			
Sovereign guaranteed bank loans	642	724	774
Non current portion of long-term bank loans	15,487	13,192	8,891
Domestic bond issue	2,000	2,000	2,000
Senior unsecured bond issue	16,306		
Finance lease liabilities	1,155	1,290	945
Sub-total	**35,589**	**17,206**	**12,610**
Total borrowings	**40,007**	**20,648**	**16,749**

The following table sets forth certain rate and currency denomination information related to certain of the interest-bearing loans, borrowings and leases of the Group at the dates indicated.

	Interest Rate(s)	Weighted Average Interest Rate	As at 31 December		
			2014	2013	2012
	(%)	(%)	(Dh millions)		
Current interest-bearing loans and borrowings and leases					
Sovereign-guaranteed loans (€—*denominated*)	1.30 - 2.50	2.07	65	63	60
Bank loans (*U.S.$—denominated*)	1.94 - 4.15	3.52	322	6	6
Bank loans (€—*denominated*)	3.05 - 4.47	3.36	264	—	—
Bank loans (*Dh—denominated*)	4.70 - 6.07	4.93	2,957	2,471	2,334
Short-term borrowings (*Dh—denominated*)	—	—	162	507	1,502
Finance lease liabilities (*Dh—denominated*)	5.25 - 6.25	5.59	332	275	110
Accrued Interest payable	—	—	315	120	128
Sub-total	**—**	**—**	**4,418**	**3,442**	**4,139**
Non-current interest-bearing loans and borrowings and leases					
Sovereign-guaranteed loans (€—*denominated*)	1.30 - 2.50	2.22	642	724	774
Bank loans (*U.S.$—denominated*)	1.94 - 4.15	3.54	7,186	4,228	2,491
Bank loans (€—*denominated*)	3.05 - 4.47	3.36	2,244	2,568	2,703
Bank loans (*Dh—denominated*)	4.70 - 6.07	5.04	6,057	6,396	3,696
Finance lease liabilities (*Dh—denominated*)	5.25 - 5.75	5.57	1,155	1,291	945
Domestic bond issue	4.46	4.46	2,000	2,000	2,000
International bond issue (*U.S.$—denominated*)	5.62 - 6.88	6.03	16,306	—	—
Sub-total	**—**	**—**	**35,589**	**17,206**	**12,610**
Total	**—**	**—**	**40,007**	**20,648**	**16,749**

The following table sets forth the estimated scheduled payments of principal in respect of the Group's loans, borrowings and leases outstanding as at 31 December 2014:

Year Due	2015	2016	2017	2018	2019	2020	After 2020	After 2021	Total
Amount due *(Dh millions)*	4,418	4,035	3,578	4,847	1,711	1,299	1,276	18,844	40,007

As at 31 December 2014, the Issuer's debt portfolio is totally composed of fixed rate borrowings.

Principal Debt Obligations of the Group

The following describes the principal debt obligations of the Group as at 31 December 2014:

- In April 2014, the Issuer issued two tranches of senior unsecured bonds to international investors in an aggregate principal amount of U.S.$ 1.85 billion, which bear interest at a fixed rate and mature in October 2024 for U.S.$ 1.25 billion and in October 2044 for U.S.$ 0.6 billion.
- In March 2014, the Issuer entered into a Dh 2,000.0 million loan agreement with a Moroccan bank in connection with capital expenditure funding. This loan bears interest at a fixed rate and matures in December 2019. As at 31 December 2014, the total amount outstanding under this loan was Dh 1,800 million
- In December 2013, the Issuer entered into a Dh 1,200.0 million loan facility with a Moroccan bank in connection with capital expenditure funding. This facility bears interest at a fixed rate and matures in December 2018. As at 31 December 2014, the total amount outstanding under this facility was 1,200.0 million.
- In September 2013, the Issuer entered into a U.S.$271 million loan facility with KFW in connection with water-related infrastructure and equipment This facility bears interest at a fixed rate and matures in June 2024. As at 31 December 2014, the total amount outstanding under this facility was U.S.$92.7 million.
- In February 2013, the Issuer entered into a U.S.$150 million loan facility with Islamic Development Bank in connection with the rehabilitation and the extension of OCP docks at the port of Jorf Lasfar. This Islamic facility bears a fixed Mark up and matures in January 2025.As at 31 December 2014, the total amount outstanding under this facility was U.S.$91.2 million.
- In May 2012, the Issuer entered into a U.S.$237 million loan facility with L'Agence Française de Développement ("AFD") in connection with water-related infrastructure and equipment. In April 2013, the Issuer drew down U.S.$80 million under this facility, which bears interest at a fixed rate and matures in April 2022. In December 2013, the Issuer drew down U.S.$80 million under this facility, which bears interest at a fixed rate and matures in April 2022. In December 2014, the Issuer drew down U.S.$77 million under this facility, which bears interest at a fixed rate and matures in April 2022. As at 31 December 2014, the total amount outstanding under this facility was U.S.$237.0 million.
- In May 2012, the Issuer entered into a U.S.$250 million loan facility with the African Development Bank in connection with the financing of the Group's investment programme, including the development of the Jorf Phosphate Hub. In May 2012, the Issuer drew down U.S.$250 million under this loan facility, which bears interest at a fixed rate and matures in April 2022. As at 31 December 2014, the total amount outstanding under this loan facility was U.S.$250.0 million.
- In December 2011, the Issuer entered into a €200 million loan facility maturing in 2026 with the European Investment Bank in connection with the modernisation and expansion of the Group's facilities. The Issuer has drawn three tranches down under this facility: (i) in December 2012, the Issuer drew down U.S.$52.4 million (approximately €40 million), which bears interest at a fixed rate; (ii) in February 2013, the Issuer drew down U.S.$53.3 million (approximately €40 million), which bears interest at a fixed rate, and (iii) in December 2014, the issuer drew down U.S.$49.6 million (approximately €40 million). As at 31 December 2014, the total amount outstanding under this loan facility was U.S.$155.3 million.
- In October 2011, the Issuer issued two tranches of domestic bonds in an aggregate principal amount of Dh 2.0 billion, which bear interest at a fixed rate and mature in October 2018.
- In May 2010, the Issuer entered into a €240.0 million loan facility with AFD maturing in April 2024 in connection with the construction of the slurry pipeline between Khouribga and the port of Jorf Lasfar. The Issuer has drawn three tranches down under this facility: (i) in December 2011, the Issuer drew down €60.0 million, which bears interest at a fixed rate; (ii) in January 2011, the Issuer drew down €30.0 million, which bears interest at a fixed rate; and (iii) in June 2012, the Issuer drew down €150.0 million, which bears interest at a fixed rate. As at 31 December 2014, the total amount outstanding under this loan facility was €229.0 million.

- In June 2006, the Issuer entered into a €47 million loan agreement with AFD in connection with import financing. In January 2006, Natexis Banques Populaires became the lender under this loan facility. This loan bears interest at a fixed rate and matures in December 2033. As at 31 December 2014, the total amount outstanding under this loan facility was €39.3 million.

In addition, in connection with the funding of its pension obligations, the Issuer entered into a number of loan agreements with Moroccan banks (see "*Management and Employees—Employees—Pensions*"), as follows:

- In June 2008, the Issuer entered into a Dh 1,500.0 million loan agreement. This loan bears interest at a fixed rate and matures in October 2015. As at 31 December 2014, the total amount outstanding under this loan was Dh 250.0 million.
- In May 2008, the Issuer entered into a Dh 2,000.0 million loan agreement. This loan bears interest at a fixed rate and matures in October 2015. As at 31 December 2014, the total amount outstanding under this loan was Dh 308.0 million.
- In May 2008, the Issuer entered into a Dh 1,200.0 million loan agreement This loan bears interest at a fixed rate and matures in October 2015. As at 31 December 2014, the total amount outstanding under this loan was Dh 200.0 million.
- In May 2008, the Issuer entered into Dh 700.0 million loan agreement. This loan bears interest at a fixed rate and matures in November 2018. As at 31 December 2014, the total amount outstanding under this loan was Dh 280.0 million.
- In December 2007, the Issuer entered into a Dh 750.0 million loan agreement. This loan bears interest at a fixed rate and matures in March 2018. As at 31 December 2014, the total amount outstanding under this loan was Dh 292.0 million.

The Issuer also entered into a Dh 5.0 billion fixed rate credit facility with a Moroccan bank in July 2012. The Issuer has drawn three tranches down under this facility: (i) in August 2012, the Issuer drew down Dh 300.0 million, which matures in August 2017; (ii) in September 2012, the Issuer drew down Dh 1,270.0 million, which matures in September 2017; and (iii) in June 2013, the Issuer drew down Dh 3,430.0 million, which matures in June 2018. As at 31 December 2014, the total amount outstanding under this credit facility was Dh 3,343 million, which includes Dh 762.0 million in connection with the partial funding of its pension obligations.

Certain Provisions and Terms of Debt Obligations

The debt arrangements of the Group contain certain financial covenants. From the second half of 2014, the Group engaged in negotiations with international financial institutions to simplify and streamline its financial covenants. The Group has agreed with five international financial institutions that as of 31 March 2015, it must comply with a ratio of net debt to EBITDA of not more than 3:1, for four of them, with a Debt Service Coverage Ratio (applicable in case of loss of Investment Grade Rating from three major Rating Agencies) of not less than 1.5:1. The Group's debt arrangements generally also include cross-default provisions. All notifications and consents required under the Group's debt facilities in connection with the issuance of the Notes have been obtained. The Group is not, and has not been, in breach of any of the financial and other restrictive covenants contained in its debt arrangements.

Off Balance Sheet Arrangements

The Group enters into certain financial instruments with off-balance sheet risk. These instruments, which include letters of credit, guarantees and other commitments, expose the Group to credit risk. The Group's contingent liabilities arise in the normal course of business.

The table below sets forth the total commitments given and received by the Group as at the dates indicated:

	As at 31 December		
	2014	2013	2012
	(Dh millions)		
Outstanding, open letters of credit[1]	1,219	2,472	3,246
Guarantees given by the Group on behalf of third parties	0	1,500	2,200
Others	84	84	80
Total commitments given	1,303	4,056	5,526
Unused borrowings	4,438	7,651	8,653
Other commitments received for contracts[2]	7,139	7,874	6,075
Loans guaranteed by the State	707	785	835
Total commitments received	12,284	16,310	15,563

(1) Letters of credit are used to guarantee payments made by OCP to suppliers.

(2) Other commitments received for contracts comprise guarantees given by suppliers in exchange of down-payments made by OCP.

Quantitative and Qualitative Disclosures about Market Risk

The Group operates in a highly competitive industry, and faces intense competition for new contracts, qualified staff and markets for its phosphate rock, phosphoric acid and phosphate-based fertilisers.

The Group is subject to risks relating to foreign currency reserves and production, market prices, liquidity, credit, interest rates and other risks. The Group does not use financial instruments, such as foreign exchange forward contracts, foreign currency options, interest rate swaps and commodity agreements, to manage these risks, although it may consider using such instruments on a limited basis in the future.

Foreign Currency Risk

The Group's principal exchange rate risk involves changes in the value of the U.S. Dollar relative to the Dirham and, to a lesser extent, relative to other currencies. Most of the Group's cash inflows, as well as its accounts receivable balances, are denominated in U.S. Dollars, while a significant amount of the Group's purchases consumed are denominated in Dirhams.

On the revenue side, all of the Group's export revenue, including the exports of its products, are denominated in U.S. Dollars or are correlated with U.S. Dollar-denominated prices for phosphate products.

As at 31 December 2014, Dh 23.8 billion of the Group's indebtedness was denominated in U.S. Dollars (representing 60% of the Group's total indebtedness). Depreciation of the U.S. Dollar relative to the Dirham will reduce the value of the Group's U.S. Dollar-denominated liabilities when measured in Dirham, whereas appreciation of the U.S. Dollar relative to the Dirham will increase the value of the Group's U.S. Dollar-denominated liabilities when measured in Dirhams. Because the functional currency of the Group's operations is Dirham, the Group suffers foreign currency translation losses when the U.S. Dollar appreciates against the Dirham.

The Group currently uses limited foreign exchange derivatives contracts to manage its exposure to changes in foreign exchange rates. The Group's management regularly monitors the Group's currency risk and monitors changes in foreign currency exchange rates and its effect on operations of the Group. The Group is in the advanced stages of preparing a hedging policy and may, in the future, broaden its hedging activities.

Reserves and Production

The Group's ability to develop its reserves is another key to its success. The Group has introduced and continues to utilise Western technology in developing reserves. The Group has the financial capacity to acquire and implement this technology but it competes for properly qualified and trained staff necessary to fully utilise this technology. The Group seeks to address this through offering competitive compensation packages to its employees and recruiting on a worldwide basis.

Market Risk

The Group's operating results and financial condition depend substantially upon prevailing prices of phosphates and its refined products. Historically, prices for the Group's products have fluctuated widely for many reasons, including:

- global and regional supply and demand, and expectations regarding future supply and demand, for phosphates and phosphates products;
- changes in geopolitics and geopolitical uncertainty, particularly in Morocco and the surrounding region;
- weather conditions and natural disasters;
- access to transportation;
- energy prices, including the levels of Government subsidies;
- Moroccan and foreign governmental regulations and actions, including export restrictions and taxes;
- market uncertainty and speculative activities; and
- global and regional economic conditions.

A substantial amount of the Group's products are sold on the spot market or under short-term contracts at market sensitive prices. Market prices for export sales of phosphate rock, phosphoric acid and phosphate-based fertilisers are subject to volatile trading patterns in the commodity futures market. Average selling prices can differ from quoted market prices due to the effects of uneven volume distributions during the period, quality differentials, different delivery terms compared to quoted benchmarks, different conditions in local markets and other factors. The Group does not use any derivative instruments to hedge its production in order to decrease its price risk exposure.

Liquidity Risk

Liquidity risk arises when the maturities of assets and liabilities do not match, causing difficulty in raising funds to meet commitments associated with its financial liabilities. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. As at 31 December 2014, the Group had positive working capital, principally due to a high amount of cash and cash equivalents and a high amount of trade and other receivables. The Group's management monitors liquidity requirements on a regular basis and believes that the Group has sufficient funds available to meet its commitments as they arise.

Credit Risk

The Group's financial instruments that are potentially exposed to concentrations of credit risk consist primarily of accounts receivable. While the Group may be subject to losses up to the contract value of the instruments in the event of non-performance by its counterparts, it does not expect any material losses to occur. No collateral is required by the Group to support financial instruments subject to credit risk. Although collection of these receivables could be influenced by economic factors affecting these entities, the Group believes there is no significant risk of loss to it beyond allowances already recorded.

Concentrations of credit risk with respect to accounts receivable are limited due to the large number of customers included in the Group's customer base and the uses of letters of credit for a significant portion of sales. Financial institutions operating in Morocco do not offer insurance for deposits of legal entities. The Group's management periodically reviews the creditworthiness of the financial institutions with which it deposits cash.

In addition, the Group is also exposed to credit and liquidity risk from its investing activities, principally as regards its placing of deposits with Morocco banks.

Interest Rate Risk

The Group incurs debt for general corporate purposes including financing capital expenditures, financing acquisitions and working capital needs. As at 31 December 2014, the Group's total outstanding loans and financial debts (current and non-current) were composed of fixed rate instruments. Upward fluctuations in interest rates increase the cost of new debt. Increases in interest rates can also lead to significant fluctuations in the fair value of the Group's debt obligations. However, the Group's sensitivity to decreases in interest rates and corresponding increases in the fair value of the Group's debt portfolio would

negatively affect results and cash flows only to the extent that the Group elected to repurchase or otherwise retire all or a portion of the Group's fixed rate debt portfolio at prices above carrying value.

Critical Accounting Policies and Estimates

The preparation of consolidated financial statements in accordance with IFRS requires the Issuer's management to select appropriate accounting policies and to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and the disclosure of contingent assets and liabilities. Management's selection of appropriate accounting policies and the making of such estimates and assumptions involve judgments and uncertainties to such an extent that there is a reasonable likelihood that materially different amounts would have been reported under different conditions, or if different assumptions had been used, and actual amounts may differ from these estimates. For a full description of the Group's significant accounting policies, see Note 2.1 to the Financial Statements. Set forth below are summaries of certain of the most critical accounting estimates and judgments required of the Issuer's management.

Measurement and useful lives of operating assets

Those responsible for equipment control and maintenance as part of the Group's mining and chemicals activities identify the useful lives of the various categories of assets (main assets and components). These lives correspond to the potential duration of the technical utilisation of the assets management uses in its judgment when assessing the useful lives and setting the appropriate depreciation methods used. These determinations are reviewed at the end of each fiscal period, and are adjusted prospectively, if needed.

Valuations used for impairment tests

The assumptions and estimates that are made to determine the recoverable value of goodwill, intangible assets and property, plant and equipment by the Group relate, in particular, to the market prospects necessary to evaluate cash flows and the discount rates used. Any modification of these assumptions could have a significant effect on the amount of the recoverable value of the relevant plant, property or equipment and could lead to a modification of the impairment to be recognised.

Measurement of provisions for site rehabilitation

The Group has developed an agricultural rehabilitation plan for its exhausted mines. This plan consists of the rehabilitation of 37,000 hectares of land across the Group's mining sites located at Khouribga, Ben Guerir and Youssoufia and makes estimates regarding the costs of rehabilitation based on the type of soil, the level of past exploitation and the type of crops that can be cultivated in the area. A large range of crop types have been identified which can be cultivated: cereals, fruit trees and forests, vegetables and plants for biofuels. As at 31 December 2014, 17,286 hectares of such crops were being farmed. In this respect, the Group recognises provisions for site rehabilitation in its accounts, which amounted to Dh 217 million as at 31 December 2014.

Measurement of employee benefits

The Group recognises a provision in respect of defined-benefit plans, which is determined based on an actuarial analysis of the obligation under such plans according to the projected unit credit method, taking into account demographic and financial assumptions (such as the discount rate, the rate of medical inflation, future salary increases, the rate of staff turnover and mortality rates) and deducting the value of potential assets to cover such obligations. The actuarial assumptions are reviewed annually. Differences linked to changes in actuarial assumptions and adjustments related to experience (*i.e.,* the effect of differences noted between the previous actuarial assumptions and what has actually occurred) constitute actuarial gains and losses. The Group immediately accounts for all actuarial gains and losses in other comprehensive income. See Note 23 to the Financial Statements for details of the main assumptions used by the Group.

Overview of Fertilisers

Fertilisers are most commonly used to improve soil fertility by enhancing nutrient content in the soil and, accordingly, to increase crop production and yields. Fertilisers can be categorized into macronutrients—which are needed in large quantities—and micronutrients. The primary macronutrients include nitrogen, phosphorus and potassium, which are essential elements required for plant growth.

Each of the three key nutrients serves a different vital function in plant formation and development, and a proper balance of the three nutrients is necessary to maximise the fertiliser's effectiveness. Phosphorus is essential to plant root development and is required for photosynthesis and seed germination. Nitrogen is an important determinant of plant growth and crop yield because it is a building block of protein and chlorophyll. Potassium improves a plant's water regime and its ability to withstand the stress of drought, disease, cold weather, weeds and insects. Although these nutrients are naturally found in soil, they are depleted over time by farming, which leads to declines in crop yields and land productivity. To replenish these nutrients, farmers must apply fertilisers.

In 2013/2014, the global production of primary nutrients was estimated to amount to 183 million tonnes of nutrients, of which nitrogen was 61%, phosphorus was 23% and potash was 16%, according to IFA.

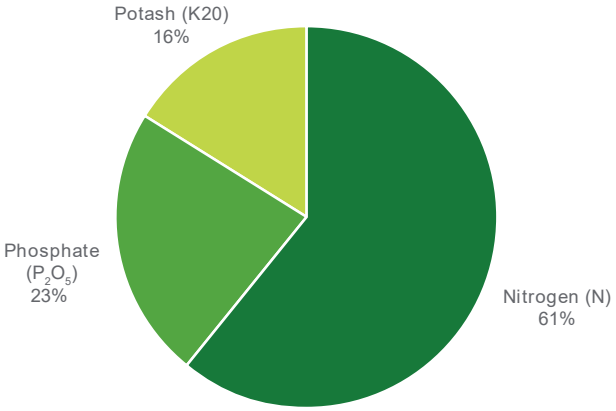
Nitrogen

Nitrogen ("**N**") increases yield by promoting protein formation. The primary input for producing nitrogen fertilisers is natural gas. The two most common nitrogen fertiliser products are urea and ammonium nitrates. Nitrogen fertiliser products have historically been subject to price volatility and natural gas input pricing and availability, contributing to significant swings in profitability.

Phosphorus

Phosphorus ("**P**") is vital for root development and plays a key role in the photosynthesis process (i.e., the production, transportation and accumulation of sugars in the plant). Phosphorus is also involved in seed germination.

Total nutrient consumption (2013/2014):
183 million tonnes



Source: IFA Medium-Term Outlook for World Agriculture and Fertiliser Demand 2011/2012 - 2016/2017.

The principal mineral used in the production of phosphorus-based fertilisers (phosphates) is phosphate rock, which is mined and then processed using sulphuric acid and ammonia. The primary phosphate fertiliser products are DAP, which has a phosphate content of approximately 46% and a nitrogen content of approximately 18%, and MAP, which has a phosphate content of approximately 52% and a nitrogen content of approximately 11%. The leading producing regions of phosphate fertilisers are Morocco, U.S., China and Russia, primarily because they contain the vast majority of global phosphate rock reserves.

Potassium

Potassium ("**K**") helps regulate plants' physiological functions: it helps plants use water efficiently and improves plant durability, providing crops with protection from drought, disease, parasites and cold weather. Potassium is found in nature in the form of potash ore ("**KCL**", potassium chloride). Potash is mined either from underground mines or, less frequently, from naturally occurring surface or sub-surface brines. Potash does not require additional chemical conversion to be used as a plant nutrient. Naturally occurring, economically recoverable deposits of potash are scarce, deep in the earth and geographically concentrated.

Fertiliser Demand Drivers

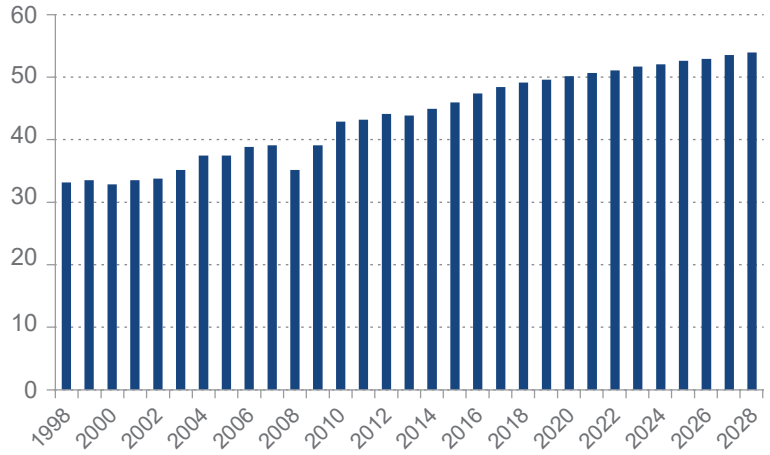
Global fertiliser demand is driven primarily by food, feed and fuel demand (which in turn are driven by, among other factors, population growth, a reduction in arable land per capita, dietary changes in the developing world and bio-fuel consumption). Given the constraints on increasing the quantity of arable land available for cultivation, fertilisers are an important means to improve agricultural yields and address the growing imbalance between food demand and supply.

Between 2001 and 2011, nitrogen, phosphorus and potash consumption grew at a CAGR of 4.5%, 2.7% and 2.3%, respectively, all supported by their essential functions to plant formation, according to IFA.

In 2014, global fertiliser demand was forecast by IFA to increase by 2.0% to 187.4 million tonnes in 2015/2016: demand for nitrogen would grow by 1.9% to 114 million tonnes; demand for phosphorus would grow by 1.8% to 42.2 million tonnes; and demand for potash would grow by 2.6% to 31.2 million tonnes. In the longer-term, according to Argus (based on IFA data), total phosphate fertiliser consumption is projected to reach 54.0 million tonnes P_2O_5 in 2028 (representing a CAGR of 1.4% between 2013 and 2028).

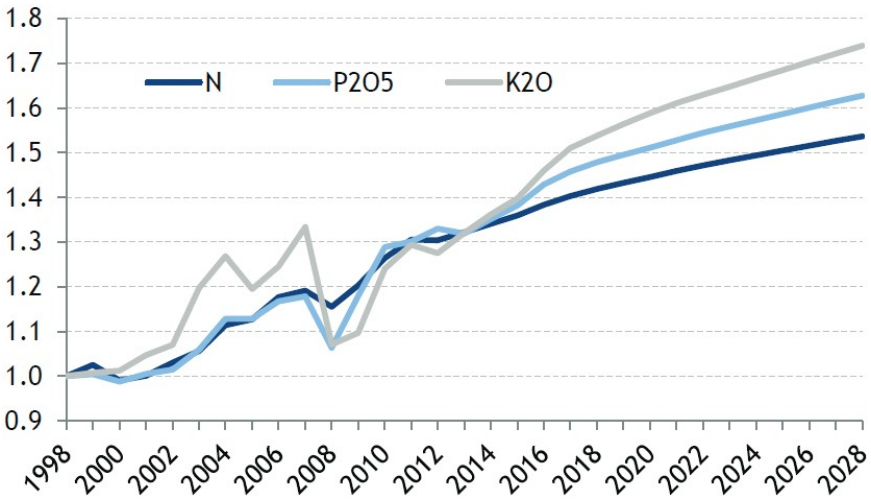
The graphs below illustrate expected growth in global fertiliser consumption.

Worldwide phosphate-based fertiliser consumption 1998-2028 (forecast) (in million tonnes P_2O_5)



Source: Historical figures IFA/Argus FMB; Argus FMB projection for 2013-2028 and selected IFA country projections to 2017, IFA Chicago Conference, 2013.

Index of world fertiliser consumption 1998-2028 (forecast)

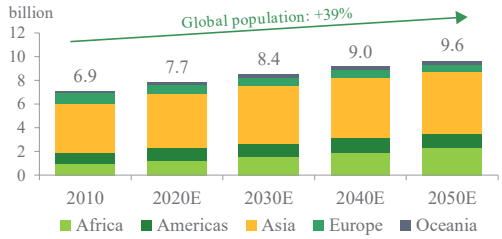


Source: Historical figures IFA/Argus FMB; Argus FMB projection for 2013-2028 and selected IFA country projections to 2017, IFA Chicago Conference, 2013.

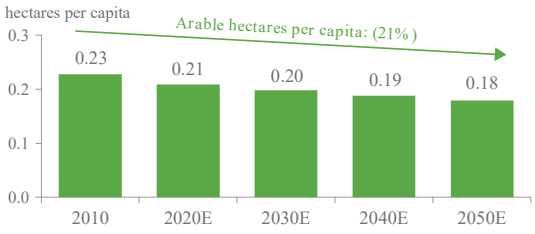
Population Growth and Arable Land per Capita

Population growth is the primary driver of fertiliser demand. As the world's population grows, urbanises and industrialises, farm land per capita decreases and increased food production is required from each acre of farm land, which in turn requires more plant nutrients. The charts below reflect the forecast increase in world population and decline in global arable land per capita through 2050, both of which are long term drivers for global fertiliser demand.

Growing world population



Arable land per capita



Source: FAO.

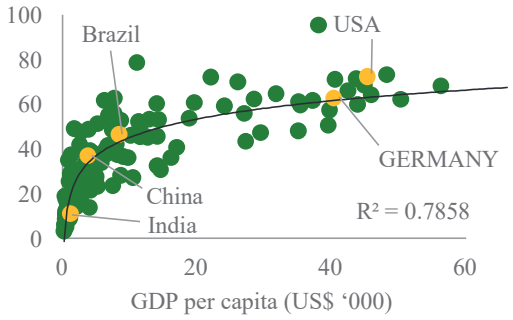
The world's growing population, which is projected to increase by 39% between 2010 and 2050, according to the FAO. In addition, in light of the expected growth of the world's population and the expected reduction of available arable land per capita stemming in part from increased urbanisation and industrialisation, the area of arable land per capita is expected to decrease by 21% globally between 2010 and 2050 to approximately 0.18 hectares per person, according to the FAO. As a result of the limited ability to expand the existing stock of arable land, it will be necessary to increase yields on the existing fields to improve crop yields and meet future anticipated demand for food, which in turn is expected to increase demand for fertilisers, according to the FAO.

Dietary Changes in the Developing World

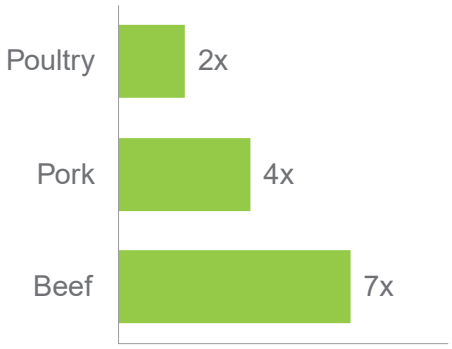
Developed nations generally use phosphate as a fertiliser more intensively than developing nations, but sustained economic growth in emerging markets is increasing food and feed demand and phosphate fertiliser use. Due to the growth in GDP, populations in emerging markets are shifting to more protein-rich diets as incomes increase, leading to increasing grain consumption for animal feed. The production of

meat requires a significant amount of grain to feed farmed animals. For instance, it takes up to 7 kilograms of grain to produce 1 kilogram of beef and 4 kilograms of grain for 1 kilogram of pork.

Protein consumption (grams/capita/day)



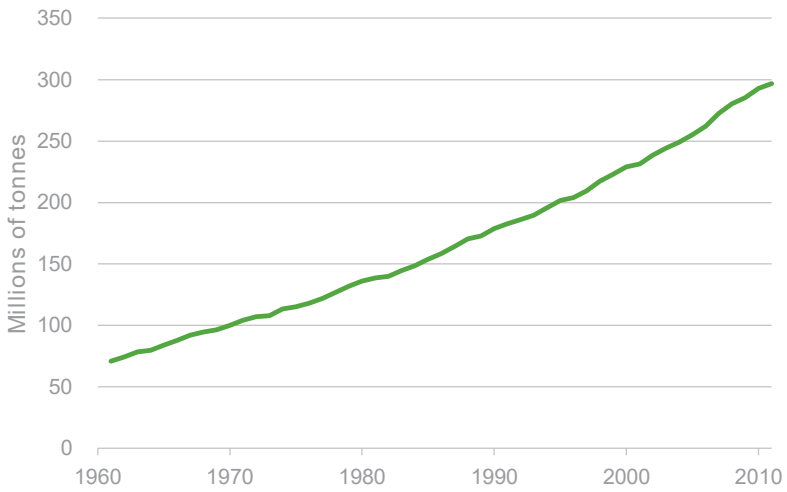
Kilograms of grain to produce 1 kilogram of meat



Source: FAOSTAT and World Bank 2009, IFA.

According to the FAO, world meat consumption is projected to grow by 1.5% per year on average until 2022, while emerging market countries meat consumption is projected to grow by 2.0% per year on average during the same period.

Meat production



Source: FAO.

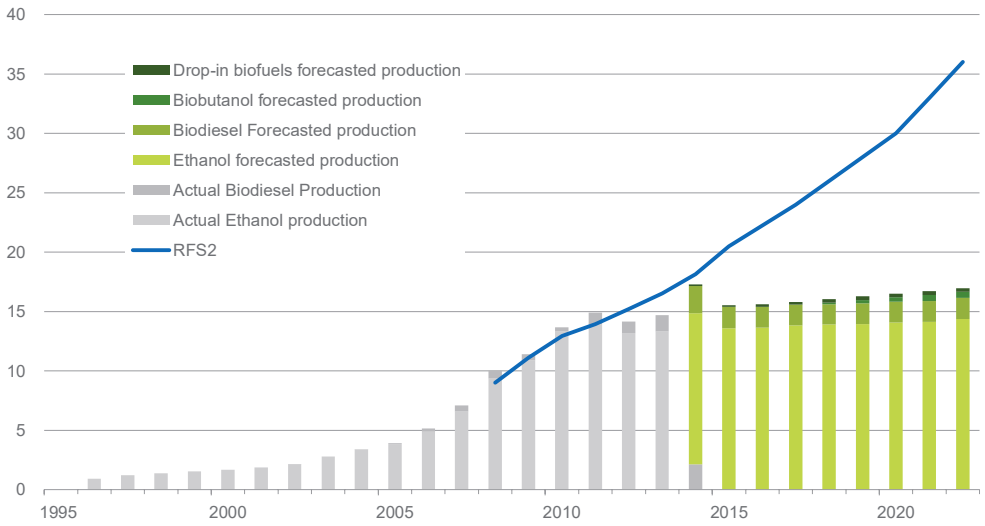
Biofuel Production

Given increasing legislation on using alternatives to fossil fuels, biofuel production has increased substantially with an average growth of 17% per year from 2000 to 2014. This trend affected the agricultural industry significantly through its increasing demand for grain crops (such as corn in the United States, sugarcane in Brazil or sugar beet in the EU), which as a result has increased fertiliser demand. The United States is one of the major producers of bio fuels according to the U.S. Environmental Protection Agency ("**EPA**"). In 2014, 15 billion gallons of biofuel were produced against the 18.2 billion gallons of biofuel required to be consumed in 2014 to meet the renewable fuel standard as amended by the Energy Independence and Security Act ("**EISA**"), more than two times the amount in 2007.

Since 2012, production is slower and the U.S. Energy Administration Information ("**EIA**") projects a growth in biofuel production of 1% per year between 2014 and 2022. This deceleration is mainly due to more conservative gasoline demand forecasts and a slower-than-expected development of cellulosic technologies.

The graph below illustrates historic biofuel production and projection according to the EIA, and the forecast legally required biofuel production in the United States, according to the EPA.

Renewable Fuels Standard (RFS2) vs. United States biofuel production since 1995



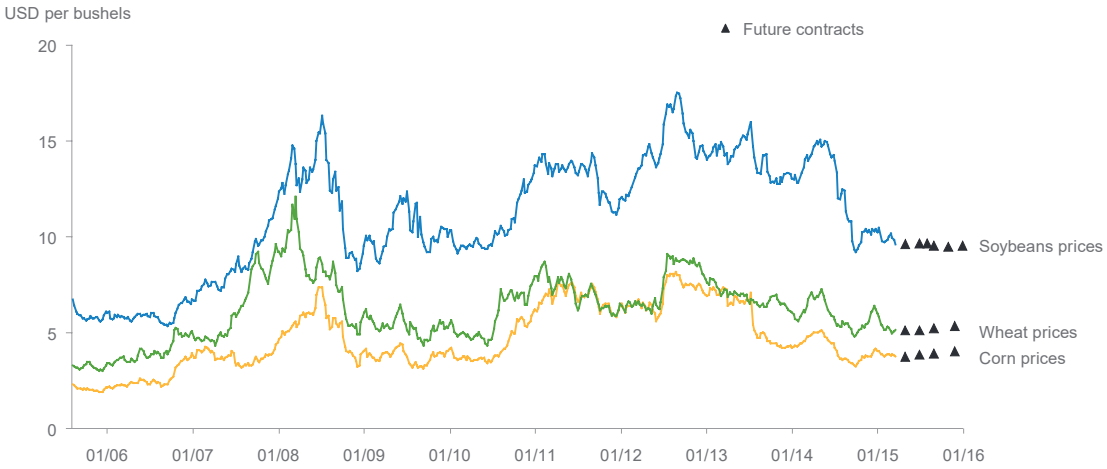
Source: EIA—Annual Energy Outlook 2014 with projection to 2040, RFS2 mandate is from EISA.

Agricultural Crop Prices and Inventory

Agricultural crop prices and inventory have an impact on the ability of farmers to purchase fertilisers. By the end of March 2015, global grain prices (corn, soybeans and wheat) were as follows as compared to their past five-year average: (i) soybeans prices 26% below; (ii) wheat 23% below; and (iii) corn prices 33% below their past five-year average.

In March 2015, actual global prices of corn and soybeans were approximately 3% and 17% higher respectively, and for wheat 9% lower, than the minimum prices set by the United States Agriculture Act of 2014 (H.R. 2642; 113th Congress) (the "**US Farm Bill**") adopted in February 2014 for the 2014-2018 period. According to the US Farm Bill, the minimum support prices to be paid to farmers in the United States are: (i) 3.7 U.S.$/bushel for corn; (ii) 8.4 U.S.$/bushel for soybeans; and (iii) 5.5 USD/bushel for wheat.

Corn, soybeans and wheat price evolution (2005-2015)



Source: World Bank, Chicago Board of Trade.

Based on USDA forecasts for ending stocks and utilization, the global cereal stocks-to-use ratio is expected to be 24% (approximately 86 days of consumption) in 2014/2015, above the average for the 2004-2015 period of 77 days.

Global grains (corn, soybean and wheat) stock-to-use ratio (2004-2015)

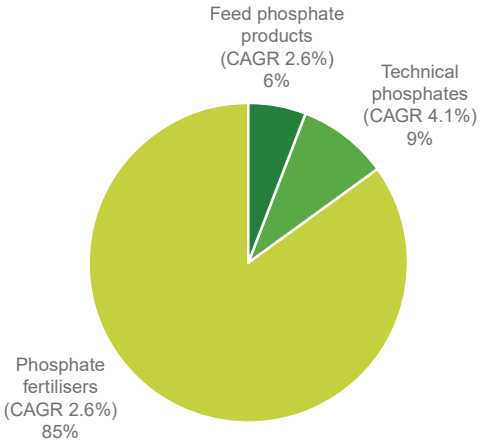


Source: USDA, January 2015.

Demand Fundamentals of Phosphates and Primary End Markets

Phosphorus is predominantly used in fertilisers, which account for approximately 85% of global phosphate demand. Phosphorus is also used, among other products, in food preservatives, cosmetics, ceramics, water treatment and metallurgy. The chart below shows global phosphate consumption by use as well as expected growth rate for each use over the 2010-2020 period, according to IFA.

Global phosphate consumption by usage 2010-2020 (forecast)



Source: IFA.

The primary end markets for phosphate-based products are as follows:

- *Phosphate rock:* phosphate fertiliser producers for direct application on acidic soil and fertiliser producers or dealers that custom mix fertilisers;
- *Phosphoric acid:* dealers that custom mix fertilisers and fertigation (i.e., the application of fertilisers through an irrigation system);
- *Purified phosphoric acid and feed phosphate products:* producers of poultry, cattle and swine feed supplements and producers of food and beverage products, metal treatment, detergents and electronics; and
- *Solid fertilisers:* dealers for direct application or custom mix fertilisers.

The table below shows IFA's estimates and forecast of global phosphate fertiliser consumption by region in 2014 and 2018.

	2014 forecast	2018 forecast	Estimated 2014 - 2018 CAGR (%)
	(million tonnes P_2O_5, except percentages)		
Asia and Middle East	24.4	26.5	2.1
South America	6.7	7.7	3.6
North America	4.8	4.9	0.6
Europe	3.9	4.2	2.0
Africa	1.2	1.4	3.0
Oceania	1.2	1.2	0.4
World total	42.2	45.9	2.1

In respect of Africa, the IFA short-term outlook projects an 18% increase in fertiliser consumption between 2012 and 2015.

Supply Fundamentals of Phosphates

Commercial phosphate fertilisers used in agriculture are typically made using three key inputs: phosphate rock, sulphur and ammonia. Phosphate rock is currently widely viewed as the only commercially viable source of phosphorus available globally. Typically found in areas of oceanic upwelling with a low energy environment, phosphate rock formations primarily occur as sedimentary marine phosphorites. The largest deposits of phosphate rock are found in Morocco, China, the Middle East, and the United States. Large igneous deposits have also been delineated in Brazil, Canada, Finland, Russia and South Africa. According to the USGS Report of January 2015, global reserves of phosphate rock stand at approximately 67 billion tonnes, with Morocco (including Western Sahara, referred to as the Southern Provinces herein) contributing 50 billion tonnes, as shown in the world map below.

Worldwide phosphate reserves (in billion tonnes)



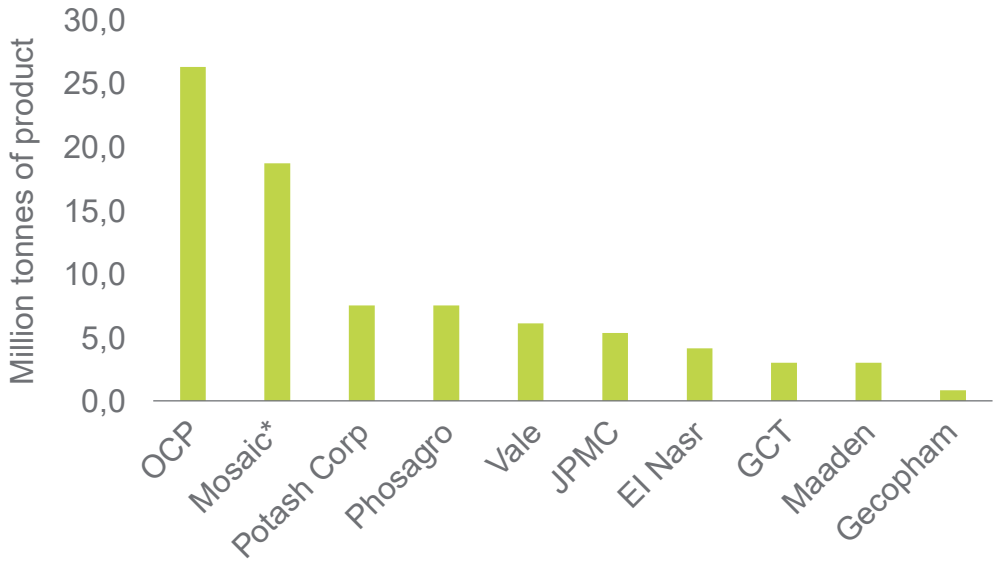
(1) Including Western Sahara, referred to as the Southern Provinces herein.

Source: USGS 2015.

Phosphate rock is the key raw material used in the production of phosphate fertilisers, which is produced mainly by using sulphuric acid and ammonia.

Other than the Group, the key players in the fertiliser market globally include Agrium, Belaruskali, CF Industries, Israel Chemicals (ICL), Jordan Phosphate Mines Company (JPMC), Ma'aden, Mosaic, Potash Corp, EuroChem, Uralkali and Yara. The table below shows the world's largest phosphate rock producers in 2013 (excluding Chinese players).

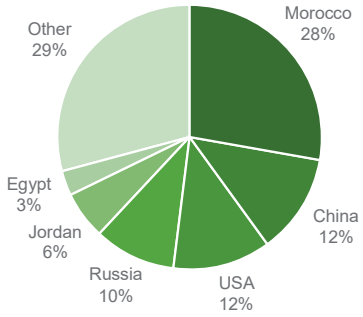
Largest global phosphate rock producers (by volume, excluding Chinese producers) (2013)



Source: Companies' annual reports and websites, Arab Fertilizer Association (*Mosaic, Fiscal Year 2013).

According to IFA, the size of the global trade market for phosphate rock, phosphoric acid and phosphate-based fertilisers was approximately 23.4 million tonnes P_2O_5 in 2013. The largest six phosphate rock country producers, which accounted for approximately 70% of the global trade market for phosphate rock, phosphoric acid and phosphate-based fertilisers in 2013, are Morocco, China, USA, Russia, Jordan and Egypt, as shown in the graph below.

Largest phosphate mix in P_2O_5 (phosphate rock, phosphoric acid and phosphate-based fertilisers) country producers (2013)



Source: IFA (2013).

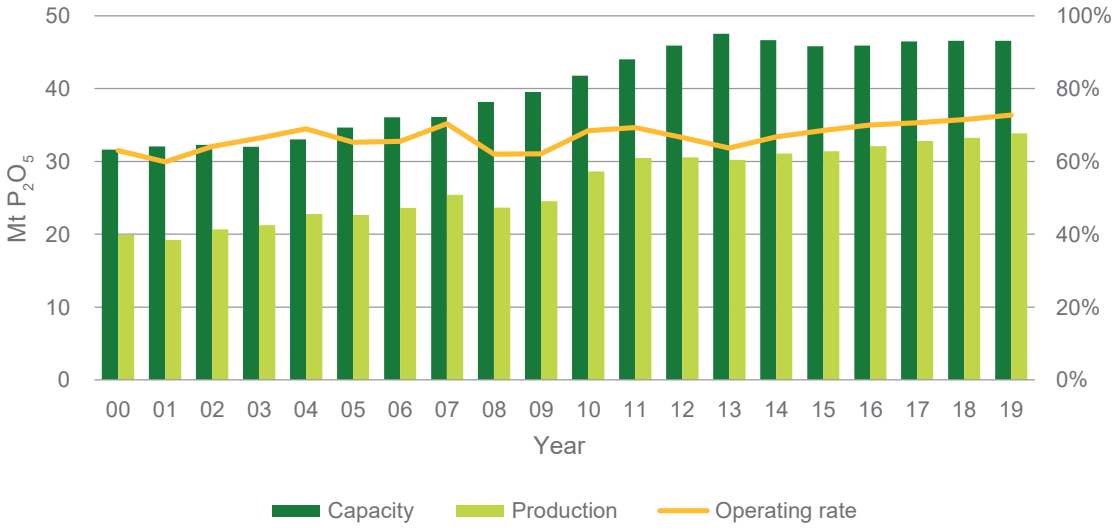
The largest three phosphate rock country producers—Morocco, China and the United States—hold approximately 52% of the global trade market for phosphate rock, phosphoric acid and phosphate-based fertilisers in 2013, according to IFA. In the phosphoric acid market and the phosphate-based fertiliser market, the largest three country producers held approximately 67% and 58% of global trade market share in 2013, according to the IFA. In 2013, according to IFA, the Group represented approximately 14%, 10% and 7% of the global phosphate rock, phosphoric acid and fertilisers production, respectively.

According to CRU, the production of phosphate rock has increased significantly since 2000, increasing from approximately 145.7 million tonnes in 2000 to approximately 193.5 million tonnes in 2013; over this period, production increased at a CAGR of 2.2%.

According to CRU, the production of phosphate-based fertilisers (DAP/MAP/TSP) has increased at healthy rate since 2000, increasing from approximately 19.9 million tonnes P_2O_5 in 2000 to approximately 30.2 million tonnes P_2O_5 by 2013; over this period, production increased at a CAGR of 3.3%.

Operating rates have also displayed resilience, being between 58% and 69% over the last decade. Over the 2000-2013 period, consumption increased at a CAGR of 3.3% while capacities increased at a CAGR of 4.4%, according to CRU.

Global phosphate (DAP/MAP/TSP) production, capacity and operating rate



Source: CRU.

A number of brownfield and greenfield projects have been contemplated through 2017, with the majority of the capacity increases expected in Morocco (OCP) and Saudi Arabia (Ma'aden). Barriers to entry to the phosphate industry include know-how, access to cost-competitive reserves and sufficient financial resources (which make brownfield projects attractive for capacity expansion).

Main Exporters and Importers of Phosphate

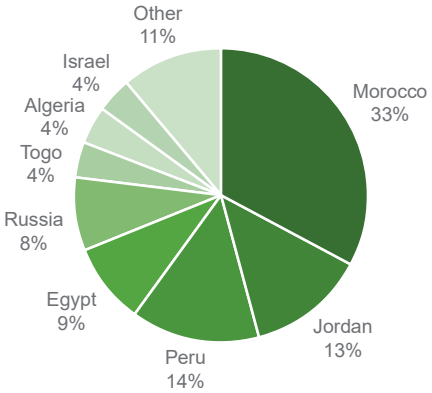
Phosphate Rock

According to IFA statistics, world exports of phosphate rock decreased by approximately 13.8% in 2013, to approximately 26.0 million tonnes in 2013 from approximately 30.2 million tonnes in 2012.

Phosphate rock is mainly produced and processed in the same country. Out of approximately 193 million tonnes of phosphate rock produced in 2013, only approximately 26 million tonnes were traded internationally.

The chart below shows the main phosphate rock exporters in 2013. The Group is the largest exporter of phosphate rock with a market share of 33.1% of global exports by volume in 2013 while representing 14% of the global production of phosphate rock in the same year, according to IFA.

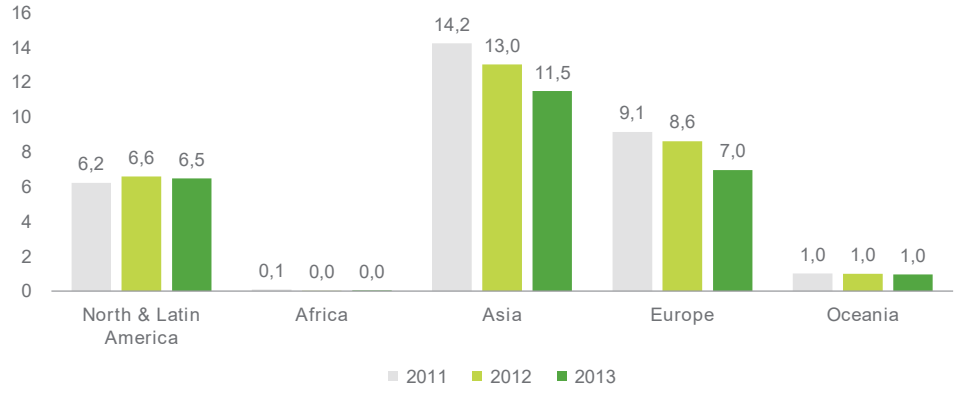
Market share of the main phosphate rock exporters (2013)



Source: IFA statistics (2013).

The chart below shows the main phosphate rock importers for the 2011-2013 period.

World phosphate rock imports (million tonnes)



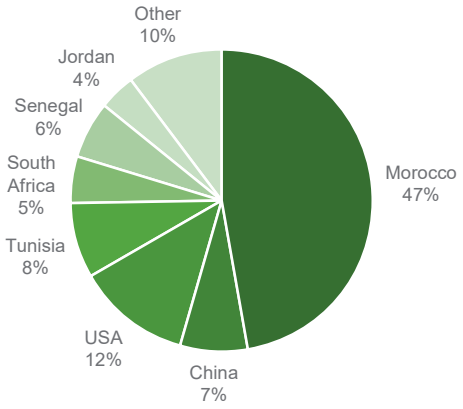
Source: IFA statistics (2011-2013).

Phosphoric Acid

World phosphoric acid exports decreased by approximately 4% in 2013, to approximately 4.0 million tonnes P_2O_5 in 2013 from approximately 4.2 million tonnes P_2O_5 in 2012.

The chart below shows the main phosphoric acid exporters in 2013.

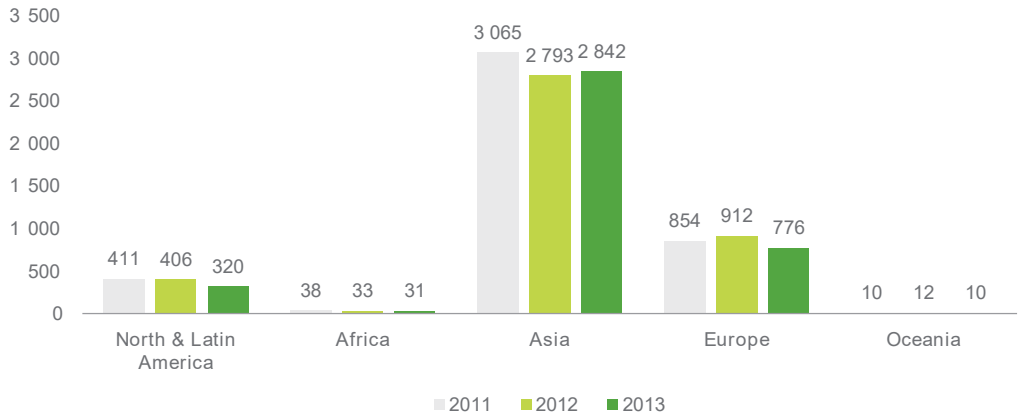
Market share of the main phosphoric acid exporters (2013)



Source: IFA statistics (2013).

The chart below shows the main phosphoric acid importers for the 2011-2013 period. The Group is the largest exporter of phosphoric acid with a market share of 47% of global exports in by volume 2013 while representing 9% of the global production of phosphoric acid in the same year, according to IFA.

World phosphoric acid imports (thousand tonnes P_2O_5)



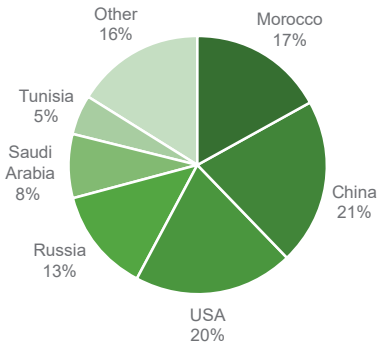
Source: IFA Statistics (2011-2013).

Phosphate-Based Fertilisers

World phosphate-based fertilisers imports increased by approximately 2% in 2013, to approximately 11.5 million tonnes P_2O_5 in 2013 from approximately 11.2 million tonnes P_2O_5 in 2012.

The chart below shows the main phosphate-based fertiliser exporters in 2013. The Group is the largest exporter of phosphate-based fertilisers with a market share of 17% of global exports by volume in 2013 while representing 7% of the global production of phosphate-based fertilisers in the same year, according to IFA.

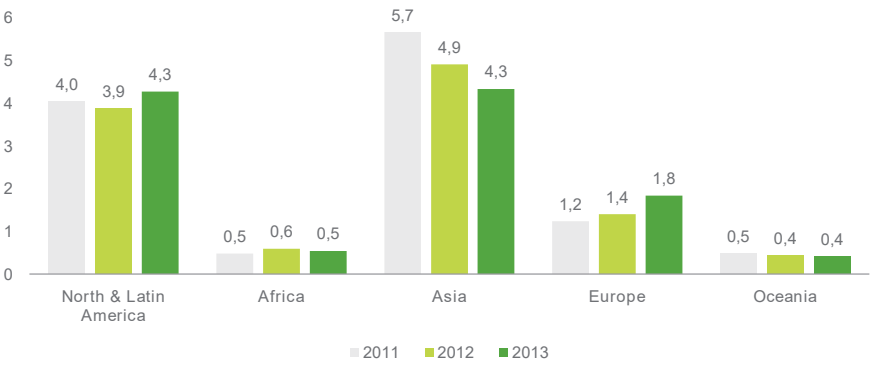
Market share of the main phosphate-based fertiliser exporters (2013)



Source: IFA statistics (2013).

The chart below shows the main phosphate-based fertiliser importers for the 2011-2013 period.

World phosphate-based fertiliser importers (million tonnes P_2O_5)

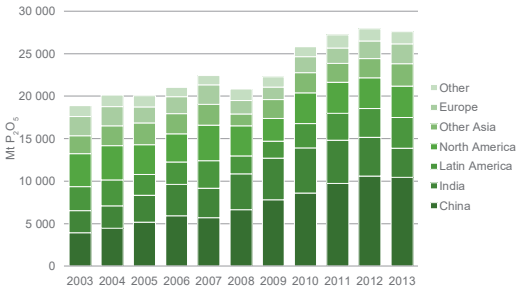


Source: IFA statistics (2011-2013).

The tables below set forth global DAP and MAP consumption as well as projected phosphate demand growth to 2019, according to the CRU.

World DAP and MAP consumption

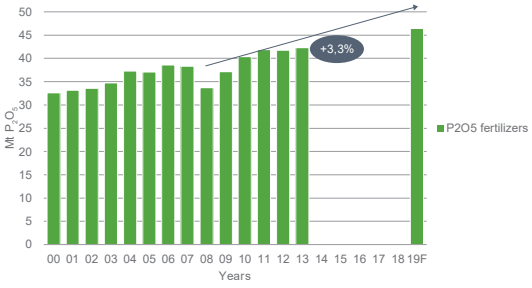
Million tonnes P_2O_5



Source: CRU.

Projected global phosphate demand growth

Global P_2O_5 demand, million tonnes P_2O_5



Source: CRU.

The expected growth in major consuming countries such as India, China and Brazil is expected to support a strong demand for phosphate-based fertilisers.

Global Phosphate Imports Sourced from the Group

IFA estimates that, in terms of P_2O_5 volumes, the Group's phosphate products represented 52%, 32%, 28%, 27%, 25%, 17% and 11% of North America, South America, Europe, South/West Asia, Africa, Oceania and East Asia imports in 2013, respectively.

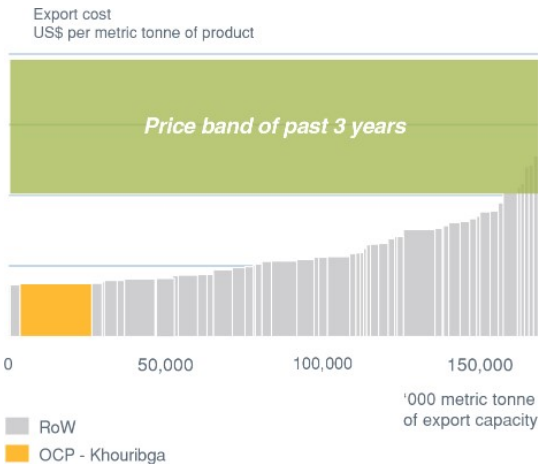
Cost Structure

Production of phosphate typically requires grinding or pulverizing the rock, followed by its conversion to phosphoric acid commonly through application of sulphuric acid in a high-heat process. Phosphoric acid is then neutralized to produce the most widely used commercial fertilisers: DAP and MAP. Phosphate fertiliser production accounts for approximately 70% of the global sulphur market, with approximately one tonne of sulphur needed to produce two tonnes of DAP.

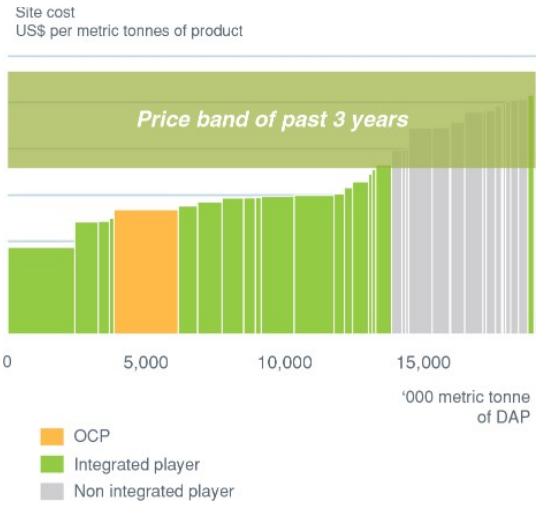
The Group has a quality rock supply and has one of the lowest phosphate rock cash costs in the industry, giving the Group a significant competitive advantage over producers that must purchase rock. Of the global phosphate producers, approximately 30% of them are non-integrated and rely on imports or domestic purchases for their rock supply.

The following charts show the Group's rock export and fertiliser production cash costs as compared to its competitors (excluding Chinese producers).

Phosphate Rock Export Cash Costs[1]



Fertilizer Production Cash Costs[1] (DAP)



Source: CRU 2015.

1. Excluding Chinese producers.

Overview

The Group is a leading vertically-integrated fertiliser company involved in the extraction, production and commercialisation of: (i) phosphate rock; (ii) phosphoric acid (including purified phosphoric acid); and (iii) phosphate-based fertilisers. The Group is the largest producer of phosphate rock and phosphoric acid, and the second largest producer of phosphate-based fertilisers (DAP, MAP and TSP), globally (by volume), based on company information and publicly available data of competitors. The Group's mining activities are based in Morocco and focus on the extraction, treatment, enrichment and delivery of phosphate rock to its processing facilities in Jorf Lasfar and Safi, as well as the export of phosphate rock to its customers in approximately 35 countries. The Group processes approximately two-thirds of its phosphate rock production into phosphoric acid, a significant part of which is in turn further processed into phosphate-based fertilisers. In addition to phosphoric acid, the Group produces and exports four major types of phosphate-based fertilisers: MAP, DAP, NPK and TSP. The Group also recently started producing a number of specialised fertiliser products, such as sulphur-enriched fertilisers, reactive phosphate rock, fertilisers enriched with micronutrients and feed phosphate products. The Group sells its products to other industrial companies, including integrated and non-integrated players, large and established traders and distributors.

For the year ended 31 December 2014, the Group's total revenue was Dh 41.4 billion, its Adjusted EBITDA was Dh 11.4 billion and its net profit for the period was Dh 5.1 billion. The Group's total assets were Dh 128.2 billion as at 31 December 2014.

According to the USGS Report of January 2015, approximately 75% of the world's largest reserves of phosphate rock are located in Morocco (including Western Sahara, referred to as the Southern Provinces herein), and under Moroccan law, the Group has exclusive access to Morocco's phosphate reserves. All of the Group's mining activities are conducted at open-pit mines. The Group operates ten phosphate rock mines at three locations in central Morocco (six at Khouribga, three at Gantour (Ben Guerir and Youssoufia) and one in the Southern Provinces (Boucraa)), with a combined annual production capacity of 32.4 million tonnes per year. The average P_2O_5 content of the phosphate rock currently mined by the Group is approximately 31%, based on IFA estimates.

The Group operates processing plants in two locations on the Atlantic coast in central Morocco: Jorf Lasfar, which receives phosphate rock principally from the mines at Khouribga; and Safi, which receives phosphate rock principally from the mines at Gantour.

- At the Jorf Lasfar site, the Group operates a number of facilities that have a total nominal production capacity of 6.2 million tonnes of fertilisers and 3.3 million tonnes of phosphoric acid per year, including the nominal production capacity of its joint ventures IMACID and PMP, which have a combined production capacity of 0.8 million tonnes of phosphoric acid per year, and EMAPHOS, which has a production capacity of 0.15 million tonnes of purified phosphoric acid per year.
- At the Safi site, the Group's facilities have a nominal production capacity of 1.5 million tonnes of phosphoric acid, 1.0 million tonnes of TSP and 0.3 million tonnes of feed phosphate products per year.

The Group has also entered into production joint ventures and has direct or indirect interests in processing plants in Belgium, Brazil, France, India and the United States.

The Group is currently able to export phosphate rock from the ports of Casablanca, Jorf Lasfar and Safi, as well as the wharf at Laâyoune, phosphoric acid and phosphate-based fertilisers from the ports of Jorf Lasfar and Safi, and feed phosphate products from the port of Safi.

As part of its Capital Expenditure Programme, the Group has undertaken or plans to undertake a number of industrial projects designed to improve operational and cost efficiency and increase its production capacity, including:

- increasing the mining capacity of Khouribga and Ben Guerir by approximately 26 million tonnes with the opening of three mining facilities and the construction of four beneficiation plants;
- expanding the fertiliser and phosphoric acid production capacity at Jorf Lasfar and Safi;
- completing slurry pipelines from Khouribga to Jorf Lasfar and Gantour to Safi, which are intended to transport up to 48 million tonnes of rock per year and generate significant savings on transportation

costs by transporting phosphate rock by pipeline rather than by rail. The slurry pipeline from Khouribga to Jorf Lasfar was completed in April 2014; and

- expanding the port and storage facilities and water-related infrastructure at Jorf Lasfar to accommodate increased production and optimise the Group's operational flexibility.

Strengths

The Group believes that its principal strengths and competitive advantages include the following:

A Global Leader across the Phosphate Value Chain

The Group is the largest producer of phosphate rock and phosphoric acid, and the second largest producer of phosphate-based fertilisers (DAP, MAP and TSP), globally (by volume), based on company information and publicly available data of competitors. The Group has leading positions in production and trade volumes across the phosphate value chain. As at 31 December 2014, the Group had annual production capacity of phosphate rock, phosphoric acid and fertilisers of 32.4 million tonnes, 4.8 million tonnes and 7.5 million tonnes, respectively. In 2013 the Group accounted for approximately 33%, 47% and 17% of the global phosphate rock, phosphoric acid and fertiliser trade, respectively, according to IFA. The Group believes its vertically-integrated business model across the phosphate value chain provides flexibility in optimising its product mix between phosphate rock, phosphoric acid and fertilisers, which allows it to maximise margins and optimise capacity utilisation according to demand. In addition, the Group benefits from the substantial industry expertise and experience gained during its past 95 years of phosphate production.

Large and Quality Reserve Base which Constitutes a Natural Barrier to Entry

According to the USGS Mineral Commodities Summaries published in January 2015, Morocco (including Western Sahara, or the Southern Provinces as referred herein) has the largest phosphate rock reserves in the world with 50 billion tonnes (more than 13 times larger than the world's second largest reserves located in China), and under Moroccan law, the Group has exclusive access to Morocco's phosphate reserves. The Group estimates that economically-exploitable reserves account for several hundred years of global phosphates consumption (at current consumption levels). The average P_2O_5 content of the phosphate rock currently mined by the Group is approximately 31%, based on IFA estimates.

Due to the significantly larger reserve base, high average quality P_2O_5 content and low extraction costs, the Group believes it is one of the lowest cost producers of phosphate rock in the industry. Fertiliser producers that do not have access to their own phosphate rock reserves tend to have higher production costs, and experience significant difficulties when the market price of the phosphate rock they consume increases faster than the prices of their products, which may require them to reduce production or stop production altogether when such prices are particularly high relative to the prices of their products. Lack of access to phosphate rock reserves, in addition to high capital investments required, significant infrastructure facilities and lack of technical know-how, act as a significant barrier to entry for any producer seeking to enter the market on a significant scale and compete with the Group in relation to sales of phosphate rock, phosphoric acid and phosphate-based fertilisers.

Low-Cost Position in Phosphate Rock and Phosphate-Based Fertilisers

The Group believes that it is one of the lowest cost producers of phosphate rock in the industry. This is a result of three principal factors: (i) the Group's relatively high-quality phosphate rock reserves, which lowers processing and production costs; (ii) the reserves to which the Group has exclusive access are mined using open-pit sites and are located in close proximity to ports, the processing facilities at Jorf Lasfar and Safi; and (iii) the geographic position of Morocco which permits the Group to have access to efficient shipping routes in terms of freight costs and time of delivery to key export markets. The CRU Phosphate Rock Cost Report 2015 states that the Group's mines are among the lowest in terms of cash costs in 2014. The Group began operating a slurry pipeline in April 2014 to transport phosphate rock from Khouribga to Jorf Lasfar, which is another factor contributing to its cash cost leadership. In addition, the majority of the Group's mining operations, chemical plants and port operations are concentrated in a relatively small area in central Morocco, which allows the Group to benefit from operational synergies as well as economies of scale.

Balanced Product Portfolio and International Footprint

The Group is present in all segments of the phosphate value chain, from the extraction of phosphate rock and the production of phosphoric acid to the production of phosphate-based fertilisers. Apart from purchases of sulphur and ammonia (and to a lesser extent sulphuric acid, potash and micronutrients) from third-parties, the Group is self-sufficient in all three segments. The Group believes its vertically-integrated business model across the phosphate value chain provides flexibility in optimising its product mix between phosphate rock, phosphoric acid and fertilisers, which allows it to maximise margins and optimise capacity utilisation according to demand.

The Group is present in all global major markets and its customer base comprises over 150 customers on all five continents. The Group is, therefore, able to mitigate decreases in sales in regions where there is poor demand by shifting sales to other regions, which creates a natural hedge against adverse events in any given market or region. For 2014, the Group's largest single customer accounted for 4.4% of the Group's total revenue and, accordingly, the Group is not dependent on any single customer. In addition, the Group's export sales are balanced between Asia/Oceania, Europe, Latin America, North America and Africa, which accounted for 30.9%, 27.8%, 20.8%, 14.1% and 6.4% of total export sales in 2014 respectively. As a result, the Group believes it is able to both reduce its exposure to adverse events and increase its sales where favourable conditions prevail, which, in turn, allows the Group to seek higher profitability margins. The location of the Group's operations in Morocco also gives the Group a competitive advantage in terms of time to market as compared to its main competitors, especially when combined with low-cost transportation in certain key export markets, including South America, Europe, West Africa and the United States.

Growth Industry, Underpinned by Sustainable Long-Term Trends

Given P_2O_5's role as an essential soil nutrient in agricultural production, the Group believes that it is well positioned to benefit from the strong fundamentals of the global agricultural industry, which, to a large extent, are driven by: (i) population growth; (ii) the reduction in available arable land per capita; and (iii) increase in consumption of meat and dairy in emerging markets. Global phosphate fertiliser demand is projected to grow at a CAGR of 2.1% from 2014 to 2018, according to IFA. The Group believes that higher agricultural commodity prices and an improved economic environment following the global financial crisis provide a favourable background for investment in fertilisers by farmers and growers.

The Group believes that the long-term growth in demand for fertilisers will principally be driven by the need to increase crop production primarily due to the world's growing population, which is projected to increase to 9.6 billion people by 2050, an increase of 39% from 2010, according to the FAO. In addition, in light of the expected growth of the world's population and the expected reduction of available arable land per capita stemming in part from increased urbanisation and industrialisation, the area of arable land per capita is expected to decrease by 21% globally between 2010 and 2050 to approximately 0.18 hectares per person, according to the FAO. As a result of the limited ability to expand the existing stock of arable land, it will be necessary to increase yields on the existing fields to improve crop yields and meet future anticipated demand for food, which in turn is expected to increase demand for fertilisers, according to the FAO. Accordingly, the FAO estimates that an increase of approximately 80% in global crop production will be required by 2050 to meet global food demand.

In addition, an increase in per capita income, especially in emerging markets, such as Brazil, China and India, is leading to changes in dietary habits. According to the FAO, world meat consumption is projected to grow by 1.5% per year on average until 2022, while emerging market countries meat consumption is projected to grow by 2.0% per year on average during the same period. Higher consumption of meat results in increased demand for fertilisers (due to higher demand for crops used as feed for livestock) and feed phosphate products.

Strong Financial Position and Flexible Investment Programme to Further Improve the Group's Cost Position

As described in more detail in "*—Strategy—Improve Efficiency and Increase Industrial Capacity*" below, in 2008 the Group launched its Capital Expenditure Programme, which the Group believes will improve its operating performance and help the Group strengthen its positions across the phosphate value chain. The Group's Capital Expenditure Programme involves the development of three new mines, the development of mining infrastructure, the construction of the Khouribga to Jorf Lasfar slurry pipeline (completed in April 2014), the construction of a slurry pipeline from Gantour to Safi, as well as the development of the Jorf Phosphate Hub, among other projects and initiatives. The Group has structured the Capital

Expenditure Programme in various phases to 2025, allowing the Group significant flexibility in developing the programme according to the Group's cash position and market conditions. The Group also expects the Capital Expenditure Programme to further lower its cost position and increase the Group's profitability over the medium- to long-term.

The Group's low production cost has enabled it to preserve margins and maintain positive cash flow generation, even in periods of sustained low phosphate rock and fertiliser prices. The Group has a cautious approach to liquidity with significant undrawn lines of credit available to it. The Group's net financial debt has increased in recent years, from Dh (10.7) billion as at 31 December 2012 to Dh 10.6 billion as at 31 December 2013 and Dh 26.2 billion as at 31 December 2014, as the Group invested in its Capital Expenditure Programme. The Group expects its leverage ratios to continue to increase manageably in connection with its Capital Expenditure Programme. Despite these increases, the Group expects that its net financial debt levels will remain consistent with its objective of maintaining its investment grade rating, with a maximum target net financial debt to Adjusted EBITDA ratio of 2.5x.

Highly Experienced Management Team

The Group has a strong and experienced senior management team, who have a detailed knowledge of, and experience in, the fertiliser industry and provides the Group with the skills and expertise required to implement its strategy and Capital Expenditure Programme. The Group's senior management team combines extensive industry and marketing experience with financial and management expertise. In addition, in 2008 the Group has undergone major structural changes, from the *Office Chérifien des Phosphates*, a state-owned organisation earning royalties based on volume, to becoming a joint stock company (*société anonyme*) with a new governance structure and a decentralized, more flexible and profit-driven organisation.

Strategy

The Group's goal is to strengthen its position as a leading integrated phosphate producer and maintain flexible positioning across the value chain, by focusing on the following priorities:

Improve Efficiency and Increase Industrial Capacity

The Group is engaged in a significant Capital Expenditure Programme to enhance its leading positions through improved efficiency and increased capacity across the entire phosphate value chain. First, it is expanding its phosphate rock production by approximately 26 million tonnes at its mining sites in Khouribga and Ben Guerir with the development of three mines and the construction of four beneficiation plants. Second, the Group is expanding its fertiliser and phosphoric acid production capacity at the Jorf Phosphate Hub, by constructing four fully integrated fertiliser production units which are expected to become operational in a modular ramp-up starting in the second quarter of 2015 through to the fourth quarter of 2016, and potentially six additional units in accordance with market demand. The first fertiliser unit is already complete and is currently being tested. Each of these units is expected to have an annual production capacity of one million tonnes of fertiliser. The Group has also constructed two granulation plants in 2013, which have a combined annual production capacity of 1.7 million tonnes. As part of the expansion of the Jorf Phosphate Hub, the Group is also expanding, amongst other things, its port and storage facilities and water-related infrastructure to accommodate such increased production. Third, in April 2014, it launched a new slurry pipeline to transport phosphate rock from Khouribga to Jorf Lasfar (with a length of 234 km, including secondary pipes, and an annual capacity of up to 38 million tonnes). The Group also plans to construct a second slurry pipeline from Gantour to Safi (with a length of 155 km and an annual capacity of up to 10 million tonnes). The slurry pipelines are intended to replace more expensive transport by train and significantly reduce the Group's transportation costs. The slurry pipelines will also eliminate the need for drying procedures required for transporting phosphate rock by train. Other significant planned long term investments include: the development of the Safi complex through the addition of further integrated fertiliser production units, along with associated infrastructure, including port expansion; the development of a port and a potential fertiliser unit in Laâyoune; and other facilities in connection with new product development initiatives. The Group may, in the future, consider opening a new mining front in Meskala to address long-term demand. The Group has structured the Capital Expenditure Programme in various phases to 2025, allowing the Group significant flexibility in developing the programme according to the Group's cash position and market conditions.

Based on its current plans and estimates and in accordance with its Capital Expenditure Programme, the Group expects its annual production capacity of phosphate rock to increase from 32.4 million tonnes in 2014 to 38.4 million tonnes in 2017 and 57.0 million tonnes in 2025, of phosphoric acid from 4.8 million tonnes in 2014 to 7.1 million tonnes in 2017 and 11.6 million tonnes in 2025, and of fertilisers from 7.5 million tonnes in 2014 to 11.3 million tonnes in 2017 and 22.2 million tonnes in 2025.

These planned capacity increases of the Group's Capital Expenditure Programme are expected to help the Group strengthen its position across the phosphate value chain. Based on current plans, the total estimated costs of the Capital Expenditure Programme since its launch in 2008 to 2025 are approximately U.S.$[5]21 billion (Dh 189 billion), with U.S.$4 billion (Dh 37.1 billion) already incurred between 2008 and 2014. During the period from 1 January 2008 to 31 December 2014, approximately U.S.$6 billion (Dh 54.7 billion) was contractually committed on the Capital Expenditure Programme. The costs of the Capital Expenditure Programme are expected to be funded from internally-generated cash flows, existing and future external financings and the proceeds of the Notes. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Capital Expenditures*".

Reinforce Cost Leadership

The Group believes that it is one of the lowest cost producers of phosphate rock in the industry. As part of its strategy, the Group is actively engaged in improving the efficiency and cost of its operations, in particular, its mining and transportation activities, through the implementation of new technologies, processes and procedures. In particular, the use of slurry pipelines as compared to rail is expected to substantially reduce the Group's transportation costs. Furthermore, the development of the Jorf Phosphate Hub allows the Group to increase its capacity production levels while optimizing the Group's costs by leveraging existing platforms and centralizing some of the industrial operations.

Increase Commercial Agility and Industrial Flexibility

The capacity expansion and efficiency improvements of the Capital Expenditure Programme are designed to increase the flexibility provided by the Group's vertically-integrated upstream, midstream and downstream phosphate operations. By further increasing its ability to optimise its product mix between phosphate rock, phosphoric acid and fertilisers in line with demand and market conditions, the Group believes it will be better able to maximise its margins and capacity utilisation. The Group is also able to leverage its global presence to selectively place its products according to market demand and margin attractiveness. In addition, the Group intends to pursue strategic partnerships focused primarily on achieving synergies with or complementing its existing business, operations and product range, increasing its flexibility of production and serving selected target markets, including potential material investments in Africa. See "*Overview—Recent Developments*". The Group created representation offices in Singapore in August 2014 and Ivory Coast in February 2015. The Group also plans to open representation offices or establish wholly-owned subsidiaries in certain key export markets in the future, including China, the United Arab Emirates and the United States.

History

The *Office Chérifien des Phosphates* was established on 7 August 1920. The following are key development stages of the Group:

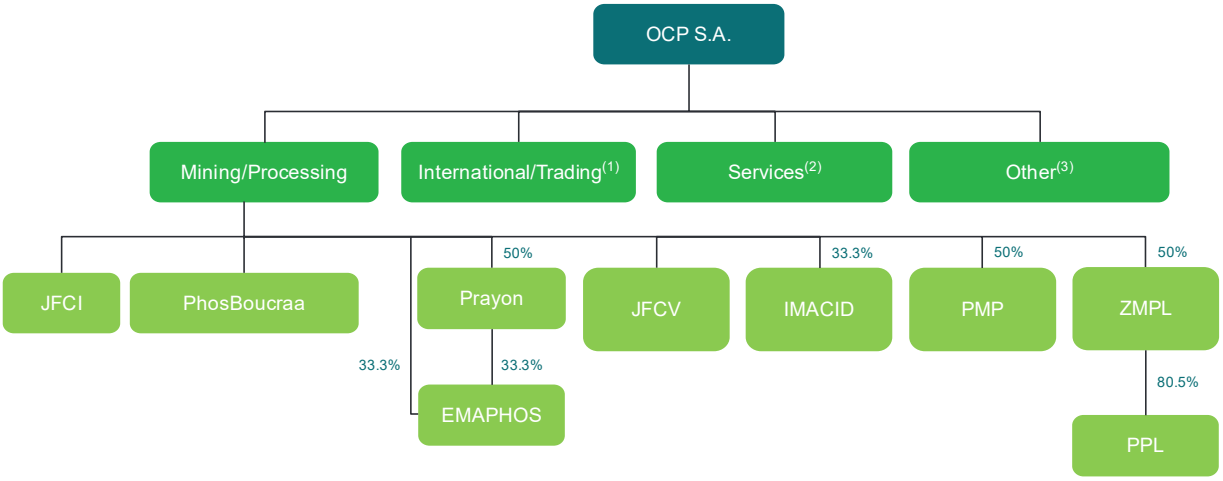
- *1920*—The *Office Chérifien des Phosphates* was established.
- *1921*—Underground phosphate mining began at Khouribga, and the first phosphate shipment left from the port of Casablanca.
- *1932*—Underground phosphate mining began at Youssoufia.
- *1942*—A calcification unit was completed at Youssoufia.
- *1951*—Mining activities began to shift from underground mining to open-pit mining.
- *1965*—The Safi chemical platform was launched and inaugurated by King Hassan II. Maroc Chimie was established.

5 For convenience, figures expressed in U.S.$ in this paragraph have been translated into U.S.$ at the Dh/U.S.$ exchange rate published by the Central Bank as at 31 December 2014, which was Dh 9.0419 per U.S.$1.00. Such translation is not reflective of a translation in accordance with IFRS and it should not be contrued as a representation that the Dh amounts have been or could be converted into U.S. Dollars at this rate or any other rate.

- *1973*—Maroc Phosphore S.A. was established to process phosphate rock into refined products.
- *1976*—The Issuer acquired a majority stake in Phosboucraa mining operations (Boucraa mining site). The Group's R&D centre opened, and the Maroc Phosphore I chemical unit commenced operations at Safi.
- *1980*—The Ben Guerir mining site opened.
- *1981*—The Maroc Phosphore II chemical unit commenced operations at Jorf Lasfar.
- *1982*—The Oued Zem drying plant was opened.
- *1984*—The chemical processing facilities in Jorf Lasfar were opened.
- *1986*—The Maroc Phosphore III chemical unit commenced operations at Jorf Lasfar.
- *1998*—Purified phosphoric acid production commenced at Jorf Lasfar.
- *2000*—The floatation plant at Khouribga opened.
- *2006*—A new granulation plant with a capacity of 850,000 tonnes per year opened at Jorf Lasfar.
- *2008*—The *Office Chérifien des Phosphates* became a joint stock company and was renamed OCP S.A.
- *2008*—The Group launched a major Capital Expenditure Programme to improve the efficiency of its operation and increase its production capacity.
- *2009*—Bunge Maroc Phosphore, a 50/50 joint venture with the Bunge group producing phosphoric acid, MAP, DAP and TSP at Jorf Lasfar, was established.
- *2010*—Jacobs Engineering S.A. ("**JESA**"), a 50/50 joint venture between the Issuer and Jacobs Engineering Inc,, was established to assist the Group in the development of its industrial programme by providing engineering, project management and control services to the Group. JESA provides similar services to other players in the phosphate industry.
- *2010*—The Group opened representation offices in Brazil and Argentina.
- *2011*—A water desalination facility was opened at Jorf Lasfar.
- *2011*—The Issuer completed a domestic bond issue.
- *2012*—Maroc Phosphore S.A. was merged into the Issuer.
- *2013*—Two new granulation plants, each with an annual production capacity of 850,000 tonnes, were constructed at Jorf Lasfar (to become operational by the end of 2014).
- *2013*—DuPont OCP Operations Consulting S.A. ("**DuPont OCP**"), a 50/50 joint venture between the Issuer and DuPont de Nemours, was established to provide consulting and training services in the fields of industrial safety and security, energy efficiency, asset productivity and environment.
- *2013*—Bunge Maroc Phosphore, became a wholly-owned subsidiary of the Group, which acquired the remaining 50% stake. Its name was changed to Jorf Fertiliser Company V ("**JFC V**").
- *2014*—The Issuer completed its inaugural international bond issuance and a tap issuance.
- *2014*—Several industrial development projects were completed: the slurry pipeline from the Khouribga mining site to Jorf Lasfar, the terminal station of the slurry pipeline, a new phosphoric acid production plant and a Jorf Lasfar based Industrial Competencies Center.
- *2014*—The Group created a representation office in Singapore in August 2014.
- *2014*—Several industrial development projects were completed: the slurry pipeline from the Khouribga mining site to Jorf Lasfar, the terminal station of the slurry pipeline, a new phosphoric acid production plant and a Jorf Lasfar based Industrial Competencies Center.
- *2015*—The Group created a representation office in Ivory Coast in February 2015.
- *2015*—The Issuer completed the acquisition, through its subsidiary OCP International, of approximately 10% of the shares in Fertilizantes Heringer S.A.

Organisational Structure of the Group

The following chart sets forth the Group's organisational structure as of the date of this Prospectus. The chart provides information in respect of the Company's principal subsidiaries and sets forth the Group's ownership of the subsidiaries' share capital (100% unless indicated):



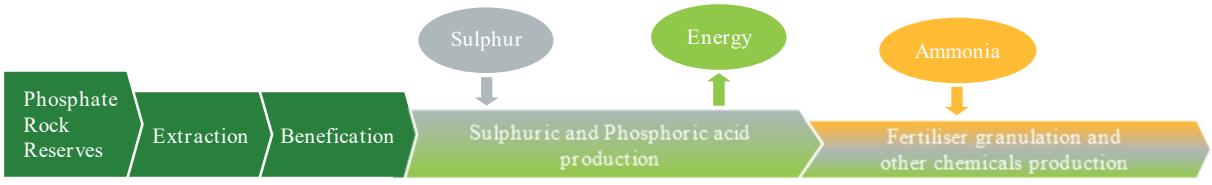
(1) Includes OCP International Cooperative U.A., OCP de Argentina Ltd., OCP do Brasil Ltda, Black Sea Fertiliser Trading Company (70%), Fertilizantes Heringer S.A. (10%) and OCP Fertilizantes Ltda.

(2) Includes *Société de Transports Régionaux,* LeJonc & Cie, OCP Services, DuPont OCP (50%), JESA (50%) and *Transportation Engineering and Management Consultants* (TEAM Maroc) (50%).

(3) Includes *Société d'aménagement et de développement vert*, *Société d'aménagement et de développement immobilier dans la région de Mazagan* (51%), *Centre d'Etudes et de Recherches des Phosphates Minéraux, Société Marocaine d'Etudes Speciales et Industrielles*. OCP Innovation Fund for Agriculture, BCP (4.2%) and OCP Foundation.

Operations Overview and Phosphate Value Chain

The Group produces and exports: (i) phosphate rock; (ii) phosphoric acid (including purified phosphoric acid); and (iii) phosphate-based fertilisers. As part of its vertically-integrated business model across the phosphate value chain, the Group mines phosphate ore from its own mines and extracts quality phosphate rock from the ore at the Group's beneficiation plants. The Group then uses its phosphate rock as a raw material (approximately two-thirds of its phosphate rock production) to produce phosphoric acid (including purified phosphoric acid), by combining the phosphate rock with sulphuric acid. Phosphoric acid is also used to produce fertilisers, by adding ammonia, phosphate rock or potash and other chemical agents through granulation and other chemical processes, depending on the end product. The Group produces four major types of phosphate-based fertilisers, MAP, DAP, NPK and TSP, as well as a number of specialised fertiliser products, such as sulphur and fertilisers enriched with micronutrients and reactive phosphate rock.



The Group sells any phosphate rock, phosphoric acid or fertilisers not consumed internally to third parties in domestic and global markets. See "*—Products and Sales*" below.

Phosphate Rock Mining and Production

Phosphate rock reserves in Morocco are owned by the State, which has granted exclusive access to such reserves to the Group since 1920, at the time the Issuer was the *Office Chérifien des Phosphates*, and subsequently to the Issuer in 2008 (when the Issuer became a joint stock company), pursuant to Article 2 of the OCP Law, which grants a monopoly to the Issuer with respect to phosphates exploration and mining in Morocco.

The Issuer mines and produces phosphate rock directly at its mines in Khouribga and Gantour and through its wholly owned subsidiary, Phosboucraa, in Boucraa. The Group's mining activities focus on the extraction, treatment, enrichment and delivery of phosphate rock to its chemical processing facilities in Jorf Lasfar and Safi, as well as the export of phosphate rock to customers abroad. All of the Group's mining activities are conducted at open-pit mines.

In 2014, the Group treated 27.4 million tonnes of phosphate rock, of which approximately two thirds was used internally by the Group, and the remainder was sold to external customers.

Phosphate Rock Reserves

The phosphate mined in Morocco is of sedimentary origin and generally consists of apatite (rock phosphate), silica, carbonates (such as calcite and dolomite) and clays, as well as a number of rare earth and heavy metal elements.

The quality of phosphate rock produced by the Group is determined by measuring the P_2O_5 content of the phosphate ore. The P_2O_5 content of the phosphate ore varies from 5% to 45%. If phosphate ore has P_2O_5 content of less than 30%, the phosphate ore is subjected to a process of washing, drying or dry beneficiation. Following the extraction of the ore, the phosphate rock is stored before being transported to the Group's processing plants. Depending on its Bone Phosphate of Lime content ("**BPL**"), the phosphate ore is classified as (i) "high grade" phosphate (BPL of more than 69.5%); (ii) "medium grade" phosphate (BPL of equal to or more than 68.0% and less than 69.5%); (iii) "low grade" phosphate (BPL content of equal to or more than 61.0% and less than 68.0%); or (iv) "very low grade" phosphate (BPL content of equal to or more than 40.0% and less than 61.0%). In 2013, approximately one third of the phosphate rock produced by the Group was classified as being "high grade" or "medium grade", according to IFA. The BPL content of phosphates mined in Morocco generally ranges from 45% to 80%.

Morocco's principal phosphate rock fields are:

- the Oulad Abdoun fields in the region of Khouribga;
- the Gantour field in the region of Youssoufia (comprised of the Youssoufia and Ben Guerir mining sites);
- the Oued Eddahab (Boucraa) fields in the Southern Provinces; and
- the Meskala field in the Essaouira region.

As at 31 December 2014, according to the Group's estimates, reserves in Khouribga accounted for approximately 44% of the Group's total reserves, while the reserves in Gantour, Meskala and Boucraa accounted for approximately 36%, 19% and 1% of the Group's total reserves, respectively. Mining operations are not currently conducted at the Meskala field.



According to the USGS Mineral Commodities Summaries published in January 2015, Morocco (including Western Sahara, referred to as the Southern Provinces herein) has the largest phosphate rock reserves in the world with 50 billion tonnes (more than 13 times larger than the world's second largest reserves located in China), and under Moroccan law, the Group has exclusive access to Morocco's phosphate reserves. The Group estimates that economically-exploitable reserves account for several hundred years of global

phosphates consumption (at current consumption levels). The average P_2O_5 content of the phosphate rock currently mined by the Group is approximately 31%, based on IFA estimates.

Mining

The Group operates three principal mining sites: Khouribga, Gantour (Youssoufia and Ben Guerir) and Boucraa. The Group uses open-pit mining methods at all of its mining sites. The Group's mines and processing plants are supported by storage facilities and a road and rail network. The Group generally uses a six-stage process for the extraction of phosphate ore from its mines as follows:

- *Drilling:* drilling operations are conducted with hole drilled in various diameters depending on the characteristics of the rock, the nature of the explosives used and the desired fragmentation of the rock.
- *Blasting:* explosives are placed in the drilled holes in order to break the ground and facilitate the removal of the phosphate ore.
- *Scouring:* the top layer of material covering the phosphate ore is removed.
- *Defruiting:* the phosphate ore is removed by truck to stone removal facilities.
- *Transport:* the phosphate ore is transported to hoppers using large capacity trucks, which hold between 110 and 210 tonnes of rock.
- *Stoning:* the phosphate ore is unloaded from the trucks into hoppers, which remove large blocks of rock from excavated material.

The following tables set forth the Group's phosphate extraction volumes and extraction capacity of the Group's mining sites, calculated by dividing the Group's resources by volume of phosphate ore extracted, for the year ended 31 December 2014.

	As at and for the year ended 31 December 2014				
	Khouribga	Youssoufia	Ben Guerir	Boucraa	Total
	(thousand tonnes, except where indicated)				
Volume of phosphate ore extracted	20,537.8	3,614.9	4,969.7	1,816.0	30,938.4
Extraction capacity (per year)	21,200.0	3,600.0	5,000.0	2,600.0	32,400.0

Khouribga

Khouribga, located 120 km south-west of Casablanca and 200 km east of Jorf Lasfar, is the Group's largest phosphate mining site. Khouribga has a total production capacity of 21.2 million tonnes per year.

Khouribga is currently comprised of six mines in the following sites: Daoui (in depletion), Merah El Ahrach, Sidi Chennane and El Halassa. Underground mining operations began at Khouribga in 1921. Since the 1960s, open-pit mining has been conducted at Khouribga and underground mining is no longer conducted.

Ore extracted from the open-pit sites at Khouribga are first delivered by trucks to the Group's ore storage facilities from which it is subsequently delivered by conveyor belt to the Group's processing and beneficiation plants.

Pursuant to its Capital Expenditure Programme, the Group intends to open three additional mines at Khouribga. In addition, it launched a slurry pipeline to transport phosphate rock from Khouribga to Jorf Lasfar (with a length of 234 km, including secondary pipes, and an annual capacity of up to 38 million tonnes) in April 2014, which reduces dependency on train transportation and reduces the Group's transportation costs.

Gantour

Gantour is located approximately 140 km east of Safi and stretches 125 km east to west and 20 km north to south. The Gantour field covers a surface area of 2,500 km^2. Gantour has a total production capacity of 8.6 million tonnes per year. Mining at Gantour is conducted using similar techniques as those used at the Khouribga mine.

Gantour is comprised of two mines Ben Guerir and Youssoufia, and three mining fronts: Ben Guerir (at the Ben Guerir mine), Buchan and M'Zinda (both located at the Youssoufia mine).

Mining began at Ben Guerir in 1980, through the use of open-pit mining. The Ben Guerir mine is located in the eastern part of the Gantour field. Mining began at Youssoufia in 1931. The Youssoufia mine is located in the western part of the Gantour field.

Ore extracted from the open-pit sites at Gantour are first delivered by trucks to the Group's ore storage facilities from which it is subsequently delivered by rail to the Group's processing and beneficiation plant in Safi as the open-pit mines are not directly connected by rail to the Group's processing and beneficiation plants.

The Group's Capital Expenditure Programme includes constructing a second slurry pipeline from Gantour to Safi (with a length of 155 km and an annual capacity of up to 10 million tonnes).

Boucraa

Boucraa is located 100 km south-east of Laâyoune and 1,200 km south-east of Casablanca. Boucraa has a total production capacity of 2.6 million tonnes per year.

The Boucraa mining site is the only site currently operational in the Oued Eddahab fields. The phosphate mined at Boucraa is sedimentary and consists of two layers of phosphate; at present, only the first layer is being mined. Mining of the second layer, which is less rich in BPL and contains more silica, commenced in 2014, following the completion of the necessary processing infrastructure.

Mining began at Boucraa in 1972. Mining operations at Boucraa are conducted by the Issuer's wholly-owned subsidiary, Phosboucraa, a joint stock company established in 1962. The objectives of the company are to ensure the extraction, treatment, transport and marketing of phosphate mined in Boucraa.

Ore extracted from the open-pit mine at Boucraa is delivered to the wharf at Laâyoune, primarily for export.

Phosphate Rock Production

The treatment process of phosphate ore extracted from the Group's mines depends upon the grade of the phosphate ore. "High grade" and "medium grade" phosphate ore can be used or sold without significant treatment processes (only drying), whereas "low grade" and "very-low grade" phosphate ore requires treatment through drying, washing, floatation, dry enrichment, calcination or blending with higher grade phosphate rock.

The Group combines six methods to treat the phosphate ore extracted from its mines:

- *Screening:* all phosphate extracted is first screened to determine the level of treatment required.
- *Washing:* low grade phosphate is enriched through a washing process of with water.
- *Floatation:* very-low grade phosphate is treated through floatation processes.
- *Dry Beneficiation:* this process has the same aim as washing, but without the use of water.
- *Calcination:* high grade or low grade phosphate is treated to remove organic materials contained in the rock.
- *Drying:* all grades of phosphate are dried to reduce the water content in the phosphate to 2.0%.

Each of the Group's mining sites is supported by processing and beneficiation facilities, which produce phosphate rock from the ore extracted from the Group's mines.

Phosphate Rock Quality

The quality of phosphate ore is generally measured based on the P_2O_5 content of the phosphate, which represents the level of nutrient content. Phosphate ore grades currently produced by the Group contain, on average, approximately 31% P_2O_5 content, based on IFA estimates.

Production Volumes

The following tables set forth the volume of phosphate rock extracted and produced by the Group and production capacities for the periods indicated:

	As at and for the year ended 31 December		
	2014	2013	2012
	(thousand tonnes, except for percentages)		
Volume of phosphate ore extracted	30,938.4	27,630.9	28,486.6
Volume of phosphate rock treated[1]	27,394.4	26,403.1	27,060.3
Production capacity	32,400.0	32,200.0	33,300.0
Utilisation (%)	95.5	85.8	85.5

(1) Volumes of phosphate rock eligible for sale.

The Group treated 27.4 million tonnes of phosphate rock in 2014, 26.4 million tonnes in 2013 and 27.1 million tonnes in 2012 of which, 8.7 million tonnes, 8.6 million tonnes and 9.4 million tonnes were exported by the Group, respectively. Phosphate rock that is not exported is supplied to the Group's chemical processing facilities at Safi and Jorf Lasfar.

Khouribga

The treatment facilities supporting the Khouribga mining site are located between Khouribga and Oued-Zem.

The table below sets forth the treatment facilities at Khouribga, together with their respective production capacities, as at 31 December 2014:

	Production Capacity
	(million tonnes per year)
Benidir drying plant	10.7
Oued-Zem drying complex	6.9
Daoui beneficiation plant	6.7
Merah beneficiation plant	7.2
Sidi Chennane liaison facility	10.0
Central Zone liaison facility	10.0

The treatment facilities supporting the Khouribga mining site comprise two beneficiation plants which permit the Khouribga facilities to recycle approximately 85% of the washing water used. The facilities also include a drying complex at Oued-Zem and a drying plant in Benidir to dry the phosphate ore after the beneficiation process is complete. Two liaison facilities transport the phosphate ore within the treatment facilities. In addition, wastewater from the city of Khouribga is recycled and used in the plants. The wastewater treatment plant has the capacity to treat five million cubic metres per year. The Group also intends to develop facilities to source a water supply for the Khouribga mine through the Maroc Central facility that was completed in 2014 and which supplies water to all Khouribga washing facilities and the slurry pipeline.

In 2014, approximately 18.1 million tonnes of phosphate ore was processed and approximately 20.5 million tonnes of phosphate rock was produced at Khouribga.

Gantour

The treatment facilities supporting the mining sites at Gantour are located at Youssoufia. There are no treatment facilities at Ben Guerir. Production from the Ben Guerir mine is transported by rail to Youssoufia (approximately 50 km) or Safi (if washing is required).

The table below sets forth the treatment facilities at Gantour, together with their respective production capacities, as at 31 December 2014:

	Production Capacity (million tonnes per year)
Youssoufia drying plant	4.0
Youssoufia beneficiation plant	4.2
Youssoufia calcination plant	3.0
Liaison plant between Youssoufia and beneficiation plant	3.5

In 2014, approximately 2.6 million tonnes of phosphate ore was processed (Youssoufia) and approximately 8.6 million tonnes of phosphate rock was produced at Gantour (Youssoufia & Benguerir).

Boucraa

The table below sets forth the treatment facilities at Boucraa, together with their respective production capacities, as at 31 December 2014:

	Production Capacity
Washing and drying units	3.2 million tonnes per year
3.2 km wharf (storage capacity)	between 10 - 70 thousand tonnes
Desalination units	1.2 million cubic metres per year

In 2014, approximately 2.1 million tonnes of phosphate ore was processed and approximately 1.8 million tonnes of phosphate rock was produced at Boucraa.

Phosphoric Acid and Phosphate-Based Fertilisers

The Group has conducted processing activities of phosphates since 1965. The Group's facilities in Jorf Lasfar and Safi produce:

- *Phosphoric Acid:* produced by combining phosphate rock with sulphuric acid. Phosphoric acid is used in fertilisers but is also used in a number of industry sectors, including the treatment of metals, the pharmaceutical and fermentation industries and in the treatment of wastewater, cleaning products and cosmetics. Purified phosphoric acid is also used in food and beverage production.
- *Phosphate-based fertilisers:* produced by the Group from the phosphate rock extracted from its mines. Sulphuric acid is added to phosphate rock to produce phosphoric acid. Phosphoric acid is mixed with ammonia to produce MAP and DAP, with ammonia and potassium chloride to produce NPK and with further quantities of phosphate rock to produce TSP. The Group also produces a number of specialised fertiliser products such as NPS, and Teractiv©, which is phosphate rock mixed with gypsum, which is marketed mainly in Africa and Latin America. Phosphate-based fertilisers are most commonly used to improve soil fertility by enhancing nutrient content in the soil and, as a result, to increase crop production and yields.

The Group also produces feed phosphate products, DCP and MDCP. The Group sells all phosphate-based fertilisers and feed phosphate products it produces.

Production Facilities

The Group's production of phosphoric acid and phosphate-based fertilisers is split between its processing plants at Jorf Lasfar and Safi.

Jorf Lasfar

The chemical complex at Jorf Lasfar is located on the Atlantic Ocean, approximately 24 km south of El Jadida and covers an area of 1,835 hectares, of which, approximately 80% remains available for development.

The complex commenced operations in 1986. Prior to 2012, this production was conducted by the Issuer's former wholly-owned subsidiary, Maroc Phosphore S.A., which was merged into the Issuer in 2012. In addition to the Group's own operations, certain of the Group's joint ventures operate phosphate production facilities at Jorf Lasfar, including EMAPHOS, IMACID and PMP, of which the Group directly or indirectly owns 50%, 33.33% and 50%, respectively.

The Group's products sold from Jorf Lasfar include phosphoric acid for use in fertilisers, purified phosphoric acid for use in food products and phosphate-based fertilisers. The Group also produces sulphuric acid (as an intermediary product), which is entirely used internally for the production of phosphate-based fertilisers. Products manufactured at Jorf Lasfar meet ISO 14001 certification standards.

The following table sets forth details of the phosphoric acid and phosphate-based fertilisers produced at Jorf Lasfar for the periods indicated:

	For the year ended 31 December		
	2014	2013	2012
	(thousand tonnes)		
Phosphoric acid	2,983	2,979	2,768
Phosphate-based fertilisers	4,323	4,013	4,019
of which:			
DAP	*1,991*	*1,775*	*2,319*
MAP	*1,404*	*1,708*	*1,530*
TSP	*211*	*241*	*123*
Others (ASP, NPS + NPK)	*717*	*288*	*48*

As at 31 December 2014, the Group's production capacity at Jorf Lasfar was 6.2 million tonnes of fertilisers and 3.3 million tonnes of phosphoric acid per year, including the production capacity of its joint ventures IMACID and PMP, which have a combined production capacity of 0.8 million tonnes of phosphoric acid per year, and EMAPHOS, which has a production capacity of 0.15 million tonnes of purified phosphoric acid per year.

In connection with its Capital Expenditure Programme, the Group is expanding its fertiliser production capacity at the Jorf Phosphate Hub, by constructing four fully integrated fertiliser production units which are expected to become operational starting 2015 through to 2016, and potentially six additional units in accordance with market demand. Each of these units are expected to have an annual production capacity of one million tonnes of fertiliser. The Group has constructed two granulation plants in 2013, which have a combined annual production capacity of 1.7 million tonnes. As part of the expansion of the Jorf Phosphate Hub, the Group is also expanding, amongst other things, its port and storage facilities to accommodate such increased production. In addition, the Group plans to construct a seawater desalination plant at Jorf Lasfar, which is expected have a water production capacity of 75 million cubic meters per year at full capacity. This plant is expected to start operating by June 2015.

Safi

The chemical complex at Safi is located on the Atlantic Ocean, approximately 10 km from Safi and covers an area of 670 hectares, of which approximately 60% is still available for development. The complex commenced operations in 1965 to process the phosphates extracted from the Gantour mining sites.

Prior to the absorption of Maroc Phosphore S.A. into the Issuer in 2012, operations at Safi were conducted by the Maroc Phosphore I and Maroc Phosphore II chemical units. Operations at Safi are now conducted directly by the Issuer. Products from Safi include phosphoric acid for use in fertilisers, various "special" quality phosphoric acid and phosphate-based fertilisers. Sulphuric acid is also produced and used internally for the production of phosphate-based fertilisers.

The following table sets forth details of the phosphoric acid and phosphate-based fertilisers produced at Safi for the periods indicated:

	For the year ended 31 December		
	2014	2013	2012
	(thousand tonnes)		
Phosphoric acid	1,418	1,381	1,389
Phosphate-based fertilisers	870	784	829
of which:			
TSP	*782*	757	*825*
DCP/MDCP	*88*	*27*	*4*

As at 31 December 2014, the Group's nominal production capacity at Safi was 1.5 million tonnes of phosphoric acid, 1.0 million tonnes of TSP and 0.3 million tonnes of feed phosphate products per year.

Other sites

The Group has also entered into production joint ventures and has direct or indirect interests in processing plants in Belgium, Brazil, France, India and the United States. The Group does not directly operate these facilities.

Phosphoric Acid Production

The Group produces phosphoric acid for export and for use in its phosphate-based fertilisers. The two principal raw materials for the production of phosphoric acid are phosphate rock and sulphuric acid. The Group produces phosphoric acid at its plants from phosphate rock extracted from the Group's mines and sulphuric acid either produced at the Group's plants from sulphur purchased from third-party suppliers or sulphuric acid purchased directly from third party suppliers.

As at 31 December 2014, the Group had total annual production capacity of 4.8 million tonnes of phosphoric acid production per year. The table below sets forth the production capacity of the Group's facilities for the production of various types of phosphoric acid as at 31 December 2014.

	Phosphoric Acid 29%	Phosphoric Acid 54%	Purified Phosphoric Acid
		(million tonnes)	
Jorf Lasfar	**3,320**	**2,884**	**150**
Of which:			**—**
Issuer	*2,125*	*1,704*	—
IMACID	*430*	*430*	—
PMP	*390*	*390*	—
JFC V	*375*	*375*	—
EMAPHOS	—	—	150
Safi	**1,495**	**1,495**	**—**

The Group generally uses the "wet process" of phosphoric acid production, which involves the decomposition of phosphate rock with sulphuric acid. Phosphoric acid is produced by:

- grinding the phosphate rock (the level of "grinding" required depends upon the origin and nature of the rock, as well as the method of acid production used);
- decomposing the phosphate rock with sulphuric acid, which creates phosphoric acid and calcium sulphate in different hydrate forms;
- following crystallisation of the calcium sulphate, separating the calcium sulphate from the phosphoric acid by filtration, which allows for the production of phosphoric acid with a P_2O_5 concentration of between 25% and 29%; and
- concentrating the acid through evaporation, through which the P_2O_5 concentration of the acid is increased to approximately 54%.

Purified phosphoric acid is used either in acid form or in the form of salts (*i.e.*, when combined with calcium, sodium, potassium or ammonium). EMAPHOS produces purified phosphoric acid that can be used in food products, the highest quality purified phosphoric acid in the industry. The higher grades of acid for use in industrial, food or pharmaceutical applications are produced by a solvent extraction process patented by the Issuer's joint venture company, Prayon.

Phosphate-Based Fertiliser Production

The Group produces primarily the following types of fertilisers:

Fertiliser	Production Basis	Production Process
TSP	The decomposition of phosphate rock using phosphoric acid.	The process results in a fertiliser with a double concentrate of phosphate from the phosphoric acid and the phosphate rock.
DAP	The neutralisation of phosphoric acid by use of ammonia.	Phosphoric acid with a P_2O_5 concentration of 46% is mixed in a reactor with liquid or gaseous ammonia.
MAP	The neutralisation of phosphoric acid by use of ammonia.	Phosphoric acid with a P_2O_5 concentration of 55% is mixed with liquid or gaseous ammonia.
NPK	The neutralisation of phosphoric acid by use of ammonia.	Generally produced by blending nitrogen-based, phosphate-based and potash-based fertilisers.
NPS	The neutralisation of phosphoric acid by use of ammonia.	Phosphoric acid with a P_2O_5 concentration of 55% is mixed with liquid or gaseous ammonia. Sulphuric acid is also mixed in.
Teractiv©	Mixing phosphate rock with gypsum.	Teractiv is used for direct application on farm land.

As at 31 December 2014, the Group had a total annual production capacity of 7.5 million tonnes of phosphate-based fertilisers at its facilities at Jorf Lasfar and Safi.

Supply of Sulphur, Sulphuric Acid and Ammonia

The following table sets forth information on the volumes of sulphur, sulphuric acid and ammonia consumed by the Group and purchased from third-party suppliers for the periods indicated:

	For the year ended 31 December		
	2014	2013	2012
	(thousand tonnes)		
Sulphur consumed	4,473	4,108	4,140
Sulphuric acid consumed	885	535	540
Ammonia consumed	780	697	761

Sulphur and Sulphuric Acid

The Group purchases sulphur in liquid and solid form and sulphuric acid from third parties. The cost of solid and liquid sulphur is the largest supply cost for the Group and accounted for 37.0% of the Group's purchases consumed in the year ended 31 December 2014. The Group estimates that its consumption of sulphur amounted to 4.5 million tonnes in 2014, which represented approximately 14% of the worldwide sulphur market according to IFA. Morocco is the second largest importer of sulphur globally, according to IFA.

The Group sources its sulphur from a number of major suppliers with whom it has direct and long-term relationships in the Middle East and the states of the former Soviet Union, as well as North America and Europe. Sulphur is a by-product of the de-sulphurisation of oil and natural gas and, accordingly, is generally supplied by such producers.

The price of the sulphur obtained from third-party suppliers is generally negotiated on a quarterly or annual basis under medium-term supply agreements. The Group's average sulphur consumption cost increased to U.S.$155 per tonne in 2014 from U.S.$140 per tonne in 2013 and U.S.$ 206 per tonne in 2012.

Ammonia

The Group purchases ammonia from a number of major third-party suppliers. The cost of ammonia accounted for 20.0% of the Group's purchases consumed in the year ended 31 December 2014. In 2014, the Group purchased approximately 780,000 tonnes of ammonia. The Group principally sources its ammonia from Russia, Ukraine, Algeria and Spain and, to a lesser extent, Trinidad and the Middle East. The ammonia market is regionally-driven due to high freight costs. The transportation of ammonia requires specialised ships and is often expensive, which makes non-regional suppliers less attractive.

The Group primarily purchases ammonia through medium-term agreements. From time to time, in order to increase flexibility in supply, the Group purchases ammonia from the spot market. The Group's average ammonia consumption cost decreased to U.S.$ 509 per tonne in 2014 from U.S.$542 per tonne in 2013 and U.S.$560 per tonne in 2012.

Energy

The mining of phosphate ore and the production of phosphate rock and phosphate-based fertilisers require significant amounts of energy, including electricity for the operation of various mining and production equipment and heat energy (steam and hot water) for generating high temperature dry air used for drying certain products. The Group produces its own energy and purchases some energy from various local third-party providers. The Group's fertiliser production operations are, to a certain extent, energy self-sufficient, whereas the Group's mining and phosphate rock production facilities meet their energy requirements with energy purchases from third parties.

The Group is committed to increasing its energy efficiency and has adopted an alternative energy strategy. The Group uses energy generated from its chemical production activities to generate power through a heat-recovery system that converts heat (steam) from sulphuric acid production into electricity. The Group then uses this electricity for its internal needs. This energy recycling programme enables the Group to make costs savings with respect to its energy and to reduce the Group's carbon footprint. The heat-recovery system is currently used in two of the Group's plants and is expected to be implemented in other plants in due course. In addition, a large amount of the electricity used in the Boucraa mining site is generated by wind energy. Finally, the slurry pipeline between Khouribga and Jorf Lasfar is expected to further reduce the carbon footprint of the Group's mining operations.

The following table sets forth information on the Group's electricity and steam production and purchases from third-party suppliers, as well as the Group's electricity consumption for the periods indicated:

	For the year ended 31 December		
	2014	2013	2012
	(millions of kWh, except where indicated)		
Group electricity production	1,301.0	1,316.1	1,297.1
Electricity purchases from third parties	1,037.5	826.9	894.8
Total	**2,338.4**	**2,142.9**	**2,191.9**
Steam energy production (*KT*)	19,083	18,925	22,795

Customers

The Group has a large customer base which comprises over 150 customers on all five continents. The Group sells its products to other industrials, including integrated and non-integrated players, large and established traders and distributors. For the year ended 31 December 2014, the Group's ten largest customers represented 36.5% of the Group's export sales. The Group's largest single customer accounted for 4.4% of the Group's total revenue.

Products and Sales

Phosphate Rock

Phosphate rock extracted from the Group's mines is used by the Group and exported to the Group's customers around the world. Domestic sales (comprising almost exclusively intra-group sales to the Group's subsidiaries and joint ventures) and export sales accounted for 67.6% and 32.4% of the Group's total sales of phosphate rock by volume for the year ended 31 December 2014, respectively. The table

below sets forth the Group's sales volumes of phosphate rock (including intra-group sales) for the periods indicated.

	For the year ended 31 December					
	2014		2013		2012	
	Volume	% of Total	Volume	% of Total	Volume	% of Total
	(million tonnes, except percentages)					
Domestic sales	18.2	67.6	17.3	66.8	17.0	64.4
Export sales	8.7	32.4	8.6	33.2	9.4	35.6
Total sales	**27.0**	**100.0**	**25.9**	**100.0**	**26.5**	**100.0**

Phosphate rock sold to the Group's subsidiaries and joint ventures is used as a raw material for the production of phosphoric acid and phosphate-based fertilisers. In recent years, in line with its value chain, the Group has sought to increase its internal use of phosphate rock in the production of phosphoric acid and phosphate-based fertilisers. The Group sells its phosphate rock to subsidiaries and joint ventures of the Group and accounts for internal transfers of phosphate rock within the Group on the basis of contract prices, calculated by reference to average export prices.

The following table sets forth the Group's intra-group use and sales of phosphate rock, by user, for the periods indicated:

	For the year ended 31 December					
	2014		2013		2012	
	Volume	% of Total	Volume	% of Total	Volume	% of Total
	(million tonnes, except percentages)					
Issuer *(prior to 2012, Maroc Phosphore S.A.)*	14.0	76.8	13.2	76.7	13.7	80.6
PMP	1.5	8.1	1.4	8.1	1.3	7.6
JFC V	1.3	7.2	1.3	7.6	1.1	6.5
IMACID	1.4	7.9	1.3	7.6	0.9	5.3
Total intra-group sales	**18.2**	**100.0**	**17.3**	**100.0**	**17.0**	**100.0**

The principal export markets for the Group's phosphate rock are North America, Asia and Europe. The average price per tonne of phosphate rock exported by the Group was U.S.$106 in the year ended 31 December 2014 as compared to U.S.$112 in the year ended 31 December 2013 and U.S.$148 in the year ended 31 December 2012. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Results of Operations—Global Macroeconomic Conditions and Agricultural Commodity Prices*".

The following table sets forth the Group's export sales of phosphate rock, by export market, for the periods indicated:

	For the year ended 31 December					
	2014		2013		2012	
	Volume	% of Total	Volume	% of Total	Volume	% of Total
	(million tonnes, except percentages)					
North America	**2.5**	**28.5**	**2.9**	**33.8**	**2.9**	**30.9**
of which:						
United States	*1.0*	*10.9*	*1.9*	*22.6*	*2.3*	*24.5*
Mexico	*0.6*	*7.2*	*0.5*	*6.2*	*0.6*	*6.4*
Europe	**1.9**	**22.1**	**2.0**	**23.8**	**2.5**	**26.6**
of which:						
Belgium	*0.2*	*2.4*	*0.6*	*7.1*	*0.4*	*4.3*
Lithuania	*0.5*	*5.6*	*0.4*	*4.3*	*0.3*	*3.2*
South Asia	**1.6**	**18.1**	**1.2**	**14.3**	**1.7**	**18.1**
of which:						
India	*1.3*	*14.3*	*0.9*	*10.6*	*1.3*	*13.8*
Pakistan	*0.2*	*2.7*	*0.2*	*2.8*	*0.3*	*3.2*
South America	**0.9**	**10.5**	**0.8**	**8.9**	**1.1**	**11.7**
of which:						
Brazil	*0.6*	*6.9*	*0.5*	*5.6*	*0.6*	*6.4*
Peru	*0.1*	*1.3*	*0.1*	*1.4*	*0.1*	*1.1*
Africa and West Asia	**0.7**	**8.3**	**0.7**	**7.7**	**0.5**	**5.3**
of which:						
Turkey	*0.5*	*5.9*	*0.5*	*5.6*	*0.5*	*5.3*
Lebanon	*0.2*	*2.3*	*0.2*	*2.0*	—	—
East Asia	**0.5**	**6.1**	**0.6**	**7.0**	**0.2**	**2.1**
of which:						
Indonesia	*0.4*	*4.2*	*0.2*	*2.8*	*0.2*	*2.1*
Japan	*0.0*	*0.3*	*0*	*0.6*	*0*	*0.0*
Oceania	**0.6**	**6.4**	**0.4**	**4.4**	**0.5**	**5.3**
of which:						
New Zealand	*0.5*	*5.3*	*0.3*	*3.7*	*0.4*	*4.3*
Australia	*0.1*	*1.1*	*0.1*	*0.8*	*0.1*	*1.1*
Total export sales	**8.7**	**100.0**	**8.6**	**100.0**	**9.4**	**100.0**

The Group principally sells phosphate rock directly to its end customers, which are primarily non-integrated phosphate-based fertiliser companies purchasing phosphate rock to produce phosphoric acid and phosphate-based fertilisers. For the year ended 31 December 2014, the Group had 61 customers for phosphate rock, which were located in 35 countries. The Group's top five customers accounted for 38.0% of total export sales of phosphate rock by volume for the year ended 31 December 2014, 32.9% for the year ended 31 December 2013 and 34.8% for the year ended 31 December 2012.

Approximately one third of the Group's phosphate rock export sales are made based on long-term, committed-volume contracts, with terms of typically three to five years. These contracts generally provide for fixed sales volumes and either fixed prices or a pricing formula, which takes into account market price dynamics.

Phosphoric Acid

Substantially all of the phosphoric acid sold by the Group is exported to the international markets, with export sales accounting for 91% of the Group's total sales of phosphoric acid by volume in the year ended 31 December 2014. Substantially all domestic sales are sales to the Group's subsidiaries and joint ventures.

The table below shows the breakdown of the Group's sales of phosphoric acid (including intra-group sales) for the periods indicated:

	For the year ended 31 December					
	2014		2013		2012	
	Volume	% of Total	Volume	% of Total	Volume	% of Total
	(million tonnes, except percentages)					
Domestic sales	0.2	9.0	0.1	6.1	0.1	6.9
Export sales	2.1	91.0	2.0	93.9	1.9	93.1
Total sales	**2.4**	**100.0**	**2.2**	**100.0**	**2.0**	**100.0**

For the year ended 31 December 2014, approximately 50.0% of the Group's total phosphoric acid sales by volume were sold from Safi and 50.0% from Jorf Lasfar. The following table sets forth the breakdown of phosphoric acid export sales by chemical processing site for the periods indicated:

	For the year ended 31 December					
	2014		2013		2012	
	Volume	% of Total	Volume	% of Total	Volume	% of Total
	(thousand tonnes, except percentages)					
Safi	**1,074**	**50.0**	**1,029**	**50.9**	**1,108**	**58.1**
Jorf Lasfar	**1,074**	**50.0**	**993**	**49.1**	**798**	**41.9**
of which:						
PMP	*360*	*16.8*	*368*	*18.2*	*319*	*16.7*
IMACID	*381*	*17.7*	*351*	*17.4*	*255*	*13.4*
Issuer (prior to 2012, Maroc Phosphore S.A.)	*143*	*6.7*	*157*	*7.8*	*69*	*3.6*
EMAPHOS	*126*	*5.8*	*109*	*5.4*	*94*	*4.9*
JFC V	*65*	*3.0*	*9*	*0.4*	*61*	*3.2*
Total export sales	**2,148**	**100,0**	**2,023**	**100.0**	**1,906**	**100.0**

The principal export markets for the Group's phosphoric acid are Asia (in particular, India) and Europe. The average price per tonne of phosphoric acid exported by the Group was US$700 in the year ended 31 December 2014 as compared to U.S.$711 in the year ended 31 December 2013 and U.S.$891 in the year ended 31 December 2012. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Results of Operations—Global Macroeconomic Conditions and Agricultural Commodity Prices*".

The following table sets forth the Group's export sales of phosphoric acid, by export market, for the periods indicated:

	For the year ended 31 December					
	2014		2013		2012	
	Volume	% of Total	Volume	% of Total	Volume	% of Total
	(thousand tonnes, except percentages)					
South Asia	**1,371**	**63.8**	**1,315**	**65.0**	**1,014**	**53.2**
of which:						
India	*1,007*	*46.9*	*971*	*48.0*	*698*	*36.6*
Pakistan	*343*	*16.0*	*323*	*16.0*	*309*	*16.2*
Europe	**475**	**22.1**	**450**	**22.2**	**545**	**28.6**
of which:						
Belgium	*181*	*8.4*	*157*	*7.8*	*229*	*12.0*
Spain	*53*	*2.5*	*104*	*5.1*	*140*	*7.3*
Africa and West Asia	**164**	**7.6**	**154**	**7.6**	**247**	**13.0**
of which:						
Turkey	*110*	*5.1*	*75*	*3.7*	*142*	*7.5*
Saudi Arabia	*54*	*2.5*	*60*	*3.0*	*90*	*4.7*
East Asia	**104**	**4.8**	**65**	**3.2**	**84**	**4.4**
of which:						
Indonesia	104	4.8	*65*	*3.2*	*84*	*4.4*
South America	**34**	**1.6**	**39**	**1.9**	**17**	**0.9**
of which:						
Brazil	*33*	*1.5*	*35*	*1.7*	*15*	*0.8*
North America	—	—	—	—	—	—
Total export sales[1][2]	**2,148**	**100.0**	**2,023**	**100.0**	**1,906**	**100.0**

The Group principally sells phosphoric acid directly to its end customers, which are primarily fertiliser companies, feed phosphate products and other chemicals companies (including for the purified phosphoric acid business). For the year ended 31 December 2014, the Group had 40 customers for phosphoric acid, which were located in 19 countries.

The Group's top five customers accounted for 51.7% of total export sales of phosphoric acid by volume for the year ended 31 December 2014, 41.1% for the year ended 31 December 2013 and 40.9% for the year ended 31 December 2012.

Significantly all of the Group's sales contracts are spot contracts.

Phosphate-based fertilisers

Phosphate-based fertilisers produced by the Group are primarily exported to the international market, with export sales accounting for 90.0% of the Group's total sales of phosphate-based fertilisers by volume in the year ended 31 December 2014. The table below sets forth the Group's sales of phosphate-based fertilisers for the periods indicated:

	For the year ended 31 December					
	2014		2013		2012	
	Volume	% of Total	Volume	% of Total	Volume	% of Total
	(million tonnes, except percentages)					
Domestic sales	0.5	10.0	0.5	10.4	0.5	10.0
Export sales	4.7	90.0	4.3	89.6	4.5	90.0
Total sales[1][2]	**5.3**	**100.0**	**4.8**	**100.0**	**5.0**	**100.0**

(1) Excludes phosphate-based fertilisers sold by BSFT, which sold 133,860 million tonnes of phosphate-based fertilisers for the year ended 31 December 2014.

(2) Includes intra-group sales made to BSFT, which purchased 78,864 tonnes, by the Group for the year ended 31 December 2014.

The average price per tonne of phosphate-based fertilisers sold domestically (only to third parties) was U.S.$261 in the year ended 31 December 2014 as compared to U.S.$266 in the year ended 31 December 2013 and U.S.$254 in the year ended 31 December 2012. The average price per tonne of phosphate-based fertilisers exported by the Group was U.S.$422 in the year ended 31 December 2014 as compared to U.S.$417 in the year ended 31 December 2013 and U.S.$507 in the year ended 31 December 2012. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Results of Operations—Global Macroeconomic Conditions and Agricultural Commodity Prices*".

For the year ended 31 December 2014, 83.0% of the Group's total phosphate-based fertiliser sales by volume were sold from Jorf Lasfar and 17.0% were sold from Safi. The following table sets forth the Group's sales of phosphate-based fertilisers, by chemical processing site and product, for the periods indicated:

	For the year ended 31 December					
	2014		2013		2012	
	Volume	% of Total	Volume	% of Total	Volume	% of Total
	(thousand tonnes, except percentages)					
Jorf Lasfar	**4,361**	**83.0**	**4,075**	**84.0**	**4,231**	**84.8**
of which:						
TSP	*54*	*1.0*	*91*	*1.9*	*25*	*0.5*
DAP	*2,040*	*38.9*	*1,762*	*36.3*	*2,266*	*45.4*
NPK	*370*	*7.0*	*131*	*2.7*	*57*	*1.1*
MAP	*1,073*	*20.4*	*1,353*	*27.9*	*1,293*	*25.9*
DAP "manufactured" (JFC V)	*0*	*0*	*33*	*0.7*	*99*	*2.0*
MAP "manufactured" (JFC V)	*321*	*6.1*	*330*	*6.8*	*236*	*4.7*
TSP "manufactured" (JFC V)	*179*	*3.4*	*184*	*3.8*	*128*	*2.6*
DAP "manufactured" (IMACID)	*0*	*0*	*0*	*0*	*54*	*1.1*
Other	*323*	*6.2*	*190*	*3.9*	*75*	*1.4*
Safi	**891**	**17.0**	**775**	**16.0**	**757**	**15.2**
of which:						
TSP	*807*	*15.4*	*775*	*16.0*	*757*	*15.2*
DAP	*0*	*0.0*	*0*	*0.0*	*0*	*0.0*
NPK	*0*	*0.0*	*0*	*0.0*	*0*	*0.0*
MAP	*0*	*0.0*	*0*	*0.0*	*0*	*0.0*
Other	*84*	*1.6*	*0*	*0.0*	*0*	*0.0*
Total sales[(1)(2)]	**5,252**	**100.0**	**4,850**	**100.0**	**4,989**	**100.0**

(1) Excludes phosphate-based fertilisers sold by BSFT, which sold 133,860 million tonnes of phosphate-based fertilisers for the year ended 31 December 2014.

(2) Includes intra-group sales made to BSFT, which purchased 78,864 tonnes, by the Group for the year ended 31 December 2014.

The following table sets forth the Group's sales of phosphate-based fertilisers, by chemical processing site and subsidiary or joint venture, for the periods indicated:

	For the year ended 31 December					
	2014		2013		2012	
	Volume	% of Total	Volume	% of Total	Volume	% of Total
	(thousand tonnes, except percentages)					
Jorf Lasfar	**4,361**	**83.0**	**4,075**	**84.0**	**4,231**	**84.8**
of which:						
Issuer (prior to 2012, Maroc Phosphore S.A.)	*3,861*	*73.5*	*3,528*	*72.7*	*3,713*	*74.4*
IMACID	*0*	*0*	*0*	*0*	*54*	*1.1*
PMP	*0*	*0*	*0*	*0*	*0*	*0.0*
JFC V	*500*	*9.5*	*547*	*11.3*	*463*	*9.4*
Safi	**891**	**17.0**	**775**	**16.0**	**757**	**15.2**
Total sales[(1)(2)]	**5,252**	**100.0**	**4,850**	**100.0**	**4,989**	**100.0**

(1) Excludes phosphate-based fertilisers sold by BSFT, which sold 133,860 million tonnes of phosphate-based fertilisers for the year ended 31 December 2014.

(2) Includes intra-group sales made to BSFT, which purchased 78,864 tonnes, by the Group for the year ended 31 December 2014.

The principal export markets for the Group's phosphate-based fertilisers are South America, Europe, Africa, West Asia and North America. The following table sets forth the Group's export sales of phosphate-based fertilisers, by export market, for the periods indicated:

	For the year ended 31 December					
	2014		2013		2012	
	Volume	% of Total	Volume	% of Total	Volume	% of Total
	(thousand tonnes, except percentages)					
North America	**629**	**13.3**	**508**	**11.7**	**371**	**8.2**
of which:						
TSP	*164*	*3.5*	*50*	*1.2*	*79*	*1.8*
DAP	*101*	*2.1*	*195*	*4.5*	*102*	*2.3*
NPK	—	—	—	—	—	—
MAP	*328*	*6.9*	*252*	*5.8*	*182*	*4.0*
South America	**1,703**	**36.0**	**2,268**	**52.3**	**1,964**	**43.7**
of which						
TSP	*539*	*11.4*	*577*	*13.3*	*469*	*10.4*
DAP	*271*	*5.7*	*203*	*4.6*	*325*	*7.2*
NPK	*13*	*0.3*	*73*	*1.7*	—	—
MAP	*760*	*16.1*	*1,250*	*28.8*	*1,106*	*24.6*
Europe	**1,036**	**21.9**	**868**	**20.0**	**619**	**13.8**
of which:						
TSP	*69*	*1.5*	*139*	*3.2*	*76*	*1.7*
DAP	*761*	*16.1*	*606*	*13.9*	*385*	*8.6*
NPK	*22*	*0.5*	—	—	—	—
MAP	*152*	*3.2*	*123*	*2.8*	*158*	*3.5*
Africa and West Asia	**689**	**14.6**	**330**	**7.6**	**421**	**9.4**
of which:						
TSP	*33*	*0.7*	*40*	*0.9*	*34*	*0.8*
DAP	*145*	*3.1*	*231*	*5.3*	*316*	*7.0*
NPK	*271*	*5.7*	—	—	—	—
MAP	*61*	*1.3*	*46*	*1.1*	*72*	*1.6*
South Asia	**358**	**7.6**	**235**	**5.4**	**969**	**21.5**
of which:						
TSP	*198*	*4.2*	*190*	*4.3*	*192*	*4.3*
DAP	*155*	*3.3*	*37*	*0.9*	*772*	*17.2*
NPK	—	—	—	—	—	—
MAP	—	—	*6*	*0.1*	*5*	*0.1*
East Asia	**170**	**3.6**	**116**	**2.7**	**154**	**3.4**
of which:						
TSP	—	—	—	—	*7*	*0.2*
DAP	*113*	*2.4*	*115*	*2.7*	*147*	*3.3*
NPK	*44*	*0.9*	—	—	—	—
MAP	*10*	*0.2*	—	—	—	—
Oceania	**139**	**3.0**	**12**	**0.3**	**—**	**—**
of which:						
TSP	—	—	*3*	*0.1*	—	—
DAP	*60*	*1.3*	*9*	*0.2*	—	—
NPK	—	—	—	—	—	—
MAP	*72*	*1.5*	—	—	—	—
Total export sales[1][2]	**4,725**	**100.0**	**4,337**	**100.0**	**4,497**	**100.0**

(1) Excludes phosphate-based fertilisers sold by BSFT, which sold 133,860 million tonnes of phosphate-based fertilisers for the year ended 31 December 2014

(2) Includes intra-group sales made to BSFT, which purchased 78,864 tonnes, by the Group for the year ended 31 December 2014.

The Group principally sells TSP, MAP and DAP directly to its end customers, primarily large and established traders and distributors. TSP, MAP and DAP accounted for approximately 21.2%, 29.3% and

34.0% of total export sales of phosphate-based fertilisers by volume for the year ended 31 December 2014. For the year ended 31 December 2014, the Group had 143 customers for fertilisers, which were located in 63 countries. The Group's top five customers accounted for 39.4% of total export sales of phosphate-based fertilisers by volume for the year ended 31 December 2014, 41.9% for the year ended 31 December 2013 and 36.0% for the year ended 31 December 2012. Sales of TSP, MAP and DAP are made on the spot market or under short-term contracts with negotiated or formula-based prices.

The Group's NPK sales accounted for less than 3% of its revenue for the year ended 31 December 2013. Customers include Moroccan distributors and Latin American customers. Sales of NPK are made primarily on a spot basis.

Feed Phosphate Products

The Group also produces feed phosphate products at Safi for use in the animal feed nutrition. The facilities at Safi are designed to produce 300,000 tonnes of feed phosphate products per year. The Group sells the feed phosphate products it produces primarily to domestic markets but also internationally. In 2014, the Group sold approximately 84,170 tonnes of feed phosphate products.

Trading Subsidiaries

The Issuer has a number of subsidiaries around the world to assist with the Group's sales and trading activities.

Storage

In order to maintain a stable production cycle and to accumulate sufficiently large product volumes for export shipments via large carriers, the Group's production facilities had fertiliser storage facilities with a total storage capacity of 0.7 million tonnes and phosphate rock storage facilities with a total storage capacity of 9.2 million tonnes as at 31 December 2014. These storage facilities allow the Group to store up to approximately 33% of the Group's phosphate rock, phosphoric acid and phosphate-based fertilisers annual production volume (based on 2014 production levels). Additionally, the Group has substantial on-site storage capacity for phosphate rock.

The table below sets forth the storage capacity of the Group's storage facilities at each of its mining sites as at 31 December 2014:

	Storage Capacity (thousand tonnes)
Storage of Extracted Phosphate Ore	
Khouribga	2,315
of which:	
Daoui	*125*
El Halassa	*900*
Sidi Chennane	*600*
MEA	*690*
Gantour	1,300
of which:	
Ben Guerir	*300*
Ben Guerir (wet sorted)	*500*
Youssoufia (wet sorted)	*500*
Boucraa	520
of which:	
Boucraa mine	*220*
Facility 1 (wet sorted)	*150*
Facility 2 (wet sorted)	*150*
Storage of Treated Products	
Khouribga	3,475
of which:	
Parc el Wafi	*900*
Benidir Plant (wet)	*300*
Oued Zem Drying Complex (wet)	*250*
Merah Benefeciation Plant	*450*
Benidir Plant (dry)	*100*
Oued Zem Drying Complex (dry)	*105*
Downstream (wet)	*1,000*
Casablanca Port	*370*
Gantour	810
of which:	
Drying Plant (wet sorted and washed)	*50*
Drying Plant (dry)	*60*
Beneficiation Plant (wet sorted)	*140*
Beneficiation Plaint (washed)	*100*
Calcination Plant (wet sorted and washed)	*400*
Calcination Plant (dry)	*60*
Boucraa	740
of which:	
Storage Hangers for Finished Products	*440*
Wet Sorted Stock	*300*

The table below sets forth the storage capacity of the Group's storage facilities at each of its chemical processing facilities as at 31 December 2014:

	Storage Capacity				
	Sulphuric Acid	Phosphoric Acid 29%	Phosphoric Acid 54%	Purified Phosphoric Acid	Phosphate-based fertilisers
	(thousand tonnes)				
Jorf Lasfar	**124**	**28**	**220**	**21**	**550**
of which:					
Issuer	83	20	124	—	450
IMACID	14	3	39	—	—
PMP	14	2	35	—	—
JFC V	14	3	22	—	100
EMAPHOS	—	—	—	21	—
Safi	**102**	**11**	**233**	**—**	**180**

The Group also has storage facilities at the ports of Jorf Lasfar, Safi and Casablanca.

The Group also pays for temporary use of warehouse space, with the volume of used space depending principally on seasonality and fluctuations in regional supply and demand. The Group's products may deteriorate if stored inadequately or for a period that is longer than the prescribed maximum storage period.

Transportation

Raw materials are principally delivered to the Group's processing and production facilities by ship, rail and truck. Rail transportation of the Group's raw materials and products, storage of the Group's products at the ports' storage facilities and loading the Group's products onto ships are arranged by the Group.

Trucks and rail transportation are used for deliveries of phosphate rock produced by the Group to the Group's chemical processing facilities at Jorf Lasfar and Safi. Phosphate ore is first delivered by trucks and conveyer belts to the Group's storage facilities from which it is subsequently transported by rail to the Group's processing and beneficiation plants. The use of transportation by truck and rail has decreased since the Group's slurry pipeline from Khouribga to Jorf Lasfar became operational. It is expected to decrease further when the planned slurry pipeline from Gantour to Safi becomes operational. See "*—Strategy—Improve Efficiency and Increase Industrial Capacity*" above. Onward from the plants, rail is used for nearly all deliveries of phosphate rock, phosphoric acid and phosphate-based fertilisers to the ports for onward transportation by sea and for deliveries of such products to domestic customers. The Group transports its products for export by rail to the ports of Casablanca and Safi or by conveyor belt to the ports of Jorf Lasfar and the wharf at Laâyoune, in each case, for on-shipment by sea. The Group regularly enters into CFR and FOB contracts and, to a lesser extent, contracts of affreightment ("**COA**") for the delivery of its products.

Railway Transportation

Each of the Group's principal plants that produce end-products is connected to a train terminal. The Group arranges rail transportation for all of the Group's companies directly with ONCF. The Group has historically negotiated tariffs with ONCF for ten year periods, and the parties are currently negotiating a new agreement. While negotiations are on-going, the Group and ONCF are continuing transport operations under the same conditions and tariffs that applied as at 31 December 2013. See "*Risk Factors—Risks Relating to the Group's Business—Changes in transportation costs and delays in transportation may cause delays and reduced sales volumes—Railway Transportation*". Under the Group's current contract with ONCF, the Group pays tariffs of Dh 67 per tonne for transportation from Khouribga to Casablanca, Dh 95 per tonne from Khouribga to Jorf and Dh 39 per tonne from Ben Guerir to Safi. The Group does not own or lease railcars or cisterns (used for the transportation of acids and liquid fertilisers).

Sea Transportation

The Group regularly enters into CFR and FOB contracts, as well as COAs, for the delivery of its products. For export sales arranged on an FOB basis, transportation by sea of the Group's products after their delivery to seaports is normally arranged by traders. In either case, however, the Group arranges for the storage of its products at the ports' storage facilities and loading the Group's products onto carriers, as well as generally coordinates the shipping process among the Group companies, ONCF, seaports and ship owners. The Group has access to the Casablanca, El Jadida, Safi and Laâyoune's ports.

Sea Transportation of Phosphate Rock

The Group's phosphate rock is primarily exported through the ports of Casablanca and Safi and the wharf at Laâyoune.

The following table sets forth information on export sales of the Group's phosphate rock, by port, for the periods indicated:

	For the year ended 31 December					
	2014		2013		2012	
	Volume	% of Total	Volume	% of Total	Volume	% of Total
	(thousand tonnes, except percentages)					
Casablanca	6,269	71.7	6,078	70.6	6,991	74.1
Laâyoune	2,105	4.2	2,100	24.4	1,899	20.1
Safi	364	24.1	430	5.0	540	5.7
Total	8,738	100.0	**8,608**	**100.0**	**9,430**	**100.0**

Compared to shipping in bulk, container shipping allows the Group to increase the number of markets to which it can ship its products and to sell its products in smaller consignments. For some specific destinations, container freight can be more cost-competitive than bulk shipment.

The Group has a number of facilities at the ports from which it ships its phosphate rock.

Port	Facilities
Laâyoune	A dock terminal for loading ships with phosphate and an intermediate dock for unloading ships carrying crude oil for the processing plant; two vessel loading machines; two speedboats; a series of phosphate recovery conveyors; electrical stations; and marine structures (winches, etc.)
Jorf Lasfar	Two phosphate loading gantries
Safi	A phosphate unloading nave; a phosphate storage facility with a capacity to hold 240,000 tonnes of phosphate; and two ship loading circuits

The wharf at Laâyoune is 17 metres in length, which allows the docking of ships with the capacity to carry up to 70,000 tonnes of cargo.

Sea Transportation of Phosphoric Acid and Phosphate-Based Fertilisers

The Group's phosphoric acid and phosphate-based fertiliser products are primarily exported through the ports of Jorf Lasfar, Safi and Casablanca.

The following table sets forth information on export sales of the Group's phosphoric acid, by port, for the periods indicated:

	For the year ended 31 December					
	2014		2013		2012	
	Volume	% of Total	Volume	% of Total	Volume	% of Total
	(thousand tonnes, except percentages)					
Jorf Lasfar	1,074	50.0	993	49.1	798	41.9
Safi	1,074	50.0	1,029	50.9	1,108	58.1
Total	2,148	100.0	**2,022**	**100.0**	**1,906**	**100.0**

The following table sets forth information on export sales of the Group's phosphate-based fertilisers, by port, for the periods indicated:

	For the year ended 31 December					
	2014		2013		2012	
	Volume	% of Total	Volume	% of Total	Volume	% of Total
	(thousand tonnes, except percentages)					
Jorf Lasfar	3,890	82.3	3,609	83.2	3,768	83.8
of which:						
TSP	*233*	*4.9*	*275*	*6.3*	*128*	*2.8*
DAP	*1,608*	*34.0*	*1,397*	*32.2*	*2,046*	*45.5*
NPK	*349*	*7.4*	*73*	*1.7*	—	—
MAP	*1,383*	*29.3*	*1,678*	*38.7*	*1,522*	*33.8*
Other	*316*	*6.7*	*186*	*4.3*	*72*	*1.6*
Safi	835	17.7	728	16.8	729	16.2
of which:						
TSP)	*770*	*16.3*	*728*	*16.8*	*729*	*16.2*
Other	*65*	*1.4*	—	—	—	—
Total	4,725	100.0	**4,337**	**100.0**	**4,497**	**100.0**

Compared to shipping in bulk, container shipping allows the Group to increase the number of customers to which it can ship its products by selling its products in smaller consignments to customers that cannot afford to purchase enough quantity to ship it in a bulk cargo. As a result, the Group can now export its products by container to small- and medium-scale distributors all over the world, where previously freight charges were too high.

The Group has a number of facilities at the ports from which it ships its phosphoric acid and phosphate-based fertilisers.

Port	Facilities
Jorf Lasfar	Two fertiliser loading gantries; one solid sulphur unloading gantry; one liquid sulphur unloading gantry; two phosphoric acid loading gantries and ammonia unloading gantries; two solid sulphur storage facilities; eight ammonia tanks; three liquid sulphur intermediary storage bins; two sulphur fusion units; sulphur unloading conveyors; and fertiliser loading conveyors
Safi	An unloading nave for fertilisers; two storage facilities for fertilisers with storage capacities of 60,000 tonnes and 70,000 tonnes, respectively; vessel loading circuits; sulphur unloading naves; a storage facility for sulphur with a storage capacity of 35,000 tonnes; a sulphur wagon loading circuit; two truck loading extractors; phosphoric acid decanting circuits; 11 storage bins for phosphoric acid; three phosphoric acid truck decanting stations; and two phosphoric acid vessel loading stations
Casablanca	A vessel loading berth measuring 660 metres with a loading capacity of 15 million tonnes per year; a train unloading nave measuring 412 metres with an unloading capacity of 15 million tonnes per year; handing, storage and recovery facilities, including storage hangers with a capacity of 350,000 tonnes, storage and recovery conveyors measuring 25 km and an automatic weighing and surveying station; and other structures, including administrative buildings and maintenance facilities

As part of its Capital Expenditure Programme, the Group also intends to develop facilities at Jorf Lasfar port for the export of phosphate pulp.

The ports of Jorf Lasfar, Safi and Casablanca are owned by the State and there has been a concession between the State and the Issuer in relation to dock handling and loading facilities for phosphate at such ports since 1924. The Issuer has owned the wharf at Laâyoune since 1967.

Development of the Group's Transportation Network

As part of its Capital Expenditure Programme, the Group began operating a slurry pipeline in April 2014 to transport phosphate rock from Khouribga to Jorf Lasfar (with a length of 234 km, including secondary pipes, and an annual capacity of up to 38 million tonnes). The Group also plans to construct a second slurry pipeline from Gantour to Safi (with a length of 155 km and an annual capacity of up to 10 million tonnes). Once operational, the slurry pipelines are expected to decrease the Group's reliance on rail transportation and, accordingly, to lower the Group's production costs. The pipelines are expected to reduce the Group's transportation costs to less than U.S.$1.00 per tonne, as compared to approximately U.S.$8.00 per tonne with rail transportation. The pipelines are also expected to save energy and water by eliminating the drying procedures required for transporting phosphate rock intended for local use by train. The Group expects that the total costs of the Khouribga to Jorf Lasfar and Gantour to Safi slurry pipelines will be approximately Dh 7.9 billion.

In addition, the Group plans to spend approximately Dh 6.0 billion in investments in ports to ship increased phosphate rock and fertiliser volumes and to centralise the Group's shipping operations at the ports of Jorf Lasfar and Safi.

Research and Development

The Group has an active R&D function staffed with over 150 researchers to respond to market developments and customer needs. The Group's internal R&D activities focus on three main areas: (i) operational research and development, which relates to the development of production and industrial processes; (ii) differentiation research and development, which relates to increasing product quality and variety; and (iii) breakthrough research and development, which relates to the design of new products, niche products and innovative technologies, while considering the effect of such products on the environment.

The R&D function has developed several partnerships with globally renowned research laboratories and centres in order to drive innovation in the phosphate industry. The Group also launched an integrated research programme, in collaboration with the Ministry of Higher Education and Research, to improve Morocco's domestic research in the field of phosphates.

Examples of the Group's recent and ongoing major research and development projects include:

- the design, development and improvement of the Group's ore beneficiation processes to increase the efficiency of the Group's beneficiation plants and to develop new technologies;
- the development of processes to remove impurities from phosphate rock and phosphoric acid;
- the development of new products for the agricultural market, including the creation of products for diverse plant soils and growing conditions, such as special fertilisers for regional NPK formulas and feed for livestock and poultry, including Teractiv© (which was specifically engineered to meet the needs of African farm land and crops); and
- the development of new mining techniques and technologies to be used at the Group's mines.

In 2011, the Group organised the first International Symposium on Innovation and Technology in the Phosphate Industry ("**Symphos**"), which sought to bring together experts, industrialists, researchers, equipment suppliers and consultants from across the globe to share ideas and discuss new techniques and technologies to improve phosphate and phosphate-derived products production. A number of subsequent events have since been held, including a second Symphos in May 2013. The Group is now preparing for a third Symphos to be held in May 2015.

The Group has also committed to establishing the Mohammed VI Polytechnic University within the next few years, which will focus on R&D activities in the key areas of the Group's business (*i.e.*, mining, sustainable development and industrial management), as well as activities to develop the economic, social, higher education and environmental future of Morocco. See "*—Non-Core Activities—Other Non-Core Activities*" below.

Aside from the Group's internal R&D activities, the Group has also entered into strategic partnerships to expand its R&D activities. For example, JESA is a joint venture between the Issuer and the Jacobs Engineering Group to develop engineering know-how, in particular, in the areas of energy infrastructure, water treatment and distribution, as well as the construction and development of ports and roads. The Issuer holds a 50% interest in JESA. JESA is notably involved in the engineering, procuring and design of

the fully integrated fertiliser production units being built at the Jorf Lasfar Phosphate Hub, as well as the two granulation plants completed at the Jorf Lasfar Phosphate Hub.

The Group spent Dh 141 million on R&D activities in the year ended 31 December 2014, Dh 146 million in the year ended 31 December 2013 and Dh 126 million in the year ended 31 December 2012, which accounted for 0.3%, 0.4% and 0.2%, respectively, of the Group's total revenue over the same periods. The Group has budgeted Dh 215 million as operational expenditure and Dh 87 million as capital expenditure for R&D activities in 2015.

Competition

The Group was established as the national phosphates mining and extraction company, and the State has granted the Issuer exclusive access to Morocco's phosphate rock reserves. Accordingly, the Group has no domestic competition for its phosphate rock, although certain foreign companies export phosphate-based fertilisers into the Moroccan market.

The Group is subject to competition from foreign producers. Fertilisers are global commodities, and customers make their purchasing decisions principally on the basis of delivered price, customer service, product quality and time to market. The Group competes with a number of foreign producers, including state-owned and government-subsidised entities. Some of the Group's traditional competitors include Jordan Phosphates Mines Company (Jordan), Kailin (China), Ma'aden (Saudi Arabia), Mosaic (USA), PhosAgro (Russia), Vale (Peru, Brazil), Wengfu (China) and Yuantianhua (China).

The Group believes that it is likely to face additional competition in the short- to medium-term, in part due to announced capacity increases by other industry players. When some or all of these plants commence production, world supply of fertilisers is expected to increase, which may result, particularly in the absence of a matching increase in demand, in a decline in fertiliser prices. In addition, at present, excess production from China is exported in various countries. The Chinese government has recently softened fertiliser export regulations and may enact further measures. See "*Risk Factors—Risks Relating to the Phosphates and Fertilisers Industry—The phosphate and fertilisers market is competitive*" and "*—Worldwide production, export and supply of fertilisers are expected to increase, which may result in a decline in fertiliser prices*".

Environment

Similarly to other companies working with chemicals and hazardous substances, the Group's activities may have an adverse impact on the environment, including due to discharge of pollutants containing hazardous materials into the atmosphere, discharge of polluted waste water into the environment and generation of solid waste and hazardous materials that need to be disposed of or reused without material damage to the environment.

The Group is engaged in reducing water consumption and diversifying the water origin. In April 2014, the slurry pipeline started transporting the phosphate slurry, which has the potential to reduce CO_2 emissions by 930,000 tonnes per year of CO_2 and to gain 3 million cubic metres per year of fresh water. The Group has started testing new waste water treatment stations at the mining sites. These are estimated to produce approximately 5 million cubic metres per year of treated water, and enable the production and use of desalinated water in mining operations at some sites.

The Group is engaged in programmes to recycle waste. As of 31 December 2014, approximately 1,700 tonnes of waste were converted to energy (*i.e.,* tyres, belts and oil *etc.*), and approximately 150,000 tonnes of pyrrhotite ash (a mineral by-product containing iron oxide) were recycled to be used in the cement industry. The Group is also committed to replacing electrical equipment that uses polychlorobiphenyls (PCBs) as a part on an integrated programme in coordination with the Moroccan Ministry of the Environment. In addition, the Group's chemical, processing and loading activities have been certified ISO14001, ISO 9001, OHSAS 18001, FSCC 22000, ISO/CEI 17025. The Group has been awarded the "Protect and Sustain" label (an IFA product stewardship initiative) and the "Responsible Care" label (an initiative of the International Council of Chemical Associations). In 2014, DuPont OCP continued to implement the 'Environmental Excellence Programme', the aim of which is to reduce the Group's environmental footprint across its operations. This 'Environmental Excellence Programme' is ongoing with specific projects for each plant, such as industrial improvement programmes to reduce atmospheric emissions.

In Morocco, environmental protection is increasingly gaining importance. The liberalization of trade as well as the various international agreements on environmental protection increased the pressure to

introduce internationally recognised environmental standards in production and measures have to be taken by the Government in recent years towards environmental protection and the conservation of resources. The Group's management believes that the Group is in compliance in all material respects with all applicable environmental legislation and safety laws and regulations, and is not aware of any past, current, pending or threatened material environmental claims against it. As at 31 December 2014, the Group made provisions of Dh 217 million in respect of site rehabilitation. The Group does not carry third-party liability insurance in respect of environmental claims. See *"Risk Factors—Risks Related to the Group's Business—Accidents involving the Group's production facilities could cause severe damage or injury, which could result in the incurrence of significant costs"* and *"—The Group is subject to increasingly onerous environmental and health and safety laws and regulations"*.

Health and Safety

Mining of phosphate ore and production of phosphate rock, phosphoric acid and phosphate-based fertilisers can be dangerous activities. Similar to other companies operating in these industries, there is a general risk of accidents involving heavy equipment, machines, structures, explosives and hazardous materials used in these industries.

The Group considers the health and safety of its employees to be its most significant responsibility in connection with its operations. The Group follows Moroccan industry safety standards applicable to each of its operations. In addition, the Group has developed its own safety standards beyond regulatory requirements. The Group strives to create a healthy and safe working environment at each of its mining and production sites or facilities by assessing the potential risks faced by its employees and implementing appropriate safety measures. The Group also educates its personnel as to these risks through occupational safety workshops and seeks to ensure that they have a sufficient knowledge of workplace safety procedures before they are permitted to work on a site or in a facility. Areas of improvements exist and include stricter adherence by the employees to the existing health and safety policies. The Safi site is certified OSHAS 18001 and the Group strives to go beyond this standard to promote a safety culture across its operations. In particular, the Group's joint venture DuPont OCP provides consulting and training services to the Group to continuously improve its industrial safety and security record.

Despite these measures, accidents involving the Group's employees have occurred in the past. A total of 206, 129 and 81 workplace-related accidents occurred in 2014, 2013 and 2012, respectively, of which two (in 2014) and one (in 2012) resulted in casualties.

Although the Group's management believes that the Group's operations have sufficient safety measures in place, the nature of the Group's business is such that accidents may occur. Moreover, while the Group strives to reduce its injury rates by implementing safety standards at its mining and production sites and facilities, there can be no assurance that accidents in the future will not occur. See "*Risk Factors—Risks Related to the Group's Business—Accidents involving the Group's production facilities could cause severe damage or injury, which could result in the incurrence of significant costs*" and "*—The Group is subject to increasingly onerous environmental and health and safety laws and regulations*".

Non-Core Activities

The Group engages in a number of non-core projects, including activities to support its phosphates activities, which comprise the construction and operation of facilities designed to provide social services to employees and their families in the areas in which the Group operates, as well as, more generally, to improve infrastructure in Morocco in order to facilitate transportation of the Group's products. The Group is also engaged in a number of non-core projects that are not directly related to its phosphates activities. A number of these projects involve significant amounts of capital expenditure. In addition, the Group is subject to requests from various Government authorities to participate in, and provide funding for, social, infrastructure and other projects.

The Group believes that providing support to the Moroccan agriculture sector and supporting the employability of young people who live near the Group's facilities, enhances the Group's competitiveness by increasing its local partners' competitiveness and strengthening the Group's links in the communities in which it operates.

The Group spent Dh 3,655 million on operational expenditures in respect of non-core activities in the year ended 31 December 2014 and Dh 2,895 million in the year ended 31 December 2013. The Group spent Dh 1,590 million on capital expenditures in respect of non-core activities in the year ended 31 December

2014, Dh 1,799 million in the year ended 31 December 2013 and Dh 822 million in the year ended 31 December 2012.

OCP Foundation

In 2007, the Group established the OCP Foundation, a non-profit organisation, which was recognised as a "public interest" organisation (*reconnue d'utilité publique*) in 2012. The aims of the OCP Foundation are to improve education, reduce poverty, improve access to healthcare services, increase youth employability, promote entrepreneurship, foster agricultural development (including through the provision of incentive-based contributions to farmers in Morocco for the purchase of fertilisers), promote socio-cultural activities, preserve Moroccan national heritage and support food security programmes.

The OCP Foundation's projects to help reduce poverty range from basic infrastructure development projects and support of income generating activities to encouraging cooperatives and supporting other organisations in providing assistance to vulnerable sectors of the population. Such projects have in the past included providing livestock and farming materials, as well as training courses to farmers. The OCP Foundation has participated in a number of projects to improve education and training in Morocco, including, among others, partnering with the Government and other organisations to reintegrate children into the education system through, for example, the creation of mobile schools and informal education and integration programmes. The OCP Foundation also provides higher education scholarships, as well as transportation and funds to improve school infrastructure and equipment. The OCP Foundation's projects to help improve access to healthcare services have included the organisation and support of medical caravans in rural areas, the funding of certain surgeries and treatments and the construction of medical facilities.

Local branches of the OCP Foundation located in Ben Guerir, Casablanca, El Jadida, Khouribga, Laâyoune, Safi and Youssoufia oversee and coordinate the implementation of the OCP Foundation's projects on a regional and communal level.

The OCP Foundation, in partnership with the U.S. German Marshall Fund, an American public policy and grant making institution, has also developed a policy centre in Morocco to encourage debate and the evolution of ideas to promote human development in Morocco and internationally. The OCP Foundation provides research and training facilities at the Mohammed VI Polytechnic University.

The Issuer funds the OCP Foundation and determines the level of funding it will receive at the beginning of each year. In 2014, the Issuer provided OCP Foundation with Dh 1.3 billion, of which, Dh 0.8 billion was directed to agricultural support projects (including through the provision of incentive-based contributions to farmers in Morocco for the purchase of fertilisers).

OCP Innovation Fund for Agriculture

In 2011, the Group established the OCP Innovation Fund for Agriculture ("**OIFFA**") with an initial capital of Dh 200 million to support innovation and entrepreneurship in the Moroccan agricultural and agro-industrial sectors. The fund considers innovation, sustainable profitability, social impact and export potential in determining where to invest and offers structuring, development and other support for selected projects. OIFFA is managed by a dedicated team at the Issuer, with the support of Upline Investments. As at 31 December 2014, OIFFA had approved investments in several companies. It expects to make further investments during 2015.

Institut de Promotion Socio-Educative

The Group has been establishing and investing in schools and other educational institutions since 1920. In 1974, the Group launched *L'Institut de Promotion Socio-Educative* ("**IPSE**"), a non-profit organisation to provide educational services in line with the programmes set out by the Ministry of National Education. IPSE primarily aims to ensure the literacy and education of its employees and to provide pre-school, primary school and junior high school education in the areas in which the Group conducts its activities. Since 2011, the number of schools operated by IPSE has increased from seven schools to 15 schools in 2013 and is expected to increase to 20 schools by the end of 2017. IPSE allocated Dh 300 million for construction costs and Dh 120 million for school equipment for the period 2012-2014 and plans to spend a further Dh 118 million over the period 2015-2017.

Other Non-Core Activities

The Group is engaged in a number of non-core projects at various stages of development. These projects are intended both to support the Group's core businesses by, for example, improving the infrastructure that is used by the Group in its core businesses or promoting education and the development of expertise in order to ensure the Group's access to a skilled workforce, and to promote the development of the local economy.

The Group's non-core projects are principally focused on eight sectors of the Moroccan economy: (i) infrastructure and large projects, such as the construction of port facilities, roads and commuter facilities; (ii) utility projects, such as the development of renewable energy plants, as well as pipelines and desalination plants; (iii) industry and construction venture projects, such as the development of a construction business; (iv) city planning and development projects, including the development of accommodation and associated facilities; (v) hospitality and services projects, such as the establishment of service companies; (vi) agricultural projects, such as the support of farming and processing projects; (vii) educational and R&D projects, such as the development of educational facilities; and (viii) training and recruitment projects. The Group may develop further activities in the future.

Fertiliser Support Programme and Other Agricultural Projects

The Group has budgeted to invest Dh 36 million in the "National Soil Fertility Map" project, a project that started in 2010 and is ongoing. Soil fertility maps provide an evaluation of soil fertility and fertilisation needs enabling farmers to improve yields through more accurate and efficient fertiliser use.

The Group also supports the development of small- and medium-sized businesses in Morocco and for 2015 has allocated Dh 98 million to develop such businesses.

Green City and Green Mine Projects

In line with its sustainable development strategy, the Group is developing two major projects, "*Ville Verte Mohammed VI*" (the Mohammed VI Green City) in Ben Guerir and "*Mine Verte*" (Green Mine) in Khouribga.

The Mohammed VI Green City project is a 1000 hectares new urban area near Ben Guerir. The project aims to provide residential, health, education, leisure and administrative infrastructure for the existing local population, as well as up to an estimated 100,000 people who are expected to move to the city. The Mohammed VI Green City notably includes the Mohammed VI Polytechnic University, which focuses on research and development activities and offers bachelors and masters degrees. The first students of the Mohammed VI Polytechnic University enrolled in October 2013. The target is for Mohammed VI Green City to be home to 15,000 people by the end of the current development phase in 2020. It is anticipated that by 2040, Mohammed VI Green City will be home to 100,000 people, of which 15,000 students and 1,000 academic faculty. The Mohammed VI Green City will be built in accordance with Leadership in Energy and Environmental Design for Neighbourhood Development Standards (LEED-ND) and will promote sustainable development technology. A technology park (technopole) designed for businesses focussed on research and development is currently under construction next to the Mohammed VI Polytechnic University. The Mohammed VI Green City is expected to be completed by 2050 and to cost approximately Dh 12 billion, of which Dh 8 billion is expected to be incurred by 2020.

The Khouribga Green Mine project aims to convert approximately 300 hectares of former mining facilities into an "environmentally-friendly" residential, leisure and tourist complex comprising tourist attractions, approximately 7,000 homes, a vacation village and two hotels. The Khouribga Green Mine project is expected to be completed by 2040 and to cost approximately Dh 6 billion, of which Dh 3 billion is expected to be incurred by 2020.

The Issuer's wholly-owned subsidiary, SADV, is involved in the development of the Mohammed VI Green City and Green Mine projects, including the construction of the Mohammed VI Polytechnic University. SADV is considering its own external debt and equity financing and also expects to use in part internally-generated project cash flows in order to fund the Green City and Green Mine projects.

Insurance

The terms of the Group's insurance coverage are similar to those that are generally accepted in the phosphates industry and are tailored to address the specific activities of the Group. The Group's insurance

coverage includes property damage, business interruption, civil responsibility, sabotage, terrorism, environmental remediation, employer's liability insurance, hazardous object insurance, IT and directors' and officers' liability insurance. The Group maintains insurance policies with Moroccan and international (in particular, in England, France, Germany and the United States) brokers and insurance companies. See "*Risk Factors—Risks Relating to the Group's Business—There are certain events for which the Group may not be adequately insured*".

Information Technology

The IT management of the Group is undertaken by the Information Systems Department which (i) provides the telecommunication services for the Group, (ii) implements automatic processing control systems, (iii) develops integrated software, creates databases and (iv) organizes management systems, develops and implements the IT network, which includes organising the tracking of documents and the exchange of information on the network, and (v) provides network security. The Group spent Dh 140 million as capital expenditure and Dh 190 million as operational expenditure in maintaining and further upgrading its IT systems in 2014. Several IT projects are under implementation to increase production capacity, reduce costs, improve operational efficiency and further integrate processes, in line with the Group's strategy, including in the areas of manufacturing execution, supply chain, ERP implementation and business intelligence (by improving access to information and decision-making tools).

Litigation

Due to the nature of its business and the industry in which it operates, the Group faces an inherent business risk of exposure to various types of claims and lawsuits, and the Group has been involved in lawsuits, claims, proceedings and investigations that are currently pending or have been concluded in recent years. However, the Issuer has not been involved in any governmental, legal or arbitration proceedings (including such proceedings which are pending or threatened of which the Issuer is aware), during the last 12 months, which may have, or have had in the recent past, significant effects upon the financial position or profitability of the Issuer or the Group.

MANAGEMENT AND EMPLOYEES

Governance Bodies

The Issuer's management structure consists of its shareholders—the Moroccan State, BCP, SADV and Infra-Maroc Capital—and its Board of Directors.

Shareholders and General Meeting of Shareholders

The Issuer is 94.12% owned by the Moroccan State. The remaining interests in the Issuer are held by BCP (4.57%), SADV (0.88%) and Infra Maroc Capital (0.43%). BCP is a major Moroccan bank which is partially owned by the Issuer (4.2%). SADV is wholly-owned by the Issuer. Infra Maroc Capital is wholly-owned by BCP.

The Issuer's shareholders exercise their rights through the General Meeting of shareholders (the "**General Meeting**"). The General Meeting is the supreme governing body of the Issuer. Pursuant to Article 27 of the Issuer's charter, an ordinary General Meeting, which must be convened at least once a year, may take any decision that is not within the competence of the Board of Directors, save for any decision to amend the Issuer's charter. Pursuant to Article 28 of the Issuer's charter, an extraordinary General Meeting, which is convened on an *ad hoc* basis, is the only body authorised to amend the charter of the Issuer and, notably, to make decisions relating to the transformation of the Issuer into another corporate form.

Board of Directors

The Board of Directors of the Issuer is responsible for determining the activities of the Issuer and overseeing their implementation. The Board of Directors has authority to make decisions on all aspects of the Issuer's activities, except those matters expressly reserved to the shareholders pursuant to law and the Issuer's charter. Each member of the Board of Directors must hold a share in the Issuer (or be the representative of a shareholder).

As at the date of this Prospectus, the Issuer's Board of Directors consists of the following members:

Name	Age	Appointed	Current Position
Mr. Mostafa Terrab	60	2008	Chairman of the Board of Directors and Chief Executive Officer
Mr. Moulay Hafid Elalamy .	55	2014	Minister of Industry, Trade, Investment and Digital Economy
Mr. Mohamed Hassad	62	2014	Minister of the Interior
Mr. Salaheddine Mezouar .	61	2014	Minister of Foreign Affairs and Cooperation
Mr. Mohamed Louafa	66	2014	Deputy Minister to the Head of the Government Responsible for General Affairs and Governance
Mr. Abdelkader Amara . . .	53	2012	Minister of Energy, Mines, Water and the Environment
Mr. Mohamed Boussaid . . .	53	2014	Minister of Economy and Finance
Mr. Mohammed Sadiki	58	2015	Secretary General to the Minister of Agriculture and Maritime Fishing
Banque Centrale Populaire .	—	2009	Represented by its chairman and chief executive officer Mohamed Benchaaboun

Pursuant to Article 15 II of the Issuer's charter, in the instance of a tie in voting at meetings of the Board of Directors, the Chairman of the Board of Directors has a casting vote.

Biographies

The following is a summary of the business experience of the members of the Board of Directors. The business address for each of the members of the Board of Directors is the registered office of the Issuer at 2-4, Rue Al Abtal, Hay Erraha, BP 5196 Casablanca, Morocco.

Mr. Mostafa Terrab

Mostafa Terrab was appointed Chief Executive Officer of the Group and Chairman of the Board of Directors in June 2008. After being appointed Director General of the *Office Chérifien des Phosphates*, the Issuer's predecessor entity, in February 2006, he led its transformation from a state administration to a global corporation. Mr. Terrab's career has spanned the public, private and university sectors and a range

of expert fields. Prior to joining the Group, Mr. Terrab served as lead regulatory specialist in the Global Information and Communications Department of the World Bank, heading the World Bank's "Information for Development" programme, from 2002 to 2006. He was the first director general of Morocco's National Telecommunications Regulatory Agency, which he served from 1998 to 2002. Between 1992 and 1998, Mr. Terrab was an advisor in the Royal Cabinet, during which time he also served as secretary general to the Executive Secretariat of the Economic Summit for the Middle East and North Africa. From 1990 to 1992, Mr. Terrab worked as assistant professor at Rensselaer Polytechnic Institute, Troy, New York. From 1988 to 1990 he was a fellow of Draper Laboratory, Cambridge, Massachusetts. From 1983 to 1985, Mr. Terrab worked as an analyst at Bechtel Civil and Minerals in San Francisco. Mr. Terrab obtained a diploma in Engineering from *l'École Nationale des Ponts et Chaussées* of Paris in 1979, a masters degree in Engineering from the Massachusetts Institute of Technology in 1982 and a PhD in Operational Research from the Massachusetts Institute of Technology in 1990.

Mr. Moulay Hafid Elalamy

Moulay Hafid Elalamy was appointed to the Board of Directors in March 2014. He is the Minister of Industry, Trade, Investment and Digital Economy of Morocco since October 2013. Mr. Elalamy is the founder of a leading Moroccan holding operating in finance and insurance, which he presides since 1995. Prior to that, Mr. Elalamy served as chief executive officer of the African Insurance Company, a subsidiary of the Omnium Nord-Africain ("**ONA**") Group. Mr. Elalamy began his professional career in Canada as a senior advisor to the Minister of Finance of the province of Quebec, Canada, before becoming director of information systems in a Canadian insurance company. He served as the president of Morocco's General Confederation of Enterprises from 2006 to 2009. Mr. Elalamy is currently vice-president of the Moroccan Federation of Insurance and Reinsurance Companies, a member of the Mohammed V Foundation for Solidarity and a director and treasurer of the Lalla Salma Association for the prevention and treatment of cancer. He is also a member of the investment committee of the Moroccan Interprofessional Pension Fund. Mr. Elalamy obtained a degree in Information Systems from the University of Sherbrooke in Canada, where he served as governor of the Faculty of Administration.

Mr. Mohamed Hassad

Mohamed Hassad was appointed to the Board of Directors in March 2014. He is the Minister of the Interior of Morocco since October 2013. Mr. Hassad serves as chairman of the Supervisory Board of Tangier Mediterranean Special Agency since 2012. He served as governor of the region of Tangier-Tetouan and governor of Tangier-Asilah, governor of the region of Marrakech-Tensift-El Haouz from 2001 to 2005 and regional director of public works in Fes, Taounate and Boulemane regions from 1976 to 1981. During his career, Mr. Hassad held several leadership positions, including president of the International Association of Air Transport in French-speaking Countries in 1997, chief executive officer of Royal Air Maroc in 1995, Minister of Public Works and Professional and Executive Training from 1993 to 1995, and vice-president of the Moroccan Harbours Development Office (ODEP) from 1985 to 1993. Mr. Hassad obtained a degree from *l'École Polytechnique de Paris* in 1974 and from *l'École Nationale des Ponts et Chaussées* of Paris in 1976.

Mr. Salaheddine Mezouar

Salaheddine Mezouar was appointed to the Board of Directors in March 2014. He is the Minister of Foreign Affairs and Cooperation of Morocco since October 2013 and president of the National Rally of Independents party since 2010. Mr. Mezouar served as Minister of Finance from 2007 to 2011, after serving as Minister of Industry, Trade and Restructuring of the Economy from 2004 to 2007. He also served as president of the Moroccan association of textiles and clothing industries (AMITH) and president of the textile and leather Federation within Morocco's General Confederation of Enterprises. Mr. Mezouar obtained an Executive Management diploma from INSEAD, Fontainebleau, a diploma in business administration from Casablanca's *Institut Supérieur de Commerce et d'Administration des Entreprises* (ISCAE), a postgraduate diploma (DEA) from Grenoble University of Social Sciences and a master's degree in Economic Science (development economics) from the same university.

Mr. Mohamed Louafa

Mohamed Louafa was appointed to the Board of Directors in March 2014. He serves as Deputy Minister to the Head of the Government in charge of General Affairs and Governance of Morocco since October 2013. Prior to his current role, Mr. Louafa served as Minister of Education from January 2012 to July 2013.

From 2000 to 2012, he was Morocco's Ambassador to India and Nepal (2000-2004), Iran and Tajikistan (2006-2009) and Brazil, Paraguay, Surinam and Guyana (2009-2011). Mr. Louafa was a member of the Istiqlal political party executive committee from 1982 to 2003 and a member of the parliament from 1977 to 1997. He also was named president of Marrakech municipal council. Mr. Louafa obtained a degree in Economics from Rabat Law University and from Sorbonne University in Paris, and a degree from Social and Economic Development Institute (IDES-Paris I).

Mr. Abdelkader Amara

Abdelkader Amara was appointed to the Board of Directors in 2012. Mr. Amara is the Minister of Energy, Mines, Water and Environment of Morocco since October 2013. Prior to his current role, Mr. Amara was Minister of Industry, Trade and New Technologies since January 2012. Mr. Amara served as deputy president and founding member of the International Islamic Parliamentary Forum. He is a founding member of the International Alliance for the Support of Al-Quds and Palestine and the Moroccan Parliamentary Association Against Corruption. He was a member of the Administrative Commission of the National Education Union. He served as head of the Committee of Productive Sectors within the House of Representatives, having previously served as a member of the Committee. He served as president of the Central Committee of Executives of *Parti de la Justice et du Développement*. Since 2002, Mr. Amara has served as the member of Parliament representing Salé. He worked within the World Organisation of Sciences in Sweden during a decade. Mr. Amara has served since 1997 as a member of the General Secretariat and Treasurer of *Parti de la Justice et du Développement*. He earned a PhD from *Institut Agronomique et Vétérinaire Hassan II* in Rabat.

Mr. Mohamed Boussaid

Mohamed Boussaid was appointed to the Board of Directors in March 2014. He is the Minister of Economy and Finance of Morocco since October 2013. Prior to his current role, he was appointed governor of the Prefecture of Casablanca in May 2012. Between January 2010 and May 2012, Mr. Boussaid served as governor of the region of Sous-Massa-Draa and the region of Agadir Idda Outanane. He served as Morocco's Minister of Tourism and Handicrafts from 2007 to 2010 and as Minister of the Modernization of the Public Sector from 2004 to 2007. Mr. Boussaid was the public institutions director and public companies and privatisation director within the Ministry of Finance and Privatisation from 2001 to 2004. He was appointed programs and studies director within the Ministry of Equipment from 1998 to 2001. He also served as head of the Ministry of Public Works private office from 1995 to 1998, and head of the Ministry of Agriculture, Equipment and Environment private office. Mr. Boussaid obtained an engineering degree from *l'École Nationale des Ponts et Chaussées* of Paris in 1986 and a masters degree in Business Administration from the same institution's International School of Business in 2000.

Mr. Mohammed Sadiki

Mohammed Sadiki was appointed to the Board of Directors in March 2015. He was appointed as Secretary General of the Ministry of Agriculture and Maritime Fishing in January 2013. Prior to his current role, Mr Sadiki served as General Manager of the *Institut Agronomique et Vétérinaire Hassan II* in Rabat from 2009 to 2013. Before that, Mr Sadiki was the Director of Scientific Research and Doctorate Studies at the *Institut Agronomique et Vétérinaire Hassan II* from 2005 to 2009, as well as the Director of Administrative Affairs from 2007 to 2008. He joined the *Institut Agronomique et Vétérinaire Hassan II* in 1984 as a Research Professor. Mr Sadiki has been an expert at the *Agence Nationale de la Recherche Française* (ANR) since 2010 and an expert at the *Institut International des Ressources Génétiques des Plantes* (IPGRI) since 2000. Mr Sadiki holds a degree in agronomy and in 1990 he obtained a PhD in agronomy science from the University of Minnesota.

Banque Centrale Populaire

BCP is represented on the Board of Directors by its chairman and chief executive officer Mohamed Benchaaboun, a position which he has held since 2008. Mr. Benchaaboun also serves as chairman of Maroc Leasing S.A, director of Union des Banques Arabes et Francaises (UBAF) and BANCA UBAE S.p.A. and non-executive director of British Arab Commercial Bank Ltd. He is also an expert with the International Monetary Fund. Between 2005 and 2006, Mr. Benchaaboun was president of the Francophone Network of Telecommunications Regulation (FRATEL), after serving as the head of Morocco's National Agency of Telecommunications Regulation ("**ANRT**") from 2003 to 2005. Mr. Benchaaboun graduated from *l'École nationale supérieure des télécommunications de Paris* in 1984.

BCP was incorporated in 1961 and is registered in the Casablanca commercial registry under registration number 28173. Since 2004, BCP has been listed on the Casablanca Stock Exchange. BCP owns 4.57% of the shares of the Issuer. BCP is a major Moroccan bank which is partially-owned by the Issuer (4.2%).

Audit and Risk Committee

The Board of Directors is assisted by the Audit and Risk Committee. The main responsibilities of the Audit and Risk Committee include:

- evaluating the adequacy of the Group's internal control function, including the organisation and effectiveness of the Group's internal audit procedures;
- approving the annual programme for the Group's internal audit control function;
- monitoring the Group's internal and external audit functions;
- evaluating the Group's accounting principles and methods;
- opining on the terms of reference for financial and accounting audits;
- opining on the choice of the Group's external auditors and accountants, as well as on their remuneration;
- examining the risks to the Group and evaluating the importance of such risks, notably those relating to the Group's external and internal audit functions;
- monitoring the Group's compliance with previous recommendations made by the Audit and Risk Committee; and
- recommending measures to the Board of Directors to improve the Group's internal control, risk management and information security functions.

The Audit and Risk Committee consists of the following members:

Name	Position
Mr. Samir Tazi	Chairman of the Audit and Risk Committee
Mr. Allal Totss	Vice-Chairman of the Audit and Risk Committee
Mrs. Ghislane Guedira	Secretary of the Audit and Risk Committee
Mr. Mounir Mohamed Karim	Representative of BCP

The Director in charge of the Audit and Risk Management attends all meetings of the Audit and Risk Committee. The Audit and Risk Committee may also, on occasion, invite the Group's internal and external auditors and other independent external experts to participate in meetings of the Audit and Risk Committee. The Audit and Risk Committee meets twice per year, or more frequently as needed.

Senior Management

The Group's management comprises a General Directorate, an Executive Directorate and senior managers. The General Directorate is composed of the Managing Directors and is responsible for the formulation and implementation of the long-term strategy and transformation of the Group, as well as for ensuring cohesion of the Group's operations and the supervision and support of the Executive Directors. The Executive Directorate, which is divided into seven operational units and composed of the Executive Directors, is responsible for the operational management of the Group. Each operational unit of the Executive Directorate is further supported by senior managers.

The following table sets out the names and the current positions of the General Directorate and the Executive Directorate of the Group as at the date of this Prospectus:

Name	Age	Position
Mr. Mostafa Terrab	60	Chief Executive Officer
Mr. Mohammed El Kadiri	64	Managing Director and Secretary General
Mr. Marouane Ameziane	31	Executive Director, Strategy and Corporate Development
Mrs. Ghislane Guedira	44	Executive Director, Chief Financial Officer
Mr. Otmane Bennani-Smires . .	34	Executive Director, Legal Division and General Counsel
Mr. Soufiyane El Kassi	39	Executive Director, Central Axis
Mr. El Moutaoikkil El Baraka .	50	Executive Director, Northern Axis
Mr. Jamal Guennouni Assimi . .	55	Executive Director, Human Capital
Mr. Mustapha El Ouafi	46	Executive Director, Sales, Marketing and Raw Materials Procurement

The following is a summary of the business experience of the Group's senior management (for the biography of Mr. Mostafa Terrab, see "*—Board of Directors*", above). The business address for each of the Group's senior management is the registered office of the Issuer at 2-4, Rue Al Abtal, Hay Erraha, BP 5196 Casablanca, Morocco.

Mr. Mohammed El Kadiri, Managing Director and Secretary General

Mohammed El Kadiri joined the Group in 2006 as Chief of Staff to the Chairman and Chief Executive Officer and was appointed Managing Director and Secretary General in 2008. Prior to joining the Group, Mr. Kadiri served as technical advisor and technical director at the ANRT, where he was responsible for strategic projects of ANRT. He was also a professor of electronics and telecoms at the University of Science and Technology of Lille for seven years and at *l'École Mohammedia d'Ingénieurs* for 16 years. He was also president of the working group in charge of the structure of the International Telecommunication Union for two years. Mr. Kadiri is author of hundreds of publications and obtained a PhD in Hyperfrequencies and Materials from the University of Science and Technology of Lille.

Mr. Marouane Ameziane, Executive Director, Strategy and Corporate Development

Marouane Ameziane is a graduate of the Ecole Nationale Supérieure des Mines de Paris and of the Said Business School, University of Oxford and joined the OCP Group in 2009. He started his career in Washington DC as an analyst in the Africa Transport department of the World Bank, where he worked on large transport infrastructure projects in several sub-Saharan African countries (Cameroon, Democratic Republic of Congo, Mali, Guinea, Burkina Faso, Kenya, Uganda, Tanzania). Thereafter, he joined KPMG Corporate Finance in Paris, where he served as a financial advisor on consortium sponsorship for transport and utilities infrastructure projects throughout the world. Marouane Ameziane joined the OCP Group in September 2009, as Special Assistant to the CEO based in Paris, before being appointed Chief of Staff to the CEO between January 2012 and June 2014. Since June 2014, Marouane Ameziane took over as Executive Vice President in charge of Strategy and Corporate Development.

Mr Otmane Bennani-Smires, Executive Director, Legal Division and General Counsel

Mr. Bennani-Smires joined the Group in 2010 as Senior Legal Counsel, before holding the position of Deputy General Counsel in charge of the corporate and transactional practice of the legal division. Prior to joining the Group, Mr. Bennani-Smires practiced law in a Canadian law firm in Montreal. Mr. Bennani-Smires is a licensed attorney and a member of good standing of the Québec Bar. He obtained a B.A in Economics and Managerial Studies from Rice University in Houston, Texas, and a Civil and Common law degree (BCL/LLB) from McGill University in Montreal, Québec.

Mrs. Ghislane Guedira, Executive Director, Chief Financial Officer

Ghislane Guedira joined the Group in 2010 as Advisor to the Chairman and Chief Executive Officer, in charge of strategic financial advisory. She was appointed Chief Financial Officer in June 2013. Prior to joining the Group, Mrs. Guedira was managing director at Amplitude Conseil from 2008 to 2010, secretary general of Winxo (formerly CMH) from 2007 to 2008 and held various managerial positions at the ONA Group from 1997 to 2007. She was auditor at Arthur Andersen from 1992 to 1997. Mrs. Guedira obtained a masters degree from ESCP Europe in 1992.

Mr. Soufiyane El Kassi, Executive Director, Central Axis

Soufiyane El Kassi joined the Group in 2000 as an engineer and production manager at the Khouribga mining site. He then became in charge of the Business Steering division from 2010 to 2011 and served as director of the Gantour mining site from 2011 to 2013 before taking his current role as Executive Director, Central Axis in 2013. Mr. El Kassi was a member of the task force in charge of the Group's Industrial Development Programme in 2007. He obtained an Engineering degree from the *École des Mines de Paris* in 1999.

Mr. El Moutaoikkil El Baraka, Executive Director, Northern Axis

El Moutaoikkil El Baraka joined the Group in 1988. Mr. El Baraka held various positions during his 26 years with the Group, including manager of maintenance and responsible for processing at the Khouribga mining site, logistics and improvement projects director and industry development director. He also headed the task force in charge of the Group's Industrial Development Programme in 2007. Mr. El Baraka obtained a degree from the *École Mohammedia d'Ingénieurs* in 1988.

Mr. Jamal Guennouni Assimi, Executive Director, Human Capital

Jamal Guennouni Assimi joined the Group in 2009 as Audit Director and Director of Industrial Purchasing before being appointed as Executive Director, Human Capital, in 2014. Prior to joining the Group, Mr. Guennouni was audit director and finance director at Shell from 1999 to 2009, director of organisation and information systems at ABN AMRO from 1996 to 1998, responsible for Strategic Planning at the ONA Group from 1993 to 1995, and senior manager at Philips & Hoechst Group from 1988 to 1992. Mr. Guennouni obtained a post-graduate degree (DEA) from *l'École Supérieure des Mines/Université Paris-Dauphine* in Paris in 1985 and a PhD from *l'École Supérieure des Télécommunications de Paris* in 1988.

Mr. Mustapha El Ouafi, Executive Director, Sales, Marketing and Raw Materials Procurement

Mustapha El Ouafi joined the Group in 1992 as a mining engineer at the Khouribga mining site. He gained technical and managerial knowledge across the entire phosphate value chain by holding several positions, including sales director for Asia, Middle East and Oceania from 2007 to 2010 and director in charge of the Jorf Phosphate Hub from 2011 to 2013. Mr. El Ouafi obtained a civil engineering degree from *l'École Mohammadia des Ingénieurs* in Rabat in 1992.

Senior Management Committees

The management structure is organised around three committees: the Strategic Committee, the Management Committee and the Operational Committee.

Strategic Committee

The Strategic Committee is responsible for formulating, validating and implementing medium and long-term decisions affecting the Group, such as the Group's business plan, budgetary matters, strategic plans for submission to the management and Board of Directors, partnerships and mergers and acquisitions and business development and innovation initiatives. The Strategic Committee is chaired by the Chief Executive Officer and is composed of the Managing Directors.

Management Committee

The Management Committee is responsible for validating short- and long-term decisions relating to strategic plans and initiatives approved by the Strategic Committee. The Management Committee is chaired by the Chief Executive Officer and is composed of the Managing Directors and the Executive Directors.

Operational Committee

The Operational Committee is responsible for taking short-term and operational decisions, such as production plans, plans to launch new products and the monitoring of capital expenditure programmes. The Operational Committee is composed of managers of the operational units and is chaired by one of the Executive Directors, on a rotating basis. The Executive Director that presides a meeting of the Operational Committee subsequently presents any decisions made at such meeting to the General Directorate.

Remuneration

In accordance with the Issuer's charter, the total remuneration of the members of the Board of Directors is determined by the General Meeting and the remuneration of the Chief Executive Officer of the Group is set in accordance with the SA Law. For each of the years ended 31 December 2014, 2013 and 2012, the total remuneration of the members of the Board of Directors was nil.

The gross aggregate compensation of senior management (which comprises the Group's 49 top managers including the Chief Executive Officer, the Managing Directors and the Executive Directors) in the year ended 31 December 2014 was Dh 164 million (including payroll taxes, social security and retirement contributions, healthcare and workers' compensation insurance, paid short-term employee benefits, paid compensation for termination of employment and Dh 36 million in gross bonuses).

Conflicts of Interest

Save as described in "*Risk Factors—Risks Relating to the Kingdom of Morocco—The Moroccan State, in its capacity as shareholder, may cause the Group to engage in business practices that may not be in the interests of the Noteholders*", "*Management and Employees*" and "*Relationship with Government*" on pages 32, 116 and 126 respectively, there are no potential conflicts of interest between any duties owed to the Issuer by members of the Board of Directors or the Group's General Directorate or Executive Directorate and their private interests or other duties.

Employees

The following table sets forth the number of employees of the Group in Morocco, by business unit or entity, as at the dates indicated:

	As at 31 December		
	2014	2013	2012
Khouribga	**6,909**	**5,789**	**5,999**
of which:			
Engineers and equivalent	*209*	*201*	*202*
Technicians, supervisors and admin. staff	*2,043*	*1,740*	*1,701*
Workers and employees	*4,657*	*3,848*	*4,096*
Ben Guerir	**1,084**	**872**	**909**
of which:			
Engineers and equivalent	*57*	*37*	*42*
Technicians, supervisors and admin. staff	*360*	*311*	*296*
Workers and employees	*667*	*524*	*571*
Youssoufia	**1,789**	**1,639**	**1,763**
of which:			
Engineers and equivalent	*80*	*61*	*70*
Technicians, supervisors and admin. staff	*586*	*529*	*539*
Workers and employees	*1,123*	*1,049*	*1,154*
Laâyoune	**2,106**	**2,191**	**2,250**
of which:			
Engineers and equivalent	*59*	*56*	*60*
Technicians, supervisors and admin. staff	*676*	*704*	*641*
Workers and employees	*1,371*	*1,431*	*1,549*
Jorf Lasfar	**5,028**	**4,011**	**4,216**
of which:			
Engineers and equivalent	*372*	*346*	*374*
Technicians, supervisors and admin. staff	*1,879*	*1,599*	*1,559*
Workers and employees	*2,777*	*2,066*	*2,283*
Safi	**3,122**	**2,788**	**2,994**
of which:			
Engineers and equivalent	*153*	*129*	*148*
Technicians, supervisors and admin. staff	*1,161*	*1,063*	*1,067*
Workers and employees	*1,808*	*1,596*	*1,779*
Casablanca[(1)]	**1,038**	**892**	**730**
of which:			
Engineers and equivalent	*564*	*465*	*408*
Technicians, supervisors and admin. staff	*313*	*240*	*88*
Workers and employees	*161*	*187*	*234*
Other	**—**	**3,848**	**4,048**
of which:			
Engineers and equivalent	*—*	*8*	*—*
Technicians, supervisors and admin. staff	*—*	*923*	*1,074*
Workers and employees	*—*	*2,917*	*2,974*
Total	**21,076**	**22,030**	**22,909**

(1) Includes staff at the Port of Casablanca.

The Group is the largest corporate employer in Morocco with 21,076 employees as at 31 December 2014. In addition, as at 31 December 2014, the Group had approximately 1,073 employees at PPL in India and 1,486 employees at Prayon in Belgium. The Group also has personnel dedicated to JESA (approximately 879 employees as at 31 December 2014).

There are four main labour unions that represent the Group's employees. As at 31 December 2014, approximately 20% of the Group's employees were estimated to be supporters of labour unions. The Group has established a social dialogue agreement with the major labour unions. In accordance with the Issuer's social dialogue charter and applicable law, the Group engages in annual discussions and negotiations with these labour unions and has entered into a number of memoranda of understanding relating to collective bargaining arrangements, among other matters.

As part of its general social policy, the Group offers certain benefits to its employees, including, schemes to encourage home ownership (through mortgage assistance, land and home sales), the provision of social infrastructure such as sports facilities in the areas in which the Group operates and access to vacation centers and summer camps for use by the Group's employees and their families. In addition, the Group provides medical care both for current employees and their families, as well as for former employees.

The Group also has a performance-based bonus plan pursuant to which bonuses may be awarded on an annual basis for engineers and equivalent, including senior management.

For technicians, workers and employees, a performance incentive is attributed monthly. An annual bonus is paid to reward the overall performance of the Group on the basis of a scoring system.

OCP Skills

In 2011, the Group launched its training and recruitment programme, OCP Skills, aimed at developing the employability of young people and supporting the Group's growth strategy in the areas in which it operates.

OCP Skills was set up to serve three main objectives: (i) the provision of funding, guidance and support to encourage the success of entrepreneurial and community development projects; (ii) the provision of training to up to 15,000 people to improve the employability of residents in the areas in which OCP operates; in this respect, the Group provides funding and scholarships for such training, which is conducted in partnership with various public and private institutions; and (iii) the recruitment of up to 5,800 persons across the Group's operations and sites, in particular, those who live in the areas in which the Group operates or have other links to the Group, for example, children of former employees.

The Issuer funds OCP Skills. In 2014, the Issuer spent Dh 420 million, related to salary and other expenses of OCP Skills staff.

Pensions

In September 2008, the Issuer and the Ministry of Economy and Finance agreed to transfer the Issuer's internal pension scheme to a Government collective benefit scheme. The Group retained a part of its internal pension scheme, only with respect to employees hired by the Group before 2001 and personnel who retired before 2001. The cost to the Issuer of the transfer in 2008 was Dh 28 billion, and it was funded, in part, through borrowings from domestic banks. A subsequent cost of Dh 7 billion was incurred in 2010, which was funded by cash. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources—Debt Obligations*".

The types of retirement and benefit schemes offered by the Group are as follows:

- *Post-employment defined-contribution schemes*, for which the Group's obligation is limited to the payment of a contribution which does not obligate the employer as to the level of payments made by the collective retirement benefit scheme. The contributions are recognised in charges in the period during which the employees have rendered the corresponding services.
- *Post-employment defined-benefit plans*, which include all post-employment benefits to retired personnel for which the Group is committed to provide a certain level of benefits, including death benefit, retirement indemnities and post-employment medical cover for the Group's staff.
- *Other long-term employee benefits* (other than post-employment benefits and termination benefits), which include insurance benefits in relation to death insurance, disability and work-related accidents. These benefits are not due wholly within 12 months after the end of the year during which the employees rendered the relevant services. Obligations for other long-term benefits are measured using an actuarial method similar to that applied to post-employment defined benefits.

For more information regarding the Group's defined benefit plans and its liabilities relating thereto, see Note 23 to the Financial Statements.

Training and Development

The Group has an extensive training programme, including onsite and offsite training and the organisation of conferences, conventions and workshops to develop the Group's employees' skills and to attract skilled employees. The Group's training programmes are developed in collaboration with the Group's management and prestigious international universities in order to offer tailored and innovative training that develops the professional and technical skills of the Group's employees and management in order to help the Group meet its strategic objectives.

In 2014, the Group recorded 28,973 attendances at training sessions and 173,646 man-days of training were carried out. The Group also provides apprenticeships to junior employees

RELATIONSHIP WITH THE GOVERNMENT

The Issuer is 94.12% owned by the Moroccan State. The remaining interests in the Issuer are held by BCP (4.57%), SADV (0.88%) and Infra Maroc Capital (0.43%). BCP is a major Moroccan bank which is partially owned by the Issuer (4.2%). SADV is wholly-owned by the Issuer. Infra Maroc Capital is wholly-owned by BCP.

The State has the right to nominate, approve the appointment of, and remove, the members of the Issuer's Board of Directors. The State may also influence the Group's results or financial condition through shareholder approval of the Group's budget and capital-related matters. For example, dividend payments are subject to the approval of the General Meeting of shareholders on an annual basis.

Board of Directors

The Issuer's Board of Directors is predominantly comprised of Government ministers and other senior Government officials, including: the Minister of Industry, Trade, Investment and Digital Economy; the Minister of the Interior; the Minister of Foreign Affairs and Cooperation; the Secretary General to the Minister of Agriculture and Maritime Fishing; the Deputy Minister to the Head of the Government Responsible for General Affairs and Governance; the Minister of Energy, Mines, Water and the Environment; and the Minister of Economy and Finance.

Government representatives on the Board of Directors do not receive salaries for sitting on the Board of Directors of the Issuer. These individuals are paid in connection with their official responsibilities as Ministers and Government officials out of the State budget.

Dividends

Dividend payments made by the Issuer are subject to the approval of the General Meeting of shareholders and the percentage of the Issuer's profits to be paid to the shareholders is set forth in a resolution of the General Meeting of shareholders. Under Moroccan law, insofar as the legal limits relating to the distribution of dividends are complied with (legally, the net asset value cannot be inferior to the amount of the share capital increased by the non-distributable reserves), a Moroccan company can decide to distribute to its shareholders up to 100% of the distributable profits of the company for the previous year. The Issuer paid net dividends of Dh 3.7 billion in the year ended 31 December 2014, Dh 6.2 billion in the year ended 31 December 2013 and Dh 4.7 billion in the year ended 31 December 2012, representing 58%, 59% and 24% of the Group's distributable profits, respectively. For the years ended 31 December 2014, 31 December 2013 and 31 December 2012, these dividends represented 43%, 44% and 29%, respectively, of the consolidated net profit (Group share) under Moroccan GAAP.

Related Party Transactions

The Group enters into certain transactions with the Moroccan State, its joint ventures and other State and national companies and organisations, which are deemed to be related parties to the Issuer.

The following table sets forth the Group's outstanding balances with the Government and entities under Government control as at 31 December 2014:

	As at 31 December 2014 (Dh millions)
Trade receivables	—
Trade payables	544
Other receivables	127
Cash and cash equivalents	(2)
Deposits	—
VAT and other taxes receivable	—
Other taxes payable	—
Corporate income tax payable	—

The following table sets forth the Group's transactions with the Government and entities under Government control during the year ended 31 December 2014:

	Year ended 31 December 2014
	(Dh millions)
Services rendered	—
Interest income on deposits	4
Interest income on loans from related parties	—
Corporate income tax	—
Mining tax	—
Other taxes	—
Utilities costs	1,013
Other operating expenses	168
Social security deductions	436
Transportation expenses	1,466
Ecology service and environmental security	—
Purchases of property, plant and equipment and inventory	—

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the Terms and Conditions of the Notes which (subject to modification and except for the paragraphs in italics) will be endorsed on the Certificates issued in respect of the Notes:

The U.S.$1,000,000,000 4.50% Notes due 2025 (the "**Notes**"), which expression shall in these Conditions, unless the context otherwise requires, include any further notes issued pursuant to Condition 14 and forming a single series with the Notes) of OCP S.A. (the "**Issuer**") were authorised by a resolution of the board of directors of the Issuer dated 24 March 2015.

The Notes are issued subject to and with the benefit of an Agency Agreement dated 22 April 2015 (such agreement as amended, supplemented or restated from time to time, the "**Agency Agreement"**) made between the Issuer, Citibank N.A., London Branch as fiscal agent and principal paying agent, and as transfer agent (in such capacities, the "**Fiscal Agent"** which expression includes any successor fiscal agent appointed from time to time in connection with the Notes and, together with any further or other paying agents or transfer agents appointed from time to time in respect of the Notes, the "**Paying Agents**" and the "**Transfer Agents**", respectively which expressions include any successor paying agents or transfer agents appointed from time to time in connection with the Notes) and Citigroup Global Markets Deutschland AG as registrar (the "**Registrar**" which expression includes any successor registrar appointed from time to time in connection with the Notes and, together with the Fiscal Agent, the Transfer Agent, and any other Paying Agents or Transfer Agents, the "**Agents**"). The holders of the Notes (the "**Noteholders**") are entitled to the benefit of a Deed of Covenant (the "**Deed of Covenant**") dated 22 April 2015 and made by the Issuer. The original of the Deed of Covenant is held by the Fiscal Agent on behalf of the Noteholders at its specified office.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of and definitions in the Agency Agreement and the Deed of Covenant. Copies of the Agency Agreement and the Deed of Covenant are available for inspection during normal business hours by the Noteholders at the specified office of each of the Paying Agents. The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement and the Deed of Covenant applicable to them. References in these Conditions to the Fiscal Agent, the Registrar, the Paying Agents and the Agents shall include any successor appointed under the Agency Agreement.

*The owners shown in the records of Euroclear Bank S.A./N.V. ("**Euroclear**"), Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") and the Depository Trust Company ("**DTC**") of book-entry interests in Notes are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement applicable to them.*

1. FORM, DENOMINATION AND TITLE

1.1 Form and Denomination

The Notes are issued in registered form in principal amounts of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof (referred to as the "**principal amount**" of a Note). A certificate (each, a "**Certificate**") will be issued to each Noteholder in respect of its registered holding of Notes. Each **Certificate** will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Noteholders which the Issuer will procure to be kept by the Registrar.

1.2 Title

Title to the Notes passes only by registration in the register of Noteholders. The holder of any Note will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest therein or any writing on (other than the endorsed form of transfer), or the theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the holder. In these Conditions, "**Noteholder**" and (in relation to a Note) "**holder**" means the person in whose name a Note is registered in the register of Noteholders.

For a description of the procedures for transferring title to book-entry interests in the Notes, see "Clearing and Settlement—The Clearing Systems".

2. TRANSFERS OF NOTES AND ISSUE OF CERTIFICATES

2.1 Transfers

Subject to paragraphs 2.4 (*Closed Periods*) and 2.5 (*Regulations*) below, and the terms of the Agency Agreement, a Note may be transferred by depositing the Certificate issued in respect of that Note, with the form of transfer on the back duly completed and signed, at the specified office of the Registrar or any Transfer Agent together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; provided, however, that a Note may not be transferred unless the principal amount of Notes transferred and (where not all of the Notes held by a Holder are being transferred) the principal amount of the balance of Notes not transferred are Authorised Denominations. Where not all the Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Notes will be issued to the transferor.

For a description of certain restrictions on transfers of interests in the Notes, see "Transfer Restrictions".

2.2 Delivery of new Certificates

Each new Certificate to be issued upon transfer of Notes will, within five business days of receipt by the Registrar or the relevant Transfer Agent of the duly completed form of transfer endorsed on the relevant Certificate, be mailed by uninsured mail at the risk of the holder entitled to the Note to the address specified in the form of transfer. For the purposes of this Condition, "**business day**" shall mean a day on which banks are open for business in the city in which the specified office of the Registrar or Transfer Agent with whom a Certificate is deposited in connection with a transfer is located.

Except in the limited circumstances described herein (see "The Global Certificates—Registration of Title"), owners of interests in the Notes will not be entitled to receive physical delivery of Certificates. Issues of Certificates upon transfer of Notes are subject to compliance by the transferor and transferee with the certification procedures described above and in the Agency Agreement and, in the case of Restricted Notes, compliance with the Securities Act Legend.

Where some but not all of the Notes in respect of which a Certificate is issued are to be transferred a new Certificate in respect of the Notes not so transferred will, within five business days of receipt by the Registrar or the relevant Transfer Agent of the original Certificate (or such longer period as may be required to comply with any fiscal or other regulations), be mailed by uninsured mail at the risk of the holder of the Notes not so transferred to the address of such holder appearing on the register of Noteholders or as specified in the form of transfer.

2.3 Formalities free of charge

Registration of transfer of Notes will be effected without charge by or on behalf of the Issuer, the Registrar or any Transfer Agent but upon payment by the Noteholder (or the giving of such indemnity as the Issuer or any Transfer Agent may reasonably require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer.

2.4 Closed Periods

No Noteholder may require the transfer of a Note to be registered during the period of 15 calendar days ending on the due date for any payment of principal or interest on that Note.

2.5 Regulations

All transfers of Notes and entries on the register of Noteholders will be made subject to the detailed regulations concerning transfer of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests a copy of such regulations in writing.

3. STATUS

The Notes constitute direct, unconditional, unsubordinated, and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and (subject as provided above) rank and will rank *pari passu*, without any preference among themselves and *pari passu* with all other outstanding unsecured and unsubordinated

obligations of the Issuer, present and future, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

4. COVENANTS

4.1 Negative Pledge

So long as any of the Notes remain outstanding (as defined in the Agency Agreement) the Issuer will not, and will ensure that none of its Material Subsidiaries will, create or have outstanding any mortgage, charge, lien, pledge or other security interest (each a "**Security Interest**") (other than a Permitted Security Interest) upon, or with respect to, any of its or, as the case may be, its Material Subsidiaries' present or future business, undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness (as defined below), unless the Issuer, in the case of the creation of a Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:

(a) all amounts payable by it under the Notes are secured by the Security Interest equally and rateably with the Relevant Indebtedness; or

(b) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided and is approved by the General Assembly of the Noteholders (as defined below).

4.2 Interpretation

For the purposes of these Conditions:

(a) Material Subsidiary means at any time a Subsidiary of the Issuer

(i) whose gross revenues (consolidated in the case of a Subsidiary which itself has Subsidiaries) or whose total assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent in each case (or, in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited consolidated accounts of the Issuer and its Subsidiaries relate, are equal to) not less than 10% of the consolidated gross revenues, or, as the case may be, consolidated total assets, of the Issuer and its Subsidiaries taken as a whole, all as calculated respectively by reference to the then latest audited accounts (consolidated or, as the case may be, unconsolidated) of such Subsidiary and the then latest audited consolidated accounts of the Issuer and its Subsidiaries, provided that in the case of a Subsidiary of the Issuer acquired after the end of the financial period to which the then latest audited consolidated accounts of the Issuer and its Subsidiaries relate, the reference to the then latest audited consolidated accounts of the Issuer and its Subsidiaries for the purposes of the calculation above shall, until consolidated accounts for the financial period in which the acquisition is made have been prepared and audited as aforesaid, be deemed to be a reference to such first mentioned accounts as if such Subsidiary had been shown in such accounts by reference to its then latest relevant audited accounts, adjusted as deemed appropriate by the Issuer;

(ii) to which is transferred the whole or substantially the whole of the undertaking and assets of a Subsidiary of the Issuer which immediately prior to such transfer is a Material Subsidiary, provided that the transferor Subsidiary shall upon such transfer forthwith cease to be a Material Subsidiary and the transferee Subsidiary shall cease to be a Material Subsidiary pursuant to this subclause (ii) on the date on which the consolidated accounts of the Issuer and its Subsidiaries for the financial period current at the date of such transfer have been prepared and audited as aforesaid but so that such transferor Subsidiary or such transferee Subsidiary may be a Material Subsidiary on or at any time after the date on which such consolidated accounts have been prepared and audited as aforesaid by virtue of the provisions of subclause 4.2(a)(i) above or, prior to or after such date, by virtue of any other applicable provision of this definition; or

(iii) to which is transferred an undertaking or assets which, taken together with the undertaking or assets of the transferee Subsidiary, generated (or, in the case of the transferee Subsidiary being acquired after the end of the financial period to which the then latest audited consolidated accounts of the Issuer and its Subsidiaries relate, generate gross revenues equal to) not less than 10% of the consolidated gross revenues, or represent (or, in the case aforesaid, are equal to) not less than 10% of the consolidated total assets, of the Issuer and its Subsidiaries taken as a whole, all as calculated as referred to in subclause 4.2(a)(i) above, provided that the transferor Subsidiary (if a Material Subsidiary) shall upon such transfer forthwith cease to be a Material Subsidiary unless immediately following such transfer its undertaking and assets generate (or, in the case aforesaid, generate gross

revenues equal to) not less than 10% of the consolidated gross revenues, or its assets represent (or, in the case aforesaid, are equal to) not less than 10% of the consolidated total assets, of the Issuer and its Subsidiaries taken as a whole, all as calculated as referred to in subclause 4.2(a)(i) above, and the transferee Subsidiary shall cease to be a Material Subsidiary pursuant to this subclause (iii) on the date on which the consolidated accounts of the Issuer and its Subsidiaries for the financial period current at the date of such transfer have been prepared and audited but so that such transferor Subsidiary or such transferee Subsidiary may be a Material Subsidiary on or at any time after the date on which such consolidated accounts have been prepared and audited as aforesaid by virtue of the provisions of subclause 4.2(a)(i) above or, prior to or after such date, by virtue of any other applicable provision of this definition.

For the purposes of this definition:

(i) if there shall not at any time be any relevant audited consolidated accounts of the Issuer and its Subsidiaries, references thereto herein shall be deemed to be references to a consolidation (which need not be audited) by the Issuer of the relevant audited accounts of the Issuer and its Subsidiaries;

(ii) if, in the case of a Subsidiary which itself has Subsidiaries, no consolidated accounts are prepared and audited, its consolidated gross revenues and consolidated total assets shall be determined on the basis of *pro forma* consolidated accounts (which need not be audited) of the relevant Subsidiary and its Subsidiaries prepared for this purpose by the Issuer;

(iii) if (i) any Subsidiary shall not in respect of any relevant financial period for whatever reason produce audited accounts or (ii) any Subsidiary shall not have produced at the relevant time for the calculations required pursuant to this definition audited accounts for the same period as the period to which the latest audited consolidated accounts of the Issuer and its Subsidiaries relate, then there shall be substituted for the purposes of this definition the management accounts of such Subsidiary for such period;

(iv) where any Subsidiary is not wholly owned by the Issuer there shall be excluded from all calculations all amounts attributable to minority interests;

(v) in calculating any amount all amounts owing by or to the Issuer and any Subsidiary to or by the Issuer and any Subsidiary shall be excluded; and

(vi) in the event that accounts of any companies being compared are prepared on the basis of different generally accepted accounting principles, there shall be made such adjustments to any relevant financial items as are necessary to achieve a true and fair comparison of such financial items.

A report by the auditors of the Issuer that in their opinion a Subsidiary of the Issuer is or is not or was or was not at any particular time or throughout any specified period a Material Subsidiary of the Issuer shall (in the absence of manifest error) be conclusive and binding on all parties;

(b) **Permitted Security Interest** means any Security Interest created for the purpose of any Project Financing, provided that such Security Interest is only upon (x) assets which are the subject of such Project Financing and (y) revenues or claims which arise from the operation, failure to meet specifications, exploitation, sale or loss of, or failure to complete or damage to, such assets;

(c) **Project Financing** means any arrangement for the provision of funds which are to be used solely to finance the acquisition, construction, development or exploitation of any assets pursuant to which the persons providing such funds agree that the only source of repayment of such funds will be the project and the assets and revenues (including insurance proceeds) generated by such project or a source other than the Issuer and its Subsidiaries;

(d) **Relevant Indebtedness** means (i) any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities, which are for the time being quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market, in each case, outside Morocco and (ii) any guarantee or indemnity of any such indebtedness referred to in (i) above; and

(e) **Subsidiary** means, in relation to the Issuer, any company (i) in which the Issuer holds a majority of the voting rights or (ii) of which the Issuer is a member and has the right to appoint or remove a majority of the board of directors or (iii) of which the Issuer is a member and controls a majority of the voting rights, and includes any company which is a Subsidiary of a Subsidiary of the Issuer.

4.3 Financial Statements

So long as any of the Notes remains outstanding, the Issuer shall deliver to the Fiscal Agent promptly once available but in any event (i) within six months of the end of each financial year of the Issuer, a copy of the Issuer's audited annual consolidated financial statements for such financial year, together with the report thereon by the Issuer's independent auditors, and (ii) within 90 days of the end of the first six months of each such financial year, a copy of the unaudited consolidated financial statements for the Issuer and its consolidated Subsidiaries for such six-month period, certified by two duly authorised officers of the Issuer as presenting fairly the consolidated financial position of the Issuer as at the end of such period, and the results of operations and changes in financial position of the Issuer and its Subsidiaries for such period, each prepared and presented in accordance with International Financial Reporting Standards. The Issuer shall procure that the Fiscal Agent delivers a copy of such financial statements, together with the relevant report of the auditors thereon (if applicable), to any Noteholder promptly upon written request by such Noteholder.

5. INTEREST

5.1 Interest Rate and Interest Payment Dates

The Notes bear interest from and including 22 April 2015 (the "**Issue Date**") at the rate of 4.50% per annum, payable semi-annually in arrear on each of 22 April and 22 October in each year (each an "**Interest Payment Date**"). The first payment (representing a full six months' interest) shall be made on 22 October 2015.

5.2 Interest Accrual

Each Note will cease to bear interest from and including its due date for redemption unless, upon due presentation, payment of the principal in respect of the Note is improperly withheld or refused or unless default is otherwise made in respect of payment. In such event, interest will continue to accrue at such rate until whichever is the earlier of:

(a) the date on which all amounts due in respect of such Note have been paid; and

(b) five days after the date on which the full amount of the moneys payable in respect of such Notes has been received by the Fiscal Agent, as the case may be, and notice to that effect has been given to the Noteholders in accordance with Condition 12.

5.3 Calculation of Broken Interest

When interest is required to be calculated in respect of a period of less than a full six months, it shall be calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the actual number of days elapsed on the basis of a month of 30 days.

6. PAYMENTS

6.1 Payments in respect of Notes

Payments of principal and interest will be made by transfer to the registered account of the Noteholder or by U.S. dollar cheque drawn on a bank that processes payments in U.S. dollars mailed to the registered address of the Noteholder if it does not have a registered account. Payments of principal and interest due otherwise than on an Interest Payment Date will only be made against surrender of the relevant Certificate at the specified office of any of the Paying Agents. Interest on Notes due on an Interest Payment Date will be paid to the holder shown on the register of Noteholders at the close of business on the date (the "**record date**") being the fifteenth day before the due date for the payment of interest.

For the purposes of this Condition, a Noteholder's "**registered account**" means the U.S. dollar account maintained by or on behalf of it with a bank that processes payments in U.S. dollar, details of which appear on the register of Noteholders at the close of business, in the case of principal, on the second Business Day (as defined in Condition 6.4 below) before the due date for payment and, in the case of interest, on the relevant record date, and a Noteholder's registered address means its address appearing on the register of Noteholders at that time.

6.2 Payments subject to Applicable Laws

Payments in respect of principal and interest on the Notes are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment, but without prejudice to the provisions of Condition 8.

6.3 No commissions

No commissions or expenses shall be charged to the Noteholders in respect of any payments made in accordance with this Condition.

6.4 Payment on Business Days

Where payment is to be made by transfer to a registered account, payment instructions (for value the due date or, if that is not a Business Day, for value the first following day which is a Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed, (i) on the Business Day preceding the due date for payment or, (ii) in the case of a payment of principal or a payment of interest due otherwise than on an Interest Payment Date, if later, on the Business Day on which the relevant Certificate is surrendered at the specified office of a Paying Agent.

Noteholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due if the due date is not a Business Day, if the Noteholder is late in surrendering its Certificate (if required to do so) or if a cheque mailed in accordance with this Condition arrives after the due date for payment.

In these Conditions, "**Business Day**" means a day (other than a Saturday or Sunday) on which commercial banks are open for business (including dealings in foreign currencies) in London and New York City and, in the case of presentation of a Certificate, in the place in which the Certificate is presented.

6.5 Partial Payments

If the amount of principal or interest which is due on the Notes is not paid in full, the Registrar will annotate the register of Noteholders with a record of the amount of principal or interest in fact paid.

6.6 Agents

The names of the initial Agents and their initial specified offices are set out at the end of these Conditions. The Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint additional or other Agents provided that:

(a) there will at all times be a Fiscal Agent;

(b) the Issuer undertakes that it will ensure that it maintains a Paying Agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive;

(c) there will at all times be a Paying Agent in a jurisdiction other than Morocco; and

(d) there will at all times be a Registrar.

Notice of any termination or appointment and of any changes in specified offices will be given to the Noteholders in accordance with Condition 12 as soon as practicable.

7. REDEMPTION AND PURCHASE

7.1 Redemption at Maturity

Unless previously redeemed or purchased and cancelled as provided below, the Issuer will redeem the Notes at their principal amount on 22 October 2025 (the "**Maturity Date**").

7.2 Redemption for Taxation Reasons

If:

(a) as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction (as defined in Condition 8), or any change in the application or official interpretation of the laws or regulations of a Relevant Jurisdiction, which change or amendment becomes effective after 20 April

2015, on the next Interest Payment Date the Issuer would be required to pay additional amounts as provided or referred to in Condition 8 beyond the prevailing applicable rates on 20 April 2015; and

(b) the requirement cannot be avoided by the Issuer taking reasonable measures available to it,

the Issuer may at its option, having given not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 12 (which notice shall be irrevocable), redeem all the Notes, but not some only, at any time at their principal amount together with interest accrued to but excluding the date of redemption. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent a certificate signed by two Directors of the Issuer stating that the requirement referred to in (a) above will apply on the next Interest Payment Date and cannot be avoided by the Issuer taking reasonable measures available to it and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of the change or amendment.

7.3 Redemption at the Option of the Holders Upon a Change of Control

If, at any time while any of the Notes remains outstanding, a Change of Control (as defined below) occurs, each Noteholder shall have the option (unless, prior to the giving of the Change of Control Notice (as defined below), the Issuer shall have given notice under Condition 7.2) to require the Issuer to redeem or, at the option of the Issuer, purchase (or procure the purchase of) that Noteholder's Note(s) at 101% of the principal amount of the Notes then outstanding, together with (or, where purchased, together with an amount equal to) interest (if any) accrued to (but excluding) the Change of Control Put Date (as defined below). Such option (the "**Change of Control Put Option**") shall operate as follows:

(a) if a Change of Control occurs the Issuer shall, within 14 days of the occurrence of such Change of Control, give notice (a "**Change of Control Notice**") to the Noteholders in accordance with Condition 12 specifying the nature of the Change of Control and the procedure for exercising the Change of Control Put option contained in this Condition 7.3;

(b) to exercise the Change of Control Put Option, the Noteholder must deliver at the specified office of any Agent on any Business Day falling within the period (the "**Change of Control Put Period**") of 45 days after that on which a Change of Control Notice is given, a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Agent (a "**Change of Control Put Notice**") and in which the holder must specify a bank account complying with the requirements of Condition 6 to which payment is to be made under this Condition 7.3, accompanied by the Certificate for such Notes or evidence satisfactory to the Agent concerned that the Certificate for such Notes will, following the delivery of the Change of Control Put Notice, be held to its order or under its control;

(c) the Issuer shall redeem or, at its option, purchase (or procure the purchase of) the relevant Note on the date (the "**Change of Control Put Date**") being the fifteenth day after the date of expiry of the Change of Control Put Period, unless previously redeemed or purchased and cancelled. Payment in respect of any Note so delivered shall be made, if the holder duly specifies a bank account in the Change of Control Put Notice to which payment is to be made on the Change of Control Put Date, by transfer to that bank account, subject in any such case as provided in Condition 6; and

(d) a Change of Control Put Notice given by a holder of any Note shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the Change of Control Put Notice and instead to give notice that the Note is immediately due and repayable under Condition 10.

For the purpose of this Condition 7.3, "**Change of Control**" means, in relation to the Issuer, Morocco, or any instrumentality or agency thereof, ceases to (i) hold, directly or indirectly, more than 50% of the shares in the Issuer or (ii) hold, directly or indirectly, the right to appoint a majority of the directors of the Issuer or (iii) otherwise control or have the power to control the affairs and policies of the Issuer.

7.4 Purchases

The Issuer or any of its Subsidiaries (as defined above) may at any time purchase Notes in any manner and at any price. Such Notes may be held, re-issued, resold or, at the option of the Issuer, surrendered to any Paying Agent or the Registrar for cancellation.

7.5 Notices Final

Upon the expiry of any notice as is referred to in Conditions 7.2 or 7.3 above the Issuer shall be bound to redeem the Notes to which the notice refers in accordance with the terms of such paragraph.

8. TAXATION

8.1 Payment without Withholding

All payments in respect of the Notes by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed or levied by or on behalf of a Relevant Jurisdiction, unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes in the absence of the withholding or deduction; except that no additional amounts shall be payable in relation to any payment in respect of any Note:

(a) where such withholding or deduction is imposed on a payment to a holder who is liable to the Taxes in respect of the Note by reason of such holder having some connection with any Relevant Jurisdiction other than the mere holding of the Note; or

(b) presented for payment in Morocco; or

(c) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC (as modified by Council Directive 2014/48/EU adopted by the European Council on 24 March 2014) of savings income or any other Directive implementing the conclusion of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or

(d) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note to another Paying Agent in a Member State of the European Union; or

(e) presented for payment (when presentation is required) more than 30 days after the Relevant Date (as defined below) except to the extent that a holder would have been entitled to additional amounts on presenting the same for payment on the last day of the period of 30 days assuming that day to have been a Business Day.

Notwithstanding the foregoing, the Issuer shall be permitted to withhold or deduct any amounts required by the rules of U.S. Internal Revenue Code of 1986, as amended, Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue Service ("FATCA withholding") as a result of a holder, beneficial owner or an intermediary not being entitled to receive payments on the Notes free of FATCA withholding. The Issuer will not have any obligation to pay additional amounts or otherwise indemnify an investor for any such FATCA withholding deducted or withheld by the Issuer, an Agent or any other party.

8.2 Interpretation

In these Conditions:

(a) "**Relevant Date**" means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the Fiscal Agent on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect has been duly given to the Noteholders by the Issuer in accordance with Condition 12; and

(b) "**Relevant Jurisdiction**" means Morocco or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it of principal and interest on the Notes.

8.3 Additional Amounts

Any reference in these Conditions to any amounts in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this Condition.

9. PRESCRIPTION

Claims in respect of principal and interest will become prescribed unless made within 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date, as defined in Condition 8.

10. EVENTS OF DEFAULT

10.1 Events of Default

If any of the following events ("**Events of Default**") shall have occurred and be continuing:

(a) if default is made in the payment of any principal or interest when due in respect of the Notes or any of them and, in the case of interest, the default continues for a period of 14 days or, in the case of principal, the default continues for a period of seven days; or

(b) if the Issuer fails to perform or observe any of its other obligations under these Conditions and (except in any case where the failure is incapable of remedy, when no continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days following the service by any Noteholder on the Issuer (with a copy to the Fiscal Agent at its specified office) of written notice requiring the same to be remedied; or

(c) (i) any Indebtedness for Borrowed Money of the Issuer or any of its Material Subsidiaries becomes due and repayable prematurely by reason of an event of default (however described); (ii) the Issuer or any of its Material Subsidiaries fails to make any payment in respect of any Indebtedness for Borrowed Money on the due date for payment or (as the case may be) within any originally applicable grace period for the payment thereof; (iii) any security given by the Issuer or any of its Material Subsidiaries for any Indebtedness for Borrowed Money becomes enforceable; or (iv) default is made by the Issuer or any of its Material Subsidiaries in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money of any other person, provided that the aggregate nominal amount of any such Indebtedness for Borrowed Money of the Issuer or such Material Subsidiary in the case of (i) or (ii) above, or amount of Indebtedness for Borrowed Money in relation to which such guarantee and/or indemnity of the Issuer or such Material Subsidiary has been given in the case of (iv) above, is at least U.S.$25,000,000 (or its equivalent in any other currency); or

(d) if the Issuer or any of its Material Subsidiaries ceases or threatens to cease to carry on all or substantially all of its business (otherwise than, in the case of a Material Subsidiary of the Issuer, for the purposes of or pursuant to an amalgamation, consolidation, reorganisation or other similar restructuring whilst solvent); or

(e) an order is made by any competent court or an effective resolution is passed for the winding-up, dissolution or liquidation of the Issuer or any of its Material Subsidiaries, save for the purposes of or pursuant to an amalgamation, consolidation, reorganisation or restructuring while solvent (I) in the case of a Material Subsidiary, by which the assets and undertaking of that Material Subsidiary are transferred to the Issuer and/or any other Material Subsidiary(ies) of the Issuer or (II) on terms approved by the General Assembly of the Masse (as defined below); or

(f) the Issuer or any of its Material Subsidiaries stops or threatens to stop payment, or is unable to, or admits its inability to, pay all, or a material part of, its debts (or any class of its debts) as they fall due or is deemed by law or a court to be unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or

(g) if (i) proceedings are initiated against the Issuer or any of its Material Subsidiaries under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer or any of its Material Subsidiaries or, as the case may be, in relation to the whole or any part of the undertaking or assets of any of them or an encumbrancer takes possession of the whole or a substantial part of the undertaking

or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a substantial part of the undertaking or assets of any of them, and (ii) in any such case (other than the appointment of an administrator) unless initiated by the relevant company, any amount (A) in respect of which such proceedings are initiated or (B) of any indebtedness in respect of which such application is made or which is secured by the relevant encumbrance, is at least US$25,000,000 and the relevant proceedings, application, appointment, taking of possession or process is not discharged within 60 days; or

(h) if the Issuer or any of its Material Subsidiaries (or their respective directors or shareholders) initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors); or

(i) any event occurs which under the laws of Morocco or any other applicable jurisdiction has an analogous effect to any of the events referred to in paragraphs (d) to (h) inclusive above,

then:

(i) in the case of an event referred to in (a) above, any Noteholder may, by written notice addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, declare the Notes held by it to be immediately due and payable together with accrued interest; and

(ii) in the case of any event referred to in (b) to (i) above any Noteholder may, by written notice addressed to the Issuer and delivered to the specified office of the Fiscal Agent (each an **Event Notice**), notify such event, in respect of the Notes held by it, *provided that* an Event of Default shall only be declared, and such Notes shall only become immediately due and payable (at their principal amount together with accrued interest) if Event Notices are sent by Noteholders representing not less than 5% in aggregate principal amount of the Notes then outstanding,

whereupon such Notes shall immediately become so due and payable at their principal amount together with accrued interest without further action or formality. Notice of any such declaration shall promptly be given to all Noteholders by the Issuer.

10.2 Interpretation

For the purposes of this Condition 10 "**Indebtedness for Borrowed Money**" means any indebtedness (whether being principal, interest or other amounts) for or in respect of any borrowed money.

11. REPLACEMENT OF CERTIFICATES

If any Certificate is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Registrar, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

12. NOTICES

12.1 Notices to the Noteholders

All notices to the Noteholders will be valid if mailed to them at their respective addresses in the register of Noteholders maintained by the Registrar and shall also be duly given or published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are for the time being listed. Any notice shall be deemed to have been given on the day after being so mailed or on the date of publication or, if so published more than once or on different dates, on the date of the first publication.

12.2 Notices from the Noteholders

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together with the relative Certificate, with the Fiscal Agent or, if the Certificates are held in a clearing system, may be given through the clearing system in accordance with its standard rules and procedures.

13. REPRESENTATION OF NOTEHOLDERS AND MODIFICATION

13.1 The Masse

Pursuant to article 299 of law No. 17-95 relating to *sociétés anonymes* dated 30 August 1996 as amended by law No. 20-05 (the "**Law No. 17-95**"), the Noteholders are automatically grouped in a masse endowed with legal personality for the defence of their common interests (the "**Masse**").

13.2 Legal personality, representatives and general assembly

The Masse is a separate legal entity by virtue of article 299 of Law No.17-95, acting either through one or more agents (the "**Representative**") and in part through a general assembly of the Noteholders (the "**General Assembly**"). Articles 299 et seq. of Law No. 17-95 define the extent of the respective powers of the Representative and of the General Assembly, which are summarised in Conditions (f) below.

13.3 The Representative

The office of the Representative may be conferred on a person or several persons of any nationality. However, the following persons may not be selected as Representatives:

(i) any director of the Issuer; or

(ii) any person providing services to the Issuer.

Pending the General Assembly which will appoint the initial Representative, the board of directors of the Issuer has appointed a temporary representative of the Noteholders (*mandataire provisoire*), in accordance with article 300 of the Law No. 17-95 (the "**Temporary Representative**").

The Temporary Representative will be Mr. Mohamed Hdid and its mandate will terminate on the date of the General Assembly appointing the initial Representative.

According to article 300 of Law No.17-95, the General Assembly shall be convened by the Issuer with a view to confirming the appointment of the initial Representative or electing a new Representative not later than 30 days before the first Interest Payment Date.

13.4 Powers of the Representative

Pursuant to articles 302, 303 and 304 of Law No. 17-95:

(a) In the absence of any decision to the contrary by the General Assembly, the Representative has the power to take, on behalf of the Masse, any acts of management (apart from alienation and conservatory actions) necessary to protect the common interests of the Noteholders taken as a whole.

(b) The Representative, when duly authorised to do so by the General Assembly, is the only person entitled to take legal action on behalf of all the Noteholders.

(c) Legal proceedings initiated against all the Noteholders may only be brought against the Representative.

(d) The Representative shall not be entitled to interfere in the management of the corporate affairs of the Issuer.

(e) The Representative may attend shareholder meetings of the Issuer, but will not have voting rights.

(f) The Representative has the right to access documents made available to the shareholders of the Issuer In the same conditions as the shareholders of the Issuer.

13.5 The General Assembly

(a) Pursuant to article 308 of Law No. 17-95, the General Assembly is empowered to deliberate on any measures designed to ensure the defence of the Noteholders and the execution of the Conditions of the Notes and, in general, on all measures of a conservatory or administrative nature.

(b) Pursuant to article 309 of Law No. 17-95, any decision of the Issuer to modify the Conditions in a way that alters the rights of the Noteholders must be approved by the General Assembly. In the absence of such approval, the Issuer may implement its decision only by offering to repay Noteholders requesting the redemption of their Notes within three months from the date of the decision affecting their rights.

(c) Notwithstanding anything to the contrary set forth herein, the general assembly of the shareholders of the Issuer may not increase the obligations of the Noteholders, establish an unequal treatment between Noteholders or decide to convert the Notes into shares.

The Agency Agreement includes provisions for convening a General Assembly.

14. FURTHER ISSUES

The Issuer may from time to time without the consent of the Noteholders create and issue further notes, having terms and conditions the same as those of the Notes, or the same except for the amount of the first payment of interest, which may be consolidated and form a single series with the outstanding Notes.

15. GOVERNING LAW AND SUBMISSION TO JURISDICTION

15.1 Governing Law

The Agency Agreement, the Deed of Covenant and the Notes, and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Deed of Covenant and the Notes, are governed by, and will be construed in accordance with, English law save that the provisions of Condition 13, relating to the Masse and representation of the Noteholders, are governed by, and shall be construed in accordance with Moroccan law.

15.2 Jurisdiction of English courts

The Issuer has irrevocably agreed for the benefit of the Noteholders that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes, and any non-contractual obligations arising out of or in connection with the Notes, and accordingly has submitted to the exclusive jurisdiction of the English courts. The Issuer has waived any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum.

To the extent permitted by law, the Noteholders may take any suit, action or proceeding arising out of or in connection with the Notes (including any proceeding relating to any non-contractual obligations arising out of or in connection with the Notes) (together referred to as "**Proceedings**") against the Issuer in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

15.3 Appointment of Process Agent

The Issuer hereby irrevocably and unconditionally appoints Law Debenture Corporate Services Limited at its registered office at Fifth Floor, 100 Wood Street, London EC2V 7EX, United Kingdom, as its agent for service of process in England in respect of any Proceedings and undertakes that in the event of such agent ceasing so to act it will appoint another person as its agent for that purpose.

15.4 Other Documents

The Issuer has in the Agency Agreement and the Deed of Covenant submitted to the jurisdiction of the English courts and appointed an agent in England for service of process, on terms substantially similar to those set out above.

16. RIGHTS OF THIRD PARTIES

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

THE GLOBAL CERTIFICATES

The Global Certificates contain the following provisions which apply to the Notes in respect of which they are issued whilst they are represented by the Global Certificates, some of which modify the effect of the Conditions of the Notes. Terms defined in the Conditions have the same meaning in paragraphs in this "The Global Certificates" section.

Accountholders

For so long as any of the Notes are represented by the Global Certificates, each person (other than another clearing system) who is for the time being shown in the records of DTC or Euroclear or Clearstream, Luxembourg (as the case may be), as the holder of a particular aggregate principal amount of such Notes (each an "**Accountholder**") (in which respect any certificate or other document issued by DTC or Euroclear or Clearstream, Luxembourg (as the case may be) as to the aggregate principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes) shall be treated as the holder of such aggregate principal amount of such Notes (and the expression "*Noteholders*" and references to "*holding of Notes*" and to "*holder of Notes*" shall be construed accordingly) for all purposes other than with respect to payments on such Notes, the right to which shall be vested, as against the Issuer, solely in the nominee of a common depositary for the relevant clearing system (the "**Relevant Nominee**") in accordance with and subject to the terms of the Global Certificates. Each Accountholder must look solely to DTC or Euroclear or Clearstream, Luxembourg, as the case may be, for its share of each payment made to the Relevant Nominee.

Cancellation

Cancellation of any Note following its redemption or purchase by the Issuer or any of its subsidiaries will be effected by a reduction in the aggregate principal amount of the Notes in the register of Noteholders and by the annotation of the appropriate schedule to the relevant Global Certificate.

Payments

Payments of principal and interest in respect of Notes represented by a Global Certificate will be made upon presentation or, if no further payment falls to be made in respect of the Notes, against presentation and surrender of such Global Certificate to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the holders of the Global Certificates for such purpose.

Distributions of amounts with respect to book-entry interests in the Regulation S Notes held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by the Fiscal Agent, to the cash accounts of Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures.

Holders of book-entry interests in the Rule 144A Notes holding through DTC will receive, to the extent received by the Fiscal Agent, all distribution of amounts with respect to book-entry interests in such Notes from the Fiscal Agent through DTC. Distributions in the United States will be subject to relevant U.S. tax laws and regulations.

A record of each payment made will be endorsed on the appropriate schedule to the relevant Global Certificate by or on behalf of the Fiscal Agent and shall be *prima facie* evidence that payment has been made.

Notices

So long as the Notes are represented by a Global Certificate and such Global Certificate is held on behalf of a clearing system, notices to Noteholders may be given by delivery of the relevant notice to that clearing system for communication by it to entitled Accountholders in substitution for notification as required by Condition 12. Any such notice shall be deemed to have been given to the Noteholders on the day after the day on which such notice is delivered to such clearing system.

For so long as any of the Notes held by a Noteholder are represented by a Global Certificate, notices to be given by such Noteholder may be given by such Noteholder (where applicable) through the applicable clearing system's operational procedures and otherwise in such manner as the Fiscal Agent and the applicable clearing system may approve for this purpose.

Change of Control Put Exercise Notice

For so long as any Note is represented by a Global Certificate, to exercise the right to require redemption of this Note under Condition 7.3 the Noteholder must, within the notice period set out in Condition 7.3, give notice to a Paying Agent of such exercise in accordance with the standard procedures of Euroclear, Clearstream, Luxembourg or DTC, as applicable (which may include notice being given on such Noteholder's instruction by Euroclear, Clearstream, Luxembourg, DTC or any depositary for them to any Agent by electronic means) in a form acceptable to Euroclear, Clearstream, Luxembourg or DTC, as applicable, from time to time.

Any notice given in accordance with the standard procedures of Euroclear, Clearstream, Luxembourg or DTC, as applicable, by a Noteholder under Condition 7.3 shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is continuing in which event such Noteholder, at its option, may elect by notice to the Issuer to withdraw such notice and instead to give notice that the Note is immediately due and repayable under Condition 10.

Registration of Title

Registration of title to Notes in a name other than that of the Relevant Nominee will not be permitted unless Euroclear or Clearstream, Luxembourg or DTC, as appropriate, notifies the Issuer that it is unwilling or unable to continue as a clearing system in connection with a Global Certificate or, in the case of DTC only, DTC ceases to be a clearing agency registered under the US Securities Exchange Act of 1934, and in each case a successor clearing system is not appointed by the Issuer within 90 days after receiving such notice from Euroclear, Clearstream, Luxembourg or DTC or becoming aware that DTC is no longer so registered. In these circumstances title to a Note may be transferred into the names of holders notified by the Relevant Nominee in accordance with the Terms and Conditions of the Notes, except that Certificates in respect of Notes so transferred may not be available until 21 days after the request for transfer is duly made.

The Registrar will not register title to the Notes in a name other than that of the Relevant Nominee for a period of 15 calendar days preceding the due date for any payment of principal or interest in respect of the Notes.

If only one of the Global Certificates (the "**Exchanged Global Certificate**") becomes exchangeable for Certificates in accordance with the above paragraphs, transfers of Notes may not take place between, on the one hand, persons holding Certificates issued in exchange for beneficial interests in the Exchanged Global Certificate and, on the other hand, persons wishing to purchase beneficial interests in the other Global Certificate.

Transfers

Transfers of book-entry interests in the Notes will be effected through the records of Euroclear, Clearstream, Luxembourg and DTC and their respective participants in accordance with the rules and procedures of Euroclear, Clearstream, Luxembourg and DTC and their respective direct and indirect participants, as more fully described under "*Book—Entry Clearance Systems*".

CLEARING AND SETTLEMENT

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream, Luxembourg (together, the "**Clearing Systems**") currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuer believes to be reliable. None of the Joint Lead Managers takes any responsibility for the accuracy of the information contained in this section. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. DTC, Euroclear and Clearstream, Luxembourg are under no obligation to perform or continue to perform the procedures described below, and they may modify or discontinue them at anytime.*

The Clearing Systems

Custodial and depository links are to be established between DTC, Euroclear and Clearstream, Luxembourg to facilitate the initial issue of the Notes and cross-market transfers of the Notes associated with secondary market trading. See "*—Book-Entry Ownership*" and "*—Settlement and Transfer of Notes*".

Investors may hold their interests in a Global Certificate directly through DTC, Euroclear or Clearstream, Luxembourg if they are accountholders ("**Direct Participants**") or indirectly (**"Indirect Participants**" and together with Direct Participants, **"Participants**") through organisations which are accountholders therein.

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each hold securities for their customers and facilitate the clearance and settlement of securities transactions through electronic book-entry transfer between their respective accountholders. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions which clear through or maintain a custodial relationship with an accountholder of either system. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective customers may settle trades with each other. Their customers are worldwide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through, or maintain a custodial relationship with, an account holder of either system.

DTC

DTC has advised the Issuer as follows: DTC is a limited purpose trust company organised under the laws of the State of New York, a "banking organization" under the laws of the State of New York, a member of the U.S. Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its Participants and facilitate the clearance and settlement of securities transactions between Participants through electronic computerised book-entry changes in accounts of its Participants, thereby eliminating the need for physical movement of certificates. Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to DTC is available to others, such as banks, securities brokers, dealers and trust companies, which clear through or maintain a custodial relationship with a DTC Direct Participant, either directly or indirectly.

Investors may hold their interests in the Restricted Global Certificate directly through DTC if they are Direct Participants in the DTC system, or as Indirect Participants through organisations which are Direct Participants in such system.

Under the rules, regulations and procedures creating and affecting DTC and its operations (the "**Rules**"), DTC makes book-entry transfers of Rule 144A Notes represented by the Restricted Global Certificate among Direct Participants on whose behalf it acts with respect to Rule 144A Notes and receives and

transmits distributions of principal and interest on Rule 144A Notes. The Rules are on file with the Securities and Exchange Commission. Direct Participants and Independent Participants with which beneficial owners of Rule 144A Notes have accounts with respect to the Rule 144A Notes similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their beneficial owners. Accordingly, although beneficial owners who hold Rule 144A Notes through Direct Participants or Indirect Participants will not possess Rule 144A Notes, the Rules, by virtue of the requirements described above, provide a mechanism by which Participants will receive payments and will be able to transfer their interest in respect of the Rule 144A Notes.

DTC has advised the Issuer that it will take any action permitted to be taken by a holder of Notes only at the direction of one or more Direct Participants and only in respect of such portion of the aggregate principal amount of the Restricted Global Certificate as to which such Participant or Participants has or have given such direction. However, in the circumstances described under "*The Global Certificates—Registration of Title*", DTC will cause its custodian to surrender the Restricted Global Certificate for exchange for Definitive Notes (which will bear the legend applicable to transfers pursuant to Rule 144A).

Payments through DTC

Payments of principal and interest in respect of a Global Certificate registered in the name of, or in the name of a nominee for, DTC will be made to the order of such nominee as the registered holder of such Note.

Book-Entry Ownership

Euroclear and Clearstream, Luxembourg

The Unrestricted Global Certificate evidencing Regulation S Notes will have an ISIN and a Common Code and will be registered in the name of a nominee for, and deposited with a common depositary on behalf of, Euroclear and Clearstream, Luxembourg.

DTC

The Restricted Global Certificate evidencing the Rule 144A Notes will have an ISIN, Common Code and a CUSIP number and will be deposited with the Custodian and registered in the name of Cede & Co. as nominee of DTC. The Custodian and DTC will electronically record the principal amount of the Notes held within the DTC System.

Relationship of Participants with Clearing Systems

Each of the persons shown in the records of DTC, Euroclear or Clearstream, Luxembourg as the holder of a Note evidenced by a Global Certificate must look solely to DTC, Euroclear or Clearstream, Luxembourg (as the case may be) for its share of each payment made by the Issuer to the holder of such Global Certificate and in relation to all other rights arising under such Global Certificate, subject to and in accordance with the respective rules and procedures of DTC, Euroclear or Clearstream, Luxembourg (as the case may be). The Issuer expects that, upon receipt of any payment in respect of Notes evidenced by a Global Certificate, the common depositary by whom such Note is held, or nominee in whose name it is registered, will immediately credit the relevant Participants' or accountholders' accounts in the relevant Clearing System with payments in amounts proportionate to their respective beneficial interests in the principal amount of the relevant Global Certificate as shown on the records of the relevant Clearing System or its nominee. The Issuer also expects that payments by Direct Participants in any Clearing System to owners of interests in a Global Certificate held through such Direct Participants in any Clearing System will be governed by standing instructions and customary practices. Save as aforesaid, such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are evidenced by such Global Certificate and the obligations of the Issuer will be discharged by payment to the registered holder, as the case may be, of such Global Certificate in respect of each amount so paid. None of the Issuer, the Trustee or any Paying and Transfer Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of ownership interests in any Global Certificate or for maintaining, supervising or reviewing any records relating to such ownership interests.

Settlement and Transfer of Notes

Subject to the rules and procedures of each applicable Clearing System, purchases of Notes held within a Clearing System must be made by or through Direct Participants, which will receive a credit for such Notes on the Clearing System's records. The ownership interest of each actual purchaser of each such Note (the "**Beneficial Owner**") will in turn be recorded on the Direct Participants' and Indirect Participants' records.

Beneficial Owners will not receive written confirmation from any Clearing System of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which such Beneficial Owner entered into the transaction.

Transfers of ownership interests in Notes held within the Clearing System will be effected by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in such Notes, unless and until interests in a Global Certificate held within a Clearing System are exchanged for Definitive Notes.

No Clearing System has knowledge of the actual Beneficial Owners of the Notes held within such Clearing System and their records will reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by the Clearing Systems to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time-to-time.

The laws of some jurisdictions may require that certain persons take physical delivery in definitive form of securities. Consequently, the ability to transfer interests in a Global Certificate to such persons may be limited. As DTC can only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, the ability of a person having an interest in a Restricted Global Certificate to pledge such interest to persons or entities that do not participate in DTC, or otherwise take actions in respect of such interest, may be affected by a lack of a physical certificate in respect of such interest.

Trading between Euroclear and Clearstream, Luxembourg Participants

Secondary market sales of book entry interests in the Notes held through Euroclear or Clearstream, Luxembourg to purchasers of book entry interests in the Notes held through Euroclear or Clearstream, Luxembourg will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream, Luxembourg and will be settled using the procedures applicable to conventional Eurobonds.

Trading between DTC Participants

Secondary market sales of book-entry interests in the Notes between DTC Participants will occur in the ordinary way in accordance with DTC rules and will be settled using the procedures applicable to United States corporate debt obligations in DTC's Same-Day Funds Settlement system in same-day funds, if payment is effected in U.S. Dollars, or free of payment, if payment is not effected in U.S. Dollars. Where payment is not effected in U.S. Dollars, separate payment arrangements outside DTC are required to be made between the DTC participants.

Trading between DTC Seller and Euroclear/Clearstream, Luxembourg Purchaser

When book-entry interests in Notes are to be transferred from the account of a DTC Participant holding a beneficial interest in the Restricted Global Certificate to the account of a Euroclear or Clearstream, Luxembourg accountholder wishing to purchase a beneficial interest in the Unrestricted Global Certificate (subject to the certification procedures provided in the Paying Agency Agreement), the DTC participant will deliver instructions for delivery to the relevant Euroclear or Clearstream, Luxembourg accountholder to DTC by 12 noon, New York time, on the settlement date. Separate payment arrangements are required to be made between the DTC Participant and the relevant Euroclear or Clearstream, Luxembourg Participant. On the settlement date, the custodian of the Restricted Global Certificate will instruct the Registrar to (i) decrease the amount of Notes registered in the name of Cede & Co. and evidenced by the Restricted Global Certificate and (ii) increase the amount of Notes registered in the name of the nominee of the common depositary for Euroclear and Clearstream, Luxembourg and evidenced by the Unrestricted

Global Certificate. Book-entry interests will be delivered free of payment to Euroclear or Clearstream, Luxembourg, as the case may be, for credit to the relevant accountholder on the first business day following the settlement date.

Trading between Euroclear/Clearstream, Luxembourg Seller and DTC Purchaser

When book-entry interests in the Notes are to be transferred from the account of a Euroclear or Clearstream, Luxembourg accountholder to the account of a DTC Participant wishing to purchase a beneficial interest in the Restricted Global Certificate (subject to the certification procedures provided in the Paying Agency Agreement), the Euroclear or Clearstream, Luxembourg Participant must send to Euroclear or Clearstream, Luxembourg delivery free of payment instructions by 7:45 p.m., Brussels or Luxembourg time, one business day prior to the settlement date. Euroclear or Clearstream, Luxembourg, as the case may be, will in turn transmit appropriate instructions to the common depositary for Euroclear and Clearstream, Luxembourg and the Registrar to arrange delivery to the DTC Participant on the settlement date. Separate payment arrangements are required to be made between the DTC Participant and the relevant Euroclear or Clearstream, Luxembourg accountholder, as the case may be. On the settlement date, the common depositary for Euroclear and Clearstream, Luxembourg will (i) transmit appropriate instructions to the custodian of the Restricted Global Certificate who will in turn deliver such book-entry interests in the Notes free of payment to the relevant account of the DTC Participant and (ii) instruct the Registrar to (a) decrease the amount of Notes registered in the name of the nominee of the common depositary for Euroclear and Clearstream, Luxembourg and evidenced by the Unrestricted Global Certificate and (b) increase the amount of Notes registered in the name of Cede & Co. and evidenced by the Restricted Global Certificate.

Although DTC, Euroclear and Clearstream, Luxembourg have agreed to the foregoing procedures in order to facilitate transfers of beneficial interests in Global Certificates among Participants and accountholders of DTC, Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Fiscal Agent, the Agents or any of their agents will have any responsibility for the performance by DTC, Euroclear, Clearstream, Luxembourg or their respective Direct or Indirect Participants of their respective obligations under the rules and procedures governing their operations.

Settlement of Pre-issue Trades

It is expected that delivery of Notes will be made against payment therefor on the Issue Date, which could be more than three business days following the date of pricing. Under Rule 15c6-1 under the Exchange Act, trades in the United States secondary market generally are required to settle within three business days (T+3), unless the parties to any such trade expressly agree otherwise.

Accordingly, purchasers who wish to trade Notes in the United States on the date of pricing or the next succeeding business days until three days prior to the Issue Date will be required, by virtue of the fact the Notes initially will settle beyond T+3, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Settlement procedures in other countries will vary.

Purchasers of Notes may be affected by such local settlement practices and purchasers of Notes between the relevant date of pricing and the Issue Date should consult their own advisers.

TAXATION

Certain Moroccan Tax Considerations

The following section describes the main tax consequences of an investment in the Notes by a person or entity that is not a resident of Morocco. This summary is not a comprehensive description of all of the tax considerations that may be relevant to a decision to make an investment in the Notes. Each investor should consult its own tax advisers concerning the tax considerations applicable to its particular situation. This summary is based upon laws and relevant interpretations thereof in effect as at the date of this Prospectus, all of which are subject to change, possibly with a retroactive effect. In addition, it does not describe any tax considerations: (i) arising under the laws of any taxing jurisdiction other than Morocco or (ii) applicable to a resident of Morocco.

*As used in this section, a "**non-resident individual**" is a person who does not have his permanent home (or domicile) in Morocco, who does not have the centre of his economic interest in Morocco and who is present in Morocco for less than 183 days in any period of 365 days, and a "**non-resident entity**" is a legal entity which has neither its registered office (seat) nor a permanent establishment in Morocco. A Noteholder will not become resident of Morocco for Moroccan income tax purposes merely by acquiring Notes.*

Principal and Interest

Under current Moroccan laws and regulations, interest payments under the Notes made to non-resident individuals or non-resident entities is subject to Moroccan withholding tax at a rate of 10%. Such withholding tax is the final tax for a non-resident individual or entity and no further declaration is required. However, based on articles 6.I.C.3° and 45 of the Moroccan tax code, which grant an exemption of the withholding tax to interest paid to non-resident entities or individuals in the case of loans in foreign hard currency for a period equal or greater than 10 years, the Issuer believes that interest payments under the Notes will not be subject to withholding tax in Morocco.

If a double taxation treaty is in effect between Morocco and the country of residence of the holder of the Notes, it may provide for the application of different taxation. Each Noteholder should consult its own tax advisers concerning the tax considerations applicable to its particular situation taking into account the existence or not of a double taxation treaty signed between Morocco and such Noteholder's country of residence.

Principal repaid under the Notes is currently not subject to Moroccan withholding tax.

Capital Gain

Unless otherwise specified in a double taxation treaty signed between Morocco and the country of residence of the Noteholder, for Moroccan tax purposes, a capital gain derived from the disposal of Notes issued by a Moroccan entity is considered sourced in Morocco, and therefore subject to taxation in Morocco. A non-resident individual or non-resident entity will be subject to Moroccan capital gains tax only by virtue of realising a capital gain on the Notes issued by the Moroccan entity.

Non-Resident Entity

Under current Moroccan laws and regulations, the capital gain made by a non-resident entity from the disposal of the Notes is taxed in Morocco at a rate of 30%. This tax is subject to a declaration in Morocco. It is the responsibility of the non-resident entity to file a tax return and to pay the applicable tax no later than 30 days after the month of sale.

Non-Resident Individual

Under current Moroccan laws and regulations, the capital gain made by a non-resident individual from the disposal of the Notes is subject to tax levied at the rate of 20%. A tax exemption is applicable to the capital gain if the annual sale price of securities issued by Moroccan entities is less or equal to Dh 30,000. As the Notes are not registered in an account with a Moroccan financial intermediary, it is the responsibility of the seller to file a tax return and to pay the applicable tax by no later than 31 March of the calendar year following the date of sale.

Double Taxation Treaties

If a double taxation treaty is in effect between Morocco and the country of residence of the Noteholders, it may provide for the application of different taxation aiming to eliminate or reduce double taxation. Each Noteholder should consult its own tax advisers concerning the tax considerations applicable to its particular situation taking into account the existence or not of a double taxation treaty signed between Morocco and such Noteholder's country of residence.

The double taxation treaties signed between Morocco and the following countries state that the capital gain arising from the disposal of Notes issued by a Moroccan entity shall not be taxable in Morocco:

Arab Maghreb Union	Finland	Kuwait	Pakistan	Switzerland
Austria	France	Latvia	Poland	Syria
Bahrain	Gabon	Lebanon	Portugal	Turkey
Belgium	Germany	Luxembourg(1)	Qatar	Ukraine
Bulgaria	Greece	Macedonia	Romania	United Arab Emirates
Canada	Hungary	Malaysia	Russia	United Kingdom
China	India	Malta	Senegal	United States of America(3)
Croatia	Indonesia	Netherlands(2)	Singapore	Vietnam
Czech Republic	Ireland	Norway	South Korea	
Denmark	Italy	Oman	Spain	

(1) The double taxation treaty signed with Luxembourg is not applicable to "holding companies" within the meaning of the Luxembourg law of 31 July 1929 and the order-law of 17 December 1938.

(2) The Morocco-Netherlands tax treaty does not cover the Netherlands Antilles.

(3) A United States corporation that makes a capital gain on the sale of the Notes will not be entitled to the benefits of the double taxation treaty between Morocco and the United States if (i) by reason of special measures the tax imposed by the United States with respect to capital gains is substantially less than the tax generally imposed by the United States on corporate profits and (ii) 25% or more of the capital of such corporation is held of record or is otherwise determined, after consultation between the competent authorities of the United States and Morocco to be owned, directly or indirectly, by one or more persons who are not individual residents of the United States.

However, a non-resident individual that has been a resident of Morocco at any point of time should consult his own tax advisers concerning the tax considerations applicable to his particular situation.

Inheritance Taxes

No Moroccan inheritance or similar tax will be payable by a Noteholder who is a non-resident of Morocco.

Stamp Duties

No stamp, registration or similar duties or taxes will be payable in Morocco by Noteholders on the creation, offering, issue and delivery of the Notes.

Certain U.S. Federal Income Tax Considerations

The following summary discusses the principal U.S. federal income tax consequences of the acquisition, ownership and disposition of the Notes. Except as specifically noted below, this discussion applies only to:

- Notes purchased on original issuance at their "issue price" (the first price at which a substantial amount of the Notes are sold to the public for cash, excluding sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers);
- Notes held as capital assets for U.S. federal income tax purposes (generally, property held for investment); and
- U.S. Holders (as defined below).

The discussion does not address any aspect of U.S. federal taxation other than U.S. federal income taxation (such as the estate and gift tax, the alternative minimum tax or the Medicare tax on net investment income). This discussion also does not describe all of the tax consequences that may be relevant in light of a U.S. Holder's particular circumstances or to U.S. Holders subject to special rules, such as:

- financial institutions;

- insurance companies;
- dealers in securities or foreign currencies;
- persons holding Notes as part of a hedging transaction, "straddle," conversion transaction or other integrated transaction
- certain former citizens and residents of the United States;
- U.S. Holders whose functional currency is not the U.S. dollar; or
- partnerships or other entities classified as partnerships for U.S. federal income tax purposes.

The following summary is based on the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), U.S. Treasury Regulations thereunder, published rulings of the U.S. Internal Revenue Service (the "**IRS**") and judicial and administrative interpretations thereof, in each case as available on the date of this Prospectus. Changes to any of the foregoing, or changes in how any of these authorities are interpreted, may affect the tax consequences set out below, possibly retroactively. No ruling will be sought from the IRS with respect to any statement or conclusion in this discussion, and there can be no assurance that the IRS will not challenge such statement or conclusion in the following discussion or, if challenged, a court will uphold such statement or conclusion.

As used herein, the term "U.S. Holder" means a beneficial owner of a Note that is for U.S. federal income tax purposes:

- a citizen or individual resident of the United States;
- a corporation created or organized in or under the laws of the United States and state thereof, or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust.

If an entity that is classified as a partnership for U.S. federal income tax purposes invests in Notes, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and upon the activities of the partnership. Partnerships investing in Notes should consult their own tax advisors regarding the tax consequences of their investment.

This discussion assumes that certain features of the Notes do not cause them to be subject to the U.S. federal income tax rules that apply to contingent payment debt instruments. If the Notes were subject to the contingent payment debt instrument rules, this would affect the character, timing and amount (in a given tax period) of income earned by a U.S. Holder, possibly negatively.

Payments of Interest

Payments of interest on a Note, including amounts witheld (if any), will be taxable to a U.S. Holder as foreign source ordinary income at the time they are received or accrued, depending on the holder's method of accounting for U.S. federal income tax purposes.

If the issue price (as defined above) of the Notes is less than their principal amount by more than a *de minimis* amount, U.S. Holders will be subject to special U.S. federal income tax rules with respect to this original issue discount ("**OID**"). OID will be considered to be *de minimis* if it is less than .25% of the principal amount multiplied by the number of complete years to maturity. U.S. Holders will be required to include any OID in income for U.S. federal tax purposes as it accrues in accordance with a constant yield method based on a compounding of interest, even though the cash attributable to this income will not be received until the Notes are sold, exchanged or retired. U.S. Holders should consult their own tax advisor concerning how to account for any OID that may accrue on the Notes.

Sale, Exchange or Retirement of the Notes

A U.S. Holder will generally recognize gain or loss on the sale, exchange or retirement of a Note equal to the difference between the amount realized on the sale, exchange or retirement and the U.S. Holder's basis in the Note. The amount realized does not include the amount attributable to accrued but unpaid interest not previously included in income, which will be treated like a payment of interest as described

under "—Payments of Interest." A U.S. Holder's basis in a Note will generally be the acquisition cost of the Note, increased by any OID and unpaid interest previously included in income. Any gain or loss that a U.S. Holder recognizes upon the sale, exchange or other disposition of a Note generally will be U.S. source capital gain or loss and will be long term capital gain or loss if, at the time of disposition, the U.S. Holder's holding period for the Note is more than one year.

Gain or loss realised by a U.S. Holder on the sale or retirement of a Note generally will be U.S. source. Consequently, if Moroccan tax is imposed on such gain, the U.S. Holder generally will not be able to use the corresponding foreign tax credit, unless the holder has other foreign-source income of the appropriate type in respect of which the credit may be used. The U.S. foreign tax credit rules are very complex. U.S. Holders should consult their tax advisers with respect to the application of these rules to their particular circumstances.

Information Reporting and Backup Withholding

Information returns may be filed with the IRS in connection with payments of principal and interest in respect of, and the proceeds from sales of, Notes held by a U.S. Holder unless the U.S. Holder establishes, if required, that it is exempt from the information reporting rules, for example by properly establishing that it is a corporation. If the U.S. Holder does not establish that it is exempt from these rules, the U.S. Holder may be subject to backup withholding on these payments if it fails to provide a taxpayer identification number or otherwise comply with the backup withholding rules. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against the U.S. Holder's U.S. federal income tax liability and may entitle the U.S. Holder to a refund, provided that the required information is timely furnished to the IRS.

U.S. Holders should consult their advisors regarding any additional tax reporting or filing requirements they may have as a result of the acquisition, ownership or disposition of the Notes. Failure to comply with certain reporting obligations could result in the imposition of substantial penalties.

EU Savings Directive

The Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments (the "**EU Savings Directive**") requires each Member State as from 1 July 2005 to provide to the tax authorities of a second Member State details of any payments of interest and other similar income (within the meaning of the EU Savings Directive) made by a paying agent within its own jurisdiction to, or under certain circumstances collected for the benefit of, a beneficial owner (within the meaning of the EU Savings Directive), residing in the second Member State, except that Austria imposes instead a withholding system for a transitional period unless the beneficiary of interest payments elects for the exchange of information. The rate of this withholding tax is currently 35 per cent.

A number of non-EU countries, and certain dependent or associated territories of certain Member States, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resid ent or, certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying and Transfer Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax.

On 24 March 2014, the Council of the European Union adopted a directive amending the EU Savings Directive, which, when implemented, will amend and broaden the scope of the requirements described above. In particular, the amending directive aims at extending the scope of the EU Savings Directive to new types of savings income and products that generate interest or equivalent income. In addition, tax authorities will be required in certain circumstances to take steps to identify the beneficial owner of interest payments (through a look through approach). The EU Member States will have until 1 January 2016 to adopt the national legislation necessary to comply with this amending directive.

However, the European Commission has proposed the repeal of the Savings Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the Savings Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU). The proposal also provides that, if it proceeds, Member States will not be required to apply the new requirements of the Amending Directive.

The Proposed Financial Transactions Tax ("FTT")

On 14 February 2013, the European Commission has published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**").

The Commission's Proposal has very broad scope and could, if introduced in its current form, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of the Notes should, however, be exempt.

Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

Joint statements issued by participating Member States indicate an intention to implement the FTT by 1 January 2016.

The FTT proposal remains subject to negotiation between the participating Member States and the scope of any such tax is uncertain. Additional EU Member States may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE

Barclays Bank PLC and Morgan Stanley & Co. International plc (the "**Joint Lead Managers**") have, pursuant to a Subscription Agreement dated 20 April 2015, severally (and not jointly) agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe for the aggregate principal amount of the Notes listed next to its name in the table below at the issue price of 98.765%. The Issuer has agreed to pay to the Joint Lead Managers a combined management and underwriting and selling concession in respect of the Notes. In addition, the Issuer has agreed to reimburse the Joint Lead Managers for certain of their expenses in connection with the issue of the Notes. The Subscription Agreement entitles the Joint Lead Managers to terminate it in certain circumstances prior to payment being made to the Issuer.

Joint Lead Manager	Principal Amount
Barclays Bank PLC	U.S.$500,000,000
Morgan Stanley & Co. International plc	U.S.$500,000,000
Total	**U.S.$1,000,000,000**

General

No action has been or will be taken in any jurisdiction by the Issuer or the Joint Lead Managers that would, or is intended to, permit a public offering of the Notes, or possession or distribution of this Prospectus or any other offering material, in any country or jurisdiction where action for that purpose is required. Persons into whose hands this Prospectus comes are required by the Issuer and the Joint Lead Managers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Notes or have in their possession, distribute or publish this Prospectus or any other offering material relating to the Notes, in all cases at their own expense.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Joint Lead Managers have agreed to offer the Notes only to persons who they reasonably believe to be QIBs in reliance on Rule 144A and outside the United States to persons other than U.S. persons in offshore transactions in reliance on Regulation S. Terms used in this paragraph have the respective meanings given to them by Regulation S.

The Notes are being offered and sold by the Joint Lead Managers outside the United States in accordance with Regulation S. The Subscription Agreement provides that the Joint Lead Managers may through their respective U.S. affiliates resell a portion of the Notes within the United States only to QIBs in reliance on Rule 144A.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in reliance on Rule 144A or another available exemption from registration under the Securities Act.

United Kingdom

Each Joint Lead Manager has represented, warranted and agreed that:

(a) (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell the Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act (the "**FSMA**") by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of

Section 21 of the FSMA) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Morocco

Each Joint Lead Manager has represented, warranted and agreed that it has not offered or sold, and will not offer or sell, directly or indirectly, any Notes to the public in Morocco, and that it will not distribute this Prospectus or any other offering material relating to the Notes to the public in Morocco.

TRANSFER RESTRICTIONS

Each purchaser of Rule 144A Notes, by accepting delivery of this Prospectus and the Notes, will be deemed to have represented, agreed and acknowledged that:

1. It is (a) a QIB, (b) acting for its own account, or for the account of a QIB, (c) not formed for the purpose of investing in the Issuer, and (d) aware, and each beneficial owner of such Notes has been advised, that the sale of such Notes to it is being made in reliance on Rule 144A. If it is acquiring any Notes for the account of one or more QIBs, it represents that it has sole investment discretion with respect to each such account and that it has the full power to make the foregoing representations, agreements and acknowledgements on behalf of each such account.

2. It understands that the Rule 144A Notes are being offered only in a transaction not involving any public offering in the United States within the meaning of the Securities Act, and that the Rule 144A Notes have not been and will not be registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred except (a) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of a QIB or (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S under the Securities Act, in each case in accordance with any applicable securities laws of any State or another jurisdiction of the United States.

3. The Issuer has the right to refuse to honour the transfer of an interest in the Rule 144A Notes in the U.S. to a person who is not a QIB.

4. It understands that the Rule 144A Notes, unless otherwise agreed between the Issuer and the Fiscal Agent in accordance with applicable law, will bear a legend to substantially the following effect:

   THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT ("**RULE 144A**") TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A (A "**QIB**"), THAT IS ACQUIRING THIS NOTE FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QIBS, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT OR (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THE RESALE RESTRICTIONS REFERRED TO ABOVE. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF ANY EXEMPTION UNDER THE SECURITIES ACT FOR RESALES OF THE NOTES.

5. It acknowledges that the Issuer, the Registrar, the Joint Lead Managers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of the acknowledgements, representations or agreements deemed to have been made by it by its purchase of Rule 144A Notes is no longer accurate, it shall promptly notify the Issuer and the Joint Lead Managers. If it is acquiring any Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each of those accounts and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each account.

6. It understands that the Rule 144A Notes will be evidenced by the Restricted Global Certificate. Before any interest in a Restricted Global Certificate may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Unrestricted Global Certificate, it will be required to provide a Paying and Transfer Agent with a written certification (in the form provided in the Paying Agency Agreement) as to compliance with applicable securities laws.

7. Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

Each purchaser of the Regulation S Notes, by accepting delivery of this Prospectus and the Notes, will have been deemed to have represented, agreed and acknowledged that:

1. It is, or at the time the Regulation S Notes are purchased will be, the beneficial owner of such Regulation S Notes and (a) that it is not a U.S. person purchasing in an offshore transaction (within the meaning of Regulation S) and (b) it is not an affiliate of the Issuer or a person acting on behalf of such an affiliate.

2. It understands that the Regulation S Notes have not been and will not be registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred except (a) until the expiration of the "40-day distribution compliance period" within the meaning of Rule 903 of Regulation S, any offer or sale of the Notes shall not be made by you to a U.S. person or for the account or benefit of U.S. person within the meaning of Rule 902 of Regulation S except in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of one or more QIBs or (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, in each case in accordance with any applicable securities laws of any State of the United States.

3. It understands that Regulation S Notes will be evidenced by a Unrestricted Global Certificate. Before any interest in a Unrestricted Global Certificate may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the corresponding Restricted Global Certificate, it will be required to provide a Paying and Transfer Agent with a written certification (in the form provided in the Paying Agency Agreement) as to compliance with applicable securities laws.

4. It acknowledges that the Issuer, the Registrar, the Joint Lead Managers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of the acknowledgements, representations or agreements deemed to have been made by it by its purchase of the Regulation S Notes is no longer accurate, it shall promptly notify the Issuer and the Joint Lead Managers. If it is acquiring any Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each of those accounts and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each account.

GENERAL INFORMATION

Clearing Systems

The Notes have been accepted for clearance through Euroclear, Clearstream, Luxembourg and DTC. The Common Code and International Securities Identification Number ("**ISIN**") for the Regulation S Notes and the Common Code, ISIN and CUSIP for the Rule 144A Notes are as follows:

Regulation S Notes

Common Code: 122167712.
ISIN: XS1221677120.

Rule 144A Notes

ISIN: US67091TAC99.
CUSIP: 67091TAC9.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium. The address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of DTC is 55 Water Street, New York, NY 10041, United States of America.

Admission to Trading

Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its regulated market. It is expected that admission of the Notes to trading will be granted on or before the next working day after the Issue Date. Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in relation to the Notes and is not itself seeking admission of the Notes to the Official List of the Irish Stock Exchange or to trading on the regulated market of the Irish Stock Exchange for the purposes of the Prospectus Directive.

The total expenses related to the admission to trading of the Notes are expected to be approximately €3,000.

This Prospectus is drawn up in the English language. In case there is any discrepancy between the English text and the French text, the English text stands approved for the purposes of approval under the Prospectus (Directive 2003/71/EC) Regulations 2005.

Significant or Material Adverse Change

There has been no significant change in the financial or trading position of the Issuer since 31 December 2014 and no material adverse change in the financial position or prospects of the Issuer since 31 December 2014.

Documents on Display

For so long as any of the Notes is outstanding, copies of the following documents may be inspected in electronic format at the specified offices of each of the Paying and Transfer Agents during normal business hours:

(a) the Issuer's charter;

(b) the Financial Statements;

(c) the Fiscal Agency Agreement; and

(d) this Prospectus and any supplements thereto.

Auditors

The Financial Statements have been prepared in accordance with IFRS and have been audited by EY and Deloitte Audit in accordance with IFRS and EY and Deloitte Audit rendered an unqualified audit report on such accounts of the Group for each of these years, which is included in this Prospectus. The address of EY is 37, Bd Abdellatif Benkaddour, 20050 Casablanca, Morocco and are members of the *Ordre des experts comptables du Maroc* and registered auditors qualified to practise in Morocco. The address of Deloitte is

288, Boulevard Zerktouni, Casablanca, Morocco and are members of the *Ordre des experts comptables du Maroc* and registered auditors qualified to practise in Morocco.

Joint Lead Managers Transacting with the Issuer

The Joint Lead Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and its affiliates in the ordinary course of business.

Save for any fees payable to the Joint Lead Managers pursuant to the Subscription Agreement as discussed in "*Subscription and Sale*", so far as the Issuer is aware, no person involved in the issue or the Notes has an interest material to the issue.

Temporary Representative of the Noteholders

The SA Law provides that the Noteholders are automatically grouped in a Masse endowed with legal personality for the defence of their common interests.

Pending the General Assembly which will appoint the initial Representative, the Board of Directors of the Issuer has appointed Mr. Mohamed Hdid as a temporary representative of the Noteholders (*mandataire provisoire*), in accordance with article 300 of the SA Law. The SA Law prohibits directors or officers of an issuer and any person providing services to the issuer, from serving as a representative of Noteholders.

Subscription

Article 298 of the SA Law provides that the issue of the notes shall be fully subscribed otherwise the subscription will be considered as void.

CDVM

Under article 16.1 of Dahir No 1-93-212 of 21 September 1993, as amended from time to time, any person considered as making a public offering who intends to perform a public offering operation outside Morocco is required to inform the CDVM thereof within 15 business days of the launch of the operation. The Issuer notified the CDVM regarding the issuance of the Notes on 1 April 2015.

Shareholders Approval

Under Article 294 of the SA Law, the ordinary shareholders' meeting has the sole authority to decide or authorise the issue of notes. This shareholders' meeting may delegate to the board of directors all necessary powers to proceed within 5 years to one or several bonds issue and to finalize its terms and conditions.

In accordance with the aforementioned article, the issue of the Notes has been authorised by the General Meeting of the Issuer on 24 March 2015. The General Meeting of the Issuer has delegated to the Board of Directors the power to issue one or more series of notes over a five-year period. On 24 March 2015, the Board of Directors approved the issuance of the Notes.

Authorisations

The Issuer has obtained all necessary consents, approvals and authorisations in Morocco in connection with the issue and performance of the Notes. The issue of the Notes was authorised by a shareholders' resolution dated 24 March 2015 and a Board of Directors' resolution dated 24 March 2015.

"**2011 Constitution**"	The constitution of Morocco approved by a vote of the Moroccan people in a referendum on 1 July 2011.
"**AFD**"	*L'Agence Française de Développement.*
"**BCP**"	Banque Centrale Populaire S.A.
"**CAGR**"	Compound annual growth rate.
"**CAP**"	The EU's Common Agriculture Policy.
"**CDVM**"	*Conseil Déontologique des Valeurs Mobilières*.
"**Central Bank**"	*Bank Al-Maghrib*, the Moroccan Central Bank.
"**Conditions**"	The terms and conditions of the Notes.
"**Dh**" or "**Dirham**"	The Moroccan Dirham, the lawful currency of the Kingdom of Morocco.
"**EMAPHOS**"	Euro-Maroc Phosphore, a joint venture among the Issuer, Prayon and Chemische Fabrik Bundenheim for the production of purified phosphoric acid. The Issuer owns 50% of the share capital of EMAPHOS (of which directly 33.33% and the remining interest indirectly through Prayon).
"**EU**"	European Union.
"**EUR**", "**Euros**" or "**€**"	The currency of the participating member states in the third stage of the Economic and Monetary Union of the Treaty establishing the European community.
"**Fitch**"	Fitch Ratings Limited.
"**Financial Statements**"	The Issuer's consolidated financial statements as at and for the years ended 31 December 2014, 31 December 2013 and 31 December 2012.
"**GDP**"	Gross domestic product.
"**Government**"	The Government of the Kingdom of Morocco.
"**Group**"	The Issuer together with its consolidated subsidiaries and joint ventures.
"**IFA**"	The International Fertiliser Industry Association.
"**IFRS**"	The International Financial Reporting Standards as promulgated by the International Accounting Standards Board.
"**IMACID**"	Indo Maroc Phosphore, a joint venture among the Issuer, Chambal Fertiliser-Ind and Tat Chemicals Ltd-Inde for the production of phosphoric acid. The Issuer owns 33.33% of the share capital of IMACID.
"**IFRS**"	International Financial Reporting Standards.
"**IFAC**"	International Federation of Accountants.
"**Issuer**"	OCP S.A.
"**JFC V**"	Jorf Fertiliser Company V (originally Bunge Maroc Phosphore, a 50/50 joint venture with the Bunge group), a wholly-owned subsidiary of the Group since the Group's acquisition of the remaining 50% stake in 2013, producing phosphoric acid, MAP, DAP and TSP at Jorf Lasfar.
"**Joint Lead Managers**"	Barclays Bank PLC and Morgan Stanley & Co. International plc.

"**LIBOR**"	The London Inter Bank Offered Rate.
"**JESA**"	Jacobs Engineering S.A., a 50/50 joint venture between the Issuer and JACOBS Engineering Inc in order to develop the Group's industrial strategy.
"**MGAAS**"	Moroccan Generally Accepted Auditing Standards.
"**Morocco**"	The Kingdom of Morocco.
"**Notes**"	The Notes of the Issuer offered pursuant to this Prospectus.
"**OCP**"	The Issuer.
"**OCP Law**"	Law No 46-07 promulgated on 26 February 2008, pursuant to which the Issuer became a *société anonyme*.
"**ONCF**"	*Office National des Chemins de Fer*, the Moroccan state-owned railway company.
"**PMP**"	Pakistan Maroc Phosphore, a 50/50 joint venture between the Issuer and the Fauji group for the production of phosphoric acid.
"**PPL**"	Paradeep Phosphates Limited, a joint venture in which the Issuer indirectly owns 40.25% through ZPML, which produces DAP and NPK fertilisers in India using phosphate rock and phosphoric acid produced by the Group.
"**Prayon**"	Prayon S.A., a 50/50 joint venture among the Issuer and *Société Régionale d'Investissement de Wallonie—Belgique* and *Société Prayon technologie* for the production of fertilisers, phosphoric acid and other chemical products, which is located in Belgium.
"**R&D**"	Research and development.
"**SADV**"	*Société d'Aménagement et de Développement Vert*
"**SA Law**"	Law No 17-95 of 30 August 1996 relating to *sociétés anonymes*, as amended from time to time.
"**S&P**"	Standard & Poor's Credit Market Services Europe Limited.
"**Securities Act**"	The U.S. Securities Act of 1933, as amended.
"**Stabilising Manager**"	Morgan Stanley & Co. International plc.
"**U.S.$**" or "**U.S. Dollar**"	The lawful currency of the United States of America.
"**USGS**"	U.S. Geological Survey.
"**WTO**"	The World Trade Organisation.
"**ZPML**"	Zauri Maroc Phosphates Limited, a 50/50 joint venture between the Issuer and the Birla Group (through its subsidiary, Zauri Industrie Limited).

APPENDIX II—GLOSSARY OF MEASUREMENT AND TECHNICAL TERMS

Certain Abbreviations and Related Terms

km	kilometre
km^2	square km
m	metre
mm	millimetres

Certain Terminology

ASP	Ammonium sulphate phosphate, a fertiliser used primarily in alkaline soils.
beneficiation	The treatment of raw material to improve physical or chemical properties prior to processing.
BPL	Bond Phosphate of Lime, reference to the amount (by percentage of weight) of calcium phosphate contained in phosphate rock or phosphate ore. A higher BPL corresponds to a higher percentage of calcium phosphate.
CFR	Cost and Freight (named port). The Group regularly enters into CFR contracts with customers.
COA	Contract of affreightment. The Group makes certain sales on COA terms.
DAP	Diammonium phosphate, a type of multi-nutrient fertiliser containing 18% nitrogen and 46% P_2O_5. Production of DAP is based on the neutralisation of phosphoric acid with ammonia and subsequent drying and granulating.
DAF	Delivered At Frontier (named place). The Group makes certain export sales on DAF terms.
DCP	Dibasic calcium phosphate, a type of feed phosphate product.
FOB	Free on Board (named loading port). The Group regularly enters into FOB contracts with customers.
MAP	Monoammonium phosphate, a type of multi-nutrient fertiliser containing 11% nitrogen and 46% P_2O_5. Production of MAP is based on the neutralisation of phosphoric acid with ammonia and subsequent drying and granulating.
MDCP	Mono dibasic calcium phosphate, a type of feed phosphate product.
NPK	Nitrogen-phosphorus-potassium, a type of multi-nutrient fertiliser containing nitrogen, phosphorus and potassium. Production of NPK is based on the neutralisation of phosphoric acid with ammonia, potassium chloride is then added to the finished product.
NPS	A fertiliser comprised of phosphoric acid mixed with ammonia and sulphuric acid developed by the Group and currently used in Africa and Latin America.
phosphoric acid	H_3PO_4.
purified phosphoric acid	Phosphoric acid that has been purified so as to be of food-grade for human consumption.
Teractiv©	A fertiliser comprised of phosphate rock and gypsum developed by the Group and currently used in Africa.
TSP	Triple superphosphate, a type of fertiliser produced through the decomposition of phosphate rock using phosphoric acid, which results in a fertiliser with a double concentrate of phosphate.

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CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2014

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3.8. F[illegible]

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Cash [illegible]nancial assets

C[illegible]t [illegible]g[illegible]t [illegible]r [illegible]

Available-for-sale [illegible]nancial assets

a[illegible]t [illegible]s [illegible]"o[illegible]" [illegible]t [illegible]g[illegible]20[illegible]6[illegible]f [illegible]t [illegible]g[illegible]

Loans and receivables at amortized cost

t[illegible]u[illegible]a [illegible]a[illegible]

3.[illegible]. I[illegible]

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P	D
Mining land	10 to 30 years
Buildings	15 to 60 years
Technical installations Equipment and tools	5 to 30 years
Transport equipment	5 to 30 years
Fourniture, office equipement and various fittings	3 to 30 years

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4. Mining exploration and studies

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5. V[illegible]

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5.2. M[illegible]

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5.3. V[illegible]

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5.5. M[illegible]

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t [illegible] g [illegible]' m [illegible] if r s [illegible] i [illegible] g [illegible] g [illegible] g [illegible]' [illegible] g [illegible]'

B - SEGMENT REPORTING

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(3,101)	(3,8□1)	(1,303)	□	□	□	□,0□□	8,□51	1□,3□3
161	□16	□□99□	□	□	□	□167□	418	□766□
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D - NOTES RELATING TO Th E CONSOLIDATED STATEMENT OF PROFIT AND LOSS

Note 1 : Re□enue

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p□□□□□□□□ □□□	8□4□□	7□886	10□222
o□□□□ □□□□□□	4□07□	4□□□2	4□□82
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Note 7 : Ot □er operating income and expenses

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Note 8 : Net □nancial income

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Note 10 - Earnings per s□are

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Note 12 : In entories

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Note 13 : Trade receivables

(In [illegible])	31 [illegible] [illegible]	31 [illegible] [illegible]	31 [illegible] [illegible]
[illegible]	6[illegible]64	[illegible]946	6[illegible]664
p[illegible]	[illegible]1[illegible]2[illegible]	[illegible]104[illegible]	[illegible]74[illegible]
N[illegible]	[illegible],[illegible]1[illegible]	3,8[illegible]3	[illegible],58[illegible]

[illegible]d [illegible] [illegible] [illegible] ¢ [illegible] [illegible] [illegible] [illegible] if r s 11[illegible]

n [illegible] [illegible] [illegible] [illegible] [illegible] 1 d [illegible] [illegible] 2014 [illegible] [illegible] [illegible]

(In [illegible])	R[illegible] [illegible]	R[illegible] [illegible]					TOTAL
		0[illegible]30 DAYS	31[illegible]0 DAYS	[illegible]1[illegible]0 DAYS	[illegible]1[illegible]180 DAYS	MORE THAN 180 DAYS	MORE THAN 3[illegible]5 DAYS	
n [illegible]	[illegible]94[illegible]	121	91	48	12	[illegible]1	16[illegible]	6[illegible]412

Note 14 : Other current assets

(In [illegible])	31 [illegible] [illegible]			31 [illegible] [illegible]			31 [illegible] [illegible]		
	G[illegible]	D[illegible]	N[illegible]	G[illegible]	D[illegible]	N[illegible]	G[illegible]	D[illegible]	N[illegible]
r [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible]	[illegible]494	[illegible]6[illegible]	[illegible]488	6[illegible]2[illegible]8	[illegible]6[illegible]	6[illegible]2[illegible]2	4[illegible]26	[illegible]6[illegible]	4[illegible]19
p[illegible]	77	[illegible]28[illegible]	49	66	[illegible]0[illegible]	[illegible]	72	[illegible]1[illegible]	41
s[illegible]	14[illegible]	[illegible]	14[illegible]	189	[illegible]	189	178	[illegible]	178
s[illegible] [illegible] [illegible] [illegible] [illegible]	[illegible]069	[illegible]	[illegible]069	10[illegible]980	[illegible]	10[illegible]980	6[illegible]2[illegible]4	[illegible]	6[illegible]2[illegible]4
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Note 15 : Non-current □nancial assets

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Note 17 : In□estments in equit□-accounted companies

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Note 20 : Intangible assets

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Note 21 : Net debt

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	f [illegible] [illegible] [illegible]	1[illegible]487	1[illegible]6[illegible]	1[illegible]0[illegible]
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L [illegible], [illegible]				
d [illegible] usd	1 [illegible] 94	1 [illegible] 94		6
d [illegible] mad	4 [illegible] 7 [illegible] 6 [illegible] 07	4 [illegible] 98		2 [illegible] 471
B [illegible]				
d [illegible] mad				[illegible] 07
F [illegible]				
d [illegible] mad	[illegible] 2 [illegible] 7 [illegible]	[illegible] 60		27 [illegible]
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L [illegible], [illegible]				
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d [illegible] mad	4 [illegible] 7 [illegible] 6 [illegible] 07	[illegible] 04	[illegible]	6 [illegible] 96
F [illegible]	1 [illegible] 94 [illegible] 4 [illegible] 1 [illegible]	[illegible] 42	8	4 [illegible] 228
d [illegible] mad	[illegible] 2 [illegible] 7 [illegible]	[illegible] 60	[illegible]	1 [illegible] 290
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o [illegible]				[illegible]
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d [illegible] eur	1 [illegible] 2 [illegible]	2 [illegible] 19	1 [illegible]	774
L [illegible], [illegible]				
d [illegible] eur	[illegible] 0 [illegible] 4 [illegible] 47	[illegible] 6	10	2 [illegible] 70 [illegible]
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d [illegible] usd	1 [illegible] 94 [illegible] 28	[illegible] 24	9	2 [illegible] 491
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B [illegible]				
d [illegible] mad	4 [illegible] 46 [illegible] 4 [illegible] 46	4 [illegible] 46	[illegible]	2 [illegible] 000
O [illegible]				
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Note 21.5 – Financial debt maturities

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Note 22 : Pro isions for liabilities and c arges

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O [illegible]	[illegible]3 [illegible]	10 [illegible]	(1 [illegible])	[illegible]	[illegible]	3	3 [illegible]
p [illegible] oCp g [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
o [illegible]	101	21	[illegible]16 [illegible]	[illegible]	[illegible]	[illegible]	106
p [illegible]	1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1
p [illegible]	1 [illegible]4	8 [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	217
O [illegible]	[illegible]	[illegible]	(5)	[illegible]	[illegible]	[illegible]	[illegible]
T [illegible]	[illegible],[illegible]1 [illegible]	13 [illegible]	(3 [illegible])	[illegible]	[illegible]	([illegible], [illegible])	[illegible],5 [illegible]3
N [illegible]	[illegible],[illegible]0 [illegible]	11 [illegible]	(3 [illegible])	[illegible]	[illegible]	([illegible], [illegible])	[illegible],5 [illegible]0
C [illegible]	[illegible]	[illegible]	(5)	[illegible]	[illegible]	[illegible]	[illegible]

[illegible] d [illegible] ¢ [illegible] if r s 11 [illegible]

Note 23 : Emplo ee bene ts

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- p [illegible] g [illegible] oCp' [illegible] r Car *r [illegible] C [illegible] r [illegible] s [illegible]* t [illegible]

- p [illegible] g [illegible] oCp [illegible] t [illegible] oCp [illegible]

  i [illegible] 2014 [illegible] oCp' [illegible] r Car [illegible] Cnr a *C [illegible] n [illegible] p [illegible] i [illegible] f [illegible]* t [illegible] g [illegible]' [illegible] r Car [illegible]

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• o [illegible] [illegible] [illegible]

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[illegible]	[illegible]64[illegible]	[illegible]07[illegible]	[illegible]74[illegible]	[illegible]1[illegible]026[illegible]		[illegible]1[illegible]026[illegible]
s[illegible]	1[illegible]8	94	[illegible]4	286	[illegible]	289
e[illegible]	2[illegible]7	[illegible]9	[illegible]2	628		628
a[illegible]	[illegible]210[illegible]	[illegible]2[illegible]07[illegible]	[illegible]	[illegible]2[illegible]482[illegible]		[illegible]2[illegible]482[illegible]
C[illegible]	[illegible]	168		168		168
o[illegible]				[illegible]		[illegible]
N[illegible]31 D[illegible]	[illegible],[illegible]	[illegible],1[illegible]	[illegible]0[illegible]	8,[illegible]83	18[illegible]	[illegible],1[illegible]1

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N[illegible]1 [illegible]	[illegible],3[illegible]1	[illegible],031	53[illegible]	11,8[illegible]1		11,8[illegible]1
[illegible]	[illegible]482[illegible]	[illegible]2[illegible]9[illegible]	[illegible]9[illegible]	[illegible]780[illegible]	[illegible]10[illegible]	[illegible]790[illegible]
s[illegible]	227	11[illegible]	[illegible]2	[illegible]74	1	[illegible]7[illegible]
e[illegible]	197	299	2[illegible]	[illegible]21		[illegible]21
a[illegible]	4[illegible]0	[illegible]1[illegible]22[illegible]	4[illegible]	[illegible]7[illegible]0[illegible]		[illegible]7[illegible]0[illegible]
C[illegible]		1[illegible]6		1[illegible]6		1[illegible]6
o[illegible]	[illegible]4[illegible]			[illegible]4[illegible]	19[illegible]	191
N[illegible]31 D[illegible]	[illegible],[illegible]8[illegible]	[illegible],13[illegible]	58[illegible]	11,[illegible]08	18[illegible]	11,5[illegible]3

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23.3. Analysis of sensitivity to the assumptions used for defined-benefit plans and other long-term benefits recognized

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R[illegible]						
i[illegible] d [illegible]		16[illegible]		1[illegible]		16[illegible]

[illegible]	31 D[illegible] [illegible]01[illegible]		31 D[illegible] [illegible]013		31 D[illegible] [illegible]01[illegible]	
s[illegible]	P[illegible]	M[illegible]	P[illegible]	M[illegible]	P[illegible]	M[illegible]
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R[illegible]						
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Note 24 : Trade payables

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l [illegible]	7[illegible]9	4[illegible]468	[illegible]976
f [illegible]	4[illegible]200	4[illegible]1[illegible]	2[illegible]4[illegible]
T[illegible]	1[illegible],05[illegible]	8,[illegible]81	[illegible],[illegible]11

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Note 26 : Capital and reser□es

26.1 Issued capital

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F – OTHER NOTES

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Note 30 : Consolidation scope

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GROUPE OCP

RAPPORT D'AUDIT SUR LES ETATS FINANCIERS CONSOLIDÉS

EXERCICE CLOS LES 31 DECEMBRE 2012, 2013 ET 2014

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Aux administrateurs de la société
OCP S.A.
2, Rue Al Abtal - Hay Erraha - Immeuble OCP
Casablanca

RAPPORT D'AUDIT SUR LES ETATS FINANCIERS CONSOLIDÉS EXERCICE CLOS LES 31 DECEMBRE 2012, 2013 ET 2014

Nous avons effectué l'audit des états financiers consolidés ci-joints, de la Société OCP S.A. et de ses filiales comprenant l'état de la situation financière consolidée aux 31 décembre 2012, 2013 et 2014, le compte de résultat consolidé et l'état du résultat global consolidé, l'état de variation des capitaux propres consolidés et l'état consolidé des flux de trésorerie pour les exercices clos à ces dates, et des annexes aux comptes consolidés contenant un résumé des principales méthodes comptables et d'autres notes explicatives.

Responsabilité de la Direction relative aux états financiers consolidés

La Direction est responsable de l'établissement et de la présentation sincère de ces états financiers consolidés, conformément au référentiel IFRS tel qu'adopté dans l'Union Européenne, ainsi que du contrôle interne qu'elle estime nécessaire à l'établissement d'états financiers consolidés ne comportant pas d'anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs.

Responsabilité des Auditeurs

Notre responsabilité est d'exprimer une opinion sur ces états financiers consolidés sur la base de notre audit. Nous avons effectué notre audit selon les Normes Internationales d'Audit. Ces normes requièrent de notre part de nous conformer aux règles d'éthique et de planifier et de réaliser l'audit en vue d'obtenir une assurance raisonnable que les états financiers consolidés ne comportent pas d'anomalies significatives.

Un audit implique la mise en œuvre de procédures en vue de recueillir des éléments probants concernant les montants et les informations fournis dans les états financiers. Le choix des procédures mises en œuvre, y compris l'évaluation des risques que les états financiers consolidés comportent des anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs, relève du jugement de l'auditeur. En procédant à cette évaluation des risques, l'auditeur prend en compte le contrôle interne de l'entité relatif à l'établissement et à la présentation sincère des états financiers consolidés afin de définir des procédures d'audit appropriées en la circonstance, et non dans le but d'exprimer une opinion sur l'efficacité du contrôle interne de l'entité.

Un audit consiste également à apprécier le caractère approprié des méthodes comptables retenues et le caractère raisonnable des estimations comptables faites par la direction et la présentation d'ensemble des états financiers consolidés.

Nous estimons que les éléments probants recueillis sont suffisants et appropriés pour fonder notre opinion.

Opinion sur les états financiers consolidés

A notre avis, les états financiers consolidés présentent sincèrement, dans tous leurs aspects significatifs, la situation financière de l'ensemble constitué par les entités comprises dans la consolidation aux 31 décembre 2012, 2013 et 2014, ainsi que sa performance financière et ses flux de trésorerie pour chacun des exercices clos à ces dates, conformément au référentiel IFRS tel qu'adopté dans l'Union Européenne.

Casablanca, le 24 mars 2015

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Abdelmejid FAIZ
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Ahmed BENABDELKHALEK
Associé

This is a free translation into English of the independent auditors' report on the **consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users.**

OCP S.A.

INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED
FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2012, 2013 AND 2014

Building a better working world

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To the Members of the Board
OCP S.A.
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Casablanca

INDEPENDENT AUDITORS' REPOR**T ON THE CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2012, 2013 AND 2014**

We have audited the accompanying consolidated financial statements of OCP S.A. and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2012, 2013 and 2014, the consolidated statement of profit and loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (EU), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit

Opinion on the consolidated financial statements

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at December 31, 2012, 2013 and 2014 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Casablanca, March 24, 2015

The independent auditors

ERNST & YOUNG	**DELOITTE AUDIT**
French original signed by **Abdelmejid FAIZ** **Partner**	French original signed by **Ahmed BENABDELKHALEK** **Partner**

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