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 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 who are outside of the United States in offshore transactions 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) 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.

PROSPECTUS

NOT FOR GENERAL DISTRIBUTION IN THE UNITED STATES

OCP S.A.

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

U.S.$1,250,000,000 5.625% Notes due 2024

Issue Price: 99.059%

U.S.$300,000,000 6.875% Notes due 2044

Issue Price: 93.992%

The U.S.$1,250,000,000 5.625% Notes due 2024 (the "**2024 Notes**") and the U.S.$300,000,000 6.875% Notes due 2044 (the "**2044 Notes**", or the 2024 Notes, both referred to as the "**Notes**") to be issued by OCP S.A. (the "**Issuer**" or "**OCP**") will mature and be redeemed at their principal amount on 25 April 2024 and 25 April 2044, respectively. The 2024 Notes will bear interest from, and including 25 April 2014 (the "**Issue Date**") at a rate of 5.625% per year and will be payable semi-annually in arrear on 25 April and 25 October in each year. The 2044 Notes will bear interest from, and including the Issue Date at a rate of 6.875% per year and will be payable semi-annually in arrear on 25 April and 25 October in each year. The first payment of interest in respect of the Notes will be made on 25 October 2014. 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 being offered and sold in the United States only 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 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 Limited (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 14.

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 **J.P. Morgan** **Morgan Stanley**

The date of this Prospectus is 17 April 2014.

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 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, plans 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 extracted without material adjustment from its audited consolidated financial statements as at and for each of the years ended 31 December 2013, 2012 and 2011 (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 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 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 you 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 2 April 2014, 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 8.1720 and €1 = Dh 11.2518.

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)			
2014 (up to and including 2 April 2014)	8.0922	8.3016	8.1986	8.1720
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
2010	7.8032	9.1645	8.4792	8.3464

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)			
2014 (up to and including 2 April 2014)	11.2103	11.2754	11.2424	11.2518
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
2010	10.9335	11.3325	11.1345	11.1735

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 was the largest producer of phosphate rock and phosphoric acid, and the second largest producer of phosphate-based fertilisers (DAP, MAP and TSP), globally in 2012 (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 33 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, micronutrient specialty fertilisers 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 2013, the Group's total revenue was Dh 46.0 billion, its Adjusted EBITDA was Dh 10.6 billion and its profit for the period was Dh 7.1 billion. The Group's total assets were Dh 107.0 billion as at 31 December 2013.

According to the USGS, 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 maximum production capacity of 32.2 million tonnes per year. The average P_2O_5 content of the phosphate rock currently mined by the Group is approximately 30%, based on the Group's 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 production capacity of 6.4 million tonnes of fertilisers and 3.2 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.
- At the Safi site, the Group's facilities have a 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 interests in processing plants in Belgium, 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:

- completing two slurry pipelines, which are intended to transport up to 55 million tonnes of rock per year and generate significant savings on transportation costs by transporting phosphate rock by pipeline rather than by rail;
- increasing the mining capacity of Khouribga and Ben Guerir by approximately 20 million tonnes with the opening of three mining facilities and the construction of three beneficiation plants;
- expanding the fertiliser and phosphoric acid production capacity at Jorf Lasfar and Safi; 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 was the largest producer of phosphate rock and phosphoric acid, and the second largest producer of phosphate-based fertilisers (DAP, MAP and TSP), globally in 2012 (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 2013, the Group had annual production capacity of phosphate rock, phosphoric acid and fertilisers of 32.2 million tonnes, 4.7 million tonnes and 7.4 million tonnes, respectively. In 2012 the Group accounted for approximately 32%, 43% and 19% 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 90 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 2013, Morocco (including Western Sahara, or the Southern Provinces as referred herein) has the largest phosphate rock reserves in the world with 50 billion tonnes (approximately 10 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 30%, based on the Group's 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. In contrast, the Group's exclusive access to Morocco's reserves of phosphate rock provides the Group with a cushion from, and an internal hedge against, the impact of adverse fluctuations in prices of phosphate rock on the Group's margins. 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 (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 2014 states that the Group's mines are among the lowest in terms of cash costs in 2013. The Group expects that the launch of the slurry pipeline to transport phosphate rock from Khouribga to Jorf Lasfar, expected in 2014, will be 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, and, apart from purchases of sulphur and ammonia 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 2013, the Group's largest single customer accounted for 5.5% of the Group's total revenue and, accordingly, the Group is not dependant 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 33%, 29%, 22%, 12% and 4%, 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; (iii) increase in consumption of meat in emerging markets; and (iv) increased production of biofuels. Global phosphate fertiliser demand is projected to grow at a compound annual growth rate ("**CAGR**") of 1.8% from 2014 to 2018, according to IFA. The Group believes that high 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 1.8% per year on average until 2021, while consumption of meat in emerging market countries is projected to grow by 2.1% 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.

Lastly, the increased need to diversify away from traditional energy sources towards renewable sources, including biofuels, have increased demand for crops (including corn and sugar cane for ethanol and soy bean for biodiesel), which have also increased demand for fertilisers.

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 construction of two slurry pipelines, the development of mining infrastructure and 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 debt has increased in recent years, from Dh (2.3) billion as at 31 December 2011 to Dh 3.5 billion as at 31 December 2012 and Dh 21.8 billion as at 31 December 2013, 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 debt levels will remain consistent with its objective of maintaining its investment grade rating, with a maximum target net 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 20 million tonnes at its mining sites in Khouribga and Ben Guerir with the development of three mines and the construction of three beneficiation plants. Second, it is in the process of launching a slurry pipeline to transport phosphate rock from Khouribga to Jorf Lasfar (with a length of 234 km and an annual capacity of up to 35 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 20 million tonnes). The slurry pipelines are intended to replace more expensive transport by train and significantly reduce the Group's transportation costs. Third, 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 2014 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 also constructed two granulation plants, 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. 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 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 32.2 million tonnes in 2013 to 38.2 million tonnes in 2016 and 52.2 million tonnes in 2025, of phosphoric acid from 4.7 million tonnes in 2013 to 6.5 million tonnes in 2016 and 9.2 million tonnes in 2025, and of fertilisers from 7.4 million tonnes in 2013 to 11.4 million tonnes in 2016 and 17.4 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 Dh 145 billion, with Dh 26.3 billion already incurred between 2008 and 2013. As at 31 December 2013, approximately 22% of the remaining estimated total costs of the Capital Expenditure Programme were contractually committed, representing the Group's Capital Expenditure Programme projects until 2016. 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 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 also plans to open representation offices and establish wholly-owned subsidiaries in certain key export markets in the future, including China, the Ivory Coast, Singapore, 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 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 Moroccan State (6.0%) and is partially owned by the Issuer (5.1%). 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

Trading Update

The Group expects its revenue for the three months ended 31 March 2014 to be lower than the same period in 2013, primarily due to a decrease in global average prices of phosphate-based products and adverse weather conditions in Morocco. Revenue for the two months ended February 28, 2014 shows a 16% decrease as compared to the same period in 2013. In January and February 2014, global average prices of fertilisers were approximately 20% lower than in January and February 2013, despite increases in prices from November 2013 to March 2014 mainly due to increased purchases primarily from Europe, the United States and Australia. In addition, 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 ports of Casablanca, Jorf Lasfar and Safi and the wharf at Laâyoune. The Group was able to satisfy a significant portion of its backlog in March 2014, and the Group expects its sales volumes for the three months ended 31 March 2014 to be comparable to the same period in 2013.

Strategic Partnership in the Republic of Gabon

In March 2014, the Issuer and certain representatives of the Gabonese government agreed to a non-binding strategic partnership in the field of natural gas, ammonia and fertilisers. The partnership contemplates the potential joint ownership and operation of, (i) in Morocco, two production units of phosphoric acid and fertilisers (using the Group's phosphate rock) and (ii) in Gabon, an ammonia production unit (using Gabonese gas) and one granulation plant.

Financing

In March 2014, the Issuer entered into a Dh 2,000.0 million unsecured 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. The Issuer drew down this facility in full on 7 April 2014.

On March 11, 2014, the Issuer drew down Dh 800 million on a Dh 1,200.0 million unsecured loan facility with a Moroccan bank (Dh 400.0 million of which was previously drawn), which the Issuer entered into in December 2013.

Board of Directors

Mr. Aziz Akhannouch, Minister of Agriculture and Maritime Fishing, whose term of office was initially due to expire after the shareholders' meeting to approve the 2016 financial statements, has resigned from his position as member of the Board of Directors of the Issuer. In accordance with article 49 of Law n°17-95, the Board of Directors of the Issuer is expected, at its next meeting, to deliberate on the appointment of a new member of the Board of Directors in replacement of the Minister of Agriculture and Maritime Fishing. The appointment of the proposed new member will be submitted at the following ordinary shareholders' meeting for ratification.

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 2013, 2012 and 2011. The selected financial data as at and for the years ended 31 December 2013, 2012 and 2011 has been extracted from the Financial Statements, which were prepared in accordance with IFRS and are included elsewhere in this Prospectus.

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			
	2013[1]	**2013**	**2012**	**2011**
	(unaudited) *(U.S.$ millions)*		*(Dh millions)*	
Revenue	5,469.0	45,992	58,162	56,415
Production held as inventory	(26.8)	(225)	324	1,881
Purchases consumed	(2,257.3)	(18,983)	(22,899)	(20,799)
External expenses	(897.3)	(7,546)	(8,284)	(5,689)
Personnel expenses	(1,079.2)	(9,076)	(8,976)	(7,798)
Taxes	(28.0)	(236)	(233)	(226)
Amortisation, depreciation and operating provisions	(220.5)	(1,854)	(1,412)	(1,595)
Other operating income and expenses	80.1	673	987	679
Current operating profit	**1,040.0**	**8,746**	**17,670**	**22,867**
Other non-current operating income and expenses	49.3	415	(748)	(74)
Operating profit	**1,089.3**	**9,161**	**16,921**	**22,793**
Cost of gross financial debt	(82.0)	(689)	(693)	(622)
Financial income from cash investments	90.4	760	1,055	882
Cost of net financial debt	**8.4**	**71**	**363**	**260**
Other operating income and expenses	(4.7)	(39)	117	55
Financial profit	**3.7**	**32**	**479**	**315**
Profit before tax	**1,093.0**	**9,192**	**17,400**	**23,107**
Corporate income tax	(250.3)	(2,105)	(3,759)	(3,842)
Profit for the period	**842.7**	**7,087**	**13,641**	**19,267**
Change in fair value of assets held-for-sale	(3.2)	(27)	(17)	(13)
Change in fair value of cash hedges	1.2	10	(4)	3
Translation differences	(17.4)	(146)	(40)	(100)
Changes in actuarial gains and losses on pension obligations	295.1	2,482	749	(3,337)
Taxes on items recognised in equity	(13.0)	(109)	5	666
Income and expenses for the period, recognised directly in equity	262.9	2,211	694	(2,782)
Consolidated comprehensive income	**1,105.6**	**9,298**	**14,335**	**16,485**
Profit for the period per share	10.3	86.28	164.6	232.5

Summary Consolidated Statement of Financial Position

	As at 31 December			
	2013[1]	**2013**	**2012**	**2011**
	(unaudited) (U.S.$ millions)		*(Dh millions)*	
ASSETS				
Current assets				
Cash and cash equivalents	718.1	6,039	9,813	11,074
Current financial assets	550.7	4,631	18,147	16,075
Inventories	1,118.6	9,407	9,189	8,731
Trade receivables	676.5	5,689	8,106	7,682
Current tax receivables	141.6	1,191	1,089	299
Other current assets	2,187.6	18,397	11,777	7,325
Total current assets	**5,393.1**	**45,355**	**58,122**	**51,186**
Non-current assets				
Non-current financial assets	343.4	2,887	2,805	2,233
Deferred tax assets	28.6	240	308	1,050
Property, plant and equipment	6,926.7	58,251	38,773	27,476
Intangible assets	26.4	222	205	138
Total non-current assets	**7,325.0**	**61,601**	**42,091**	**30,897**
TOTAL ASSETS	**12,718.1**	**106,955**	**100,212**	**82,083**
LIABILITIES				
Current liabilities				
Current loans and financial debts	700.5	5,891	6,888	3,275
Current provisions	5.1	43	138	105
Trade payables	1,112.1	9,353	7,691	5,455
Current tax payable	7.1	60	37	1,889
Other current liabilities	1,042.8	8,769	6,982	4,319
Total current liabilities	**2,867.6**	**24,116**	**21,735**	**15,043**
Non-current liabilities				
Non-current loans and financial debts	2,169.1	18,242	13,783	10,203
Non-current provisions for employee benefits	1,121.7	9,433	11,728	12,017
Other non-current provisions	17.4	146	1,028	996
Deferred tax liabilities	15.8	133	109	330
Other non-current liabilities	2.1	17	20	20
Total non-current liabilities	**3,326.1**	**27,972**	**26,669**	**23,566**
EQUITY				
Issued capital	985.5	8,288	8,288	8,288
Paid-in capital	2,223.4	18,698	18,698	4,513
Consolidated reserves	2,432.4	20,456	10,685	10,845
Gains and losses recognised in equity	40.3	339	497	562
Profit for the period	842.7	7,087	13,641	19,267
TOTAL EQUITY	**6,524.3**	**54,868**	**51,808**	**43,474**
TOTAL EQUITY AND LIABILITIES	**12,718.1**	**106,955**	**100,212**	**82,083**

Summary Statement of Cash Flows

	For the year ended 31 December		
	2013	**2012**	**2011**
		(Dh millions)	
Net cash flows from operating activities	6,941	10,992	15,567
Net cash flows used in investing activities	(20,733)	(13,455)	(5,801)
Net cash flows from/(used in) financing activities	10,851	(328)	(2,763)

Other Financial Data

	As at and for the year ended 31 December		
	2013	2012	2011
		(Dh millions)	
Adjusted EBIT[2][8]	8,699	17,712	22,904
Adjusted EBITDA[2][8]	10,600	19,081	24,462
Debt (including current portion)[3]	24,132	20,671	13,479
Equity (period end)	54,868	51,808	43, 474
Capitalisation (period end)[4]	79,000	72,479	56,953
Net capitalisation (period end)[5]	76,707	55,348	41,211
Net financial debt (period end)[6][8]	13,462	(7,290)	(13,671)
Net debt (period end)[7][8]	21,839	3,540	(2,263)
Debt/Adjusted EBITDA	2.3	1.1	0.6
Net debt/Net capitalisation (period end)	0.3	0.1	(0.1)
Debt/Equity (period end)	0.4	0.4	0.3
Current liquidity[9]	1.9	2.7	3.4
Adjusted EBIT/Interest expense	(13)	(26)	(37)

(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 2013, which was Dh 8.4097 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 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 profit for the period to Adjusted EBIT and Adjusted EBITDA is as follows for the periods indicated.

	For the year ended 31 December		
	2013	2012	2011
Profit for the period	7,087	13,641	19,267
Corporate income tax	2,105	3,759	3,842
Financial profit	(32)	(479)	(315)
Other non-current operating income and expenses	(415)	748	74
Non-current depreciation and amortization[a]	(47)	43	37
Adjusted EBIT	**8,699**	**17,712**	**22,904**
Current depreciation and amortization[a]	1,901	1,369	1,558
Adjusted EBITDA	**10,600**	**19,081**	**24,462**

(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.$1,250,000,000 principal amount of 5.625% Notes due 2024. U.S.$300,000,000 principal amount of 6.875% Notes due 2044.
Interest and Interest Payment Dates	The 2024 Notes will bear interest from and including 25 April 2014 at the rate of 5.625% per year, payable semi-annually in arrear on each of 25 April and 25 October in each year (each an "**Interest Payment Date**") and the 2044 Notes will bear interest from and including 25 April 2014 at the rate of 6.875% per year, payable semi-annually in arrear on each of 25 April and 25 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 in each case on 25 October 2014.
Maturity Date	2024 Notes: 25 April 2024. 2044 Notes: 25 April 2044.
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 17 April 2014, 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 17 April 2014; 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	2024 Notes: 99.059% of the principal amount. 2044 Notes: 93.992% of the principal amount.
Yield	2024 Notes: 5.750%. 2044 Notes: 7.375%.
Regulation S Notes Security Codes . . .	2024 Notes ISIN: XS1061043011. 2044 Notes ISIN: XS1061043367.
Common Code	2024 Notes: 106104301. 2044 Notes: 106104336.
Rule 144A Notes Security Codes	2024 Notes ISIN: US67091TAA34. 2044 Notes ISIN: US67091TAB17. 2024 Notes CUSIP: 67091TAA3. 2044 Notes CUSIP: 67091TAB1.
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, J.P. Morgan Securities 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 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 or in a number of 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 IFA, approximately 200 million tonnes of phosphate rock were produced worldwide in 2012, 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, in part due to substantial export duties on fertilisers imposed by the Chinese government. Such export duties have been in effect for the past several years, but they may not remain. An increase in exports from China of fertilisers may also 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 37.1% of the Group's total export revenue in 2012. 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 result in reduced production of agricultural products, 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.

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.

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. 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), MPC (USA), PotashCorp (USA), PhosAgro (Russia), Vale (Brazil), Wengfu (China), Yara (Norway) and Yuanitanhua (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 two slurry pipelines which are expected to 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 slurry pipelines, 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 costs of the Capital Expenditure Programme since its launch in 2008 to 2025 are estimated to be approximately Dh 145 billion, with Dh 26.3 billion already incurred between 2008 and 2013. As at 31 December 2013, approximately 22% of the remaining estimated total costs of the Capital Expenditure

Programme were contractually committed. In the next three years, the Group expects to incur capital expenditure of approximately Dh 59.2 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 production 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 tariffs for the period 2014-2023, with the last contract having ended in December 2013. While negotiations are ongoing, the Group and ONCF are continuing transport operations under the same conditions and tariffs as the previous agreement. If the Group is unable to reach an agreement with ONCF on similar terms to its last agreement, the Group's transportation costs may increase materially. If such costs increase without a matching increase in the Group's product prices, the Group's profit margins would decrease, which could have a material adverse effect on the Group's business, results of operations and financial condition if the Group is unable to pass on these cost increases to its customers.

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.

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 approximately 28.1% of the Group's purchases consumed in 2013. 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 decreased to U.S.$143 per tonne in 2013 from U.S.$206 per tonne in each of 2012 and 2011. The Group's expenditures on ammonia accounted for approximately 19.5% of the Group's purchases consumed in 2013. 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.$541 per tonne in 2013 from U.S.$588 per tonne in 2012 and U.S.$551 per tonne in 2011.

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 will be 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 is expected to increase the Group's production and transportation costs. For 2014, the Government has 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 were 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. If 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 fertiliser business. If supply of phosphate rock from within the Group were disrupted, the Group may have to reduce its fertiliser production, 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 2013, export sales accounted for 89.9% 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 2013, 44.6% 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 2013, the Group's total outstanding loans and financial debts (current and non-current) were Dh 24.1 billion and approximately 6% were composed of floating 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 2013, the Group's total outstanding loans and financial debts (current and non-current) were Dh 24.1 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 six trade unions that represent the Group's employees. As at 31 December 2013, approximately 20% of the Group's employees were members of a trade union. 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 partially owned by the Moroccan State (6.0%) and is partially owned by the Issuer (5.1%). 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 Interior, the Minister of Foreign Affairs and Co-operation, the Minister of Economy and Finance, the Minister of Agriculture and Maritime Fishing, the Minister of Energy, Mines, Water and the Environment, the Minister of Industry, Commerce and New Technologies and the Minister Delegate 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 and 7.3% in 2012, according to the World Bank. The budget deficit as a percentage of GDP was 5.4% in 2013. 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 recently been experiencing 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 EU has adopted a Directive (2003/48/EC) (the "**EU Savings Directive**") regarding the taxation of savings income pursuant to which Member States are required to provide to the tax authorities of other Member States details of payments of interest and other similar income paid by a person to an individual in another Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Austria and Luxembourg are instead required (unless during such period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent on the conclusion of certain other agreements relating to information exchange with certain other countries). 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 European Council adopted an EU Council Directive amending and broadening the scope of the requirements described above. In particular, the changes expand the range of payments covered by the Directive to include certain additional types of income, and widen the range of recipients payments to whom are covered by the Directive, to include certain other types of entity and legal arrangement. Member States are required to implement national legislation giving effect to these changes by 1 January 2016 (which national legislation must apply from 1 January 2017).

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.$1,517,888,500 (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 2013, 2012 and 2011. The selected financial data as at and for the years ended 31 December 2013, 2012 and 2011 has been extracted from the Financial Statements, which were prepared in accordance with IFRS and are included elsewhere in this Prospectus.

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		
	2013	**2012**	**2011**
		(Dh millions)	
Revenue	45,992	58,162	56,415
Production held as inventory	(225)	324	1,881
Purchases consumed	(18,983)	(22,899)	(20,799)
External expenses	(7,546)	(8,284)	(5,689)
Personnel expenses	(9,076)	(8,976)	(7,798)
Taxes	(236)	(233)	(226)
Amortisation, depreciation and operating provisions	(1,854)	(1,412)	(1,595)
Other operating income and expenses	673	987	679
Current operating profit	**8,746**	**17,670**	**22,867**
Other non-current operating income and expenses	415	(748)	(74)
Operating profit	**9,161**	**16,921**	**22,793**
Cost of gross financial debt	(689)	(693)	(622)
Financial income from cash investments	760	1,055	882
Cost of net financial debt	**71**	**363**	**260**
Other operating income and expenses	(39)	117	55
Financial profit	**32**	**479**	**315**
Profit before tax	**9,192**	**17,400**	**23,107**
Corporate income tax	(2,105)	(3,759)	(3,842)
Profit for the period	**7,087**	**13,641**	**19,267**
Change in fair value of assets held-for-sale	(27)	(17)	(13)
Change in fair value of cash hedges	10	(4)	3
Translation differences	(146)	(40)	(100)
Changes in actuarial gains and losses on pension obligations	2,482	749	(3,337)
Taxes on items recognised in equity	(109)	5	666
Income and expenses for the period, recognised directly in equity	2,211	694	(2,782)
Consolidated comprehensive income	**9,298**	**14,335**	**16,485**
Profit for the period per share	86.3	164.6	232.5

Selected Consolidated Statement of Financial Position

	As at 31 December		
	2013	2012	2011
		(Dh millions)	
ASSETS			
Current assets			
Cash and cash equivalents	6,039	9,813	11,074
Current financial assets	4,631	18,147	16,075
Inventories	9,407	9,189	8,731
Trade receivables	5,689	8,106	7,682
Current tax receivables	1,191	1,089	299
Other current assets	18,397	11,777	7,325
Total current assets	**45,355**	**58,122**	**51,186**
Non-current assets			
Non-current financial assets	2,887	2,805	2,233
Deferred tax assets	240	308	1,050
Property, plant and equipment	58,251	38,773	27,476
Intangible assets	222	205	138
Total non-current assets	**61,601**	**42,091**	**30,897**
TOTAL ASSETS	**106,955**	**100,212**	**82,083**
LIABILITIES			
Current liabilities			
Current loans and financial debts	5,891	6,888	3,275
Current provisions	43	138	105
Trade payables	9,353	7,691	5,455
Current tax payable	60	37	1,889
Other current liabilities	8,769	6,982	4,319
Total current liabilities	**24,116**	**21,735**	**15,043**
Non-current liabilities			
Non-current loans and financial debts	18,242	13,783	10,203
Non-current provisions for employee benefits	9,433	11,728	12,017
Other non-current provisions	146	1,028	996
Deferred tax liabilities	133	109	330
Other non-current liabilities	17	20	20
Total non-current liabilities	**27,972**	**26,669**	**23,566**
EQUITY			
Issued capital	8,288	8,288	8,288
Paid-in capital	18,698	18,698	4,513
Consolidated reserves	20,456	10,685	10,845
Gains and losses recognised in equity	339	497	562
Profit for the period	7,087	13,641	19,267
TOTAL EQUITY	**54,868**	**51,808**	**43,474**
TOTAL EQUITY AND LIABILITIES	**106,955**	**100,212**	**82,083**

Selected Statement of Cash Flows

	For the year ended 31 December		
	2013	2012	2011
		(Dh millions)	
Net cash flows from operating activities	6,941	10,992	15,567
Net cash flows used in investing activities	(20,733)	(13,455)	(5,801)
Net cash flows from/(used in) financing activities	10,851	(328)	(2,763)

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 2013, 31 December 2012 and 31 December 2011 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 was the largest producer of phosphate rock and phosphoric acid, and the second largest producer of phosphate-based fertilisers (DAP, MAP and TSP), globally in 2012 (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 33 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, micronutrient specialty fertilisers 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 2013, the Group's total revenue was Dh 46.0 billion, its Adjusted EBITDA was Dh 10.6 billion and its profit for the period was Dh 7.1 billion. The Group's total assets were Dh 107.0 billion as at 31 December 2013. For financial reporting purposes, the activities of the Group are divided into three operating segments: chemicals; rock; and support. See "—*Operating Segments*" below.

Recent Developments

Trading Update

The Group expects its revenue for the three months ended 31 March 2014 to be lower than the same period in 2013, primarily due to a decrease in global average prices of fertilisers and adverse weather conditions in Morocco. Revenue for the two months ended February 28, 2014 shows a 16% decrease as compared to the same period in 2013. In January and February 2014, global average prices of fertilisers were approximately 20% lower than in January and February 2013, despite increases in prices from November 2013 to March 2014 mainly due to increased purchases primarily from Europe, the United States and Australia. In addition, 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 ports of Casablanca, Jorf Lasfar and Safi and the wharf at Laâyoune. The Group was able to satisfy a significant portion of its backlog in March 2014, and the Group expects its sales volumes for the three months ended 31 March 2014 to be comparable to the same period in 2013.

Strategic Partnership in the Republic of Gabon

In March 2014, the Issuer and certain representatives of the Gabonese government agreed to a non-binding strategic partnership in the field of natural gas, ammonia and fertilisers. The partnership contemplates the potential joint ownership and operation of, (i) in Morocco, two production units of phosphoric acid and fertilisers (using the Group's phosphate rock) and (ii) in Gabon, an ammonia production unit (using Gabonese gas) and one granulation plant.

Financing

In March 2014, the Issuer entered into a Dh 2,000.0 million unsecured 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. The Issuer drew down this facility in full on 7 April 2014.

On March 11, 2014, the Issuer drew down Dh 800 million on a Dh 1,200.0 million unsecured loan facility with a Moroccan bank (Dh 400.0 million of which was previously drawn), which the Issuer entered into in December 2013.

Board of Directors

Mr. Aziz Akhannouch, Minister of Agriculture and Maritime Fishing, whose term of office was initially due to expire after the shareholders' meeting to approve the 2016 financial statements, has resigned from his position as member of the Board of Directors of the Issuer. In accordance with article 49 of Law n°17-95, the Board of Directors of the Issuer is expected, at its next meeting, to deliberate on the appointment of a new member of the Board of Directors in replacement of the Minister of Agriculture and Maritime Fishing. The appointment of the proposed new member will be submitted at the following ordinary shareholders' meeting for ratification.

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 2013, 2012 and 2011 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 23.3%, 41.8% and 23.9% of the Group's revenue in the year ended 31 December 2013, 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		
	2013	**2012**	**2011**
		(U.S.$)	
Phosphate rock	118	159	166
Phosphoric acid	805	993	1,063
Phosphate-based fertilisers	435	538	574

Global prices of phosphate rock and fertilisers from the 1980s were comparatively lower than current prices and had relatively low volatility until 2007, when prices reached a peak in late 2007 and beginning of 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 the demand and prices obtainable for the Group's products. Demand was further weakened by the negative impact of the turmoil in the financial markets on farmers' 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 grow, 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 versus 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.

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;
- 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); and
- to a lesser extent, increasing demand for biofuel.

A number of medium-term factors could also drive increased demand for fertiliser products, including recoveries in demand from Australia and North America, which has recently been reduced due to adverse weather conditions, and diminishing P_2O_5 content in soils and imbalances in NPK application in several regions, particularly in parts of Europe, the United States and South Asia, according to IFA.

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 Morocco, the former Soviet Union, the United States, the Middle East, Trinidad, India, China and Venezuela. 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		
	2013	**2012**	**2011**
		(million tonnes)	
Phosphate rock	8.6	9.4	9.4
Phosphoric acid(1)	2.0	1.9	2.2
Phosphate-based fertilisers(2)	4.3	4.5	3.8

(1) Excludes phosphoric acid sold by Prayon, which sold 152,000 tonnes, 133,000 tonnes and 148,000 tonnes of phosphoric acid for the years ended 31 December 2013, 2012 and 2011, respectively.

(2) Excludes phosphate-based fertilisers sold by PPL, which sold 1.3 million tonnes, 1.6 million tonnes and 1.3 million tonnes of phosphoric acid for the years ended 31 December 2013, 2012 and 2011, respectively.

The decline of export sales, by volume, of phosphate rock during the period 2011-2013 was primarily due to increased competition in the phosphate rock market, especially from Latin America where new phosphate rock capacities increased exported volumes. In 2013, the increase in export sales, by volume, of phosphoric acid and the decrease in export sales, by volume, of phosphate-based fertilisers were primarily due to a stronger demand for phosphoric acid from Indian importers which contrasted with a sharp 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 decrease in the Group's export sales, by volume, of phosphoric acid in 2012, as compared to 2011, was primarily due to lower international prices for phosphoric acid and decreased demand in South Asia. The increase in the Group's export sales, by volume, of phosphate-based fertilisers in 2012, as compared to 2011 was primarily due to increased demand for phosphate-based fertilisers, particularly in the Latin American market.

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 28.7% in 2011 to 33.8% in 2012 and 38.7% in 2013, in each case, as a result of increasing demand in Latin America for MAP;
- the share of TSP in the Group's export sales of phosphate-based fertilisers, by volume, was 19.1% in each of 2011 and 2012 and increased to 23.0% in 2013, as a result of increased demand in Europe and South America; and
- the share of DAP in the Group's export sales of phosphate-based fertilisers, by volume, decreased from 52.2% in 2011 to 45.4% in 2012 and 32.2% in 2013, in each case, as a result of a decrease in global demand for DAP.

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. 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. While, historically, the Group's principal customers have been in North America and Europe, whose fertiliser purchasers tend to peak in the second quarter of the year, the Group has been seeking to expand its customer base in the southern hemisphere, as well as elsewhere in the northern hemisphere in order to reduce this seasonality. In particular, the Group exports phosphate-based fertilisers to India and Brazil, where fertiliser purchases tend to peak in the first quarter of the year.

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 significant majority 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.

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 a significant majority 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)	
2013	8.4097	8.1516
2012	8.6290	8.4390
2011	8.0835	8.5651

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 64.4%, 66.9% and 69.8% of the Group's purchases consumed for the years ended 31 December 2013, 2012 and 2011, 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 approximately 28.1%, 35.1% and 38.1% of the Group's purchases consumed in 2013, 2012 and 2011, 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 4.3 million tonnes in 2013, which represented approximately 15% of the worldwide sulphur market according to IFA.

The Group's average sulphur consumption cost decreased to U.S.$143 per tonne in 2013 from U.S.$206 per tonne in each of 2012 and 2011. 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 approximately 19.5%, 18.8% and 18.7% of the Group's purchases consumed in 2013, 2012 and 2011, respectively.

Ammonia is used in the production of MAP, DAP and NPK, as well as specialised fertiliser products, such as sulphur and micronutrient specialty fertilisers. 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.$541 per tonne in 2013 from U.S.$588 per tonne in 2012 and U.S.$551 per tonne in 2011 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 approximately 16.0%, 12.4% and 12.6% of the Group's purchases consumed in 2013, 2012 and 2011, 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 shocks 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. However, domestic energy prices in Morocco have also been and remain substantially below those in Western Europe and North America.

The Group's average electricity consumption cost was U.S.$0.104 per kWh in 2013, U.S.$0.098 per kWh in 2012 and US$0.104 per kWh in 2011.

The Group's average fuel consumption cost increased to U.S.$524 per tonne in 2013 from U.S.$453 per tonne in 2012 and US$426 per tonne in 2011, 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.$0.94 per litre in 2013 from U.S.$0.84 per litre in 2012 and US$0.78 per litre in 2011, 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 construction of two slurry pipelines, the development of mining infrastructure and 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 costs of the Capital Expenditure Programme since its launch in 2008 to 2025 are estimated to be approximately Dh 145 billion, with Dh 26.3 billion already incurred between 2008 and 2013. As at 31 December 2013, approximately 22% of the remaining estimated total costs of the Capital Expenditure Programme were contractually committed. In the next three years, the Group expects to incur capital expenditure of approximately Dh 59.2 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 16.4% of the Group's revenue in 2013, 14.2% in 2012 and 10.1% in 2011. Freight out costs (including rail costs) accounted for 45.5% of the Group's external expenses in 2013, 45.7% in 2012 and 42.8% in 2011.

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 production 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 tariffs for the period 2014-2023, with the last contract having ended in December 2013. While negotiations are ongoing, the Group and ONCF are continuing transport operations under the same conditions and tariffs as the previous agreement. 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 will be 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. For 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 is in the process of launching a slurry pipeline 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 that the total cost of the slurry pipelines will be approximately Dh 6.8 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 two business divisions: mining and chemicals. The Group's products principally include phosphate rock, phosphoric acid and phosphate-based fertilisers. These products are sold globally, with the largest markets being the United States for phosphate rock, South Asia (particularly India) for phosphoric acid and South America for 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 Notes 4.10, 4.11 and 4.15 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		
	2013	2012	2011
		(Dh millions)	
Revenue	45,992	58,162	56,415
Production held as inventory	(225)	324	1,881
Purchases consumed	(18,983)	(22,899)	(20,799)
External expenses	(7,546)	(8,284)	(5,689)
Personnel expenses	(9,076)	(8,976)	(7,798)
Taxes	(236)	(233)	(226)
Amortisation, depreciation and operating provisions	(1,854)	(1,412)	(1,595)
Other operating income and expenses	673	987	679
Current operating profit	**8,746**	**17,670**	**22,867**
Other non-current operating income and expenses	415	(748)	(74)
Operating profit	**9,161**	**16,921**	**22,793**
Cost of gross financial debt	(689)	(693)	(622)
Financial income from cash investments	760	1,055	882
Cost of net financial debt	**71**	**363**	**260**
Other operating income and expenses	(39)	117	55
Financial profit	**32**	**479**	**315**
Profit before tax	**9,192**	**17,400**	**23,107**
Corporate income tax	(2,105)	(3,759)	(3,842)
Profit for the period	**7,087**	**13,641**	**19,267**
Change in fair value of assets held-for-sale	(27)	(17)	(13)
Change in fair value of cash hedges	10	(4)	3
Translation differences	(146)	(40)	(100)
Changes in actuarial gains and losses on pension obligations	2,482	749	(3,337)
Taxes on items recognised in equity	(109)	5	666
Income and expenses for the period, recognised directly in equity	2,211	694	(2,782)
Consolidated comprehensive income	**9,298**	**14,335**	**16,485**
Profit for the period per share	86.3	164.6	232.5

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

Revenue

Revenue decreased from Dh 58.2 billion in the year ended 31 December 2012 to Dh 46.0 billion in the year ended 31 December 2013, a decrease of Dh 12.2 billion, or 20.9%. 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 5.9 billion, or 23.5%, decrease in revenue from the sales of fertilisers, a Dh 4.0 billion, or 27.3%, decrease in revenue from the sales of phosphate rock, and a Dh 2.2 billion, or 16.7%, 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	10,727	14,753	(27.3)
Fertiliser	19,228	25,123	(23.5)
Phosphoric acid	10,991	13,186	(16.7)
Other income(1)	5,046	5,100	(1)
Total	**45,992**	**58,162**	**(20.9)**

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

Net Sales of Phosphate Rock

Revenue from phosphate rock sales decreased from Dh 14.8 billion in the year ended 31 December 2012 to Dh 10.7 billion in the year ended 31 December 2013, a decrease of Dh 4.0 billion, or 27.3%. 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.$118 per tonne as at 31 December 2013, as compared to U.S.$159 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)	10,727	14,753	(27.3)
Phosphate rock, volumes (*thousands of tonnes*)	10,666	10,941	(2.5)
Average price per tonne (*U.S.$*)(2)	118	159	(25.8)

(1) After elimination of intra-group sales and including freight costs.
(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 25.1 billion in the year ended 31 December 2012 to Dh 19.2 billion in the year ended 31 December 2013, a decrease of Dh 5.9 billion, or 23.5%. 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.$435 per tonne as at 31 December 2013, as compared to U.S.$538 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)	19,228	25,123	(23.5)
Fertilisers, volumes (*thousands of tonnes*)	5,215	5,493	(5.1)
Average price per tonne (*U.S.$*)(2)	435	538	(19.4)

(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 Phosphoric Acid

Revenue from phosphoric acid sales decreased from Dh 13.2 billion in the year ended 31 December 2012 to Dh 11.0 billion in the year ended 31 December 2013, a decrease of Dh 2.2 billion, or 16.7%. 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.$803 per tonne as at 31 December 2013, as compared to U.S.$993 per tonne as at 31 December 2012. This decrease was partially offset by an increase in sales volumes from 1,565 thousands of tonnes as at 31 December 2012 to 1,609 thousands of tonnes as at 31 December 2013, as acid import demand was less impacted by lower global prices.

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)	10,991	13,186	(16.7)
Phosphoric acid, volumes (*thousands of tonnes*)	1,609	1,565	2.8
Average price per tonne (*U.S.$*)(2)	805	993	(18.9)

(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 5.1 billion in the year ended 31 December 2012 to Dh 5.05 billion in the year ended 31 December 2013. This decrease was primarily due to a decrease in the Group's sales volumes of liquid sulphur.

Purchases Consumed

Purchases consumed decreased from Dh 22.9 billion in the year ended 31 December 2012 to Dh 19.0 billion in the year ended 31 December 2013, a decrease of Dh 3.9 billion, or 17.1%. This decrease was primarily due to a Dh 3.2 billion, or 25.5%, decrease in purchases of raw materials and a Dh 1.1 billion, or 56.7%, decrease in purchases of materials and supplies. 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.$143 per tonne in 2013, due to lower global demand. The decrease in purchases of materials and supplies was primarily due to a decrease in DAP prices in 2013.

The decrease in purchases consumed was partially offset by a Dh 0.5 billion, or 42.6%, 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	825	1,907	(56.7)
Purchases of raw materials	9,351	12,544	(25.5)
Purchases of other consumables	5,791	5,933	(2.4)
Purchases of non-storable supplies	1,214	1,251	(3.0)
Purchases of works, studies and services	1,803	1,265	42.6
Total	**18,983**	**22,899**	**(17.1)**

External Expenses

External expenses decreased from Dh 8.3 billion in the year ended 31 December 2012 to Dh 7.5 billion in the year ended 31 December 2013, a decrease of Dh 0.7 billion, or 8.9%. 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 9.3%, 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	3,433	3,786	(9.3)
Other operating transport	479	611	(21.6)
Remuneration of external personnel	942	940	0.1
Contributions and donations	469	866	(45.8)
Maintenance and repairs	362	362	(0.2)
Leases and lease expenses	298	178	67.4
Insurance premiums	194	164	18.4
Other external expenses	1,370	1,377	(0.5)
Total	**7,546**	**8,284**	**(8.9)**

Personnel Expenses

Personnel expenses increased from Dh 9.0 billion in the year ended 31 December 2012 to Dh 9.1 billion in the year ended 31 December 2013, an increase of Dh 0.1 billion, or 1.1%. This increase was primarily due to a Dh 0.5 billion, or 22.2%, 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 0.4 billion, or 6.0%, 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	6,285	6,687	(6.0)
Retirement benefits and other employee benefits	2,785	2,279	22.2
Other	6	10	(43.9)
Total	**9,076**	**8,976**	**1.1**

Depreciation, Amortisation and Operating Expenses

Depreciation, amortisation and operating expenses increased from Dh 1.4 billion in the year ended 31 December 2012 to Dh 1.9 billion in the year ended 31 December 2013, an increase of Dh 0.4 billion, or 31.3%. 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 16.9 billion in the year ended 31 December 2012 to Dh 9.2 billion in the year ended 31 December 2013, a decrease of Dh 7.8 billion, or 45.9%.

Financial Profit

Financial profit decreased from Dh 0.5 billion in the year ended 31 December 2012 to Dh 0.03 billion in the year ended 31 December 2013, a decrease of Dh 0.45 billion, or 93.4%. 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	(689)	(693)	(0.5)
Financial income from cash investments	760	1,055	(28.0)
Cost of net financial debt[1]	71	363	(80.4)
Other financial income and expenses, net	(39)	117	(133.8)
Total	**32**	**479**	**(93.4)**

(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 3.8 billion in the year ended 31 December 2012 to Dh 2.1 billion in the year ended 31 December 2013, a decrease of Dh 1.7 billion, or 44.0%. 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 3.2 billion in the year ended 31 December 2012 to a charge of Dh 2.1 billion in the year ended 31 December 2013 due to lower taxable income. This decrease was accentuated by a 0.5 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	(2,119)	(3,224)	(34.3)
Deferred tax expense/(tax income)	14	(535)	—
Total	**(2,105)**	**(3,759)**	**(44.0)**

Profit for the Period

As a result of the foregoing, the Group's 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%.

Year Ended 31 December 2012 compared to Year Ended 31 December 2011

Revenue

Revenue increased from Dh 56.4 billion in the year ended 31 December 2011 to Dh 58.2 billion in the year ended 31 December 2012, an increase of Dh 1.8 billion, or 3.1%. This increase was primarily due to a Dh 3.5 billion, or 16.0% increase in revenue from the sales of fertilisers, which was partially offset by a Dh 0.5 billion, or 3.3%, decrease in revenue from the sales of phosphate rock and a Dh 0.8 billion, or 5.4%, decrease in revenue from the sales of phosphoric acid and a Dh 0.4 billion, or 8.1%, decrease in revenue from other income.

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

	For the year ended 31 December		
	2012	2011	Change
	(Dh millions)		*(%)*
Phosphate rock	14,753	15,262	(3.3)
Fertiliser	25,123	21,662	16.0
Phosphoric acid	13,186	13,939	(5.4)
Other income[(1)]	5,100	5,552	(8.1)
Total	**58,162**	**56,415**	**3.1**

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

Net Sales of Phosphate Rock

Revenue from phosphate rock sales decreased from Dh 15.3 billion in the year ended 31 December 2011 to Dh 14.8 billion in the year ended 31 December 2012, a decrease of Dh 0.5 billion, or 3.3%. This decrease was primarily due to lower global phosphate rock prices. The Group's average phosphate rock prices were U.S.$159 per tonne as at 31 December 2012, as compared to U.S.$166 per tonne as at 31 December 2011, reflecting lower phosphate-based fertiliser prices (which are the main end-use product for phosphate rock) due to lower global demand. This decrease was accentuated by reduced export sales volumes (as a result of the decrease in global demand), but was partially offset by positive 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		
	2012	2011	Change
			(%)
Phosphate rock (*Dh millions*)[(1)]	14,753	15,262	(3.3)
Phosphate rock, volumes (*thousands of tonnes*)	10,941	11,371	(3.8)
Average price per tonne (*U.S.$*)[(2)]	159	166	(4.2)

(1) After elimination of intra-group sales and including freight costs.

(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 21.7 billion in the year ended 31 December 2011 to Dh 25.1 billion in the year ended 31 December 2012, an increase of Dh 3.5 billion, or 16.0%. This increase was primarily due to increased sales volumes as the Group increased its production and sales of fertilisers, in particular in the Latin American market, as well as, to Dh 1.2 billion positive movements in the U.S. Dollar/Dirham exchange rate. This increase was partially offset by lower global fertiliser prices. The Group's average fertiliser prices were U.S.$538 per tonne for the year ended 31 December 2012, as compared to U.S.$574 per tonne for the year ended 31 December 2011. The reduction in average fertiliser prices reflected lower global fertiliser prices due principally to the decrease of South Asian demand.

This increase was partially offset by contributions of fertilisers from the Group, through the OCP Foundation, to Moroccan farmers totalling Dh 1.2 billion. These contributions are a Government initiative that is intended to encourage the growth of the domestic fertiliser market.

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		
	2012	**2011**	**Change**
			(%)
Fertilisers (*Dh millions*)(1)	25,123	21,662	16.0
Fertilisers, volumes (*thousands of tonnes*)	5,493	4,660	17.9
Average price per tonne (*U.S.$*)(2)	538	574	(6.3)

(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 13.9 billion in the year ended 31 December 2011 to Dh 13.2 billion in the year ended 31 December 2012, a decrease of Dh 0.8 billion, or 5.4%. This decrease was primarily due to lower international prices for phosphoric acid. The Group's average phosphoric acid prices were U.S.$993 per tonne as at 31 December 2012, as compared to U.S.$1,063 per tonne as at 31 December 2011, as fertiliser prices decreased in 2012 compared to 2011 reflecting lower global demand. This decrease was partially offset by positive movements in the U.S. Dollar/Dirham exchange rate. The average U.S. Dollar/Dirham exchange rate was Dh 8.078 per U.S. Dollar for the year ended 31 December 2011, as compared to Dh 8.490 per U.S. Dollar for the year ended 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		
	2012	**2011**	**Change**
			(%)
Phosphoric acid (*Dh millions*)(1)	13,186	13,939	(5.4)
Phosphoric acid, volumes (*thousands of tonnes*)	1,565	1,621	(5.5)
Average price per tonne (*U.S.$*)(2)	993	1,063	(4.6)

(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 5.6 billion in the year ended 31 December 2011 to Dh 5.1 billion in the year ended 31 December 2012, a decrease of Dh 0.4 billion, or 8.1%. This decrease was primarily due to a decrease in the Group's resales of liquid sulphur.

Purchases Consumed

Purchases consumed increased from Dh 20.8 billion in the year ended 31 December 2011 to Dh 22.9 billion in the year ended 31 December 2012, an increase of Dh 2.1 billion, or 10.1%. This increase was primarily due to (i) a Dh 0.7 billion, or 56.7%, increase in purchases of materials and supplies, and a Dh 0.5 million, or 4.1%, increase in purchases of raw materials, primarily due to the purchase of additional volumes of sulphuric acid to meet the needs of increased fertiliser production, and an increase in the average price of ammonia (from U.S.$551 per tonne in 2011 to U.S.$588 per tonne in 2012), which is used in the production of fertilisers; and (ii) a Dh 0.4 billion, or 45.6% 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		
	2012	2011	Change
	(Dh millions)		*(%)*
Purchases of materials and supplies	1,907	1,217	56.7
Purchases of raw materials	12,544	12,049	4.1
Purchases of other consumables	5,933	5,672	4.6
Purchases of non-storable supplies	1,251	993	25.9
Purchases of works, studies and services	1,265	869	45.6
Total	**22,899**	**20,799**	**10.1**

External Expenses

External expenses increased from Dh 5.7 billion in the year ended 31 December 2011 to Dh 8.3 billion in the year ended 31 December 2012, an increase of Dh 2.6 billion, or 45.6%. This increase was primarily due to a Dh 1.3 billion, or 55.4%, increase in freight expenses and a Dh 0.6 billion, or 182.8%, increase in contributions and donations. The increase in freight expenses was primarily due to the recognition by the Group of rail freight expenses related to the Group's chemical products that had previously been classified by Maroc Phosphore S.A. as consumables. Such costs amounted to Dh 915 million in the year ended 31 December 2011. Freight expenses were also higher as a result of increased overseas sales to destinations, such as Turkey and Brazil. The increase in contributions and donations was primarily due to increased donations through the OCP Foundation.

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

	For the year ended 31 December		
	2012	2011	Change
	(Dh millions)		*(%)*
Freight out	3,786	2,436	55.4
Other operating transport	611	426	43.5
Remuneration of external personnel	940	674	39.4
Contributions and donations	866	306	182.8
Maintenance and repairs	362	176	105.3
Leases and lease expenses	178	142	25.7
Insurance premiums	164	99	64.9
Other external expenses	1,377	1,429	(3.7)
Total	**8,284**	**5,689**	**45.6**

Personnel Expenses

Personnel expenses increased from Dh 7.8 billion in the year ended 31 December 2011 to Dh 9.0 billion in the year ended 31 December 2012, an increase of Dh 1.2 billion, or 15.1%. This increase was primarily due to a Dh 0.6 billion, or 9.5%, increase in employee remuneration and related social charges as a result of increased headcount (as at 31 December 2012, the Group had 22,909 employees, as compared to 19,700 as at 31 December 2011), reflecting increased recruitment in the OCP Skills Programme and increased production. The increase of personnel expenses was accentuated by a Dh 0.6 billion 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.

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

	For the year ended 31 December		
	2012	2011	Change
	(Dh millions)		*(%)*
Employee remuneration and related social charges	6,687	6,106	9.5
Retirement benefits and other employee benefits	2,279	1,630	39.8
Other	10	62	(83.7)
Total	**8,976**	**7,798**	**15.1**

Depreciation, Amortisation and Operating Expenses

Depreciation, amortisation and operating expenses decreased from Dh 1.6 billion in the year ended 31 December 2011 to Dh 1.4 billion in the year ended 31 December 2012, a decrease of Dh 0.2 billion, or 11.5%.

Operating Profit

As a result of the foregoing, operating profit decreased from Dh 22.8 billion in the year ended 31 December 2011 to Dh 16.9 billion in the year ended 31 December 2012, a decrease of Dh 5.9 billion, or 25.8%.

Financial Profit

Financial profit increased from Dh 0.3 billion in the year ended 31 December 2011 to Dh 0.5 billion in the year ended 31 December 2012, an increase of Dh 0.2 billion, or 52.1%. This increase was primarily due to an increase in financial income from cash investments.

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

	For the year ended 31 December		
	2012	2011	Change
	(Dh millions)		*(%)*
Cost of gross financial debt	(693)	(622)	11.3
Financial income from cash investments	1,055	882	19.6
Cost of net financial debt(1)	363	260	39.5
Other financial income and expenses, net	117	55	110.5
Total	**479**	**315**	**52.1**

(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 remained relatively stable from Dh 3.84 billion in the year ended 31 December 2011 to Dh 3.76 billion in the year ended 31 December 2012. The Group's effective tax rate in 2012 was 19.75%, as compared to 19.31% in 2011. Current tax expense decreased by Dh 1.1 billion, primarily due to lower taxable income, while deferred tax expense increased by Dh 1.0 billion, primarily due to an increase in deferred tax liabilities as a result of the write-off of internal gains amounting to Dh 0.8 billion, the increase in the useful lives of certain intangible assets and the increase in the actuarial rate for the calculation of pension obligations.

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		
	2012	2011	Change
	(Dh millions)		*(%)*
Current tax expense	3,224	4,292	(24.9)
Deferred tax expense/(tax income)	535	(450)	—
Total	**3,759**	**3,842**	**2.2**

Profit for the Period

As a result of the foregoing, the Group's profit for the period decreased from Dh 19.3 billion in the year ended 31 December 2011 to Dh 13.6 billion in the year ended 31 December 2012, a decrease of Dh 5.6 billion, or 29.2%.

Operating Segments

Overview

For financial reporting purposes, the activities of the Group are divided into three operating segments: mining; chemicals; and support. Since 2011, the chemicals segment has generated the largest portion (approximately three-quarters) of the Group's revenue. However, the contribution of the chemicals segment to operating profit has been more varied as a result of movements in market prices. The operating segments of the Group comprise the following activities:

- *Chemicals.* The Group is active in processing phosphates, including fertilisers and phosphoric acid at its chemical processing plants located at Jorf Lasfar and Safi in Morocco. The chemicals segment also includes additional chemical products and services sold by the Group, including chemical activities related to horticulture and zinc processing. The results of operations of these activities are recorded as part of the chemicals segment. For the year ended December 31, 2013, the Chemicals segment generated 73% of the Group's total revenue.
- *Rock.* This operating segment includes revenue from the Group's extraction, processing and marketing of phosphate rock. For the year ended December 31, 2013, the Rock segment generated 23% of the Group's total revenue.
- *Support*. The Group's activities in support of its core chemicals and mining activities are recorded as part of the support segment.

The Group's segments are strategic business units that focus on different customers. 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 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				
	Chemicals	**Rock**	**Support**	**Intersegment eliminations**[(1)]	**Total**
			(Dh millions)		
Revenue	37,365	18,897	357	(10,627)	**45,992**
Current Operating Profit/(Loss)	3,468	5,531	(253)	(0)	**8,746**
Other Non-Current Income and Expenses	152	541	(279)	—	**415**
Operating Profit	3,620	6,072	(532)	(0)	**9,161**

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				
	Chemicals	**Rock**	**Support**	**Intersegment eliminations**[(1)]	**Total**
			(Dh millions)		
Revenue	46,246	22,781	277	(11,142)	**58,162**
Current Operating Profit/(Loss)	9,547	8,568	(446)	(0)	**17,670**
Other Non-Current Income and Expenses	(429)	(310)	(9)	—	**(748)**
Operating Profit	9,118	8,258	(455)	(0)	**16,921**

Segment Information for the year ended 31 December 2011

The following tables set forth certain financial information for each of the Group's segments as at and for the year ended 31 December 2011:

	As at and for the year ended 31 December 2011				
	Chemicals	**Rock**	**Support**	**Intersegment eliminations(1)**	**Total**
			(Dh millions)		
Revenue	44,341	32,449	291	(20,667)	**56,415**
Current Operating Profit/(Loss)	1,880	20,889	99	—	**22,867**
Other Non-Current Income and Expenses	(179)	105	(0)	—	**(74)**
Operating Profit	1,701	20,994	99	—	**22,793**

(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		
	2013	**2012**	**2011**
		(Dh millions)	
Net cash flows from operating activities	6,941	10,992	15,567
Net cash flows used in investing activities	(20,733)	(13,455)	(5,801)
Net cash flows from/(used in) financing activities	10,851	(328)	(2,763)

Net Cash Flows from Operating Activities

In the year ended 31 December 2013, net cash flows from operating activities were Dh 6.9 billion, as compared to Dh 11.0 billion in the year ended 31 December 2012, a decrease of Dh 4.1 billion, or 36.9%. 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, and to a decrease of tax income for Dh 1.7 billion. The decrease was partially offset by a Dh 2.8 billion increase in net working capital.

In the year ended 31 December 2012, net cash flows from operating activities were Dh 11.0 billion, as compared to Dh 15.6 billion in the year ended 31 December 2011, a decrease of Dh 4.1 billion, or 36.9%. This decrease was primarily attributable to lower net profit from Dh 19.3 billion in the year ended 31 December 2011 to Dh 13.6 billion in the year ended 31 December 2012, and to a decrease of provisions for Dh 3.9 billion, offset by a Dh 3.0 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, distributions received from joint ventures and placements of term deposits.

In the year ended 31 December 2013, net cash flows used in investing activities were Dh 20.7 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 13.5 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.

In the year ended 31 December 2011, net cash flows used in investing activities were Dh 5.8 billion. The main components of the Group's net cash flows used in investing activities in the year ended 31 December 2011 included: (i) Dh 1.2 billion expenditure in the development of fertiliser production capacity at Jorf Lasfar; (ii) Dh 0.7 billion expenditure in respect of the Jorf Phosphate Hub project; (iii) Dh 0.7 billion expenditure on the acquisition of mining land; (iv) Dh 0.6 billion expenditure in respect of the slurry pipeline between Khouribga and Jorf Lasfar; (v) Dh 0.6 billion expenditure on maintenance projects; (vi) Dh 0.4 billion expenditure on non-core activities; 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 2013, net cash flows from financing activities were Dh 10.9 billion, principally reflecting cash flows from the sale of marketable securities in the amount of Dh 13.2 billion and from the incurrence of debt in the amount of Dh 6.0 billion, which were partially offset by dividend payments in the amount of Dh 6.2 billion and debt repayments in the amount of Dh 2.2 billion.

In the year ended 31 December 2012, net cash flows used in financing activities were Dh 0.3 billion, principally reflecting dividend payments in the amount of Dh 4.7 billion and debt repayments in the amount of Dh 2.5 billion, which were partially offset by cash flows from the incurrence of debt in the amount of Dh 8.9 billion.

In the year ended 31 December 2011, net cash flows used in financing activities were Dh 2.8 billion, principally reflecting dividend payments by in the amount of Dh 3.5 billion and debt repayments in the amount of Dh 1.8 billion, which were partially offset by cash flows from the incurrence of debt in the amount of Dh 3.1 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		
	2013	**2012**	**2011**
	(Dh millions)		
Mining	13,120	7,880	5,499
Chemicals	7,307	4,968	712
Support	95	131	74
Total capital expenditures	**20,522**	**12,979**	**6,285**

The mining segment represented 63.9% of the capital expenditures of the Group in the year ended 31 December 2013, 60.7% in the year ended 31 December 2012 and 87.5% in the year ended 31 December 2011. The chemicals segment represented 35.6% of the capital expenditures of the Group in the year ended 31 December 2013, 38.3% in the year ended 31 December 2012 and 11.3% in the year ended 31 December 2011.

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 20 million tonnes at its mining sites in Khouribga and Ben Guerir with the development of three mines and the construction of three beneficiation plants;
- completing two slurry pipelines to transport phosphate rock (i) from Khouribga to Jorf Lasfar (with a length of 234 km and an annual capacity of up to 35 million tonnes) and (ii) from Gantour to Safi (with a length of 155 km and an annual capacity of up to 20 million tonnes) to generate savings on transportation costs by transporting phosphate rock by pipeline rather than by rail;

- 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 2014 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; 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.

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 32.2 million tonnes in 2013 to 38.2 million tonnes in 2016 and 52.2 million tonnes in 2025, of phosphoric acid from 4.7 million tonnes in 2013 to 6.5 million tonnes in 2016 and 9.2 million tonnes in 2025, and of fertilisers from 7.4 million tonnes in 2013 to 11.4 million tonnes in 2016 and 17.4 million tonnes in 2025.

Based on current plans, the total costs of the Capital Expenditure Programme since its launch in 2008 to 2025 are estimated to be approximately Dh 145 billion, with Dh 26.3 billion already incurred between 2008 and 2013. As at 31 December 2013, approximately 22% of the remaining estimated total costs of the Capital Expenditure Programme were contractually committed, representing the Group's Capital Expenditure Programme projects until 2016. In the next three years, the Group expects to incur capital expenditure of approximately Dh 59.2 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 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 2013 and the payments due, by period, under such obligations and commitments:

	As at 31 December 2013				
	Less than one year	**1-3 years**	**3-5 years**	**More than 5 years**	**Total**
			(Dh millions)		
Capital commitments[1]	17,015	15,146	—	—	**32,161**
Long-term and short-term loans[2]	5,891	7,225	6,629	4,387	**24,132**
Letters of credit	1,944	528	—	—	**2,472**
Total	**24,850**	**22,899**	**6,629**	**4,387**	**58,765**

(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.

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		
	2013	2012	2011
	(Dh millions)		
Current interest-bearing loans, borrowings and leases			
Sovereign-guaranteed bank loans	63	60	49
Current portion of long-term bank loans	2,577	2,046	1,496
Finance lease liabilities	314	175	162
Short Term borrowings	1,898	2,920	1,417
Other loans	912	1,542	59
Accrued interest payable	128	146	92
Sub-total	**5,891**	**6,888**	**3,275**
Non current interest-bearings loans, borrowings and leases			
Sovereign guaranteed bank loans	724	774	837
Non current portion of long-term bank loans	13,288	9,688	6,648
Domestic bond issue	2,000	2,000	2,000
Finance lease liabilities	1,345	1,036	405
Other loans	885	285	314
Sub-total	**18,242**	**13,783**	**10,203**
Total borrowings	**24,132**	**20,671**	**13,479**

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		
			2013	2012	2011
	(%)	(%)	(Dh millions)		
Current interest-bearing loans and borrowings and leases					
Sovereign-guaranteed loans (*€-denominated*)	1.30-2.50	2.06	63	60	49
Bank loans (*U.S.$-denominated*)	1.94	1.94	6	6	6
Bank loans (*Dh-denominated*)	4.70-6.07	4.97	2,571	2,039	1,490
Short-term borrowings (*U.S.$-denominated*)	0.80-0.96	0.88	563	582	247
Short-term borrowings (*€-denominated*)	—	—	—	—	577
Short-term borrowings (*Dh-denominated*)	—	—	522	1,575	285
Short-term borrowings (*INR-denominated*)	10.20-14.00	10.54	812	763	308
Finance lease liabilities (*Dh-denominated*)	5.25-5.75	5.61	275	110	101
Finance lease liabilities (*€-denominated*)	4.10	4.10	39	65	61
Other loans	3.11-4.42	3.17	912	1,542	59
Accrued Interest payable	—	—	128	146	92
Sub-total	**—**	**—**	**5,891**	**6,888**	**3,275**
Non-current interest-bearing loans and borrowings and leases					
Sovereign-guaranteed loans (*€-denominated*)	1.30-2.50	2.20	724	774	837
Bank loans (*U.S.$-denominated*)	1.94-4.15	3.41	4,429	2,574	24
Bank loans (*€-denominated*)	3.05-6.00	3.50	2,721	2,785	1,074
Bank loans (*Dh-denominated*)	4.70-6.07	4.94	6,138	4,318	5,500
Bank loans (*INR-denominated*)	—	—	—	10	50
Finance lease liabilities (*Dh-denominated*)	5.25-5.75	5.60	1,291	945	269
Finance lease liabilities (*€-denominated*)	4.10	4.10	53	91	136
Domestic bond issue	4.46	4.46	2,000	2,000	2,000
Other loans	—	—	885	285	314
Sub-total	**—**	**—**	**18,242**	**13,783**	**10,203**
Total	**—**	**—**	**24,132**	**20,671**	**13,479**

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 2013:

Year Due	2014	2015	2016	2017	2018	2019	2020	After 2020	Total
Amount due *(Dh millions)*	5,891	3,712	3,513	2,711	3,918	1,001	932	2,454	24,132

As at 31 December 2013, 5.6% of the Issuer's debt portfolio was comprised of floating rate borrowings.

Principal Debt Obligations of the Group

The following describes the principal debt obligations of the Group as at 31 December 2013:

- 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. The Issuer drew down this facility in full on 7 April 2014.
- 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 2013, the total amount outstanding under this facility was Dh 400.0 million. The Issuer drew down a further Dh 800 million under this facility on 11 March 2014.
- In September 2013, the Issuer entered into a U.S.$271 million loan facility with KFW in connection with water-related infrastructure and equipment. As at 31 December 2013, this facility, which bears interest at a fixed rate and matures in June 2024, is undrawn.
- 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. As at 31 December 2013, this Islamic facility, which bears a fixed Mark up and matures in January 2025, is undrawn.
- 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. As at 31 December 2013, the total amount outstanding under this facility was U.S.$160.0 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 2013, 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 two 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; and (ii) in February 2013, the Issuer drew down U.S.$53.3 million (approximately €40 million), which bears interest at a fixed rate. As at 31 December 2013, the total amount outstanding under this loan facility was U.S.$105.7 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 2013, the total amount outstanding under this loan facility was €240.0 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 2013, the total amount outstanding under this loan facility was €41.6 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 2013, the total amount outstanding under this loan was Dh 500.0 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 2013, the total amount outstanding under this loan was Dh 615.0 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 2013, the total amount outstanding under this loan was Dh 400.0 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 2013, the total amount outstanding under this loan was Dh 350.0 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 2013, the total amount outstanding under this loan was Dh 375.0 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 2013, the total amount outstanding under this credit facility was Dh 4,343.0 million, which includes Dh 1,256.0 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 and other restrictive covenants. By way of example, under certain loan facilities, the Issuer must comply with a number of financial covenants, including maintaining: (i) a debt service coverage ratio of at least 1.5:1; (ii) an equity ratio of not more than 3.50:1; (iii) a ratio of net debt to EBITDA of not more than 3:1 for two consecutive years; and (iv) a general liquidity ratio of not less than 1.25:1. The other facilities to which the Issuer is a party have similar financial covenants. 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		
	2013	2012	2011
	(Dh millions)		
Outstanding, open letters of credit(1)	2,472	3,246	531
Guarantees given by the Group on behalf of third parties	1,164	40	21
Equity commitments	1,500	1,500	—
Commitments resulting from operations relating to:			
Interest rate	351	245	386
Exchange rate	456	412	290
Prices of raw materials or goods	72	85	68
Others	401	569	207
Total commitments given	**6,415**	**6,097**	**1,504**
Sureties and guarantees	168	86	189
Guarantees given by third parties on behalf of the Group	19	87	106
Unused borrowings	7,651	8,653	—
Other commitments received for contracts(2)	7,682	6,050	—
Loans guaranteed by the State	787	834	861
Total commitments received	**16,306**	**15,710**	**1,156**

(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 crude oil exports and its refined oil products.

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 2013, Dh 5.0 billion of the Group's indebtedness was denominated in U.S. Dollars (representing 20.7% 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 also in the process 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 crude oil and refined oil products 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 2013, 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 most 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 2013, 5.6% of the Group's total outstanding loans and financial debts (current and non-current) were composed of floating 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 37,531 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 2013, 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 141 million as at 31 December 2013.

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 21 to the Financial Statements for details of the main assumptions used by the Group.

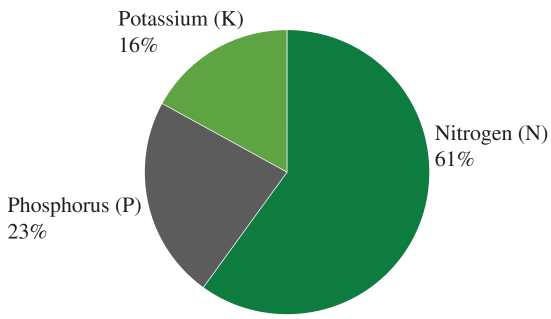
Overview of Fertilisers

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 maximizing 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 2012, the global production of primary nutrients was estimated to amount to 181 million tonnes of nutrients, of which nitrogen was 61%, phosphorus was 23% and potash was 16%, according to IFA.

Total nutrient consumption (2011/2012): 181 million tonnes



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

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. 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 deposits.

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 (KC1, 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

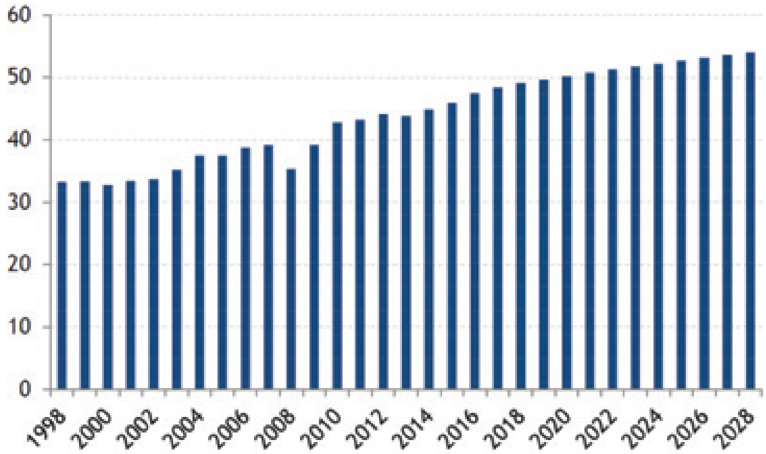
Global fertiliser demand is driven primarily by food, feed and fuel demand (which in turn are driven by, among other factors, population growth, a reduction in arable land per capita, dietary changes in the developing world and increased bio-fuel consumption). Given the constraints on increasing the 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 2013, global fertiliser demand was forecast by IFA to increase by 2.4% to 180.5 million tonnes in 2013/2014: demand for nitrogen would grow by 2.3% to 110.1 million tonnes; demand for phosphorus would grow by 2.2% to 41.2 million tonnes; and demand for potash would grow by 2.7% to 29.3 million tonnes. In the longer-term, according to Argus (based on IFA data), total phosphate fertiliser consumption is projected to grow from 43.8 million tonnes P_2O_5 in 2013 to 54.0 million tonnes P_2O_5 between 2013 and 2028 (representing a CAGR of 1.4% between 2013 and 2028).

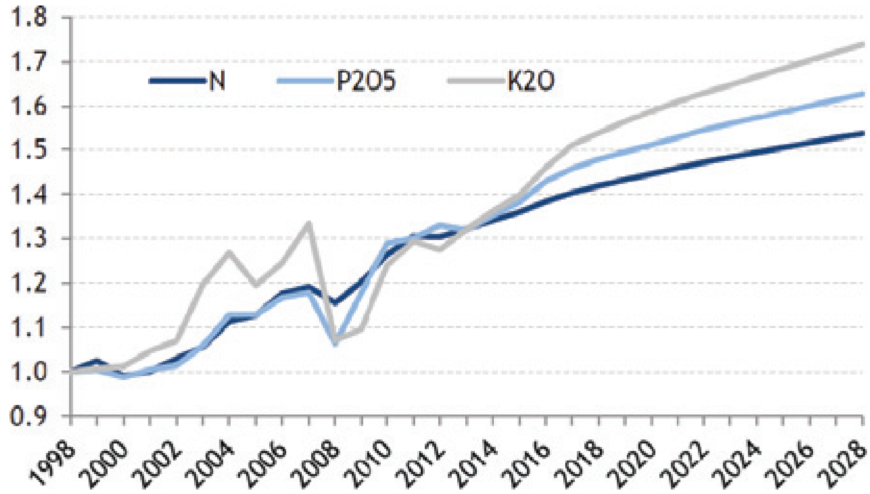
The graphs below illustrates expected growth in global fertiliser consumption.

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 fertilizer consumption 1998-2028 (forecast)

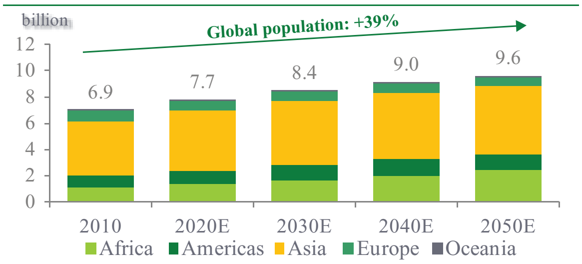


Source: Historical figures IFA/Argus FMB; Argus FMB projection for 2013-2028 and selected IFA country projections to 2017, IFA Chicago Conference, 2013.

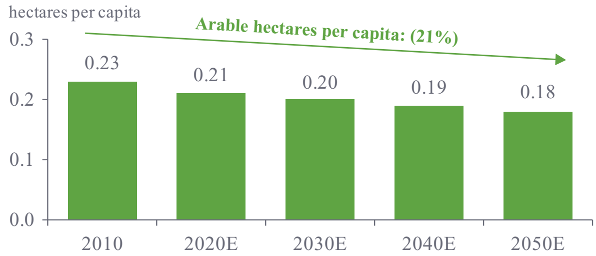
Population Growth and Arable Land per Capita

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



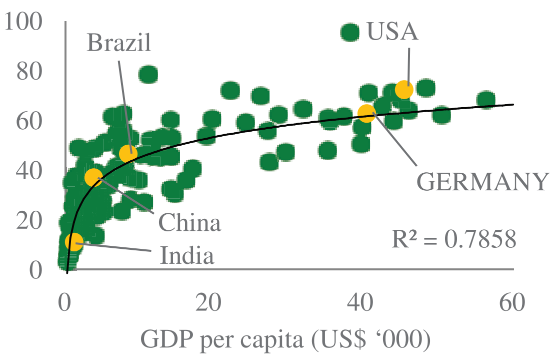
Source: FAO.

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.

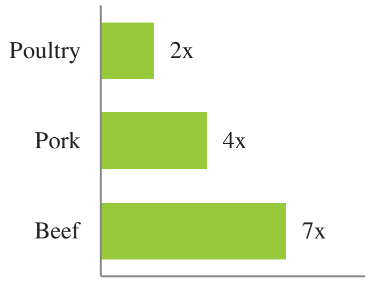
Dietary Changes in the Developing World

Developed nations currently 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 pound of pork.

Protein consumption (grams/capita/day)

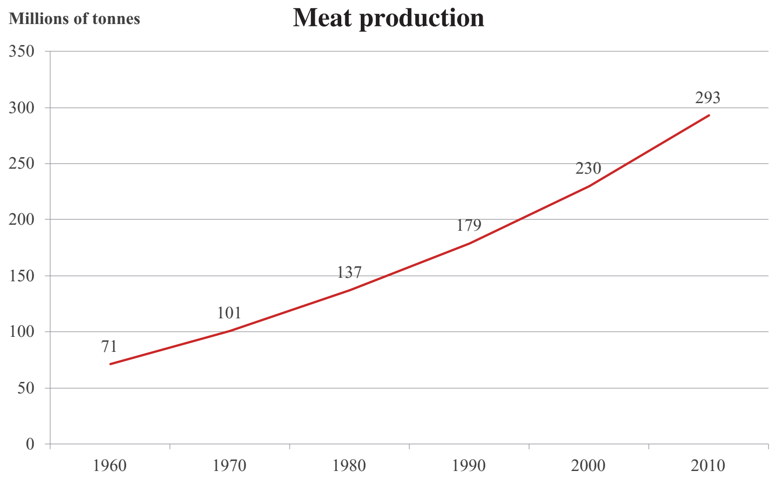


Kilograms of grain to produce 1 kilogram of meat



Source: FAOSTAT and World Bank 2009, IFA.

According to the FAO, world meat consumption is projected to grow by 1.8% per year on average until 2021, while emerging market countries meat consumption is projected to grow by 2.1% per year on average during the same period.



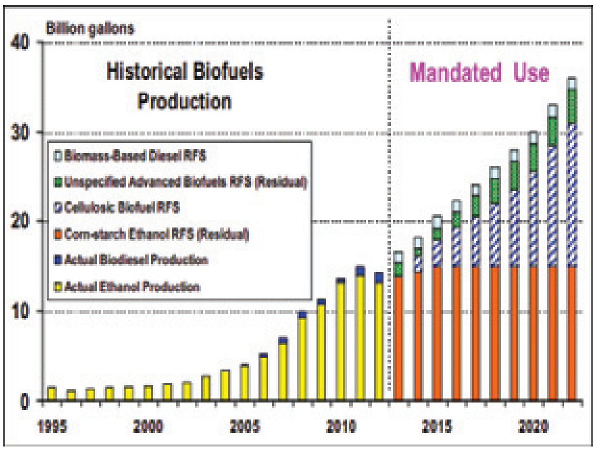
Source: FAO.

Biofuel Production

Given increasing legislation on using alternatives to fossil fuels, biofuel production has increased substantially in recent years. This trend is affecting 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 and according to the U.S. Environmental Protection Agency ("**EPA**"), in 2014, 18.2 billion gallons of biofuel per year are legally required to be consumed to meet the renewable fuel standard as amended by the Energy Independence and Security Act (EISA), more than two times the amount in 2008.

The graph below illustrates historic biofuel production 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



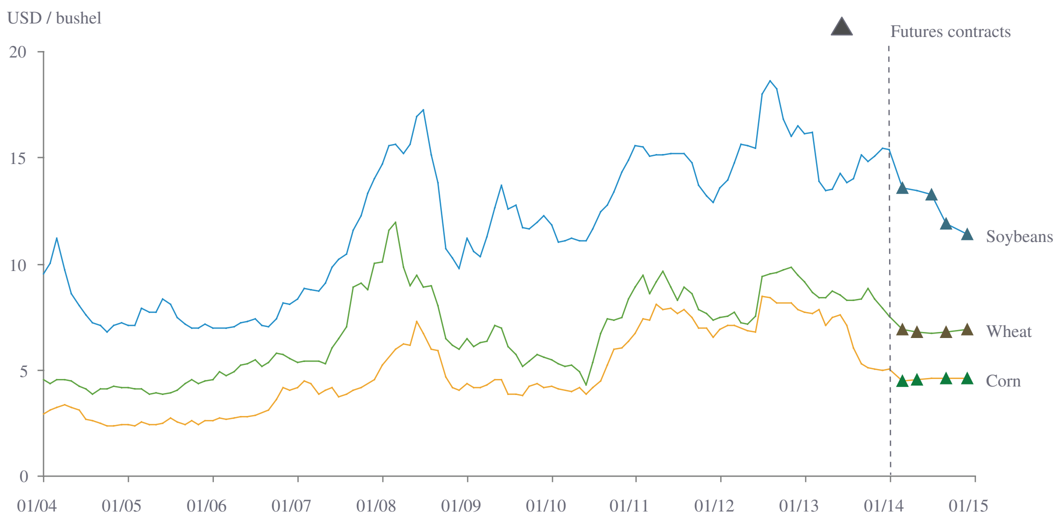
Source: EPA, 2011. Actual ethanol and biodiesel production data for 1995-2012 are from the Energy Information Agency (EIA), Department of Energy; the RFS2 mandates by category for 2013-2022 are from EISA (P.L. 110-140).

Agricultural Crop Prices and Inventory

Agricultural crop prices and inventory have an impact on the ability of farmers to purchase fertilisers. In the beginning of January 2014, global grain prices (corn, soybeans and wheat) were as follows as compared to their past five-year average: (i) soybeans prices 10% higher; (ii) wheat 1% below; and (iii) corn prices 17% below their past five-year average.

In the beginning of January 2014, actual global prices were approximately 30% higher 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 USD/bushel for corn; (ii) 8.4 USD/bushel for soybeans; and (iii) 5.5 USD/bushel for wheat.

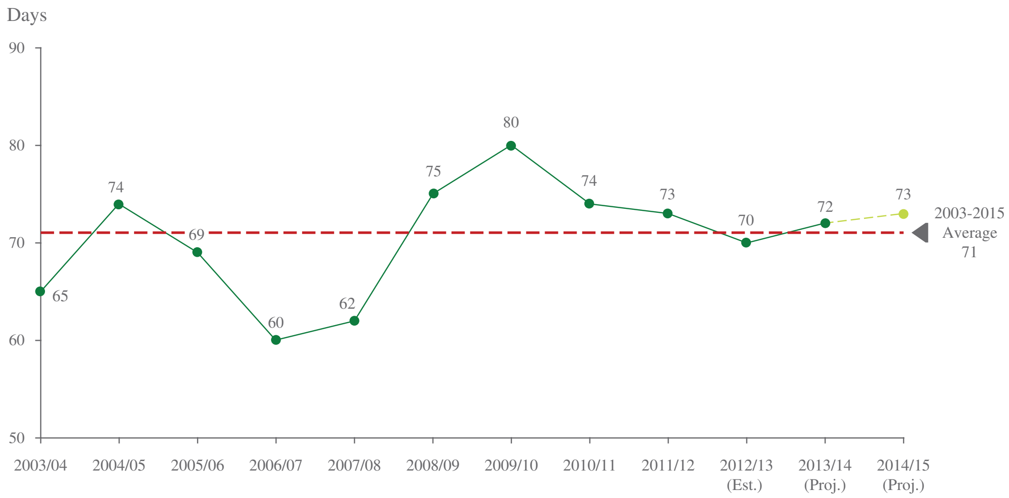
Corn, soybeans and wheat price evolution (2004–2014)



Source: World Bank, Chicago Board of Trade.

Based on USDA forecasts for ending stocks and utilisation, the global cereal stocks-to-use ratio is expected to be 20% (approximately 72 days of the year) in 2013/2014, slightly above the average for the 2003-2014 period.

Global grains (corn, soybean and wheat) stock-to-use ratio (2003-2014)

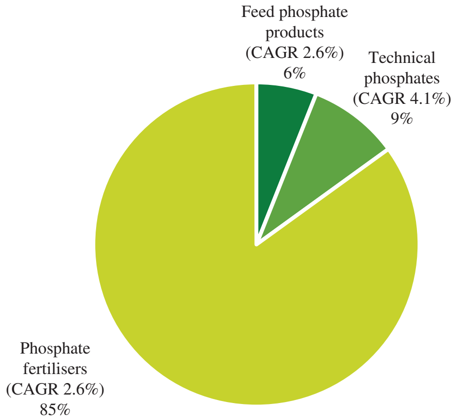


Source: USDA, OECD/FAO.

Demand Fundamentals of Phosphates and Primary End Markets

Phosphorus is predominantly used in fertilisers, which account for approximately 85% of global phosphate demand. Phosphorous 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.

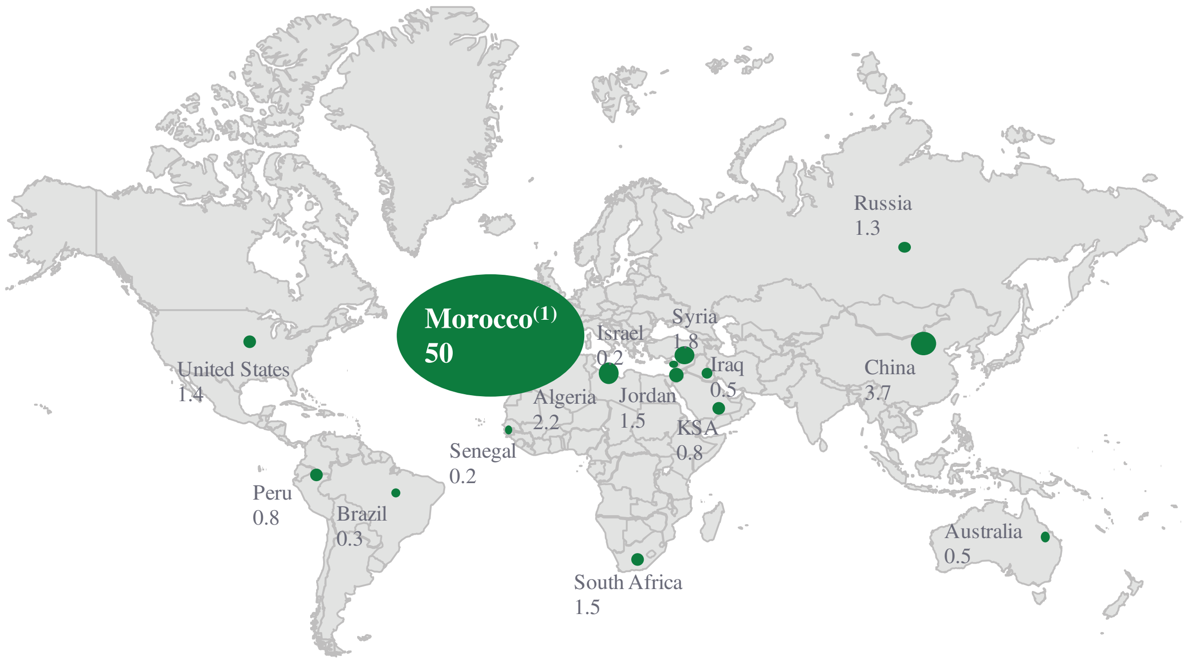
The table below shows CRU's estimates and forecast of global phosphate fertiliser consumption by region in 2014 and 2018.

	2014	**2018 forecast**	**Estimated 2014-2018 CAGR (%)**
	(million tonnes P_2O_5, except percentages)		
Asia and Middle East	26.8	29.1	2.1
South America	6.6	7.2	2.1
North America	5.9	6.3	1.4
Europe	5.3	5.4	0.4
Africa	1.7	1.8	1.8
Oceania	1.4	1.5	1.0
World total	47.7	51.3	1.8

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 phosphorous 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, global reserves of phosphate rock currently 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)



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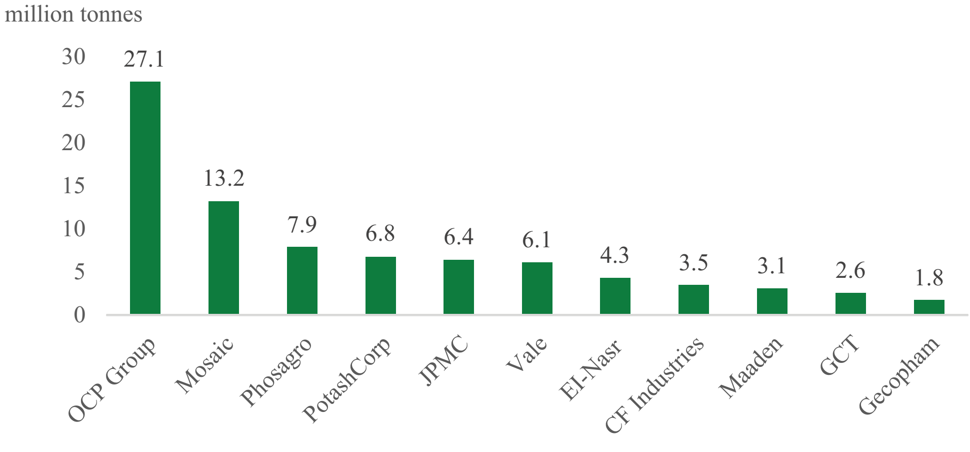
(1) Including Western Sahara, referred to as the Southern Provinces herein.
Source: USGS 2013.

Phosphate rock is the key raw material used in the production of phosphate fertilisers, which is produced 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 2012 (excluding Chinese players).

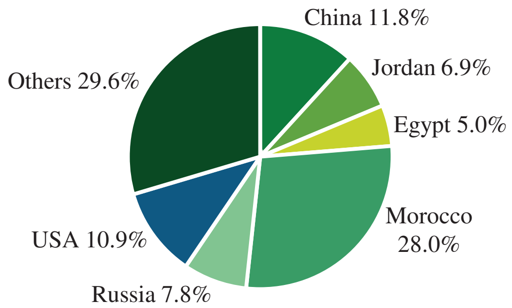
Largest global phosphate rock producers (by volume, excluding Chinese producers) (2012)



Source: Companies' annual reports and websites, Arab Fertilizer Association.

According to IFA, the size of the global trade market for phosphate rock, phosphoric acid and phosphate-based fertilisers was approximately 24.5 million tonnes P_2O_5 in 2012. 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 2012, are Morocco, China, USA, Russia, Jordan and Egypt, as shown in the graph below.

Largest phosphate mix (phosphate rock, phosphoric acid and phosphate-based fertilisers) country producers (2012)



Source: IFA (2012).

The largest three phosphate rock country producers—Morocco, China and the United States—hold approximately 50% of the global trade market for phosphate rock, phosphoric acid and phosphate-based fertilisers in 2012, according to IFA. In the phosphoric acid market and the phosphate-based fertiliser market, the largest three country producers held approximately 61% and 54% of global trade market share in 2012, according to the IFA. In 2012, according to IFA, the Group represented approximately 14%, 9% and 7% of the global phosphate rock, phosphoric acid and fertilizers 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 195 million tonnes in 2012; over this period, production increased at a CAGR of 2.4%.

According to CRU, the production of phosphate-based fertilisers (DAP/MAP/TSP) has increased at healthy rate since 2000, increasing from approximately 20.1 million tonnes P_2O_5 in 2000 to approximately 30.7 million tonnes product by 2012; over this period, production increased at a CAGR of 3.6%.

Operating rates have also displayed resilience, being between 58% and 69% over the last decade. Over the 2000-2012 period, consumption increased at a CAGR of 3.6% while supply increased at a CAGR of 3.6%, 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

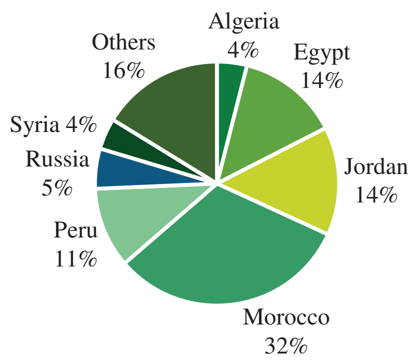
Rock Phosphate

According to IFA statistics, world exports of phosphate rock decreased by approximately 3% in 2012, to approximately 30.1 million tonnes in 2012 from approximately 31.1 million tonnes in 2011.

Phosphate rock is mainly produced and processed in the same country. Out of approximately 200 million tonnes of phosphate rock produced in 2013, only 30 million tonnes approximately were traded internationally.

The chart below shows the main phosphate rock exporters in 2012. The Group is the largest exporter of phosphate rock with a market share of 32% of global exports by volume in 2012 while representing 14% of the global production of phosphate rock in the same year, according to IFA.

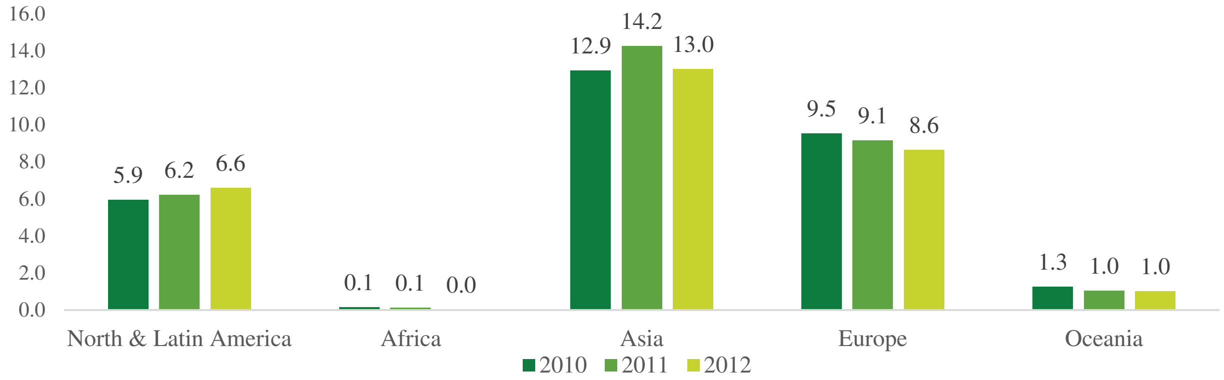
Market share of the main phosphate rock exporters (2012)



Source: IFA statistics (2012).

The chart below shows the main phosphate rock importers for the 2010-2012 period.

World phosphate rock imports (million tonnes)



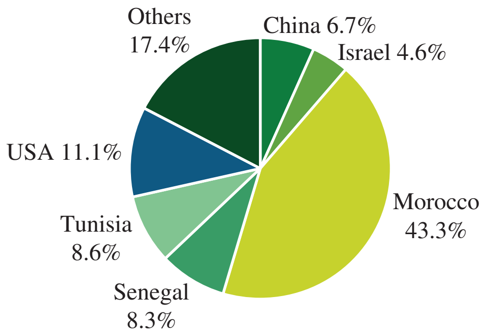
Source: IFA statistics (2010-2012).

Phosphoric Acid

World phosphoric acid exports decreased by approximately 5% in 2012, to approximately 4.2 million tonnes P_2O_5 in 2012 from approximately 4.4 million tonnes P_2O_5 in 2011.

The chart below shows the main phosphoric acid exporters in 2012.

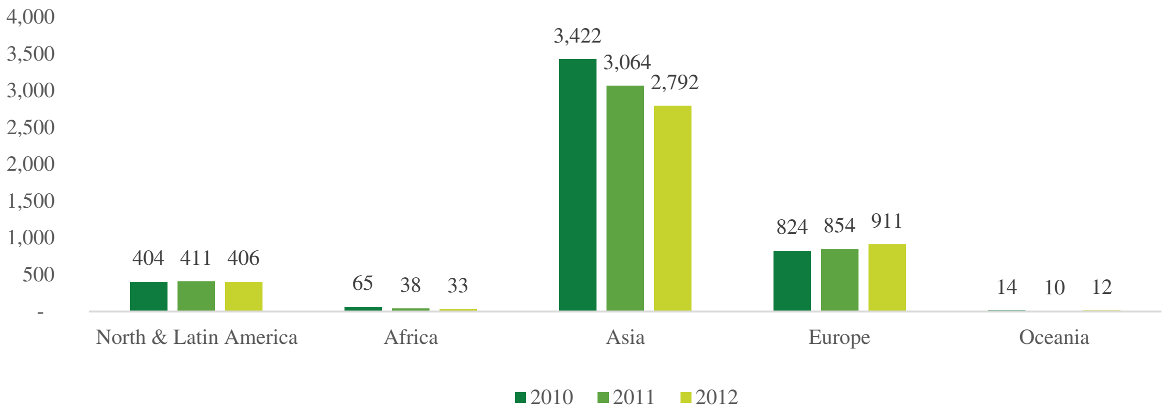
Market share of the main phosphoric acid exporters (2012)



Source: IFA statistics (2012).

The chart below shows the main phosphoric acid importers for the 2010-2012 period. The Group is the largest exporter of phosphoric acid with a market share of 43% of global exports in by volume 2012 while representing 9% of the global production of phosphoric acid in the same year, according to IFA.

World phosphoric acid imports (thousand tonnes P_20_5)



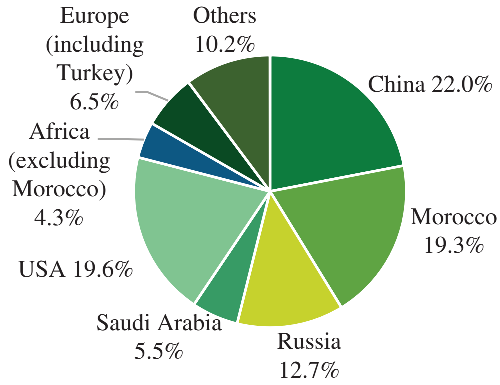
Source: IFA Statistics (2010-2012).

Phosphate-Based Fertilisers

World phosphate-based fertilisers imports decreased by approximately 7% in 2012, to approximately 11.3 million tonnes P_2O_5 in 2012 from approximately 12.1 million tonnes P_2O_5 in 2011.

The chart below shows the main phosphate-based fertiliser exporters in 2012. The Group is the largest exporter of phosphate-based fertilisers with a market share of 19% of global exports by volume in 2012 while representing 7% of the global production of phosphate-based fertilisers in the same year, according to IFA.

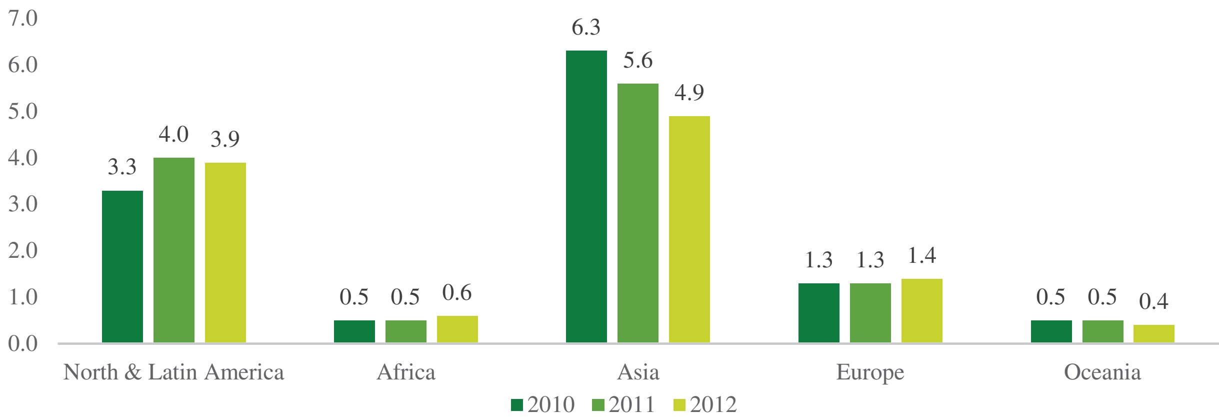
Market share of the main phosphate-based fertiliser exporters (2012)



Source: IFA statistics (2012).

The chart below shows the main phosphate-based fertiliser importers for the 2010-2012 period.

World phosphate-based fertiliser importers (million tonnes P_20_5)

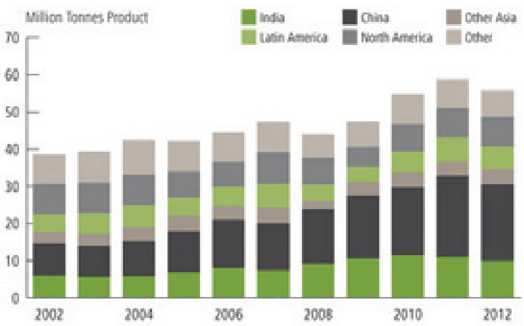


Source: IFA statistics (2010-2012).

The tables below set forth global DAP and MAP consumption as well as projected phosphate demand growth to 2017, according to the CRU.

World DAP and MAP consumption

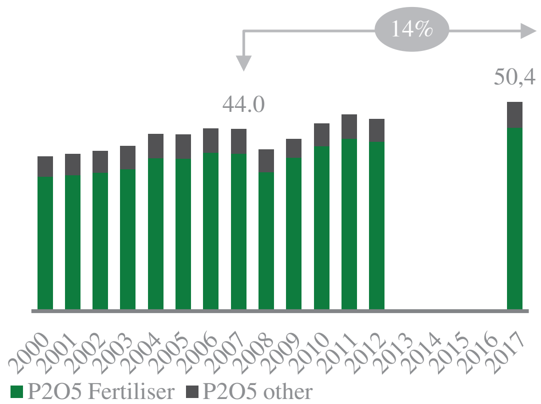
Million tonnes



Source: Fertecon, 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 47%, 39%, 34%, 29%, 27%, 20% and 11% of North America, Africa, South America, Europe, South/West Asia, Oceania and East Asia imports in 2012, respectively.

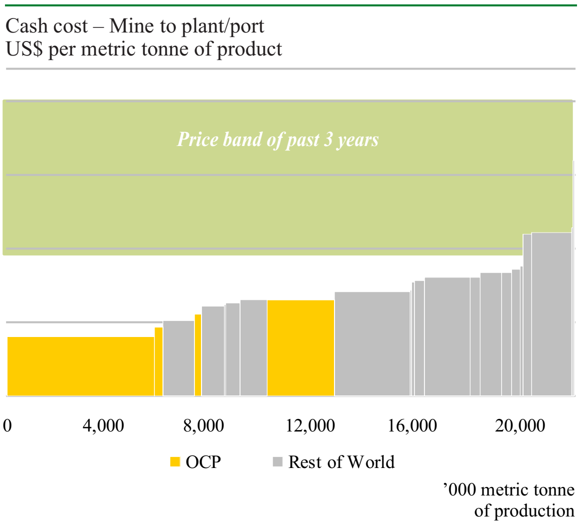
Cost Structure

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.

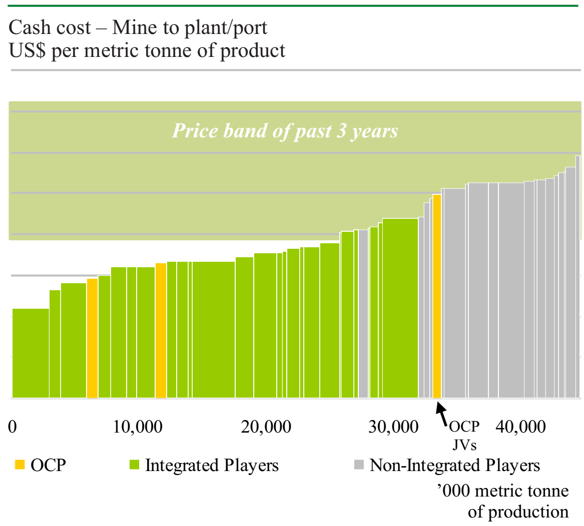
The Group has a quality rock supply and has one of the lowest phosphate rock cash costs in the industry, giving the Group a significant competitive advantage over producers that must purchase rock. Of the global phosphate producers, approximately 30% of them are non-integrated and rely on imports or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

Rock export cash costs



Fertiliser production cash costs (DAP)



Source: CRU, 2013.

BUSINESS

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 was the largest producer of phosphate rock and phosphoric acid, and the second largest producer of phosphate-based fertilisers (DAP, MAP and TSP), globally in 2012 (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 33 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, micronutrient specialty fertilisers 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 2013, the Group's total revenue was Dh 46.0 billion, its Adjusted EBITDA was Dh 10.6 billion and its profit for the period was Dh 7.1 billion. The Group's total assets were Dh 107.0 billion as at 31 December 2013.

According to the USGS, 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 maximum production capacity of 32.2 million tonnes per year. The average P_2O_5 content of the phosphate rock currently mined by the Group is approximately 30%, based on the Group's 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 production capacity of 6.4 million tonnes of fertilisers and 3.2 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.
- At the Safi site, the Group's facilities have a 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 interests in processing plants in Belgium, 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:

- completing two slurry pipelines, which are intended to transport up to 55 million tonnes of rock per year and generate significant savings on transportation costs by transporting phosphate rock by pipeline rather than by rail;
- increasing the mining capacity of Khouribga and Ben Guerir by approximately 20 million tonnes with the opening of three mining facilities and the construction of three beneficiation plants;
- expanding the fertiliser and phosphoric acid production capacity at Jorf Lasfar and Safi; 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 was the largest producer of phosphate rock and phosphoric acid, and the second largest producer of phosphate-based fertilisers (DAP, MAP and TSP), globally in 2012 (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 2013, the Group had annual production capacity of phosphate rock, phosphoric acid and fertilisers of 32.2 million tonnes, 4.7 million tonnes and 7.4 million tonnes, respectively. In 2012 the Group accounted for approximately 32%, 43% and 19% 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 90 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 2013, Morocco (including Western Sahara, or the Southern Provinces as referred herein) has the largest phosphate rock reserves in the world with 50 billion tonnes (approximately 10 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 30%, based on the Group's 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. In contrast, the Group's exclusive access to Morocco's reserves of phosphate rock provides the Group with a cushion from, and an internal hedge against, the impact of adverse fluctuations in prices of phosphate rock on the Group's margins. 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 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 2014 states that the Group's mines are among the lowest in terms of cash costs in 2013. The Group expects that the launch of the slurry pipeline to transport phosphate rock from Khouribga to Jorf Lasfar, expected in 2014, will be 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, and, apart from purchases of sulphur and ammonia 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 2013, the Group's largest single customer accounted for 5.5% of the Group's total revenue and, accordingly, the Group is not dependant 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 33%, 29%, 22%, 12% and 4%, 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; (iii) increase in consumption of meat in emerging markets; and (iv) increased production of biofuels. Global phosphate fertiliser demand is projected to grow at a CAGR of 1.8% from 2014 to 2018, according to IFA. The Group believes that high 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 1.8% per year on average until 2021, while consumption of meat in emerging market countries is projected to grow by 2.1% 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.

Lastly, the increased need to diversify away from traditional energy sources towards renewable sources, including biofuels, have increased demand for crops (including corn and sugar cane for ethanol and soy bean for biodiesel), which have also increased demand for fertilisers.

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 construction of two slurry pipelines, the development of mining infrastructure and 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 debt has increased in recent years, from Dh (2.3) billion as at 31 December 2011 to Dh 3.5 billion as at 31 December 2012 and Dh 21.8 billion as at 31 December 2013, 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 debt levels will remain consistent with its objective of maintaining its investment grade rating, with a maximum target net 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 20 million tonnes at its mining sites in Khouribga and Ben Guerir with the development of three mines and the construction of three beneficiation plants. Second, it is in the process of launching a slurry pipeline to transport phosphate rock from Khouribga to Jorf Lasfar (with a length of 234 km and an annual capacity of up to 35 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 20 million tonnes). The slurry pipelines are intended to replace more expensive transport by train and significantly reduce the Group's transportation costs. Third, 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 2014 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 also constructed two granulation plants, 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. 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 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 32.2 million tonnes in 2013 to 38.2 million tonnes in 2016 and 52.2 million tonnes in 2025, of phosphoric acid from 4.7 million tonnes in 2013 to 6.5 million tonnes in 2016 and 9.2 million tonnes in 2025, and of fertilisers from 7.4 million tonnes in 2013 to 11.4 million tonnes in 2016 and 17.4 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 Dh 145 billion, with Dh 26.3 billion already incurred between 2008 and 2013. As at 31 December 2013, approximately 22% of the remaining estimated total costs of the Capital Expenditure Programme were contractually committed, representing the Group's Capital Expenditure Programme projects until 2016. 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 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 also plans to open representation offices and establish wholly-owned subsidiaries in certain key export markets in the future, including China, the Ivory Coast, Singapore, the United Arab Emirates and the United States.

History

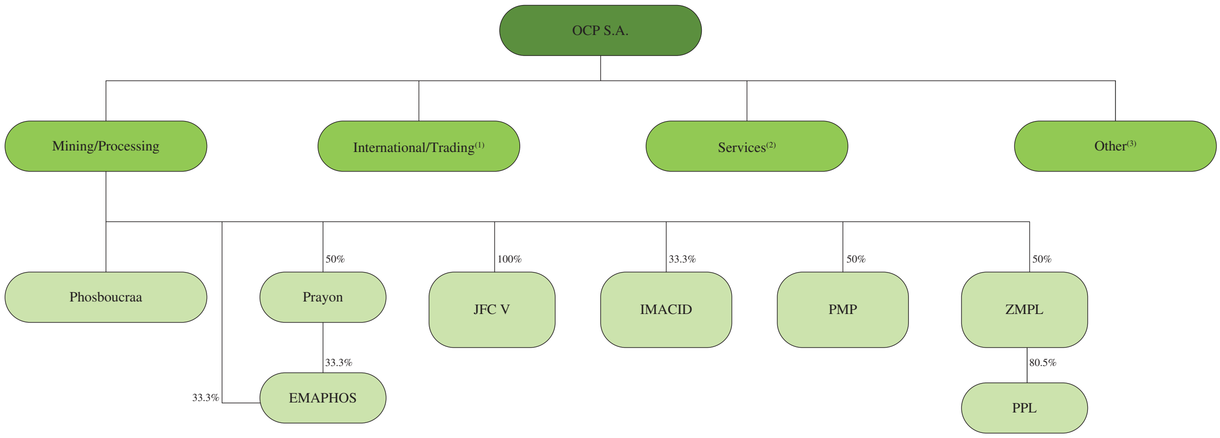
The *Office Chérifien des Phosphates* was established on 7 August 1920. The following are key development stages of the Group:

- *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.
- *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 (now Jorf Fertiliser Company V ("**JFC V**")), initially a 50/50 joint venture with the Bunge group (now a wholly-owned subsidiary of the 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*—JFC V became a wholly-owned subsidiary of the Group, which acquired the remaining 50% stake in JFC V.
- *Beginning 2014*—Final test phase for the launch of the slurry pipeline from the Khouribga mining site to Jorf Lasfar completed.

Organisational Structure of the Group

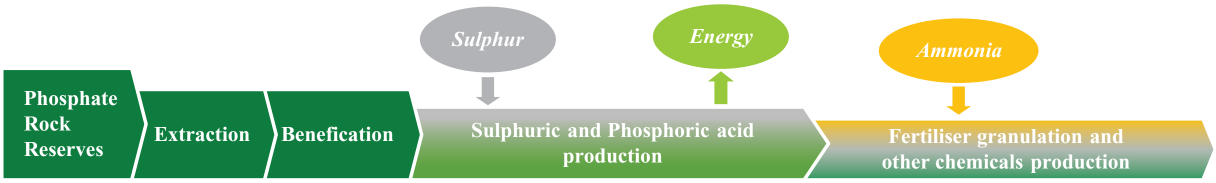
The following chart sets forth the Group's organisational structure as of the date of this Prospectus. The chart provides information in respect of the Company's principal subsidiaries and sets forth the Group's ownership of the subsidiaries' share capital (100% unless indicated):



(1) Includes OCP International Cooperative U.A., OCP de Argentina Ltd., OCP do Brasil Ltda, Black Sea Fertiliser Trading Company (70%) 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%), OCP Innovation Fund for Agriculture, BCP (5.1%) 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 micronutrient specialty fertilisers 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 2013, the Group treated 26.4 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 trace 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 2013, 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 2013, Morocco (including Western Sahara, referred to as the Southern Provinces herein) has the largest phosphate rock reserves in the world with 50 billion tonnes, 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 30%, based on the Group's 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 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 2013.

	As at and for the year ended 31 December 2013				
	Khouribga	**Youssoufia**	**Ben Guerir**	**Boucraa**	**Total**
	(thousand tonnes, except where indicated)				
Volume of phosphate ore extracted	18,507.1	2,889.6	4,136.3	2,097.9	27,630.9
Extraction capacity (per year)	21,000.0	3,800.0	4,800.0	2,600.0	32,200.0

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 million tonnes per year.

Khouribga is currently comprised of three mines: Daoui, Merah El Ahrach and Sidi Chennane. 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.

The total length of the Daoui deposit is 15 km, and the mineable thickness of the ore body varies from 4.8 metres to 17.0 metres, averaging 12.0 metres. Mining operations at the Daoui deposit are conducted on six levels from 730 metres to 880 metres above sea level. The total length of the Merah El Ahrach deposit is 21 km, and the mineable thickness of the ore body varies from 7.0 metres to 20.0 metres, averaging 17.0 metres. Mining operations at the Merah El Ahrach deposit are conducted on seven levels from 539 metres to 762 metres above sea level. The total length of the Sidi Chennane deposit is 17 km, and the mineable thickness of the ore body varies from 9.0 metres to 25.0 metres, averaging 19.5 metres. Mining operations at the Sidi Chennane deposit are conducted on seven levels from 475 metres to 600 metres above sea level.

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 is in the process of launching a slurry pipeline to transport phosphate rock from Khouribga to Jorf Lasfar (with a length of 234 km and an annual capacity of up to 35 million tonnes), which is intended to replace more expensive transport by train and reduce 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.

The total length of the Ben Guerir deposit is 22 km, and the mineable thickness of the ore body varies from 3.4 metres to 32.6 metres, averaging 13.8 metres. Mining operations at the Ben Guerir deposit are conducted on ten levels from 423 metres to 577 metres above sea level. The total length of the Buchan (Youssoufia) deposit is 14 km and the mineable thickness of the ore body varies from 2.0 metres to 26.3 metres, averaging 10.0 metres. Mining operations at the Buchan deposit are conducted on six levels from 248 metres to 445 metres above sea level. The total length of the M'Zinda (Youssoufia) deposit is 10 km, and the mineable thickness of the ore body varies from 7.5 metres to 7.7 metres, averaging 7.6 metres. Mining operations at the M'Zinda deposit are conducted on one level from 170 metres to 220 metres above sea level.

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.

In 2011, preparations began to open a third mining front at Youssoufia, Louta, and its development is ongoing. This mine is expected to progressively replace Buchan and to increase mining extraction capacity at Gantour by two million tonnes per year.

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 20 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, is expected to commence 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 objects of the company are to ensure the extraction, treatment, transport and marketing of phosphate mined in Boucraa.

The total length of the Boucraa deposit is 60 km, and the mineable thickness of the ore body varies from 1.5 metres to 9.0 metres, averaging 4.0 metres. Mining operations at the Boucraa deposit are conducted on one level from 170 metres to 220 metres above sea level.

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 uses 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 30% P_2O_5 content.

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		
	2013	2012	2011
	(thousand tonnes, except for percentages)		
Volume of phosphate ore extracted	27,630.9	28,486.6	27,214.4
Volume of phosphate rock treated(1)	26,403.1	27,060.3	28,051.7
Production capacity	32,200.0	33,300.0	33,300.0
Utilisation (%)	85.8	85.5	81.7

(1) Volumes of phosphate rock eligible for sale.

The Group treated 26.4 million tonnes of phosphate rock in 2013, 27.1 million tonnes in 2012 and 28.1 million tonnes in 2011 of which, 8.6 million tonnes, 9.4 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 2013:

	Production Capacity
	(million tonnes per year)
Benidir drying plant	10.5
Oued-Zem drying complex	8.5
Daoui beneficiation plant	6.4
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 Centrale facility that is expected to be completed in the first half of 2014 and which will supply water to all Khouribga washing facilities and the slurry pipeline.

In 2013, approximately 2.1 million tonnes of phosphate ore was processed and approximately 2.1 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 2013:

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

A cleaning station treatment plant in Ben Guerir was commissioned in 2011 and is expected to be completed in 2014.

In 2013, approximately 7.0 million tonnes of phosphate ore was processed and approximately 6.9 million tonnes of phosphate rock was produced at Gantour.

Boucraa

The table below sets forth the treatment facilities at Boucraa, together with their respective production capacities, as at 31 December 2013.

	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 2013, approximately 2.1 million tonnes of phosphate ore was processed and approximately 2.1 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 minerals extracted from its mines. The phosphorus present in the rocks is not available in plants cultivated on alkaline soil, as is mostly the case in Morocco. Sulphuric acid is added to these rocks 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 1SO 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		
	2013	2012	2011
		(thousand tonnes)	
Phosphoric acid	2,979	2,768	2,993
Phosphate-based fertilisers	4,013	4,019	3,646
of which:			
TSP	*241*	*123*	*25*
DAP	*1,775*	*2,318*	*2,480*
ASP + NPK	*99*	*48*	—
MAP + NPS	*1,897*	*1,530*	*1,141*

As at 31 December 2013, the Group's total production capacity at Jorf Lasfar was 6.4 million tonnes of fertilisers and 3.2 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 2014 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, 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 the end of 2014.

The Jorf Phosphate Hub is expected to enable international companies to produce phosphate products using the Group's infrastructure, processes, expertise and raw materials and to use the Group's trained employees.

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		
	2013	2012	2011
		(thousand tonnes)	
Phosphoric acid	1,381	1,390	1,406
Phosphate-based fertilisers	784	829	818
of which:			
TSP	*757*	*825*	*818*
DCP/MAP	*27*	*4*	—

As at 31 December 2013, the Group's total 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 interests in processing plants in Belgium, 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 2013, the Group had total annual production capacity of 4.7 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 2013.

	Phosphoric Acid 28%	Phosphoric Acid 54%	Purified Phosphoric Acid
		(million tonnes)	
Jorf Lasfar	**2,880**	**2,884**	**150**
Of which:			
Issuer	*1,700*	*1,704*	—
IMACID	*430*	*430*	—
PMP	*375*	*375*	—
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%.

Commercial wet processes are classified according to the hydrate form in which calcium sulphate is crystallised, which can be hemihydrate ($CaSO_4$* ½ H_2O) or dihydrate ($CaSO_4$*2 H_2O). The Group uses the hemihydrates process in fourteen units and the dihydrate process in six units.

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 2013, the Group had a total annual production capacity of 7.4 million tonnes of phosphate-based fertilisers at its facilities at Jorf Lasfar and Safi.

As part of its Capital Expenditure Programme, the Group is constructing at Jorf Lasfar four fully integrated fertiliser production units which are expected to become operational starting 2014 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 also constructed two granulation plants, which have a combined annual production capacity of 1.7 million tonnes.

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		
	2013	**2012**	**2011**
		(thousand tonnes)	
Sulphur consumed	4,282	4,315	4,492
Sulphuric acid consumed	612	662	422
Ammonia consumed	814	848	874

Sulphur and Sulphuric Acid

The Group purchases sulphur in liquid and solid form and sulphuric acid from third parties. The cost of sulphur is the largest supply cost for the Group and accounted for approximately 28.1% of the Group's purchases consumed in the year ended 31 December 2013. The Group estimates that its consumption of sulphur amounted to 4.3 million tonnes in 2013, which represented approximately 15% 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 decreased to U.S.$143 per tonne in 2013 from U.S.$206 per tonne in each of 2012 and 2011.

Ammonia

The Group purchases ammonia from a number of major third-party suppliers. The cost of ammonia accounted for approximately 19.5% of the Group's purchases consumed in the year ended 31 December 2013. In 2013, the Group purchased approximately 800,000 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.$541 per tonne in 2013 from U.S.$588 per tonne in 2012 and U.S.$551 per tonne in 2011.

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, 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		
	2013	2012	2011
	(millions of kWh, except where indicated)		
Group electricity production	1,316.1	1,248.7	1,444.1
Electricity purchases from third parties	1,058.3	1057.7	984.2
Total	**2,374.4**	**2,306.4**	**2,428.3**
Steam energy production (*KT*)	12,334	22,795	24,445

Customers

The Group has a large customer base comprising approximately 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 2013, the Group's ten largest customers represented 37.1% of the Group's export sales. The Group's largest single customer accounted for 5.5% 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 66.8% and 33.2% of the Group's total sales of phosphate rock by volume for the year ended 31 December 2013, 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					
	2013		2012		2011	
	Volume	% of Total	Volume	% of Total	Volume	% of Total
	(million tonnes, except percentages)					
Domestic sales	17.3	66.8	17.0	64.4	18.1	65.8
Export sales	8.6	33.2	9.4	35.6	9.4	34.2
Total sales	**25.9**	**100.0**	**26.5**	**100.0**	**27.5**	**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					
	2013		2012		2011	
	Volume	% of Total	Volume	% of Total	Volume	% of Total
	(million tonnes, except percentages)					
Issuer *(prior to 2012, Maroc Phosphore S.A.)*	13.2	75.0	13.7	77.8	13.7	72.9
PMP	1.4	8.0	1.3	7.4	1.4	7.4
JFC V	1.3	7.4	1.1	6.3	1.3	6.9
IMACID	1.3	7.4	0.9	5.1	1.6	8.5
PPL (India)	0.4	2.3	0.6	3.4	0.7	3.7
Prayon (Belgium)	0.0	0.0	0.0	0.0	0.1	0.5
Total intra-group sales	**17.6**	**100.0**	**17.6**	**100.0**	**18.8**	**100.0**

The principal export markets for the Group's phosphate rock are North America, Europe and Asia. The average price per tonne of phosphate rock exported by the Group was U.S.$118 in the year ended 31 December 2013 as compared to U.S.$159 in the year ended 31 December 2012 and U.S.$166 in the year ended 31 December 2011. 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					
	2013		2012		2011	
	Volume	% of Total	Volume	% of Total	Volume	% of Total
	(million tonnes, except percentages)					
North America	**2.9**	**33.8**	**2.9**	**30.9**	**3.0**	**31.9**
of which:						
United States	*1.9*	*22.6*	*2.3*	*24.5*	*2.5*	*26.6*
Mexico	*0.5*	*6.2*	*0.6*	*6.4*	*0.5*	*5.3*
Europe	**2.0**	**23.8**	**2.5**	**26.6**	**3.1**	**33.0**
of which:						
Belgium	*0.6*	*7.1*	*0.4*	*4.3*	*0.7*	*7.4*
Lithuania	*0.4*	*4.3*	*0.3*	*3.2*	*0.7*	*7.4*
South Asia	**1.2**	**14.3**	**1.7**	**18.1**	**1.2**	**12.8**
of which:						
India	*0.9*	*10.6*	*1.3*	*13.8*	*1.1*	*11.7*
Pakistan	*0.2*	*2.8*	*0.3*	*3.2*	*0.1*	*1.1*
South America	**0.8**	**8.9**	**1.1**	**11.7**	**1.0**	**10.6**
of which:						
Brazil	*0.5*	*5.6*	*0.6*	*6.4*	*0.6*	*6.4*
Peru	*0.1*	*1.4*	*0.1*	*1.1*	*0.1*	*1.1*
Africa and West Asia	**0.7**	**7.7**	**0.5**	**5.3**	**0.3**	**3.2**
of which:						
Turkey	*0.5*	*5.6*	*0.5*	*5.3*	*0.3*	*3.2*
Lebanon	*0.2*	*2.0*	—	—	—	—
East Asia	**0.6**	**7.0**	**0.2**	**2.1**	**0.2**	**2.1**
of which:						
Indonesia	*0.2*	*2.8*	*0.2*	*2.1*	—	—
Japan	*0*	*0.6*	*0*	*0.0*	*0.1*	*1.1*
Oceania	**0.4**	**4.4**	**0.5**	**5.3**	**0.6**	**6.4**
of which:						
New Zealand	*0.3*	*3.7*	*0.4*	*4.3*	*0.4*	*4.3*
Australia	*0.1*	*0.8*	*0.1*	*1.1*	*0.2*	*2.1*
Total export sales(1)	**8.6**	**100.0**	**9.4**	**100.0**	**9.4**	**100.0**

(1) Includes intra-group sales made to (i) PPL, which purchased 399,000 tonnes, 587,000 tonnes, and 654,000 tonnes of phosphoric rock produced by the Group for the years ended 31 December 2013, 2012 and 2011, respectively, and (ii) Prayon, which purchased 6,000 tonnes, 9,000 tonnes and 105,000 tonnes for the years ended 31 December 2013, 2012 and 2011, respectively.

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 2013, the Group had 47 customers for phosphate rock, which were located in 33 countries. The Group's top five customers accounted for 32.9% of total export sales of phosphate rock by volume for the year ended 31 December 2013, 34.8% for the year ended 31 December 2012 and 42.7% for the year ended 31 December 2011.

Approximately 40% 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 93.9% of the Group's total sales of phosphoric acid by volume in the year ended 31 December 2013. 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					
	2013		2012		2011	
	Volume	% of Total	Volume	% of Total	Volume	% of Total
	(million tonnes, except percentages)					
Domestic sales	0.1	6.1	0.1	6.9	0.1	4.5
Export sales	2.0	93.9	1.9	93.1	2.2	95.5
Total sales(1)	**2.2**	**100.0**	**2.0**	**100.0**	**2.3**	**100.0**

(1) Excludes phosphoric acid sold by Prayon, which sold 152,000 tonnes, 133,000 tonnes and 148,000 tonnes of phosphoric acid for the years ended 31 December 2013, 2012 and 2011, respectively.

For the year ended 31 December 2013, approximately 50.9% of the Group's total phosphoric acid sales by volume were sold from Safi and 49.1% 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					
	2013		2012		2011	
	Volume	% of Total	Volume	% of Total	Volume	% of Total
	(thousand tonnes, except percentages)					
Safi	**1,029**	**50.9**	**1,108**	**58.1**	**1,054**	**48.4**
Jorf Lasfar	**993**	**49.1**	**798**	**41.9**	**1,125**	**51.6**
of which:						
PMP	*368*	*18.2*	*319*	*16.7*	*372*	*17.1*
IMACID	*351*	*17.4*	*255*	*13.4*	*413*	*19.0*
Issuer (prior to 2012, Maroc Phosphore S.A.)	*157*	*7.8*	*69*	*3.6*	*184*	*8.4*
EMAPHOS	*109*	*5.4*	*94*	*4.9*	*86*	*3.9*
JFC V	*9*	*0.4*	*61*	*3.2*	*70*	*3.2*
Total export sales(1)	**2,023**	**100.0**	**1,906**	**100.0**	**2,179**	**100.0**

(1) Excludes phosphoric acid sold by Prayon, which sold 152,000 tonnes, 133,000 tonnes and 148,000 tonnes of phosphoric acid for the years ended 31 December 2013, 2012 and 2011, respectively.

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$803 in the year ended 31 December 2013 as compared to U.S.$993 in the year ended 31 December 2012 and U.S.$1,063 in the year ended 31 December 2011. 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					
	2013		2012		2011	
	Volume	% of Total	Volume	% of Total	Volume	% of Total
	(thousand tonnes, except percentages)					
South Asia	**1,315**	**65.0**	**1,014**	**53.2**	**1,306**	**59.9**
of which:						
India	*971*	*48.0*	*698*	*36.6*	*963*	*44.2*
Pakistan	*323*	*16.0*	*309*	*16.2*	*324*	*14.9*
Europe	**450**	**22.2**	**545**	**28.6**	**526**	**24.1**
of which:						
Belgium	*157*	*7.8*	*229*	*12.0*	*178*	*8.2*
Spain	*104*	*5.1*	*140*	*7.3*	*143*	*6.6*
Africa and West Asia	**154**	**7.6**	**247**	**13.0**	**173**	**7.9**
of which:						
Turkey	*75*	*3.7*	*142*	*7.5*	*115*	*5.3*
Saudi Arabia	*60*	*3.0*	*90*	*4.7*	*37*	*1.7*
East Asia	**65**	**3.2**	**84**	**4.4**	**68**	**3.1**
of which:						
Indonesia	*65*	*3.2*	*84*	*4.4*	*68*	*3.1*
South America	**39**	**1.9**	**17**	**0.9**	**94**	**4.3**
of which:						
Brazil	*35*	*1.7*	*15*	*0.8*	*94*	*4.3*
North America	**—**	**—**	**—**	**—**	**12**	**0.6**
Total export sales(1)(2)	**2,023**	**100.0**	**1,906**	**100.0**	**2,179**	**100.0**

(1) Includes intra-group sales made to (i) Prayon, which purchased 137,000 tonnes, 162,000 tonnes and 151,000 tonnes of phosphoric acid produced by the Group for the years ended 31 December 2013, 2012 and 2011, respectively, and (ii) PPL, which purchased 94,000 tonnes, 85,000 tonnes and 194,000 tonnes for the years ended 31 December 2013, 2012 and 2011, respectively.

(2) Excludes phosphoric acid sold by Prayon, which sold 152,000 tonnes, 133,000 tonnes and 148,000 tonnes of phosphoric acid for the years ended 31 December 2013, 2012 and 2011, respectively.

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 2013, the Group had 35 customers for phosphoric acid, which were located in 17 countries. The Group's top five customers accounted for 41.1% of total export sales of phosphoric acid by volume for the year ended 31 December 2013, 40.9% for the year ended 31 December 2012 and 48.5% for the year ended 31 December 2011.

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 89.6% of the Group's total sales of phosphate-based fertilisers by volume in the year ended 31 December 2013. The table below sets forth the Group's sales of phosphate-based fertilisers for the periods indicated:

	For the year ended 31 December					
	2013		2012		2011	
	Volume	% of Total	Volume	% of Total	Volume	% of Total
	(million tonnes, except percentages)					
Domestic sales	0.5	10.4	0.5	10.0	0.4	10.0
Export sales	4.3	89.6	4.5	90.0	3.8	90.0
Total sales	**4.8**	**100.0**	**5.0**	**100.0**	**4.2**	**100.0**

(1) Excludes phosphate-based fertilisers sold by PPL, which sold 1.3 million tonnes, 1.6 million tonnes and 1.3 million tonnes of phosphoric acid for the years ended 31 December 2013, 2012 and 2011, respectively.

The average price per tonne of phosphate-based fertilisers sold domestically (only to third parties) was Dh 2,184 in the year ended 31 December 2013 as compared to Dh 2,224 in the year ended 31 December 2012 and Dh 2,177 in the year ended 31 December 2011. The average price per tonne of phosphate-based fertilisers exported by the Group was U.S.$435 in the year ended 31 December 2013 as compared to U.S.$574 in the year ended 31 December 2012 and U.S.$616 in the year ended 31 December 2011. 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 2013, 84.0% of the Group's total phosphate-based fertiliser sales by volume were sold from Jorf Lasfar and 16.0% were sold from Safi. The following table sets forth the Group's export sales of phosphate-based fertilisers, by chemical processing site and product, for the periods indicated:

	For the year ended 31 December					
	2013		2012		2011	
	Volume	% of Total	Volume	% of Total	Volume	% of Total
	(thousand tonnes, except percentages)					
Jorf Lasfar	**4,075**	**84.0**	**4,231**	**84.8**	**3,641**	**86.1**
of which:						
TSP	*91*	*1.9*	*25*	*0.5*	*55*	*1.3*
DAP	*1,762*	*36.3*	*2,266*	*45.4*	*2,271*	*53.7*
NPK	*131*	*2.7*	*57*	*1.1*	*0*	*0.0*
MAP	*1,353*	*27.9*	*1,293*	*25.9*	*864*	*20.4*
DAP "manufactured" (JFC V)	*33*	*0.7*	*99*	*2.0*	*84*	*2.0*
MAP "manufactured" (JFC V)	*330*	*6.8*	*236*	*4.7*	*237*	*5.6*
TSP "manufactured" (JFC V)	*184*	*3.8*	*128*	*2.6*	*0*	*0.0*
DAP "manufactured" (IMACID)	*0*	*0*	*54*	*1.1*	*0*	*0.0*
Other	*190*	*3.9*	*75*	*1.4*	*130*	*3.1*
Safi	**775**	**16.0**	**757**	**15.2**	**587**	**13.9**
of which:						
TSP	*775*	*16.0*	*757*	*15.2*	*587*	*13.9*
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*
Total sales(1)	**4,850**	**100.0**	**4,989**	**100.0**	**4,228**	**100.0**

(1) Excludes phosphate-based fertilisers sold by PPL, which sold 1.3 million tonnes, 1.6 million tonnes and 1.3 million tonnes of phosphoric acid for the years ended 31 December 2013, 2012 and 2011, respectively.

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					
	2013		2012		2011	
	Volume	% of Total	Volume	% of Total	Volume	% of Total
	(thousand tonnes, except percentages)					
Jorf Lasfar	**4,075**	**84.0**	**4,231**	**86.0**	**3,641**	**86.1**
of which:						
Issuer (prior to 2012, Maroc Phosphore S.A.)	*3,528*	*72.7*	*3,713*	*75.5*	*3,190*	*75.4*
IMACID	*0*	*0*	*54*	*1.1*	*0*	*0.0*
PMP	*0*	*0*	*0*	*0.0*	*0*	*0.0*
JFC V	*547*	*11.3*	*463*	*9.4*	*451*	*10.7*
Safi	**775**	**16.0**	**757**	**15.4**	**587**	**13.9**
Total sales(1)	**4,850**	**100.0**	**4,989**	**100.0**	**4,228**	**100.0**

(1) Excludes phosphate-based fertilisers sold by PPL, which sold 1.3 million tonnes, 1.6 million tonnes and 1.3 million tonnes of phosphoric acid for the years ended 31 December 2013, 2012 and 2011, respectively.

The principal export markets for the Group's phosphate-based fertilisers are South America, Europe 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					
	2013		2012		2011	
	Volume	% of Total	Volume	% of Total	Volume	% of Total
	(thousand tonnes, except percentages)					
North America	**508**	**11.7**	**371**	**8.2**	**207**	**5.4**
of which:						
TSP	*50*	*1.2*	*79*	*1.8*	*29*	*0.8*
DAP	*195*	*4.5*	*102*	*2.3*	*90*	*2.4*
NPK	—	—	—	—	—	—
MAP	*252*	*5.8*	*182*	*4.0*	*87*	*2.3*
South America	**2,268**	**52.3**	**1,964**	**43.7**	**1,375**	**36.1**
of which						
TSP	*577*	*13.3*	*469*	*10.4*	*287*	*7.5*
DAP	*203*	*4.6*	*325*	*7.2*	*284*	*7.4*
NPK	*73*	*1.7*	—	—	—	—
MAP	*1,250*	*28.8*	*1,106*	*24.6*	*804*	*21.1*
Europe	**868**	**20.0**	**619**	**13.8**	**673**	**17.7**
of which:						
TSP	*139*	*3.2*	*76*	*1.7*	*177*	*4.6*
DAP	*606*	*13.9*	*385*	*8.6*	*366*	*9.6*
NPK	—	—	—	—	—	—
MAP	*123*	*2.8*	*158*	*3.5*	*130*	*3.4*
Africa and West Asia	**330**	**7.6**	**421**	**9.4**	**304**	**8.0**
of which:						
TSP	*40*	*0.9*	*34*	*0.8*	*50*	*1.3*
DAP	*231*	*5.3*	*316*	*7.0*	*225*	*5.9*
NPK	—	—	—	—	—	—
MAP	*46*	*1.1*	*72*	*1.6*	*29*	*0.8*
South Asia	**235**	**5.4**	**969**	**21.5**	**1,104**	**29.0**
of which:						
TSP	*190*	*4.3*	*192*	*4.3*	*171*	*4.5*
DAP	*37*	*0.9*	*772*	*17.2*	*933*	*24.5*
NPK	—	—	—	—	—	—
MAP	*6*	*0.1*	*5*	*0.1*	—	—
East Asia	**116**	**2.7**	**154**	**3.4**	**84**	**2.2**
of which:						
TSP	—	—	*7*	*0.2*	*14*	*0.4*
DAP	*115*	*2.7*	*147*	*3.3*	*71*	*1.9*
NPK	—	—	—	—	—	—
MAP	—	—	—	—	—	—
Oceania	**12**	**0.3**	**—**	**—**	**66**	**1.7**
of which:						
TSP	*3*	*0.1*	—	—	—	—
DAP	*9*	*0.2*	—	—	*22*	*0.6*
NPK	—	—	—	—	—	—
MAP	—	—	—	—	*44*	*1.2*
Total export sales(1)	**4,337**	**100.0**	**4,497**	**100.0**	**3,813**	**100.0**

(1) Excludes phosphate-based fertilisers sold by PPL, which sold 1.3 million tonnes, 1.6 million tonnes and 1.3 million tonnes of phosphoric acid for the years ended 31 December 2013, 2012 and 2011, respectively. Substantially all of PPL's sales were directed to South East Asia.

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 18%, 8% and 37% of total export sales of phosphate-based fertilisers by volume for the year ended 31 December 2013. For the year ended

31 December 2013, the Group had 60 customers for fertilisers, which were located in 27 countries. The Group's top five customers accounted for 41.9% of total export sales of phosphate-based fertilisers by volume for the year ended 31 December 2013, 36.0% for the year ended 31 December 2012 and 24.2% for the year ended 31 December 2011. 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 1% of the its revenue for the year ended 31 December 2012. 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 2013, the Group sold approximately 15,000 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 1.4 million tonnes and phosphate rock storage facilities with a total storage capacity of 6.6 million tonnes as at 31 December 2013. These storage facilities allow the Group to store up to approximately 24% of the Group's phosphate rock, phosphoric acid and phosphate-based fertilisers annual production volume (based on 2013 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 2013:

	Storage Capacity
	(thousand tonnes)
Storage of Extracted Phosphate Ore	
Khouribga	1,115
of which:	
Daoui	*125*
Sidi Chennane	*600*
MEA	*390*
Gantour	1,300
of which:	
Ben Guerir	*300*
Ben Guerir (wet sorted)	*500*
Youssoufia (wet sorted)	*500*
Boucraa	300
of which:	
Facility 1 (wet sorted)	*150*
Facility 2 (wet sorted)	*150*
Storage of Treated Products	
Khouribga	2,350
of which:	
Parc el Wafi	*800*
Benidir Plant (wet)	*300*
Oued Zem Drying Complex (wet)	*250*
Merah Benefeciation Plant	*450*
Benidir Plant (dry)	*100*
Oued Zem Drying Complex (dry)	*80*
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 2013:

	Storage Capacity				
	Sulphuric Acid	Phosphoric Acid 28%	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	40	—	—
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 is expected to decrease once the Group's planned slurry pipelines are 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 Group is currently in negotiations with ONCF in respect of a new transportation contract for the period 2014-2023, with the last contract having ended in December 2013. While negotiations are ongoing, the Group and ONCF are continuing transport operations under the same conditions and tariffs as the previous agreement. 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 last contract with ONCF, the Group paid tariffs of Dh 61 per tonne for transportation from Khouribga to Casablanca, Dh 87 per tonne from Khouribga to Jorf and Dh 51 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					
	2013		2012		2011	
	Volume	% of Total	Volume	% of Total	Volume	% of Total
	(thousand tonnes, except percentages)					
Casablanca	6,078	70.6	6,991	74.1	6,199	66.8
Laâyoune	2,100	24.4	1,899	20.1	2,781	29.5
Safi	430	5.0	540	5.7	440	4.7
Total	**8,608**	**100.0**	**9,430**	**100.0**	**9,421**	**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. The netback price is generally higher when shipping by container, as compared to bulk shipment due to lower freight and other charges.

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; and one sea water pump
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					
	2013		2012		2011	
	Volume	% of Total	Volume	% of Total	Volume	% of Total
	(thousand tonnes, except percentages)					
Jorf Lasfar	993	49.1	798	41.9	1,125	51.6
Safi	1,029	50.9	1,108	58.1	1,054	48.4
Total	**2,022**	**100.0**	**1,906**	**100.0**	**2,179**	**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					
	2013		2012		2011	
	Volume	% of Total	Volume	% of Total	Volume	% of Total
	(thousand tonnes, except percentages)					
Jorf Lasfar	3,609	83.2	3,768	83.8	3,226	84.6
of which:						
TSP	*275*	*6.3*	*128*	*2.8*	*141*	*3.7*
DAP	*1,397*	*32.2*	*2,046*	*45.5*	*1,991*	*52.2*
NPK	*73*	*1.7*	—	—	—	—
MAP	*1,678*	*38.7*	*1,522*	*33.8*	*1,094*	*28.7*
Other	*186*	*4.3*	*72*	*1.6*	—	—
Safi (TSP)	728	16.8	729	16.2	587	15.4
Total	**4,337**	**100.0**	**4,497**	**100.0**	**3,813**	**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; two ammonia storage bins; three liquid sulphur intermediary storage bins; one sea water pumping station; 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 quay 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 is in the process of launching a slurry pipeline to transport phosphate rock from Khouribga to Jorf Lasfar (with a length of 234 km and an annual capacity of up to 35 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 20 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 slurry pipelines will be approximately Dh 6.8 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 170 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.

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 and the Group held a second Symphos in May 2013.

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 responsible for engineering, procuring and designing the four identical fully integrated fertiliser production units to be 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 146 million on R&D activities in the year ended 31 December 2013, Dh 126 million in the year ended 31 December 2012 and Dh 78 million in the year ended 31 December 2011, which accounted for 0.3%, 0.2% and 0.1%, respectively, of the Group's total revenue over the same periods. The Group has budgeted Dh 227 million as operational expenditure and Dh 84 million as capital expenditure for R&D activities in 2014.

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 with little or no product differentiation, 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 Yuanitanhua (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, almost all of the fertilisers produced in China are used to satisfy local demand, in part due to substantial export duties on fertilisers imposed by the Chinese government. Such export duties have been in effect during most of the past three years but they may not remain. 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 and hazardous materials into the atmosphere, discharge of polluted waste water into the environment and generation of waste, in particular gypsum, and hazardous materials that need to be disposed of or reused without material damage to the environment.

The Group is engaged in programmes to recycle waste. Almost 1,700 tonnes of waste that can be converted to energy (*i.e.,* tyres, belts and oil *etc*.) and 150,000 tonnes of pyrrhotite ash (a sub-product containing iron) are to be used in the cement industry. The Group is also committed to a replacement programme for electrical equipment, which uses polychlorobiphenyls (PCBs). In addition, the Group's chemical, processing and loading activities have been certified ISO14001. In 2013, the Group's joint venture DuPont OCP launched the 'Environmental Excellence Programme', which aims at reducing the Group's environmental footprint across its operations.

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 recognized 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 2013, the Group made provisions of Dh 141 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 119, 81 and 95 workplace-related accidents occurred at the Group's phosphate ore mines in 2013, 2012 and 2011, respectively, of which one (in 2012) resulted in one casualty. This corresponds to a lost time injury frequency rate (number of accidents divided by million hours worked, or "LTIFR") of 3.39, 2.01 and 2.14 in 2013, 2012 and 2011, respectively. The higher rate in 2013 results from higher standards in accident reporting implemented in 2013.

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 2,895 million on operational expenditures in respect of non-core activities in the year ended 31 December 2013 and Dh 3,008 million in the year ended 31 December 2012. The Group spent Dh 977 million on capital expenditures in respect of non-core activities in the year ended 31 December 2013, Dh 446 million in the year ended 31 December 2012 and Dh 298 million in the year ended 31 December 2011.

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, foster agricultural development (including through the provision of incentive-based contributions to farmers in Morocco for the purchase of fertilisers), promote socio-cultural activities and preserve Moroccan national heritage.

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 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 Issuer funds the OCP Foundation and determines the level of funding it will receive at the beginning of each year. In 2013, the Issuer provided OCP Foundation with Dh 1.7 billion, of which, Dh 0.9 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 jointly managed with Upline Investments. As at 31 December 2013, OIFFA had approved investments in five companies amounting to Dh 71 million. The Group expects that these investments, if realized, will enable the creation of over 470 permanent jobs.

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 2015. IPSE allocated Dh 300 million for construction costs and Dh 120 million for school equipment for the period 2011-2013 and plans to spend a further Dh 111 million over the period 2014-2015.

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 2014 has allocated Dh 85 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 expected to include the development of an approximately 900 hectare 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, which are expected to move to the city. The Mohammed VI Green City also includes the Mohammed VI Polytechnic University, which focuses on research and development activities and offer bachelors and masters degrees. The first students of the Mohammed VI Polytechnic University enrolled in October 2013. The Mohammed VI Green City will be built in accordance with Leadership in Energy and Environmental Design for Neighbourhood Development Standards and will promote sustainable development technology. The Mohammed VI Green City is expected to be completed by 2040 and to cost approximately Dh 13 billion, of which Dh 7 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 2034 and to cost approximately Dh 5 billion, of which Dh 2 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 external equity financing and 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 Organisation and IT Development 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 375 million as capital expenditure and Dh 145 million as operational expenditure in maintaining and further upgrading its IT systems in 2013. 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 Moroccan State (6.0%) and partially owned by the Issuer (5.1%). 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[(1)]:

Name	Age	Appointed	Current Position
Mr. Mostafa Terrab	59	2008	Chairman of the Board of Directors and Chief Executive Officer
Mr. Moulay Hafid Elalamy	54	2014	Minister of Industry, Trade, Investment and Digital Economy
Mr. Mohamed Hassad	61	2014	Minister of the Interior
Mr. Salaheddine Mezouar	60	2014	Minister of Foreign Affairs and Cooperation
Mr. Mohamed Louafa	65	2014	Deputy Minister to the Head of the Government Responsible for General Affairs and Governance
Mr. Abdelkader Amara	52	2012	Minister of Energy, Mines, Water and the Environment
Mr. Mohamed Boussaid	52	2014	Minister of Economy and Finance
Banque Centrale Populaire	—	2009	Represented by its chairman and chief executive officer Mohamed Benchaaboun

(1) Mr. Aziz Akhannouch, Minister of Agriculture and Maritime Fishing, whose term of office was initially due to expire after the shareholders' meeting to approve the 2016 financial statements, has resigned from his position as member of the Board of Directors of the Issuer. In accordance with article 49 of Law n°17-95, the Board of Directors of the Issuer is expected, at its next meeting, to deliberate on the appointment of a new member of the Board of Directors in replacement of the Minister of Agriculture and Maritime Fishing. The appointment of the proposed new member will be submitted at the following ordinary shareholders' meeting for ratification.

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 was 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.

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 partially-owned by the Moroccan State (6.0%) and the Issuer (5.1%).

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
Ms. Ghislane Guedira	Secretary of the Audit and Risk Committee
Mr. Mounir Mohamed Karim	Representative of BCP

Mr. Az-El-Arabe Hassibi, Executive Director of Internal Audit and Control attend 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 eight 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	59	Chief Executive Officer
Mr. Mohammed El Kadiri	63	Managing Director and Secretary General
Mr. Amar Drissi	62	Managing Director
Mr. Marouane Ameziane	30	Chief of Staff to the Chairman and Chief Executive Officer
Mrs. Meryem Chami	38	Executive Director, Planning and Steering
Mrs. Ghislane Guedira	43	Executive Director, Chief Financial Officer
Mr. Ali Ben Abdeslam	51	Executive Director, Legal Division, General Counsel
Mr. Soufiyane El Kassi	38	Executive Director, Central Region
Mr. El Moutaoikkil El Baraka	49	Executive Director, Northern Region
Mr. Az-El-Arabe Hassibi	43	Executive Director, Audit and Control
Mr. Jamal Guennouni Assimi	54	Executive Director, Human Capital
Mr. Mustapha El Ouafi	45	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. Amar Drissi, Managing Director

Amar Drissi joined the Group in 2008 as Executive Director of the Industrial Pole before taking his current role as Managing Director and member of the Strategic Committee in 2013. Prior to joining the Group, Mr. Drissi served as chief executive officer for Dubai Industrial, an investment company of Dubai Holding in charge of investing in industrial sectors, from 2002 to 2007. From 1995 to 2000, Mr. Drissi served as chief executive officer of several subsidiaries of the ONA Group in the core businesses of mining, agribusiness, distribution, banking and high tech. He was also an investment banker at Citibank in various offices from 1986 to 1991. Mr. Drissi obtained an MBA from the Stern School of Business in 1986 and a PhD from *l'École Polytechnique de Paris* in 1998.

Mr. Marouane Ameziane, Chief of Staff to the Chairman and Executive Officer

Marouane Ameziane joined the Group in 2009 as Special Assistant to the Chief Executive Officer based in Paris, before being taking his current role in January 2012. Prior to joining the Group, Mr. Ameziane served as financial advisor to Sovereign Funds, Private Equity Funds and State Administrations at KPMG Corporate Finance in Paris, where he worked in project and structured finance for large-scale transport and utilities infrastructure projects throughout the world. Mr. Ameziane was also an analyst in the Africa Transport department of the World Bank in Washington DC, where he worked on large transport infrastructure projects in several sub-Saharan African countries including Cameroon, Democratic Republic of Congo, Mali, Guinea, Burkina Faso, Kenya, Uganda and Tanzania. Mr Ameziane holds an MSc in Industrial Economics from *l'École Nationale Supérieure des Mines de Paris* and a Postgraduate Degree in Finance and Strategy from the Said Business School, University of Oxford.

Mrs. Meryem Chami, Executive Director, Planning and Steering

Meryem Chami joined the Group in 2008. She served as Chief of Staff to the Chairman and Chief Executive Officer from March 2008 to April 2012 and Deputy Secretary General of the Group from October 2012 to September 2013. Prior to joining the Group, Ms. Chami acted as a consultant in networks and telecommunications at SITICOM in Paris from 1999 to 2003 and purchases director and director in charge of the information technology master plan implementation at Attijariwafa Bank Casablanca from 2004 to 2008. Mrs. Chami obtained a telecom engineering degree from *l'École Nationale Supérieure des Télécom de Bretagne* in 1999 and an MBA from *l'École Nationale des Ponts et Chaussées of Paris* in 2008.

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. Ali Ben Abdeslam, Executive Director, Legal Division, General Counsel

Ali Ben Abdeslam joined the Group in December 2009 as its General Counsel. Mr. Ben Abdeslam has over two decades of international experience in the legal field both as an outside and in-house corporate counsel. Prior to joining the Group, Mr. Ben Abdeslam held positions of increasing responsibility at Price Waterhouse/PwC (1990-92 and 2000-2001), ONA Holding and MAROPAR Holding (1992-1993) and CMS Enterprises in Michigan (1995-2000). He also acted as senior operations counsel and local ethics officer for the North & West Africa business unit of The Coca-Cola Company from 2001 to 2009. Mr. Ben Abdeslam obtained two masters degree in Private and Contracts Law from the Universities of Paris XI and X in 1990 and an LLM from Wayne

State University, Detroit, Michigan, in 1998. He is also a licensed Attorney-At-Law and a member in good standing of the Michigan Bar since 1998.

Mr. Soufiyane El Kassi, Executive Director, Central Region

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 Region 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 Region

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. Az-El-Arabe Hassibi, Executive Director, Audit and Control

Az-El-Arabe Hassibi joined the Group in 2011 as Director for General Affairs at the Group, and was appointed Executive Director, Audit and Control in 2013. Prior to joining the Group, Mr. Hassibi was a technical director at the ANRT from 1998 to 2010. He was also the Head of Planning Department at the Ministry of Telecommunications from 1994 to 1998. Mr. Hassibi obtained an Engineering degree in telecommunications from *l'Institut National des Postes et Télécommunications (INPT)* of Rabat in 1994.

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 masters in Mathematics from Université Paris Jussieu in 1984, a post-graduate degree (DEA) in mathematics and automatic 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 2013, 2012 and 2011, 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 47 top managers including the Chief Executive Officer, the Managing Directors and the Executive Directors) in the year ended 31 December 2013 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 24, 103 and 113, 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		
	2013	**2012**	**2011**
Khouribga	**5,789**	**5,999**	**6,224**
of which:			
Engineers and equivalent	*201*	*202*	*184*
Technicians, supervisors and admin. staff	*1,740*	*1,701*	*1,766*
Workers and employees	*3,848*	*4,096*	*4,274*
Ben Guerir	**872**	**909**	**974**
of which:			
Engineers and equivalent	*37*	*42*	*38*
Technicians, supervisors and admin. staff	*311*	*296*	*321*
Workers and employees	*524*	*571*	*615*
Youssoufia	**1,639**	**1,763**	**1,801**
of which:			
Engineers and equivalent	*61*	*70*	*60*
Technicians, supervisors and admin. staff	*529*	*539*	*544*
Workers and employees	*1,049*	*1,154*	*1,197*
Laâyoune	**2,191**	**2,250**	**2,250**
of which:			
Engineers and equivalent	*56*	*60*	*56*
Technicians, supervisors and admin. staff	*704*	*641*	*641*
Workers and employees	*1,431*	*1,549*	*1,553*
Jorf Lasfar	**4,011**	**4,216**	**4,460**
of which:			
Engineers and equivalent	*346*	*374*	*321*
Technicians, supervisors and admin. staff	*1,599*	*1,559*	*1,650*
Workers and employees	*2,066*	*2,283*	*2,489*
Safi	**2,788**	**2,994**	**3,138**
of which:			
Engineers and equivalent	*129*	*148*	*134*
Technicians, supervisors and admin. staff	*1,063*	*1,067*	*1,108*
Workers and employees	*1,596*	*1,779*	*1,896*
Casablanca(1)	**892**	**730**	**853**
of which:			
Engineers and equivalent	*465*	*408*	*348*
Technicians, supervisors and admin. staff	*240*	*88*	*244*
Workers and employees	*187*	*234*	*261*
Other(2)	**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	**22,030**	**22,909**	**19,700**

(1) Includes staff at the Port of Casablanca.

(2) Includes OCP Skills staff. The engineers belong to the staff of the OCP Foundation in Rabat.

The Group is the largest corporate employer in Morocco with 22,030 employees as at 31 December 2013. In addition, as at 31 December 2013, the Group had approximately 1,054 employees at PPL in India and 1,518 employees at Prayon in Belgium. The Group also has personnel dedicated to JESA (approximately 573 employees as at 31 December 2013).

There are six trade unions that represent the Group's employees. As at 31 December 2013, approximately 20% of the Group's employees were members of a trade union. The Group has established a social dialogue agreement with the major trade unions. Pursuant to this agreement offers, these trade unions coordinate their activities via a committee. In accordance with the Issuer's charter and applicable law, the Group engages in annual discussions and negotiations with these trade 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 centres 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 as part of their pension.

The Group has three hospitals (which being improved in partnership with an external healthcare specialist), to offer a total capacity of 120 beds, 24 infirmaries, two laboratories, two radiology units and 11 dental units**.** In addition, the Group uses private infrastructure to ensure healthcare access to its current 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 and an annual bonus is paid in order 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 has three main aims: (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 conducts its operations; 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 conducts its operations or have other links to the Group, for example, children of former employees.

The Issuer funds OCP Skills. In 2013, the Issuer provided OCP Skills with Dh 202.2 million, including salary and other expenses in respect of new employees.

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, as part of the Government's then-strategy to reform retirement schemes nationally and regulate internal funds through their transfer to the Government 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 recognized 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 for which the Group is committed to provide a certain level of benefits, including supplementary pension, 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 21 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 employee's skills and to encourage the integration of new employees. The Group's training programmes, which are primarily run by the Group's full-time trainers, focus on developing the professional skills of the Group's management, strengthening the technical skills of the Group's employees in mining and chemistry activities and providing apprenticeships to junior employees.

RELATIONSHIP WITH THE GOVERNMENT

The Issuer is 94.12% directly-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 partially owned by the Moroccan State (6.0%) and partially owned by the Issuer (5.1%). 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 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 6.2 billion in the year ended 31 December 2013, Dh 4.7 billion in the year ended 31 December 2012 and Dh 3.5 billion in the year ended 31 December 2011, representing 59.4%, 24.6% and 43.4% of the Group's distributable profits, respectively. The next dividend payment is expected to be declared at the next meeting of the Shareholders in June 2014 based on profits for the year ended 31 December 2013.

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 2013:

	As at 31 December 2013
	(Dh millions)
Trade receivables	—
Trade payables	512
Other receivables	118
Cash and cash equivalents	187
Deposits	519
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 2013:

	Year ended 31 December 2013
	(Dh millions)
Services rendered	—
Interest income on deposits	25
Interest income on loans from related parties	—
Corporate income tax	—
Mining tax	—
Other taxes	—
Utilities costs	822
Other operating expenses	241
Social security deductions	392
Transportation expenses	1,532
Ecology service and environmental security	—
Purchases of property, plant and equipment and inventory	7

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 following sentence applies in respect of the 2024 Notes:

The U.S.$1,250,000,000 5.625% Notes due 2024 (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 28 March 2014.

The following sentence applies in respect of the 2044 Notes:

The U.S.$300,000,000 6.875% Notes due 2044 (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 28 March 2014.

The Notes are issued subject to and with the benefit of an Agency Agreement dated 25 April 2014 (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 25 April 2014 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 following sentence applies in respect of the 2024 Notes:

The Notes bear interest from and including 25 April 2014 (the "**Issue Date**") at the rate of 5.625% per annum, payable semi-annually in arrear on each of 25 April and 25 October in each year (each an "**Interest Payment Date**"). The first payment (representing a full six months' interest) shall be made on 25 October 2014.

The following sentence applies in respect of the 2044 Notes:

The Notes bear interest from and including 25 April 2014 (the "**Issue Date**") at the rate of 6.875% per annum, payable semi-annually in arrear on each of 25 April and 25 October in each year (each an "**Interest Payment Date**"). The first payment (representing a full six months' interest) shall be made on 25 October 2014.

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

The following sentence applies in respect of the 2024 Notes:

Unless previously redeemed or purchased and cancelled as provided below, the Issuer will redeem the Notes at their principal amount on 25 April 2024 (the "**Maturity Date**").

The following sentence applies in respect of the 2044 Notes:

Unless previously redeemed or purchased and cancelled as provided below, the Issuer will redeem the Notes at their principal amount on 25 April 2044 (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 17 April 2014, 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 17 April 2014; 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 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.

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(4)
Croatia	Indonesia	Netherlands(2)	Singapore(3)	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) Morocco-Singapore tax treaty provisions will become effective on 1 January 2015. Therefore, any capital gain attained in 2014 from the disposal of the Notes is taxable in Morocco under usual conditions.
(4) 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 discussion of U.S. tax matters set forth in this Prospectus was written in connection with the promotion or marketing of the transactions described herein and was not intended or written to be used, and cannot be used, by any taxpayer for the purpose of avoiding penalties under U.S. federal, state or local tax law. Each taxpayer should seek advice based on its particular circumstances from an independent tax advisor.

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 United States 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 or of any political subdivision thereof;
- 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 additional amounts, 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

Under the EU Savings Directive, member states are required to provide to the tax authorities of another member state details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other member state or to certain limited types of entities established in that other member state. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

On 24 March 2014, the European Council adopted an EU Council Directive amending and broadening the scope of the requirements described above. In particular, the changes expand the range of payments covered by the Directive to include certain additional types of income, and widen the range of recipients payments to whom are covered by the Directive, to include certain other types of entity and legal arrangement. Member States are required to implement national legislation giving effect to these changes by 1 January 2016 (which national legislation must apply from 1 January 2017).

The Proposed Financial Transactions Tax ("FTT")

The European Commission has published a 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 proposed FTT 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 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 (i) by transacting with a person established in a participating Member State or (ii) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT proposal remains subject to negotiation between the participating Member States and is the subject of legal challenge. It may therefore be altered prior to any implementation, the timing of which remains unclear. 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, J.P. Morgan Securities plc and Morgan Stanley & Co. International plc (the "**Joint Lead Managers**") have, pursuant to a Subscription Agreement dated 17 April 2014, 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 99.059% for the 2024 Notes and 93.992% for the 2044 Notes. 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 of the 2024 Notes	Principal amount of the 2044 Notes
Barclays Bank PLC	U.S.$ 416,667,000	U.S.$100,000,000
J.P. Morgan Securities plc	U.S.$ 416,666,000	U.S.$100,000,000
Morgan Stanley & Co. International plc	U.S.$ 416,667,000	U.S.$100,000,000
Total	**U.S.$1,250,000,000**	**U.S.$300,000,000**

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 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 located outside the United States (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) 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:

2024 Regulation S Notes

Common Code: 106104301.
ISIN: XS1061043011.

2044 Regulation S Notes

Common Code: 106104336.
ISIN: XS1061043367.

2024 Rule 144A Notes

ISIN: US67091TAA34.
CUSIP: 67091TAA3.

2044 Rule 144A Notes

ISIN: US67091TAB17.
CUSIP: 67091TAB1.

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 €5,000.

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 2013 and no material adverse change in the financial position or prospects of the Issuer since 31 December 2013.

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, Boulevaard 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 2 April 2014.

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 28 March 2014. 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 28 March 2014, 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 28 March 2014 and a Board of Directors' resolution dated 28 March 2014.

APPENDIX I—GLOSSARY OF FREQUENTLY USED DEINED TERMS

"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 2013, 31 December 2012 and 31 December 2011.
"**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, J.P. Morgan Securities 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, phosphorous 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.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

GROUPE OCP

CONSOLIDATED FINANCIAL STATEMENTS, AT 31 DECEMBER 2013

Groupe OCP is one of the world leaders in the phosphate and phosphate derivative products market. The Group's activity consists in extracting phosphate and processing it into phosphate derivative products. Groupe OCP has the largest phosphate reserves in the world and is the world's leading exporter of phosphate and phosphoric acid, and one of the main exporters of phosphate fertilizers. The Group directly employs more than 23,600 people.

The consolidated financial statements include the parent company OCP SA and its subsidiaries (the entirety is referred to as the "Group" and each company individually as the "entities of the Group") and the share of the Group in the affiliated companies or companies under joint control.

OCP SA, the parent company of the Group, is a "société anonyme" (corporation) with a board of directors whose registered office is located at 2, Rue Al Abtal – Hay Erraha, 21500 Casablanca, Morocco.

The consolidated financial statements at 31 December 2013 are presented in dirhams rounded to the nearest million.

Contents

2013 highlights

Financing

- On 27 February 2013, Groupe OCP and the Islamic Development Bank (IDB) signed a financing agreement for 150 million US dollars. This amount is designed to partially finance the project for the extension and rehabilitation of the port infrastructures operated by OCP at Jorf Lasfar.
- In September 2013, Groupe OCP took out a loan of 271 million dollars with KFW, within the context of the implementation of its Water strategy.
- In December 2013, OCP SA took out a loan of 1.2 billion dirhams with Société générale des banques marocaines, to finance its investment projects.

Joint arrangements

- On 8 May 2013, a joint venture was signed between OCP and the DuPont group. Entitled "DuPont OCP Operations Consulting", this joint venture will offer industrial advisory and training services relating to performance, safety and sustainable development. It is intended to accompany Morocco's economic and industrial growth, with, as a result, increased influence in Africa and the Middle East.
- Groupe OCP and Bunge Limited "Bunge" concluded the purchase by OCP of the participating shares of Bunge, i.e. 50%, in the Moroccan joint venture "Bunge Maroc Phosphore". Created by OCP and Bunge in 2008, this joint venture, as from its start-up, made it possible to produce phosphate-based fertilizers and elementary products for Bunge's subsidiaries in South America. It should be noted that "Bunge Maroc Phosphore" produces 375 kt of phosphoric acid and 700 kt of fertilizer per year. This will make it possible to increase the fertilizer production capacity specific to OCP at the Jorf Lasfar platform to approximately 7 million tons per year, notably after the start-up this year of two new DAP fertilizer granulation units, each with a capacity of one million tons. In accordance with OCP's industrial development strategy, the expansion of the Group's fertilizer production capacity will enable it to respond to the long-term trends in the increasing global demand for phosphate and its derivatives.

Industrial developments

- OCP and its partner Prayon have signed an exclusive agreement for the transfer of the technology of Prayon's soluble MAP, monoammonium phosphate. Prayon is recognized internationally for the quality of its soluble fertilizer production processes. This new agreement with Prayon marks Groupe OCP's entry into the precision fertilizer market. OCP will use this technology in a soluble MAP production unit with a capacity of 100 kt per year. The unit, scheduled to start production in June 2015, will be built on the Jorf Lasfar industrial platform. This partnership is at the heart of the commercial strategy of Groupe OCP, which notably aims to position itself in new growth markets and to develop products adapted to the end consumers' needs. Groupe OCP will supply the phosphoric acid necessary for the future unit and will initiate numerous synergies from the Jorf Lasfar site.
- A new Diammonium Phosphate (DAP) fertilizer granulation unit has been put into service at Jorf Lasfar, with a total production capacity of one million tons per year. This plant is the second unit to be completed as part of the project to build two identical new fertilizer production units at Jorf Lasfar, the first having been successfully put into service in March 2013. Representing a total investment of 2.5 billion dirhams and the creation of approximately 200 direct jobs, these two new units will make it possible to increase the DAP production capacity from the current figure of 4.3 million tons per year to almost 7 million tons.
- The first delivery of monocalcium phosphate (MCP) for the food industry left the Safi site on 31 July 2013 for export. Almost 550 tons of MCP were thus delivered to Malaysia and Pakistan. This new OCP product was approved by the national health services in April 2013. It should be noted that this phosphate represents the reference source of phosphorous and calcium for cattle, improving bone growth and skeletal strength. This first delivery followed the marketing, in 2012, of DCP, another food supplement for cattle and poultry. With a total capacity to produce 300kt of food phosphates, OCP intends to develop its international presence in this new sector.

Key figures

(In millions of dirhams)	Note	FY 2013	FY 2012*	FY 2011*
Revenue	1	**45,992**	**58,162**	**56,415**
Operating profit		9,161	16,921	22,793
Cost of net financial debt (1)	7	71	363	260
Net profit (loss) for the period		**7,087**	**13,641**	**19,267**
Consolidated equity		54,868	51,808	43,474
Net financial debt (1)		13,462	(7,290)	(13,670)
Net debt (1)	19.2	**21,839**	**3,539**	**(2,262)**
Net operating investments		20,378	12,813	6,060
Basic earnings per share (in dirhams) (2)	9	86.28	164.60	232.48
Dividend per share (in dirhams)	24.2	75.42	56.98	42.74

(1) These financial measures were specifically defined by Groupe OCP on the basis of its financing policy. They are not defined by international accounting standards:

- **Cost of net financial debt**: this is the cost of gross debt (interest expense) plus financial income from cash investments (revenue from cash and cash equivalents and cash financial assets).
- **Net financial debt**: this is gross financial debt (borrowings and financial liabilities) less cash assets (cash and cash equivalents and cash financial assets).
- **Net debt**: this is net financial debt plus pension funds and health insurance for OCP SA personnel.

(2) Calculated using the weighted average number of shares in circulation during the year, less the average number of own shares.

(*) Adjusted in accordance with the change in accounting method related to the application of IAS 19 (Revised), Employee benefits.

Consolidated Statement of Profit and Loss

(In millions of dirhams)	Note	FY 2013	FY 2012 (*)	FY 2011 (*)
Revenue	1	45,992	58,162	56,415
Production held as inventory		(225)	324	1,881
Purchases consumed	2	(18,983)	(22,899)	(20,799)
External expenses	3	(7,546)	(8,284)	(5,689)
Personnel expenses	4	(9,076)	(8,976)	(7,798)
Taxes		(236)	(233)	(226)
Amortization, depreciation and operating provisions	5	(1,854)	(1,412)	(1,595)
Other operating income and expenses	6.1	673	987	679
Current operating profit (loss)		**8, 746**	**17,670**	**22,867**
Other non-current operating income and expenses	6.2	415	(748)	(74)
Operating profit (loss)		**9, 161**	**16,921**	**22,793**
Cost of gross financial debt		(689)	(692)	(622)
Financial income from cash investments		760	1,055	882
Cost of net financial debt		**71**	**363**	**260**
Other financial income and expenses		(39)	117	55
Financial profit (loss)	**7**	**32**	**479**	**315**
Profit (loss) before tax		**9, 192**	**17,400**	**23,107**
Corporate income tax	8.1	(2,105)	(3,759)	(3,842)
Net profit (loss)		**7, 087**	**13,641**	**19,267**
Earnings per share in dirhams	**9**	**86. 28**	**164. 60**	**232. 48**
Diluted earnings per share in dirhams	**9**	**86. 28**	**164. 60**	**232. 48**

(*) Adjusted in accordance with the change in accounting method related to the application of IAS 19 (Revised), Employee benefits, and non-significant corrections made to the consolidated financial statements for financial years 2011 and 2012.

Consolidated Statement of Comprehensive Income

(In millions of dirhams)	FY 2013	FY 2012 *	FY 2011 *
Net profit (loss)	**7,087**	**13,641**	**19,267**
Changes in actuarial gains and losses under IAS19 R	2,482	749	(3,337)
Deferred tax	(99)	2	664
Items that will not be reclassified to profit or loss	**2,383**	**752**	**(2,674)**
Translation differences	(146)	(40)	(100)
Revaluation of assets available for sale	(27)	(17)	(13)
Revaluation of hedging derivatives	10	(4)	3
Deferred tax	(10)	3	2
Items that may be reclassified to profit or loss	**(173)**	**(58)**	**(108)**
Income and expenses, recognized directly in equity	**2,211**	**694**	**(2,782)**
Consolidated comprehensive income	**9,298**	**14,335**	**16,485**

(*) Adjusted in accordance with the change in accounting method related to the application of IAS 19 (Revised), Employee benefits, and non-significant corrections made to the consolidated financial statements for financial years 2011 and 2012.

Consolidated Statement of Financial Position

(In millions of dirhams)	Annexe	31 Dec 2013	31 Dec 2012 *	31 Dec 2011 *
ASSETS				
Current assets				
Cash and cash equivalents	10	6,039	9,813	11,074
Cash financial assets	10	4,631	18,147	16,075
Inventories	11	9,407	9,189	8,731
Trade receivables	12	5,689	8,106	7,682
Current tax receivables		1,191	1,089	299
Other current assets	13	18,397	11,777	7,325
Total current assets		**45,355**	**58,122**	**51,186**
Non-current assets				
Non-current financial assets	14	2,887	2,805	2,233
Deferred tax assets		240	308	1,050
Property, plant and equipment	17	58,251	38,773	27,476
Intangible assets	18	222	205	138
Total non-current assets		**61,601**	**42,091**	**30,897**
Total assets		**106,955**	**100,212**	**82,083**

(In millions of dirhams)	Note	31 Dec 2013	31 Dec 2012 *	31 Dec 2011 *
LIABILITIES				
Current liabilities				
Current loans and financial debts	19	5,891	6,888	3,275
Current provisions	20	43	138	105
Trade payables	22	9,353	7,691	5,455
Current tax payables		60	37	1,889
Other current liabilities	23	8,769	6,982	4,319
Total current liabilities		**24,116**	**21,735**	**15,043**
Non-current liabilities				
Non-current loans and financial debts	19	18,242	13,783	10,203
Non-current provisions for employee benefits	21	9,433	11,728	12,017
Other non-current provisions	20	146	1,028	996
Deferred tax liabilities		133	109	330
Other non-current liabilities		17	20	20
Total non-current liabilities		**27,972**	**26,669**	**23,566**
Issued capital	24	8,288	8,288	8,288
Paid-in capital		18,698	18,698	4,513
Consolidated reserves		20,795	11,182	11,407
Net profit (loss)		7,087	13,641	19,267
Total equity		**54,868**	**51,808**	**43,474**
Total Liabilities and Equity		**106,955**	**100,212**	**82,083**

(*) Adjusted in accordance with the change in accounting method related to the application of IAS 19 (Revised), Employee benefits, and non-significant corrections made to the consolidated financial statements for financial years 2011 and 2012.

Consolidated Statement of Changes in Equity

(In millions of dirhams)	Issued capital	Paid-in capital	Consolidated reserves	Translation difference	Assets held for sale	Hedging derivatives	Net profit (loss)	Total equity – Group share	Non-controlling interests	Total equity
Adjusted equity as at 31 December 2010 (before IAS19 Revised)	**8,288**	**4,513**	**7,914**	**68**	**602** [*1]	**(9)**	**9,094**	**30,470**	**—**	**30,470**
Impacts of retrospective application of IAS19 Revised			**(2,450)**				**2,450**			
Position as at 1 January 2011 [(2)]	**8,288**	**4,513**	**5,464**	**68**	**602**	**(9)**	**11,544**	**30,470**	**—**	**30,470**
Allocation of profit (loss) for FY 2010 [(2)]			11,544				(11,544)	—		—
Cancellation of own shares								—		—
Consolidated comprehensive income for FY 2011 [(2)]				**(100)**	**(10)**	**3**	**19,267**	**19,160**	**—**	**19,160**
Change in actuarial gains and losses IAS19 R			(2,674)					(2,674)	—	(2,674)
Dividends paid			(3,542)					(3,542)	—	(3,542)
Others			60					60		60
Equity as at 31 December 2011 [(2)]	**8,288**	**4,513**	**10,852**	**(32)**	**592**	**(6)**	**19,267**	**43,474**	**—**	**43,474**
Allocation of profit (loss) for FY 2011			19,267				(19,267)	—		—
Cancellation of own shares			(1,240)					(1,240)		(1,240)
Consolidated comprehensive income for FY 2012 [(2)]				**(40)**	**(14)**	**(4)**	**13,641**	**13,583**	**—**	**13,583**
Change in actuarial gains and losses IAS19 R			752					752	—	752
Dividends paid			(4,722)					(4,722)		(4,722)
Others		14,185	(14,225)					(40)		(40)
Equity as at 31 December 2012 [(2)]	**8,288**	**18,698**	**10,684**	**(72)**	**578**	**(10)**	**13,641**	**51,808**	**—**	**51,808**
Allocation for profit (loss) for FY 2012			13,641				(13,641)	—		—
Consolidated comprehensive income for FY 2013				**(146)**	**(37)**	**10**	**7,087**	**6,914**	**—**	**6,914**
Change in actuarial gains and losses IAS19 R			2,383					2,383	—	2,383
Dividends paid			(6,195)					(6,195)		(6,195)
Others [(3)]			(42)					(42)		(42)
Equity as at 31 December 2013	**8,288**	**18,698**	**20,471**	**(218)**	**541**	**—**	**7,087**	**54,868**	**—**	**54,868**

(1) Underlying fair value of BCP shares adjusted to 592 million dirhams instead of the 16 million dirhams recognized as at 31 December 2011.
(2) Adjusted in accordance with the change in accounting method related to the application of IAS 19 (Revised), Employee benefits, and non-significant corrections made to the consolidated financial statements for financial years 2011 and 2012.
(3) Including the impact of the reclassification of the put option on the minority interests in PPL's accounts recognized as "Financial debts" for 72 million dirhams.

Consolidated Statement of Cash Flows

(In millions of dirhams)	**FY 2013**	**FY 2012 ***	**FY 2011 ***
Consolidated total net profit (loss)	7,087	13,641	19,267
+/- Tax expense (income)	2,105	3,759	3,842
+/- Depreciation and amortization of PP&E and intangible assets	1,976	1,616	1,610
+/- Other provisions	43	(205)	4,044
+/- Net loss/(net gain) from investing activities	(162)	(170)	(226)
+/- Net loss/(net gain) from financing activities	108	(51)	(45)
+/- Other movements	(636)	(181)	(3,340)
Cash from operations	**10,521**	**18,409**	**25,150**
Impact of the change in WCR:	**(347)**	**(3,156)**	**(6,203)**
Inventories	(349)	(502)	(3,304)
Trade receivables	1,839	(2,408)	(2,139)
Trade payables	1,750	2,433	95
Other current assets and liabilities	(3,586)	(2,679)	(855)
- Taxes paid	**(3,233)**	**(4,261)**	**(3,380)**
Total net cash flows related to operating activities	**6,941**	**10,992**	**15,567**
Acquisitions of PP&E and intangible assets	(20,522)	(12,979)	(6,285)
Disposals of PP&E and intangible assets	143	166	225
Change in loans and advances granted	106	(97)	233
Impact of changes in scope	(360)	(56)	1
Acquisitions of financial assets **	(150)	(531)	(12)
Dividends received	50	43	37
Total net cash flows related to investing activities	**(20,733)**	**(13,455)**	**(5,801)**
Loan issue	6,037	8,914	3,090
Repayment of loan	(2,161)	(2,480)	(1,805)
Dividends paid to Group shareholders	(6,195)	(4,722)	(3,542)
Other flows related to changes in cash assets	13,170	(2,040)	(506)
Total net cash flows related to financing activities	**10,851**	**(328)**	**(2,763)**
Impact of changes in exchange rates on cash and cash equivalents	189	26	189
Net increase/(decrease) in cash and cash equivalents	**(2,752)**	**(2,764)**	**7,192**
Opening cash and cash equivalents	6,892	9,656	2,464
Closing cash and cash equivalents	4,140	6,892	9,656
Change in net cash	**(2,752)**	**(2,764)**	**7,192**

(*) Adjusted in accordance with the change in accounting method related to the application of IAS 19 (Revised), Employee benefits, and non-significant corrections made to the consolidated financial statements for financial years 2011 and 2012.

(**) Creation in the first half of 2013 of Université Mohammed VI Polytechnique UM6P with share capital of 100 million dirhams. In 2012, Groupe OCP created two entities, Jorf Fertilizers Company I (JFC-I) and Jorf Fertilizers Company II (JFC-II), for a total of 500 million dirhams.

Notes to the Consolidated Financial Statements

A – Accounting rules and methods

1. Bases for the preparation of the financial statements

In accordance with Opinion No. 5 of the Conseil National de la Comptabilité (CNC – National Accounting Council) of 26 May 2005, and in compliance with the provisions of Article III, paragraph 2 of the circular of the Conseil Déontologique des Valeurs Mobilières (CDVM – Securities Commission), entered into force on 1 April 2012, the consolidated financial statements of the OCP Group are prepared in accordance with the standards drawn up by the International Accounting Standards Board (IASB) and the IFRS Interpretation Committee respectively, and adopted by the European Union.

1.1. New standards and interpretations applicable as from 1st January 2013

- IAS 1 "Presentation of items of other comprehensive income – Amendments to IAS 1". This amendment aims to enrich the financial information in the statement of comprehensive income. Gains and losses recognized directly in equity will have to be presented in such a way as to show items that may be reclassified to profit or loss separately from those that will never be reclassified;
- IAS 19 (Revised) "Employee benefits". This amendment includes changes to the recognition and presentation of pension and similar commitments, notably concerning actuarial gains and losses which will be recognized immediately in full in non-recyclable "other comprehensive income", and past service costs which will be recognized immediately in profit or loss. The impact of this amendment is detailed in Note 21 – Employee benefits;
- IFRIC 20 – "Stripping costs in the production phase of a surface mine". This interpretation allows these costs to be recognized in a non-current asset account entitled "stripping activity" when certain criteria are met. The application of this interpretation has not had any impact on Groupe OCP's accounts as at 31 December 2013;
- IFRS 13 – "Fair value measurement". This standard provides a single framework for the measurement of fair value. The adoption of IFRS 13 did not necessitate any adjustment of the techniques that OCP uses to measure fair value and did not result in any adjustment of the values as at 1 January 2013;
- Amendments to IFRS 7 "Financial instruments: Disclosures – Offsetting financial assets and financial liabilities". This amendment requires the communication of new information concerning financial instruments offset in the balance sheet and those that are subject to an enforceable master netting arrangement or similar agreement. Groupe OCP is not concerned by this amendment;
- Amendment to IAS 12 "Deferred tax: recovery of underlying assets" introducing a rebuttable presumption that the carrying value of an investment property will be recovered by its sale and the tax rate applicable to the sale of the underlying asset will be applied to the entity. The application of this amendment has not had a significant impact on Groupe OCP's accounts as at 31 December 2013;
- Amendments to IAS 1, IAS 16, IAS 32, IAS 34 and IFRIC 2 within the framework of the "Annual improvements – 2009-2011 cycle" published by the IASB on 17 May 2012. The application of these amendments did not have any impact on Groupe OCP's accounts as at 31 December 2013;

1.2. Standards not adopted early

Groupe OCP has not opted for early adoption of the following texts that were adopted by the European Union as at 31 December 2013 but had not yet entered into force as at that date:

- Amendment to IAS 32 "Financial instruments: presentation", which is applicable retrospectively to financial years beginning on or after 1 January 2014. It establishes the conditions for offsetting financial instruments in the balance sheet. The scope of the clarifications made by the amendment to IAS 32 is being established;
- The new standards on consolidation, IFRS 10 "Consolidated financial statements", IFRS 11 "Joint arrangements" and IFRS 12 "Disclosure of interests in other entities" published by the IASB on 12 May 2011 and adopted by the European Commission on 11 December 2012. They are subject to mandatory application for financial years beginning on or after 1 January 2014. IFRS 10 replaces IAS 27 "Consolidated and separate financial statements" for the part relating to consolidated financial statements and SIC interpretation 12 for special purpose entities. It defines a single control model applicable to all entities, whether structured or not. IFRS 11 replaces IAS 31 "Interests in joint ventures" and SIC 13 "Jointly controlled entities – non-monetary contributions by venturers". It bases the recognition of joint

arrangements on their substance, thus making it necessary to analyze the rights and obligations arising from the joint arrangement. IFRS 12 combines and improves disclosures to be made about subsidiaries, joint arrangements, associates and structured entities;

The application of IFRS 12 will result in the enrichment of disclosures to be made in respect of subsidiaries, joint arrangements and associates.

As a consequence of these new standards, the IASB has also published amended versions of IAS 27 "Separate financial statements" and IAS 28 "Investments in associates and joint ventures" which were adopted by the European Commission on 11 December 2012 and are subject to mandatory application for financial years beginning on or after 1 January 2014;

Groupe OCP concluded its assessment of the impact of the adoption of IFRS 11, and all of its joint ventures, which are currently consolidated according to the proportionate consolidate method, must be recognized according to the equity method in accordance with this standard. According to this method, our share of the net assets, net profit or loss and the other comprehensive income of the joint ventures will be presented on one line, in the consolidated statement of financial position, the consolidated profit and loss account and the consolidated statement of comprehensive income respectively. In addition, the consolidated statement of cash flows drawn up will include the cash flows between us and our joint ventures, and not our share of the cash flows of the joint ventures.

The amendments to IFRS 10, IFRS 11 and IFRS 12 published by the IASB on 28 June 2012 and adopted by the European Commission on 4 April 2013 are subject to mandatory application as from 1 January 2014. The amendment to IFRS 10 provides clarifications on transitional provisions and provides some relief concerning comparative information to be presented, limiting adjustments to the previous financial year.

The following tables summarize the retroactive adjustments that will be made to our consolidated financial statements upon the adoption of IFRS 11 "Joint arrangements".

The impacts on the Consolidated Statement of Profit and Loss for financial years 2013 are as follows:

	FY 2013		
(In millions of dirhams)	**As presented**	**Partnerships**	**As adjusted**
Revenue	45,992	(7,140)	38,853
Profit (loss) of equity-accounted operating companies	(0)	50	50
Current operating profit (loss)	**8,746**	**(284)**	**8,462**
Other non-current operating income and expenses	415	7	422
Operating profit (loss)	**9,161**	**(277)**	**8,884**
Financial profit (loss)	**32**	**302**	**334**
Net profit (loss)	**7,087**	**—**	**7,087**
Earnings per share in dirhams	**86.28**	**—**	**86.28**

The impacts on the consolidated statement of financial position are as follows:

	31 December 2013		
(In millions of dirhams)	**As presented**	**Partnerships**	**As adjusted**
ASSETS			
Total current assets	**45,355**	**(4,497)**	**40,857**
Total non-current assets	**61,601**	**(92)**	**61,508**
Including stake in equity-accounted enterprises	—	*2,632*	2,632
Total Assets	**106,955**	**(4,590)**	**102,366**

(In millions of dirhams)	31 December 2013 As presented	Partnerships	As adjusted
LIABILITIES			
Total current liabilities	**24,116**	**(3,464)**	**20,652**
Total non-current liabilities	**27,972**	**(1,126)**	**26,846**
Total equity	**54,868**	**—**	**54,867**
Total Liabilities and equity	**106,955**	**(4,590)**	**102,366**

(In millions of dirhams)	31 December 2012 As presented	Partnerships	As adjusted
ASSETS			
Total current assets	**58,122**	**(5,061)**	**53,061**
Total non-current assets	**42,091**	**(699)**	**41,392**
Including stake in equity-accounted enterprises	*—*	*3,278*	*3,278*
Total Assets	**100,212**	**(5,759)**	**94,453**

(In millions of dirhams)	31 December 2012 As presented	Partnerships	As adjusted
LIABILITIES			
Total current liabilities	**21,735**	**(4,532)**	**17,203**
Total non-current liabilities	**26,669**	**(1,227)**	**25,442**
Total equity	**51,808**	**—**	**51,808**
Total Liabilities and equity	**100,212**	**(5,759)**	**94,453**

The impacts on the consolidated statement of cash flows are as follows:

(In millions of dirhams)	31 December 2013 As presented	Partnerships	As adjusted
Total net cash flows related to operating activities	**6,941**	**(272)**	**6,669**
Total net cash flows related to investing activities	**(20,733)**	**314**	**(20,419)**
Total net cash flows related to financing activities	**10,851**	**(55)**	**10,796**
Impact of changes in exchange rates on cash and cash equivalents	189		—
Net increase/(decrease) in cash and cash equivalents	**(2,752)**	**(13)**	**(2,954)**
Opening cash and cash equivalents	6,892	996	7,888
Closing cash and cash equivalents	4,140	794	4,934
Change in net cash	**(2,752)**	**(202)**	**(2,954)**

2. Valuation rules and methods

2.1.1. Use of estimates and assumptions

In order to draw up the consolidated financial statements, in compliance with the international accounting standards in force, the Group's management has had to make estimates and assumptions that have an impact on the financial statements and the accompanying notes.

The Group makes these estimates and assessments in reference to its past experience as well as various other factors deemed reasonable that form the basis for these assessments. The underlying estimates and assumptions are reviewed on an ongoing basis.

The main estimates made by the management in order to draw up the financial statements concern the measurement and useful lives of the operating assets (notably tangible assets), the amount of the provisions for liabilities and charges and other provisions related to the activity and the environmental obligations, as well as the assumptions adopted for the calculation and measurement of the obligations related to employee benefits. The Group notably uses discount rate assumptions based on market data in order to estimate its long-term assets and liabilities.

2.1.2. Measurement and useful lives of operating assets

Those responsible for equipment control and maintenance in the North and Central areas identify the useful lives of the various categories of assets (main assets and components). These lives correspond to the potential duration of technical utilization. The useful lives and depreciation methods used are examined at the close of each fiscal period and adjusted prospectively, if needed. The useful lives are detailed in section 4.10 "Property, plant and equipment" hereafter.

2.1.3. Valuations used for impairment tests

The assumptions and estimates which are made to determine the recoverable value of goodwill, intangible assets and PP&E 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, and could lead to a modification of the impairment to be recognized.

2.1.4. Measurement of provisions for site rehabilitation

The OCP Group has developed an agricultural rehabilitation plan for exhausted mines. This program consists of the rehabilitation of 37,531 hectares of land at the three sites of Khouribga, Ben guerir and Youssoufia. A large range of crop types which can be cultivated there has been identified: cereals, fruit trees and forests, vegetables and plants for biofuels. As of 31 December 2013, 17,286 hectares were being farmed. In this respect, the Group recognizes provisions for site rehabilitation in its accounts, amounting to 141 million dirhams as at 31 December 2013.

2.1.5. Measurement of employee benefits

A provision is recognized for the defined-benefit plans, determined based on an actuarial analysis of the obligation according to the projected unit credit method, taking into account demographic and financial assumptions. The value of potential assets to cover these is deducted from the obligation determined in this way. The actuarial assumptions are reviewed annually. Differences linked to changes in actuarial assumptions and adjustments related to experience (effect of differences noted between the previous actuarial assumptions and what has actually occurred) constitute actuarial gains and losses, not reclassifiable, recognized in equity in accordance with the provisions of IAS 19 (Revised), and are recorded in "Other reserves" under shareholders' equity. The main assumptions used by the Group are described in note 21, "Employee Benefits".

2.2. Use of Management's judgment

The Group's Management uses its best judgment to define the appropriate accounting treatment of certain activities and transactions, notably when the IFRS standards and interpretations in force do not fully address the accounting issues concerned. In particular, the Group has exercised its judgment in relation to the presentation, in the consolidated statement of financial position, of current and non-current assets and liabilities combined with a presentation by order of liquidity. Given the Group's financial status, it was considered that the criterion for classification within current and non-current assets and liabilities based on order of liquidity was more relevant, as it is in line with the practices of the Group's major global competitors.

Furthermore, under standards IAS 28 and IAS 31, respectively, it is possible not to use the equity accounted method for venture capital funds, or not to consolidate them proportionately when these interests are measured at fair value through profit or loss. In this context, Groupe OCP chose to measure its interests in "Atlas Arranib" and "Inovag Processing," held by OCP Innovation Fund for Agriculture (OIFFA), using this latter method, considering that it provides more relevant information.

3. Consolidation principles

3.1. Consolidation methods

3.1.1. Subsidiaries

The companies in which the Group exercises exclusive de facto or de jure control are consolidated according to the full consolidation method. Control is understood as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of controlled companies are consolidated from the time that the control becomes effective until the time that this control ceases.

Control is presumed to exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity unless, in exceptional circumstances, it can be clearly demonstrated that such ownership does not constitute control. The existence and effect of potential voting rights that are exercisable at the date of the close of the financial statements are also considered when assessing whether one entity exercises control over another entity. However, the breakdown between the percentage of the Group's interest and the minority interests is determined on the basis of present ownership interests.

Acquisitions and disposals of non-controlling interests that do not affect the Group's exclusive control over the subsidiary are recognized directly in equity as transactions between shareholders.

3.1.2. Interests in joint ventures

Jointly controlled entities are entities over whose activities the Group exercises joint control under an agreement which requires unanimous agreement for strategic financial and operational decisions. Jointly controlled entities are consolidated according to the proportionate consolidation method.

3.1.3. Eliminated transactions

All intragroup transactions, as well as any significant reciprocal assets and liabilities between the fully or proportionately consolidated companies are eliminated. The same applies to profits generated within the Group (dividends, capital gains, etc.).

3.2. Translation method

3.2.1. Translation of foreign financial statements

The reporting currency used for the consolidated financial statements is the Moroccan dirham, which is also the parent company's functional currency.

The functional currency of an entity is the currency used in the economic environment in which this entity principally functions. The financial statements of foreign companies with a functional currency other than the Moroccan dirham are translated at the closing exchange rate for balance sheet items, and at the average exchange rate for the financial year for profit and loss account items. The resulting translation differences are recognized in "Translation differences" in equity.

3.2.2. Transactions in a currency other than the functional currency

Foreign currency transactions are recorded in the functional currency of the entity applying the exchange rate in force at the transaction date. Monetary assets and liabilities denominated in foreign currency at the balance sheet date are translated into the functional currency using the exchange rate at that date. The resulting translation differences are recognized in financial profit or loss for financing operations and in operating profit or loss for operating receivables and debts.

3.2.3. Net investment in a foreign operation

Exchange differences resulting from the translation of a net investment in a foreign operation and the corresponding hedges are recognized in "Translation reserves". They are recognized in profit or loss upon the derecognition of the foreign operation.

4. Accounting rules and methods

4.1. Recognition of sales

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 allowed. Revenue is recognized upon the transfer of the significant risks and rewards of ownership of the goods, and when the amount of revenue can be reasonably estimated. This transfer of ownership is made at the time of delivery of goods for local sales and as per Incoterms for export sales:

- *sales carried out FOB (Free on Board):* transfer of ownership takes place when the goods are placed on board the ship at the port of shipment. This primarily concerns sales related to the mining activities,

- *sales carried out under the incoterm CFR (Cost and Freight):* OCP bears, in addition, the transport costs to the destination port, loading costs, export formalities and the related duties and taxes. This primarily concerns sales related to the chemical activities. The transfer of risk occurs when the goods are delivered on board the ship in the port of shipment.

4.2. Operating result

The operating result includes all the income and expenses directly related to the Group's business, including exchange gains and losses on operating receivables and payables, whether such income and expenses are recurring or whether they result from occasional, unusual decisions or transactions. Other non-current income and expenses include:

- Amortization of goodwill and other intangible assets;
- Profit or loss from disposals of intangible assets and PP&E;
- Restructuring costs and costs relating to workforce adjustment measures;
- Unusual items corresponding to income and expenses that are unusual as regards their frequency, nature or amount.

4.3. Cost of net financial debt

The cost of net financial debt includes:

- *Cost of gross debt:* This includes interest charges calculated using the effective interest rate method, the costs of early repayment of loans or cancellation of lines of credit.
- *Financial income from cash investments:* This is composed of income from investments of cash and cash equivalents as well as financial cash assets.

4.4. Other financial income and expenses

Other financial income and expenses primarily include income from loans and receivables calculated using the effective interest rate method, dividends from non-consolidated entities, exchange gains and losses on financing operations, accretion of provisions, impairment losses and income relating to financial assets.

4.5. Income taxes

Income taxes include the current tax expense (or income) and the deferred tax expense (or income). Tax is recognized in profit or loss, unless it relates to items that are recognized directly in equity, in which case it is recognized in equity. The tax rates used are those that have been enacted or substantially enacted as of the closing date.

Deferred tax is determined according to the balance sheet approach. The Group applies the liability method. Groupe OCP recognizes deferred tax for all temporary differences that exist between the tax bases and the carrying amounts of the assets and liabilities in the balance sheet except for goodwill.

Tax assets relating to temporary differences, net of chargeable deferred tax liabilities, and loss carry-forwards are only recognized if it is probable that a likely future profit, determined with sufficient precision, will be generated by the tax entity.

A Group entity shall offset current tax assets and current tax liabilities if, and only if, the entity:

- has a legally enforceable right to set off the recognized amounts; and
- intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax assets and liabilities, whatever their maturity, must be offset when they are levied by the same tax authority and concern a single tax entity that has the right to set off current tax assets against current tax liabilities.

4.6. Earnings per share

Basic earnings per share are calculated by dividing the net profit for the year attributable to ordinary shareholders of the parent company, OCP SA, by the weighted average number of ordinary shares outstanding excluding own shares.

4.7. Cash and cash equivalents

Cash and cash equivalents include cash as well as short-term investments (with a maturity of less than three months) classified in this category as long as the following criteria are met:

- highly liquid
- easily convertible to a known cash amount
- subject to a negligible risk of change in value

Short-term investments primarily correspond to cash unit trusts measured at fair value at the closing date and changes in fair value are recognized in financial profit or loss.

4.8. Financial assets

Financial assets mainly include cash financial assets, financial assets available for sale and loans and receivables at amortized cost. A financial asset is classified as current when the cash flows expected to flow from the instrument mature within one year.

Cash financial assets

Cash financial assets mainly correspond to term deposits. These are investments whose maturity and income conditions are determined when they are made and which the Group intends and has the means to keep until their maturity. They are measured at amortized cost. Remuneration of term deposits is recognized in financial profit or loss.

Available-for-sale financial assets

Available-for-sale financial assets primarily include non-consolidated investment shares. They are valued at fair value. Subsequent changes in fair value are recognized directly in "Other items of comprehensive income", except in the case of significant or prolonged unrealized loss. The Group considers that a significant loss is assumed if the asset available for sale has lost 20% of its value and that loss is prolonged if it lasts for more than 6 months. Fair value corresponds to the market price for quoted shares or to an estimate of fair value for non-quoted shares, determined according to the most appropriate financial criteria for the particular situation of each shareholding. The Group uses historic cost less any possible depreciation to value its shares that are not quoted on an active market and whose fair value cannot be measured reliably.

Loans and receivables at amortized cost

This category includes operating receivables, deposits and guarantees, as well as loans. Upon initial recognition, loans and receivables are recorded in the balance sheet at their fair value plus transaction costs directly attributable to the acquisition or issue of the asset. At the closing date, these assets are measured using the amortized cost method. A loss in value is recorded depending on the risk of non-recovery.

4.9. Inventories

Inventories are measured at the lower of cost and net realizable value.

The cost of inventories is determined according to the weighted average cost method. It comprises the costs of purchase, production, conversion and other costs incurred in bringing the inventories to their present location and condition. For manufactured inventories and work-in-progress, the cost includes an appropriate share of the overheads based on normal production capacity.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

4.10. Property, plant and equipment

4.10.1. Initial and subsequent measurement

Property, plant & Equipment (PP&E) are recognized at their historic acquisition cost, production cost or cost of entry to the Group, less depreciation and possible loss of value. Borrowing costs incurred during the construction of a qualified asset are incorporated into the cost of the asset. Costs of day-to-day maintenance are recognized as maintenance costs if the frequency of renewal of this maintenance in terms of volume is annual. The partial or total restoration of one or several components constitutes major maintenance. This is recognized in fixed assets and the net carrying amount is derecognized.

4.10.2. Depreciation

In accordance with the component approach, the Group uses differentiated depreciation periods for each of the significant components of the same asset if the useful life of one of the components is different from the useful life of the principal asset to which it belongs. Depreciation is calculated using the straight-line method on useful lives corresponding to the following technical lives:

Depreciation times for the mining sites property, plant and equipment

Property, plant and equipment	Duration
Mining land	10 to 30 years
Office buildings	15 to 30 years
Industrial buildings	50 to 60 years
Fixtures and fittings	5 to 10 years
Equipment and tools	5 to 20 years
Rolling stock and operating equipment	10 to 30 years
IT and office equipment	3 to 5 years
Industrial equipment	6 to 15 years

Depreciation times for the chemicals sites property, plant and equipment

Property, plant and equipment	Duration
Office buildings	15 to 30 years
Industrial buildings	50 to 60 years
Fixtures and fittings	10 to 20 years
Equipment and tools	5 to 30 years
Rolling stock and operating equipment	5 to 15 years
IT and office equipment	3 to 10 years
Industrial equipment	5 to 30 years

Useful lives are analyzed at the end of each fiscal period and adjusted prospectively if necessary.

4.11. Intangible assets

4.11.1. Initial and subsequent measurement

Intangible assets are composed of patents, licenses, software, and research and development costs. They are recognized at their acquisition cost less accumulated amortization and impairment losses. Expenses thus recorded in assets include costs for equipment and services, costs of personnel directly assigned to the production and preparation of software for its use and costs of borrowing if eligibility conditions are satisfied.

Expenses undertaken over the development phase are capitalized when the criteria for recognition of an asset set forth in IAS 38 are met: technical feasibility, intention to complete the asset and to use it or to sell it, probability of future economic benefits, availability of resources, ability to measure the development expenses reliably. Expenses incurred during the research phase are not capitalized, but are expensed.

4.11.2. Amortization

Intangible assets are amortized on a straight-line basis according to their useful life:

Intangible assets	Duration
Patents and licenses	1 to 5 years
Software	1 to 5 years
Capitalized development expenses	1 to 5 years

4.12. Leases

Leases that transfer to the Group substantially all the risks and rewards incidental to ownership of an asset are classified as finance leases. All other leases are classified as operating leases.

Finance leases: Finance leases are recognized as assets in the balance sheet, at the fair value of the leased property or, if lower, the present value of the minimum lease payments under the lease. The corresponding debt due to the lessor is recognized as a liability under financial debts in the balance sheet. A leased asset is depreciated over the shorter of the lease term and its useful life (unless the Group is reasonably certain that it will obtain ownership by the end of the lease term).

Operating leases: Payments made under operating leases are expensed in the profit and loss account on a straight-line basis over the duration of the lease contract.

4.13. Goodwill

At the acquisition date, goodwill is measured as the difference between:

(i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and, in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously-held equity interest in the acquiree, and

(ii) the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

In order to evaluate interests which do not confer control at the acquisition date, the Group can retain either their fair value (complete goodwill method), or the portion that they represent in the net acquired asset (partial goodwill method). This option can be exercised at the time of each business combination.

In the case of the first consolidation of an entity, the Group measures all the identifiable assets, liabilities and contingent liabilities at their fair value, within a period not exceeding one year as from the date of acquisition.

Goodwill is not amortized, but is tested for impairment at least once per year and whenever there is an indication of impairment. If impairment is confirmed, the difference between the book value of the asset and its recoverable value is recognized in operating profit for the current fiscal year. Impairment losses recorded cannot subsequently be reversed.

4.14. Impairment tests

A cash-generating unit (CGU) is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Given the Group's activities, two cash generating units, Rock and Chemicals, can be identified.

The impairment tests for assets apply the following rules:

- *goodwill and intangible assets with indefinite useful lives* are tested for impairment at least once per year.
- *PP&E and intangible assets with finite lives* are tested for impairment if there is an indication of impairment, as defined hereafter:
  - significant reduction in the market price of the asset,
  - obsolescence or physical deterioration of the asset,
  - significant negative changes in past or planned use of an asset,
  - significant change in the technological, economic or legal environment,
  - increase in interest rates or yield which could affect useful value.

An impairment loss is recognized when the recoverable value of a CGU is lower than the net carrying amount of the assets that belong to it. The recoverable amount of a CGU is the higher of its fair value less costs to sell, and its value in use. The value in use is equal to the present value of the future cash flows that it generates, as per the budget and strategic plan approved by the Board of Directors, increased, if applicable, by its exit value at the end of its expected useful life.

Impairment tests were carried out for these two cash-generating units. No depreciation was noted at the close of financial years 2011, 2012 and 2013.

4.15. Provisions

The Group recognizes a provision as soon as there is a current, legal or constructive obligation, resulting from a past event, and where it is probable that an outflow of resources will be required to extinguish the obligation.

An obligation is qualified as constructive if the following two conditions are met:

- It has been indicated to other parties, by past practice, published policies or a sufficiently specific current statement, that the entity will accept certain responsibilities;
- The entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

4.16. Financial liabilities

Financial liabilities include financial loans and debts, and bank overdrafts.

They are initially recognized at the fair value of the amount required to settle the corresponding obligation, less related costs. A financial liability is qualified as current if it must be settled within 12 months following the closure date of the fiscal period.

Upon subsequent measurement, these financial liabilities are recognized at amortized cost, using the effective interest rate method. The interest calculated at the effective interest rate is recognized in the item “Cost of gross financial debt” over the term of the financial debt.

5. Mining exploration and studies

5.1. Exploration and evaluation expenditures

The exploration and evaluation activity includes the search for mineral resources with an economic potential, and the determination of the technical feasibility and evaluation of the commercial viability of the resources identified. In particular, it includes prospecting and topographic coverage work, geological studies and sampling and mineralogical characterization activities. Exploration and evaluation expenditures are recorded as expenses for the period.

5.2. Development expenditures

The development phase starts when the deposit has been analyzed as economically feasible and a decision has been taken to develop it. Only the expenditure incurred before the production phase and for the development of the deposit is capitalized. Development expenditure incurred to maintain the existing production is recognized as expenses. Capitalized development expenditure is depreciated on a straight-line basis over a maximum of five years.

Research and development costs amount to 98 million dirhams for financial year 2013 compared to 82 million dirhams for financial year 2012. Fixed assets in research and development are recorded for 48 million dirhams as at 31 December 2013 compared to 44 million dirhams as at 31 December 2012.

B – Segment reporting

The Group's activities are organized according to an integrated model, including all operations in the value chain from extraction of phosphates to production and marketing of various products, especially fertilizers and phosphoric acid.

Sector information is presented by sector, in conformity with the specifics of the Group's activities. It is based on an internal management database used to analyze the performance of the activities and to allocate resources. Each operating sector is monitored individually in terms of internal reporting in accordance with common performance indicators for all sectors. The sectors presented are operating sectors or combinations of similar operating sectors.

These are the Rock, Chemicals and Support activities.

- The Rock activity comprises the extraction, processing and marketing of phosphates.
- The Chemicals activity comprises the production of fertilizers and phosphoric acid, and all other chemicals activities such as those related to horticulture, zinc processing, etc.
- The Support activity consists of support for the Rock and Chemicals activities.

1. Reporting by business activity

(In millions of dirhams)	Rock			Chemicals			Support			Intersegment eliminations**			TOTAL		
	FY 2013 *	**FY 2012 ***	**FY 2011 ***	**FY 2013 ***	**FY 2012 ***	**FY 2011 ***	**FY 2013***	**FY 2012 ***	**FY 2011 ***	**FY 2013***	**FY 2012 ***	**FY 2011 ***	**FY 2013***	**FY 2012 ***	**FY 2011 ***
Revenue	18,897	22,781	32,449	37,365	46,246	44,341	357	277	291	(10,627)	(11,142)	(20,667)	45,992	58,162	56,415
Production held as inventory	182	390	55	(627)	(65)	1,825	220	—	—	—	—	—	(225)	324	1,881
Purchases consumed	(3,612)	(3,923)	(4,132)	(19,972)	(25,229)	(37,159)	(640)	(421)	(330)	5,242	6,673	20,822	(18,983)	(22,899)	(20,799)
External expenses	(5,205)	(5,423)	(2,870)	(6,280)	(6,382)	(3,106)	(484)	(665)	(79)	4,422	4,186	366	(7,546)	(8,284)	(5,689)
Personnel expenses	(5,503)	(5,239)	(4,376)	(5,395)	(5,250)	(3,266)	(310)	(219)	(155)	2,133	1,732	—	(9,076)	(8,976)	(7,798)
Taxes	(144)	(137)	(133)	(153)	(149)	(89)	(4)	(3)	(4)	65	56	—	(236)	(233)	(226)
Amortization, depreciation and operating provisions	(694)	(460)	(604)	(1,552)	(1,226)	(946)	(60)	(5)	(45)	452	279	—	(1,854)	(1,412)	(1,595)
Other operating income and expenses	1,611	579	499	82	1,601	279	667	591	421	(1,687)	(1,785)	(521)	673	987	679
Current operating profit (loss)	**5,531**	**8,568**	**20,889**	**3,468**	**9,547**	**1,880**	**(253)**	**(446)**	**99**	**(0)**	**(0)**	**—**	**8,746**	**17,670**	**22,867**
Other non-current operating income and expenses	541	(310)	105	152	(429)	(179)	(279)	(9)	(0)	—	—	—	415	(748)	(74)
Operating profit (loss)*	**6,072**	**8,258**	**20,994**	**3,620**	**9,118**	**1,701**	**(532)**	**(455)**	**99**	**(0)**	**(0)**	**—**	**9,161**	**16,921**	**22,793**

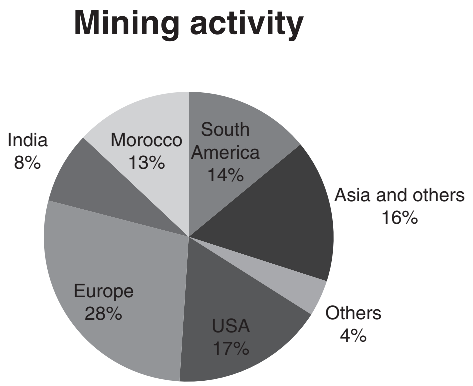
* Amounts adjusted in accordance with the change in accounting method related to the application of IAS 19 (Revised), "Employee benefits"

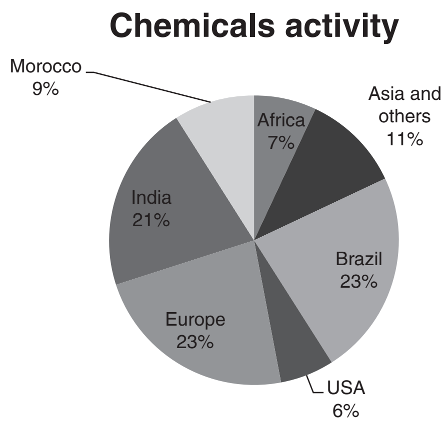
** Intersegment eliminations relate to the elimination of transactions between consolidated joint ventures and subsidiaries. At OCP SA, phosphates are transferred from the Rock activity to the Chemicals activity at cost price. Detailed information on joint ventures is given in Note 26.

2. Income from ordinary activities by geographic sector as at 31 December 2013

After elimination of internal transactions:

- The Rock activity represents 23% of consolidated turnover in financial year 2013, 87% of which is mainly for export to Europe and the United States.
- The Chemicals activity generates 73% of the Group's consolidated turnover for the same period, 83% of which is for export notably to Brazil, India and Europe.





(1) *In the Mining activity, the rest of the world primarily represents Mexico for 0.3 billion dirhams*

(2) *In the Chemicals activity, the rest of the world primarily represents: Kenya for 0.2 billion dirhams, Senegal for 0.2 billion dirhams and Côte d'Ivoire for 0.2 billion dirhams.*

The Group makes its turnover with a diversified customers. No client alone generates more than 5% of the consolidated turnover.

It should also be noted that more than 95% of the consolidated assets are located in Morocco.

C – Business combinations

The main changes in scope that have occurred between 31 December 2011 and 31 December 2013 are as follows:

- Entry into the consolidation scope of the OCP Foundation, consolidated in the 4th quarter of 2012. The OCP Foundation is a not-for-profit association under Moroccan law, whose purpose is to carry out social and educational activities, and contribute to the support of Moroccan farmers. Within this framework, the OCP Foundation supports the local market for fertilizers by granting Moroccan farmers a subsidy for the purchase of fertilizer, via approved distributors. The total amount of this subsidy in respect of financial year 2013 is 0.9 billion dirhams.
- Acquisition, in 2012, of 100% of Team Maroc by JESA (consolidated proportionately), resulting in goodwill of 87 million dirhams. This entity is consolidated using the proportionate consolidation method.
- In 2013, the takeover by Groupe OCP of Bunge's 50% stake in the Moroccan joint venture "Bunge Maroc Phosphore". The recognition of this takeover reflects two transactions:
    - the sale of the shares held prior to the takeover, justifying the recognition of a gain on disposal in the amount of 96 million dirhams;
    - followed by the acquisition of all of the shares held after the takeover in the amount of 815 million dirhams. This takeover resulted in the recognition of negative goodwill in the amount of – 6.7 million dirhams in the statement of profit and loss.
- The consolidation of the OCP Foundation and Team Maroc, and the takeover of the stake in Bunge Maroc Phosphore have not been shown in a pro-forma statement, as their contribution to the various aggregates was not significant.

D – Notes relating to the Consolidated Statement of Profit and Loss

NOTE 1: Revenue

Information by product family

(In millions of dirhams)	**FY 2013**	**FY 2012**	**FY 2011**
Phosphates	10,727	14,753	15,262
Fertilizers	19,228	25,123	21,662
Phosphoric acid	10,991	13,186	13,939
Other income	5,046	5,100	5,552
Revenue	**45,992**	**58,162**	**56,415**

- Phosphate sales have decreased by 4 billion dirhams between financial year 2013 and financial year 2012. This reduction is mainly attributable to the overall decrease in average export selling prices for phosphates (USD118 per ton in financial year 2013, compared to USD159 per ton in financial year 2012), as well as, to a lesser degree, a reduction in volumes of export sales.
- Sales of fertilizers have decreased by 5.9 billion dirhams between financial year 2013 and financial year 2012. This reduction is mainly due to the drop in the average local and export selling prices of phosphate fertilizers (USD435 per ton in financial year 2013, compared to USD539 per ton in financial year 2012) combined with a reduction in sales volumes. The latter decreased from 5,493 kt in financial year 2012 to 5,215 kt in financial year 2013.
- Sales of phosphoric acid have decreased by 2.2 billion dirhams between financial year 2013 and financial year 2012. This reduction is mainly due to the downward trend in selling prices (USD803 per ton in 2013 compared to USD993 per ton in 2012), slightly offset by the increase in sales volumes, which rose from 1,565 kt in 2012 to 1,609 kt in 2013.
- Phosphate sales decreased by 0.5 billion dirhams between financial year 2012 and financial year 2011. This reduction is mainly due to the overall reduction in the average selling prices of phosphates (USD159 per ton in financial year 2012, compared to USD166 per ton in financial year 2011). The reduction in turnover is also due, to a lesser degree, to the reduction in the volumes of export sales.
- Fertilizer sales increased by 3.5 billion dirhams between financial year 2012 and financial year 2011. This increase is mainly due to the increase in volumes sold, which rose from 4,349 kt in financial year

2011 to 5,493 kt in financial year 2012. This increase is nevertheless limited by the decrease in the average selling prices of phosphate fertilizers (USD539 per ton in financial year 2012, compared to USD616 per ton in financial year 2011).

- Phosphoric acid sales decreased by 0.8 billion dirhams between financial year 2012 and financial year 2011. This reduction is mainly due to the downward trend in selling prices (USD993 per ton in 2012 compared to USD1,041 per ton in 2011), accentuated by the decrease in volumes of sales which dropped from 1,656 kt in 2011 to 1,565 kt in 2012.

It should be noted that OCP subsidizes purchases of fertilizer by Moroccan farmers through the OCP Foundation. This subsidy was deducted from fertilizer turnover in the amount of 946 million dirhams in financial year 2013 and in the amount of 1,218 million dirhams in financial year 2012.

NOTE 2: Purchases consumed

(In millions of dirhams)	FY 2013	FY 2012	FY 2011
Purchases of materials and supplies	(825)	(1,906)	(1,217)
Purchases of raw materials	(9,351)	(12,544)	(12,049)
Purchases of other consumables	(5,791)	(5,933)	(5,672)
Purchases of non-storable supplies	(1,214)	(1,252)	(994)
Purchases of works, studies and services	(1,803)	(1,265)	(869)
Purchase s consumed	**(18,983)**	**(22,899)**	**(20,799)**

The reduction in purchases of materials and supplies consumed is mainly the result of the reduction in raw materials (sulphur and ammonia) between financial year 2012 and financial year 2013. Indeed, purchases of materials and supplies consumed decreased by 3,916 million dirhams, mainly due to a reduction of 2,720 million dirhams in sulphur purchases, following the reduction in the average price (USD206 per ton in financial year 2012 compared to USD142 per ton in financial year 2013). This reduction is accentuated by the reduction in the average price of ammonia (USD561 per ton in financial year 2012 to USD536 per ton in financial year 2013), which contributed to the 618 million dirhams reduction in procurement costs between 2012 and 2013. These indicators mainly concern OCP SA. and its subsidiaries in Morocco.

Between financial year 2011 and financial year 2012, purchases of materials and supplies consumed increased by 2,099 million dirhams, mainly due to the increase in the price of ammonia (USD546 per ton in financial year 2011 to USD560 per ton in financial year 2012), as well as to a 13% increase in the cost of energy as a result of the overall rise in energy prices and the increase in production.

The increase in purchases of works, studies and services illustrates the efforts made in maintenance at the various industrial sites.

NOTE 3: External expenses

(In millions of dirhams)	FY 2013	FY 2012	FY 2011
Freight out	(3,433)	(3,786)	(2,436)
Other operating transport	(479)	(611)	(426)
Remuneration of external personnel	(942)	(940)	(674)
Contributions and donations	(469)	(866)	(306)
Maintenance and repairs	(362)	(362)	(176)
Leases and lease expenses	(298)	(178)	(142)
Insurance premiums	(194)	(164)	(99)
Other external expenses	(1,370)	(1,377)	(1,429)
External expenses	**(7,546)**	**(8,284)**	**(5,689)**

Between financial year 2012 and financial year 2013, external expenses have decreased by 737 million dirhams, which is explained by the 283 million dirhams reduction in shipping costs as a result of the reduction in sales, and by the 396 million dirhams reduction in contributions and donations, notably for the OCP Foundation.

Between financial year 2011 and financial year 2012, external expenses increased by 2,595 million dirhams, due to the 1,350 million dirham increase in freight-out costs as a result of the reclassification of rail transport costs previously recognized as purchases consumed by Maroc Phosphore, the 560 million dirham increase in contributions and donations, and lastly the increase in external personnel expenses.

NOTE 4: Personnel expenses

(In millions of dirhams)	FY 2013	FY 2012 *	FY 2011 *
Employee remuneration and related social charges	(6,285)	(6,687)	(6,106)
Retirement benefits and other employee benefits	(2,785)	(2,279)	(1,630)
Other expenses	(6)	(10)	(62)
Total personnel expenses	**(9,076)**	**(8,976)**	**(7,798)**

* Amounts adjusted in accordance with the change in accounting method related to the application of IAS 19 (Revised), "Employee benefits".

Personnel expenses have increased by 100 million dirhams between financial year 2012 and financial year 2013. This increase is mainly due to the increase in expenses relative to the measures in support of access to home ownership for 646 million dirhams; it is offset by a reduction in employee remuneration and supplementary health insurance contributions for 573 million dirhams following the reduction in the number of employees.

(number)	31 December 2013	31 December 2012	31 December 2011 *
Non-executives	1,972	1,923	1,673
Technicians, Supervisors and Administrative executives	7,620	7,405	6,661
Manual workers and Clerical staff	14,050	15,047	12,683
Employees	**23,641**	**24,374**	**21,016**

(*) Number of employees restated for Sotreg and for the Jesa, team, Prayon and PPL staff.

The number of employees is 3% lower than at the end of December 2012, having decreased from 24,374 to 23,641. This reduction is essentially due to retirements.

Between financial year 2011 and financial year 2012, the number of employees increased by 16% as a result of the increase in recruitments in connection with the OCP Skills program.

NOTE 5: Depreciation, amortization and provisions

(In millions of dirhams)	FY 2013	FY 2012	FY 2011
Depreciation and amortization	(2,044)	(1,616)	(1,631)
Provisions	191	205	36
Total	**(1,854)**	**(1,412)**	**(1,595)**

Net depreciation and amortization has increased by 442 million dirhams (i.e. +31%) between financial year 2012 and financial year 2013. This variation is mainly due to the following:

- Completion of Rock sector projects, notably the Khouribga site projects: implementation of the Merah washing plant, STEP, T2 hopper;
- Completion of the Chemicals sector projects, notably with the implementation of the two new fertilizer production lines in Jorf.

Between financial year 2011 and financial year 2012, net depreciation and amortization decreased by 183 million dirhams (i.e. -11%).

NOTE 6: Other operating income and expenses

6.1 Other current operating income and expenses

(In millions of dirhams)	FY 2013	FY 2012	FY 2011
Exchange gains or losses on operating receivables and payables	49	311	404
Capitalized production	709	724	23
Other	(85)	(48)	252
Other current operating income and expenses	**673**	**987**	**679**

Other current operating income and expenses have decreased by 314 million dirhams between financial year 2012 and financial year 2013. This variation is mainly due to the reduction in exchange gains made on trade receivables in the amount of 262 million dirhams.

Between financial year 2011 and financial year 2012, other current operating income and expenses increased by 308 million dirhams. This variation is mainly due to the increase in capitalized production in the amount of 702 million dirhams offset by a reduction in transfers of charges in the amount of 326 million dirhams and a reduction in exchange losses made on trade receivables in the amount of 118 million dirhams.

6.2 Other non-current operating income and expenses

(In millions of dirhams)	FY 2013	FY 2012 *	FY 2011 *
Gains or losses on other assets	113	153	228
Grants awarded	(155)	(106)	(108)
Other non-current operating income and expenses	456	(795)	(194)
Other non-current operating income and expenses	**415**	**(748)**	**(74)**

(*) Amounts adjusted in accordance with the change in accounting method related to the application of IAS 19 (Revised), “Employee benefits”.

A variation of 1,163 million dirhams has been recorded in other non-current operating income and expenses between financial year 2012 and 2013. This variation is mainly due to the write-back of the self-insurance fund surplus, for 765 million dirhams.

As at 31 December 2013, the Group reversed the surpluses recorded annually by the assets mutual fund. This is mainly explained by an equilibrium rate that is lower than the effective rate and a constantly changing contribution base.

NOTE 7: Net financial income

Net financial income can be broken down as follows:

(In millions of dirhams)	FY 2013	FY 2012	FY 2011
Interest expenses	(689)	(692)	(622)
Cost of gross debt	**(689)**	**(692)**	**(622)**
Financial income from cash investments	760	1,055	882
Cost of net debt	**71**	**363**	**260**
Income from assets held for sale	50	43	37
Exchange income from financing operations	(70)	26	28
Revenue from financial receivables	9	32	2
Other	(28)	16	(12)
Other financial income and expenses	(39)	117	55
Financial profit (loss)	**32**	**479**	**315**

Financial income from cash investments has decreased by 295 million dirhams between financial year 2012 and financial year 2013. This reduction is due to the decrease in term deposits and equivalent instruments recorded in OCP's accounts for 9 billion dirhams as at 31 December 2013 compared to 23.4 billion dirhams as at 31 December 2012.

Other financial income and expenses have decreased by 156 million dirhams between financial year 2012 and financial year 2013, mainly due to a decrease in net unrealized exchange gains on financial loans and debts for 92 million dirhams, and a change in the fair value of the Indian treasury bills (GOI Bonds) held by PPL for 26 million dirhams.

Between financial year 2011 and financial year 2012, financial income increased by 164 million dirhams. This increase is due to the increase in financial income from cash investments.

NOTE 8: Income taxes

8.1 – Analysis of tax expense

(In millions of dirhams)	**FY 2013**	**FY 2012 ***	**FY 2011 ***
Current tax expense/current tax income	(2,119)	(3,224)	(4,292)
Deferred tax expense/deferred tax income	14	(535)	450
Total tax expense	**(2,105)**	**(3,759)**	**(3,842)**

(*) Amounts adjusted in accordance with the change in accounting method related to the application of IAS 19 (Revised), "Employee benefits".

8.2 – Reconciliation between the total tax expense and the theoretical tax expense

(In millions de dirhams)	**FY 2013**	**FY 2012 ***	**FY 2011 ***
+Net income – Group share	7,087	13,641	19,266
+Net income – Minorities' share	—	—	—
+/-Tax for the period	2,105	3,759	3,842
Consolidated accounting income before tax	**9,192**	**17,400**	**23,109**
+/- Permanent differences	2,003	1,462	(2,437)
= Consolidated taxable income	**11,195**	**18,862**	**20,672**
Effective tax rate	20.47%	19.75%	19.31%
=Theoretical tax	**(2,291)**	**(3,725)**	**(3,992)**
Losses for the year, limited for the sake of prudence	3	(4)	(26)
Difference in tax rate in relation to OCP SA	195	289	413
Tax adjustments	—	—	—
Tax credit	6	—	18
Tax on previous years	—	—	—
Other items	(16)	(319)	(254)
		—	—
= tax expense for the year	**(2,105)**	**(3,759)**	**(3,842)**
including		—	—
current tax	(2,119)	(3,224)	(4,292)
deferred tax	14	(535)	450

(*) Amounts adjusted in accordance with the change in accounting method related to the application of IAS 19 (Revised), "Employee benefits".

NOTE 9: Earnings per share

The basic earnings per share are calculated by dividing the net income (group share) by the average number of shares outstanding during the financial year less the number of own shares.

(In millions of dirhams)	**FY 2013**	**FY 2012 ***	**FY 201 1 ***
Net income, Group share (in millions of dirhams)	**7,087**	**13,641**	**19,267**
Average number of shares in circulation	82,875,000	82,875,000	82,875,000
Average number of own shares in circulation during the period	729,300		
Number of shares used for the calculation of income	**82,145,700**	**82,875,000**	**82,875,000**
Basic net earnings per share	86.28	164.60	232.48
Diluted earnings per share	86.28	164.60	232.48

(*) Amounts adjusted in accordance with the change in accounting method related to the application of IAS 19 (Revised), "Employee benefits".

E – Notes relating to the Consolidated Statement of Financial Position

Note 10 – Management of cash assets

Note 10.1 – Cash and cash equivalents

(In millions of dirhams)	31 December 2013	31 December 2012	31 December 2011
Cash	1,642	4,561	2,823
Cash equivalents	4,395	5,251	8,250
Cash and cash equivalents	**6,039**	**9,813**	**11,074**
Bank (credit balances)	1,898	2,921	1,418
Cash and cash equivalents in the cash flow statement	**4,140**	**6,892**	**9,656**

Cash and cash equivalents are composed of cash floats, bank balances and short-term investments in monetary instruments. These investments with a maturity of less than three months at the date of acquisition are easily convertible into a known cash amount and are subject to an insignificant risk of change in value.

Note 10.2 – Cash financial assets

(In millions of dirhams)	31 December 2013	31 December 2012	31 December 2011
Cash financial assets	4,631	18,147	16,075
Total	**4,631**	**18,147**	**16,075**

The funds liquidated in the amount of 13.5 billion dirhams have served to finance a part of the investment program.

Note 10.3 – Investment maturities

The investment portfolio, composed of cash equivalents and cash financial assets, must be sufficiently liquid to meet the financing needs generated by the Group's operations and investment.

In this respect, the investment portfolio is divided between very short-term instruments to meet operating needs, and instruments with an investment horizon of more than one month with the aim of improving yields and being in line with the targets.

(In millions of dirhams)	0-1 month	1-6 months	6-12 months	> 1 year	Total
Money market funds	2,199				2,199
Term deposit	2,000	3,628	1,200		6,828
Management mandate					
Treasury bills					
Total	**4,199**	**3,628**	**1,200**		**9,027**

Note 10.4 – Fair value of investment portfolio

	31 December 2013			31 December 2012			31 December 2011		
(In millions of dirhams)	Outstanding	Return	Fair value	Outstanding	Return	Fair value	Outstanding	Return	Fair value
Money market funds	2,199		2,199	4,054		4,054	8,051		8,051
Term deposit	6,828	4.59%	6,898	15,845	4.43%	16,166	14,274	4.26%	14,544
Management mandate				3,500	4.27%	3,543	2,000	4.18%	2,027
Total	**9,027**		**9,097**	**23,399**		**23,763**	**24,325**		**24,622**

NOTE 11: Inventories

(In millions of dirhams)	31 December 2013 Gross	Depreciation	Net	31 December 2012 Gross	Depreciation	Net	31 December 2011 Gross	Depreciation	Net
Goods purchased for resale	91	(2)	89	89	(2)	87	68	(2)	65
Consumables	4,821	(1,015)	3,805	4,531	(802)	3,728	4,860	(873)	3,988
Work in progress	2,426	(3)	2,423	2,096	(357)	1,739	1,968	(617)	1,351
Intermediate products and residual products	666	(79)	587	921	(1)	920	1,270	—	1,270
Finished products	2,560	(57)	2,503	2,746	(31)	2,715	2,084	(28)	2,056
Total Inventories	**10,564**	**(1,157)**	**9,407**	**10,383**	**(1,194)**	**9,189**	**10,251**	**(1,520)**	**8,731**

NOTE 12: Trade receivables

(In millions of dirhams)	31 December 2013	31 December 2012	31 December 2011
Trade receivables invoiced	5,816	8,202	7,808
Provisions – trade receivables	(127)	(97)	(126)
Net trade receivables	**5,689**	**8,106**	**7,682**

Net trade receivable maturities as at 31 December 2013 are as follows:

In millions of dirhams	Receivables not yet due	Receivables outstanding 0-30 days	31 -60 days	61-90 days	91 -180 days	More than 180 days	More than 365 days	TOTAL
Net trade receivables	**3,293**	**1,164**	**359**	**85**	**404**	**102**	**282**	**5,689**

Trade receivables with a maturity of more than 365 days are sound receivables for which no provision for depreciation has been recognized.

NOTE 13: Other current assets

(In millions of dirhams)	31 December 2013 Gross	Depreciation	Net	31 December 2012 * Gross	Depreciation	Net	31 December 2011 * Gross	Depreciation	Net
Receivables from suppliers, advances and payments on account	6,215	(6)	6,208	4,565	(6)	4,559	2,469	(6)	2,462
Personnel	67	(30)	36	73	(31)	42	108	(33)	75
Social organizations	189	—	189	178	—	178	232	—	232
State (excluding corporate income tax)	11,132	—	11,132	6,577	—	6,577	4,082	—	4,082
Other receivables	839	(7)	832	472	(50)	422	1,066	(593)	473
Total other current receivables	**18,441**	**(43)**	**18,397**	**11,865**	**(87)**	**11,777**	**7,957**	**(632)**	**7,325**

Receivables from suppliers, advances and payments on account have increased by 1,650 million dirhams between 31 December 2012 and 31 December 2013. This increase is due to the rise in advances recognized within the context of the industrial programs carried out by the Group.

The line "State excluding corporate income tax" mainly includes VAT, VAT credits, the phosphate royalty, the contribution to social cohesion and other taxes.

The tax receivable maturities as at 31 December 2013 are detailed in the table below:

Taxes by nature	Total	Not yet due	Due <30 DAYS	30 -60 DAYS	61-90 DAYS	91-120 JOURS	> 120 DAYS
State, VAT	2,792	2,776	2	1	15	—	0
VAT credit	8,173	3,896	132	9	780	40	3,316
State, Other taxes	166	81	1	0	0	1	83
Total	11,132	6,752	134	10	795	42	3,399

There is no risk of recovery of the VAT credit lines with a maturity exceeding 120 days. This concerns a late payment by the Directorate-General of Taxes.

NOTE 14: Non-current financial assets

(In millions of dirhams)	31 December 2013				31 December 2012				31 December 2011			
	Gross	Revaluation	Depreciation	Net	Gross	Revaluation	Depreciation	Net	Gross	Revaluation	Depreciation	Net
Available-for-sale financial assets	1,720	694	(6)	2,407	1,579	721	(6)	2,285	2,203	737	(1,163)	1,777
Financial assets measured at fair value through profit or loss	9	—	—	9	9	—	—	9		—	—	—
Receivables from fixed asset disposals	90	—	(43)	47	145	—	(42)	103	138	—	(42)	97
Other financial receivables	471		(48)	423	446		(37)	408	411		(51)	360
Total non-current financial assets	2,289	694	(96)	2,887	2,179	721	(84)	2,805	2,752	737	(1,256)	2,233

BCP available for sale represent an underlying capital gain of 694 million dirhams as at 31 December 2013 compared to 721 million dirhams as at 31 December 2012.

NOTE 15: Available-for-sale assets

(In millions of dirhams)	Listed securities	Unlisted securities	TOTAL
At 31 December 2011	**1,737**	**40**	**1,777**
Acquisitions for the period		522	522
Disposals for the period			—
Change in fair value recognized in equity	(17)		(17)
Impairment losses		1,155	1,155
Translation differences			—
Changes in scope and others		(1,152)	(1,152)
At 31 December 2012	**1,721**	**565**	**2,285**
Acquisitions for the period		152	152
Disposals for the period		(2)	(2)
Change in fair value recognized in equity	(27)		(27)
Impairment losses			—
Translation differences			—
Changes in scope and others			—
At 31 December 2013	**1,694**	**716**	**2,407**

Quoted securities concern the BCP shares which represent an unrealized capital gain of 694 million dirhams as at 31 December 2013.

Unquoted securities include the shares in Jorf Fertilizers Company I (JFC-I), Jorf Fertilizers Company II (JFC-II) and the Université Mohammed VI Polytechnique UM6P for 250 million dirhams, 250 million dirhams and 100 million dirhams respectively.

NOTE 16: Deferred tax assets and liabilities

The trend in deferred tax assets and liabilities is as follows:

(In millions of dirhams)	1 January 2012 *	1 January 2013 *	Activity changes in income	Activity changes not in income	Change in consolidation scope	31 December 2013
Gross deferred tax assets	1,050	308	74	(142)		240
Unrecognized deferred tax assets						—
Net deferred tax assets	**1,050**	**308**	**74**	**(142)**	**—**	**240**
Deferred tax liabilities	**330**	**109**	**162**	**(138)**		**133**

(*) Amounts adjusted in accordance with the change in accounting method related to the application of IAS 19 (Revised), "Employee benefits".

The breakdown by type of deferred tax asset and liability is as follows:

(In millions of dirhams)	31 December 2013	31 December 2012 *	31 December 2011 *
Tangible and intangible assets	54	420	509
Financial assets at fair value through profit or loss	7	8	8
Financial assets available for sale	(142)		
Inventories	(398)	(365)	(82)
Other asset items	765	233	(28)
Provisions for employee benefits	1,618	1,618	1,617
Other provisions	29	29	30
Temporary differences	348	79	61
Tax loss carryforwards	46	37	194
Offsetting	(2,088)	(1,752)	(1,260)
Total deferred tax assets	**240**	**308**	**1,050**

(In millions of dirhams)	31 December 2013	31 December 2012 *	31 December 2011 *
Tangible and intangible assets	1,893	1,496	1,259
Financial assets available for sale	4	142	145
Other liability items	118	114	103
Temporary differences	196	98	80
Tax loss carryforwards	9	9	—
Offsetting	(2,088)	(1,752)	(1,260)
Total deferred tax liabilities	**133**	**109**	**330**

(*) Amounts adjusted in accordance with the change in accounting method related to the application of IAS 19 (Revised), "Employee benefits".

NOTE 17: Property, plant and equipment

(In millions of dirhams)	1 January 2013	Acquisitions	Provisions	Reductions / Reversals	Reclassifi-cation	Translation difference	Other changes	31 December 2013
Gross amount:								
Land	5,189	181	—	(0)	(38)	(0)	—	5,332
Buildings	16,727	2,181	—	(78)	1,480	(24)	215	20,500
Technical installations, equipment and tools	49,007	3,740	—	(332)	5,736	(65)	1,143	59,229
Transport equipment	763	50	—	(60)	32	(0)	—	785
Furniture, office equipment and various fittings	1,055	38	—	(9)	167	(1)	3	1,253
Other property, plant and equipment	4,983	(245)	—	(1)	7,039	0	—	11,776
Property, plant and equipment under construction	297	14,522	—	(0)	(14,460)	(24)	164	498
Total gross amount	**78,021**	**20,467**	**—**	**(479)**	**(45)**	**(114)**	**1,524**	**99,374**
Depreciation:								
Land	(732)	—	(53)	0	1	(0)	(0)	(784)
Buildings	(9,179)	—	(299)	58	1	8	(39)	(9,449)
Technical installations, equipment and tools	(27,961)	—	(1,510)	325	1,010	39	(1,335)	(29,431)
Transport equipment	(483)	—	(69)	60	0	(1)	—	(492)
Furniture, office equipment and various fittings	(685)	—	(46)	8	2	0	(2)	(722)
Other property, plant and equipment	(199)	—	(60)	1	17	1	—	(240)
Impairment losses:								
Land	(7)	—	(0)	6	—	(0)	—	(1)
Buildings	(2)	—	—	—	—	(0)	—	(2)
Technical installations, equipment and tools	—	—	(1)	1	(1)	—	—	(1)
Transport equipment	—	—	—	—	—	—	—	—
Furniture, office equipment and various fittings	—	—	(0)	0	(0)	—	—	(0)
Other property, plant and equipment	—	—	—	—	—	—	—	—
Total depreciation and impairment losses	**(39,247)**	**—**	**(2,037)**	**460**	**1,030**	**47**	**(1,375)**	**(41,122)**
Net carrying amount	**38,773**	**20,467**	**(2,037)**	**(19)**	**985**	**(66)**	**148**	**58,251**

(In millions of dirhams)	1 January 2012	Acquisitions	Provisions	Reductions / Reversals	Reclassifi-cation	Translation difference	Other changes	31 December 2013
Gross amount:								
Land	4,892	953	—	(1)	(656)	(0)	1	5,189
Buildings	14,677	553	—	(138)	1,634	(6)	6	16,727
Technical installations, equipment and tools	41,881	1,802	—	(386)	5,725	(17)	2	49,007
Transport equipment	629	135	—	(8)	2	(0)	6	763
Furniture, office equipment and various fittings	913	49	—	(13)	103	(0)	4	1,055
Other property, plant and equipment	2,606	260	—	(0)	2,122	0	(4)	4,983
Property, plant and equipment under construction	78	8,857	—	(3)	(8,627)	(3)	(6)	297
Total gross amount	**65,677**	**12,608**	**—**	**(551)**	**302**	**(26)**	**10**	**78,021**
Depreciation:								
Land	(727)	—	(5)	0	(0)	(0)	—	(732)
Buildings	(9,114)	—	(476)	407	3	2	(0)	(9,179)
Technical installations, equipment and tools	(27,112)	—	(2,555)	1,678	18	10	0	(27,961)
Transport equipment	(433)	—	(53)	8	(1)	(0)	(4)	(483)
Furniture, office equipment and various fittings	(647)	—	(50)	12	1	0	(2)	(685)
Other property, plant and equipment	(148)	—	(52)	0	2	0	—	(199)
Impairment losses:								
Land	(10)	—	(0)	2	—	(0)	—	(7)
Buildings	(2)	—	—	—	—	(0)	—	(2)
Technical installations, equipment and tools	(9)	—	—	—	9	—	—	—
Transport equipment	—	—	—	—	—	—	—	—
Furniture, office equipment and various fittings	—	—	—	—	—	—	—	—
Other property, plant and equipment	—	—	—	—	—	—	—	—
Total depreciation and impairment losses	**(38,201)**	**—**	**(3,191)**	**2,116**	**22**	**12**	**(6)**	**(39,247)**
Net carrying amount	**27,476**	**12,608**	**(3,191)**	**1,565**	**325**	**(15)**	**4**	**38,773**

(In millions of dirhams)	1 January 2011	Acquisitions	Provisions	Reductions / Reversals	Reclassifi-cation	Translation difference	Other changes	31 December 2011
Gross amount:								
Land	3,933	184	—	(0)	777	(1)	(0)	4,892
Buildings	14,336	446	—	(309)	237	(30)	(3)	14,677
Technical installations, equipment and tools	38,982	2,764	—	(400)	601	(79)	13	41,881
Transport equipment	535	95	—	(13)	12	(0)	—	629
Furniture, office equipment and various fittings	831	62	—	(21)	42	(1)	(1)	913
Other property, plant and equipment	1,358	73	—	(0)	1,179	(5)	—	2,606
Property, plant and equipment under construction	64	2,628	—	(0)	(2,613)	(1)	—	78
Total gross amount	**60,040**	**6,253**	**—**	**(744)**	**235**	**(116)**	**9**	**65,677**
Depreciation:								
Land	(663)	—	(64)	0	(0)	0	—	(727)
Buildings	(9,148)	—	(327)	309	6	16	28	(9,114)
Technical installations, equipment and tools	(26,617)	—	(1,082)	427	30	66	64	(27,112)
Transport equipment	(413)	—	(39)	13	0	0	5	(433)
Furniture, office equipment and various fittings	(616)	—	(49)	20	(3)	1	1	(647)
Other property, plant and equipment	(104)	—	(47)	0	(0)	3	—	(148)
Impairment losses:								
Land	(3)	—	(6)	—	—	0	—	(10)
Buildings	—	—	(2)	—	—	0	—	(2)
Technical installations, equipment and tools	—	—	—	—	(9)	—	—	(9)
Transport equipment	—	—	—	—	—	—	—	—
Furniture, office equipment and various fittings	—	—	—	—	—	—	—	—
Other property, plant and equipment	—	—	—	—	—	—	—	—
Total depreciation and impairment losses	**(37,564)**	**—**	**(1,624)**	**777**	**33**	**86**	**91**	**(38,201)**
Net carrying amount	**22,476**	**6,253**	**(1,624)**	**32**	**268**	**(30)**	**100**	**27,476**

The Group has pursued its industrial projects in 2013 representing a total of 20 billion dirhams. These projects relate mainly to Jorf Lasfar Hub, Jorf Fertilzers I and II, and the Pipeline.

NOTE 18: Intangible assets

(In millions of dirhams)	1 January 2013	Acquisitions	Provisions	Reductions / Reversals	Reclassification	Translation difference	Other changes	31 December 2013
Gross amount:								
R&D assets	66	5	—	—	2	0	(0)	72
Patents, trademarks, rights and similar items	218	13	—	—	(5)	0	8	234
Licences and software	132	51	—	—	(34)	0	—	149
Other intangible assets	58	(67)	—	(0)	66	(1)	(2)	54
Goodwill	46	—	—	—	—	(0)	—	46
Total gross amount	**521**	**1**	—	**(0)**	**28**	**(0)**	**6**	**555**
Amortization:								
Amortization of R&D assets	(22)	—	(3)	—	1	0	—	(24)
Amortization of patents, trademarks, rights and similar items	(158)	—	(10)	—	2	0	(7)	(173)
Amortization of licences and software	(106)	—	(1)	—	—	(0)	0	(107)
Amortizaiton of other intangible assets	(29)	—	(1)	0	(1)	1	2	(28)
Depreciation of goodwill	(2)	—	—	—	—	0	—	(1)
Total amortization and impairment losses	**(316)**	**—**	**(15)**	**0**	**2**	**1**	**(5)**	**(333)**
Net carrying amount	**205**	**1**	**(15)**	**(0)**	**30**	**0**	**1**	**222**

(In millions of dirhams)	1 January 2012	Business combinations	Provisions	Reductions / Reversals	Reclassification	Translation difference	Other changes	Autres variations	31 December 2012
Gross amount:									
R&D assets	59	—	10	—	—	(4)	0	1	66
Patents, trademarks, rights and similar items	189	—	33	—	—	(5)	0	1	218
Licences and software	141	—	0	—	(0)	(8)	0	—	132
Other intangible assets	43	—	328	—	—	(312)	(0)	—	58
Goodwill	3	—	—	—	—	—	0	44	46
Total gross amount	**434**	**—**	**371**	**—**	**(0)**	**(329)**	**0**	**45**	**521**
Amortization:									
Amortization of R&D assets	(20)	—	—	(3)	—	1	(0)	—	(22)
Amortization of patents, trademarks, rights and similar items	(141)	(0)	—	(18)	0	2	0	(1)	(158)
Amortization of licences and software	(105)	—	—	(1)	0	(0)	(0)	—	(106)
Amortizaiton of other intangible assets	(28)	—	—	(2)	0	1	0	—	(29)
Depreciation of goodwill	(1)	—	—	(0)	—	—	0	—	(2)
Total amortization and impairment losses	**(296)**	**(0)**	**—**	**(24)**	**1**	**4**	**0**	**(1)**	**(316)**
Net carrying amount	**138**	**(0)**	**371**	**(24)**	**1**	**(326)**	**0**	**44**	**205**

(In millions of dirhams)	1 January 2011	Acquisitions	Provisions	Reductions / Reversals	Reclassifi-cation	Translation difference	Other changes	31 December 2011
Gross amount:								
R&D assets	34	25	—	(0)	(0)	(0)	—	59
Patents, trademarks, rights and similar items	190	4	—	(8)	2	(0)	—	189
Licences and software	154	0	—	—	(13)	(0)	—	141
Other intangible assets	258	36	—	—	(246)	(1)	(4)	43
Goodwill	2	—	—	—	(0)	(0)	1	3
Total gross amount	**638**	**66**	**—**	**(8)**	**(258)**	**(1)**	**(3)**	**434**
Amortization:								
Amortization of R&D assets	(19)	—	(2)	0	0	0	—	(20)
Amortization of patents, trademarks, rights and similar items	(129)	—	(19)	8	(1)	0	—	(141)
Amortization of licences and software	(104)	—	(1)	0	—	0	—	(105)
Amortizaiton of other intangible assets	(35)	—	(2)	0	6	1	2	(28)
Depreciation of goodwill	0	—	(2)	—	0	0	0	(1)
Total amortization and impairment losses	**(287)**	**—**	**(26)**	**9**	**5**	**1**	**2**	**(296)**
Net carrying amount	**351**	**66**	**(26)**	**1**	**(252)**	**(0)**	**(1)**	**138**

NOTE 19: Net debt

Note 19.1 – Net debt by category

(In millions of dirhams)		31 December 2013	31 December 2012	31 December 2011
Assets measured at fair value through profit or loss		**6,039**	**9,813**	**11,074**
	Cash equivalents	4,397	5,252	8,251
	Cash	1,642	4,561	2,823
Assets measured at amortized cost	Financial assets for cash management	4,631	18,147	16,075
	Financial assets	**10,670**	**27,960**	**27,149**
Liabilities measured at amortized cost	Financial credits	16,433	11,949	8,950
	Bonds	2,000	2,000	2,000
	Other loans and assimilated debts	2,144	2,591	545
	Financial lease debt	1,659	1,211	567
	Financial debt	**22,235**	**17,751**	**12,061**
	Bank overdrafts	1,898	2,920	1,417
	Gross financial debt (cash)	**24,132**	**20,671**	**13,479**
	Net financial debt (cash)	**13,462**	**(7,290)**	**(13,670)**
	Pension funds and health insurance	8,377	10,829	11,408
	Net debt (cash)	**21,839**	**3,539**	**(2,262)**

Note 19.2 – Reconciliation of net debt accounts

The reconciliation with balance sheet items is shown below:

(In millions of dirhams)	31 December 2013	31 December 2012	31 December 2011
Current loans and financial debts	5,891	6,888	3,275
Non-current loans and financial debts	18,242	13,783	10,203
Gross financial debt	**24,132**	**20,671**	**13,479**
Financial assets for cash management	(4,631)	(18,147)	(16,075)
Cash and cash equivalents	(6,039)	(9,813)	(11,074)
Net financial debt	**13,462**	**(7,290)**	**(13,670)**
Pension and health insurance funds	8,377	10,829	11,408
Net debt	**21,839**	**3,539**	**(2,262)**

Note 19.3 – Breakdown of financial debts by type

The table below shows the breakdown of the Group's financial debts by type:

(in millions of dirhams)	31 December 2013	31 December 2012	31 December 2011
Current financial debts			
Government credits	63	60	49
Long-term bank loans, portion due in less than one year	2,577	2,046	1,496
Finance leases, portion due in less than one year	314	175	162
Bank overdrafts	1898	2,920	1,417
Other loans	912	1,542	59
Accrued interest not yet due	128	146	92
Total current financial debts	**5,891**	**6,888**	**3,275**
Non-current financial debts			
Government credits	724	774	837
Long-term bank loans, portion due in more than one year	13,288	9,688	6,648
2011 bond issue	2,000	2,000	2,000
Finance leases, portion due in more than one year	1,345	1,036	405
Other loans	885	285	314
Total non-current financial debts	**18,242**	**13,783**	**10,203**
Total financial debts	**24,132**	**20,671**	**13,479**

The Group has raised funding on several occasions in the past few years, mainly long-term loans to fund investments necessary for the development of its activities.

Note 19.4 – Analysis of financial debts: rates and maturities

(In millions of dirhams)	Interest rate	Weighted average interest rate	Weighted average residual maturity	31 December 2013
Current financial debts				
Government credits				
Denominated in EUR	1.30-2.50	2.06		63
Long-term bank loans, portion due in less than one year				
Denominated in USD	1.94	1.94		6
Denominated in MAD	4.70-6.07	4.97		2,571
Bankd overdraft				
Denominated in USD	0.80-0.96	0.88		563
Denominated in MAD				522
Denominated in INR	10.20-14.00	10.54		812
Finance lease debts				
Denominated in MAD	5.25-5.75	5.61		275
Denominated in EUR	4.10	4.10		39
Other loans				912
Accrued interest not yet due				128
Total current financial debts				**5,891**
Non-current financial debts				
Government credits				
Denominated in EUR	1.30-2.50	2.20	15	724
Long-term bank loans, portion due in more than one year				
Denominated in USD	1.94-4.15	3.41	8	4,429
Denominated in EUR	3.05-6.00	3.50	9	2,721
Denominated in MAD	4.70-6.07	4.94	3	6,138
Denominated in INR	—	—	—	—
Finance lease debts				
Denominated in MAD	5.25-5.75	5.60	5	1,291
Denominated in EUR	4.10	4.10	3	53
2011 bond issue				
Denominated in MAD	4.46	4.46	4	2,000
Other loans				885
Total non-current financial debts	**—**	**—**		**18,242**
Total financial debts				**24,132**

(In millions of dirhams)	Interest rate	Weighted average interest rate	Weighted average residual maturity	31 December 2012
Current financial debts				
Government credits				
Denominated in EUR	1.30-2.50	2.03		60
Long-term bank loans, portion due in less than one year				
Denominated in USD	1.94	1.94		6
Denominated in MAD	4.70-6.07	5.20		2,039
Bankd overdraft				
Denominated in USD	1.20-1.90	1.57		582
Denominated in MAD				1,575
Denominated in INR	10.20-14	10.83		763
Finance lease debts				
Denominated in MAD	5.50-5.75	5.70		110
Denominated in EUR	4.05	4.05		65
Other loans				1,542
Accrued interest not yet due				146
Total current financial debts				**6,888**
Non-current financial debts				
Government credits				
Denominated in EUR	1.30-2.50	2.19	15	774
Long-term bank loans, portion due in more than one year				
Denominated in USD	1.94-3.36	3.25	9	2,574
Denominated in EUR	3.05-6	3.43	10	2,785
Denominated in MAD	4.70-6.07	4.87	3	4,318
Denominated in INR	11.75	11.75	1	10
Finance lease debts				
Denominated in MAD	5.50-5.75	5.70	5	945
Denominated in EUR	4.05	4.05	3	91
2011 bond issue				
Denominated in MAD	4.46	4.46	5	2,000
Other loans				285
Total non-current financial debts				**13,783**
Total financial debts				**20,671**

(In millions of dirhams)	Interest rate	Weighted average interest rate	Weighted average residual maturity	31 December 2011
Current financial debts				
Government credits				
Denominated in EUR	1.30-2.50	1.92%		49
Long-term bank loans, portion due in less than one year				
Denominated in USD	1.94	1.94		6
Denominated in MAD	5.07-6.07	5.56		1,490
Bank overdraft				
Denominated in USD	2.43-3	2.63		247
Denominated in EUR	3.11	3.11		577
Denominated in MAD				285
Denominated in INR	10.2-14.25	10.54		308
Finance lease debts				
Denominated in MAD	5.65-5.75	5.86		101
Denominated in EUR	4.00	4.00		61
Other loans				59
Accrued interest not yet due				92
Total current financial debts				**3,275**
Non-current financial debts				
Government credits				
Denominated in EUR	1.30-2.50	2.18	16	837
Long-term bank loans, portion due in more than one year				
Denominated in USD	1.94	1.94	4	24
Denominated in EUR	3.56-6.17	3.99	11	1,074
Denominated in MAD	4.72-6.07	5.51	4	5,500
Denominated in INR	9.00	9.00	2	50
Finance lease debts				
Denominated in MAD	5.65-5.75	5.75	5	269
Denominated in EUR	4.00	4.00	4	136
2011 bond issue				
Denominated in MAD	4.46	4.46	6	2,000
Other loans				314
Total non-current financial debts				**10,203**
Total financial debts				**13,479**

Note 19.5 – Financial debt maturities

The table below shows the maturities of medium- and long-term debt:

(in millions of dirhams)	<1 yr	1- 5 yrs	> 5 yrs	Total at 31 December 2013
Medium – and long – term debt	5,891	13,854	4,387	**24,132**

(in millions of dirhams)	<1 an	1- 5 ans	> 5 ans	Total au 31 December 2012
Medium – and long – term debt	6,888	7,353	6,430	**20,671**

(in millions of dirhams)	<1 an	1- 5 ans	> 5 ans	Total au 31 December 2011
Medium – and long – term debt	3,275	6,285	3,918	**13,479**

19.6 – The Group's main financing agreements

The Group's main financing agreements as at 31 December 2013 are as follows:

- In December 2013, OCP SA concluded a fixed interest rate loan of 1,200 million dirhams with Société générale des banques marocaines, maturing in December 2018, to finance its investment projects. As at 31 December 2013, the total outstanding balance of this loan is 400 million dirhams.
- In September 2013, OCP SA concluded a fixed interest rate loan of 271 million dollars with KFW, maturing in June 2024, within the context of the implementation of its Water strategy. As at 31 December 2013, no drawings have been made on this loan.
- In February 2013, OCP SA entered into a loan agreement for USD150 million at a fixed interest rate, maturing in June 2025, in the form of an Istisna'a facility with the Islamic Development Bank, to finance part of the rehabilitation and extension of the quays of the port of Jorf Lasfar. As at 31 December 2013, no drawings have been made on this loan.
- In October 2012, OCP SA entered into a financing agreement with the European Investment Bank, in addition to the agreement of December 2011, for the amount of EUR130 million, for the modernization and expansion of the Group's facilities. As at 31 December 2013, no drawings have been made on this loan.
- In July 2012, OCP SA entered into a fixed rate, amortizing loan of 5 billion dirhams with the Attijariwafa Bank within the context of its operations and financing strategy. OCP S.A. has made three drawings on this loan: (i) in August 2012, a first drawing of 300 million dirhams maturing in August 2017, (ii) in September 2012, a second drawing of 1,270 million dirhams maturing in August 2017 and (iii) in June 2013, a third drawing corresponding to the remaining balance, i.e. 3,343 million dirhams, maturing in June 2018. As at 31 December 2013, the total outstanding balance of this loan is 4,343 million dirhams.
- In May 2012, OCP S.A. concluded a loan for USD237 million with the Agence française de développement (AFD) within the context of the implementation of its Water strategy. In April 2013, OCP S.A. made a first drawing of a USD80 million at a fixed interest rate, maturing in April 2022. As at 31 December 2013, the total outstanding balance of this loan is USD80 million.
- In May 2012, OCP S.A. concluded a loan for USD250 million with the African Development Bank within the context of the financing of the Jorf Phosphate hub project. In May 2012, OCP S.A. drew the full amount of this fixed-rate loan maturing in April 2022. As at 31 December 2013, the total outstanding balance of this loan is USD160 million.
- In December 2011, OCP S.A. concluded a loan for EUR200 million with the European Investment Bank within the context of the modernization and extension of the Group's facilities. OCP S.A. has made two drawings on this loan: (i) in December 2012, OCP S.A. made a first drawing of USD52.4 million (equivalent to EUR40 million), at a fixed interest rate, maturing in June 2026, and (ii) in February 2013, OCP S.A. made a second drawing of USD53.3 million (equivalent to EUR40 million), at a fixed interest rate, maturing in June 2026. As at 31 December 2013, the total outstanding balance of this loan is USD105.7 million.
- In October 2011, OCP S.A. performed a domestic bond issue in two tranches, listed and unlisted, for a total amount of 2.0 billion dirhams, at an annual nominal interest rate of 4.46%, maturing in October 2018.
- In May 2010, OCP S.A. concluded a loan for EUR240 million with the Agence française de développement within the context of the project for the Slurry Pipeline between Khouribga and the Jorf Lasfar industrial platform. OCP S.A. has made three drawings on this fixed-rate loan maturing in April 2024: (i) in December 2011, a first drawing of EUR30 million, (ii) in January 2011, a second drawing of EUR30 million, and (iii) in June 2012, OCP S.A. drew the remaining balance, i.e. EUR150 million. As at 31 December 2013, the total outstanding balance of this loan is EUR60 million.
- In June 2008, OCP S.A. concluded a loan for 1,500 million dirhams with the Banque Centrale Populaire within the context of the partial financing of the outsourcing of the internal pension fund. This loan bears interest at a fixed rate and matures in October 2015. As at 31 December 2013, the total outstanding balance of this loan is 500 million dirhams.
- In May 2008, OCP S.A. concluded a loan for 2,000 million dirhams with the Banque Marocaine du Commerce Extérieur within the context of the partial financing of the outsourcing of the internal pension fund. This loan bears interest at a fixed rate and matures in October 2015. As at 31 December 2013, the total outstanding balance of this loan is 615 million dirhams.

- In May 2008, OCP S.A. concluded a loan for 1,200 million dirhams with Société Générale des Banques Marocaines within the context of the partial financing of the outsourcing of the internal pension fund. This loan bears interest at a fixed rate and matures in October 2015. As at 31 December 2013, the total outstanding balance of this loan is 400 million dirhams.
- In May 2008, OCP S.A. concluded a loan for 700 million dirhams with the Banque Marocaine du Commerce et de l'Industrie within the context of the partial financing of the outsourcing of the internal pension fund. This loan bears interest at a fixed rate and matures in November 2018. As at 31 December 2013, the total outstanding balance of this loan is 350 million dirhams.
- In December 2007, OCP S.A. concluded a loan for 750 million dirhams with the Crédit du Maroc bank within the context of the partial financing of the outsourcing of the internal pension fund. This loan bears interest at a fixed rate and matures in March 2018. As at 31 December 2013, the total outstanding balance of this loan is 375 million dirhams.

19.7 – Certain contractual provisions and terms of the debt

The Group's financing agreements contain standard market terms, including certain financial and other covenants.

Certain financing agreements in foreign currencies contain financial covenants as detailed below:

- The cash flow/total debt service ratio over the twelve months as from the date of signing must be greater than or equal to 1.25.
- The EBITDA/interest payment ratio must be greater than or equal to 3.
- The net debt/EBITDA ratio must not be greater than 3 for two consecutive years.
- The total loans/shareholders' equity ratio must be less than or equal to 1.5.
- The debt service coverage ratio, corresponding to the ratio between the cash flow available for debt servicing and the debt service, must not be less than 1.5.
- The equity ratio, corresponding to the ratio between the medium- and long-term financial debts, and shareholders' equity, must not be greater than 3.5.
- The current ratio, corresponding to the ratio between current assets due in less than one year and current liabilities due in less than one year, must not be less than 1.25.
- The interest coverage ratio, corresponding to the EBIT to interest ratio, must be greater than 10.

These covenants are complied with in respect of financial years 2011, 2012 and 2013.

NOTE 20: Provisions for liabilities and charges

Current and non-current provisions can be broken down as follows:

		REVERSALS						
(In millions of dirhams)	**1 January 2013**	**Increase**	**Used**	**Unused**	**Impact of discount**	**Translation difference**	**Other changes**	**31 December 2013**
Non-current provisions for employee benefits	**11,728**	**1 2**	**(8)**	**—**	**—**	**1**	**(2,300)**	**9,433**
Other non-current provisions	**1,028**	**59**	**(43)**	**—**	**—**	**(1)**	**(900)**	**146**
Provision for OCP Group self-insurance	765	—	—	—	—	—	(765)	0
Other provisions for risks	116	45	(21)	—	—	(0)	(140)	(0)
Provisions for environmental risks	23	1	(23)	—	—	0	4	5
Provisions for site rehabilitation	127	14	—	—	—	(1)	1	141
Other provisions for current items	**138**	**1 0**	**(84)**	**(0)**	**—**	**(14)**	**(8)**	**43**
Total provisions	**12,894**	**81**	**(135)**	**0**	**0**	**(14)**	**(3,208)**	**9,622**
Non-current	**12,756**	**71**	**(51)**	**—**	**—**	**0**	**(3,200)**	**9,579**
Current	**138**	**1 0**	**(84)**	**(0)**	**—**	**(14)**	**(8)**	**43**

(In millions of dirhams)	1 January 2012	REVERSALS Increase	Used	Unused	Impact of discount	Translation difference	Other changes	31 December 2012
Non-current provisions for employee benefits	**12,017**	**1 5**	**(7)**	**—**	**—**	**0**	**(298)**	**11,728**
Other non-current provisions	**996**	**99**	**(64)**	**—**	**—**	**1**	**(2)**	**1,028**
Provision for OCP Group self-insurance	715	—	(5)	—	—	—	55	765
Other provisions for risks	54	79	(19)	—	—	0	0	116
Provisions for environmental risks	9	20	(1)	—	—	—	(1)	23
Provisions for site rehabilitation	165	—	(38)	—	—	(0)	0	127
Other provisions for liabilities	56	—	—	—	—	—	(56)	(0)
Other provisions for current items	**105**	**43**	**(6)**	**—**	**—**	**(4)**	**0**	**138**
Total provisions	**13,118**	**157**	**(77)**	**0**	**0**	**(2)**	**(300)**	**12,894**
Non-current	**13,013**	**114**	**(71)**	**—**	**—**	**1**	**(300)**	**12,756**
Current	**105**	**43**	**(6)**	**—**	**—**	**(4)**	**0**	**138**

(In millions of dirhams)	1 January 2011	REVERSALS Increase	Used	Unused	Translation difference	Other changes	31 December 2011
Non-current provisions for employee benefits	**8,367**	**214**	**(200)**	**—**	**(1)**	**3,636**	**12,017**
Other non-current provisions	**577**	**52**	**(67)**	**—**	**1**	**433**	**996**
Provision for OCP Group self-insurance	0	—	(23)	—	—	738	715
Other provisions for risks	79	23	(36)	—	0	(14)	54
Provisions for environmental risks	12	1	(8)	—	—	3	9
Provisions for site rehabilitation	146	13	—	—	0	6	165
Other provisions for liabilities	341	14	—	—	—	(299)	56
Other provisions for current items	**82**	**36**	**(7)**	**—**	**(7)**	**—**	**105**
Total provisions	**9,027**	**303**	**(274)**	**0**	**(7)**	**4,069**	**13,118**
Non-current	**8,945**	**266**	**(267)**	**—**	**0**	**4,069**	**13,013**
Current	**82**	**36**	**(7)**	**—**	**(7)**	**—**	**105**

Other variations recorded in non-current provisions for employee benefits and provisions for self-insurance concern movements in funds for mandatory personnel retirement indemnities and self-insurance contributions.

NOTE 21: Employee benefits

Groupe OCP has three types of retirement schemes:

- Post-employment defined-contribution schemes, for which Groupe OCP's obligation is limited to the payment of a contribution which does not obligate the employer in any way as to the level of payments made by the Collective Retirement Benefit Scheme. The contributions are recognized 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 for which Groupe OCP is committed to provide a certain level of benefits. This includes in particular the supplementary pension, retirement indemnities and post-employment medical cover for OCP staff.
- Other long-term employee benefits, other than post-employment benefits and termination benefits, which are not due wholly within twelve months after the end of the year during which the employees rendered the relevant services. This particularly concerns insurance benefits in relation to death insurance, disability and work-related accidents. Obligations for other long-term benefits are measured using an actuarial method similar to that applied to post-employment defined benefits.

As from 1 January 2013 Groupe OCP has applied the provisions of IAS 19 (Revised) "Employee benefits" which introduces several changes in the recognition of post-employment benefits, in particular:

- The recognition in the balance sheet of all post-employment benefits granted to the Group's employees. The corridor option and the possibility of amortizing past service costs in profit or loss over the average period of vesting of the rights by the employees are cancelled;

- The recognition in profit or loss of the impacts of plan changes;
- The recognition of the impacts of remeasurement in other comprehensive income: actuarial gains and losses gains on the commitment, overperformance (underperformance) of the plan assets, i.e. the difference between the effective yield of the plan assets and their remuneration calculated on the basis of the discount rate of the actuarial liability, and variation of the effect of the limit on the asset. These impacts are presented in the consolidated statement of comprehensive income.

Not having any coverage assets, the Group is not concerned by the calculation of interest income on pension plan assets, which is henceforth calculated based on the same rate as the discount rate used to determine the defined benefit obligation.

In the accounts presented, the impact of these standards is as follows:

- Immediate recognition of actuarial gains and losses through equity as at 1 January 2011 in the amount of -2,450 million dirhams.
- As a result of the new provisions relating to mortality, the mortality tables must integrate the expected increases in life expectancy, hence the use of a generational mortality table.

- Pension

The Group continues to measure its obligation using mortality table 73-77, as this table is the most relevant to the OCP personnel concerned by the company pension scheme.

- Sickness:

The CIMR generational table is used for the measurement of the obligations to be recognized as at 31 December 2013. There are plans to outsource the compulsory health insurance (AMO) in 2020.

As IAS 19 (Revised) "Employee benefits" is applied retrospectively, the impacts of this change in accounting method on the comparative 2012 period and on the balance sheets as at 31 December 2012 and 31 December 2011 are presented below.

Key figures adjusted

(In millions of dirhams)	**FY 2012**	**Impact of IAS 19 Revised**	**FY 2012 adjusted**	**FY 2011**	**Impact of IAS 19 Revised**	**FY 2011 adjusted**
Revenue	**58,162**		**58,162**	**56,415**		**56,415**
Operating profit	17,671	(749)	16,921	19,457	3,336	22,793
Cost of net financial debt	363		363	260		260
Net profit (loss)	**14,394**	**(753)**	**13,641**	**16,594**	**2,673**	**19,267**
Consolidated equity	51,808	—	51,808	43,474	—	43,474
Net financial debt	(7,290)		(7,290)	(13,670)		(13,670)
Net debt	**3,539**		**3,539**	**(2,262)**		**(2,262)**
Net operating investments	12,813		12,813	6,060		6,060
Basic earnings per share (in dirhams)	173.69	(9.1)	164.60	200.23	32.25	232.48
Dividend per share (in dirhams)	56.98		56.98	42.74		42.74

Consolidated profit and loss account adjusted

(In millions of dirhams)	FY 2012	Impact of IAS 19 Revised	FY 2012 adjusted	FY 2011	Im pact of IAS 19 Revised	FY 2011 adjusted
Revenue	58,162		58,162	56,415	—	56,415
Production held as inventory	324		324	1,881	—	1,881
Purchases consumed	(22,899)		(22,899)	(20,800)	1	(20,799)
External expenses	(8,284)		(8,284)	(5,689)	—	(5,689)
Personnel expenses	(8,601)	(374)	(8,976)	(8,046)	248	(7,798)
Taxes	(233)		(233)	(226)	—	(226)
Amortization, depreciation and operating provisions	(1,412)		(1,412)	(1,595)	—	(1,595)
Other operating income and expenses	987		987	679	—	679
					—	
Current operating profit (loss)	**18,044**	**(374)**	**17,670**	**22,619**	**248**	**22,867**
					—	
Other non-current operating income and expenses	(373)	(375)	(748)	(3,162)	3,088	(74)
					—	
Operating profit (loss)	**17,670**	**(749)**	**16,921**	**19,457**	**3,336**	**22,793**
Cost of gross financial debt	(692)		(692)	(622)	—	(622)
Financial income from cash investments	1,055		1,055	882	—	882
Cost of net financial debt	**363**		**363**	**260**	**—**	**260**
					—	
Other financial income and expenses	117		117	55	—	55
					—	
Financial profit (loss)	**479**		**479**	**316**	**(1)**	**315**
					—	
Profit (loss) before tax	**18,149**	**(749)**	**17,400**	**19,772**	**3,336**	**23,107**
					—	
Corporate income tax	(3,756)	(2)	(3,759)	(3,176)	(665)	(3,842)
					—	
Net profit (loss)	**14,394**	**(751)**	**13,641**	**16,594**	**2,673**	**19,267**
Earnings per share in dirhams	**173.69**		**164.60**	**200.23**		**232.48**

Consolidated statement of financial position adjusted

(In millions of dirhams)	31 Dec 2012	Impact of IAS 19 Revised	31 Dec 2012 adjusted	31 Dec 2011	Impact of IAS 19 Revised	31 Dec 2011 adjusted
ASSETS						
Current assets						
Cash and cash equivalents	9,813		9,813	11,074		11,074
Cash financial assets	18,147		18,147	16,075		16,075
Inventories	9,189		9,189	8,731		8,731
Trade receivables	8,106		8,106	7,682		7,682
Current tax receivables	1,089		1,089	299		299
Other current assets	11,777		11,777	7,325		7,325
Total current assets	**58,122**		**58,122**	**51,186**		**51,186**
Non-current assets						
Non-current financial assets	2,805		2,805	2,234		2,233
Deferred tax assets	308		308	1,051		1,050
Property, plant and equipment	38,773		38,773	27,476		27,476
Intangible assets	205		205	138	—	138
Total non-current assets	**42,090**		**42,091**	**30,898**	**—**	**30,897**
					—	
Total assets	**100,212**		**100,212**	**82,083**	**—**	**82,083**

(In millions of dirhams)	31 Dec 2012	Impact of IAS 19 Revised	31 Dec 2012 adjusted	31 Dec 2011	Impact of IAS 19 Revised	31 Dec 2011 adjusted
LIABILITIES						
Current liabilities						
Current loans and financial debts	6,888		6,888	3,275		3,275
Current provisions	138		138	105		105
Trade payables	7,691		7,691	5,455		5,455
Current tax payables	37		37	1,889		1,889
Other current liabilities	6,982		6,982	4,319		4,319
Total current liabilities	**21,735**		**21,735**	**15,043**		**15,043**
Non-current liabilities						
Non-current loans and financial debts	13,783		13,783	10,203		10,203
Non-current provisions for employee benefits	11,724		11,728	12,017		12,017
Other non-current provisions	1,032		1,028	996		996
Deferred tax liabilities	109	—	109	329	—	330
Other non-current liabilities	20		20	20		20
Total non-current liabilities	**26,669**	**—**	**26,669**	**23,566**	**—**	**23,566**
Issued capital	8,288		8,288	8,288		8,288
Paid-in capital	18,698		18,698	4,513		4,513
Consolidated reserves	10,429	753	11,182	14,080	(2,672)	11,407
Net profit (loss)	14,394	(753)	13,641	16,594	2,673	19,267
Total equity	**51,808**	**—**	**51,808**	**43,474**	**—**	**43,474**
Total liabilities	**100,212**		**100,212**	**82,083**		**82,083**

Statement of cash flows adjusted

(In millions of dirhams)	FY 2012	Impact of IAS 19 Revised	FY 2012 adjusted	FY 2011	Impact of IAS 19 Revised	FY 2011 adjusted
Consolidated total net profit (loss)	14,394	(753)	13,641	16,594	2,673	19,267
+/- Tax expense (income)	3,756	2	3,759	3,177	665	3,842
+/- Depreciation and amortization of PP&E and intangible assets	1,616		1,616	1,610		1,610
+/- Other provisions	(205)		(205)	4,044		4,044
+/- Net loss/(net gain) from investing activities	(170)		(170)	(227)		(226)
+/- Net loss/(net gain) from financing activities	(51)		(51)	(45)		(45)
+/- Other movements	(931)	751	(181)	(3)	(3,336)	(3,340)
cash from operations	**18,409**	**—**	**18,409**	**25,150**		**25,150**
Impact of the change in WCR:	**(3,156)**		**(3,156)**	**(6,203)**		**(6,203)**
Inventories	(502)		(502)	(3,304)		(3,304)
Trade receivables	(2,408)		(2,408)	(2,139)		(2,139)
Trade payables	2,433		2,433	95		95
Other current assets and liabilities	(2,679)		(2,679)	(855)		(855)
- Taxes paid	(4,261)		(4,261)	(3,380)		(3,380)
Total net cash flows related to operating activities	**10,992**	**—**	**10,992**	**15,568**	**—**	**15,567**
Acquisitions of PP&E and intangible assets	(12,979)		(12,979)	(6,285)		(6,285)
Disposals of PP&E and intangible assets	166		166	225		225
Change in loans and advances granted	(97)		(97)	233		233
Impact of changes in scope	(56)		(56)	1		1
Acquisitions of financial assets	(531)		(531)	(12)		(12)
Dividend received	43		43	37		37
Total net cash flows related to investing activities	**(13,454)**		**(13,455)**	**(5,801)**		**(5,801)**
Loan issue	8,914		8,914	3,090		3,090
Repayment of loan	(2,480)		(2,480)	(1,805)		(1,805)
Dividends paid to Group shareholders	(4,722)		(4,722)	(3,542)		(3,542)
Other flows related to changes in cash assets	(2,040)		(2,040)	(506)		(506)
Total net cash flows related to financing activities	**(328)**		**(328)**	**(2,763)**		**(2,763)**
Impact of changes in exchange rates on cash and cash equivalents	26		26	189		189
Net increase/(decrease) in cash and cash equivalents	**(2,764)**		**(2,764)**	**7,192**		**7,192**
Opening cash and cash equivalents	9,656		9,656	2,464		2,464
Closing cash and cash equivalents	6,892		6,892	9,656		9,656
Change in net cash	**(2,764)**		**(2,764)**	**7,192**		**7,192**

21.1. Main actuarial assumptions used at 31 December 2013

All of the defined-benefit obligations have been calculated on the basis of actuarial calculations founded on assumptions such as the discount rate, the medical inflation rate, future increases in salaries, the employee turnover rate and mortality tables. The main assumptions used are as follows:

	31 December 2013	31 December 2012	31 December 2011
Discount rate			
Pension supplement	5.49%	5.48%	4.50%
Medical plans	5.49%	5.52%	4.25%
Expected salary increase rate	5.1%	5.10%	4.61%
Rate of increase in medical costs	4.00%	4.00%	5.56%

The discount rates are determined by reference to market yields on bonds issued by the Moroccan State, to which is added a basic risk premium to estimate the market yields on high quality corporate bonds over durations equivalent to those of the plans.

21.2. Obligations related to social liabilities

31 December 2013

(In millions of dirhams)	**Post-employment benefits**							
	Pension supplement	**Medical plans**	**Total pension supplement and medical plans**	*of which: OCP SA conso. Scope*	**Fixed retirement allocation**	**Total post-employment benefits**	**Other long-term benefits**	**Total employee benefits**
Net obligations recognized at 1 January	4,820	6,137	10,957	*10,829*	581	11,538	189	11,727
Benefits paid	(645)	(307)	(952)	*(952)*	(74)	(1,026)	(3)	(1,029)
Service cost	376	94	471	*253*	34	504	—	504
Expenses related to discounting of obligations	257	339	596	*596*	32	628	—	628
Actuarial losses or (gains) for the period resulting from changes in:	(210)	(2,307)	(2,687)	(2,517)	—	(2,687)	—	(2,687)
– financial assumptions	(210)	(2,477)	(2,687)	*(2,687)*		(2,687)		(2,687)
– demographic assumptions	—	170		*170*				
Contributions	—	168	168	*168*	—	168	—	168
Other changes	122		122	—		122	—	122
Net obligations recognized at 31 December	**4,720**	**4,124**	**8,674**	***8,377***	**573**	**9,247**	**186**	**9,433**

31 December 2012

(In millions of dirhams)	**Post-employment benefits**							
	Pension supplement	**Medical plans**	**Total pension supplement and medical plans**	*of which: OCP SA conso. Scope*	**Fixed retirement allocation**	**Total post-employment benefits**	**Other long-term benefits**	**Total employee benefits**
Net obligations recognized at 1 January	4,448	7,031	11,479	*11,408*	538	12,017	—	12,017
Benefits paid	(482)	(239)	(721)	*(721)*	(59)	(780)	(10)	(790)
Service cost	227	115	342	*285*	31	373	1	374
Expenses related to discounting of obligations	197	299	496	*496*	26	522	—	522
Actuarial losses or (gains) for the period resulting from changes in:	430	(1,225)	(795)	(795)	45	(750)	—	(750)
– financial assumptions	430	(1,225)	(795)	*(795)*	45	(750)	—	(750)
– demographic assumptions								
Contributions		156	156	*156*	—	156	—	156
Other changes			—	—		—	198	198
Net obligations recognized at 31 December	**4,820**	**6,137**	**10,957**	***10,829***	**581**	**11,538**	**189**	**11,728**

(In millions of dirhams)	Pension supplement	Medical plans	Total pension supplement and medical plans	*of which: OCP SA conso. Scope*	Fixed retirement allocation	Total post-employment benefits	Total employee benefits
	31 December 2011						
	Post-employment benefits						
Net obligations recognized at 1 January	2,156	5,380	7,535	*7,536*	475	8,010	8,010
Benefits paid	(7)	(177)	(184)	*(183)*	(37)	(221)	(221)
Service cost	230	139	369	*296*	31	400	400
Expenses related to discounting of obligations	97	229	326	*326*	19	345	345
Actuarial losses or (gains) for the period resulting from changes in:	1,972	1,315	3,287	3,287	50	3,337	3,337
– financial assumptions	1,972	1,315	3,287	*3,287*	50	3,337	3,337
– demographic assumptions							
Contributions		145	145	*145*	—	145	145
Other changes			—			—	
Net obligations recognized at 31 December	**4,448**	**7,031**	**11,479**	***11,408***	**538**	**12,017**	**12,017**

The OCP SA consolidation scope includes OCP SA, IPSE, Phosboucraa and Sotreg

21.3 Analysis of sensitivity to the assumptions used for defined-benefit plans and other long-term benefits recognized as at 31 December 2013

(as % of the item measured) Sensitivity analysis +1%	31 December 2013 Pension supplement	31 December 2013 Medical plans	31 December 2012 Pension supplement	31 December 2012 Medical plans	31 December 2011 Pension supplement	31 December 2011 Medical plans
Discount rate						
Impact on the current value of gross obligations at 31 December	-14%	-11%	-15%	-12%	-15%	-14%
Rate of change in medical costs						
Impact on the current value of gross obligations at 31 December		13%		16%		22%

(as % of the item measured) Sensitivity analysis -1%	31 December 2013 Pension supplement	31 December 2013 Medical plans	31 December 2012 Pension supplement	31 December 2012 Medical plans	31 December 2011 Pension supplement	31 December 2011 Medical plans
Discount rate						
Impact on the current value of gross obligations at 31 December	18%	14%	19%	16%	16%	19%
Rate of change in medical costs						
Impact on the current value of gross obligations at 31 December		-11%		-13%		-18%

NOTE 22: Trade payables

(In millions of dirhams)	31 December 2013	31 December 2012	31 December 2011
Local suppliers	3,957	2,976	2,007
Foreign suppliers	5,396	4,715	3,448
Total trade payables	**9,353**	**7,691**	**5,455**

The increase in trade payables is closely related to the acceleration of the Group's investment program.

NOTE 23: Other current liabilities

(In millions of dirhams)	31 December 2013	31 December 2012	31 December 2011
Trade receivable credit balances, advances and payments on account	729	671	542
State	774	813	726
Social payables	1,308	1,466	1,012
Debts relating to asset acquisitions	2,515	1,315	637
Other creditors	3,443	2,717	1,401
Other current liabilities	**8,769**	**6,982**	**4,319**

The variations in the line "Other creditors" mainly concern the additional transfer price for the *Caisse nationale de retraties et d'assurances* (National Pension and Insurance Fund). The latter manages the service for rights not transferred to the *Régime collectif d'allocaiton de retraite* (Collective Retirement Benefit Scheme) in 2008, and that are guaranteed by OCP.

NOTE 24: Capital and reserves

24.1 Issued capital

As at 31 December 2013, the share capital amounts to 8,288 million dirhams. It is composed of 82,875,000 shares with a nominal value of 100 dirhams

(in number of shares)	Ordinary shares
Outstanding at 1 January 2013	**82,875,000**
Issues of shares for cash in FY 2013	—
Outstanding at 31 December 2013	**82,875,000**
Nominal value	100 dirhams

24.2 Dividends

Dividends paid by OCP S.A. are as follows:

	31 December 2013 (*)	31 December 2012	31 December 2011
Amount of dividends (in millions of dirhams)	6,195	4,722	3,542
Dividend per share (in dirhams)	75.42	56.98	42.74

(*) *The dividend per share is calculated on the basis of the total number of shares less the own shares held by SADV.*

F – Other Notes

NOTE 25: Other commitments and contingent liabilities

25.1 Commitments given and received

(In millions of dirhams)	31 December 2013	31 December 2012*	31 December 2011*
Letters of credit	2,472	3,246	531
Guarantees given by the Group on behalf of third parties	1,164	40	21
Equity commitments	1,500	1,500	
Commitments resulting from operations relating to:			
– interest rate	351	245	386
– exchange rate	456	412	290
– prices of raw materials or goods	72	85	68
Miscellaneous rights and commitments	401	569	207
Total Commitments given	**6,415**	**6,097**	**1,504**
Sureties and guarantees	168	86	189
Guarantees given by third parties on behalf of the Group	19	87	106
Unused borrowings	7,651	8,653	—
Other commitments received for contracts	7,682	6,050	—
Loans guaranteed by the State	787	834	861
Total Commitments received	**16,306**	**15,710**	**1,156**

(*) With reconstitution of off-balance-sheet commitments given in the amount of 31 million dirhams for PPL and 113 million dirhams for Jesa as at 31 December 2011, and in the amount of 401 million dirhams for PPL and 46 million dirhams for Jesa as at 31 December 2012.

Guarantees provided by the Group on behalf of third parties: these mainly concern:

- Pledges of collateral and encumbrances or sureties provided by Prayon SA, Prayon Benelux, and Prayon Technologies within the context of the club deal, as well as by certain subsidiaries of the Prayon Group, Transpek Silox and Hydro Technologies Canada, granted to guarantee bank credit lines.
- Guarantees provided by third parties on behalf of the Prayon Group, notably concerning bank guarantees given at the request of PRAYON S.A. in favour of clients (within the context of the operations of the Profile division), or administrations (VAT, environment), as well as a major Jordanian supplier.

Commitments resulting from operations relating to the interest rate, exchange rate or prices of raw materials or goods concern hedging instruments.

Other commitments received for contracts concern commitments received from suppliers relating to advances paid within the context of the industrial programs undertaken by the Group.

25.2 Contingent liabilities

Contingent liabilities concern bank guarantees and other items arising in the ordinary course of the Group's business. Groupe OCP does not expect these items to result in significant liabilities.

Note 26: Related parties

Note 26.1 – Management compensation

Key management includes the Chairman and Chief Executive Officer, Deputy Executive Officers, Advisors to the Chief Executive Officer and the Group's top Executives.

(In millions of dirhams)	**FY 2013**	**FY 2012**	**FY 2011**
Short-term employee benefits	145	147	121
Post-employment benefits	0	0	0
Termination benefits	19	0	0
Total management compensation	**164**	**147**	**121**

Note 26.2 – Relations with the State

- **Dividend policy**

The Moroccan State is the majority shareholder of OCP with a 94.12% stake. In this respect, the State receives annual dividends in accordance with the company's dividend distribution policy. The dividends to be paid are proposed by the Board of Directors to the General Meeting of Shareholders. Their amount depends on several parameters, in particular the profits made, cash available and the company's financial structure, as well as other factors that the Board of Directors may consider to be relevant.

In 2013, the Moroccan State received dividends net of taxes amounting to 5 billion dirhams in respect of the distributable profit for financial year 2012.

- **Guaranteed loans**

OCP has been a *Société Anonyme* (public limited liability company) since March 2008. Prior to that date, OCP, as a public enterprise, benefited from the State guarantee for loans taken out with foreign organizations.

Purpose of loan	Loan currency	Date of loan	Amount in millions of euros as at 31 December 2013	Amount in millions of dirhams as at 31 December 2013	Amount in millions of euros as at 31 December 2012	Amount in millions of dirhams as at 31 December 2012	Amount in millions of euros as at 31 December 2011	Amount in millions of dirhams as at 31 December 2011
AFD outstanding loans consolidation	EUR	2005	42	467	43	481	44	491
Sidi Chennane mining operations	EUR	2002	26	292	29	323	32	356
Renewal of the sulphur unit circulation tank and supply circuit	EUR	2007	1	11	1	12	1	13
Renewal of three absorption towers	EUR	2003	1	7	1	9	1	10
Acquisition of two hydraulic excavators	EUR	2001	1	8	1	10	1	11
TOTAL	**EUR**		**70**	**785**	**75**	**835**	**79**	**881**

- **Transactions with the State**

In the same way as all companies resident in Morocco, OCP is subject to the tax legislation in force, which requires the payment of duties, taxes and levies to the Moroccan State.

The following table shows the transactions performed with the State or with State-controlled enterprises for the years 2013, 2012 and 2011:

	31 December 2013		31 December 2012		31 December 2011	
(In millions of dirhams)	State and State-controlled enterprises	BCP	State and State-controlled enterprises	BCP	State and State-controlled enterprises	BCP
Interest on investments	25	85	19	169	19	242
Utility costs	822	—	859	—	762	—
Other operating expenses	241	—	94	—	81	—
Interest on loans	—	31	—	46	—	59
Deductions of social charges	392	—	406	—	329	—
Transport expenses	1,532	—	1,551	—	1,489	—
Purchases of fixed assets and inventories	7	—	30	—	544	—
Dividends received	—	42	—	39	—	35

	31 December 2013		31 December 2012		31 December 2011	
(In millions of dirhams)	State and State-controlled enterprises	BCP	State and State-controlled enterprises	BCP	State and State-controlled enterprises	BCP
Trade receivables	—	—	—	—	—	—
Trade payables	512	—	572	—	421	—
Other receivables	118	—	136	—	123	—
Cash and cash equivalents	187	327	361	1,027	505	1,446
Investments	519	1,000	500	3,500	500	4,000
Loans	—	500	—	750	—	1,000

Note 26.3 – Joint venture contributions

The list of consolidated companies in the OCP Group is presented in note 28 “Consolidation scope”. Transactions carried out and under way existing at the end of the financial year between the Group’s companies which are fully consolidated were totally eliminated upon consolidation; the following table includes only the data relating to these reciprocal transactions when they concern companies over which the Group exercises joint control (proportionate consolidation) for the portion not eliminated upon consolidation.

(In millions of dirhams)	**FY 2013**	**FY 2012**	**FY 2011**
Revenue	9,604	12,476	11,796
Production held as inventory	(232)	137	688
Purchases consumed	(4,751)	(5,853)	(4,244)
External expenses	(1,348)	(1,594)	(1,359)
Personnel expenses	(805)	(738)	(652)
Taxes	(5)	(7)	(4)
Amortization, depreciation and operating provisions	(339)	(427)	(348)
Other operating income and expenses	(1,789)	(3,690)	(5,010)
Current operating profit (loss)	**334**	**303**	**865**
Other non-current operating income and expenses	(7)	17	20
Operating profit (loss)	**327**	**321**	**885**
Cost of gross financial debt	(180)	(199)	(165)
Financial income from cash investments	20	45	65
Cost of net financial debt	**(160)**	**(154)**	**(99)**
Other financial income and expenses	(142)	(100)	(134)
Financial profit (loss)	**(302)**	**(254)**	**(234)**
Profit (loss) before tax	**24**	**65**	**650**
Corporate income tax	25	(89)	(159)
Net profit (loss)	**50**	**(23)**	**491**

(In millions of dirhams)	**31 December 2013**	**31 December 2012**	**31 December 2011**
ASSETS			
Current assets			
including			
Inventories	1,753	2,570	2,433
Trade receivables	2,236	2,783	1,838
Total current assets	**4,953**	**6,407**	**5,530**
Non-current assets			
including			
Property, plant and equipment	2,307	3,477	3,516
Intangible assets	45	97	81
Total non-current assets	**1,558**	**2,268**	**2,256**

(In millions of dirhams)	**31 December 2013**	**31 December 2012**	**31 December 2011**
LIABILITIES			
Current liabilities			
including			
Current loans and financial debts	2,449	1,271	190
Trade payables	1,004	2,629	2,468
Total current liabilities	**3,942**	**5,879**	**4,470**
including			
Non-current loans and financial debts	1,070	1,011	940
Total non-current liabilities	**1,325**	**1,357**	**1,345**

26.4 – Services provided by OCP to joint ventures

OCP provides its joint ventures with various services as summarized below:

1. **Supply of phosphate**

Contractual provisions govern OCP's supply of phosphate to its joint ventures. These provisions notably concern the following:

- The quality of the rock, defined according to specifications determined by the joint venture annually;
- The quantity to be delivered which corresponds to 100% of the joint venture's requirements;
- The price invoiced to the joint venture which corresponds to the average export market prices for the year. The same price determination formula is used for all of the joint ventures;
- And other conditions related to invoicing and payment terms.

In respect of these transactions, OCP has recorded phosphate sales to joint ventures in the amount of 2,869 million dirhams in 2013, 4,111 million dirhams in 2012 and 5,700 million dirhams in 2011.

2. **Supply of services and utilities**

The supply of services and utilities mainly concerns: the use of the infrastructures at the Jorf Lasfar site, the supply of the liquid sulphur required for industrial operation, the know-how of the OCP personnel, facility and equipment maintenance services, and equipment and vehicle rental services.

OCP also provides the joint ventures with services performed by the various head-office departments. These are governed by unwritten agreements and concern in particular marketing, sales administration, debt recovery, IT services, purchasing assistance and contract negotiation.

3. **Leases**

OCP has signed lease agreements with the local joint ventures for the lease of the land on which the production facilities have been built (in the case of JESA, the lease agreement is for the offices). The rents are payable in advance at the beginning of the year and are revised according to the conditions determined in the agreements.

4. **Other services**

The other services provided by OCP to the joint ventures essentially concern social benefits including holiday packages, hotels, children's holiday camps, and training programs.

5. **Shareholder current account advances**

In 2012 OCP granted JESA a shareholder current account advance in the amount of 68 million dirhams within the context of exceptional operations such as the acquisition of the company Transportation Engineering and Management Consultants in 2012.

In 2013, OCP also signed a subordinated loan agreement with Prayon for 9 million euros to meet the company's cash flow requirements.

NOTE 27: Risk management

Note 27.1 – Management of financial risks

A – Exchange risk

The Group is exposed to exchange rate risks within the framework of its industrial and commercial activities with respect to:

- transactions in foreign currencies recognized in the balance sheet, but not yet paid.
- future flows in foreign currencies of a firm or probable nature.

Indeed, the Group entities make virtually all of their external turnover in USD, while their accounting currency is the Moroccan dirham; in addition, the Group makes a substantial portion of its purchases in the US dollar: raw materials (sulphur, ammonia), freight, spare parts. Exposure to the MAD/USD exchange risk related to operating flows therefore constitutes a major risk for the Group. In this respect, the Group's Trading Room operates according to the following rules:

- Favoring natural hedging resulting from matching expense and revenue currencies.
- Progressive hedging of total net exposure. Coverage is limited to 50% of net exposure. The exposure to be covered against exchange rate fluctuations is matched to the budget period, for a maximum of one year.
- Use of flexible instruments making it possible to adapt to market trend reversals. Taking into account the strong volatility of the exchange rate market, net exposure is hedged using options (plain vanilla) which offer the possibility of profiting from a rise in the dollar while ensuring an exercise price making it possible to freeze commercial margins in return for the payment of a premium.
- Ban on the use of speculative instruments.

B – Counterparty risks

Capital security is a fundamental principle of the Group's investment policy. Cash surpluses are invested at an accepted level of risk, with high-quality counterparties.

In this respect, the trading room acts in compliance with the following rules and procedures

- Pre-qualifying bank counterparties, issuers of debt, management companies and mutual funds with which the OCP Group is exposed directly or indirectly
- Diversifying the counterparties to which Groupe OCP is exposed according to the defined rules.
- Fixing limits by type of instruments held by counterparties
- **Bank counterparties**: the Trading Room is only authorized to deal with bank counterparties if the latter have a minimum of three ratings higher than the S&P and Fitch ratings for the Moroccan debt. As at 31 December 2013, the Moroccan debt is rated BBB-, and the minimum rating required for bank counterparties is therefore B+. In the absence of rating, the bank counterparty must have equity exceeding 3 billion dirhams and a core capital ratio and solvency ratio exceeding the Basel criteria. These ratios are communicated by the bank counterparties in their annual reports within the framework of Directive No. 44/G/2007 issued by Bank Al-Maghrib.

  In addition the choice of bank counterparties is based on a criterion of counterparty diversification. Thus, outstanding direct investment with a bank counterparty is classified by instrument type and is limited according to the credit standard of the said counterparty. These limits fix:

  - The maximum outstanding amount authorized with a counterparty as a percentage of equity.
  - The outstanding amount with a counterparty by instrument type which must not exceed the Group's total outstanding amount invested directly in this type of instrument.
  - The outstanding amount with a counterparty by instrument type which must not exceed a percentage of the counterparty's total outstanding amount in this type of instrument.
- **Debt issuers:** the Trading Room is authorized to deal with debt issuers if the following conditions are met:
  - State Treasury issue: treasury bills with a residual maturity less than or equal to two years. Derogations may be granted by the Management Committee for any other maturities on a case-by-case basis.
  - Private debt issue other than with bank counterparties: any subscription must be validated by the Management Committee on a case-by-case basis.
- **UCITS:** the prequalification of UCITS consists of the following two stages:
  - *Choice of the management company*: the management company must have a minimum management rating of M2 according to the Fitch scale. In the event of absence of rating by a rating agency, the management company must manage net assets amounting to a total of at least 5 billion dirhams and have been engaged in the management of UCITS for at least two years.

- Choice of the UCITS:
    - Investment in equity and diversified UCITS is prohibited. Investment in medium- and long-term bond UCITS is exceptional and must be approved by the Management Committee.
    - The UCITS assets must be greater than or equal to 1 billion dirhams with at least one year of activity.
    - The Middle Office verifies that each prequalified management company and UCITS complies with the conditions described above and informs the Management Committee of any event or change in the prequalification conditions relating to the management companies and the UCITS.

  The outstanding amount with a UCITS is limited according to the credit rating of the management company and of the said UCITS. These limits fix the maximum outstanding amount authorized with a UCITS as a percentage of net assets and the maximum outstanding amount authorized with the management company.

- **Management mandates:** the Trading Room is authorized to deal with investment mandate management companies if the following conditions are met, according to two phases:
  - *Choice of the management company:*
    - the management company must have a minimum management rating of M2 according to the Fitch scale.
    - In the event of absence of rating by a rating agency, the management company must manage net assets amounting to a total of at least 5 billion dirhams and have been engaged in the management of UCITS and mandates for at least two years, to the satisfaction of OCP.
  - *Choice of the investment universe:*
    - The investment universe must be approved by the Management Committee;
    - The choice of the counterparties must comply with the criteria for the prequalification of the counterparties and UCITS defined above.

A list of eligible counterparties is drawn up. This list may be updated by the Management Committee at any time based on the criteria defined above, and it is presented annually to the Executive Committee and to the Audit Committee. The list of eligible counterparties is monitored by the Middle Office which falls within the scope of the Trading Room. Its role is to:

- Check that all the parameters are met.
- Update the list of counterparties and submit it to the Management Committee for approval.
- Watch for any developments and inform the Management Committee of any event or change in the conditions of prequalification of the various counterparties.

C – Market risk

The market risk constitutes one of the objectives that guides the investment policy; in this respect, the Trading Room acts in compliance with the rules hereafter:

- Measuring exposure of the investment portfolio to changes in interest rates using sensitivity calculations by type of instrument. The maximum authorized sensitivity of the investment portfolio is set at 3.50 in order to comply with the authorized market risk limit.
- Measuring potential risks incurred on the investment portfolio following the occurrence of an adverse movement in the markets and ensuring that they do not exceed the authorized level of risk.
- Minimizing volatility incurred on the investment portfolio while optimizing yield by putting in place an asset allocation strategy.

The interest rate risk profile for the investment portfolio is as follows:

	Sensitivity	Comment
Money market fund	0 to 0.5	Money market fund
Term deposit	0	Traditional investment with a bank at a fixed interest rate and for a fixed period
Management mandate	0	Investment in a determined investment universe with a rate of return guaranteed by the investment management company
Treasury bills	0	Investment in treasury bills with the intention to keep them until maturity

D – Liquidity risk

The investment portfolio must remain sufficiently liquid to respond to the financing needs generated by the Group's operations and investment. To this end, it must be composed of liquid, flexible and available instruments.

Thus, the investment portfolio is split between:

- short-term, liquid instruments, providing for daily operating needs. These instruments will be grouped under the heading "Operating portfolio" and must at any time contain net assets exceeding 1 billion dirhams.
- mid- to long-term instruments, in conformity with counterparty risk management and market risk management, generating a yield which is in line with the yield objectives of the investment policy. These instruments will be grouped under the title "Basic portfolio".

The assets invested are divided between the operating portfolio and the basic portfolio on the basis of cash flow forecasts.

E – Carrying value and fair value of financial assets and liabilities by accounting category

In accordance with IFRS 7, "Financial instruments: Disclosures", fair value measurements must be classed according to a hierarchy based on the input used to measure the fair value of the instrument which includes the following three levels:

- Level 1: the use of quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2: the use of quoted market prices in active markets for similar assets or liabilities or measurement techniques where the relevant inputs are based on observable market data;
- Level 3: the use of measurement techniques where the relevant inputs are not all based on observable market data.

The fair value of the main financial assets and liabilities in the Group's balance sheet is determined according to the principles described in the table below:

		Principle for the determination of fair value			
			Market data		
Financial instrument	Valuation principle	Valuation model	Exchange rate	Interest rate	Volatility
Available-for-sale financial investments (quoted equity shares)	Fair value	Stock market price		N/A	
Available-for-sale financial investments (unquoted equity shares)	Fair value				
Long-term loans and receivables	Amortized cost	The amortized cost of long-term loans and receivables does not show any significant variation at year-end in relation to the fair value.			
Money market fund units	Fair value	Net asset value		N/A	
Negotiable debt securities, treasury bills, demand deposits and term deposits	Amortized cost	For instruments with a maturity of less than 3 months, the amortized cost constitutes an acceptable approximation of the fair value stated in the notes to the consolidated accounts.			
Financial debts	Amortized cost	The market value used for debts with an initial maturity of less than one year (including those due on demand), or the terms of which refer to a variable rate, as well as for most regulated savings products, is the value recognized. Flows of fixed-rate security debts and loans are discounted according to the value of the fixed market rates at the closing date, for a debt with the same residual maturity.			

(In millions of dirhams)

	At 31 December 2013				
Balance sheet captions and instrument classes	**Carrying value**	**Fair value**	**Level 1: quoted prices and available funds**	**Level 2: internal model with observable inputs**	**Level 3: internal model with unobservable inputs**
Cash and cash equivalents	6,039	6,039	3,842		2,197
Cash financial assets	4,631	4,701			4,701
Trade receivables	25,277	25,277		25,277	
Total current financial assets	**35,947**	**36,017**	**3,842**	**25,277**	**6,898**
Available-for-sale financial assets	2,407	2,407	1,694		713
Financial assets measured at fair value through profit or loss	9	9			9
Other receivables	471	471			471
Total non-current financial assets	**2,887**	**2,887**	**1,694**		**1,193**
Current loans and financial debts	5,891	5,891			5,891
Trade payables	18,182	18,182		18,182	
Total current financial liabilities	**24,073**	**24,073**		**18,182**	**5,891**
Non-current loans and financial debts	18,242	18,392	157		18,235
Other non-current financial liabilities	17	17			17
Total non-current financial liabilities	**18,259**	**18,409**	**157**		**18,252**

(In millions of dirhams)	At 31 December 2012				
Balance sheet captions and instrument classes	**Carrying value**	**Fair value**	**Level 1: quoted prices and available funds**	**Level 2: internal model with observable inputs**	**Level 3: internal model with unobservable inputs**
Cash and cash equivalents	9,813	9,813	8,615		1,198
Cash financial assets	18,147	18,511			18,511
Trade receivables	20,972	20,972		20,972	
Total current financial assets	**48,932**	**49,296**	**8,615**	**20,972**	**19,709**
Available-for-sale financial assets	2,285	2,285	1,721		564
Financial assets measured at fair value through profit or loss	9	9			9
Other receivables	511	511			511
Total non-current financial assets	**2,805**	**2,805**	**1,721**		**1,084**
Current loans and financial debts	6,888	6,888			6,888
Trade payables	14,710	14,710		14,710	
Total current financial liabilities	**21,598**	**21,598**		**14,710**	**6,888**
Non-current loans and financial debts	13,783	13,872	157		13,715
Other non-current financial liabilities	20	20			20
Total non-current financial liabilities	**13,803**	**13,892**	**157**		**13,735**

(In millions of dirhams)	At 31 December 2011				
Balance sheet captions and instrument classes	**Carrying value**	**Fair value**	**Level 1: quoted prices and available funds**	**Level 2: internal model with observable inputs**	**Level 3: internal model with unobservable inputs**
Cash and cash equivalents	11,074	11,074	10,874		200
Cash financial assets	16,075	16,372			16,372
Trade receivables	15,306	15,306		15,306	
Total current financial assets	**42,455**	**42,752**	**10,874**	**15,306**	**16,572**
Available-for-sale financial assets	1,777	1,777	1,737		40
Financial assets measured at fair value through profit or loss					
Other receivables	456	456			456
Total non-current financial assets	**2,233**	**2,233**	**1,737**		**496**
Current loans and financial debts	3,275	3,275			3,275
Trade payables	11,663	11,663		11,663	
Total current financial liabilities	**14,938**	**14,938**		**11,663**	**3,275**
Non-current loans and financial debts	10,203	10,233	157		10,076
Other non-current financial liabilities	20	20			20
Total non-current financial liabilities	**10,223**	**10,253**	**157**		**10,096**

The methods of measuring the fair value of financial assets and liabilities have not changed in financial years 2011, 2012 and 2013.

27.2 – Credit risk

Groupe OCP is present in more than 50 countries around the globe. Its turnover is mainly generated by exports. Groupe OCP's customers include major international groups who have had an ongoing business relationship with the Group for several years.

The credit risk is the risk of financial loss if a customer or counterparty fails to meet its contractual obligations.

Within the framework of credit risk management, the Group has set up a process to measure customer credit risk. The analysis of the customer portfolio takes the following criteria into account: country risk, payment default or insolvability risk, payment history, and the customer relationship. Groupe OCP also makes sure of the financial strength of its customers based on information provided by internationally recognized rating agencies. This analysis is then reviewed periodically so as to take market trends and the customer relationship into consideration.

The customers and their debts are thus divided into risk categories. Trade receivables are monitored rigorously on a daily basis in order to anticipate any delay in payment.

Payment terms are granted to customers according to the level of risk. They range from prepayment to simple transfers, and include letters of credit, bank guarantees, etc. The Group has not noted any default on payment in the last three years.

27.3 – Risks related to raw materials

Sulphur supplies:

With global trade in sulphur representing 30 million tons per year, Groupe OCP imports almost 4 million tons per year. These imports are made via direct contracts with the world's main exporters of sulphur. The contracts are framework contracts under which volumes are fixed annually and prices are negotiated periodically. The portfolio of suppliers is diversified to limit exposure to any given supplier. It includes all the main suppliers, from the Middle East (Saudi Arabia, UAE, Qatar, Kuwait), Europe (Total, Shell, Repsol, etc.), North America (Shell, Koch, etc.), Russia (Gazprom) and Kazakhstan (TCO).

As sulphur is a byproduct of hydrocarbons, the market is expected to be oversupplied as from 2014/15, which will result in additional reserves for the coming years.

Price:

In view of price instability, for 80% of our contractual volumes the price is fixed on a quarterly basis. The prices are among the most competitive as a result of the diversification policy and the importance of Groupe OCP in the international market.

Ammonia supplies

Global trade in ammonia represents approximately 20 million tons per year. This market is a very regional one due to the high logistics costs involved (requiring special ships). Annual procurements represent around 800 kt per year and should increase significantly with the development of the granulation capacities. Morocco's geographical situation is advantageous in that it enables the Group to be close to the locations of its two main exporters of ammonia in the world (Black Sea 3.5 million tons per year and Trinidad 5 million tons). Furthermore, the imminent start of the export of ammonia (700 kt) from Sorfret in Algeria will confirm the Group's regional advantage.

The new dynamic of shale gas in North America and the nitrogen fertilizer projects announced in Africa will provide further potential supply sources for the Group in the future.

Globally, the Middle East constitutes a relatively significant center of production and any prolonged instability of the region may impact the ammonia market.

Price:

The price of ammonia is relatively volatile and consequently prices are fixed cargo by cargo. However, the Group has entered into contracts with all its main suppliers (Russia, Algeria, Ukraine, etc.) to guarantee the availability of the product.

Upon the completion of the storage facilities currently being built, Groupe OCP could use this lever to seize opportunities in the ammonia market.

NOTE 28: Consolidation scope

Entity	Consolidation method as of 31 December 2013	31 December 2013 % control	31 December 2013 % interest	31 December 2012 % control	31 December 2012 % interest	31 December 2011 % control	31 December 2011 % interest
OCP SA — Holding	Full	100.00	100.00	100.00	100.00	100.00	100.00
Maroc Phosphore(*)		—	—	—	—	100.00	100.00
Bunge Maroc Phosphore	Full	100.00	100.00	50.00	50.00	50.00	50.00
Centre d'Etudes et de Recherches des Phosphates Minéraux	Full	100.00	100.00	100.00	100.00	100.00	100.00
Euro Maroc Phosphore	Proportionate	50.00	50.00	50.00	50.00	50.00	50.00
FONDATION OCP	Full	100.00	100.00	100.00	100.00	—	—
Indo Maroc Phosphore	Proportionate	33.33	33.33	33.33	33.33	33.33	33.33
OCP Services	Full	100.00	100.00	100.00	100.00	100.00	100.00
JACOBS ENGINEERING	Proportionate	50.00	50.00	50.00	50.00	50.00	50.00
LEJON & CIE	Full	100.00	100.00	100.00	100.00	100.00	100.00
OCP INNOVATION FUND FOR AGRICULTURE	Full	100.00	100.00	100.00	100.00	100.00	100.00
Phosboucraa	Full	100.00	100.00	100.00	100.00	100.00	100.00
PAKISTAN MAROC PHOSPHORE	Proportionate	50.00	50.00	50.00	50.00	50.00	50.00
PPL	Proportionate	50.00	50.00	50.00	50.00	50.00	50.00
Groupe PRAYON	Proportionate	50.00	50.00	50.00	50.00	50.00	50.00
Société d'amenagement et de developpement vert	Full	100.00	100.00	100.00	100.00	100.00	100.00
Société Marocaine d'Etudes Spéciales et Industrielles	Full	100.00	100.00	100.00	100.00	100.00	100.00
Société de Transports Régionaux	Full	100.00	100.00	100.00	100.00	100.00	100.00
Transportation engineering and management consultants	Proportionate	50.00	50.00	50.00	50.00	—	—

(*) Merger with OCP SA with retroactive effect as of 1 January 2012.

G – Events after the reporting period

No events after the reporting period have been noted.

H – Independent auditors' opinion

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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, 2011, 2012 AND 2013

Building a better working world

Deloitte.

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To the Members of the Board
OCP S.A.
Casablanca

INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2011, 2012 AND 2013

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, 2011, 2012 and 2013, 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.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at December 31, 2011, 2012 and 2013, 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 20, 2014

The independent auditors

ERNST & YOUNG

French original signed by
Abdelmejid FAIZ
Partner

DELOITTE AUDIT

French original signed by
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RAPPORT D'AUDIT SUR LES ETATS FINANCIERS CONSOLIDES

EXERCICES CLOS LES 31 DECEMBRE 2011, 2012 ET 2013

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RAPPORT D'AUDIT SUR LES ETATS FINANCIERS CONSOLIDES EXERCICES CLOS LES 31 DECEMBRE 2011, 2012 ET 2013

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 2011, 2012 et 2013, 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

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 2011, 2012 et 2013, 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 20 mars 2014

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Abdelmejid FAIZ
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