



ANNUAL REPORT 2017



Label'
Vie



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CHAIRMAN'S MESSAGE



Label'Vie has positioned itself as a brand of reference well-endorsed by its customers; as well as a sustainable value for its various stakeholders.

DEAR SHAREHOLDERS,

In 2017, our group delivered an outstanding performance at both the operational and the financial levels.

Well-mastered activity still delivering growth

The overall business volume of Label'Vie jumped by 12%, (+7% on a comparable basis), driven by the continuous efforts deployed to choose our product range

with accuracy; as well as to sustain our price competitiveness. Our Group pursued its expansion in the main Moroccan cities with new openings in Rabat, Casablanca, Salé and Tangiers.

The operating income of the Group soared by 42% and its net profit by 130%, thanks to an effective management of our expenses.

The capital increase completed last August, allowed us to improve our debt indicators.

Substantial progress shaping the future of the group; driven by our vision and values

2017 was characterized by the launch of the Carrefour Gourmet concept. Located in the cities of Casablanca and Rabat, these stores combine high quality service, a vast and exclusive assortment and an unparalleled shopping experience. These stores have been a great success since their opening.

Our Carrefour Gourmet stores bring to life our vision of a superior customer experience, which allies sustainable values and continuous innovation in its offer.

The withdrawal of VLV from our scope of consolidation at the end of the year; is consistent with our willingness to disconnect our core business, distribution, from the real estate asset management activities. We have since 2014, strategically, been separating these two business units for each one to operate independently and to perform optimally and create value. Moreover, this separation will also allow for a sounder understanding of the financial statements, as well as to better gauge of both the performance and debt indicators.

Finally, 2017 was also the year of our commitment to societal and environmental action. Throughout its remarkable journey and results, Label 'Vie has positionned itself as a refe-

rence brand for its customers and as a lasting value for its various stakeholders. With this recognition, we now have the ambition to fully play our role as a corporate citizen. Our roadmap, which is under development, will put our strengths and intrinsic qualities at the service of advancing the interests of the Moroccan consumer and will guide us towards a development mode that is conscious and respectful of our natural resources and our environment.

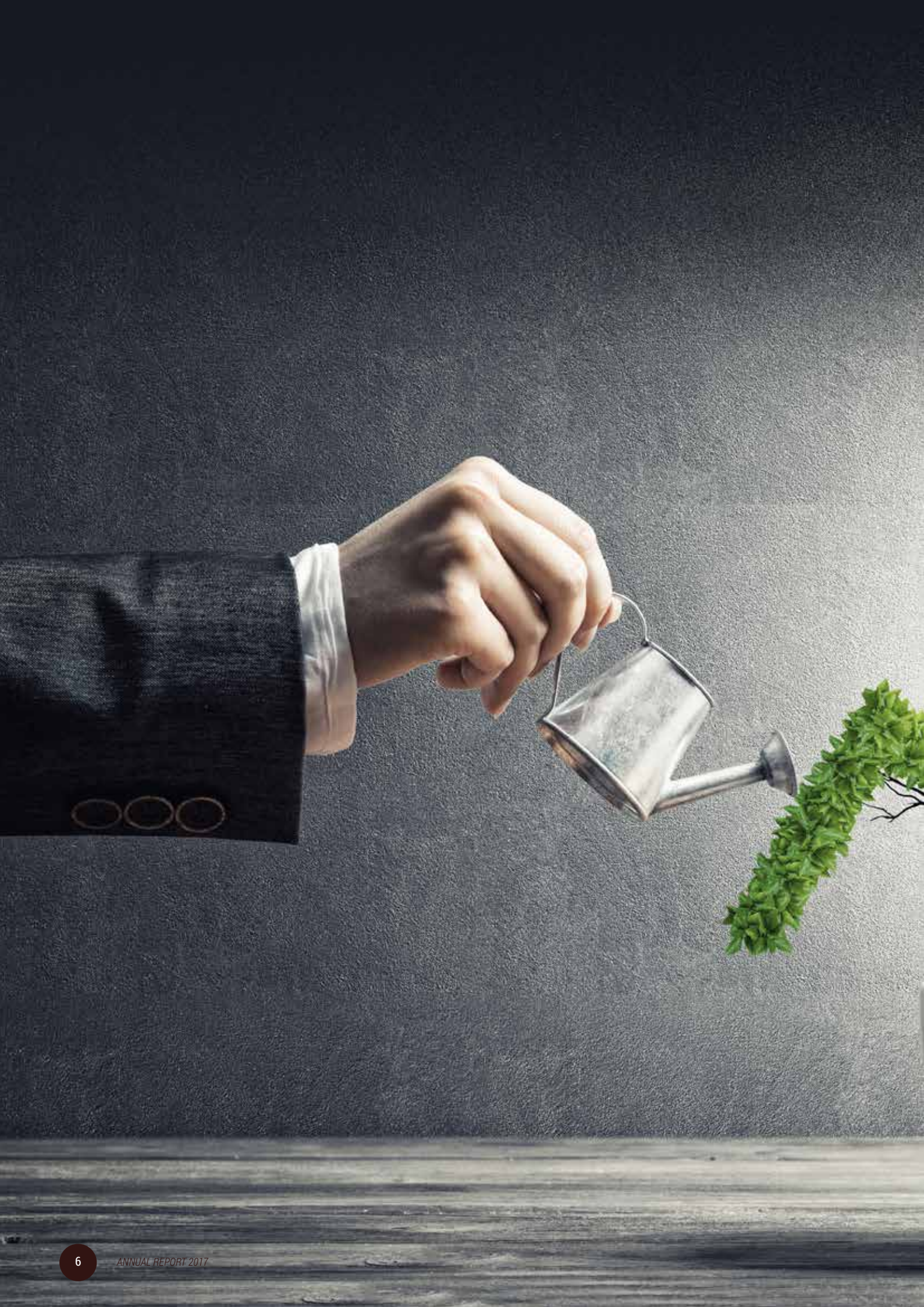
Still as ambitious in 2018...

With your support, Label 'Vie Group will continue its territorial development by opening more than a dozen stores, thanks to an investment envelope of nearly MAD 600 million. The Group will expand its presence both in its current location and in new cities with high potential. In 2018, proximity and competitiveness will guide our choices on the formats to be developed and the price and assortment policy to be adopted to provide a flexible offer that is accessible to everyone.

The Board of Directors of Label 'Vie, that was held on March 22, praised the company's managers for the relevance of their commercial and financial strategy and the results they achieved. We were also able to count, as always, on the relentless work of our more than 5,000 employees, who strive every day to serve our customers to the best of our ability.

It is with pride and satisfaction that we offer you the distribution of a dividend of 150 million dirhams.

Finally, 2017 was
also the year of
our commitment
to societal and
environmental
action





THE COMPANY

The Label'Vie Group, a well-established Moroccan brand, has been able to expand in the distribution sector nationwide to the extent that the company has become a real lever of growth of the Moroccan economy.

Since its IPO in 2008, the Label'Vie Group has been pursuing an aggressive development strategy by adding sales area and by diversifying the format of its stores. Currently, the Group has 75 stores (all stores' formats included) and delivers revenue of MAD 8,275 million while share capital stands at MAD 283,896 million.



SECTOR OVERVIEW

INVENTORY OF FIXTURES

The modern distribution sector in Morocco has a tremendous growth potential. Indeed, the penetration rate stands at only 15%; while the retail area per capita stands at 11m² vs. 200m² in Europe and 40m² in Turkey. According to a study conducted by the American consulting firm AT Kearney, specialized in strategy and management consulting; Morocco ranks 7th in the world for the growth potential of its modern distribution sector. Also, Morocco's Global Retail Development Index (GRDI) score stands at 56.1, which brings Morocco's rank just behind the UAE which ranks as the first nation in the Arab world and the 5th nation in the world.

The strong growth potential of the modern distribution sector in Morocco is driven by:

- The political and economic stability that characterize the kingdom which has become one of the leading tourist destinations and one of the most attractive countries for FDIs.
- The adoption by the Moroccan government of several measures that tend to favor the growth of the sector (Plan Rawaj, the regulation of mobile payments being in-progress etc.).

On the other hand, several operational and investment-related obstacles do slow down the development of this sector in Morocco, namely:

- The lack of skilled human resources as well as of training programs dedicated to the modern distribution sector;
- The weakness of the supply system of fresh products due to the lack of suitable

By 2020, the sector is aimed to reach 600 stores including 50 hypermarkets.

supply chain platforms;

- The administrative burdens related to building permits and new store openings authorizations;

- The scarcity and high price of commercial land.

- However, the traditional distribution sector remains dominant and benefits from the following advantages:

- **Free credit:** This is the free credit granted by grocers to their customers. The mechanism of sales on credit is relatively simple, the seller and the buyer, each noting the amount due. At the end of the month or at an agreed date between the two parties, the payment is made.

Unlike the modern distribution sector, where the way by which the activity is orchestrated, encourages anonymity between the customer and the staff working at the stores, traditional grocers establish a relationship of trust with their clients.

• CLOSE RELATIONSHIPS

Proximity is one of the advantages of the traditional distribution sector. Indeed, there is a very dense network of mom and pop stores as well as specialty stores, including butchers, fishmongers, and fruit and vegetable merchants.

The proximity characterizing the traditional sector is also aligned with households' consumption preferences. Indeed, most households prefer to shop their groceries on a daily basis so that they can always have access to fresh food; but also, so that their food consumption budget is rigorously monitored by promoting small incremental purchases.

- In 2009, and in an effort to mitigate the various challenges mentioned above,

the Ministry of Industry and Trade launched the Rawaj 2020 Plan in order to:

- Increase the contribution of the sector to the national GDP so that it reaches 15% in 2020 (compared to 10% in 2012 and 12% in 2016);

- Boost the growth of the sector so that it hovers around 8% per annum;

- Improve the supply conditions of fresh products by spurring the development of modern well-adapted logistics platforms;

- Increase the number of modern distribution stores to 600 units (including 50 hypermarkets by 2020), which should contribute to the creation of 900,000 new jobs and generate an added value of MAD 26 billion.

- The increasing urbanization of the Moroccan population over the last two decades (urbanization rate stood at 61.9% in 2017 vs. 58% in 2010) *;

- The increasing integration of women in the workplace;

- The increase in consumption of processed foods (canned, frozen, etc.);

- The influence of media, social media, and the westernization of consumer habits;

- Aggressive promotional and marketing campaigns, highly competitive prices on a wide variety of products, as well as well-targeted and attractive product mix even for households with very low income;

- The sustained increase in household consumption (+ 4% real average annual growth between 2000 and 2016);

- Inflation remained below than 2%, favoring the improvement of households' purchasing power*

*Source: Higher Planning Commission

- The increasing integration of women into the world of work;
- Increasing consumption of industrial / processed products (canned, frozen, etc.);
- The influence of the media, social networks, and the westernization of consumer habits;
- Aggressive promotional and marketing campaigns, highly competitive prices on a wide variety of products, targeted and attractive product assortments even for households with very low income;
- The sustained increase in household consumption (+ 4% real average annual growth between 2000 and 2016);
- Inflation contained at less than 2%, favoring the improvement of households' purchasing power.

OVERVIEW OF THE SUPERMARKETS AND HYPERMARKETS SECTOR IN MOROCCO

Currently, the sector in Morocco has been undergoing major changes, especially with the entry of new players in the market, namely the Turkish hard discounter BIM, or

more recently the French operator Leader Price, as well as Bô Marché and Yaboy. The supermarket sector remains, however, dominated by two main players, namely:

- Marjane Holding, a leader in the large format segment, and holding a 41% market share in the hyper-markets segment;
- And the Label'Vie Group, leader in the supermarket segment with a 13% market share. The Label'Vie Group is the only multi-format player: supermarkets, hyper-markets and «hypercash». The group has indeed pioneered the hypercash concept. In all combined formats, Marjane is the undisputed leader of the sector in Morocco with a 50% market share. In 2009, hard discounter BIM moved to Morocco and quickly established itself in the market thanks to a very aggressive development and implementation strategy along with very competitive prices. BIM has managed to reach a market share of 10% in 2017, mainly at the expense of Marjane / Acima, while Label'Vie has been able to stabilize its own market share around 30% over the last 4 years.

MAIN OPERATORS OF THE LARGE AND MEDIUM VOLUME MODERN DISTRIBUTION AND THEIR MARKET SHARES

The table below highlights the number of stores, the retail area, and the market share for each one of the sector's operators as of December 31, 2017:

Brands	Category	12/31/2017		
		Number of stores	Retail area in m ²	Market share
Groupe Cofarma		79	289 263	50%
Marjane	Hypermarket	38	236 688	41%
Acima	Supermarket	40	52 375	9%
Otop	Supermarket	1	200	0%
Aswak Assalam	Hypermarket	13	48 500	8%
BIM	Supermarket	375	56 250	10%
Leader Price	Supermarket	5	2 100	0%
Le bô marché	Supermarket	1	200	0%
Yaboy	Hypermarket	1	4 000	1%
Groupe Label'Vie		75	173 598	30%
Atacadao	Hypermarket	11	59 564	10%
Carrefour Market	Supermarket	57	73 734	13%
Carrefour	Hypermarket	7	40 300	7%
Total		549	573 911	100%



In Morocco, the modern distribution sector is comprised of the following operators:

Cofarma Group, subsidiary of «AL MADA» (formerly SNI)

Marjane, leader of the sector, owns 79 stores and owns three brands: Marjane, Acima and Otop:

• **Groupe Marjane Holding (Owned by «AL MADA» at 100%):**

In 2017, Marjane had 38 stores in the major cities, including Casablanca, Rabat, Meknes, Fez, Tetouan, Tangier, Marrakesh, Mohammedia, Oujda, Nador, Khouribga, Beni-Mellal, Berkane, Sidi Slimane, Larache, and El Jadida.

- Acima (Owned by «AL MADA» at 100%): Since its creation in 2002, Acima has been present in the districts of big cities, before expanding to small and medium-sized cities. The subsidiary has a network of 40 points of sale stores throughout Morocco.

- Otop (Owned by «AL MADA» at 100%):

The group is launching a new concept of hard-discount supermarkets via its new Otop brand. Currently, it owns only one store in downtown Casablanca.

Groupe Label'Vie:

After its IPO in 2008, the Label'Vie Group adopted a new strategic inflexion to strengthen its position in the supermarket sector.

In 2009, Label'Vie signed a franchise agreement with Carrefour Partenariat International Group «CPI», which granted them the exclusivity of operating Carrefour brands in Morocco. This agreement led to the opening of «hypermarket» stores; as well as the transformation of «supermarkets» into «Carrefour Market» stores.

• In 2010, the group acquired the Hyper-cash store allowing the group to double its turnover and its size within a year.

Following this development plan, at the end of 2017, Label'Vie had 75 sales points (173,598 m² of retail area), including 11 Atacadao stores (59,564 m²), 57 Carrefour Market stores (73,734 m²) and 7 Carrefour hypermarket stores (40,300 m²).

Carrefour Market (managed by the Label'Vie Group):

This is the supermarkets arm of the French group Carrefour.

The brand was introduced in Morocco by the Label'Vie Group since 2011 through the conversion of its «Label'Vie» supermarkets.

At the end of 2017, the brand owned 57 stores across the Kingdom and is increasingly strengthening its position as a national leader in the «supermarket» segment with the opening of 6 new stores as shown in the following table:

Stores	Area in m ²	Opening
Bettana	800	February 2017
Ibn Battouta	1 500	March 2017
Casa Ain Chok	700	August 2017
Casa Panoramique	1 000	August 2017
Tetouan Wilaya	1 000	December 2017
Fès Atlas	900	June 2017

Carrefour Hypermarket : (managed by HLV SAS, subsidiary of the Label'Vie Group):

After Label'Vie signed a franchise agreement with Carrefour Partenariat International Group «CPI», the group was granted the exclusivity of operating Carrefour brands in Morocco.

In 2017, the brand owned 7 stores in the cities of Tangier, Salé, Marrakech, Fez, Oujda, and Casablanca.

Atacadao (managed by MLV SAS, a subsidiary of the Label'Vie Group):

The Group Label'Vie launched the Hyper-cash concept in 2012 via the Atacadao chain to better meet the demand of professionals (small retailers in particular) and

to provide the Moroccan middle-class with an attractive price offering.

At the end of 2017, the Label'Vie Group owned 11 Atacadao stores.

Aswak Assalam (Subsidiary of Chaâbi Group «Ynna Holding»):

Aswak Assalam, Subsidiary of the Chaâbi group (Ynna Holding), has a market share of 8% and operates 13 hypermarkets located in Rabat, Marrakesh, Agadir, Kénitra, Témara, Tangiers, Oujda, Essaouira, and Casablanca

BIM Maroc

Leader in the «Hard Discount» food distribution sector in Turkey, BIM entered the Moroccan market in 2008 and has 375

stores across the country as of December 31, 2017 (vs. 335 stores last year), corresponding to the opening of 40 stores in 2017

Leader Price

Leader Price, a subsidiary of the French giant Casino, opened its first store in Morocco in June 2016 in Casablanca. At the end of 2017, they operated 5 stores.

By 2021, Leader Price plan to open 50

convenience stores with an average surface area of 500 m². The distributor is positioning itself as a «soft discounter» and plans to develop their own-brand segment manufactured in Morocco to minimize its costs.

The Bô Marché

The Bô Marché, a new Premium supermarket brand, has only one store in Casablanca. It required an investment of MAD 5 million and employs 31 people.





THE GROUP'S POSITIONING

In 2017, Label'Vie Group strengthened their position as a leader in the supermarkets. Indeed, the group operates 57 stores in this segment totalling over 73,734 m² of retail area, including the opening of six new Carrefour-Market stores.

The presence of the group was strengthened in the north of the country with the opening of Ibn Battouta in Tangiers and the opening of the first Carrefour Market in the city of Tetouan. The city of Casablanca has also welcomed two new stores in Ca-

lifornia and Ain Chok. Label'Vie has also proven its strong commercial impetus through the introduction of a new and unprecedented supermarket concept in Morocco: «Carrefour Gourmet».

This new positioning allows the group to better meet the expectations of its customers. Being the only player in Morocco to deploy 3 different distribution formats, Label'Vie Group can provide its customers with product and price offerings that are completely adapted to their expectations.

BOARD OF DIRECTORS

The Board of Directors is comprised of the following members



NAME: Mr. Zouhair BENNANI
CURRENT MANDATE: Chairman of the Board of Directors
DATE OF APPOINTMENT: 2013
EXPIRATION DATE: 2019
OTHER POSITIONS HELD WITHIN THE COMPANY: Chairman
OTHER POSITIONS HELD IN OTHER COMPANIES: COMPANY ADMINISTRATOR



NAME: M. Rachid HADNI
CURRENT MANDATE: COMPANY ADMINISTRATOR
DATE OF APPOINTMENT: 2013
EXPIRATION DATE: 2019
OTHER POSITIONS HELD WITHIN THE COMPANY: General Manager
OTHER POSITIONS HELD IN OTHER COMPANIES: COMPANY ADMINISTRATOR



NAME: M. Adil BENNANI
CURRENT MANDATE: COMPANY ADMINISTRATOR
DATE OF APPOINTMENT: 2013
EXPIRATION DATE: 2019
OTHER POSITIONS HELD WITHIN THE COMPANY: None
OTHER POSITIONS HELD IN OTHER COMPANIES: General Manager at Best Health



NAME: M. Said ALJ
CURRENT MANDATE: COMPANY ADMINISTRATOR
DATE OF APPOINTMENT: 2013
EXPIRATION DATE: 2019
OTHER POSITIONS HELD WITHIN THE COMPANY: None
OTHER POSITIONS HELD IN OTHER COMPANIES: Chairman of SANAM Holding



NAME: Mr. Riad LAISSAOUI
CURRENT MANDATE: Administrator
DATE OF APPOINTMENT: 2016
EXPIRATION DATE: 2016
OTHER POSITIONS HELD WITHIN THE COMPANY: None
OTHER POSITIONS HELD IN OTHER COMPANIES: General Manager at Retail Holding



NAME: Mr. Karim SQUAID
CURRENT MANDATE: Administrator
DATE OF APPOINTMENT: 2016
EXPIRATION: 2022
OTHER POSITIONS HELD WITHIN THE COMPANY: None
OTHER POSITIONS HELD IN OTHER COMPANIES: General Manager at Growthgate Partners.



NAME: Mr. GILLES DE CLERCK
CURRENT MANDATE: Administrator
DATE OF APPOINTMENT: 2016
EXPIRATION: 2022
OTHER POSITIONS HELD WITHIN THE COMPANY: None
OTHER POSITIONS HELD IN OTHER COMPANIES: Associate Co-Founder of EuroMena Funds



NAME: Mr. Amine BENSOUDA
CURRENT MANDATE: COMPANY ADMINISTRATOR
Director DATE OF APPOINTMENT: 2016
EXPIRATION: 2022
OTHER POSITIONS HELD WITHIN THE COMPANY: Director of Operations Hyper LV SAS
OTHER POSITIONS HELD IN OTHER COMPANIES: None



NAME: Ms. Jamila DAHIB
CURRENT MANDATE: COMPANY ADMINISTRATOR
DATE OF APPOINTMENT: 2016
EXPIRATION: 2022
OTHER POSITIONS HELD WITHIN THE COMPANY: None
OTHER POSITIONS HELD IN OTHER COMPANIES: Legal Director of Best Financière

Retail Holding (represented by Mr. Zouhair BENNANI), Unimer (represented by Mr. Ismail FARIH) and Saham Assurance (represented by Mrs. Kawtar JOHRATI) are the «legal persons» of the Board of Directors.



THE ORGANIZATION

The Label'Vie Group has defined an organizational structure built around a central office and Business Units for each one of the format of stores they operate: supermarket, hypermarket and hypercash.

The Business Units are autonomous structures run by a Deputy General Manager, they are responsible for managing and operating the underlying network of stores.

The Business Units can rely on a central unit to provide them with the necessary support at all levels (Procurement, Logistics, Finance, IT, HR, etc.)

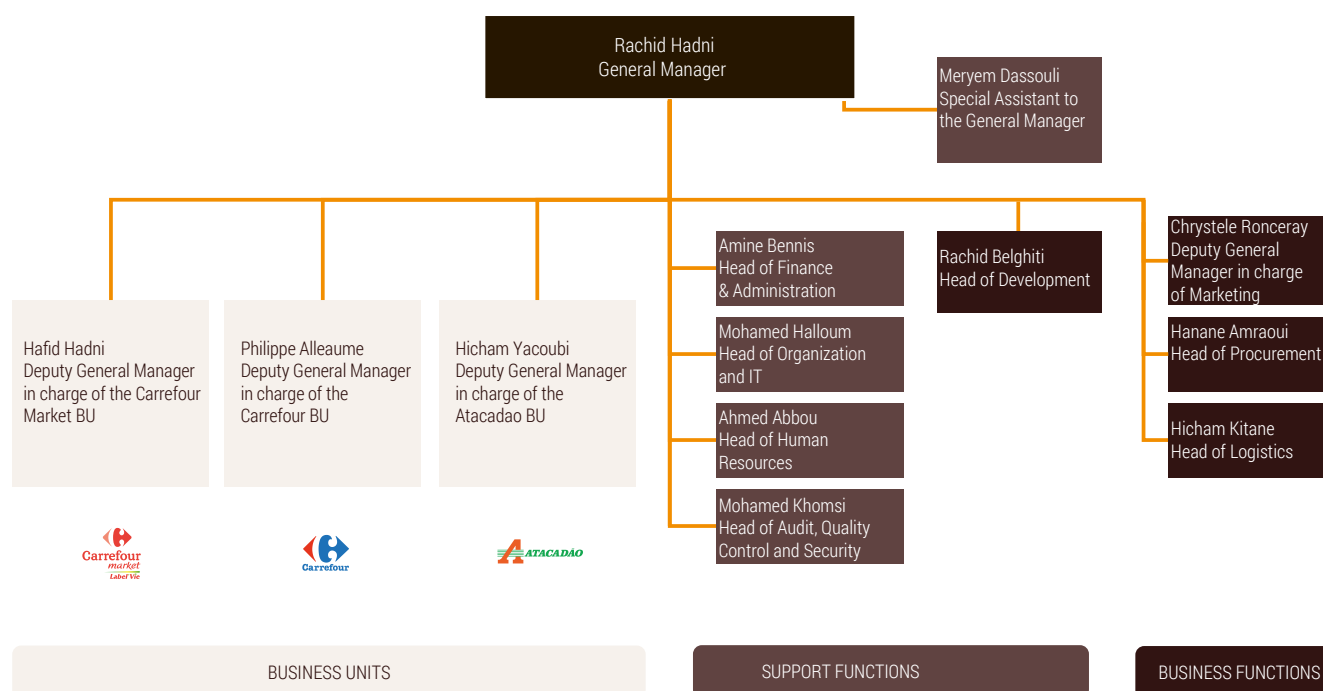
The re-engineering of the group's organizational structure clearly shows

the company's desire to optimally leverage the skills and capabilities of its resources as well as to reinforce synergies.

The organizational structure put in place allows:

- To remain as close as possible from the customers thanks to Business Units that are dedicated to each format; as well as thanks to a regional segmentation within each Business Unit;
- For cost optimization and an increase in expertise thanks to leveraging the sales and support capabilities of the group for all Business Units;
- For Increased synergies thanks to the pooling of procurement and negotiations.

The organizational chart of the group as of December 31, 2017 is as follows:



The organizational structure of Label'Vie is built around six main department namely: pocurement, category management, pricing, marketing, logistics, and the network. These functions are performed by the Procurement Department, the Marketing and Business Development Department, the Logistics and Operations Departments respectively:

Entity	Scope of intervention
Purchasing Department	Negotiating with suppliers, finding new products, promoting and setting margins
Marketing and Business Development Department	The choice of products and assortments (category management), fixing of the prices of sale (pricing), merchandising, communication, studies, development of own brands and customer relations.
Logistics and Procurement Division	Supply, transport, and inventory management.
Business Units (BU Carrefour Market, BU Carrefour, BU Atacadao)	The sales force (contact with the customer), as well as comfort and customer service (reception, checkout, etc.).

Source : Label'Vie

Added to this are support functions and cross-functional functions, mainly business development, auditing, and administrative and financial management, all of which occupy an important dimension in the organization of the company.

BODIES OF GOVERNANCE

Committees have been set up following decisions taken at the general meetings of Label'Vie to ensure the day-to-day management of the company. As every year, the governance bodies have been diagnosed to implement the necessary actions to ensure the continuous improvement of their organization and operation.

Governance Committees

These committees oversee setting up and monitoring the strategic policy of the company. Those of importance are:

• Strategic Committee:

The Strategic Committee meets each quarter with members of the Board of Directors of the company. This committee uses external experts whenever necessary. Its primary objective is to take stock of the company's achievements to decide on the optimal strategic direction to adopt.

• Audit Committee:

The role of the Audit Committee is to assess the role and effectiveness of the audit functions and to assess the management and internal control systems put in place by the management.

Some members of the Board of Directors, the Statutory Auditors, the Audit Director and possibly the Chief Executive Officer and Financial Officer participate in this committee.

General Management Committees

The General Management chairs several committees to oversee the Group's performance, monitor the company's strategic projects, and deploy the company's strategy.

• Executive Committee:

This committee meets once a month to share the Group's news, manage its strategic projects and learn about its performance. Participants in this committee: The General Manager, the Deputy Ge-

neral Manager-Supermarkets, the Deputy General Manager-Hypermarkets, the Deputy General Manager ATACADAO, the Deputy General Manager in charge of the Marketing Division, the Purchasing Director, the Logistics Director as well as all non-business support managers. Among the strategic projects that were the subject of attention by the Executive Committee in 2017, we can cite: The Market Project, which aims to increase the number of visits by offering fresh products to our customers in terms of fruits and vegetables, butchery, poultry, and fish. The year 2017 consisted in consolidating the numerous structuring actions launched to improve the freshness of our products. After a thorough treatment of fruits and vegetables and butchery in previous years, a special focus has been given to fish in 2017. Significant results have already been recorded in terms of visits, figures, and margins. The launch of the Sup Eco concept aims to ensure a local discount offer: 4 pilot stores are in operation;

- The establishment of a machine room with international standards. This project made it possible to secure the Group's IT infrastructure;

- A 30% increase in the storage and distribution capacity of the Skhirate platform to support the Group's development

- Initiating steps with our partners to set up services with added value in our stores: payment at the cash desk for telephone recharges, water, and electricity bills, etc.;

- Strengthening the management of for all customer contact points: call center, Web, and shops;

- The implementation of new differentiating concepts for the supermarket segment. On the one hand, the Gourmet concept which aims to meet the needs of a high-end clientele in terms of comfort of purchase, offer and services, while maintaining price competitiveness. The first gourmet store was inaugurated on March 23, 2017 and the second store was opened on September 14, 2017;

On the other hand, the discount concept targets a modest clientele by opening a third pilot store in February 2016.

Investment Follow-Up Committee:

The Investment Committee studies the different types of investments, including the store development program. The study focuses on the strategic and profitability aspects of the proposed projects as well as the remodeling program. The committee validates the different projects whose investment envelope is greater than MAD 1 million that fulfill the predefined requirements.

The Investment Committee is composed of some of the members of the Board of Directors, Director of Expansions, the Administrative and Financial Director, and the General Managers of the BUs. It is held quarterly on the date of the board of directors. During the 2017 financial year, the Investment Committee validated the acquisition of land and premises, to be used to secure the development plan of the Label'Vie Group.

• Results Committee:

This Committee aims to ensure the detailed review of the results of each BU. It is held monthly in the presence of the General Manager, the Deputy General Manager-Supermarkets, the Deputy General Manager-Hypermarkets, the Deputy General Manager ATA-CADAO, the Deputy General Manager in charge of the Marketing Department, the Purchasing Director, the Administrative and Financial Director and its Management Control team.

BU (Business Units) Committees

Each Business Unit has its own committees to monitor all their activities and define specific action plans: results management, review of the operational activity and monitoring of BU's structuring projects.

Sales Committee:

Commercial committees dedicated to each format are held every month to prepare, design and implement the commercial policy of the different structures.

These committees are made up of representatives of the various business units: Purchasing, Marketing, Operations and Logistics.

For each format, these committees steer commercial policy in all its dimensions, including category performance, promotional performance, and the organization of flagship events in the promotional plan.

• Operations Committee:

The Operational Committee aims to address all issues related to the operation of stores:

- The detailed results and action plans to be implemented by the stores to achieve the objectives in terms of sales, margins, and expenses;
- The performance of the support functions and the state of progress of their structuring projects in terms of HR, IS, Quality and Safety.

The Operations Manager manages this committee in the presence of the following members: store managers for large formats and regional directors for supermarkets as well as representatives of the support functions on the agenda.

• Management Structure Committee:

The purpose of these committees is to oversee the activity and monitor the performance indicators as well as the progress of all projects and action plans related to the BU.

Participants in this committee: The Deputy General Manager in charge of Structure, the Administrative and Financial Director, the Director of Human Resources, the Organization and IS Director, the Director of Purchasing, the Deputy General Manager in charge of the Marketing Department, the Director of Logistics as well as the various BU Directors.

There are also committees by department that meet each month to analyze the performance of the various departments and prepare action plans according to requirements.

These committees form the starting point for all the action and analysis plans which, depending on the degree of importance, are validated later by the other committees.



A close-up photograph of several ripe raspberries resting on a weathered wooden surface. One raspberry in the foreground is in sharp focus, showing its characteristic bumpy texture and a single green leaf. Other raspberries are blurred in the background, creating a sense of depth. The lighting is soft, highlighting the natural colors of the fruit and wood.

HIGHLIGHTS OF THE YEAR

1 LAUNCH OF THE «GOURMET» CONCEPT

In 2017, the Label'Vie Group launched a new supermarket concept in Morocco under the name «Carrefour Gourmet». This new concept was launched to combine the client's convenience and unparalleled product offers to better meet customers' needs. The group chose Carrefour Market Velodrome and Zaer for this new experience.

The Carrefour Gourmet concept revolves around 4 main pillars:

• A unique shopping experience in Morocco:

The architecture and store design were entrusted to the Swiss Agency Schweitzer. The decoration was studied down to the last detail. Convenience and conviviality were combined with taste and sophistication to offer a unique setting. In this decidedly contemporary atmosphere, the group introduced a local touch by integrating materials and patterns that are typically Moroccan.

• A rich and varied product offering:

This new offering is enriched with more than 1,000 products and focuses on organic farming, fine spices, and local products. The concept also favors fresh produce (fruit and vegetables, meat, fish, spices, and olives), by dedicating 50% of the sales area to them.

There is also a selection of quality butcher's products and more than 300 deli meats and cheeses.

• Quality service:

To ensure maximum convenience in the store, customer service has been reinforced at the checkout registers and for all departments. «Carrefour Gourmet» is also the first store in Morocco to be equipped with electronic price tags.

• Prestigious/Well-known partners:

Carrefour Gourmet has teamed up with specialists, all of whom are renowned for their expertise: The bakery Amoud, the specialist in Japanese cuisine Matsuri, the pioneer of urban food Khos, and the florist Marie M.

Carrefour Gourmet's strategy is to ensure that its concepts correspond best to its customers' needs. All these factors allow the brand to differentiate themselves from their competitors and to continue to develop Carrefour's reputation and innovative image.

• This involved the conversion of two stores:

- Carrefour Gourmet Velodrome, which opened March 23, 2017 with a retail space of 2000 m².

- Carrefour Gourmet Zaers, which opened September 14, 2017 with a retail area of 3000 m².

2 CAPITAL INCREASE

Terms/Methods	Achievements	Objectives
Aggregate amount of the operation: 396 474 750 MAD	Total amount of subscriptions received: 897 833 700 MAD	Finance the Group's development plan
Share price: 1 350 MAD	Rate of subscription: 227%	Improve the Group's debt ratio
Subscription parity 3 new shares for 26 PSR	Total number of subscribers: 158 Subscribers	Reduce the cost of financing
Theoretical price of PSR: 17 MAD	PSR price at the end of the operation : 23 MAD	Promote LBV's share with institutional as well as Moroccan and foreign investors
Subscription period: August 28 to September 26 2017	Participation of RETAIL HOLDING in proportion to its share of the capital	

2017 was marked by Label'Vie's capital increase operation in the amount of MAD 396 million. This operation aims to strengthen the company's equity, to consolidate its image with investors through increased visibility on the capital market and reduce the cost of financing.

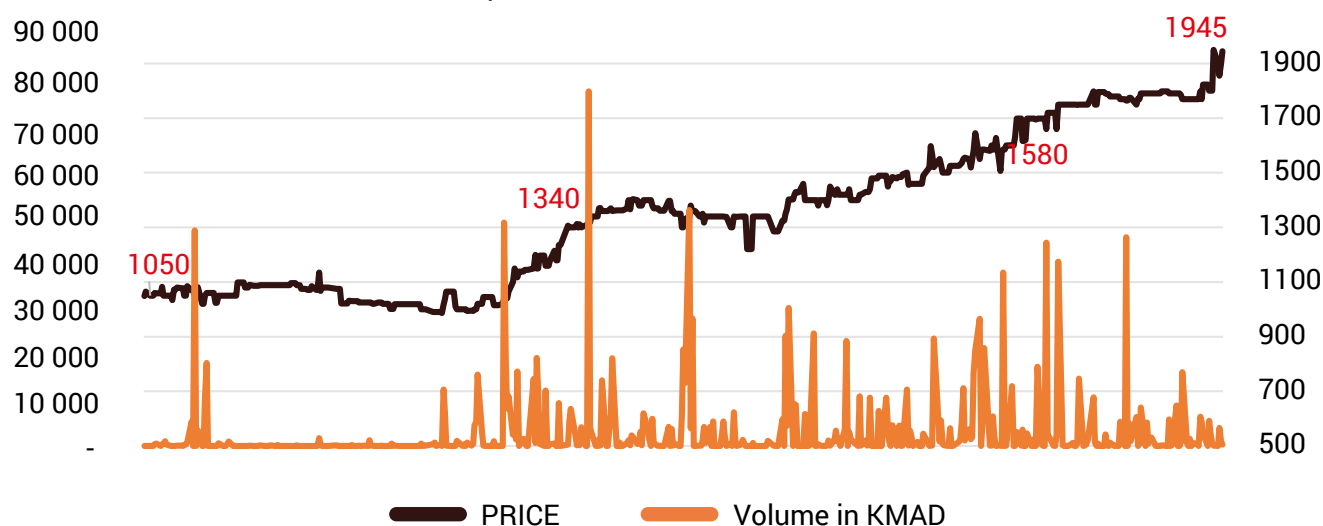
This increase is part of the group's development strategy based on a steady increase in

points of sale and a diversification of its distribution formats.

This pace of sustained growth has enabled it to improve its market share.

Label 'Vie believes that the effort to deploy its development strategy via the capital increase operation will enable it to promote its status with institutional as well as Moroccan and foreign investors.

LBV's share price over the last 24 months



3 MODIFICATIONS TO SCOPE OF CONSOLIDATION/PRINCIPAL INVESTMENTS

VLV's withdrawal from the scope of consolidation is the logical translation of the group's strategic vision of separating its operations from its properties,

thus giving greater visibility to the performance of the distribution businesses.

The table below summarizes the motivations, benefits, and impact of changing the scope of consolidation:

Motivations

- **Compliance with our strategic vision and unbundling** of the distribution and land property management businesses (VLV having been converted into a real estate CIV);
- **Independence of asset managers in VLV's management and governance** as a result of signing the Shareholder Agreement and the management mandate.

Benefits

- **Readability of accounts** allowing for better measurement of operational performance;
- **Improvement of our financial indicators:** Improved debt ratios, financial results and return on assets ;
- Reduced dependency on VLV performance.

Impact

Minimal on the Group's net income:

- VLV's net result for the 2017 financial year amounting to MAD 70 million ;
- The amount of dividends distributed by VLV during the 2017 financial year amounting to MAD 114 million, of which MAD 63 million to Label'Vie.

It is also important to note that Vecteur LV, which left Label'Vie's scope of activity, in 2017 made a net profit of MAD 70 million and distributed a dividend of MAD 114 million, which included MAD 63 million returned to Label' Vie.

Recall that VLV property is managed by an independent asset manager (Reim Partners)

in line with the legislation introduced by the AMMC relating to real estate investment vehicles (OPCI).

The real estate company holds 27 assets in 15 cities across the Kingdom, representing nearly 215,000 m² of leasable area and nearly 480 commercial premises. This exit allows Label'Vie to refocus on its core business of distribution.

OPENING OF NEW STORES NATIONWIDE

The Label'Vie Group is strengthening its position in the Moroccan market by opening 6 new supermarkets under the Carrefour Market name, corresponding to an additional sales area of 5,900 m².

In Casablanca, 2 new Carrefour Market stores were added, implementing henceforth a strategy to increase proximity with the customers while offering a vast and diverse product range that meet their needs.

- Carrefour « Casablanca Ain Chok »

In April 2017, the Label'Vie Group opened «Carrefour Ain Chok» with a sales area of 700m²; following investments which totaled MAD 3.8 million.



- Carrefour « Casablanca Panoramique »

In the same year, the group opened «Carrefour Panoramique» with a sales area of 1,000 m² and an investment of MAD 46.9 million.



The group is also strengthening its presence in the north of the country by opening its first store in the city of Tetouan and a second store in Tangier:

- Carrefour « Tétouan »

In December 2017, the group opened its first Carrefour Market «Tetouan», with a sales area of 1000 m².



- Carrefour « Ibn Battouta »

In November 2017, the new Carrefour Ibn Battouta store opened with a total area of 1500m², following investments which totaled MAD 10.8 million.



The group is strengthening its presence in the other parts of the country; especially in the cities of Salé and Fez:

- Carrefour « Bettana »

In February 2017, the new Carrefour Market «Bettana» store opened in Salé with a total area of 800m²; following investments which totaled MAD 7.1 million.



- Carrefour « Fès Atlas » :

The new Carrefour «Fès Atlas» store opened in Fès with a total area of 900m²; following investments which totaled MAD 9.8 million.



A MATURE CONCEPT WITH

Sidi Slimane



Sidi Kacem



Rabat-Salé



- Hassan
- Médina
- Riad
- Shem's
- Zaers
- Souissi
- Al Manal
- Sala Al Jadida
- Bettana
- Carrefour Salé
- Atacadao Salé

Temara Wifak



Mohamedia



- Kasbah
- Alia

Casablanca



- Vélodrome
- Anfa
- La Gironde
- Quartier des hôpitaux
- Lissasfa
- Maârif
- Taddart
- Romandie
- Oulfa
- Yacoub Al Mansour
- Ain sebaa
- Val Fleury
- Gauthier
- La Resistance
- Anfa Place
- Ziraoui
- Bourgogne
- Abdelmoumen
- Casablanca Ain Chok
- Casablanca Panoramique
- Carrefour Bouskoura
- Atacadao Ain sebaa

El Jadida



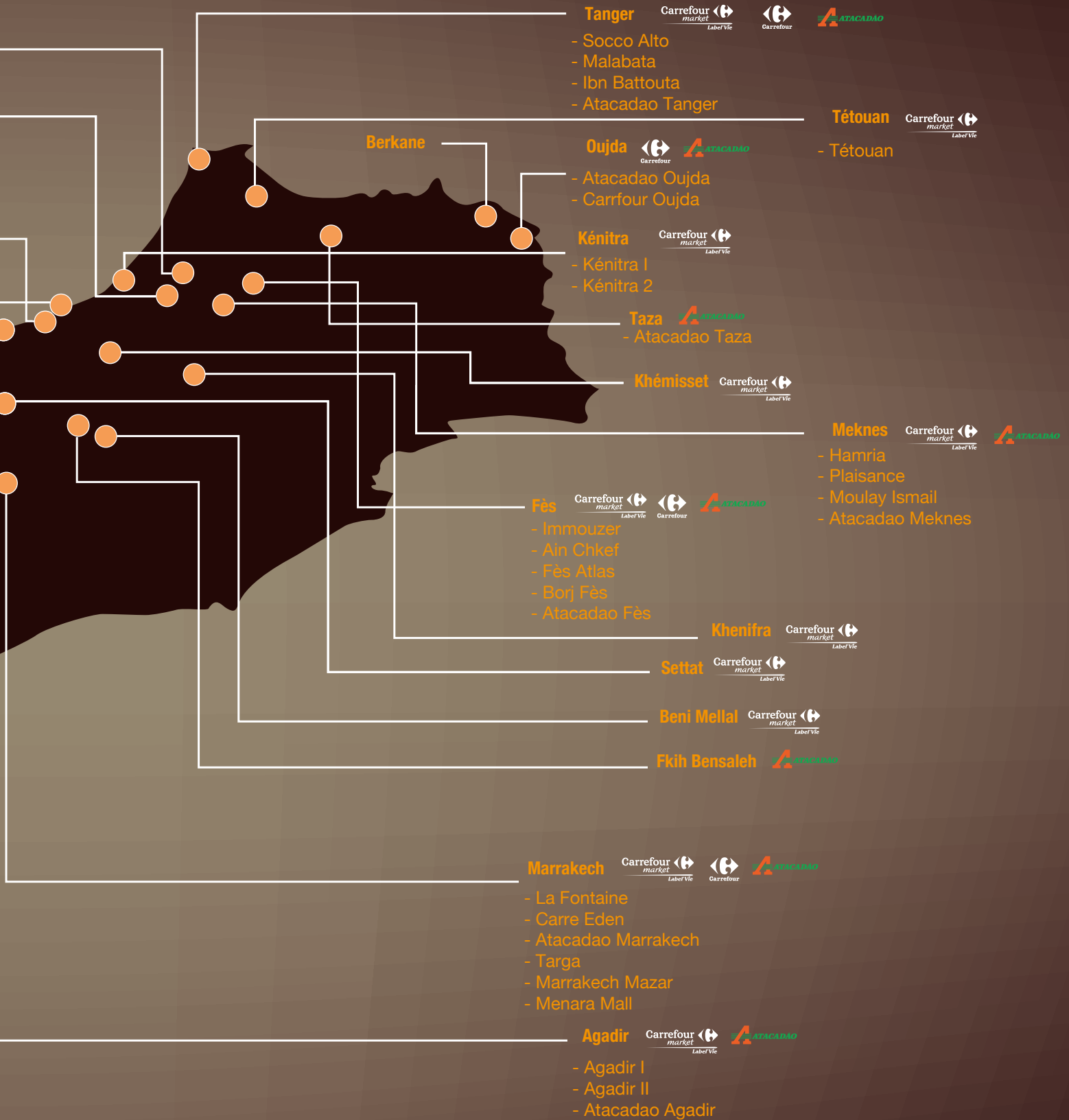
Safi



Essaouira



A PRESENCE IN 24 CITIES







KEY ACHIEVEMENTS

The Label'Vie group was able to sustain an upward trend for its various economic and financial indicators in line with the objectives set by Management, thanks to both the growth on a comparable basis and the contribution of the new openings.

- + 12% of the group's turnover,
- + 129% of net income,
- + 6 new stores,
- +2 Conversions to «Carrefour Gourmet».



AT THE OPERATIONS LEVEL

Key indicators:

The following table illustrates the evolution of the main commercial indicators:

	2015	2016	2017	CAGR 2017
Number of Stores	63	69	75	9%
Number of Receipts	35 133 190	38 945 863	41 556 817	9%
Sales (incl. VAT) in millions of MAD	7 026,28	7 761,84	8 652,59	11%
Average customer basket value (incl. VAT) in MAD	200	199	208	2%

The average customer basket value at Label'Vie increased from MAD 200 in 2015, to MAD 208 in 2017, i.e. an increase of 2%. During this period, the number of visitors increased substantially as the number of tickets produced (receipts) jumped by 9% from 35 million to 41 million tickets; driving an increase in sales volume for all the segments of the group.

The table below shows the evolution of openings as of 12/31/2017:

Regions	Format	2014	2015	2016	2017	
Rabat -Salé Region	Supermarkets	Hassan	Hassan	Hassan	Hassan	
		Médina	Médina	Médina	Médina	
		Riad	Riad	Riad	Riad	
		Shem's	Shem's	Shem's	Shem's	
		Zaers	Zaers	Zaers	Zaers	
		Sala Al jadida	Sala Al jadida	Sala Al jadida	Sala Al jadida	
		SMS	SMS	SMS	SMS	
		Temara	Temara			
		El Manal	El Manal	El Manal	El Manal	
		Temara Wifak	Temara Wifak	Temara Wifak	Temara Wifak	
				Bettana		
	Hypermarkets	Carrefour salé	Carrefour salé	Carrefour salé	Carrefour salé	
	Atacadao	Atacadao salé	Atacadao salé	Atacadao salé	Atacadao salé	
	Number of Stores		12	12	11	12
	Supermarkets	Vélodrome	Vélodrome	Vélodrome	Vélodrome	
		Anfa	Anfa	Anfa	Anfa	
		La gironde	La gironde	La gironde	La gironde	
Qaurtier des hopitaux		Qaurtier des hopitaux	Qaurtier des hopitaux	Qaurtier des hopitaux		
Lissasfa		Lissasfa	Lissasfa	Lissasfa		
Maarif		Maarif	Maarif	Maarif		
Mohammedia Kasba		Mohammedia Kasba	Mohammedia Kasba	Mohammedia Kasba		
Taddart		Taddart	Taddart	Taddart		
Romandie		Romandie	Romandie	Romandie		
Oulfa		Oulfa	Oulfa	Oulfa		
Yacoub elMansour		Yacoub elMansour	Yacoub elMansour	Yacoub elMansour		
Val Fleury		Val Fleury	Val Fleury	Val Fleury		
Ain Sebaa		Ain Sebaa	Ain Sebaa	Ain Sebaa		
Mohammedia Alia		Mohammedia Alia	Mohammedia Alia	Mohammedia Alia		
Gauthier		Gauthier	Gauthier	Gauthier		
RESISTANCE		RESISTANCE	RESISTANCE	RESISTANCE		
Anfa Place		Anfa Place	Anfa Place	Anfa Place		
Sidi Othmane		Sidi Othmane				
Ziraoui		Ziraoui	Ziraoui	Ziraoui		
				Casablanca Abdelmoumen		
				Casablanca Bourgogne		
				Casablanca Ain Chok		
				Casablanca Panoramique		
Hypermarkets		Carrefour Bouskoura	Carrefour Bouskoura	Carrefour Bouskoura		
Atacadao	Atacadao Ain Sebaa Atacadao Bouskoura	Atacadao Ain Sebaa	Atacadao Ain Sebaa	Atacadao Ain Sebaa		
Number of Stores		21	21	22	24	
Supermarkets	Kénitra	Kénitra	Kénitra	Kénitra		
	Meknes	Meknes	Meknes	Meknes		
	Settat	Settat	Settat	Settat		
	El jadida	El jadida	El jadida	El jadida		
	Khemisset	Khemisset	Khemisset	Khemisset		
	Kenitra 2	Kenitra 2	Kenitra 2	Kenitra 2		
	Fes route d'imouzzet	Fes route d'imouzzet	Fes route d'imouzzet	Fes route d'imouzzet		
	Agadir	Agadir	Agadir	Agadir		
	Marrakech la Fontaine	Marrakech la Fontaine	Marrakech la Fontaine	Marrakech la Fontaine		
	Safi	Safi	Safi	Safi		
	Plaisance	Plaisance	Plaisance	Plaisance		
	AGADIR 2	AGADIR 2	AGADIR 2	AGADIR 2		
	SIDI SLIMANE	SIDI SLIMANE	SIDI SLIMANE	SIDI SLIMANE		
	BENI MELLAL	BENI MELLAL	BENI MELLAL	BENI MELLAL		
	Khénifra	Khénifra	Khénifra	Khénifra		
	Essaouira	Essaouira	Essaouira	Essaouira		
	Carre Eden	Carre Eden	Carre Eden(Marrakech)	Carre Eden(Marrakech)		
	Berkane	Berkane	Berkane	Berkane		
		Menara Mall	Menara Mall(Marrakech)	Menara Mall(Marrakech)		
			Fes Ain Chkef	Fes Ain Chkef		
			Meknes Moulay Smail	Meknes Moulay Smail		
			Tanger Malabata	Tanger Malabata		
				Tanger Ibn Battouta		
				Fès Atlas		
				Tetouan Wilaya		
	Hypermarkets	Carrefour Targa (Marrakech)	Carrefour Targa (Marrakech)	Carrefour Targa (Marrakech)	Carrefour Targa (Marrakech)	
		Carrefour Oujda (Oujda)	Carrefour Oujda (Oujda)	Carrefour Oujda (Oujda)	Carrefour Oujda (Oujda)	
		Carrefour BORJ FES (FES)	Carrefour BORJ FES (FES)	Carrefour BORJ FES (FES)	Carrefour BORJ FES (FES)	
Carrefour Al mazar (Marrakech)		Carrefour Al mazar (Marrakech)	Carrefour Al mazar (Marrakech)	Carrefour Al mazar (Marrakech)		
			Tanger Socco Alto	Tanger Socco Alto		
Atacadao	Atacadao Fés	Atacadao Fés	Atacadao Fes	Atacadao Fes		
	Atacadao Tanger	Atacadao Tanger	Atacadao Tanger	Atacadao Tanger		
	Atacadao Oujda	Atacadao Oujda	Atacadao Oujda	Atacadao Oujda		
	Atacadao Marrakech	Atacadao Marrakech	Atacadao Marrakech	Atacadao Marrakech		
	Atacadao SIDI KACEM	Atacadao SIDI KACEM	Atacadao SIDI KACEM	Atacadao SIDI KACEM		
	Atacadao FKIH BENSALAH	Atacadao FKIH BEN-SALEH	Atacadao FKIH BENSALAH	Atacadao FKIH BENSALAH		
	Atacadao Agadir	Atacadao Agadir	Atacadao Agadir	Atacadao Agadir		
	Atacadao Taza	Atacadao Taza	Atacadao Taza	Atacadao Taza		
Number of Stores		30	30	36	39	
Total		63	63	69	75	



At the end of 2017, the Label'Vie Group had 75 points of sale. The increase in the number of openings reflects the Group's development strategy, initiated after its IPO in 2008. This strategy aims to take advantage of areas with a strong potential and a strong proximity policy.

AT THE HUMAN RESOURCES LEVEL

Given the current context:

- Development of our multi-format activities including the annual recruitment needs and the integration of about 1,500 operational skills, including 10% of hires specialized in the field of mass retail management;
- Scarcity of operational expertise in the Moroccan market due to the lack of training facilities for this field. The challenge for the Group's HR Department is to design and deploy a suitable HR policy.

To respond to this challenge, the Group's HR Department is, since 2015, composed of:

- Department of HR Proximity and Company Culture;
- Department of HR Development;
- Department of Personnel and Social Affairs Administration;
- Procurement Department.

Currently, the Group's HR policy is based on the following areas of strategic focus:

- Strengthen attractiveness and loyalty;
- Consolidate the transfer and accumulation of the Group's expertise;
- Support the development of the Group's new concepts & structures;
- Ensure the success of accountability and strengthen performance management;
- Develop and structure local HR management favorable to the Group's culture and values.

Below are the main achievements of 2017:

KEY FIGURES 2017

Recruitment	<ul style="list-style-type: none">• In 2017, 1895 employees were recruited (vs 1602 in 2016)
Mobility	<ul style="list-style-type: none">• In 2017, internal recruitment accounted for 54.14% (vs. 38% in 2016)
Promotion	<ul style="list-style-type: none">• In 2017, we addressed 237 management needs (vs 181 in 2016)
Integration of Managerial Staff	<ul style="list-style-type: none">• 6 integration seminars were conducted in 2017, bringing together some 80 new recruits
Corporate Culture	<ul style="list-style-type: none">• Organization of the first retail professions forum with 863 visitors• Organization of a street marketing operation and distribution of business flyers in the region of Tetouan-Tangier• Participation of 87 employees during the Casablanca Marathon
Social & health	<ul style="list-style-type: none">• 2 organized family days• Organization of a day for 75 pregnant women at the Group• Organization of a day for 84 diabetic employees at the Group• Organization of 3 breaks douce'heures for women at Label'Vie Group• Design and implementation of the social program «School Excellence Award» to reward the children of employees who have received the highest marks on their high school Baccalaureat.
Continuing Education	<ul style="list-style-type: none">• 480 activities carried out in 2017 (vs. 509 in 2016)• 5521 days / men (participations) in 2017 (vs 6623 in 2016)• 1529 beneficiaries in 2017 (vs 2000 in 2016)• 46% in-house training courses in 2017 (Vs 60% in 2016)• 62 facilitators / internal trainers and 103 section manager trainers
Specialized Training / Label School	<ul style="list-style-type: none">• 248 training activities completed in 2017 (vs 426 in 2016)• 3470 participations in 2017 (vs 421 days / man (participations) in 2016)• An offering made up of 21 training cycles in 2017 (vs 28 in 2016)
Diploma Course	<ul style="list-style-type: none">• 5 diploma courses covered in 2017 (vs 7 in 2016)

• **Flagship projects 2017**

The flagship projects of 2017 are mainly comprised of:

- Developing the appeal of our employer's brand;
- Developing the business partnership between the HR-store and the HR-region function in order to optimize the collaboration at the operational level;
- Strengthening the proximity and the structure of HR activities to reflect a culture and values of sharing;
- Strengthening the social life in the group;
- Developing the efficiency of procurement management;
- Transforming Label School into a center of excellence;

AT THE LOGISTICS LEVEL

Logistics remains a central link in the Group's business, having reached many milestones in 2017:

• **Automated supply flows and detention management tools**

The automation project for replenishing stores launched in 2012, which initially involved centralized flow through the Group's platform, continued its roll-out in 2017 with products delivered directly from suppliers to stores. Since 2017, this system has been linked to a holding management tool with the aim of maximizing the availability of products in the linear range.

• **Regional sourcing of fresh produce**

For several years, the Group has been committed to a sourcing policy that is as close as possible to producers of fresh produce.

After having developed regional fruit and vegetable sourcing platforms in the

Souss, Gharb and Saiss regions, 2017 saw the start of direct sourcing activity from the port of Dakhla for fresh fish products. The project's objective remains guaranteeing optimal quality of the products as well as control of the supply chain.

Support for logistics in the Group's development

As part of the support for the Group's development, logistics has acquired new storage and flow management capacity across all types of products. The extension involved an increase of 7,000 m² of room temperature capacity and nearly 3,000 m² on fresh produce, fruit and vegetables, frozen and fresh fish. These new capacities are now fully operational.

AT THE MARKETING AND DEVELOPMENT LEVEL

• **Carrefour Market is strengthening its positions**

6 new Carrefour Market stores were launched in 2017, including the emblematic Souissi supermarket in Rabat, which was completely renovated in January. The group's presence in the north of the country was also strengthened with the opening of Ibn Battuta in Tangier and the its first store in the city of Tetouan. Finally, Casablanca welcomed two new outlets in the California and Ain Chok neighborhoods.

With these new openings, our Carrefour Market fleet stood at 57 stores at the end of December.

Launch of a new and innovative concept: Carrefour Market Gourmet

2017 saw the birth of a new supermarket concept in Morocco under the name «Car-



refour Market Gourmet». The two stores concerned were Casablanca Velodrome, converted on March 23 with an area of 2000 m² and Rabat Zaers, inaugurated on September 14 with an area of 3000 m².

The key points of the concept are:

• **a) A rich and diversified offer**

- Market supply enriched with new need units;
- 1500 new food products;
- Shelves dedicated to new trends.

b) A tailor-made retail environment and an innovative shopping experience

- High-quality materials;
- Lights that showcase the products;
- Islands of freshness that regroup market products;

- Traditionally staged shelves;
- An area to relax (Zaers).

• **c) Specified communications**

- Store communication about quality products and services;
- Creation of a specific catalogue.

d) A rich merchandising of its displays and sustained sales promotions

- Displays and fixtures that enhance the product offering;
- Multiple zones of presentation;
- Tastings throughout the day.

e) Shops inside the shop in partnership with specialized partners

- Amoud, bakery/confectionary;
- Matsuri, sushi;
- Khos, salad/caterer;



- Cocotte, gourmet deli;
- Marie M, flowers.

f) Enhanced service at checkout as well as at all other levels of the business

• The freshness campaign continues in 2017

Guaranteeing freshness for customers remains at the heart of the group's concerns. The campaign was launched in 2017 along with the fresh fruits and vegetables campaign and the butcher's advertising spot/commercial.

This launch was supported by providing training for our butchers to better welcome and advise our customers, as well as to optimize the merchandising of

products and to put in place a tasting program.

A digital campaign was also implemented to explain to customers our quality process, from selection and supply to shelving and transportation.

• Launch of the Guaranteed Lowest Price commitment during major events

As the pioneer of the Lowest Permanent Price Guarantee concept, the group wanted to be even closer to its customers by launching in 2017 the guarantee of the «Lowest Promotional/Sales Price» on a selection of products during major events such as Chaabane, Ramadan and Adha.

Important communication tools accom-

panied this launch: catalogues, store merchandising, in-store audio ...

AT THE INFORMATION SYSTEM MANAGEMENT LEVEL

• Infrastructure and Data Center Component:

This year, we moved our main Data Center to a new site belonging to the group. This move was the opportunity for a total relaunch of our facilities to raise them to the highest international standards.

We have drastically reduced the risk of downtime by adopting a completely redundant solution with much better energy efficiency. Moreover, these modular and expandable facilities will enable us to meet the company's needs for next 20 years at the current rate of development.

• Solutions Component:

2017 saw the migration of messaging to a solution involving:

- Cloud hosted email;
- A corporate social networking solution;
- Users' storage and file management space;
- A videoconferencing system.

We also launched the first phase of the Value-Added Services (VAS) program by enabling our customers to purchase phone recharges through the cash desks at their preferred point of sale.

• Other flagship projects:

- The launch of the Vendor Monitoring Project, which enables the back office to better compensate the efforts of the EPCS department's teams;
- In-store mobility: the project aims to

equip the store teams with tablet / PDA solutions to enable them to perform their tasks efficiently at the sales area, thus reserving the maximum time to serve customers;

- The automation of pricing, taking into account the product category and its profitability, and the competitive environment of the stores, thus allowing a better match between the selling price and the strategy implemented by the company.

AT THE QUALITY LEVEL:

«Quality» is part of the Group's overall strategy, focused primarily on ensuring the safety of products for the consumer and controlling health risks. It identifies itself as an element of differentiation and a vector for the development of the group's activities.

The Group's Quality Department operates on 2 main components:

- A system guaranteeing the sanitary safety of the products distributed by our warehouses and processed in our stores' workshops, supported by our managers «Quality» through the establishment of health risk analysis and inspection plans, including for the store brand;
- A «Quality» support for purchases in the referencing of suppliers, the implementation of specifications framing the quality of products and their inspection.

In 2017, the Quality Department focused on:

- Store audit and support: Good hygiene practices and preliminary programs for HACCP;
- The approval of market products before shipment to our stores (fruits &

vegetables, meat, and fresh fish);

- Control of imported products according to the Group's requirements;
- Mastering the quality of PLP products (private label products) through an inspection plan covering health risks and vetted recipes to offer our customers quality products.

AT THE SECURITY MANAGEMENT LEVEL

For product safety, Label'Vie LP has taken out multi-risk insurance covering real estate (container and content including inventory) and has set up a surveillance system (security guards, cameras, security gates, etc.).

With regard to personnel safety, the company has taken out an «occupational safety» insurance and provides specific clothing (uniforms, metal gloves, etc.) for certain functions related to handling, storage and fresh produce.

To ensure the safety of the customers, Label'Vie LC benefits from liability insurance (intoxication, minor incidents).

In addition, Label'Vie LC has a fire safety system in each store. This system, which meets firefighting standards, is composed of sprinklers and extinguishers. The fight against inventory shrinkage (fight against theft) is a strategic focus for the Security Department. The actions undertaken since 2015 regarding safety in stores have made it possible to reduce the markdown rate considerably.

AT THE LEVEL OF CORPORATE SOCIAL RESPONSIBILITY (CSR)

Since its creation, our Label'Vie Group has embarked on a strategy aimed at

economic performance while respecting its social responsibility. Indeed, the vision and the culture as well as the values of our group ensure respect for the commitment towards its shareholders, its customers and suppliers, its employees, and its societal environment.

Faced with the challenges that the size and scope of our group's activities pose today, we have implemented a CSR approach that allows us to:

- Ensure that social policy and working conditions are in line with the requirements of the labor code and with good practices in employee management.
- Ensure that product hygiene and quality standards are geared towards consumer protection at all points of sale.
- Ensure that store and platform activity are not detrimental to the natural environment and the surrounding community.
- Ensure that the multitude of suppliers and service providers operate in a high-level regulatory and ethical framework so as not to damage the Group's reputation and the end consumer.
- Ensure that established governance can ensure the traceability of decision-making processes and the reliability of information that is communicated to stakeholders.

The scope of our CSR commitment is illustrated through examples from the following areas of work:

- **Energy saving**



Carrefour's interest in environmental issues is linked to all business lines. Within its stores, a set of sustainable and environmentally friendly solutions have been implemented.:

- **LED Lighting**

Benefiting from longer life than incandescent bulbs, LED lighting provides low power consumption. Since 2015, all new stores have been equipped with this new technology and 25 old stores have also converted to LED, which has reduced our lighting consumption in these stores by 43%.

Our ambition is to convert all points of sale by 2018.

- **Natural Lighting**

Label'Vie is beginning to integrate a new

energy saving lever

in the architectural designs of its stores. LumiDomes coupled with glazed facades are natural lighting devices that can save between 30% and 40%. Today, 16 of our points of sale have them.

- **Photovoltaic solar panels Starting**

in 2017, Label'Vie aims to produce electricity from solar energy, which is inexhaustible and respects nature and the environment. The first store that will house this equipment is Atacadao Meknes, whose structure is designed to support a photovoltaic roof to achieve energy self-sufficiency. This facility will be gradually extended to other stores in the cities of Taza and Marrakesh.

At the same time, all Atacadao stores are built with roof panels and cladding for



thermal insulation.

• **Optimization of energy management**

Emissions volumes due to possible leaks in refrigeration have a significant impact on global warming.

In view of this, Label'Vie has started to equip the refrigerated units of its stores and its logistics platform with an RLDS (Refrigerant Leak Detection System) device, which can be used to measure the cooling capacity at any time and send alerts in leakage, which allows staff to act in real time to prevent any loss of gas.

Water saving:

Finally, environmental protection can-

not reach its essence without a policy of safeguarding the precious liquid that is water. To do this, several tests are currently underway in stores such as the installation of leak detectors and foamy handhelds

Solutions to combat food waste

Since 2015, the Label'Vie Group has invested in the fight against food waste. A company project has been set up to define processes and good practices in order to :

- Optimize product transit logistics flow;
- Automate orders to avoid overstock and reduce operating losses
- Negotiate longer UBD (Use-By-Dates)

with the industry;

- Improve and reinforce quality controls and expiry dates upon receipt of products in the logistics platform and in-store;
- Offer good deals on short-dated products;
- Significant price cuts, from 30% to 50%, are programmed in stores on products with a close deadline for consumption.

• **Solutions to preserve our biodiversity**

- Biodiversity is now under serious threat from human activities. The consequences of the erosion of this biodiversity are dramatic.
- Carrefour takes a strong and proactive policy on sustainable development.

• **Transport:**

- With economical and green solutions, our supply chain works every day to get our goods to store with less pollution.
- The optimization of the truck routes has enabled the reduction of kilometers traveled by 5% and therefore the reduction of 150 tons of CO₂ emissions.
- Optimizing the fill rate of trucks, upstream and downstream, through a pooling of transport flows and optimization of empty returns. Thanks to this approach, 350 tons of CO₂ emissions were eliminated in 2016.

Supply from local producers:

- Label'Vie is committed to working with small local producers and marketing their products at the various points of sale.
- The first operation concerns small local producers of a village in Dar Bouaz-

za near Casablanca.

The group's commitment is to:

- Dedicate spaces in stores for organically grown and regional products
- Grant payment facilitation to small farmers
- Set up a means of transport for the grouping of their goods and transfer to points of sale

• **The support of corporate partners**

In 2016, the Label'Vie Group launched the first inclusive rural development initiative in Morocco begun by the private sector under the name «Action Douar».

This initiative is organized around the following themes:

- The promotion of sustainable agriculture: This action consists in supporting the farmers of Douar Lahrouch in the development of organic agriculture and the flow of their production via the Label'Vie network.

- Strengthening linguistic skills of children in Douar in foreign languages:

This is a foreign language course (English, French) for the benefit of children from a Douar Lahrouch school that will be provided by volunteer employees of Groupe Label'Vie.

- The program contract for the employability of Douar's youth:

The result of a partnership between the Label Vie Group and Espace Point de Départ (ESPOD), an active player in the economic promotion of women and youth and the development of women's entrepreneurship in Morocco. This action

aims to improve the employability of young people in Dar Bouazza and Douar Lahrouch, through sourcing and training actions that will result in the recruitment of some of these young people in the Label'Vie Group stores in the region.

Our societal environment is evolving very rapidly and presents both risks to be anticipated as well as opportunities for creating value to be seized. To consolidate our achievements in terms of social and societal responsibility, and to subscribe to a sustainable CSR approach, our group took the decision in January 2018 to be supported by an international firm in its CSR approach, with the aim of obtaining the CGEM label in accordance with the ISO26000 standard.

AT THE INTERNAL AUDIT DEPARTMENT LEVEL

- **Internal Auditing:** The Internal Audit Department's mission is to analyze all the activities of the company to give the General Management and the Board of Directors, an assurance on the proper functioning of the processes.

The internal audit missions carried out in 2017 covered 17 processes relating to material flow (42%) cash flow (37%) and personnel flow (21%).

These missions, which concern all BUs and central functions, have highlighted a set of findings classified according to their degree of criticality.

Following these observations, action plans have been drawn up with the relevant managers and the Internal Audit Department is monitoring management

implementation of the action plans necessary for the reduction, even the elimination, of the most critical risks inherent in the various findings.

- **Internal control:** In order to establish the culture of internal control and raise the awareness of risk bearers, the self-audit project was set up at the Atacadao BU and gave rise to a summary with a compliance rate by activity and store.

- **Recurring missions:** recurring audit missions have been the subject of audit reports. These missions are related to the goods receipt and cash line processes (33 missions carried out on the stores of all BUs in 2017).

The 2018 audit plan was drawn up on the basis of risk mapping, incidents of the n-1 period, inadequacies or dysfunctions identified during the missions carried out in 2017, and management requests.

For the year 2018, the Internal Audit Department has planned to set up risk mapping for human resource management processes.

AT THE MANAGEMENT EXPANSION LEVEL

As in previous years, the Expansion Department continues to contribute to the achievement of the objectives set by the Board of Directors.

With three divisions, the Expansion Department works downstream from the prospecting of new opportunities to the delivery of turnkey projects.



• **Prospecting Division**

A team of prospectors travels all over Morocco in search of land to build on or locales to develop.

• **Administrative Division**

A group oversees working with the city authorities to authorize the construction, layout and operation of the premises.

• **Projects Division**

Heads of project, assisted by direct labor and project managers, manage construction, planning and technical equipment companies.

2016 was a year of introduction to energy efficiency. 2017 was a year of capitalizing on experiences. The stores opened in 2017 have all been equipped with LED lighting, with an architecture favoring the installa-

tion of lumidomes (natural lighting).

The study of the electricity production from the photovoltaic process has been finalized and the realization will be done in 2018.

The first test will be performed on the site of Atacadao Meknes.

On a technical level, 2017 saw the signing of all maintenance contracts to secure the production tools: industrial refrigeration, laboratory equipment, high voltage and low voltage electricity, air conditioning, handling, etc.





FINANCIAL ANALYSIS

The Label'Vie Group continues to deliver outstanding performance thanks to its multi-format development plan and its marketing and sales strategy.

The group's growth is driven by both by the contribution of existing stores (constant perimeter) and the contribution of new stores. In 2017, were opened six new stores, two Carrefour Markets stores were converted into «Carrefour Gourmet» stores; and nine stores were renovated. The table below illustrates the current structure at the end of the previous year (2016) as well as the openings which occurred in 2017:

Group Brand	Supermarkets	Hypermarkets	Hyper Cash	Group Total
Points of Sale in Dec. 2016	51	7	11	69
m² of retail	66 134	40 300	59 564	165 998
in % of Group Total	40%	24%	36%	100%
Openings	6	0	0	6
m² opened	5 900	0	0	5 900
m² Added (Extensions)	1 700	0	0	1 700
Points of Sale 2017	57	7	11	75
m² of retail	73 734	40 300	59 564	173 598
in % Group Total	42%	23%	34%	100%

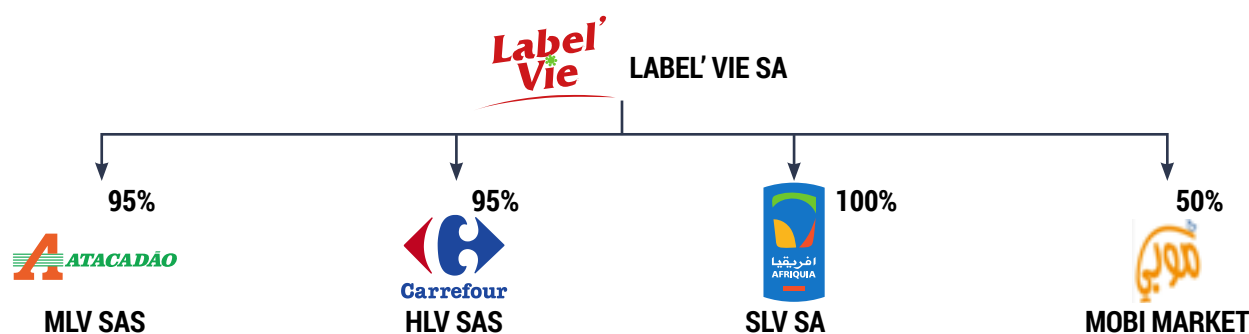
In 2017, were opened six new Label'Vie supermarkets, and was added a total of 7,600 m² of new retail space, including an additional 1,700 m² following the conversion of Carrefour Market Zaers into a Carrefour Gourmet store. These openings resulted in the creation of nearly 600 new jobs.

In 2017, in addition to new openings, happened the withdrawal of Vector LV (VLV) from the scope of consolidation. This operation is consistent with the group's strategy to disconnect the core business, distribution, from the real estate asset management activities. Following this operation, the scope of consolidation has undergone changes

to benefit from the following advantages:

- Readability of accounts to allow better performance measurement;
- Improving our financial indicators: Improved debt ratios, financial income and return on assets.
- Indeed, the pro-forma accounts have been prepared for better comparability.

Below is the flowchart of the Label 'Vie Group:



Label'Vie LC, the parent company, which operates the «Supermarkets» under the Carrefour Market- Label' Vie brand, includes the following companies in its consolidation scope:

- HLV Ltd., a company operating the «Hypermarket» formats under the CARREFOUR banner and 95% owned by MLV Ltd., created in 2011 for the operation of stores under the METRO banner converted into ATACADAO between 2012 and 2014 and 95% owned by Label'Vie LC.

- In addition, the group owns 100% of Service-LV, a company specialized in the management and operation of service stations, with a total of 12 stations at the end of 2017.

Established in 2014, Service LV started operating in November 2015.

- Created in 2016, Mobi Market Limited Company has, as its main purpose, the purchase and sale of food and non-food products through mobile supermarkets in the form of self-service, etc.

ANALYSIS OF THE INCOME STATEMENT

Below is the income statement of Label'Vie S.A for the financial years 2016 and 2017. Numbers are shown in thousands of MAD:

	2016		2017		Growth vs. 2016	
	VAL	% SALES	VAL	% SALES	VAL	%
Sale of Goods (excl. VAT)	3 072 333		3 326 979		254 647	8%
Sales of Services	390 084	13%	443 565	13%	53 481	14%
Turnover (excl. VAT)	3 462 417	113%	3 770 545	113%	308 128	9%
Cost of Goods Sold (excl. VAT)	2 653 585	86%	2 854 141	86%	200 557	8%
Gross Profit	808 832	26%	916 403	28%	107 571	13%
Reversal of operating provisions	122 298	4%	76 940	2%	-45 357	-37%
Operating Expenses	742 824	24%	725 282	22%	-17 543	-2%
Operating income	188 305	6%	268 062	8%	79 756	42%
Financial Income	-101 504	-3%	-40 235	-1%	61 269	-60%
Non-Current income	601	0%	240	0%	-361	-60%
Corporate Taxes	-22 377	-1%	-51 477	-2%	-29 100	130%
Net Profit	65 024	2%	176 589	5%	111 565	172%

Below is the pro-forma income statement of Label'Vie S.A for the financial years 2016 and 2017. Numbers are shown in thousands of MAD:

AMOUNTS IN KMAD	2016 Pro forma		2017		Growth vs. 2016 Pro forma	
	VAL	% SALES	VAL	% SALES	VAL	%
Sale of Goods (excl. VAT)	6 771 606		7 531 109		759 503	11,2%
Sales of Services	623 305	9,2%	743 469	9,9%	120 164	19,3%
Turnover (excl. VAT)	7 394 912		8 274 578		879 667	11,9%
Cost of Goods Sold (excl. VAT)	6 028 998	89,0%	6 676 079	88,6%	647 082	10,7%
Direct Margin	742 609	11,0%	855 030	11,4%	112 421	15,1%
Gross Margin	1 365 914	20,2%	1 598 499	21,2%	232 585	17,0%
Operating Costs	908 425	13,4%	995 338	13,2%	86 913	9,6%
Gross Operating Surplus	457 489	6,8%	603 161	8,0%	145 672	31,8%
Operating expenses	207 331	3,1%	248 805	3,3%	41 474	20,0%
Operating Expenses	1 115 756	16,5%	1 244 143	16,5%	128 387	11,5%
Operating income	250 159	3,7%	354 356	4,7%	104 197	41,7%
Financial Income	-99 908	-1,5%	-30 973	-0,4%	68 935	-69,0%
Current Income	150 251	2,2%	323 383	4,3%	173 133	115,2%
Non-Current Income	-744	0,0%	-1 222	0,0%	-478	64,3%
Corporate Taxes	44 276	0,7%	81 292	1,1%	37 015	83,6%
Net Profit	105 230	1,6%	240 870	3,2%	135 640	128,9%
Net Profit Group Share	103 534	1,5%	237 862	3,2%	134 328	129,7%

* Mutandis is excluded from the scope of consolidation, as Label'Vie holds less than 5% of it. The income and expense account

is shown in thousands of MAD. The details of the parent company and consolidated financial statements, as well as the statutory auditors'

reports are presented in Appendices I and II of this ANNUAL REPORT.

A.1 Turnover

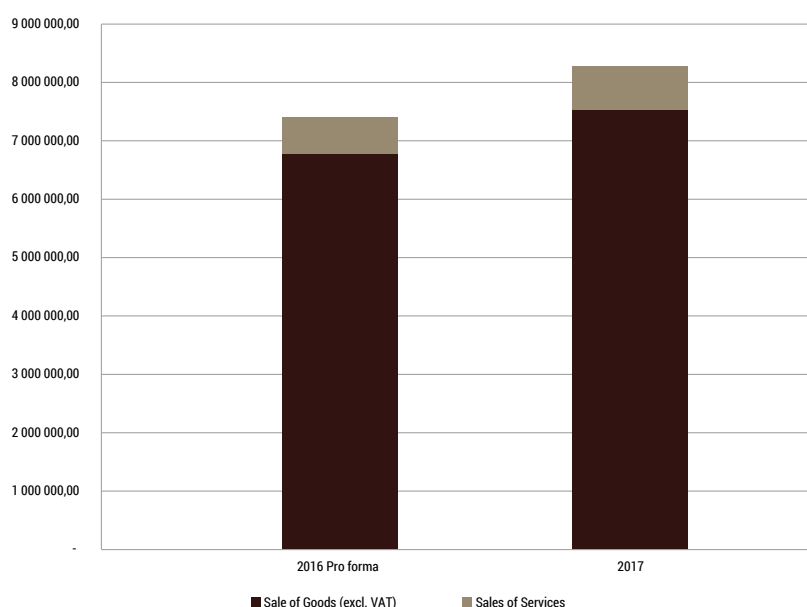
Label'Vie Group's turnover is mainly comprised of:

- Sales of goods
- Sales of services that include, but are not limited to, the back margin, space rentals within stores, and lease rights and rents from commercial galleries.

Amount in KMAD	2016 Pro forma		2017		Growth vs. 2016 pro-forma	
	VAL	% SALES	VAL	% SALES	VAL	%
Sale of Goods (excl. VAT)	6 771 606		7 531 109		759 503	11,2%
Sales of Services	623 305	9,2%	743 469	9,9%	120 164	19,3%
Turnover (excl. VAT)	7 394 912	100%	8 274 578	100%	879 667	11,9%

In comparison with 2016 - pro forma, the group's turnover increased by 12% in 2017, from 7,394 MMAD to 8,274 MMAD in 2017

Below, are highlighted sales of goods and sales of services in KMAD:



Sales of goods also increased in 2017, from 623 MMAD in 2016 to 743 MMAD in 2017, i.e. an increase of 19.3%. The proportion of sales of goods remains more significant

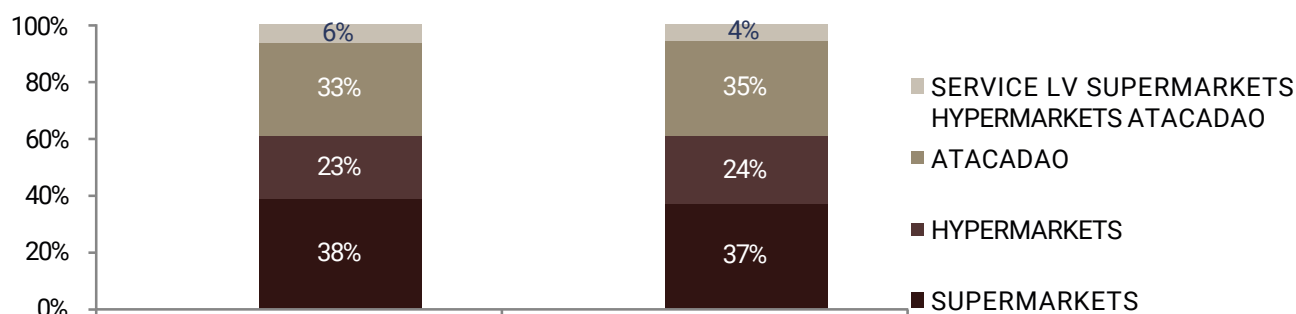
and represents 91% of sales in 2017. The volume of sales of goods reached 7,531 MMAD in 2017, an increase of 11.2% enlever YoY. This increase is mainly driven by:

- The increase by 7% of sales on a like-for-like basis with a contribution of 55%;
- A 113% growth for openings in 2016 with a contribution of 35%

The table below illustrates the evolution of sales for different scopes:

EVOLUTION OF SALES	2016 Pro format	2017	GROWTH		Contribution
			Value	%	
CONSTANT SCOPE	6 168 183	6 582 220	414 037	7%	55%
Openings 2016	238 569	507 826	269 257	113%	35%
Openings 2017	0	44 072	44 072	NA	6%
Reopenings	364 854	396 992	32 137	9%	4%
GROUP TOTAL	6 771 606	7 531 109	759 503	11%	100%

Below is the breakdown of sales by segment



Evolution of sales for different scopes:

« Supermarkets » Segment:

Sales by the «Supermarket» segment accounted for 37% of the group's sales volumes in 2017. Despite the late reopening and

the unfavorable macro-economic environment, this segment still maintains good performance in terms of sales growth, thus increasing by 7.5%, from 2,591 MMAD in 2016 to 2,785 MMAD in 2017.

This change is mainly driven by:

- The growth at a constant scope of + 4%;
- The contribution of sales from the openings which happened in 2016 and 2017 by 49 MMAD and 44 MMAD respectively;

Evolution of Sales	2016	2017	Growth	
			Amount	%
CONSTANT SCOPE	2 517 578	2 618 736	101 158	4,0%
Openings 2016	74 149	123 162	49 013	66,1%
Openings 2017	-	43 376	43 376	NA
Supermarkets Total	2 591 727	2 785 273	193 546	7,5%

Founded in 1985, «supermarkets» is the historic part of Label 'Vie Group. With the opening of 6 new sites: Bettana, Ibn Battouta, Casa Ain Chok, Casa Panoramic, Tetouan Wilaya, Fez Atlas, the network of «Carrefour Market» points of sale comes to 57 as of December 31, 2017, with a total of 73,734 m² of sales area.

« Hypermarkets » Segment:

The «Hypermarkets» segment has 7 points of sale and 40,300 m² of sales area as of December 31, 2017. This represents 24% of Label 'Vie Group's total sales at the end of 2017.

Sales in the «Hypermarket» segment rose by 12.8% in 2017, thanks

in particular to the good performance of almost all outlets and the contribution of the «Tangier Soco Alto» hypermarket, opened in July 2016. Sales on a like-for-like basis increased by 6.1%, an increase of 88 MMAD.

Sales growth	2016	2017	Growth	
			AMOUNT	%
CONSTANT SCOPE	1 465 197	1 554 173	88 976	6,1%
Openings 2016	113 292	227 030	113 738	100,4%
Hypermarkets Total	1 578 488	1 781 203	202 715	12,8%

« Hyper Cash » Segment:

The Hyper Cash segment under the banner «ATACADAO», had 11 outlets at the end of 2017 and 59,564 m² of sales area.

This segment represents 35% of the total sales of the Label'Vie Group in 2017.

Sales in the «Hyper Cash» segment rose 19% in 2017, from MAD 2,221

million to MAD 2,643 million. This increase is explained by the growth of sales on a like-for-like basis (+ 14.5%) and the sales of the 2016 openings.

Evolution of Sales	2016	2017	Growth	
			AMOUNT	%
CONSTANT SCOPE	2 170 661	2 486 240	315 579	14,5%
Openings 2016	51 122	157 634	106 512	NS
Hypermarkets Total	2 221 782	2 643 874	422 091	19,0%

«LV Service» segment:

«LV Service» segment: Label'Vie Group's service stations account for 4% of total sales in 2017. This seg-

ment experienced a drop of -15.5%, mainly due to the decline in sales at the two Oujda stations.

Sales of Services

Below is shown the evolution of sales of services in 2017 compared to pro forma 2016 figures:

Amount in KMAD	2016 Pro forma		2017		Growth Vs 2016 Pro forma	
	VAL	% SALES	VAL	% SALES	VAL	VAL
Sales of Services	623 305	9,2%	743 469	9,9%	120 164	19,3%

Compared to the 2016 pro forma figures, sales of services increased by 120 MMAD from 623 MMAD to 743 MMAD in 2017, i.e. an increase of 19.3%. Sales of services accounted for 9.9% of the group's sales in 2017 compared with 9.2% in 2016 (+0.7 points).

This improvement is mainly due to:

- Better commercial partnerships thanks to a higher bargaining power as well as to the increase in business volume over the total scope;
- Additional fees charged for the renovation of old sites and the opening of new stores.

In 2017, were opened six new «Carrefour Market» stores, nine stores were renovated, and two others were converted into «Carrefour Gourmet» stores. This is in line with Label'Vie Group's strategy to offer its customers the opportunity to shop in a pleasant and customer-friendly environment.

A.2 Gross Margin

Gross margin is composed of:

- Direct Margin (difference between sales and cost of goods sold);
- Sales of services

Below is the evolution of the Group's gross margin in 2017 compared to the 2016 pro forma figures:

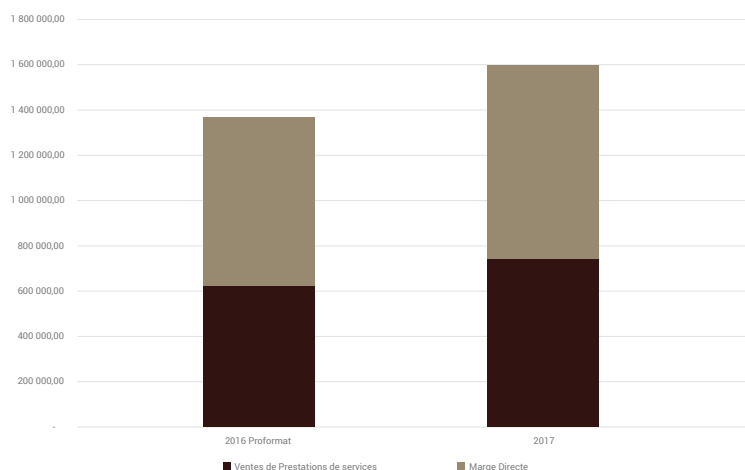
Amounts in KMAD	2016 Pro forma		2017		Growth Vs 2016 Pro forma	
	VAL	% Sales Turnover	VAL	% Sales Turnover	VAL	%
Sale of Goods (excl. VAT)	6 771 606	100,0%	7 531 109	100,0%	759 503	11,2%
Sales of Services	623 305	9,2%	743 469	9,9%	120 164	19,3%
Turnover (excl. VAT)	7 394 912		8 274 578		879 667	12%
Cost of Goods Sold (excl. VAT)	6 028 998	89,0%	6 676 079	88,6%	647 082	10,7%
Direct Margin	742 609	11,0%	855 030	11,4%	112 421	15,1%
Gross Margin	1 365 914	20,2%	1 598 499	21,2%	232 585	17,0%

Regarding the top-line, gross margin increased by 17% from 1,365 MMAD in 2016 pro forma to 1,598 MMAD in 2017. The gross margin

improved by 233 MMAD, i.e. an increase by 1.03 points, from 20.2% in 2016 to 21.2%. This growth gross margin is mainly driven by:

- Sales of services: Back margin and other products (+0.65 points);
- Direct margin (+0,38 point).

The graph below highlights the evolution of the direct margin and the sales of services between 2016 (pro forma figures) and 2017:



A.3 Operating expenses

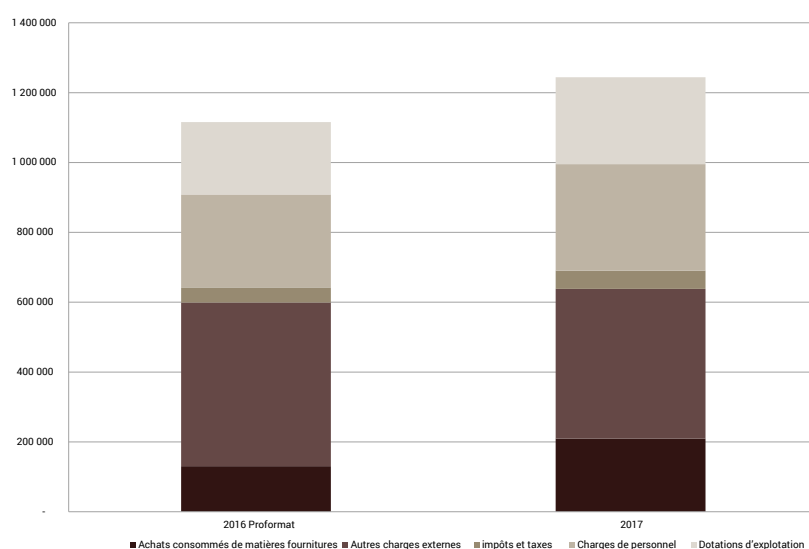
Consolidated operating expenses in 2017 compared to 2016 pro forma figures are outlined as follows:

AMOUNTS IN KMAD	2016 Pro forma		2017		Growth VS 2016 Pro forma	
	VAL	% SALES	VAL	% SALES	VAL	%
Raw Materials and Supplies	157 706	2,3%	168 902	2,2%	11 196	7,1%
Other External Expenses	441 210	6,5%	469 146	6,2%	27 936	6,3%
Dues and Taxes	43 314	0,6%	52 350	0,7%	9 037	20,9%
Personnel Expenses	266 196	3,9%	304 939	4,0%	38 744	14,6%
Total Operating Expenses	908 425	13,4%	995 338	13,2%	86 913	9,6%
Operating expenses	207 331	3,1%	248 805	3,3%	41 474	20,0%
Total Operating Expenses	1 115 756	16,5%	1 244 143	16,5%	128 387	11,5%

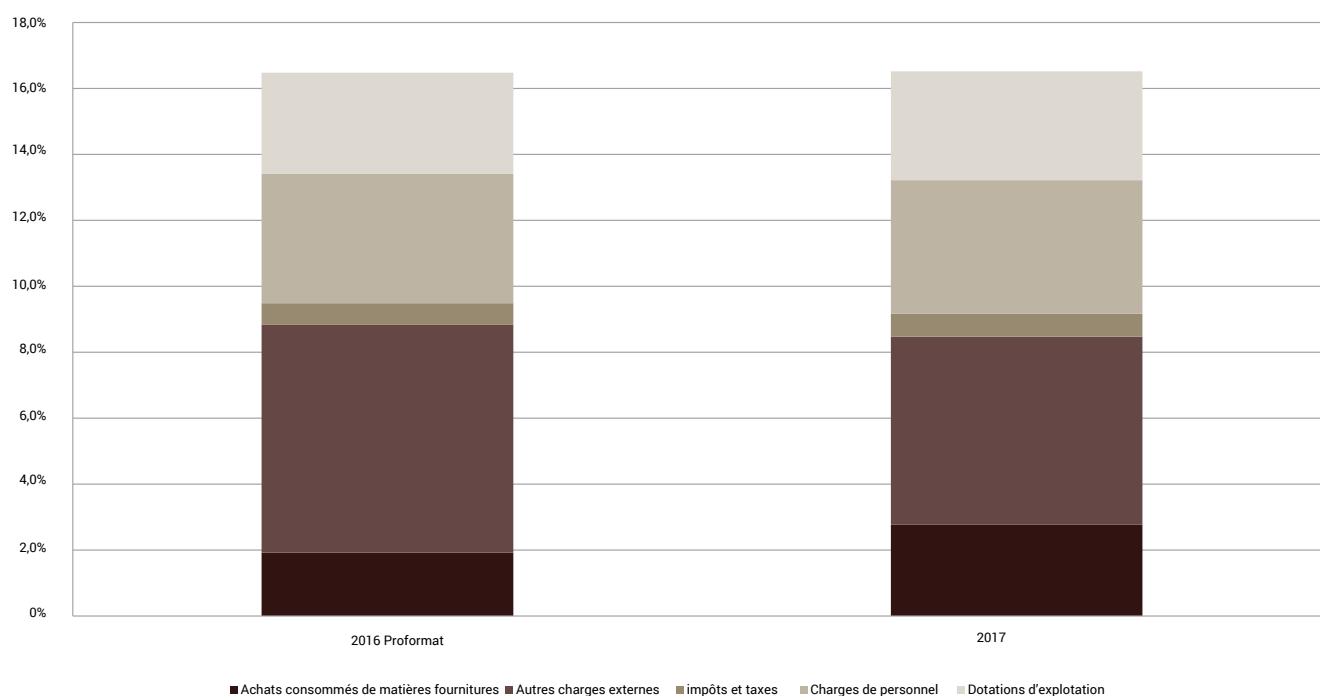
Compared with the 2016 pro forma figures, consolidated operating expenses increased by 11.5% from MAD 1,115 million in 2016 to MAD 1,244 million in 2017. The share of operating expenses in relation to sales remained stable at 16.5%. Compared with the 2016 pro forma figures, the ratio of operating expenses went from 13.4% to 13.2%, thanks to the economy of scales achieved.

The following graph shows the breakdown of operating expenses and their evolution:

Operating expenses in KMAD:



Operating expenses as a percentage of turnover:



Below is the explanation of the evolution of the main expense items:

• Raw materials and supplies

This category mainly includes:

- Purchases of materials and consumable supplies, mainly packaging offered in stores;
- Non-stock purchases of materials and supplies, essentially water and electri-

city charges;

• Purchase of contract works, studies, and provision of services including archiving, transportation of cash funds, surveillance, and security services.

Compared with the 2016 pro forma, «raw materials and supplies» rose by +0.9 points in 2017. In value terms, raw materials rose from MAD 130 million in 2016 to MAD 209

million in 2017, which is explained by the increase in the volume of activities and by the new store openings. This increase is mainly due to the use of more expensive biodegradable paper packaging instead of plastic bags.

• Other external expenses

The breakdown of other external consolidated expenses is as follows:

AMOUNTS IN KMAD	2016 Pro forma		2017		Growth vs. 2016 Pro forma	
	VAL	% SALES	VAL	% SALES	VAL	%
Rent and Leasing	187 450	2,8%	201 183	2,7%	13 733	7,3%
Maintenance, Repair and Transportation	93 208	1,4%	93 103	1,2%	-105	-0,1%
Travel and Marketing	79 767	1,2%	82 200	1,1%	2 433	3,0%
Other	80 785	1,2%	92 660	1,2%	11 875	14,7%
Other External Expenses Total	441 210	6,5%	469 146	6,2%	27 936	6,3%

Other external expenses increased by 6.3%, or MAD 27.9 million in value. This increase is due to higher business volumes and additional expenses related

to the 2016 and 2017 openings.

Compared to sales, other external expenses were down 0.3 percentage points, from 6.5% in 2016 to

6.2% in 2017. This improvement can be explained by the maturity of the business units and the economies of scale achieved on the plant's expenses.

The main changes in value concern:

• The Rent and Leasing category:

went from MAD 187 million in the 2016 pro forma to MAD 201 million in 2017, an upward change of 7.3%. This variation is explained by the new rental and leasing agreements related to stores opened in 2016 and 2017.

• The category «Other» went from MAD 81 million in 2016 pro forma to MAD 92 million in 2017, an increase driven by the higher level of activity. In terms of ratio, this section remained stable compared to its level in 2016 (1.2% of sales). The item «Other » includes mainly:

- Telephone expenses;
- Insurance expenses;
- Expenses relating to the franchise, etc.

• The category «Travel and Marketing»

saw a slight increase in value (MAD 2.4 million), as a ratio the category posted a savings of (-0.1 points). The opening of the new stores had a positive impact on the «Marketing» component, which allowed it to benefit from the economies of scale achieved in the design and distribution of leaflets and advertising posters.

In general, the expense ratio has decreased compared to its 2016 level and is explained by the cost control policy launched in 2013 and which continues to bear fruit in 2017.

• Dues and Taxes

The category dues and taxes increased from MAD 43 million to MAD

52 million, an increase in value of MAD 9 million between pro forma 2016 and 2017. In terms of ratio, the weight of taxes increased by (+0.1 point) which is explained by:

- The expiry in 2017 of the five-year period in terms of «Professional Tax» for stores that have reached the sixth year of existence;
- The increase in the «Housing and Municipal Services Taxes» following the contractual increase in rents and new rental contracts for stores opened in 2017.

• Personnel Expenses

In 2017, the consolidated staff costs of the Label 'Vie group compared to the 2016 pro forma are detailed as follows:

Amounts in KMAD	2016 Pro forma			2017			Growth vs. 2016 Pro forma	
	VAL	WEIGHT	% SALES	VAL	WEIGHT	% SALES	VAL	%
Gross Wages	223 451	84%	3,3%	257 398	84%	3,4%	33 947	15,2%
Social Security Contributions	41 774	16%	0,6%	46 052	15%	0,6%	4 279	10,2%
Other Personnel Expenses	971	0%	0,0%	1 489	0%	0,0%	518	53,3%
Personnel Expenses Total	266 196	100%	3,9%	304 939	100%	4,0%	38 744	15%

Following the opening of new sales outlets in 2017, the group's personnel expenses increased by 15%, an increase of MAD 38 million. In terms of ratio, the weight of personnel expenses compared to sales increased slightly (+0.1 points).

The control of operating expense ratios reflects the maturity of all Label'Vie Group store formats.

• Expense allocations

In 2017, operating expenses rose by 20% compared to 2016 pro forma. In terms of ratio, the weight of this item in relation to sales increased by 3.1% in 2016 pro forma against 3.3% in 2017, an increase of MAD 41 million.

This increase is mainly due to the additional allocations induced by:

- New investments: These include buildings, amenities, and equipment;
- Registration fees relating to the acquisition of land and premises as part of securing future openings;
- Start-up costs incurred by opening new sites and renovating old stores.

A.4 Gross Operating Surplus

AMOUNTS IN KMAD	2016 Pro forma		2017		Growth vs. 2016 Pro forma	
	VAL	% SALES	VAL	% SALES	VAL	%
Sales of Goods (excl. VAT)	6 771 606		7 531 109		759 503	11,2%
Sales of Services	623 305	9,2%	743 469	9,9%	120 164	19,3%
Turnover (excl. VAT)	7 394 912		8 274 578		879 667	11,9%
Direct Margin	742 609	11,0%	855 030	11,4%	112 421	15,1%
Gross Margin	1 365 914	20,2%	1 598 499	21,2%	232 585	17,0%
Operating Expenses	908 425	13,4%	995 338	13,2%	86 913	9,6%
Gross Operating Surplus	457 489	6,8%	603 161	8,0%	145 672	31,8%

In value, the gross operating surplus amounted to MAD 603 million and recorded an increase of + 32% compared to 2016.

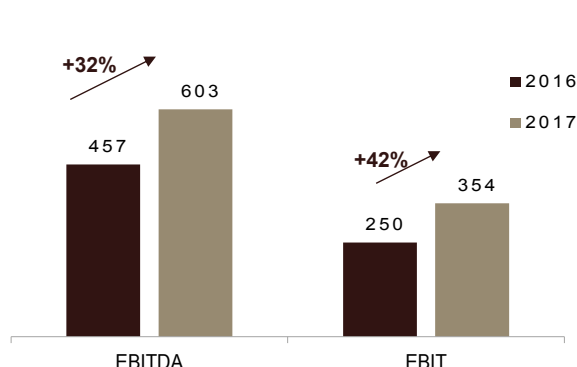
In terms of ratio on sales, gross operating surplus increased by (+1.2 points) compared to 2016 and showed a ratio of 8% of sales. This increase is mainly due to:

- The improvement in margin rates of (+1.05 points) went from 20.2% in 2016 to 21.2% in 2017. This improvement is mainly due to the combined growth in the ratio of sales of provision of services (+0,7 percentage points) and the direct margin rate of (+0.4 points) due notably to:
 - Projects related to the market depart-

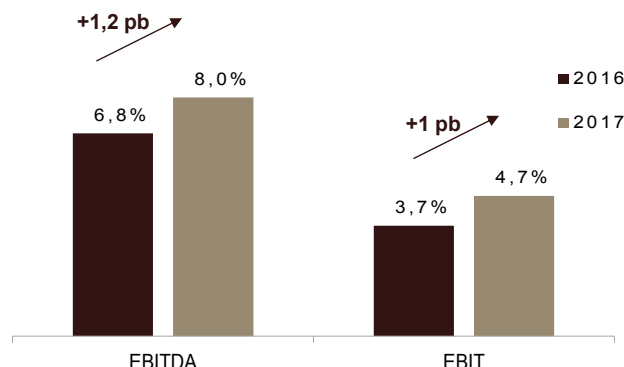
ment;

- Improved product availability at points of sale;
- Improvement of purchasing conditions.
- Economies of scales achieved at the «Plant» improved the ratio of operating expenses by (+0.2 points).

Evolution of EBITDA and EBIT (MMAD)



Margin evolution (% of sales)



A.5 Operating income

The operating income of Label 'Vie Group LC is as follows:

AMOUNTS IN KMAD	2016 Pro forma		2017		Growth vs. 2016 Pro forma	
	VAL	% SALES	VAL	% SALES	VAL	%
Operating Income	250 159	3,7%	354 382	4,7%	104 223	41,7%

Compared to 2016 pro forma, operating income in 2017 increased by 41.7% from MAD 250 million to MAD 354 million. In terms of ratio, operating income increased by (+1

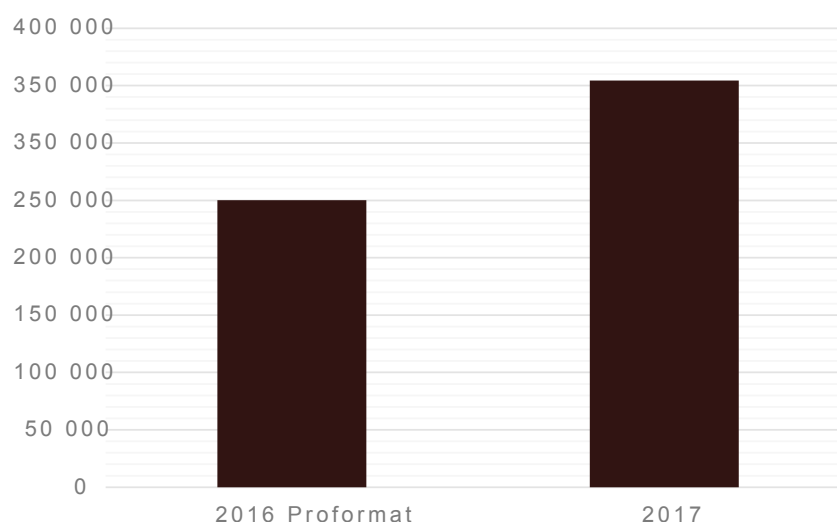
point) or 3.7% compared to 4.7% in 2017.

This increase is explained by:

- The improvement in gross margin rates by (+1 point);

- Economies of scale realized mainly on the expenses of the «Plant» and the control of costs making it possible to improve the ratio of the operating expenses.

Evolution of consolidated operating income between 2016 (pro forma) and 2017



A.6 Financial Income

Compared to the 2016 pro forma figures, the breakdown of the consolidated financial income of the Label'Vie Group is as follows:

AMOUNTS IN KMAD	2016 Pro forma		2017		Growth vs. 2016 Pro forma	
	VAL	% SALES	VAL	% SALES	VAL	%
Net Financial Income	56 124	0,8%	116 143	1,5%	60 019	106,9%
Financial Expenses	-155 978	-2,3%	-144 248	-1,9%	11 730	-7,5%
FX gains/losses	-53	0,0%	-2 867	0,0%	-2 814	5268,3%
Financial Income	-99 908	-1,5%	-30 973	-0,4%	68 935	-69,0%

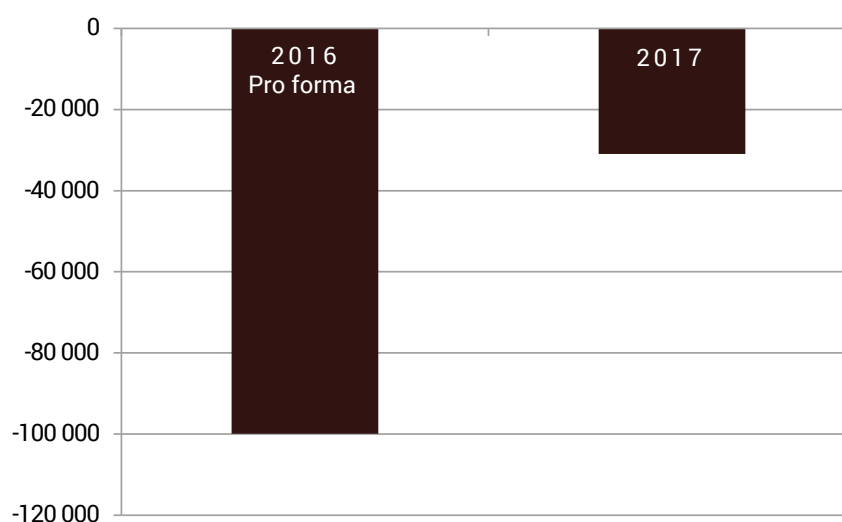
The financial result went from MAD -99.9 million in 2016 «pro-forma» to MAD -31.0 million by 2017, an improvement by 1.1 bp in terms of ratio on sales, from -1.5% of sales in 2016 to -0.4% of sales in 2017. The improvement in financial income is mainly driven by:

- A saving of MAD 11,7 million on financial expenses due to the optimization of financing costs and the impact of the capital increase carried out in September 2017;
- An improvement in financial income of MAD 63 million corresponding to the amount of the dividends

received from VLV for the 2016 financial year.

The weight of the financial income in relation to merchandise sales should remain at a level of 0.4% by 2019, following the projected improvement in the debt ratio.

Evolution of the consolidated financial income between 2016 (pro forma) and 2017



A.7 Non-Current Income

The consolidated non-current income of Label'Vie Group is as follows:

AMOUNTS IN KMAD	2016 Pro forma		2017		Growth vs. 2016 Pro forma	
	VAL	% SALES	VAL	% SALES	VAL	%
Non-Current Goods	1 928	0,0%	9 850	0,1%	7 922	411,0%
Non-Current Expenses	2 671	0,4%	11 071	0,1%	8 400	314,5%
Non-Current Income	-744	0,0%	-1 222	0,0%	-478	64,3%

Compared with 2016 pro forma, the consolidated non-current income went from -744 KMAD to -1,222 KMAD, i.e. a decrease of 478 KMAD.

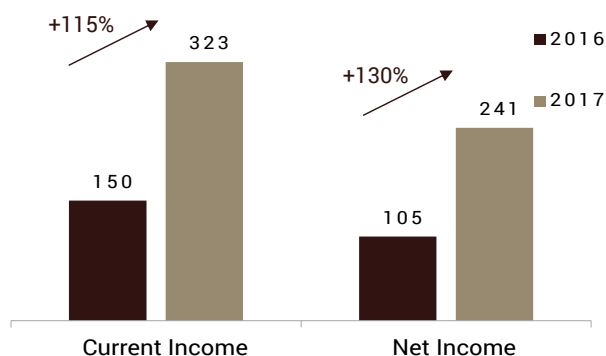
A.8 Current Income and Net Income

The table below highlights the evolution of consolidated net income between 2016 (pro forma) and 2017:

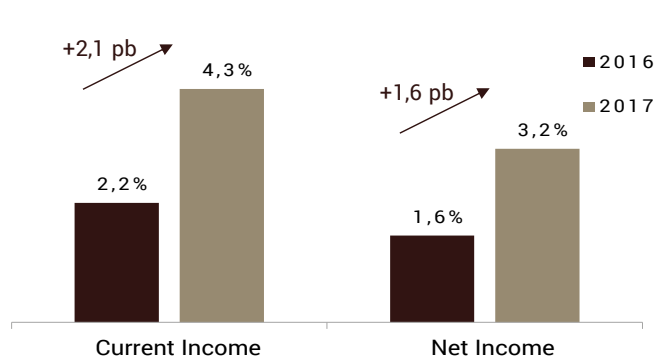
AMOUNTS IN KMAD	2016 Pro forma		2017		Growth vs. 2016 Pro forma	
	VAL	% SALES	VAL	% SALES	VAL	%
Operating Income	250 159	3,7%	354 382	4,7%	104 223	41,7%
Financial Income	-99 908	-1,5%	-30 973	-0,4%	68 935	-69,0%
Non-Current Income	-744	0,0%	-1 222	0,0%	-478	64,3%
Corporate Taxes	44 276	0,7%	81 292	-1,1%	37 015	83,6%
Net Income	105 230	1,5%	240 870	3,2%	135 640	128,9%

Current income increased from MAD 150.0 million in 2016 to MAD 323.0 billion in 2017, thanks to operating performance and improved financing costs of (+ 1.1 points). Net Income was MAD 240.9 million, up 130.0% from FY 2016. In terms of ratio the Current Income improved by (+2.1 points) to reach 4.3% of sales.

Evolution of current income and net income (MMAD)



Margin evolution (% of sales)

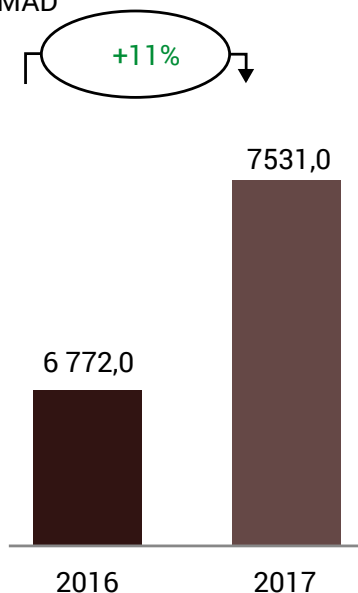


EVOLUTION OF THE MAIN INDICATORS OF THE LABEL'VIE GROUP:

Below the consolidated evolution of the main indicators between 2016 and 2017:

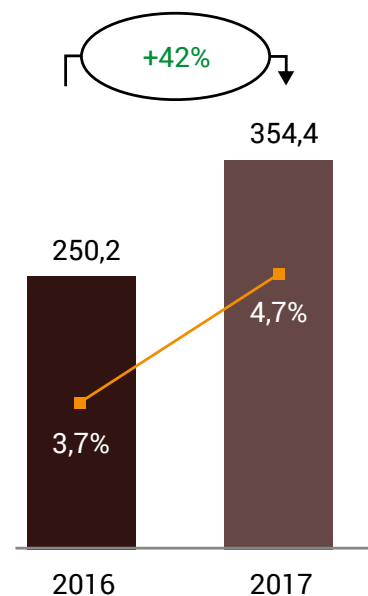
Turnover

in MMAD



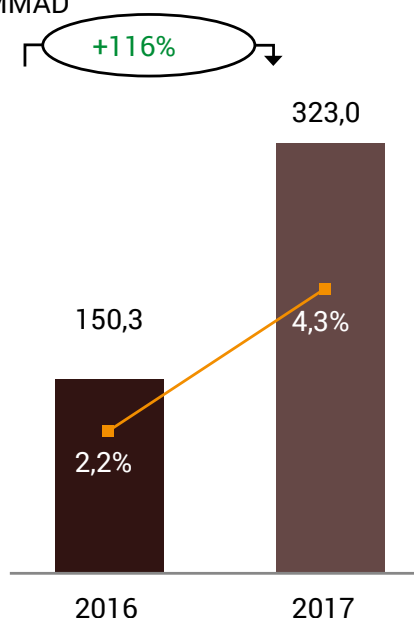
Operating Income and Operating Margin

in MMAD



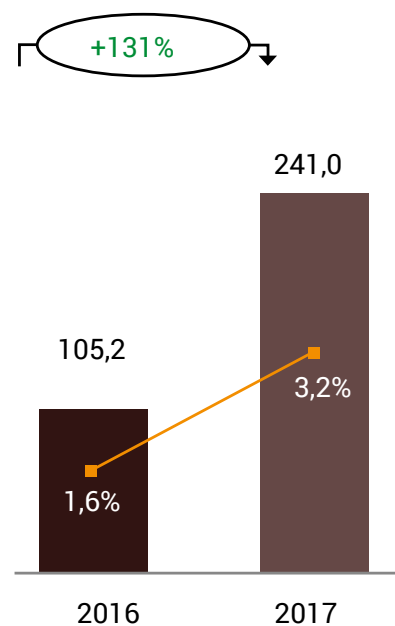
Current Income and Rate of Current Income

in MMAD



Net Income and Net Margin

in MMAD



B. ANALYSIS OF THE BALANCE SHEET

The table below shows the balance sheet for the Label'Vie Group for the period 2016-2017:

ASSETS :

AMOUNTS IN KMAD	2016 Pro forma			2017			Variances VS 2016 Pro forma	
	VAL	% TOTAL	ASSETS	VAL	% TOTAL	ASSETS	VAL	%
Fixed Assets	3 438 393		55%	3 758 822		54%	320 428	9%
Investments	4 404 458		71%	4 744 698		68%	340 241	8%
Non-Securities	774 186		12%	753 670		11%	-20 516	-3%
Intangibles	397 924		6%	394 918		6%	-3 007	-1%
Tangibles	1 860 690		30%	2 211 214		32%	350 524	19%
Financial	1 371 658		22%	1 384 897		20%	13 239	1%
Depreciation	-966 064		-16%	-985 877		-14%	-19 812	2%
Stocks	1 161 493		19%	1 285 379		19%	123 886	11%
Goods	1 148 374		18%	1 274 192		18%	125 818	11%
Consummables	13 119		0%	11 187		0%	-1 932	-15%
Current products	0		ND	0		ND	ND	ND
Créances de l'ASSETS circulant	1 390 728		22%	1 410 276		20%	19 549	1%
Client	856 984		14%	833 905		12%	-23 080	-3%
Advances to Supplier	62 925		1%	83 931		1%	21 007	33%
Personnel	8 971		0%	9 941		0%	970	11%
Government	410 918		7%	428 753		6%	17 834	4%
Other receivables	50 929		1%	53 746		1%	2 817	6%
PLACEMENT	50 123		1%	50 123		1%	0	0%
UCITS / SHARE	50 123		1%	50 123		1%	0	0%
D.A.T/Work Accident Statement/Work Completion Report	0		0%	0		0%	0	0%
CASH	182 594		3%	424 648		6%	242 055	133%
TOTAL ACTIVE BALANCE SHEET	6 223 331		100%	6 929 249		100%	705 917	11%

LIABILITIES :

AMOUNTS IN KMAD	2016 Pro forma		2017		Variances VS 2016 Pro forma	
	VAL	% TOTAL LIABILITIES	VAL	% TOTAL LIABILITIES	VAL	%
Equity	1 152 330	19%	1 710 979	25%	558 650	48%
Social Capital	254 528	4%	283 896	4%	29 369	12%
Réserves et R.A.N	792 571	13%	1 186 187	17%	393 616	50%
Net Income	105 230	2%	240 896	3%	135 666	129%
Financing Liabilities	1 953 515	31%	2 103 738	30%	150 224	8%
Permanent financing	3 105 844	50%	3 814 717	55%	708 873	23%
Current Liabilities	3 117 487	50%	3 114 531	45%	-2 956	0%
Debts to Suppliers	2 747 387	44%	2 837 147	41%	89 761	3%
Debts to Personnel and Social Organizations	22 454	0%	24 026	0%	1 572	7%
Debts to Government	213 067	3%	227 746	3%	14 679	7%
Other Debts	134 580	2%	25 612	0%	-108 967	-81%
Cash - Liabilities	0	0%	0	0%	0	0%
TOTAL BILAN LIABILITIES	6 223 331	100%	6 929 249	100%	705 917	11%

B.1 Fixed assets

The change in fixed assets in 2017 compared to pro forma 2016 figures is as follows:

AMOUNTS IN KMAD	2016 Pro forma		2017		Growth vs. 2016 Pro forma	
	GROSS	NET	GROSS	NET	GROSS	NET
TOTAL ASSETS IMMOBILISE	4 404 458	3 438 393	4 744 698	3 758 822	340 241	320 428

In 2017, the fixed assets category increased in value by MAD 320 million net and MAD 340 million gross. This increase is mainly due to:

- Acquisition, construction, and development related to new sites and renewal investments;
- Investments related to securing new projects.

Change in fixed assets and depreciation in KMAD:

The table below shows the difference in consolidated fixed assets between 2016 Pro forma and 2017 by category:

AMOUNTS IN KMAD	2016 Pro forma		2017		Growth vs. 2016 Pro forma	
	VAL	% TOTAL ASSETS	VAL	% TOTAL ASSETS	VAL	%
Investments	4 404 458	71%	4 744 698	68%	340 241	8%
Non-Securities	774 186	12%	753 670	11%	-20 516	-3%
Intangibles	397 924	6%	394 918	6%	-3 007	-1%
Tangibles	1 860 690	30%	2 211 214	32%	350 524	19%
Financials	1 371 658	22%	1 384 897	20%	13 239	1%
Depreciation	-966 064	-16%	-985 877	-14%	-19 812	2%
FIXED ASSETS TOTAL	3 438 393	55%	3 758 822	54%	320 428	9%

Compared to the 2016 pro forma, fixed assets increased by 9% in 2017. This increase is explained by:

• Non-monetary value intangible assets

Non-current assets consist mainly of expenses to be allocated. The expenses to be allocated mainly include real estate and financial acquisition expenses, debt borrowing and securitization expenses, as well as costs related to the renovations and start-up of new stores. The category « non-monetary value intangible assets» saw a decrease in value of MAD 20.5 million, from MAD 774 million in 2016 to MAD 753 million in 2017. This variation is mainly driven by:

- The withdrawal of MAD 197 million relating to fixed assets in fully amortized non-securities;
- Acquisitions up to MAD 176 million relating to:
 - Incidental and registration expenses on investments incurred in 2017;
 - Costs related to the startup of new stores opened in 2017;
 - Costs related to renovation and reopening of old sites as well as canvassing expenses.

The weight of non-monetary value intangible assets to assets thus fell by 1 point in 2017 compared to 2016 pro forma

• Intangible Fixed Assets

Intangible assets include goodwill and software licenses. The category went from MAD 397 million in 2016 pro forma to MAD 394 million in 2017. As a ratio, this category has remained stable compared to the total assets, which is 6% in 2017.

• Tangible Assets

The following table shows the breakdown of consolidated fixed assets compared to 2016 pro forma:

AMOUNTS IN KMAD	2016 Pro forma		2017		Growth vs. 2016 Pro forma	
	VAL	% TOTAL ASSETS	VAL	% TOTAL ASSETS	VAL	%
Land	177 822	10%	178 368	8%	546	0,3%
Construction, Technical Installation, and Miscellaneous Developments	1 411 936	76%	1 826 553	83%	414 617	29%
Current Assets	270 932	15%	206 293	9%	-64 639	-24%
FIXED ASSETS CORP TOTAL	1 860 690	55%	2 211 214	100%	350 524	19%

Compared to the 2016 pro forma, the categories land, buildings, technical installations, fixtures and fittings and office furniture saw an increase of MAD 350 million, from MAD 1,860 million in 2016 pro forma to MAD 2,211 million in 2017. This category has increased by 19% in 2017. This variation is mainly due to:

- The fitting out of the 6 Carrefour Market stores opened in 2017: Bettana, Ibn Battouta, Casa Ain Chok, Panoramic House, Tetouan Wilaya, Fez Atlas;

- The fitting out of renovated Carrefour Markets including Velodrome and Zaer;
- The equipment related to openings and renovations 2017.

• Financial Fixed Assets:

Financial fixed assets increased by MAD 13 billion, a + 1% increase compared to pro forma 2016. This increase is mainly because of the lease rights related to the 2017 openings and the increase in the participation in the « Amethis » fund.

B.1 Inventories

Merchandise inventories rose by MAD 123 million to MAD 1,285 million, an increase of 11% in 2017 compared to 2016 pro forma. This increase is mainly due to additional inventories related to new store openings and increased volumes of activity.

B.2 Receivables from current assets

The table below shows the breakdown of consolidated current assets receivables compared to pro forma 2016:

AMOUNTS IN KMAD	2016 Pro forma		2017		Growth vs. 2016 Pro forma	
	VAL	% TOTAL ASSETS	VAL	% TOTAL ASSETS	VAL	%
Client	856 984	14%	833 905	12%	-23 080	-3%
Advances to Supplier	62 925	1%	83 931	1%	21 007	33%
Personnel	8 971	0%	9 941	0%	970	11%
Government	410 918	7%	428 753	6%	17 834	4%
Other Receivables	50 929	1%	53 746	1%	2 817	6%
Receivables from Current Assets	1 390 728	22%	1 410 276	20%	19 549	1%

The receivables of the Group's current assets are composed of:

- Trade receivables comprising «client sale of goods» receivables and sales of products and services receivable (Clients Listing Fees and other provision of services);
- Government Receivables;
- And Other Receivables.

In 2017, the category «receivables from current assets» rose from MAD 1,390 million to MAD 1,410 million, an increase of MAD 19 million. On the other hand, their weight compared to the total balance sheet decreased by 1 point because of the efforts to recover trade receivables made in 2017.

The category «Government» recorded an increase compared to pro forma 2016 of MAD 18 million. This increase is mainly due to the «VAT-Government» category, which is perfectly correlated with the increase in the volume of purchases.

B.4 Cash and Investment

Below is the evolution of cash and investments compared to pro forma 2016:

AMOUNTS IN KMAD	2016 Pro forma		2017		Growth vs. 2016 Pro forma	
	VAL	% TOTAL ASSETS	VAL	% TOTAL ASSETS	VAL	%
Investment	50 123	1%	50 123	1%	0	0%
Marketable securities	50 123	1%	50 123	1%	0	0%
Long term deposit	0	0%	0	0%	0	0%
Cash	182 594	3%	424 648	6%	242 055	133%
Cash & Investment Total	232 717	4%	474 771	7%	242 055	104%

Compared with pro forma 2016, the Group's «cash and investment» category increased by MAD 242 million, an increase of 104%, from MAD 232 million to MAD 474 million in 2017. This is explained by:

- Reinforcement of shareholders' equity following the capital increase operation of MAD 396 million, bringing the net debt ratio to 42% of total permanent financing;

- As of 12/31/2017, WCR stood at MAD 686.0 million corresponding to 33 days' sales.

The summary cash flow statement of the company is as follows:

FINANCIAL INDICATORS	2016		2017		EVOLUTION	
	AMOUNT	DAYS' SALES	AMOUNT	DAYS' SALES	AMOUNT	DAYS' SALES
FR	-331 323	-18	55 918	3	387 241	21
Equity Capital	1 140 889	62	1 711 001	83	570 113	21
Net Income	105 230		240 896			
Dividend Distribution	-80 000		-80 000			
Capital Increase	0		396 475			
Minority Interest	11 441		12 742			
Financing Debts	1 953 515	105	2 103 738	102	150 224	-3
New CMT	128 741		368 920			
Bond Loan	0		-116 600			
Repayments	-72 883		-102 096			
Permanent Financing	3 105 844	167	3 814 740	185	708 895	17
Net debt ratio	55,4%		42,7%			
Fixed Assets	-3 438 430	-185	-3 758 822	-182	-320 391	3
Investments	494 175		559 927			
Divestments	0		-6 152			
Depreciation	-205 730		-239 536			
Normative WCR	740 656	40	685 986	33	-54 670	-7
Inventories	-1 161 494	-63	-1 285 379	-62		
Receivables/Payables	1 902 149	103	1 971 365	96		
Other Current Elements	-177 956	-10	-267 133	-13	-89 176	-3
CASH & In	231 377	12	474 771	23	243 394	11

On 12/31/2017 the level of the WCR dropped to MAD 685 million or 33 days' sales. The cash flow improvement of MAD 243 million or 11 sales' days compared to its level on 31/12/2016

which comes from:

- The improvement of the WC by MAD 387 million following the capital and net income increase;
- The deterioration of WCR by

MAD 55 million following the reimbursement of suppliers.

- The deterioration of other current elements including the repayment of MAD 89 million to Vector LV.

B.5 Permanent financing

In 2017, consolidated permanent funding compared to pro forma 2016 is as follows:

AMOUNTS IN KMAD	2016		2017		Growth vs. 2016 Pro forma	
	VAL	% TOTAL LIABILITIES	VAL	% TOTAL LIABILITIES	VAL	%
Equity Capital	1 152 330	19%	1 710 979	25%	558 650	48%
Social Capital	254 528	4%	283 896	4%	29 369	12%
Réserves et R.A.N	792 571	13%	1 186 187	17%	393 616	50%
Net Income	105 230	2%	240 896	3%	135 666	129%
Dettes de Financement	1 953 515	31%	2 103 738	30%	150 224	8%
PERMANENT FINANCING	3 105 844	50%	3 814 717	55%	708 873	23%

(1) Equity Capital

Compared to 2016 pro-forma, «equity capital» has grown by 23%, from MAD 1,152 million to MAD 1,708 million in 2017. This variation is mainly due to:

- The good performance at the level of the net income MAD 64,5 million in 2017;

- The capital increase operation.

(2) Financing Debts

Comprised of borrowings from credit institutions and bond issues, financing debt experienced an increase of MAD 150 million compared to 2016

pro-forma, from MAD 1,954 million in 2016 pro-forma to MAD 2,103 million in 2017.

The table below shows the difference in receivables from consolidated current assets between 2016 pro-forma and 2017:

INDICATEURS FINANCIERS	2016		2017		EVOLUTION	
	AMOUNT	DAYS' SALES	AMOUNT	DAYS' SALES	AMOUNT	DAYS' SALES
Financing Debts	1 953 515	105	2 103 738	102	150 224	-3
New CMT	128 741		368 920			
Bond Loan	0		-116 600			
Repayments	-72 883		-102 096			

B.6 Debts on Current Liabilities

The debts of current liabilities in 2017 compared to the 2016 pro-forma of the Label'Vie Group are as follows:

AMOUNTS IN KMAD	2016 - Pro forma		2017		Growth vs. 2016 Pro forma	
	VAL	% TOTAL	VAL	% TOTAL	VAL	%
Debts to Suppliers	2 747 387	88%	2 837 147	91%	89 761	3%
Debts to Personnel and Social Organizations	22 454	1%	24 026	1%	1 572	7%
Debts to Government	213 067	7%	227 746	7%	14 679	7%
Other Debts	134 580	4%	25 612	1%	-108 967	-81%
DEBTS ON CURRENT LIABILITIES TOTAL	3 117 487	100%	3 114 531	100%	-2 956	0%

Compared with 2016 pro-forma, the Group's current liabilities decreased by MAD 2 million from MAD 3,117 million to MAD 3,114 million.

This variation is mainly explained by:

- The repayment of a cash advance to Vector LV Real Estate (MAD 100 million);

- The increase in suppliers' debts to MAD 90 million following the increase in business volume.

Below is the table of the breakdown by maturity of the balance of suppliers' debts for Label'Vie.

DEBT TABLES						
	(A)	(B)	(C)	(D)	(E)	(F)
	« Amount of Sup-pliers’ Debts at Closing A=B+C+D+E+F»	Amount of Unma-tured Debts	Debt Maturities with less than 30 days	Debt Maturities of between 31 and 60 days	Debt Maturities of between 61 and 90 days	Debt Maturities with more than 90 days
2016 Closing Date	1 494 115	373 529	358 587	478 117	239 058	44 823
2017 Closing Date	1 450 608	377 158	377 158	449 689	203 085	43 518

C. STUDY OF THE MAIN RATIOS

The study focuses on the performance, liquidity, profitability and debt ratios of Label 'Vie LC.

C.1 Performance ratio

The change in the performance ratio in 2017 compared to 2016 pro-forma is as follows:

AMOUNTS IN KMAD	2016 Pro forma	2017	Growth vs. 2016 Pro forma	
			VARIATION	%
Value Added Rate (1)	10,3%	11,5%	1,2%	
Value Added	762 468	951 358	188 890	24,8%
Turnover	7 394 912	8 274 578	879 667	11,9%
Efficiency ratio of wage labor (2)	2,9	3,1	0,3	
Personnel Expenses	266 196	304 939	38 744	14,6%
Operating margin (3)	6,2%	7,3%	1,1%	
Gross operating surplus	457 489	603 161	145 672	31,8%
Operating margin (4)	3,4%	4,3%	0,9%	
Operating income	250 159	354 382	104 223	41,7%

(1) Value Added Rate

This rate is determined by the «Value Added» / «Turnover» ratio.

Compared to 2016 pro-forma, the year 2017 was marked by a remarkable increase in the added value of MAD 189 million to MAD 951 million. This improvement can be explained by the increase in the Group's revenue, the improvement of the direct margin, and the control of operating expenses, which fell by (-0.2 points) thanks to the economies of scale effect achieved on central costs.

(2) Efficiency Ratio of Wage Labor

The efficiency ratio of wage labor corresponds to the «Value Added» / «Personnel Expenses» ratio and measures the wealth created for a dirham of payroll spent. This rate improved by MAD 0.3 million between 2016 pro-forma and 2017 from 2.9 to 3.1.

This increase is related to the improvement of the added value, the gross margin, and payroll optimization.

(3) Operating Margin

The operating margin corresponds to the «Operating Income» / «Turnover» report.

Compared with 2016 pro-forma, the operating margin increased from 3.4% in 2016 to 4.3% in 2017, an improvement of (+0.9 points). This increase is mainly due to the increase in operating income, which is explained by the control of operating expenses, growth in sales volumes, and gross margin. In 2017, performance ratios have changed as follows compared to 2017 pro-forma:

- The value-added rate varied by 1.2%;
- Efficiency ratio of wage labor increased by 0.3%;
- Operating margin increased 0.9%.

C.2 Liquidity ratio

The liquidity indicators in 2017 compared to 2016 pro-forma are as follows:

ELEMENTS OF WCR	2016 Pro forma	DAYS OF SALES	2017	DAYS OF SALES	Growth vs. 2016 Pro forma	DAYS OF SALES
INVENTORIES	1 161 493	68	1 285 379	61	123 886	-7
Goods	1 148 374	68	1 274 192	61	125 818	-7
Consumables	13 119	1	11 187	1	-1 932	0
Current Products	0	0	0	0	0	0
CURRENT ASSETS	1 390 728	75	1 410 276	67	19 549	-8
Trade Receivables	856 984	44	833 905	40	-23 080	-4
Other	533 743	31	576 372	28	42 628	-3
CURRENT DEBTS	3 117 487	166	3 114 531	149	-2 956	-17
Suppliers	2 747 387	151	2 837 147	136	89 761	-15
Other	370 100	15	277 384	13	-92 717	-1
WCR	565 266	22	418 876	20	-146 390	-2

(1) Inventory Turnaround

In 2017, the inventory turnaround period covers 61 days of sales.

receivables recorded a decrease of 8 days following the collection efforts deployed in 2017.

has decreased from 166 days in 2016 pro-forma.

(2) Customer Payment Deadline

Expressed in sales' days, trade

(3) Supplier payment Deadline

Compared to 2016 pro-forma, the period for current liabilities

The increase in «Suppliers Debts» is mainly due to the increase in the volume of purchases following the opening of new stores in 2017.

C.3 Profitability Ratio

AMOUNTS EN %	2016 Pro forma	2017	ECART
Capital Equity	9,2%	14,2%	5,0
Net Profitability	1,6%	3,4%	1,8

(1) Capital Equity Profitability

This is the ratio of net income to equity. The year 2017 was marked by an increase in return on equity, which went from 9.2% in 2016 pro-forma to 14.2% in 2017, an increase of the ratio by 5 points. This increase is explained

by the increase of net income in 2017 which went from MAD 105 million to MAD 240 million in 2017.

profitability increased by 1.8% in 2017. This increase is attributable to the improvement in net income recorded in 2017.

(2) Net Profitability

This is the ratio between the net income and the balance sheet total. Net

C.4 Debt Ratio

The following table measures the weight of the Company's long-term debt in 2017 compared to 2016:

AMOUNT EN KDH	2016 Pro forma	2017	Growth vs. 2016 Pro forma	%
DMLT	1 953 515	2 103 738	150 224	8%
Financing Debt	1 953 515	2 103 738	150 224	8%
Short-Term Debt	0	0		
Availability	232 717	474 771	242 055	104%
Net Debt	1 720 798	1 628 967	-91 831	-5%
Permanent Financing	3 105 844	3 814 717	708 873	23%
DMLT/Permanent Financing	63%	55%	-8%	-12%
Capital Equity	1 152 330	1 710 979	558 650	48%
Net Debt Ratio	149%	95%	-54%	-36%
MLT Debt Ratio	170%	123%	-47%	-27%

In 2017, the Group's debt decreased by 5%, from MAD 1,720.7 million in 2016 pro-forma to MAD 1,628.9 million in 2017. This decrease is explained by the delay in unlocking medium-term credit.

C.5 Income Allocation

The accounts approved by the Board of Directors for the 2017 financial year show a net profit of MAD 176 million. The Board of Directors proposes to the annual general meeting to assign it as follows:

Net Income 2017	176 589 133,71
Legal Reserve	-2 936 850,00
Retained Earnings/Ex 2016	173 652 283,71
Retained Earnings/Ex Prior	28 213 250,84
INCOME DISTRIBUTIONS	201 865 534,55
Dividends	150 000 000,00
Retained Earnings	51 865 534,55





INDUSTRY OUTLOOK



Given the change in the consumption patterns of Moroccan households in recent years, the switch from the traditional distribution channels to the modern distribution channels should be sustained in the coming years. The development of supermarket chains in small and medium-sized cities should gain further momentum attracting new households from the middle-class who want to have access to a better quality of service as well as to a higher level of safety regarding fresh products.

The growth potential in the distribution sector should continue to attract new players in Morocco. In June 2016, the Casino Group announced the roll-out of its

activities in Morocco through the opening of 50 Leader Price stores over a 5-year span in collaboration with OCS Holding which owns, among others, the catering company Ansamble Morocco. According to a study published by Euromonitor, the sales volumes of supermarkets should grow by around 7% for the supermarket segment, and around 6% for the hypermarket segment in the period between 2016 and 2020 . This growth should be driven by:

- Aggressive discount strategies;
- The continued expansions of networks of stores by key market players at prime locations;
- The further diversification of the products offered.

Outlook of the Label'Vie Group

Management has deployed substantial efforts in the past years to:

- Boost sales at the Atacadao stores;
- Optimize the selection of the products offered in the hypermarkets owned by the group;
- Compartmentalize its stores into three distinct segments

Divide Carrefour Market supermarkets into three distinct categories in order to adapt the product mix, the pricing, and the level of service to the purchasing power and the consumption habits of the target populations.

These efforts have materialized as margins

improved significantly in 2017. This trend is expected to be sustained in the near-future as well as over the next few years. Regarding operating expenses, the Group implemented a cost optimization program in 2013 aimed at reducing the rate of variable expenses as a percentage of sales.

As part of its development plan, Label'Vie plans to pursue its expansion strategy by opening 15 new stores in 2018 with investments expected to hover around MAD 637 million; and the total number of jobs created around 1075 new jobs.

As of the end of May 2018, 6 new stores were already opened including a hypermarket in Tetouan.





APPENDICES

APPENDIX 1

NON-CONSOLIDATED FINANCIAL STATEMENTS

BALANCE SHEET - ASSETS (NORMAL MODEL)

FY 01/01/2017 to 12/31/2017

ASSETS	FISCAL YEAR			PREVIOUS FISCAL YEAR
	BRUT	AMORT.-PROV.	NET	NET
NON-VALUE FIXED ASSETS (A)	495 355 140,35	190 224 327,85	305 130 812,50	235 462 017,67
- PRELIMINARY EXPENSES	32 900,00	26 320,00	6 580,00	13 160,00
- DEFERRED EXPENSES OVER SEVERAL YEARS	495 322 240,35	190 198 007,85	305 124 232,50	235 448 857,67
- BOND REDEMPTION PREMIUMS				
INTANGIBLE ASSETS (B)	194 925 010,82	17 852 012,66	177 072 998,16	171 804 386,36
FIXED ASSETS IN RESEARCH AND DEVELOPMENT				
PATENTS, TRADEMARKS, & SIMILAR RIGHTS AND ASSETS	38 185 590,39	17 852 012,66	20 333 577,73	19 231 632,60
GOODWILL	156 739 420,43		156 739 420,43	152 572 753,76
OTHER INTANGIBLE ASSETS				
TANGIBLE ASSETS (C)	1 688 376 841,54	396 136 296,63	1 292 240 544,91	1 024 275 095,89
LAND	178 368 123,20		178 368 123,20	177 821 676,80
BUILDINGS	573 977 398,09	84 711 150,44	489 266 247,65	305 899 731,52
MACHINERY, EQUIPMENT, AND TOOLS	373 797 800,22	178 442 430,67	195 355 369,55	159 091 263,75
TRANSPORT EQUIPMENT	1 517 485,34	1 148 950,05	368 535,29	225 408,47
FURNITURE, OFFICE EQUIPMENT AND MISCELLANEOUS	356 942 355,44	131 833 765,47	225 108 589,97	119 864 249,14
OTHER TANGIBLE ASSETS				
FIXED ASSETS IN PROGRESS	203 773 679,25		203 773 679,25	261 372 766,21
LONG-TERM INVESTMENTS (D)	1 642 967 375,16		1 642 967 375,16	1 629 728 489,11
FIXED LOANS				
OTHER FINANCIAL RECEIVABLES	16 714 688,46		16 714 688,46	16 651 438,46
EQUITY INVESTMENTS	1 626 252 686,70		1 626 252 686,70	1 613 077 050,65
OTHER LOCKED-IN INVESTMENTS				
CONVERSION GAP - ASSETS (E)				
REDUCTION OF NON-PERFORMING LOANS				
INCREASE IN FINANCIAL LIABILITIES				
TOTAL I = (A+B+C+D+E)	4 021 624 367,87	604 212 637,14	3 417 411 730,73	3 061 269 989,03
INVENTORIES (F)	596 236 245,49		596 236 245,49	532 459 374,93
GOODS	586 866 502,29		586 866 502,29	520 631 835,35
CONSUMABLE MATERIALS AND SUPPLIES	9 369 743,20		9 369 743,20	11 827 539,58
GOODS IN PROCESS				
INTERMEDIATE GOODS & RESIDUEL GOODS				
FINISHED GOODS				
CURRENT ASSETS RECEIVABLES (G)	1 437 939 742,44	194 663,41	1 437 745 079,03	1 415 085 807,43
SUPPLIER RECEIVABLES, ADVANCES AND PREPAYMENTS	34 097 388,36		34 097 388,36	29 516 964,77
CUSTOMER ACCOUNTS RECEIVABLE	1 104 178 830,84	194 663,41	1 103 984 167,43	1 110 898 787,96
PERSONNEL	8 290 617,44		8 290 617,44	7 624 173,77
GOVERNMENT	239 890 384,44		239 890 384,44	220 435 065,58
SHAREHOLDERS ACCOUNTS				
OTHER DEBTORS	22 560 007,85		22 560 007,85	23 261 727,68
PREPAYMENT AND ACCRUED INCOME	28 922 513,51		28 922 513,51	23 349 087,67
SECURITIES & INVESTMENT VALUES (H)	10 887 895,87		10 887 895,87	10 887 895,87
CONVERSION GAP - ASSETS (I)	952 435,02		952 435,02	421 483,94
(CURRENT ITEMS)				
TOTAL II (F + G + H + I)	2 046 016 318,82	194 663,41	2 045 821 655,41	1 958 854 562,17
CASH FLOW - ASSETS				
CHECKS	26 234 402,20		26 234 402,20	23 619 018,28
BANKS, TREASURY & POSTAL CHECKS	537 624 089,85		537 624 089,85	420 624 871,26
CAISSES, REGIES ET ACCREDITIFS	7 046 427,87		7 046 427,87	5 441 774,42
TOTAL III	570 904 919,92		570 904 919,92	449 685 663,96
TOTAL GENERAL (I + II + III)	6 638 545 606,61	604 407 300,55	6 034 138 306,06	5 469 810 215,16

BALANCE SHEET - LIABILITIES (Normal Model)

FY 01/01/2017 to 12/31/2017

LIABILITIES	FISCAL YEAR	PREVIOUS FISCAL YEAR
SHAREHOLDER EQUITY		
. CAPITAL STOCK OR PERSONNEL (1)	283 896 200,00	254 527 700,00
. LESS: SHAREOLDERS, UNCALLED SUBSCRIBED CAPITAL		
. PAID-IN CAPITAL:		
. ISSUANCE PREMIUM, MERGER PREMIUM, SHARE PREMIUM	1 150 523 764,19	783 417 514,19
. REVALUATION SURPLUS		
. LEGAL RESERVES	25 452 770,00	24 155 158,94
. OTHER RESERVES		
. RETAINED EARNINGS (2)	28 213 250,84	44 486 410,02
. NET INCOME PENDING ASSIGNMENT (2)		
. FISCAL YEAR NET INCOME (2)	176 589 133,71	65 024 451,88
. TOTAL SHAREHOLDERS' EQUITY (A)	1 664 675 118,74	1 171 611 235,03
. QUASI-EQUITY (B)		
. INVESTMENT SUBSIDIES		
. REGULATED PROVISIONS		
. FINANCING DEBTS (C)	1 941 119 665,79	1 782 841 564,28
. BOND ISSUES	1 500 000 000,00	1 616 600 000,00
. OTHER FINANCING DEBTS	441 119 665,79	166 241 564,28
. SUSTAINABLE PROVISIONS / LIABILITIES AND CHARGES (D)	1 000 558,60	
. PROVISIONS FOR LIABILITIES	1 000 558,60	
. PROVISIONS FOR CHARGES		
. CONVERSION GAP - LIABILITIES (E)		
. INCREASE OF NON-PERFORMING LOANS		
. REDUCTION OF FINANCIAL LIABILITIES		
TOTAL I (A + B + C + D + E)	3 606 795 343,13	2 954 452 799,31
DEBTS ON CURRENT LIABILITIES (F)	2 306 076 665,78	2 317 333 412,38
. SUPPLIERS AND RELATED ACCOUNTS	1 450 608 139,37	1 494 114 550,35
. CUSTOMER LIABILITIES, ADVANCES AND PREPAYMENTS	1 624 124,11	2 492 266,38
. PERSONNEL	797 340,43	665 344,74
. SOCIAL ORGANIZATIONS	11 232 695,94	9 438 213,19
. GOVERNMENT	180 619 308,69	160 076 977,39
. SHAREHOLDERS ACCOUNTS	131 956,73	107 596,34
. OTHER CREDITORS	645 415 533,70	630 666 232,51
. DEFERRED INCOME LIABILITIES	15 647 566,81	19 772 231,48
OTHER PROVISIONS FOR LIABILITIES AND CHARGES (G)	952 435,02	7 072 751,21
CONVERSION GAP- LIABILITIES (H)	313 862,13	951 252,26
TOTAL II (F + G + H)	2 307 342 962,93	2 325 357 415,85
CASH - LIABILITIES		
. DISCOUNT LOANS	120 000 000,00	190 000 000,00
. CASH LOANS		
. BANKS (CREDIT BALANCES)		
TOTAL III	120 000 000,00	190 000 000,00
TOTAL GENERAL I + II + III	6 034 138 306,06	5 469 810 215,16

INCOME AND EXPENSES ACCOUNT (EXCLUDING TAXES)

FY 01/01/2017 to 12/31/2017

	OPERATIONS		TOTAL	TOTAL PREVIOUS FY
	FY PREV. (1)	FY PREV. (2)	FY (1+2)	
OPERATING REVENUES				
. SALES OF GOODS AS IS	3 326 979 242,10		3 326 979 242,10	3 072 332 725,24
. REVENUES OF SALES OF GOODS AND SERVICES	443 565 469,58		443 565 469,58	390 084 267,09
TURNOVER	3 770 544 711,68		3 770 544 711,68	3 462 416 992,33
. PRODUCT INVENTORY VARIATION (+ -)				
. SELF-CONSTRUCTED FIXED ASSETS				
. OPERATING GRANT				
. OTHER OPERATING REVENUES				
. RELEASES OF OPERATING; TRANSFER OF EXPENSES	76 940 299,88		76 940 299,88	122 297 507,61
TOTAL I	3 847 485 011,56		3 847 485 011,56	3 584 714 499,94
OPERATING EXPENSES				
- RESALE PURCHASES OF MERCHANDISE	2 854 141 463,30		2 854 141 463,30	2 653 584 895,96
- COSTS OF SUPPLIES AND CONSUMABLE MATERIALS	104 126 730,91		104 126 730,91	127 371 956,23
- OTHER EXTERNAL EXPENSES	222 246 749,83	122 563,42	222 369 313,25	228 165 413,53
- TAXES AND DUTIES	21 642 230,81	8 338,62	21 650 569,43	21 029 917,79
- PERSONNEL EXPENSES	233 901 744,88	104 976,46	234 006 721,34	238 339 903,48
- OTHER OPERATING EXPENSES				6 580 310,06
- OPERATING ALLOCATION	143 128 569,27		143 128 569,27	121 336 947,38
TOTAL II	3 579 187 489,00	235 878,50	3 579 423 367,50	3 396 409 344,43
OPERATING RESULT III (I-II)			268 061 644,06	188 305 155,51
FINANCIAL REVENUES				
- INCOME FROM EQUITY INVESTMENTS	65 430 446,50		65 430 446,50	3 615 916,70
- CURRENCY GAINS	1 409 914,72		1 409 914,72	870 482,49
INTEREST AND OTHER FINANCIAL REVENUES	38 486 455,89		38 486 455,89	40 117 889,21
- FINANCIAL WRITE-BACK, EXPENSE TRANSFER TOTAL IV	9 845 468,70		9 845 468,70	9 294 638,55
FINANCIAL EXPENSES	115 172 285,81		115 172 285,81	53 898 926,95
- INTEREST CHARGES				
- EXCHANGE LOSSES	149 431 484,05	86 279,47	149 517 763,52	146 078 622,00
- OTHER FINANCIAL EXPENSES	3 509 933,07		3 509 933,07	882 800,56
- FINANCIAL ALLOCATIONS	1 441 006,92		1 441 006,92	8 020 274,03
- OTHER FINANCIAL EXPENSES	938 783,88		938 783,88	421 483,94
- FINANCIAL ALLOCATIONS	155 321 207,92	86 279,47	155 407 487,39	155 403 180,53
TOTAL V			-40 235 201,58	-101 504 253,58
RESULTAT COURANT (III+V)			227 826 442,48	86 800 901,93

INCOME ACCOUNT AND B3:I27 (Excluding Taxes) (Cont.)

FY 01/01/2017 to 12/31/2017

	OPERATIONS		TOTAL	TOT. PREVIOUS FY
	FY PREV. (1)	FY PREV. (2)	FY (1+2)	
NET INCOME			227 826 442,48	86 800 901,93
NON-CURRENT INCOME				
- SALES OF FIXED ASSETS	5 129 020,67		5 129 020,67	299 500,00
- SUBVENTION D'EQUILIBRE/GRANT BALANCE				
- RELEASE OF INVESTMENT GRANT				
- OTHER NON-CURRENT INCOME	3 662 388,63	442 055,25	4 104 443,88	1 395 542,78
- RELEASE OF NON-CURRENT TRANSFER OF EXPENSES				
TOTAL VIII	8 791 409,30	442 055,25	9 233 464,55	1 695 042,78
NON-CURRENT EXPENSES				
- NET VALUE OF DEPRECIATION FROM SALE OF FIXED ASSETS	6 531 794,77		6 531 794,77	425 498,75
- GRANTS AWARDED				
- OTHER EXPENSES	1 461 170,95		1 461 170,95	668 802,08
- NON-CURRENT ALLOCATIONS TO DEPRECIATION. & PROVISIONS	1 000 558,60		1 000 558,60	
- TOTAL IX	8 993 524,32		8 993 524,32	1 094 300,83
NON-CURRENT INCOME (VIII - IX)			239 940,23	600 741,95
INCOME BEFORE TAXES (VII+X)			228 066 382,71	87 401 643,88
INCOME TAXES			51 477 249,00	22 377 192,00
RESULTAT NET (XI - XII)			176 589 133,71	65 024 451,88
TOTAL REVENUES (I+IV+VIII)			3 971 890 761,92	3 640 308 469,67
TOTAL EXPENSES (II+V+IX+XIII)			3 795 301 628,21	3 575 284 017,79
NET INCOME (TOT. REVENUES. - TOT. EXPENSES)			176 589 133,71	65 024 451,88

STATEMENT OF CASH FLOWS

FY 01/01/2017 to 12/31/2017

TABLE OF INCOME DETERMINATION				FY	PREVIOUS.FY
1		SALES OF GOODS AS IS		3 326 979 242,10	3 072 332 725,24
2	-	. PURCHASES OF RESOLD GOODS		2 854 141 463,30	2 653 584 895,96
I	=	GROSS MARGIN ON SALES AS IS		472 837 778,80	418 747 829,28
II	+	OUTPUT FOR THE FISCAL YEAR: (3 + 4 + 5)		443 565 469,58	390 084 267,09
3		. REVENUES FROM SALES OF GOODS AND SERVICES		443 565 469,58	390 084 267,09
4		. VARIATIONS OF INVENTORY OF GOODS			
5		. SELF-CONSTRUCTED FIXED ASSETS			
III	-	INTAKE FOR THE FINANCIAL YEAR: (6+7)		326 496 044,16	355 537 369,76
6		COSTS OF SUPPLIES AND CONSUMABLE MATERIALS		104 126 730,91	127 371 956,23
7		OTHER EXTERNAL EXPENSES		222 369 313,25	228 165 413,53
IV	=	VALUE-ADDED (I + II - III)		589 907 204,22	453 294 726,61
8	+	. OPERATING GRANTS			
9	-	. TAXES AND DUTIES		21 650 569,43	21 029 917,79
10	-	. PERSONNEL EXPENSES		234 006 721,34	238 339 903,48
V	=	GROSS OPERATING SURPLUS (GOS)		334 249 913,45	193 924 905,34
	=	GROSS OPERATING SHORTFALL (IBE)			
11	+	. OTHER OPERATING REVENUES			
12	-	. OTHER OPERATING EXPENSES			6 580 310,06
13	+	. OPERATING WRITE-BACKS, EXPENSE TRANSFERS		76 940 299,88	122 297 507,61
14	-	. OPERATING ALLOCATIONS		143 128 569,27	121 336 947,38
VI	=	OPERATING INCOME (+ OR -)		268 061 644,06	188 305 155,51
VII	±	RESULTAT FINANCIER		(40 235 201,58)	(101 504 253,58)
VII	=	CURRENT INCOME (+ OR -)		227 826 442,48	86 800 901,93
IX	±	NON-CURRENT INCOME		239 940,23	600 741,95
15	-	INCOME TAXES		51 477 249,00	22 377 192,00
X	=	NET INCOME OF THE FISCAL YEAR (+ OR -)		176 589 133,71	65 024 451,88
CASH FLOW (C.A.F) - SELF-FINANCING					
1		. EARNINGS +		176 589 133,71	65 024 451,88
		. BENEFITS +		176 589 133,71	65 024 451,88
		. LOSSES -			
2	+	. OPERATING ALLOWANCES		143 128 569,27	121 142 283,97
3	+	. FINANCIAL ALLOWANCES			
4	+	. DOTATIONS NON COURANTES		1 000 558,60	
5	-	. WITHDRAWALS			
8	-	LOSSES -		5 129 020,67	299 500,00
9	+	. VALEURS NETTES DAMORTISSEMENT DES IMMOB CEDEES		6 531 794,77	425 498,75
I	=	LOSSES -		322 121 035,68	186 292 734,60
10	-	PROFIT DISTRIBUTION		80 000 000,00	80 000 000,00
II	=	SELF-FINANCING		242 121 035,68	106 292 734,60

FUNDING TABLE FOR THE FISCAL YEAR

FY 01/01/2017 to 12/31/2017

TABLE OF INCOME DETERMINATION				
MASSES	FY (a)	Previous FY (b)	Change a-b	
			Employment (c)	Resources (d)
1 Permanent Funding	3 606 795 343,13	2 954 452 799,31		652 342 543,82
2 Less Current Assets	3 417 411 730,73	3 061 269 989,03	356 141 741,70	
3= FUNCTIONAL WORKING CAPITAL (1-2) (A)	189 383 612,40	(106 817 189,72)		296 200 802,12
4 CURRENT ASSETS	2 045 821 655,41	1 958 854 562,17	86 967 093,24	
5 Less Current Liabilities	2 307 342 962,93	2 325 357 415,85	18 014 452,92	
6= BLOCK FUNDING NEED (4-5) (B)	(261 521 307,52)	(366 502 853,68)	104 981 546,16	
7 NET CASH (ASSETS - LIABILITIES) = A-B	450 904 919,92	259 685 663,96	191 219 255,96	

II. CASH FLOW (C.A.F) - SELF-FINANCING				
	FY		PREVIOUS.FY	
	Employment	Resources	Employment	Resources
I. STABLE RESOURCES FOR THE YEAR (FLOW)				
. SELF-FINANCING (A)		242 121 035,68		106 292 734,60
. Cash Flow		322 121 035,68		186 292 734,60
. Profit Distribution		(80 000 000,00)		80 000 000,00
. DISPOSAL AND REDUCTION OF FIXED ASSETS (B)		5 129 020,67		299 500,00
. Disposal of Intangible Assets				
. Disposal of Fixed Assets		5 129 020,67		299 500,00
. Disposal of Financial Fixed Assets				
. Write-Backs of Long Term Receivables				
. AUGMENTATION CAPITAUX PROPRES & ASSIMILES/INCREASE IN SHAREHOLDERS EQUITY AND QUASI-EQUITY (C)		396 474 750,00		
. Increase in Capital Contributions		396 474 750,00		
. Undistributed Dividends - 2009				
. INCREASE IN FINANCIAL LIABILITIES (D)		341 294 455,32		42 041 909,50
(Net of Redemption Premiums)				
TOTAL I - STABLE RESOURCES (A+B+C+D)		985 019 261,67		148 634 144,10
II. STABLE EMPLOYMENT ON THE YEAR (FLOW)				
. ACQUISITION AND INCREASE OF FIXED ASSETS (E)	365 244 223,89		220 207 877,98	
. Acquisition of Intangible Assets	12 416 531,26		22 020 350,66	
. Acquisition of Capital Assets	339 588 806,58		196 001 202,68	
. Acquisition of Financial Assets	63 250,00		32 000,00	
. Increase of Non-Performing Loans	13 175 636,05		2 154 324,64	
. REPAYMENT OF SHAREHOLDERS EQUITY (F)				
REPAYMENT OF FINANCIAL LIABILITIES (G)	183 016 353,81		55 969 042,40	
. EMPLOYMENT WRITTEN-OFF (H)	140 557 881,85		128 565 639,00	
TOTAL II - STABLE EMPLOYMENT (E+F+G+H)	688 818 459,55		404 742 559,38	
III. CHANGES IN BLOCK FUNDING NEED(BFG)	104 981 546,16			51 307 497,71
IV. CHANGES IN CASH T O T	191 219 255,96			204 800 917,57
TOTAL GENERAL	985 019 261,67	985 019 261,67	404 742 559,38	404 742 559,38

STATEMENT A2 STATEMENT OF EXEMPTIONS

FY 01/01/2017 to 12/31/2017

INDICATION OF EXEMPTIONS	JUSTIFICATION OF EXEMPTIONS	INFLUENCE OF EXEMPTIONS ON THE ASSETS, FINANCIAL SITUATION, AND THE RESULTS
I - EXEMPTIONS FROM PRINCIPLE ACCOUNTING POLICIES		N/A
II - EXEMPTION FROM EVALUATION METHODS		N/A
III - EXEMPTIONS FROM PREPARATION AND PRESENTATION RULES FINANCIAL STATEMENTS		N/A

STATEMENT A3 STATEMENT OF CHANGES IN METHODS

Exercice du 01/01/2017 Au 12/31/2017

INDICATION OF EXEMPTIONS	JUSTIFICATION OF EXEMPTIONS	INFLUENCE OF EXEMPTIONS ON THE ASSETS, FINANCIAL SITUATION, AND THE RESULTS
Changes Affecting Valuation Methods	N/A	N/A
Changes Affecting Presentation Rules	N/A	N/A

TABLE OF FIXED ASSETS OTHER THAN FINANCIAL

FY 01/01/2017 to 12/31/2017

Changes Affecting Presentation Rules	GROSS AMOUNT AT THE BEGINNING OF THE FISCAL YEAR	INCREASE			DECREASE		GROSS AMOUNT AT THE END OF THE FISCAL YEAR
		Acquisition	Product of the Company for itself	Transfer	Disposal	Withdrawal	Transfer
FIXED ASSETS WRITTEN-OFF	550 281 693,95	140 557 881,85		1 548 769,62			495 355 140,35
*Preliminary Costs	1 365 352,84					1 332 452,84	32 900,00
*Deferred Expenses Over Several Years	548 916 341,11	140 557 881,85		1 548 769,62		195 700 752,23	495 322 240,35
*Bond Redemption Premiums							
* INTANGIBLE ASSETS	198 050 948,34	12 416 531,26		60 873,12		15 603 341,90	194 925 010,82
* Research and Development Assets							
* Patents, Trademarks, & Similar Rights and Assets	45 478 194,58	8 249 864,59		60 873,12		15 603 341,90	38 185 590,39
* GOODWILL	152 572 753,76	4 166 666,67					156 739 420,43
*Other Intangible Assets							
TANGIBLE ASSETS	1 364 076 665,07	339 588 806,58		151 651 093,00	13 678 987,37	153 260 735,74	1 688 376 841,54
* Land *Buildings	177 821 676,80	546 446,40					178 368 123,20
*Machinery, Equipment and Tools	374 047 490,07	93 935 056,20		105 994 851,82			573 977 398,09
* Transport Equipment	315 678 001,84	65 911 597,96		5 720 156,74	13 511 956,32		373 797 800,22
* Furniture, Office Supplies and Miscellaneous	1 238 703,90	418 612,49			139 831,05		1 517 485,34
*Other Tangible Assets	233 918 026,25	83 115 444,75		39 936 084,44	27 200,00		356 942 355,44
*Tangible Assets in Progress							
*Immobilisations corporelles en cours	261 372 766,21	95 661 648,78				153 260 735,74	203 773 679,25
	2 112 409 307,36	492 563 219,69		- 153 260 735,74	13 678 987,37	212 636 546,97	2 378 656 992,71

TABLE OF EQUITY INVESTMENTS

FY 01/01/2017 to 12/31/2017

Issuing Company's Corporate Name	Line of Business	Registered Capital	% of Capital Contribution	Aggregate Purchase Price	Net Carrying Amount	Extracts from the Company's Recent Financial Statements			Amount of Revenues Reported to ITC during the Reporting Period
						Closing Date	Net Issuing Equity	Net Income	
VECTEUR LV	VLV	120 000 000,00	95%	114 000 000,00	114 000 000,00	12/31/2017	138 487 447,84	27 980 525,55	
MUTANDIS	INVESTMENT FUND	811 273 800,00	57%	1 241 000 000,00	1 241 000 000,00	12/31/2017	1 745 960 603,09	102 165 785,54	63 184 424,00
BERKANE PLAZA S.A.R.L	CONSTRUCTION AND PROPERTY	680 405 100,00		56 520 000,00	56 520 000,00	12/31/2017	800 225 080,00	18 759 316,00	1 858 890,00
MAXI LV	YMANA GEMENT	100 000,00		67 000,00	67 000,00	12/31/2017			
SERVICE LV	MASS DISTRIBUTION	158 200 000,00	95%	157 815 000,00	157 815 000,00	12/31/2017	169 980 383,72	32 210 687,26	
AMETHIS FINANCE SCS	OPERATION OF SERVICE STATIONS	300 000,00	100%	300 000,00	300 000,00	12/31/2017	8 571 301,85	4 006 690,46	
SICAR				53 679 938,92	53 679 938,92	12/31/2017			
MOBIMARKET	MOBILE DISTRIBUTION	5 000 000,00	50%	2 500 000,00	2 500 000,00	12/31/2017	5 372 450,64	165 783,20	
SILAVRETAIL	REAL ESTATE DEVELOPMENT	300 000,00	100%	300 000,00	300 000,00	12/31/2017	300 000,00		
HOLDING AFRICA		255 001 200,00	0%	70 747,78	70 747,78	12/31/2017	247 016 356,82	3 816 229,41	
TOTAL				1 626 252 686,70	1 626 252 686,70		3 115 913 623,96	189 105 017,42	65 043 314,00

TABLE OF ALLOWANCES

FY 01/01/2017 to 12/31/2017

TYPE	Amount at the Beginning of the Fiscal Year	ALLOCATIONS			RECOVERY			Amount at the End of the Fiscal Year
		Operating	Financial	Non Current	Operating	Financial	Non Current	
1. Allowances for the Depreciation of Capital Assets								
2. Regulated Provisions								
3. Sustainable Provisions for Liabilities and Charges				1 000 558,60				1 000 558,60
SUB TOTAL (A)				1 000 558,60				1 000 558,60
4. Allowances for the Depreciation of Current Assets (excl. Cash)	194 663,41							194 663,41
5. Other Provisions for Liabilities and Charges	448 786,22	938 783,88			435 135,08			952 435,02
6. Allowances for the Depreciation of Cash Accounts								
SUB TOTAL (B)	643 449,63	938 783,88			435 135,08			1 147 098,43
TOTAL (A+B)	643 449,63	938 783,88		1 000 558,60	435 135,08			2 147 657,03

TABLE OF RECEIVABLES

FY 01/01/2017 to 12/31/2017

RECEIVABLES	TOTAL	BREAKDOWN BY MATURITY				OTHER BREAKDOWNS		
		MORE THAN A YEAR	LESS THAN A YEAR	MATURED AND UNRECOVERED	CURRENCY AMOUNT	AMOUNTS FROM THE GOVERNMENT AND PUBLIC ORGANIZATIONS	AMOUNTS FROM RELATED COMPANIES	AMOUNTS REPRESENTED BY BILLS
FROM FIXED ASSETS	16 714 688,46	16 714 688,46						
*Fixed Loans								
*Other Financial Receivables	16 714 688,46	16 714 688,46						
FROM CURRENT ASSETS	1 437 745 079,03		1 437 745 079,03			239 964 360,44	611 456 553,34	
*Suppliers Receivables, Advances and Prepayments	34 097 388,36		34 097 388,36					
*Customers and Related Accounts	1 103 984 167,43		1 103 984 167,43				610 255 381,60	
*Personnel	8 290 617,44		8 290 617,44					
*Government	239 890 384,44		239 890 384,44			239 890 384,44		
*Partner Accounts								
*Other Debtors	22 560 007,85		22 560 007,85			73 976,00	1 201 171,74	
*Prepayment and Accrued Income	28 922 513,51		28 922 513,51					

TABLE OF DEBTS

FY 01/01/2017 to 12/31/2017

DEBTS	TOTAL	ANALYSIS BY MATURITY				OTHER ANALYSES		
		MORE THAN A YEAR	LESS THAN A YEAR	MATURED AND NOT PAID	AMOUNT IN CURRENCY	AMOUNTS TO THE STATE AND PUBLIC BODIES	AMOUNTS TO RELATED COMPANIES	AMOUNTS REPRESENTED PAR EFFETS
FROM FINANCING	1 941 119 665,79	1 599 825 210,47	341 294 455,32					
* Bond Issues	1 500 000 000,00	1 500 000 000,00						
* Other Financial Debts	441 119 665,79	99 825 210,47	341 294 455,32					
FROM CURRENT LIABILITIES	2 306 076 665,78	-	2 306 076 665,78			191 852 004,63	888 561 385,81	636 494 898,08
* Suppliers and Related Accounts	1 450 608 139,37		1 450 608 139,37				243 933 981,78	636 494 898,08
* Creditor Customers, Advances and Prepayments	1 624 124,11		1 624 124,11					
* Personnel	797 340,43		797 340,43					
* Social Organizations	11 232 695,94		11 232 695,94			11 232 695,94		
* Government	180 619 308,69		180 619 308,69			180 619 308,69		
* Partner Accounts	131 956,73		131 956,73					
* Other Receivables	645 415 533,70		645 415 533,70				644 627 404,03	
* Accrual and Deferred Income	15 647 566,81		15 647 566,81					

TABLE OF SECURITIES GIVEN OR RECEIVED

FY 01/01/2017 to 12/31/2017

SECURITIES RECEIVABLES AND PAYABLES	AMOUNT COVERED BY THE SECURITY	TYPE	DATE AND PLACE OF REGISTRATION	ITEM (2) (3)	NET BOOK VALUE OF THE SECURITY GIVEN ON THE CLOSING DATE
SECURITIES GIVEN	238 484 983,62	(2)(3)	RABAT	BANKS	
SECURITIES RECEIVED			N/A		

FINANCIAL COMMITMENTS RECEIVED OR GIVEN WITHOUT LEASING TRANSACTIONS

FY 01/01/2017 to 12/31/2017

COMMITMENTS GIVEN	AMOUNT FISCAL YEAR	AMOUNT PREVIOUS-FISCAL YEAR
* Endorsements and Guarantees		
* Commitments in Terms of Pension, Retirement, and Similar Obligations		
* Other Commitments Given		
TOTAL (1)	N/A	N/A
(1) Including Liabilities to Related Companies		

COMMITMENTS RECEIVED	AMOUNT EXERCISE	AMOUNT EXERCISE PRECEDENT
* Endorsements and Guarantees		
- Deposits Received on the Market		
* Other Commitments Received		
TOTAL (1)	N/A	N/A

APPENDIX 2

CONSOLIDATED FINANCIAL STATEMENTS

BALANCE SHEET - ASSETS (NORMAL MODEL)

FY 01/01/2017 to 12/31/2017

ASSETS	FISCAL YEAR			Pro forma 2016	PREVIOUS FISCAL YEAR
	BRUT	AMORT.-PROV.	NET	NET	NET
NON-VALUE FIXED ASSETS (A)					
PRELIMINARY EXPENSES					
DEFERRED EXPENSES OVER SEVERAL YEARS					
BOND REDEMPTION PREMIUMS					
. INTANGIBLE ASSETS (B)	1 148 587 408,44	376 214 575,87	772 372 832,57	709 531 995,11	966 777 440,92
. FIXED ASSETS IN RESEARCH AND DEVELOPMENT	753 669 765,45	356 213 408,81	397 456 356,64	339 747 857,25	425 480 083,53
. PATENTS, TRADEMARKS, & SIMILAR RIGHTS AND ASSETS	40 923 701,87	20 001 167,06	20 922 534,81	19 956 863,41	22 479 033,40
. GOODWILL	353 476 087,10		353 476 087,10	349 309 420,43	201 377 170,45
. OTHER INTANGIBLE ASSETS	517 854,02		517 854,02	517 854,02	317 441 153,54
. TANGIBLE ASSETS (C)	2 211 213 714,03	609 662 114,41	1 601 551 599,62	1 357 202 913,99	4 632 180 906,87
. LAND	178 368 123,20		178 368 123,20	177 821 676,80	2 142 374 880,23
. BUILDINGS	592 312 084,98	86 542 667,87	505 769 417,11	322 103 899,75	1 393 379 779,59
. MACHINERY, EQUIPMENT, AND TOOLS	648 252 964,65	304 310 093,87	343 942 870,78	325 892 692,94	340 558 114,38
. TRANSPORT EQUIPMENT	1 535 494,77	1 162 657,73	372 837,04	226 700,82	266 530,85
. FURNITURE, OFFICE EQUIPMENT AND MISCELLANEOUS	531 413 417,89	193 184 864,04	338 228 553,85	227 864 142,28	317 881 076,29
. OTHER TANGIBLE ASSETS	53 038 803,49	24 461 830,90	28 576 972,59	32 361 997,58	
. FIXED ASSETS IN PROGRESS	206 292 825,05		206 292 825,05	270 931 803,82	437 720 525,53
. LONG-TERM INVESTMENTS (D)	1 384 897 341,49	-	1 384 897 341,49	1 371 658 455,44	139 748 826,35
. FIXED LOANS	0,00		0,00	0,00	
. OTHER FINANCIAL RECEIVABLES	33 259 654,79		33 259 654,79	33 196 404,79	42 286 775,70
. EQUITY INVESTMENTS	1 351 637 686,70		1 351 637 686,70	1 338 462 050,65	97 462 050,65
. OTHER LOCKED-IN INVESTMENTS					
. CONVERSION GAP - ASSETS (E)					
. REDUCTION OF NON-PERFORMING LOANS					
. INCREASE IN FINANCIAL LIABILITIES					
. TOTAL I = (A+B+C+D+E)	4 744 698 463,96	985 876 690,28	3 758 821 773,68	3 438 393 364,54	5 738 707 174,14
. INVENTORIES (F)	1 299 333 260,98	13 954 140,04	1 285 379 120,94	1 161 493 425,78	1 208 784 337,19
. GOODS	1 288 146 370,36	13 954 140,04	1 274 192 230,32	1 148 374 245,03	1 148 374 245,03
. CONSUMABLE MATERIALS AND SUPPLIES	11 186 890,62		11 186 890,62	13 119 180,75	13 119 180,75
. GOODS IN PROCESS					47 290 911,41
. INTERMEDIATE GOODS & RESIDUAL GOODS					
. FINISHED GOODS					
CURRENT ASSETS RECEIVABLES (G)	1 422 853 440,96	13 706 104,88	1 409 147 336,08	1 390 305 890,67	1 713 970 708,37
. SUPPLIER RECEIVABLES, ADVANCES AND PREPAYMENTS	85 976 718,00	2 045 538,63	83 931 179,37	62 924 512,57	102 509 502,17
. CUSTOMER ACCOUNTS RECEIVABLE	845 565 088,33	11 660 566,25	833 904 522,08	856 984 417,26	969 183 808,85
. PERSONNEL	9 941 488,02		9 941 488,02	8 971 489,89	9 046 103,56
. GOVERNMENT	428 752 825,56		428 752 825,56	410 918 410,15	565 324 437,22
. SHAREHOLDERS ACCOUNTS	0,00		0,00	0,00	
. OTHER DEBTORS	22 000 148,06		22 000 148,06	26 363 159,74	27 970 057,27
. PREPAYMENT AND ACCRUED INCOME	30 617 173,00		30 617 173,00	24 143 901,06	39 936 799,30
SECURITIES & INVESTMENT VALUES (H)	50 122 904,48	0,00	50 122 904,48	50 122 904,48	487 460 329,66
CONVERSION GAP - ASSETS (I)	1 129 022,65		1 129 022,65	421 887,60	421 887,60
(ELEMENTS CIRCULANTS)	0,00		0,00	0,00	
TOTAL II(F + G + H + I)	2 773 438 629,07	27 660 244,92	2 745 778 384,15	2 602 344 108,53	3 410 637 262,82
CASH FLOW - ASSETS					
. CHECKS	56 467 316,15		56 467 316,15	37 348 455,47	37 371 518,51
. BANKS, TREASURY & POSTAL CHECKS	475 524 682,46		475 524 682,46	324 367 551,42	138 628 940,28
. FUNDS & CREDENTIALS	12 656 415,56		12 656 415,56	10 877 902,82	11 518 695,01
TOTAL III	544 648 414,17	-	544 648 414,17	372 593 909,71	187 519 153,80
OVERALL TOTAL (I + II + III)	8 062 785 507,20	1 013 536 935,20	7 049 248 572,00	6 413 331 382,77	9 336 863 590,77

BALANCE SHEET - LIABILITIES (Normal Model)

FY 01/01/2017 to 12/31/2017

LIABILITIES	FISCAL YEAR	Pro forma 2016	PREVIOUS
		NET	FISCAL YEAR
LIABILITIES			
SHAREHOLDER EQUITY	283 896 200,00	254 527 700,00	254 527 700,00
. CAPITAL STOCK OR PERSONNEL (1)			
. LESS: SHAREOLDERS, UNCALLED SUBSCRIBED CAPITAL	1 150 523 764,19	783 417 514,19	783 417 514,19
. PAID-IN CAPITAL:			59 813 722,28
. ISSUANCE PREMIUM, MERGER PREMIUM, SHARE PREMIUM	25 452 770,00	24 155 158,94	24 155 158,94
. REVALUATION SURPLUS	-32 625 558,50	-71 214 894,05	6 651 339,82
. LEGAL RESERVES	28 213 250,84	44 566 194,75	44 566 194,75
. OTHER RESERVES	0,00	0,00	
. RETAINED EARNINGS (2)	240 869 928,58	105 333 847,18	164 576 709,10
. NET INCOME PENDING ASSIGNMENT (2)	1 696 330 355,11	1 140 785 521,01	1 337 708 339,08
. FISCAL YEAR NET INCOME (2)	12 405 122,36	10 605 278,31	1 009 155 970,77
. TOTAL SHAREHOLDERS' EQUITY (A)	12 405 122,36	10 605 277,88	1 009 155 970,77
. CAPITAUX PROPRES ASSIMILES/QUASI-EQUITY (B)			
. INVESTMENT SUBSIDIES	2 103 738 229,49	1 953 514 600,51	2 867 063 484,20
. REGULATED PROVISIONS	1 500 000 000,00	1 616 600 000,00	1 766 600 000,00
. FINANCING DEBTS (C)	603 738 229,49	336 914 600,51	1 100 463 484,20
. BOND ISSUES	2 243 777,72	938 825,60	11 109 918,99
. OTHER FINANCING DEBTS	2 243 777,72	938 825,60	11 109 918,99
. SUSTAINABLE PROVISIONS / LIABILITIES AND CHARGES (D)			
. PROVISIONS FOR LIABILITIES			
. PROVISIONS FOR CHARGES			
. CONVERSION GAP - LIABILITIES (E)			
. INCREASE OF NON-PERFORMING LOANS	3 814 717 484,68	3 105 844 225,00	5 225 037 713,04
. REDUCTION OF FINANCIAL LIABILITIES	3 113 088 162,93	3 108 985 166,81	3 905 881 611,72
TOTAL I (A + B + C + D + E)	2 805 295 834,25	2 725 277 419,79	2 887 946 830,71
DEBTS ON CURRENT LIABILITIES (F)			
. SUPPLIERS AND RELATED ACCOUNTS	8 059 194,05	7 801 374,15	8 081 957,41
. CUSTOMER LIABILITIES, ADVANCES AND PREPAYMENTS	15 966 608,42	14 652 359,94	15 312 806,46
. PERSONNEL	227 745 578,70	213 067 045,97	715 530 023,85
. SOCIAL ORGANIZATIONS	131 956,73	407 596,34	137 579 312,23
. GOVERNMENT	5 698 830,10	102 334 792,25	12 269 842,74
. SHAREHOLDERS ACCOUNTS	18 338 618,50	23 335 127,20	100 679 754,64
. OTHER CREDITORS	1 129 022,65	7 073 154,87	14 515 430,35
. DEFERRED INCOME LIABILITIES	313 901,74	1 428 835,66	1 428 835,66
OTHER PROVISIONS FOR LIABILITIES AND CHARGES (G)	3 114 531 087,32	3 117 487 157,77	3 921 825 877,73
CONVERSION GAP- LIABILITIES (H)			
TOTAL II (F + G + H)			
CASH - LIABILITIES	120 000 000,00	190 000 000,00	190 000 000,00
. DISCOUNT LOANS			
. CASH LOANS	120 000 000,00	190 000 000,00	190 000 000,00
. BANKS (CREDIT BALANCES)	7 049 248 572,00	6 413 331 382,77	9 336 863 590,77
TOTAL III			
TOTAL GENERAL I + II + III			

INCOME AND EXPENSES ACCOUNT (EXCLUDING TAXES)

FY 01/01/2017 to 12/31/2017

	OPERATIONS		TOTALS	Pro forma 2015	PREVIOUS
	FY PREV. (1)	FY PREV. (2)	FY (1+2)		FISCAL YEAR
OPERATING REVENUES					
. SALES OF GOODS AS IS	7 531 108 977,07		7 531 108 977,07	6 771 606 441,15	6 771 606 441,15
. REVENUES OF SALES OF GOODS AND SERVICES	743 469 378,43		743 469 378,43	623 305 175,38	785 747 638,31
TURNOVER	8 274 578 355,50		8 274 578 355,50	7 394 911 616,53	7 557 354 079,46
. PRODUCT INVENTORY VARIATION (+ -)					
. IMMOB. PROD. PAR L' ESE PR ELLE MEME/ SELF-CONSTRUCTED FIXED ASSETS					
. OPERATING GRANT					
. OTHER OPERATING REVENUES					
. REPRISES D'EXPLOIT. RELEASES OF OPERATING; TRANSFER OF EXPENSES	95 422 121,41		95 422 121,41	135 819 983,97	163 193 199,78
TOTAL I	8 370 000 476,90		8 370 000 476,90	7 530 731 600,50	7 720 547 279,24
OPERATING EXPENSES					
- RESALE PURCHASES OF MERCHANDISE	6 667 246 165,37		6 667 246 165,37	6 010 306 343,57	6 010 306 343,57
- COSTS OF SUPPLIES AND CONSUMABLE MATERIALS	177 269 014,19		177 269 014,19	162 605 627,19	172 053 796,05
- OTHER EXTERNAL EXPENSES	478 705 397,95		478 705 397,95	459 531 786,79	380 590 874,00
- TAXES AND DUTIES	46 783 316,19		46 783 316,19	45 649 179,02	62 233 359,48
- PERSONNEL EXPENSES	388 888 616,25		388 888 616,25	383 219 757,28	384 261 119,74
- OTHER OPERATING EXPENSES	6 665 460,45		6 665 460,45	7 621 479,80	7 672 690,20
- OPERATING ALLOCATION	250 086 632,72		250 086 632,72	211 683 839,32	330 470 323,63
TOTAL II	8 015 644 603,11	0,00	8 015 644 603,11	7 280 618 012,97	7 347 588 506,67
RESULTATS D'EXPLOITATION III (I-II)	354 355 873,79		354 355 873,79	250 113 587,53	372 958 772,57
FINANCIAL REVENUES					
- PROD. TITRES PARTICIP. & AUTRES PROD. IMM.	65 430 446,50		65 430 446,50	3 615 916,70	3 615 916,70
- CURRENCY GAINS	1 645 467,20		1 645 467,20	1 015 087,98	1 265 442,45
INTEREST AND OTHER FINANCIAL REVENUES	39 347 864,94		39 347 864,94	41 340 364,17	67 837 764,58
- FINANCIAL WRITE-BACK, EXPENSE TRANSFERS- TOTAL IV	11 364 302,92		11 364 302,92	11 071 754,40	14 951 855,54
FINANCIAL EXPENSES	117 788 081,56		117 788 081,56	57 043 123,25	87 670 979,27
- INTEREST CHARGES					
- EXCHANGE LOSSES	141 691 599,22		141 691 599,22	147 269 594,61	201 416 577,20
- OTHER FINANCIAL EXPENSES	4 512 712,78		4 512 712,78	1 068 589,04	797 689,04
- FINANCIAL ALLOCATIONS	1 441 006,92		1 441 006,92	8 020 274,03	8 020 274,03
- OTHER FINANCIAL EXPENSES	1 115 352,55		1 115 352,55	421 868,64	421 868,64
- FINANCIAL ALLOCATIONS	148 760 671,47		148 760 671,47	156 780 326,32	210 656 408,91
TOTAL V	-30 972 589,91		-30 972 589,91	-99 737 203,07	-122 985 429,64
RESULTAT COURANT (III+VI)	323 383 283,88		323 383 283,88	150 376 384,46	249 973 342,93

ACCOUNT OF REVENUES AND CHARGES (EXCL. TAXES) (CONT.)

FY 01/01/2017 to 12/31/2017

	TRANSACTIONS		TOTALS	Pro forma 2015	PREVIOUS FY
	FY (1)	FY. ant (2)	FY (1+2)		NET
CURRENT INCOME (CARRYOVERS)	323 383 283,88		323 383 283,88	150 376 384,46	249 973 342,93
NON-CURRENT INCOME					
- PROCEEDS FROM THE SALE OF FIXED ASSETS	5 329 187,32		5 329 187,32	579 600,00	2 538 791,32
- SUBVENTION D'EQUILIBRE/GRANT BALANCE					
- RECOVERY OF INVESTMENT GRANT					
- OTHER NON-CURRENT INCOME	4 520 338,01		4 520 338,01	1 348 041,63	7 268 025,56
- EXTRAORDINARY WRITE-BACKS EXPENSE TRANSFERS TOTAL VIII					
NON-CURRENT EXPENSES	9 849 525,33		9 849 525,33	1 927 641,63	9 806 816,88
- NET VALUE OF DEPRECIATION FROM SALE OF FIXED ASSETS					
- GRANTS AWARDED	6 629 530,08		6 629 530,08	583 696,82	2 503 814,48
- OTHER EXPENSES					
- NON-CURRENT ALLOCATIONS AUX AMORT. & PROV. TOTAL IX	2 822 534,18		2 822 534,18	1 720 534,95	12 477 889,96
NON-CURRENT INCOME (VIII - IX) INCOME BEFORE TAXES (VII+X) INCOME TAXES	1 619 217,37		1 619 217,37	367 000,00	7 946 125,01
NET INCOME (XI - XII)	11 071 281,63		11 071 281,63	2 671 231,77	22 927 829,45
TOTAL REVENUES (I+IV+VIII)			-1 221 756,30	-743 590,14	-13 121 012,57
TOTAL EXPENSES (II+V+IX+XIII)			322 161 527,58	149 632 794,32	236 852 330,36
NET INCOME - GROUP SHARE			81 291 599,00	44 298 947,14	72 275 621,26
RESULTAT NET (XI - XII)			240 869 928,58	105 333 847,18	164 576 709,10
TOTAL DES PRODUITS (I+IV+VIII)			8 497 638 083,79	7 589 702 365,38	7 818 025 075,39
TOTAL DES CHARGES (II+V+IX+XIII)			8 256 768 155,21	7 484 368 518,21	7 653 448 366,29
NET INCOME - GROUP SHARE			237 862 404,01	103 637 337,28	139 475 891,10
NET INCOME - MINORITIES			3 007 524,57	1 799 844,05	25 100 817,99

TABLE OF CONSOLIDATED CASH FLOW Based on Operating Revenues of Incorporated Companies

HEADINGS	2017	2016
CONSOLIDATED OPERATING INCOME	354 355 873,79	250 113 587,53
CONSOLIDATED OPERATING ALLOCATIONS	239 496 431,12	207 229 473,99
CASH FLOW FROM OPERATIONS OF INCORPORATED COMPANIES	593 852 304,90	457 343 061,52
RECEIVED DIVIDENDS		
CHANGES IN OPERATIONAL WORKING CAPITAL REQUIREMENTS	146 390 346,08	-113 740 834,07
- INVENTORY	123 885 695,16	97 785 628,57
- OPERATING RECEIVABLES	19 548 580,47	-15 219 335,75
- OPERATING LIABILITIES	-2 956 070,45	196 307 126,88
OPERATING CASH FLOW	447 461 958,83	571 083 895,59
FINANCIAL EXPENSES	148 760 671,47	156 780 326,32
Financial Revenues	117 788 081,56	57 043 123,25
DIVIDENDS RECEIVED FROM EQUITY AFFILIATES		
CORPORATION TAXES EXCLUDING CAPITAL GAINS TAXES	81 291 599,00	44 298 947,14
NON-CURRENT EXPENSES AND REVENUES	1 594 303,83	-410 493,32
NET CASH FLOW FROM OPERATING ACTIVITIES	336 792 073,75	426 637 252,05
ACQUISITION OF ASSETS	553 526 249,54	496 071 279,19
DISPOSAL OF ASSETS	5 329 187,32	648 586,00
CHANGES IN LONG-TERM INVESTMENTS	13 238 886,05	2 497 125,88
CASH FLOW FROM INVESTMENT OPERATIONS	-561 435 948,27	-497 919 819,07
DIVIDENDS PAID TO PARENT COMPANY SHAREHOLDERS	-80 000 000,00	-80 000 000,00
CASH DIVIDEND DISTRIBUTION TO MINORITY INTERESTS		
CAPITAL INCREASE	396 474 750,00	
INCREASE OF FINANCIAL LIABILITIES	344 858 154,75	
AUTRES		56 616 101,76
SCOPE of Consolidation		1 949 297,07
FINANCIAL DEBT REPAYMENT	-194 634 525,77	
CASH FLOW FROM FINANCING ACTIVITIES	466 698 378,98	-21 434 601,17
VARIATION DE LA TRESORERIE	242 054 504,47	-92 717 168,19
CASH AT THE END OF THE FISCAL YEAR	182 593 909,71	275 311 077,89
YEAR-END CASH FLOW	424 648 414,17	182 593 909,70

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY (GROUP SHARE)

	CAPITAL	SHARE AND MERGER PREMIUMS FY.PREV. (2)	CONSOLIDATED RESERVES	NET INCOME GROUP SHARE	GROUP TOTAL	SHAREHOLDERS EQUITY BY MINORITY	SHAREHOLDERS EQUITY GROUP SHARE
SITUATION AT THE CLOSING DATE OF FISCAL YEAR 2016	254 527 700,00	783 417 514,19	8 111 737,95	105 333 847,18	1 151 390 799,32	10 605 278,31	1 140 785 521,01
INCOME APPROPRIATION			105 333 847,18	-105 333 847,18			
DIVIDENDS PAID			-80 000 000,00		-80 000 000,00		-80 000 000,00
MOVEMENT OF CAPITAL	29 368 500,00	367 106 250,00			396 474 750,00		396 474 750,00
OTHER MOVEMENTS			-0,43	240 869 928,58	240 869 928,15	1 799 844,05	240 869 928,15
SITUATION AT THE CLOSING DATE OF FISCAL YEAR 2017	283 896 200,00	1 150 523 764,19	33 445 584,70	240 869 928,58	1 708 735 477,47	12 405 122,36	1 696 330 355,11

TABLE OF FIXED ASSETS OTHER THAN FINANCIAL

FY 01/01/2017 to 12/31/2017

NATURE	GROSS AMOUNT AT THE BEGINNING OF THE FISCAL YEAR	INCREASE			DECREASE		GROSS AMOUNT AT THE END OF THE FISCAL YEAR
		Acquisition	Product of the Company	Transfer	Disposal	Withdrawal	
NON-VALUE FIXED ASSETS							
*Preliminary Costs							
**Deferred Expenses Over Several Years							
**Bond Redemption Premiums							
* FIXED ASSETS	1 172 109 785,11	185 063 714,51		4 050 455,79		212 636 546,97	1 148 587 408,44
**Research and Development Assets	774 185 584,60	172 647 183,25		3 870 202,67		197 033 205,07	753 669 765,45
* Patents, Trademarks, & Similar Rights and Assets	48 096 926,06	8 249 864,59		180 253,12		15 603 341,90	40 923 701,87
* GOODWILL	349 309 420,43	4 166 666,67					353 476 087,10
**Other Fixed Assets	517 854,02						517 854,02
*TANGIBLE ASSETS	1 860 689 505,41	368 462 535,03		159 329 749,12	13 887 870,62	163 380 204,91	2 211 213 714,03
* Land *Buildings	177 821 676,80	546 446,40					178 368 123,20
**Machinery, Equipment and Tools	391 171 284,09	95 145 949,07		105 994 851,82			592 312 084,98
** Transport Equipment	581 211 079,79	74 742 187,12		5 878 167,74	13 578 470,00		648 252 964,65
** Furniture, Office Equipment and Miscellaneous	1 252 707,41	425 104,66			142 317,30		1 535 494,77
**Other Tangible Assets	386 453 326,76	97 905 781,57		47 081 509,56	27 200,00		531 413 417,89
**Tangible Assets in Progress	51 847 626,74	955 840,07		375 220,00	139 883,32		53 038 803,49
TOTAL	270 931 803,82	98 741 226,14				163 380 204,91	206 292 825,05
TOTAL	3 032 799 290,52	553 526 249,54		163 380 204,91	13 887 870,62	212 636 546,97	3 359 801 122,47

TABLE OF WRITE-OFFS

FY 01/01/2017 to 12/31/2017

	Cumulative Since Beginning of the Fiscal Year	Fiscal Year Allocations	Depreciation of Retired Assets	Cumulative Depreciation at the End of the Fiscal Year
	1	2	3	4=1+2-3
FIXED ASSETS WRITE-OFFS				
* Preliminary Costs				
* Deferred Expenses Over Several Years				
* Bond Redemption Premiums				
INTANGIBLE ASSETS	462 577 790,00	126 273 332,84	212 636 546,97	376 214 575,87
*INTANGIBLE ASSETS.	434 437 727,35	118 808 886,53	197 033 205,07	356 213 408,81
*Research and Development Assets				
*Patents, Trademarks, & Similar Rights and Assets	28 140 062,65	7 464 446,31	15 603 341,90	20 001 167,06
*Goodwill				
*Other Intangible Assets				
TANGIBLE ASSETS	503 486 591,42	113 433 863,53	7 258 340,54	609 662 114,41
* Land				
* Buildings	69 067 384,34	17 475 283,53		86 542 667,87
* Machinery, Equipment and Tools	255 318 386,85	56 144 725,59	7 153 018,57	304 310 093,87
* Transport Equipment	1 026 006,59	138 972,75	2 321,61	1 162 657,73
* Furniture, Office Equipment and Miscellaneous	158 589 184,48	34 622 879,56	27 200,00	193 184 864,04
* Other Tangible Assets	19 485 629,16	5 052 002,10	75 800,36	24 461 830,90
TOTAL	966 064 381,42	239 707 196,37	219 894 887,51	985 876 690,28

TABLE OF NON-CONSOLIDATED EQUITY INVESTMENTS

FY 01/01/2017 to 12/31/2017

Issuing Company's Corporate Name	Line of Business	Capital social	% of Capital Contribution	Aggregate Purchase Price	Net Carrying Amount	Extracts from the Company's Recent Financial Statements			Outputs of the Fiscal Year With the I.T.C.
						Closing Date	Net Position	Net Income	
MUTANDIS	INVESTMENT FUND	1 217 764 100,00	5%	56 520 000,00	56 520 000,00	31/12/2012	703 558 000,00	52 240 000,00	3 608 890,00
BERKANE PLAZA LLC	CONSTRUCTION AND PROPERTY MANAGEMENT	100 000,00	67%	67 000,00	67 000,00				
AMETHIS FINANCE SCS SICAR	MASS DISTRIBUTION			53 679 938,92	53 679 938,92				
VECTEUR LV	VLV	811 273 800,00	57%	1 241 000 000,00	1 241 000 000,00	12/31/2017	1 745 960 603,09	102 165 785,54	63 184 424,00
SILAV	REAL ESTATE DEVELOPMENT	300 000,00	100%	300 000,00	300 000,00	12/31/2017	300 000,00		
RETAIL HOLDING AFRICA		255 001 200,00	0%	70 747,78	70 747,78	12/31/2017	247 016 356,82	3 816 229,41	
TOTAL				1 351 637 686,70	1 351 637 686,70		2 696 834 959,91	158 222 014,95	66 793 314,00

TABLE OF ALLOWANCES

FY 01/01/2017 to 12/31/2017

TYPE	Amount at the End of Fiscal Year	ALLOCATIONS			RECOVERY			Amount at the End of Fiscal Year
		Operating	Financial	Non Current	Operating	Financial	Non Current	
1. Allowances for preciation of Fixed Assets								
2. Regulated Provisions								
3. Sustainable Provisions for Liabilities and Charges	938 825,60	274 060,35		1 619 217,37	484 825,60		103 500,00	2 243 777,72
SUB TOTAL (A)	938 825,60	274 060,35		1 619 217,37	484 825,60		103 500,00	2 243 777,72
4.Allowances for Depreciation of Current Assets (excl. cash)	25 677 436,55	10 105 376,00			8 122 567,63			27 660 244,92
5.Other Provisions for Liabilities and Charges	449 189,88	1 101 769,91	13 582,64		435 135,08	384,70		1 129 022,65
6.Provisions for Depreciation of Cash Accounts								
SUB TOTAL (B)	26 126 626,43	11 207 145,91	13 582,64		8 557 702,71	384,70		28 789 267,57
TOTAL (A+B)	27 065 452,03	11 481 206,26	13 582,64	1 619 217,37	9 042 528,31	384,70	103 500,00	31 033 045,29

TABLE OF RECEIVABLES

FY 01/01/2017 to 12/31/2017

RECEIVABLES	TOTAL	BREAKDOWN BY MATURITY			OTHER BREAKDOWNS			AMOUNTS FROM RELATED COMPANIES
		MORE THAN A YEAR	LESS THAN A YEAR	MATURED AND UNRECOVERED	CURRENCY AMOUNT	AMOUNTS FROM THE GOVERNMENT AND PUBLIC ORGANIZATIONS	AMOUNTS FROM RELATED COMPANIES	
FROM FIXED ASSETS	33 259 654,79							
* Fixed Loans								
* Other Financial Receivables	33 259 654,79	33 259 654,79						
FROM CURRENT ASSETS	1 409 147 336,08		1 409 147 336,08			428 752 825,56		
* Suppliers Receivables, Advances and Prepayments	83 931 179,37		83 931 179,37					
* Customers and Related Accounts	833 904 522,08		833 904 522,08					
* Personnel	9 941 488,02		9 941 488,02					
* Government	428 752 825,56		28 752 825,56			428 752 825,56		
* Partner Accounts								
* Other Receivables	22 000 148,06		22 000 148,06					
* Accrual Assets	30 617 173,00		30 617 173,00					

TABLE OF DEBTS

FY 01/01/2017 to 12/31/2017

RECEIVABLES	TOTAL	BREAKDOWN BY MATURITY		OTHER BREAKDOWNS		
		MORE THAN A YEAR	LESS THAN A YEAR	MATURED AND UNPAID	ECHUES ET NON PAYEES	AMOUNTS VIS-A-VIS THE GOVERNMENT AND PUBLIC ORGANIZATIONS
FROM FINANCING	2 103 738 229,49	110 515 620,88	1 993 222 608,61			
* Bond Issues	1 500 000 000,00		1 500 000 000,00			
* Other Financial Debts	603 738 229,49	110 515 620,88	493 222 608,61			
FROM CURRENT LIABILITIES	3 113 088 162,93		3 113 088 162,93			243 712 187,11
* Suppliers and Related Accounts	2 805 295 834,25		2 805 295 834,25			
* Creditor Customers, Advances and Prepayments	31 851 542,19		31 851 542,19			
* Personnel	8 059 194,05		8 059 194,05			
* Social Organizations	15 966 608,42		15 966 608,42			15 966 608,42
* Government	227 745 578,70		227 745 578,70			227 745 578,70
* Partner Accounts	131 956,73		131 956,73			
* Other Receivables	5 698 830,10		5 698 830,10			
* Accrual and Deferred Income	18 338 618,50		18 338 618,50			

TABLE OF SECURITIES GIVEN OR RECEIVED

FY 01/01/2017 to 12/31/2017

SECURITIES RECEIVABLES AND PAYABLES	AMOUNT COVERED BY THE SECURITY	TYPE	DATE AND PLACE OF REGISTRATION	ITEM (2) (3)	NET BOOK VALUE OF THE SECURITY GIVEN ON THE CLOSING DATE
SECURITIES GIVEN	375 798 835,57	(2)(3)	RABAT	BANKS	
SECURITIES RECEIVED			N/A		

OFF-BALANCE-SHEET COMMITMENTS

FY 01/01/2017 to 12/31/2017

COMMITMENTS GIVEN	AMOUNT FISCAL YEAR	AMOUNT PREVIOUS FISCAL YEAR
* Endorsements and Guarantees		
* Commitments in Terms of Pension, Retirement, and Similar Obligations	N/A	N/A
* Other Commitments Given		
COMMITMENTS RECEIVED	AMOUNT FISCAL YEAR	AMOUNT PREVIOUS FISCAL YEAR
* Endorsements and Guarantees		
* Other Commitments Received	N/A	N/A

APPENDIX 3

STATUTORY AUDITORS' REPORTS

To the Shareholders of
Label'Vie S.A
Rabat

**STATUTORY AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS
PERIOD FROM JANUARY 1ST TO DECEMBER 31ST, 2017**

At the Annual General Meeting held June 29th, 2015, we were engaged to audit the attached financial statements of Label'Vie S.A. for the year ended December 31st, 2017 which comprise the accompanying Balance Sheet as of December 31st, the related Statement of Income, the Management Accounts, the Cash-flow Statement and the Additional Disclosures for the year.

These financial statements highlight an equity and quasi-equity of 1 664 675 118, 74 MAD including a net income of 176 589 133, 71 MAD.

The preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in Morocco are the responsibility of the company's management.

Our responsibility is to express an opinion on these statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Morocco and in compliance with legal and regulatory provisions.

In our opinion, the financial statements referred to above present fairly, in all material aspects, the financial position of Label'Vie S.A. as of December 31st, the result of its operations and its cash flows for the year ended in conformity with accounting principles generally accepted in Morocco.

Specific verifications and information

We have also carried out the specific additional audit procedures required by law and satisfied ourselves as to the fairness and consistency of the information provided in the Management Report of the Board of Directors with the company's financial statements.

Rabat, May 24th 2018

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The Statutory Auditors

Horwath Maroc Audit

Cabinet Ahmed Mseffer

Adib BENBRAHIM

Partner


HORWATH MAROC AUDIT
11, Rue Al Khataouat Appt.6,
Agdal - Rabat
Tel: 05 37 77 46 70 / 71
Fax: 05 37 77 46 76

A. Mseffer

Partner


Ahmed Mseffer
Expert-Commissaire aux Comptes
279, Boulevard Mohammed V
Tél: 0537 70 00 17/19 - Fax: 0537 72 50 10
IF: 1401867 - T.P.: 25150157
RC: 13216 - CNSS: 2917012
ICE: 00153548200000

To the Shareholders of
Label'Vie S.A
Rabat

Label'Vie S.A.

STATUTORY AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

PERIOD FROM JANUARY 1ST TO DECEMBER 31ST, 2017

We have audited the accompanying financial statements of Label'Vie S.A. and its subsidiaries, including the consolidated balance sheet as at December 31st, 2017, the consolidated income statement, the statement of changes in equity and the statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

These financial statements highlight a consolidated shareholders' equity of 1 708 735 477, 47 MAD including a consolidated net profit of 240 869 928, 58 MAD.

The preparation and fair presentation of these financial statements in accordance to the national accounting standards are the responsibility of the company's management.

Our responsibility is to express an opinion on these statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Morocco.

In our opinion, the consolidated financial statements referred to above present fairly, in all material aspects, the financial position of the group including the consolidated companies as of December 31st, its financial performance and its cash flows for the year then ended in accordance with the standards and accounting principles set out in the additional notes to the consolidated financial statements.

Without prejudice to the opinion expressed above, we draw your attention to the fact that the Label'Vie Group waived in 2017 the consolidation of Vecteur LV under full consolidation method since it does not exercise an effective control over that company.

Rabat, 24th May 2018


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The Statutory Auditors

Horwath Maroc Audit

Adib BENBRAHIM

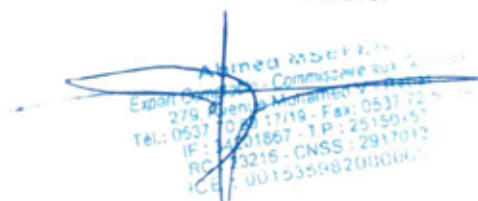
Partner


HORWATH MAROC AUDIT
11, Rue Al Khataouat Appt.6
Agdal, Rabat
Tél.: 05 37 71 46 70 / 71
Fax: 05 37 71 46 76

Cabinet Ahmed Mseffer

A. Mseffer

Partner


Ahmed Mseffer
Expert-Commissaire aux Comptes
279, Bd Mohammed V - Rabat
Tél.: 0537 72 17 19 - Fax: 0537 72 17 20
IF: 34201867 - T.P.: 25150157
RC: 33215 - CNSS: 2917012
ICE: 001535482000002

Label'
Vie





Angle AV Mehdi Ben Barka et Av Annakhil Espace les Lauriers- Hay Riad Rabat Maroc
contact@labelviema - Tél : + 212 537 569 595 (LG) - Fax : +212 537 569 573
www.labelvie.ma