

Mid year results 2017

Growth in sales volume and earnings

- Launch of the new Concept “Gourmet “
- Opening of 3 200 sq.m. of new sales area
- Increase of total revenues by +12%
- Increase of net income by +30%



The Board of Directors of Label’Vie SA has met, under the presidency of Mr. Zouhair BENNANI, on Saturday 23th September 2017, at the company’s headquarter and has proceeded to the closing of 2017 half year accounts.

Total revenues

3 934 MADm
+12%

EBITDA

392 MADm
+23%

Net income

102 MADm
+30%

Over H1-2017, Label’Vie Group achieved a **consolidated revenues of 3 934 MADm**, an increase of +12% compared to H1-2016.

This increase is driven by:

- The increase of sales of existing stores at the end of 2015 (constant perimeter) which recorded an +4,2% growth of their sales volume;
- The overall increase of activity of the stores opened in 2016 ;
- The additional sales generated by the new store opened during H1-2017.

The sales achieved in H1-2017 were however impacted by the conversion works of the following stores: Casablanca Vélodrome and Rabat Zaers, under the brand Carrefour Gourmet.

Thanks to the enrichment of the « product offerings », the strengthening of customer services, the complete overhaul of assets and the expansion of sales area, this conversion will enable a significant improvement in the Group’s various indicators during H 2-2017.

The **EBITDA** grew by +23 % compared to 2016, reaching 392 MADm.

On 30th June 2017, the ratio EBITDA to sales recorded an improvement of 1.2 points compared to the previous year, accounting to 11.4% of sales.

The Group’s Consolidated **Net Income** increased by 30%, reaching 102 MADm as of H1-2017.

Development and perspectives

Label’Vie Group intends to achieve its strategic objectives both in terms of operational performance and in new store openings.

The second half of the year will see the opening of 10 new stores.

The Executive Board
Communication Manager: Amine Bennis



Principles and rules of Consolidation

1- Accounting Standard

Label'Vie S.A Consolidated accounts are established according to the Moroccan Norms as prescribed by the Accounting National Council "Conseil National de Comptabilité).

2- Scope of Consolidation

Les comptes consolidés du groupe LABEL'VIE S.A englobent les entreprises suivantes:

- Hypermarché LV, S.A.S on which LABEL'VIE S.A exercises a control of 95%
- Vecteur LV, on which LABEL'VIE S.A exercises a control of 58%.
- Maxi LV, S.A.S, on which LABEL'VIE S.A exercises a control of 95%.
- Service - LV, on which LABEL'VIE S.A exercises a control of 100%

Scope of Consolidation of Label'Vie Group

COMPANY NAME	CONTROL RATE	INTEREST RATE	CONSOLIDATION METHOD
LABEL'VIE, S.A			PARENT COMPANY
HLV	95%	95%	FULL CONSOLIDATION
VECTEUR LV	58%	58%	FULL CONSOLIDATION (*)
MAXI LV S.A.S	95%	95%	FULL CONSOLIDATION
SERVICE - LV	100%	100%	FULL CONSOLIDATION

(*) Consolidating entity

3- Consolidating entity

The companies controlled by Label'Vie Group are fully consolidated. Label'Vie controls a subsidiary when it can manage the financial and operational policies of an entity in order to benefit from its activities. The control exists when Label'Vie S.A holds, directly or indirectly, more than half of voting rights of the subsidiary.

The four companies, HLV, Vecteur LV, Maxi LV and Service LV are fully integrated.

4- Back-to-Back operations

Back-to-back accounts resulting from intercompany transactions are canceled.

5- Principal accounting policies

- Goodwill: Goodwill corresponds to the difference between the cost of acquisition and evaluation of assets and liabilities of the acquired companies, and is reported under «Goodwill» .
- Intangible assets: they consist primarily of other deferred charges, Goodwill, software and licenses recognized at the acquisition cost. Software and other deferred charges are amortized over a period of 5 years.
- Tangible assets: They are stated at acquisition cost. Depreciation is calculated using the straight-line method uses standard durations in Morocco. Thus, buildings are depreciated over 20 years; technical equipment, machinery and tooling over 10 years; computer hardware over 5 years; and office equipment and furniture, fixtures and various furnishings over 10 years.
- Financial assets: They are primarily comprised of security deposits for over a year recorded at acquisition value.
- Debts in foreign currency: They are recognized at the exchange rate appearing on the date of entry, at the year end, exchange differences are recognized under unrealized translation adjustments. The provision for adverse deviation is taken into account in the income statement.

6- Earnings per share

Earnings per share are calculated by dividing consolidated net income by the number of shares outstanding at year-end.



Consolidated Accounts

For the Half year ended June 30, 2017

BALANCE SHEET - ASSETS (Normal Model)				
	GROSS	AMORT. - PROV.	NET	PREVIOUS YEAR
NON-MONETARY INTANGIBLE ASSETS (A)				
. PRELIMINARY CHARGES				
. DEFERRED CHARGES OVER SEVERAL YEARS				
. REDEMPTION PREMIUMS OF CONVERTIBLE BONDS				
INTANGIBLE ASSETS (B)	1 603 581 684,68	613 048 668,04	990 533 016,64	966 777 440,92
. INTANGIBLE ASSETS	1 025 073 206,47	577 444 977,79	447 628 228,68	425 480 083,53
. PATENTS, TRADEMARKS AND SIMILAR RIGHTS AND VALUES	59 690 154,22	35 603 690,25	24 086 463,97	22 479 033,40
. GOODWILL	201 377 170,45		201 377 170,45	201 377 170,45
. OTHER INTANGIBLE ASSETS	317 441 153,54		317 441 153,54	
FIXED ASSETS (C)	6 351 769 424,93	1 591 261 162,66	4 760 508 262,27	4 632 180 906,87
. LANDS	2 142 374 880,23		2 142 374 880,23	2 142 374 880,23
. CONSTRUCTIONS	2 081 015 103,31	689 525 447,65	1 391 489 655,66	1 393 379 779,59
. TECHNICAL INSTALLATIONS, MATERIALS AND TOOLS	789 244 986,81	458 019 530,65	331 225 456,16	340 558 114,38
. TRANSPORTATION EQUIPMENT	1 855 178,74	1 245 292,28	609 886,46	266 530,85
. FURNITURE, OFFICE EQUIPMENT AND DIFFERENT FITTINGS	796 431 295,35	442 470 892,08	353 960 403,27	317 881 076,29
. OTHER FIXED ASSETS				
. ONGOING FIXED ASSETS	540 847 980,49		540 847 980,49	437 720 525,53
FINANCIAL ASSETS (D)	140 813 849,54		140 813 849,54	139 748 826,35
. FIXED LOANS				
. OTHER FINANCIAL RECEIVABLES	38 794 487,42		38 794 487,42	42 286 775,70
. EQUITY SECURITIES	102 019 362,12		102 019 362,12	97 462 050,65
. OTHER FIXED SECURITIES				
CURRENCY TRANSLATION - ASSETS (E)				
. DECREASE IN FIXED RECEIVABLES				
. INCREASE IN FINANCIAL DEBTS				
TOTAL I = (A+B+C+D+E)	8 096 164 959,15	2 204 309 830,70	5 891 855 128,45	5 738 707 174,14
STOCKS (F)	1 263 236 118,48	15 099 712,69	1 248 136 405,79	1 208 784 337,19
. GOODS	1 200 502 471,98	15 099 712,69	1 185 402 759,29	1 148 374 245,03
. MATERIALS AND SUPPLIES, CONSUMABLES	15 442 735,09		15 442 735,09	13 119 180,75
. ONGOING PRODUCTS	47 290 911,41		47 290 911,41	47 290 911,41
. FINISHED PRODUCTS				
OPERATING RECEIVABLES (G)	1 850 019 853,61	76 421 219,94	1 773 598 633,67	1 713 970 708,37
. TRADE RECEIVABLES, DEPOSITS AND DOWN-PAYMENTS	89 254 408,60	4 137 500,80	85 116 907,80	102 509 502,17
. SUPPLIERS AND RELATED ACCOUNTS	1 060 567 481,92	71 116 249,14	989 451 232,78	969 183 808,85
. STAFF	9 073 066,94		9 073 066,94	9 046 103,56
. STATE	581 604 395,13		581 604 395,13	565 324 437,22
. ASSOCIATES ACCOUNTS				
. OTHER RECEIVABLES	32 339 793,62	1 167 470,00	31 172 323,62	27 970 057,27
. PREPAYMENT AND ACCRUED INCOME	77 180 707,40		77 180 707,40	39 936 799,30
CASH AND INVESTMENT SECURITIES (H)	340 100 409,36		340 100 409,36	487 460 329,66
CURRENCY TRANSLATION - ASSETS (I)	18,96		18,96	421 887,60
TOTAL II = (F+G+H+I)	3 453 356 400,41	91 520 932,63	3 361 835 467,78	3 410 637 262,82
CASH ASSET POSITION				
. CHECKS AND CASH VALUES	1 971 693,10		1 971 693,10	37 371 518,51
. BANKS, TG and CP	291 426 543,28		291 426 543,28	138 628 940,28
. IMPREST AND FLOW-THROUGH-FUND	12 577 752,13		12 577 752,13	11 518 695,01
TOTAL III	305 975 988,51		305 975 988,51	187 519 153,80
OVERALL TOTAL I+II+III	11 855 497 348,08	2 295 830 763,33	9 559 666 584,75	9 338 863 590,77

INCOME STATEMENT (Excluding Tax)					
	OPERATIONS		TOTAL YEAR (1+2)	2016 PRO FORMA	PREVIOUS YEAR
	YEAR (1)	YEAR. PREV (2)			
. OPERATING REVENUES					
. SALES OF GOODS (AS IT IS)	3 445 230 732,21		3 445 230 732,21	3 134 324 518,62	3 134 294 866,64
. SALES OF GOODS AND SERVICES PRODUCED	488 727 000,00		488 727 000,00	398 100 377,78	335 431 125,48
CONSOLIDATED TURNOVER	3 933 957 732,21		3 933 957 732,21	3 532 424 896,41	3 469 725 992,13
. CHANGE IN INVENTORY (+ -)					
. TANGIBLE ASSETS PRODUCED BY THE GROUP					
. OPERATING SUBSIDY					
. OTHER OPERATING REVENUES					
. REVERSALS; TRANSFER OF EXPENSES	53 868 899,01		53 868 899,01	75 110 890,30	68 152 412,03
TOTAL I	3 987 826 631,22		3 987 826 631,22	3 607 535 786,71	3 537 878 404,16
OPERATING EXPENSES					
. PURCHASED SERVICE RESOLD	3 066 602 621,49		3 066 602 621,49	2 791 605 506,62	2 791 569 516,62
. CONSUMED PURCHASES OF MATERIALS AND SUPPLIES	66 537 305,94	-278 016,71	66 259 289,23	74 094 596,26	72 248 120,11
. OTHER EXTERNAL EXPENSES	222 725 786,33		222 725 786,33	183 019 236,07	179 262 446,61
. TAXES	33 458 314,39		33 458 314,39	33 274 690,05	26 379 400,07
. STAFF EXPENSES	205 106 331,07	103 786,50	205 210 117,57	196 899 303,83	196 452 632,89
. OTHER OPERATING EXPENSES				0,00	0,00
. OPERATING ALLOCATIONS	184 442 704,54		184 442 704,54	145 262 947,46	118 984 589,68
TOTAL II	3 778 873 063,76	-174 230,21	3 778 698 833,55	3 424 156 280,30	3 384 896 705,99
OPERATING INCOME (I-II) III	208 953 567,46	174 230,21	209 127 797,67	183 379 506,41	152 981 698,17
FINANCIAL INCOME					
. INCOME FROM EQUITY SECURITIES AND FIXED SECURITIES	1 858 890,00		1 858 890,00	7 026,70	7 026,70
. EXCHANGE GAINS	472 464,53		472 464,53	303 502,15	114 526,33
. INTEREST AND OTHER FINANCIAL REVENUE	31 884 743,97		31 884 743,97	27 934 659,44	23 858 829,09
. FINANCIAL REVERSALS; TRANSFER OF EXPENSES	6 248 807,04		6 248 807,04	8 417 051,03	8 417 051,03
TOTAL IV	40 464 905,54		40 464 905,54	36 662 239,32	32 397 433,15
FINANCIAL EXPENSES					
. INTEREST CHARGES	95 320 777,07		95 320 777,07	83 014 456,23	66 306 738,17
. EXCHANGE LOSSES	126 746,86		126 746,86	336 340,08	-321 559,92
. OTHER FINANCIAL EXPENSES	105 604,51		105 604,51	8 057 292,19	8 057 292,19
. FINANCIAL ALLOCATIONS					
TOTAL V	95 553 128,44		95 553 128,44	91 408 088,50	74 042 470,44
FINANCIAL INCOME (IV-V) VI	-55 088 222,90		-55 088 222,90	-54 745 849,18	-41 645 037,29
RECURRING OPERATING INCOME (III+VI) VII	153 865 344,56	174 230,21	154 039 574,77	128 633 657,23	111 336 660,88
NON RECURRING REVENUES					
. PROCEEDS OF SALES OF FIXED ASSETS	1 660 897,71		1 660 897,71	2 231 291,32	2 231 291,32
. OPERATING SUBSIDY				0,00	0,00
. REVERSALS ON INVESTMENT SUBSIDY				0,00	0,00
. OTHER NON-RECURRING REVENUES	834 713,50	36 127,54	870 841,04	2 928 086,05	2 705 545,71
. OTHER NON-RECURRING REVERSALS; TRANSFER OF EXPENSES					
TOTAL VIII	2 495 611,21	36 127,54	2 531 738,75	5 159 377,37	4 936 837,03
NON RECURRING EXPENSES					
. NET VALUE OF SOLD FIXED ASSET PREPAYMENT				2 045 765,10	2 045 765,10
. SUBSIDY GRANTED				0,00	0,00
. OTHER NON-RECURRING EXPENSES	660 166,02	1 637 233,29	2 297 399,31	6 420 798,77	2 512 835,92
. NON-CURRENT ALLOCATIONS TO REPAYMENT AND PROVISIONS	1 063 493,91		1 063 493,91	325 322,34	7 178,19
TOTAL IX	1 723 659,93	1 637 233,29	3 360 893,22	8 791 886,21	4 565 779,21
NON-RECURRING INCOME (VIII-IX) X			-829 154,47	-3 632 508,84	371 057,82
INCOME BEFORE TAXES (VII+X) XI			153 210 420,30	125 001 148,39	111 707 718,70
INCOME TAXES (XII)			51 350 596,83	46 871 964,05	41 452 206,99
NET INCOME (XI-XII)			101 859 823,47	78 129 184,34	70 255 511,71
TOTAL REVENUES (I+IV+VIII)			4 030 823 275,51	3 649 357 403,39	3 575 212 674,34
TOTAL EXPENSES (II+V+IX+XII)			3 928 963 452,04	3 571 228 219,06	3 504 957 162,63
NET INCOME GROUP SHARE			89 818 929,78	67 051 888,19	65 388 410,27
MINORITY NET INCOME			12 040 893,69	11 077 296,15	4 867 101,44

BALANCE SHEET - LIABILITIES (Normal Model)		
	EXERCISE	PREVIOUS YEAR
STOCKHOLDERS EQUITY (A)		
. SOCIAL OR PERSONAL CAPITAL (1)	254 527 700,00	254 527 700,00
. LESS: SHAREHOLDERS UNCALLED SUBSCRIBED CAPITAL		
. CALLED CAPITAL OF WHICH WAS TRANSFERRED...		
. ISSUE/MERGER AND TRANSFER PREMIUMS	783 417 514,19	783 417 514,19
. GOODWILL	59 813 722,28	59 813 722,28
. LEGAL RESERVE	25 452 770,00	24 155 158,94
. OTHER RESERVE (CONSOLIDATED RESERVES)	-16 416 471,12	6 651 339,82
. RETAINED EARNINGS (2)	91 397 674,84	44 566 194,75
. NET INCOME PENDING ALLOCATION (2)		
. CONSOLIDATED NET INCOME	101 859 823,47	164 576 709,10
TOTAL STOCKHOLDERS EQUITY (A)	1 300 052 733,66	1 337 708 339,08
MINORITY INTERESTS (B)	1 096 770 090,78	1 009 155 970,77
. MINORITY INTERESTS	1 096 770 090,78	1 009 155 970,77
FINANCING LIABILITIES (C)	2 885 436 114,59	2 867 063 484,20
. BOND ISSUES	1 650 000 000,00	1 766 600 000,00
. OTHER FINANCING LIABILITIES	1 235 436 114,59	1 100 463 484,20
FINANCING LIABILITIES (D)	11 747 704,04	11 109 918,99
. PROVISIONS OF LIABILITIES	11 747 704,04	11 109 918,99
. PROVISIONS OF CHARGES		
CURRENCY TRANSLATION - LIABILITIES (E)		
. INCREASE IN FIXED RECEIVABLES		
. DECREASE OF FINANCING LIABILITIES		
TOTAL I = (A+B+C+D+E)	5 294 006 643,07	5 225 037 713,04
CURRENT LIABILITIES DEBTS (F)	3 851 698 727,87	3 905 881 611,72
. TRADE RECEIVABLES AND RELATED ACCOUNTS	2 643 934 879,85	2 887 946 830,71
. CUSTOMER PAYABLES, ADVANCES AND DOWN-PAYMENTS	31 774 273,77	28 481 083,68
. STAFF	6 467 700,17	8 081 957,41
. SOCIAL BODIES	16 673 306,67	15 312 806,46
. STATE	746 870 133,73	715 530 023,85
. ASSOCIATES ACCOUNTS	275 693 763,29	137 579 312,23
. OTHER ASSETS	16 748 560,51	12 269 842,74
. ACCRUALS AND DEFERRED INCOME	113 536 109,87	100 679 754,64
OTHER PROVISIONS FOR LIABILITIES AND CHARGES (G)	13 887 690,07	14 515 430,35
CURRENCY TRANSLATION - LIABILITIES (H)	73 523,74	1 428 835,66
TOTAL II = (F+G+H)	3 865 659 941,68	3 921 825 877,73
LIABILITIES CASH FLOW		
. DISCOUNT CREDIT		
. CASH LOANS	400 000 000,00	190 000 000,00
. BANKS (CREDIT BALANCES)		
TOTAL III	400 000 000,00	190 000 000,00
OVERALL TOTAL I+II+III	9 559 666 584,75	9 338 863 590,77

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Morocco

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Morocco

Label'Vie S.A.

STATUTORY AUDITOR'S REPORT ON THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
PERIOD FROM JANUARY 1st TO JUNE 30th, 2017

As statutory auditors of Label'Vie SA, we have conducted a limited review of the consolidated interim financial statements for the period from January 1st to June 30th, 2017 - as appended to this report- which includes the balance-sheet and the statement of income. These consolidated interim financial statements, which shows a total equity of 2 396 822 824,44 MAD including a consolidated net profit of de 101 859 823,47 MAD, are the responsibility of the company's management. Our responsibility is to express a conclusion on these consolidated interim financial statements based on our limited review.

We have conducted our limited review in accordance with the professional standards applicable in Morocco. A limited review consists mainly in making inquiries of members of management responsible for accounting and financial matters and applying analytical procedures. It is less in scope than an audit conducted in accordance with generally accepted audit standards in Morocco. Accordingly, a limited review provides a moderate assurance that the consolidated interim financial statements as a whole are free of material misstatement and a lesser assurance than would result from an audit.

Based on our limited review, we have identified no material irregularities that would indicate that the enclosed consolidated interim financial statements are inconsistent with the generally accepted accounting principles in Morocco.

Rabat, September 25th, 2017

Free translation from the original French version

The Statutory Auditors

Horwath Maroc Audit

Aadib BENBRAHIM

Cabinet Ahmed Mseffer

A. Mseffer



BALANCE SHEET - ASSETS (Normal Model)				
	GROSS	AMORT. - PROV.	NET	PREVIOUS YEAR
NON-MONETARY INTANGIBLE ASSETS (A)	621 400 959,20	350 681 990,17	270 718 969,03	235 462 017,67
. PRELIMINARY CHARGES	1 365 352,84	1 355 482,82	9 870,02	13 160,00
. DEFERRED CHARGES OVER SEVERAL YEARS	620 035 606,36	349 326 507,35	270 709 099,01	235 448 857,67
. REDEMPTION PREMIUMS OF CONVERTIBLE BONDS				
INTANGIBLE ASSETS (B)	203 031 927,87	29 431 516,94	173 600 410,93	171 804 386,36
. R&D ASSETS				
. PATENTS, TRADEMARKS AND SIMILAR RIGHTS AND VALUES	50 459 174,11	29 431 516,94	21 027 657,17	19 231 632,60
. GOODWILL	152 572 753,76		152 572 753,76	152 572 753,76
. OTHER INTANGIBLE ASSETS				
FIXED ASSETS (C)	1 531 863 140,76	373 030 566,47	1 158 832 574,29	1 024 275 095,89
. LANDS	177 821 676,80		177 821 676,80	177 821 676,80
. CONSTRUCTIONS	409 657 108,23	77 032 876,95	332 624 231,28	305 899 731,52
. TECHNICAL INSTALLATIONS, MATERIALS AND TOOLS	332 920 385,71	171 339 352,18	161 581 033,53	159 091 263,75
. TRANSPORTATION EQUIPMENT	1 636 684,06	1 067 130,21	569 553,85	225 408,47
. FURNITURE, OFFICE EQUIPMENT AND DIFFERENT FITTINGS	280 202 738,67	123 591 207,13	156 611 531,54	119 864 249,14
. OTHER FIXED ASSETS				
. ONGOING FIXED ASSETS	329 624 547,29		329 624 547,29	261 372 766,21
FINANCIAL ASSETS (D)	1 634 309 050,58		1 634 309 050,58	1 629 728 489,11
. FIXED LOANS				
. OTHER FINANCIAL RECEIVABLES	16 714 688,46		16 714 688,46	16 651 438,46
. EQUITY SECURITIES	1 617 594 362,12		1 617 594 362,12	1 613 077 050,65
. OTHER FIXED SECURITIES				
CURRENCY TRANSLATION - ASSETS (E)				
. DECREASE IN FIXED RECEIVABLES				
. INCREASE IN FINANCIAL DEBTS				
TOTAL I = (A+B+C+D+E)	3 990 605 078,41	753 144 073,58	3 237 461 004,83	3 061 269 989,03
STOCKS (F)	547 082 712,90	500 000,00	546 582 712,90	532 459 374,93
. GOODS	533 451 045,34	500 000,00	532 951 045,34	520 631 835,35
. MATERIALS AND SUPPLIES, CONSUMABLES	13 631 667,56		13 631 667,56	11 827 539,58
. ONGOING PRODUCTS				
. FINISHED PRODUCTS				
OPERATING RECEIVABLES (G)	1 542 735 292,37	194 663,41	1 542 540 628,96	1 415 085 807,43
. TRADE RECEIVABLES, DEPOSITS AND DOWN-PAYMENTS	34 304 506,65		34 304 506,65	29 516 964,77
. SUPPLIERS AND RELATED ACCOUNTS	1 208 021 200,23	194 663,41	1 207 826 536,82	1 110 898 787,96
. STAFF	7 238 582,59		7 238 582,59	7 624 173,77
. STATE	238 123 164,80		238 123 164,80	220 435 065,58
. ASSOCIATES ACCOUNTS	0,00		0,00	0,00
. OTHER RECEIVABLES	23 661 072,52		23 661 072,52	23 261 727,68
. PREPAYMENT AND ACCRUED INCOME	31 386 765,58		31 386 765,58	23 349 087,67
CASH AND INVESTMENT SECURITIES (H)	10 887 895,87		10 887 895,87	10 887 895,87
CURRENCY TRANSLATION - ASSETS (I)				421 483,94
TOTAL II = (F+G+H+I)	2 100 705 901,14	694 663,41	2 100 011 237,73	1 958 854 562,17
CASH ASSET POSITION				
. CHECKS AND CASH VALUES				23 619 018,28
. BANKS, TG and CP	421 027 638,31		421 027 638,31	420 624 871,26
. IMPREST AND FLOW-THROUGH-FUND	5 888 260,01		5 888 260,01	5 441 774,42
TOTAL III	426 915 898,32		426 915 898,32	449 685 663,96
OVERALL TOTAL I+II+III	6 518 226 877,87	753 838 736,99	5 764 388 140,88	5 469 810 215,16

BALANCE SHEET - LIABILITIES (Normal Model)			
	EXERCISE	PREVIOUS YEAR	
STOCKHOLDERS EQUITY (A)			
. SOCIAL OR PERSONAL CAPITAL (1)	254 527 700,00	254 527 700,00	
. LESS: SHAREHOLDERS UNCALLED SUBSCRIBED CAPITAL			
. CALLED CAPITAL OF WHICH WAS TRANSFERRED...			
. ISSUE/MERGER AND TRANSFER PREMIUMS	783 417 514,19	783 417 514,19	
. GOODWILL			
. LEGAL RESERVE	25 452 770,00	24 155 158,94	
. OTHER RESERVE (CONSOLIDATED RESERVES)			
. RETAINED EARNINGS (2)	28 213 250,84	44 486 410,02	
. NET INCOME PENDING ALLOCATION (2)			
. CONSOLIDATED NET INCOME	116 461 192,42	65 024 451,88	
TOTAL STOCKHOLDERS EQUITY (A)	1 208 072 427,45	1 171 611 235,03	
FINANCING LIABILITIES (B)			
. BOND ISSUES			
. OTHER FINANCING LIABILITIES			
FINANCING LIABILITIES (C)	1 781 969 172,38	1 782 841 564,28	
. PROVISIONS OF LIABILITIES	1 500 000 000,00	1 616 600 000,00	
. PROVISIONS OF CHARGES	281 969 172,38	166 241 564,28	
CURRENCY TRANSLATION - LIABILITIES (D)	898 644,57		
. INCREASE IN FIXED RECEIVABLES	898 644,57		
. DECREASE OF FINANCING LIABILITIES			
TOTAL I (A + B + C + D + E)	2 990 940 244,40	2 954 452 799,31	
CURRENT LIABILITIES DEBTS (E)	2 366 928 977,11	2 317 333 412,38	
. TRADE RECEIVABLES AND RELATED ACCOUNTS	1 448 909 545,35	1 494 114 550,35	
. CUSTOMER PAYABLES, ADVANCES AND DOWN-PAYMENTS	3 686 669,95	2 492 266,38	
. STAFF	402 178,49	665 344,74	
. SOCIAL BODIES	11 941 634,26	9 438 213,19	
. STATE	185 336 381,90	160 076 977,39	
. ASSOCIATES ACCOUNTS	80 103 297,34	107 596,34	
. OTHER ASSETS	589 858 010,81	630 666 232,51	
. ACCRUALS AND DEFERRED INCOME	46 691 259,01	19 772 231,48	
OTHER PROVISIONS FOR LIABILITIES AND CHARGES (F)	6 445 395,63	7 072 751,21	
CURRENCY TRANSLATION - LIABILITIES (G)	73 523,74	951 252,26	
TOTAL II = (E+F+G)	2 373 447 896,48	2 325 357 415,85	
LIABILITIES CASH FLOW			
. DISCOUNT CREDIT			
. CASH LOANS	400 000 000,00	190 000 000,00	
. BANKS (CREDIT BALANCES)			
TOTAL III	400 000 000,00	190 000 000,00	
OVERALL TOTAL I+II+III	5 764 388 140,88	5 469 810 215,16	

INCOME STATEMENT (Excluding Tax)				
	OPERATIONS		TOTAL YEAR (1+2)	PREVIOUS YEAR
	YEAR (1)	YEAR.PREV (2)		
. OPERATING REVENUES				
. SALES OF GOODS (AS IT IS)	1 492 472 383,61		1 492 472 383,61	1 426 309 590,86
. SALES OF GOODS AND SERVICES PRODUCED	240 815 196,79		240 815 196,79	215 523 184,94
CONSOLIDATED TURNOVER	1 733 287 580,40		1 733 287 580,40	1 641 832 775,80
. CHANGE IN INVENTORY (+ -)				
. TANGIBLE ASSETS PRODUCED BY THE GROUP				
. OPERATING SUBSIDY				
. OTHER OPERATING REVENUES				
. REVERSALS; TRANSFER OF EXPENSES	45 961 724,82		45 961 724,82	61 846 873,45
TOTAL I	1 779 249 305,22		1 779 249 305,22	1 703 679 649,25
OPERATING EXPENSES				
. PURCHASED SERVICE RESOLD	1 275 592 613,17		1 275 592 613,17	1 238 811 532,24
. CONSUMED PURCHASES OF MATERIALS AND SUPPLIES	48 328 334,62		48 328 334,62	42 802 787,53
. OTHER EXTERNAL EXPENSES	130 901 648,23	3 179,08	130 904 827,31	105 368 529,49
. TAXES	10 681 777,52	8 338,62	10 690 116,14	10 077 350,99
. STAFF EXPENSES	116 181 461,64		116 181 461,64	126 294 249,57
. OTHER OPERATING EXPENSES				
. OPERATING ALLOCATIONS	73 070 713,85		73 070 713,85	59 785 061,62
TOTAL II	1 654 756 549,03	11 517,70	1 654 768 066,73	1 583 139 511,44
OPERATING INCOME (I-II) III	124 492 756,19	-11 517,70	124 481 238,49	120 540 137,81
FINANCIAL INCOME				
. INCOME FROM EQUITY SECURITIES AND FIXED SECURITIES	65 043 314,00		65 043 314,00	7 026,70
. EXCHANGE GAINS	328 407,91		328 407,91	111 978,51
. INTEREST AND OTHER FINANCIAL REVENUE	17 907 097,16		17 907 097,16	26 357 774,56
. FINANCIAL REVERSALS; TRANSFER OF EXPENSES	4 601 139,69		4 601 139,69	4 732 236,42
TOTAL IV	87 879 958,76		87 879 958,76	31 209 016,19
FINANCIAL EXPENSES				
. INTEREST CHARGES	72 692 115,58	86 279,47	72 778 395,05	69 395 019,25
. EXCHANGE LOSSES	58 124,15		58 124,15	238 614,71
. OTHER FINANCIAL EXPENSES	105 604,51		105 604,51	8 057 292,19
. FINANCIAL ALLOCATIONS				
TOTAL V	72 855 844,24	86 279,47	72 942 123,71	77 691 126,15
FINANCIAL INCOME (IV-V) VI	15 024 114,52	-86 279,47	14 937 835,05	-46 482 109,96
RECURRING OPERATING INCOME (III+VI) VII	139 516 870,71	-97 797,17	139 419 073,54	74 058 027,85
NON RECURRING REVENUES				
. PROCEEDS OF SALES OF FIXED ASSETS	1 660 897,71		1 660 897,71	150 000,00
. OPERATING SUBSIDY				
. REVERSALS ON INVESTMENT SUBSIDY				
. OTHER NON-RECURRING REVENUES	271 794,98		271 794,98	2 492 033,25
. OTHER NON-RECURRING REVERSALS; TRANSFER OF EXPENSES				
TOTAL VIII	1 932 692,69		1 932 692,69	2 642 033,25
NON RECURRING EXPENSES				
. NET VALUE OF SOLD FIXED ASSET PREPAYMENT				
. SUBSIDY GRANTED				
. OTHER NON-RECURRING EXPENSES	54 929,24		54 929,24	2 206 842,60
. NON-CURRENT ALLOCATIONS TO REPAYMENT AND PROVISIONS	898 644,57		898 644,57	
TOTAL IX	953 573,81		953 573,81	2 206 842,60
NON-RECURRING INCOME (VIII-IX) X			979 118,88	435 190,65
INCOME BEFORE TAXES (VII+X) XI			140 398 192,42	74 483 218,50
INCOME TAXES (XII)			23 937 000,00	21 930 266,00
NET INCOME (XI-XII)			116 461 192,42	52 562 952,50
TOTAL REVENUES (I+IV+VIII)			1 869 061 956,67	1 737 530 698,69
TOTAL EXPENSES (II+V+IX+XIII)			1 752 600 764,25	1 684 967 746,19
NET INCOME (TOTAL REVENUES - TOTAL EXPENSES)			116 461 192,42	52 562 952,50

BALANCE SHEET - LIABILITIES (Normal Model)			
	EXERCISE	PREVIOUS YEAR	
STOCKHOLDERS EQUITY (A)			
. SOCIAL OR PERSONAL CAPITAL (1)	254 527 700,00	254 527 700,00	
. LESS: SHAREHOLDERS UNCALLED SUBSCRIBED CAPITAL			
. CALLED CAPITAL OF WHICH WAS TRANSFERRED...			
. ISSUE/MERGER AND TRANSFER PREMIUMS	783 417 514,19	783 417 514,19	
. GOODWILL			
. LEGAL RESERVE	25 452 770,00	24 155 158,94	
. OTHER RESERVE (CONSOLIDATED RESERVES)			
. RETAINED EARNINGS (2)	28 213 250,84	44 486 410,02	
. NET INCOME PENDING ALLOCATION (2)			
. CONSOLIDATED NET INCOME	116 461 192,42	65 024 451,88	
TOTAL STOCKHOLDERS EQUITY (A)	1 208 072 427,45	1 171 611 235,03	
FINANCING LIABILITIES (B)			
. BOND ISSUES			
. OTHER FINANCING LIABILITIES			
FINANCING LIABILITIES (C)	1 781 969 172,38	1 782 841 564,28	
. PROVISIONS OF LIABILITIES	1 500 000 000,00	1 616 600 000,00	
. PROVISIONS OF CHARGES	281 969 172,38	166 241 564,28	
CURRENCY TRANSLATION - LIABILITIES (D)	898 644,57		
. INCREASE IN FIXED RECEIVABLES	898 644,57		
. DECREASE OF FINANCING LIABILITIES			
TOTAL I (A + B + C + D + E)	2 990 940 244,40	2 954 452 799,31	
CURRENT LIABILITIES DEBTS (E)	2 366 928 977,11	2 317 333 412,38	
. TRADE RECEIVABLES AND RELATED ACCOUNTS	1 448 909 545,35	1 494 114 550,35	
. CUSTOMER PAYABLES, ADVANCES AND DOWN-PAYMENTS	3 686 669,95	2 492 266,38	
. STAFF	402 178,49	665 344,74	
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Label'Vie S.A.

**STATUTORY AUDITOR'S REPORT ON THE INTERIM FINANCIAL STATEMENTS
PERIOD FROM JANUARY 1ST TO JUNE 30TH, 2017**

As statutory auditors of Label'Vie SA, we have conducted a limited review of the company accounts for the period from January 1st to June 30th, 2017 - as appended to this report- which includes the balance sheet and the statement of income. These interim financial statements, which shows a total equity of 1 208 072 427,45 MAD including a net profit of 116 461 192,42 MAD, are the responsibility of the company's management. Our responsibility is to express a conclusion on these financial statements based on the basis of our limited review.

We have conducted our limited review in accordance with the professional standards applicable in Morocco. A limited review consists mainly in making inquiries of members of management responsible for accounting and financial matters and applying analytical procedures. It is less in scope than an audit conducted in accordance with generally accepted audit standards in Morocco. Accordingly, a limited review provides a moderate assurance that the interim financial statements as a whole are free of material misstatement and a lesser assurance than would result from an audit.

Based on our limited review, we have identified no material irregularities that would indicate that the enclosed interim financial statements are inconsistent with the generally accepted accounting principles in Morocco.

Rabat, September 25th, 2017

Free translation from the original French version

The Statutory Auditors

Horwath Maroc Audit


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Agdal - Rabat
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A. Mseffer