



Developments Real estate & Construction market Morocco

INDEX

I Morocco: At the crossroad of continents

II Moroccan construction & real estate market

III Outlook 2014 - 2020

IV Company profile MagDev

I Morocco: At the crossroad of continents

- ✓ A strategic geographical location
- ✓ Strong macro-economic drivers
- ✓ Political stability favourable to investment

II Moroccan construction & real estate market

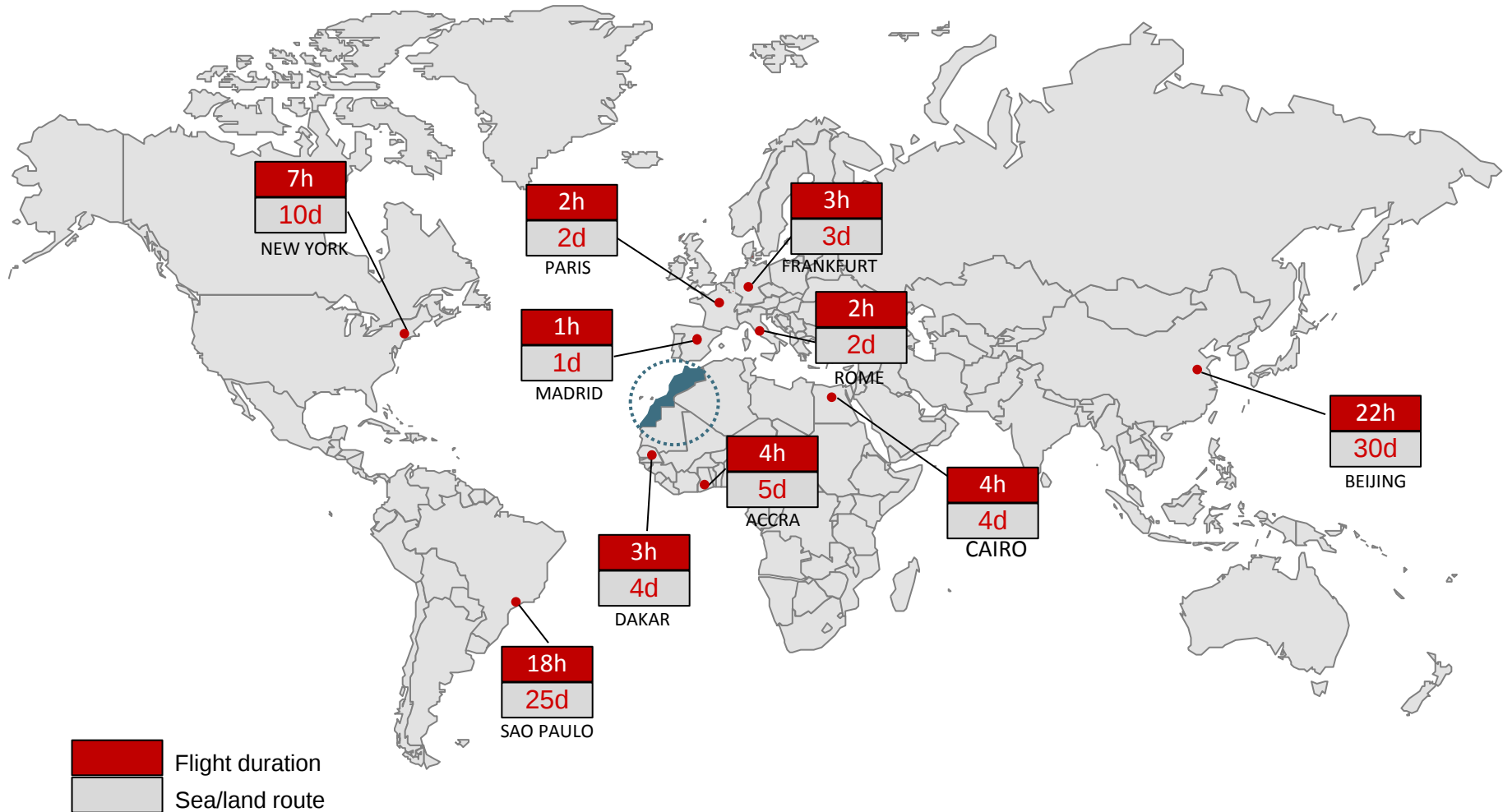
III Outlook 2014 - 2020

IV Company profile MagDev



MAGDEV

Morocco: A strategic geographical location



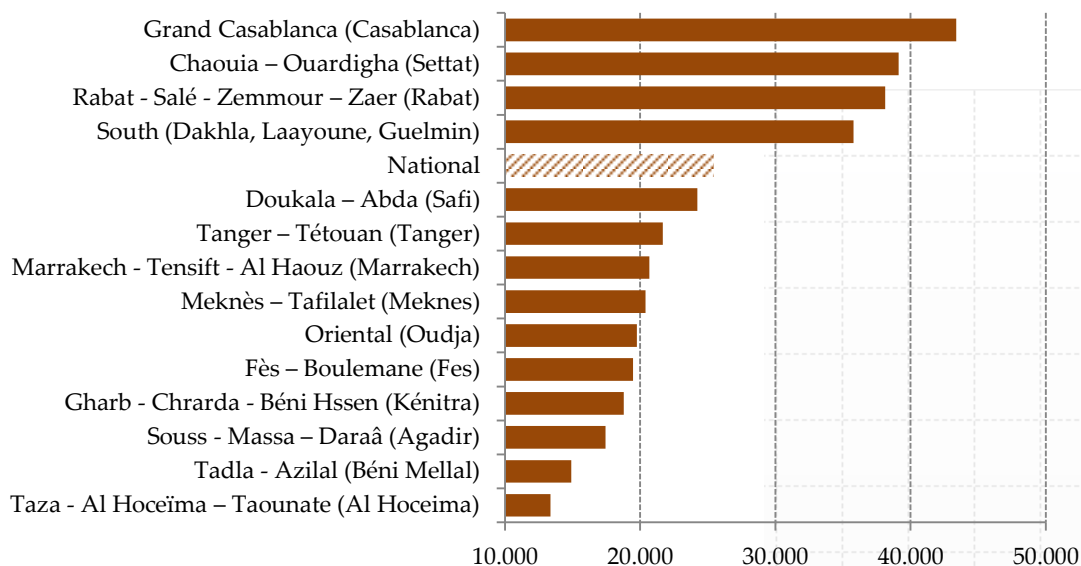


Capital	Rabat
Population	33.2 million people (2013)
Institutional System	Democratic and social Constitutional Monarchy
Area	710 850 km ²
Climate	Mediterranean
Time Zone	GMT (GMT+1 in summer)
Languages	Arabic (official), French, Spanish, English

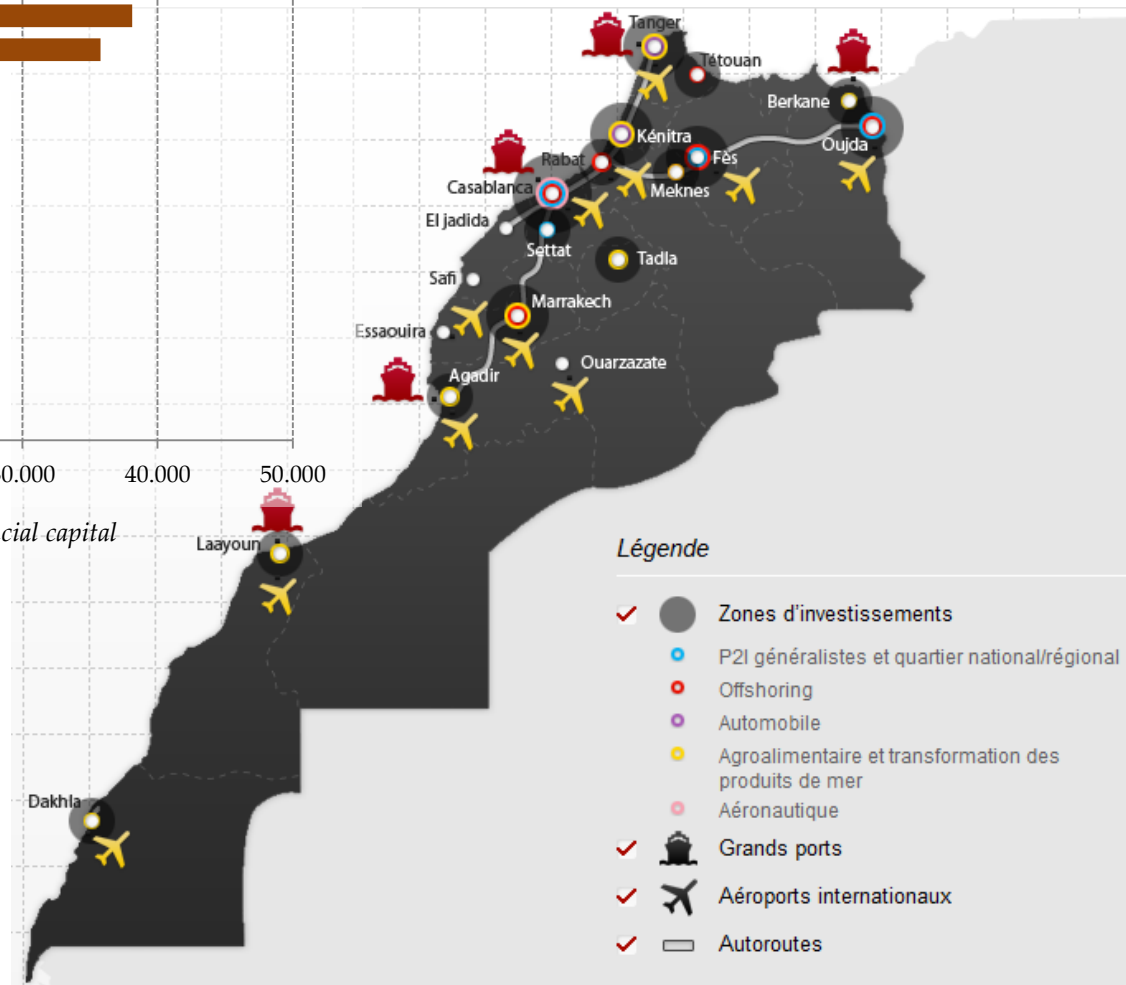
GDP	828.2 Billion DH (2012) 75.3 Billion euro	
GDP per capita	25 406 DH (2012) 2 310 euro	
Average growth	4.5% (over the last 10 years)	
GDP Distribution (2011)	Primary Sector	15.5%
	Secondary Sector	30.2%
	Tertiary Sector	54.3%
Inflation Rate	1.9% (2013)	

Large regional differences

GDP per capita by region, 2012 (dirham)

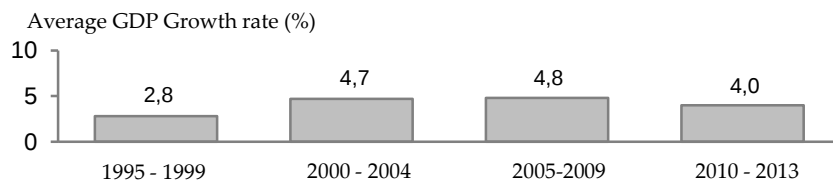


Note: between (...) provincial capital
Source: HCP

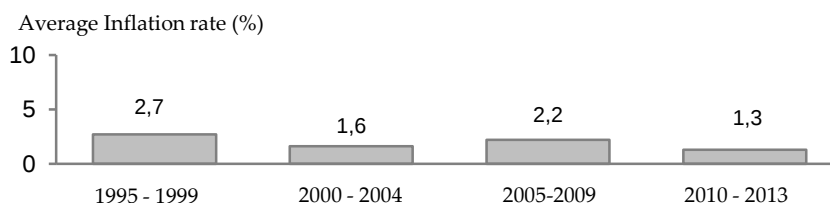


Strong macro-economic drivers

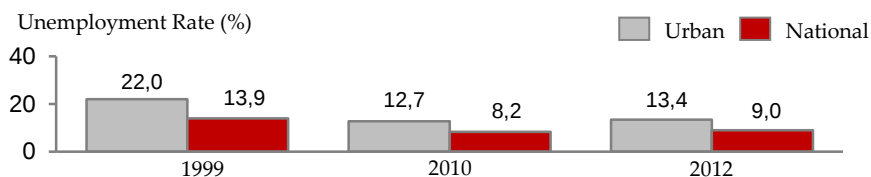
Sustained GDP growth



Controlled inflation



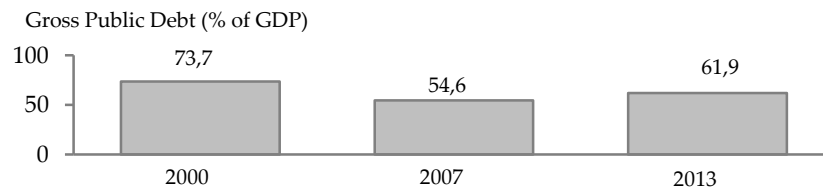
Relatively low unemployment



Rising FDI



Control of Public Debt



A stable political environment

- A monarchy established in the year 788 (12 centuries ago)
- A bicameral parliamentary system
- Both chambers vote on all laws
- The Constitutional Council reviews the constitutionality of all laws
- The judicial branch remains independent from the legislative and executive branches
- A multi-party system
- Over 85 000 associations and NGOs
- In July 2011, a referendum established a new Constitution, guaranteeing:
 - Human rights
 - The legality of the State and its institutions
 - Individual and collective liberty
 - Improved moral standards in public life
 - The plurality of the Moroccan identity

I Morocco: At the crossroad of continents

II Moroccan construction & real estate market

- ✓ Profile construction & real estate market
- ✓ Current developments construction & real estate market

III Outlook 2014 - 2020

IV Company profile MagDev

Profile construction & real estate sector

- 6% of GDP
- Over one million employees (10% of total employment)
- Approximately 100.000 companies
- 90% are SMEs (turnover < 100 million dirham)
- Market size estimated by MagDev at 40 – 45 billion euro
- With a turnover of 9.4 billion dirham (2012) conglomerate Addoha is the largest construction and real estate company in Morocco

Top10 largest construction (incl. building materials) & real estate companies in Morocco

Company name	Turnover 2012 (dirham)
Addoha	9.418.980.232
Lafarge ciments	5.043.275.000
Sonasid	4.747.000.000
Al Omrane	4.655.920.000
Alliances développement immobilier	4.003.387.000
Ciments du Maroc	3.613.175.600
Holcim Maroc	3.322.951.000
CGI	3.001.024.000
Sgtm	2.177.605.750
G.t.r.	1.985.508.969

Slow recovery from real estate crisis

Growth rate value added construction industry Morocco



Source: HCP

Negative growth in cement consumption

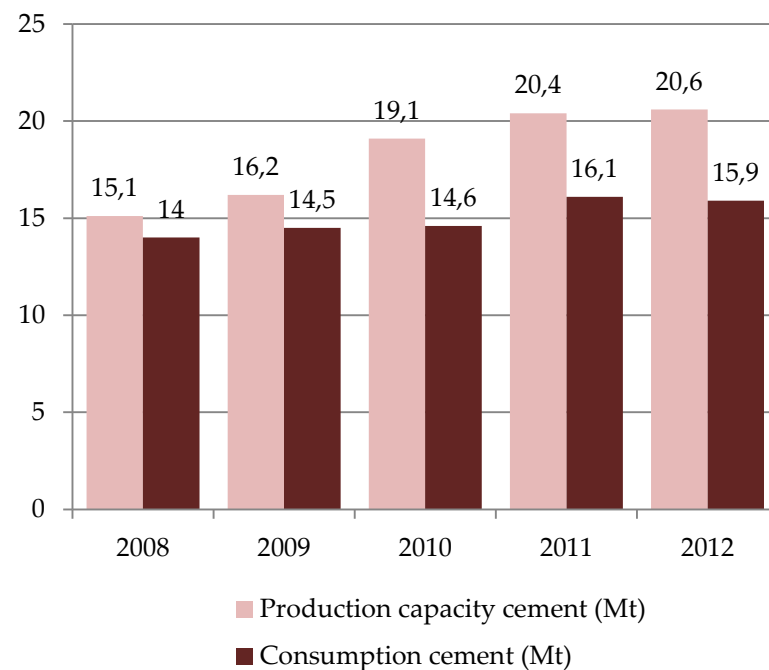
Overcapacity in the market leads to downward pressure on cement prices

Growth rate local cement consumption (%)



Source: APC; compiled by MagDev

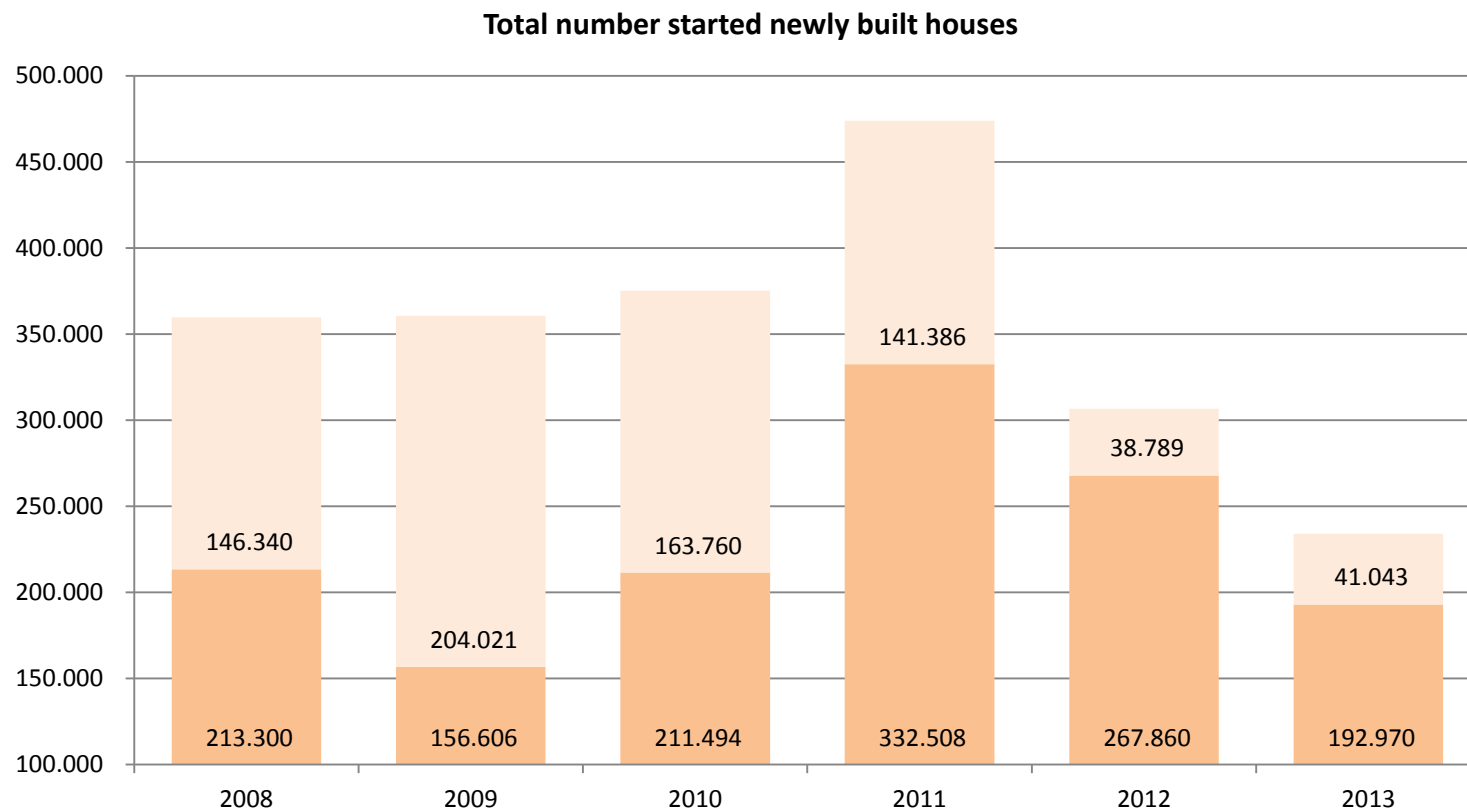
Cement market Morocco



Source: BMCE Capital

Decreasing volume new (private) housing projects

Target government 2012 - 2016 newly build 170.000 social housing per year

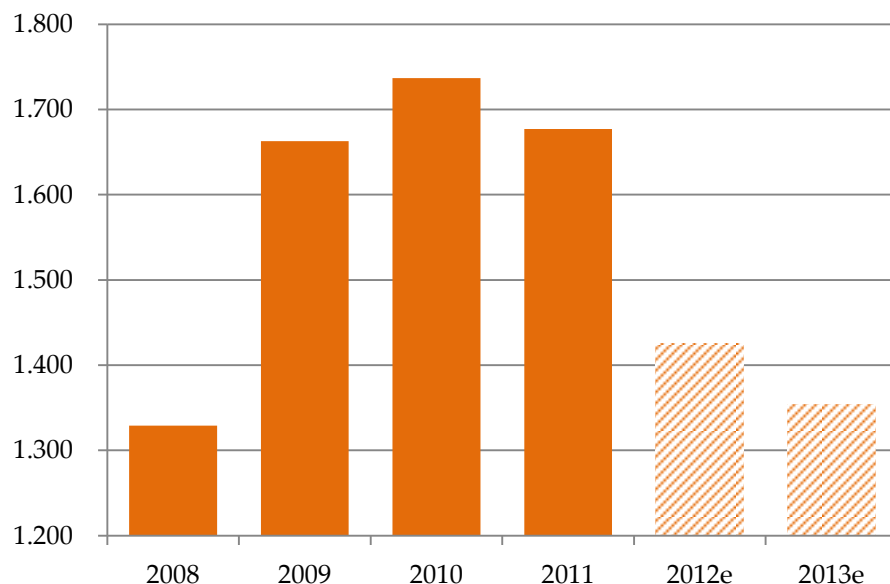


Source: FNPI, Ministry Urban Planning

Lower volume newly built commercial property

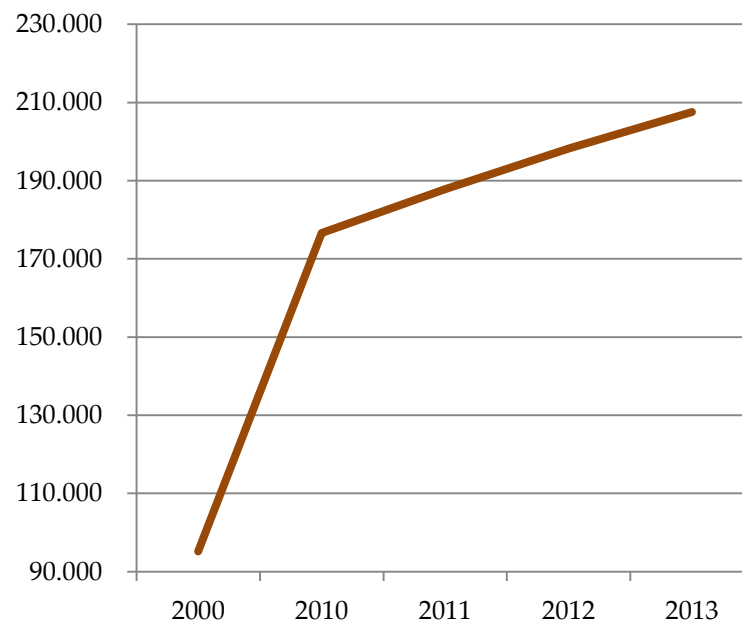
Strong increase hotel capacity

Volume building permits new commercial property
(floor space, 1000 m2)



Note: (e) estimate MagDev
Source: HCP

Hotel capacity (number of beds)

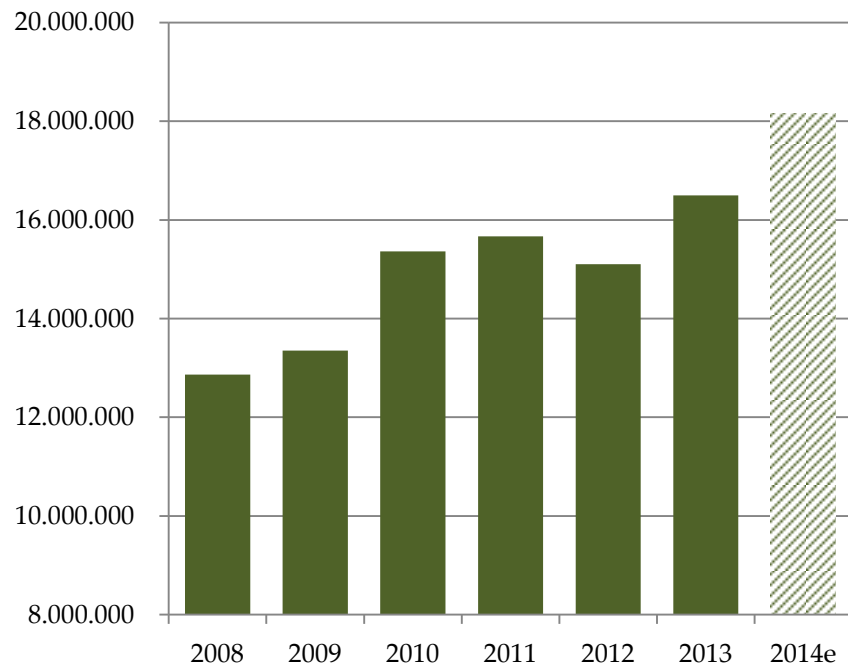


Source: Ministry of Tourism

Strong increase in airport passengers

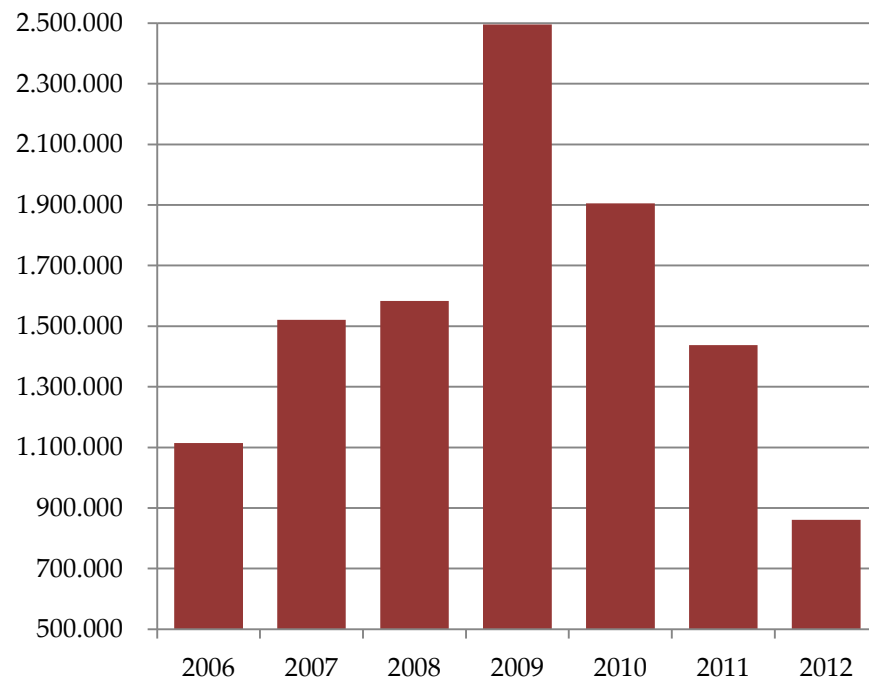
Investment volume in national airports lags behind

Number of airport passengers



Note: (e) estimate MagDev
Source: ONDA

**Investment volume in national airports
(x 1000 dirham)**

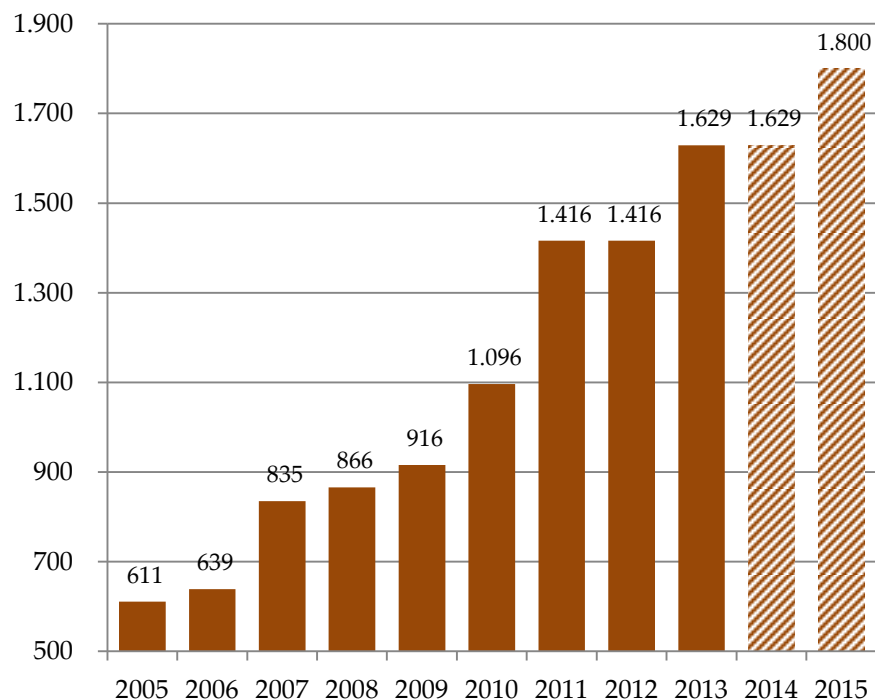


Source: Ministry of Finance

Expanding national road network

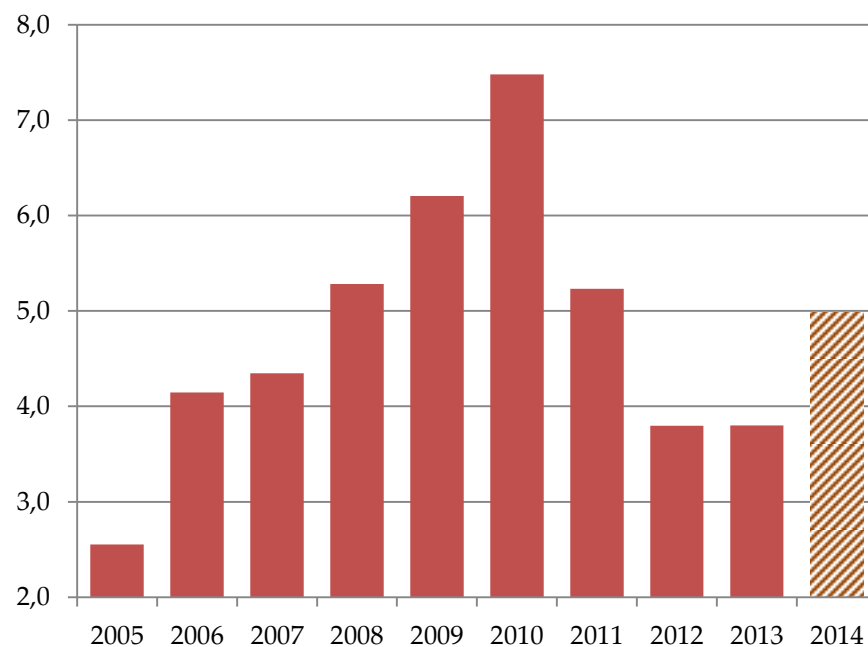
Between 2008 – 2015 total investments of 32 billion dirham (3 billion euro)

Length highway network Morocco (km)



Source: Ministry of Finance

**Investments in national road network*
(billion dirham)**



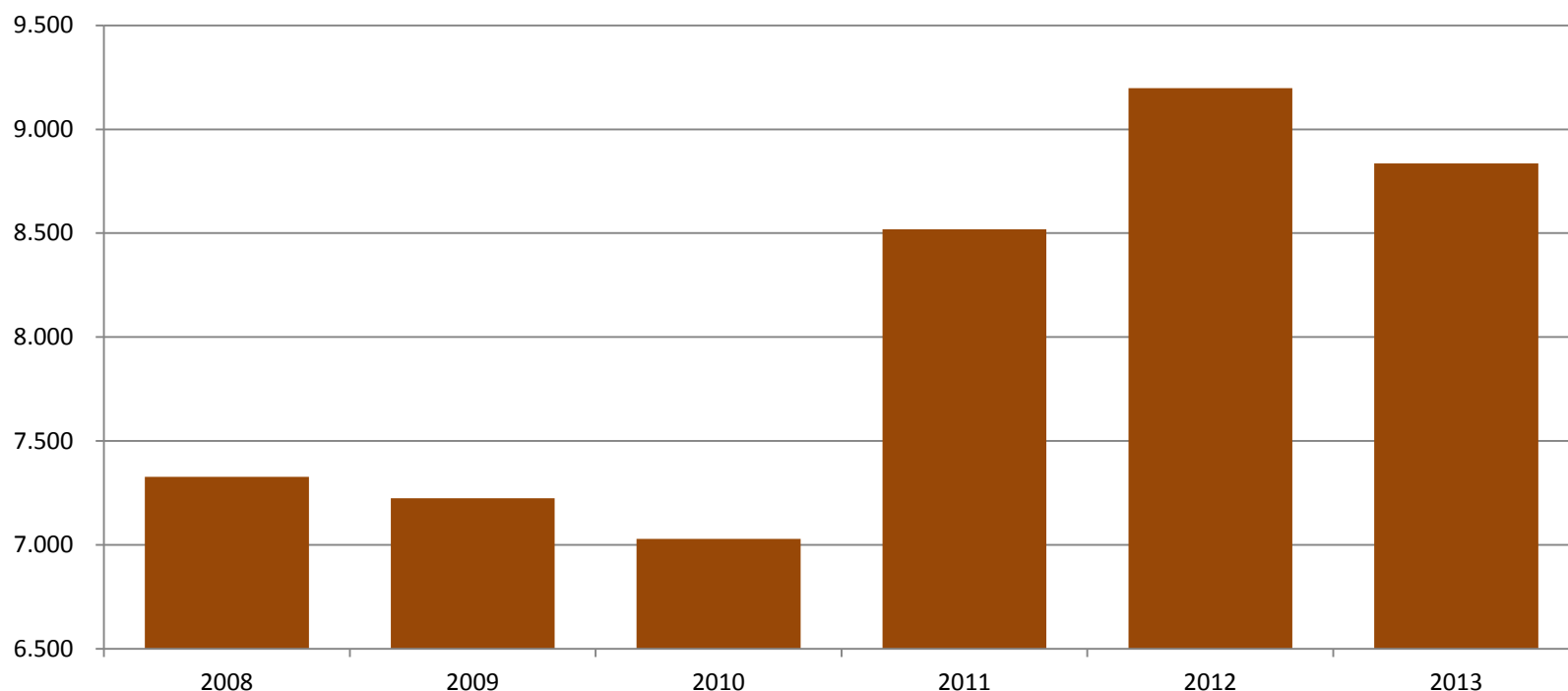
Note: (*) including services

Source: Ministry of Finance / ADM

Government investments in real estate at high level

Social housing programs important beneficiary public investment funds

Government investments in real estate activities*
(million dirham)



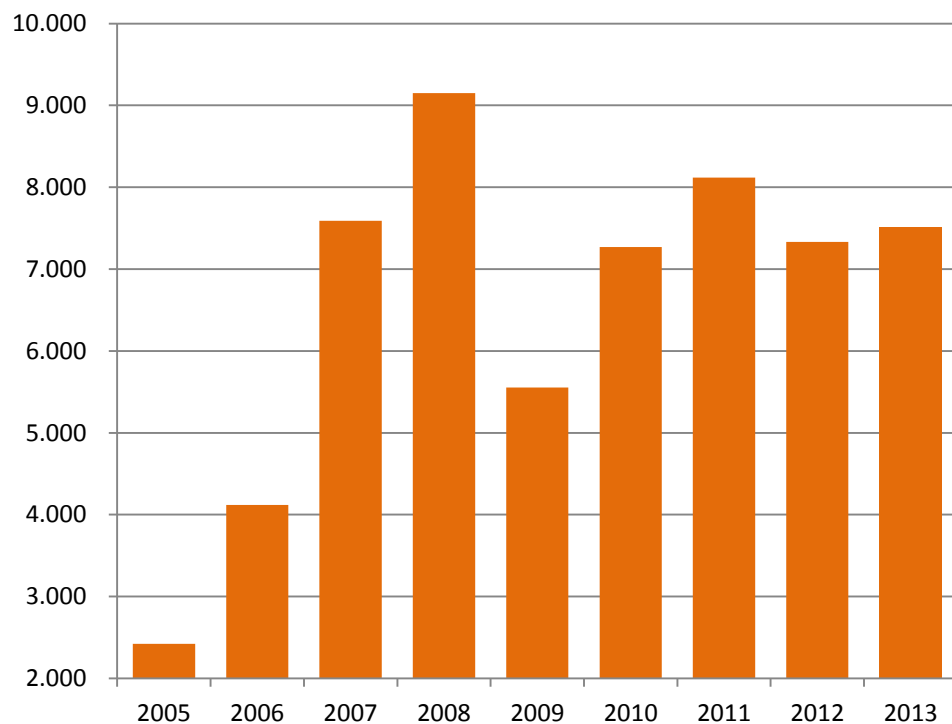
Note: (*) include investments in real estate companies and tax advantages for social housing programs

Source: Ministry of Finance; compiled by MagDev

Light increase FDI in Moroccan real estate

W-Europe, USA and Gulf states major investors

**Direct foreign investments in Moroccan real estate
(million dirham)**



Source: Office des Changes

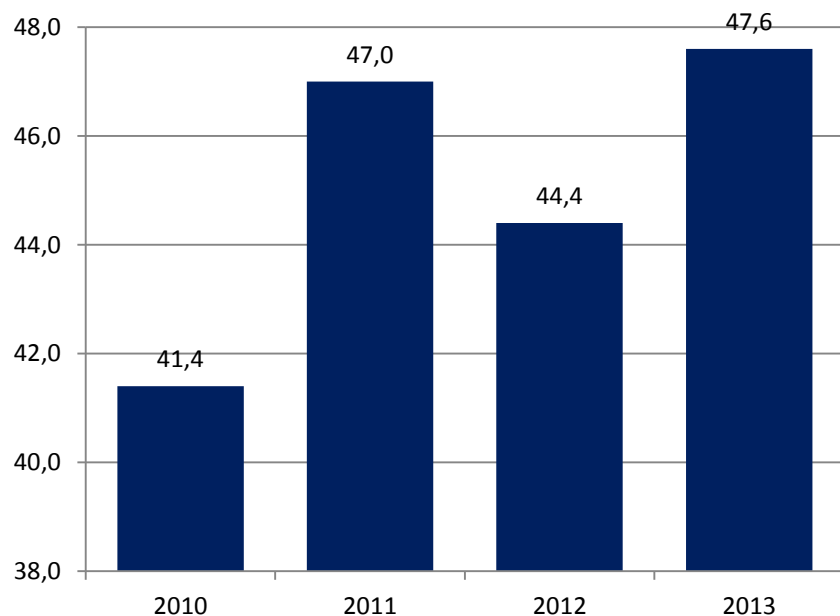


Major investors Moroccan real estate market

Improvement turnover real estate & construction companies

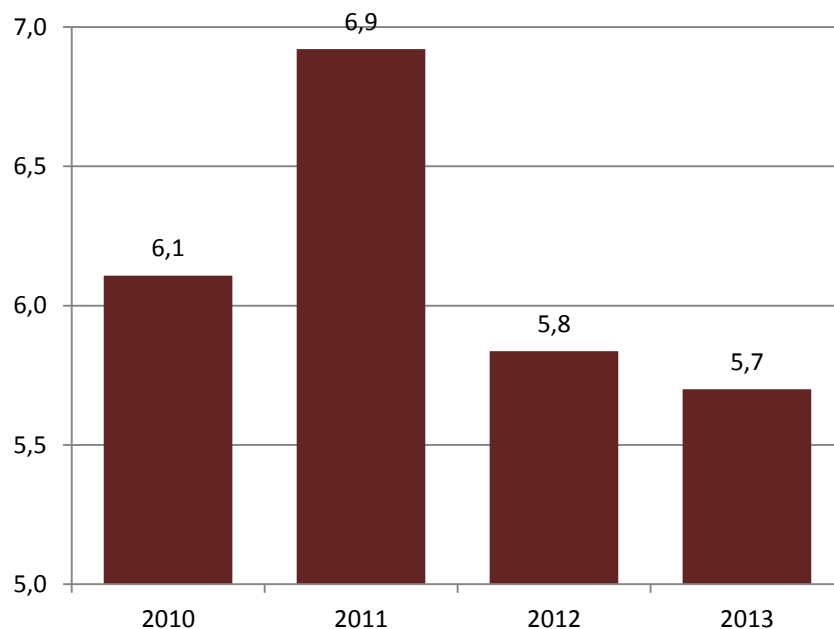
Lower prices reduces net results

Turnover construction & real estate market*
(billion dirham)



Note: (*) turnover largest construction & real estate companies in Morocco
Source: Annual reports companies; compiled by MagDev

Net result construction & real estate market*
(billion dirham)



Note: (*) turnover largest construction & real estate companies in Morocco
Source: Annual reports companies; compiled by MagDev

I Morocco: At the crossroad of continents

II Moroccan construction & real estate market

III **Outlook 2014 - 2020**

- ✓ Major real estate projects
- ✓ Large social housing projects
- ✓ Major infrastructure projects
- ✓ Market prefab steel constructions

IV Company profile MagDev

Major real estate projects 2014 - 2020

Casablanca

Casablanca Port (570 million euro):

- Shipyard
- Fishing port
- Marina
- Commercial
- Restaurants
- Residential



Tanger

Tanger Metropole (730 million euro):

- Marina
- Cruise terminal
- Commercial
- Leisure
- Hotels
- Residential



Marrakech

Redevelopment inner city (570 million euro):

- Infrastructure
- Touristic sites



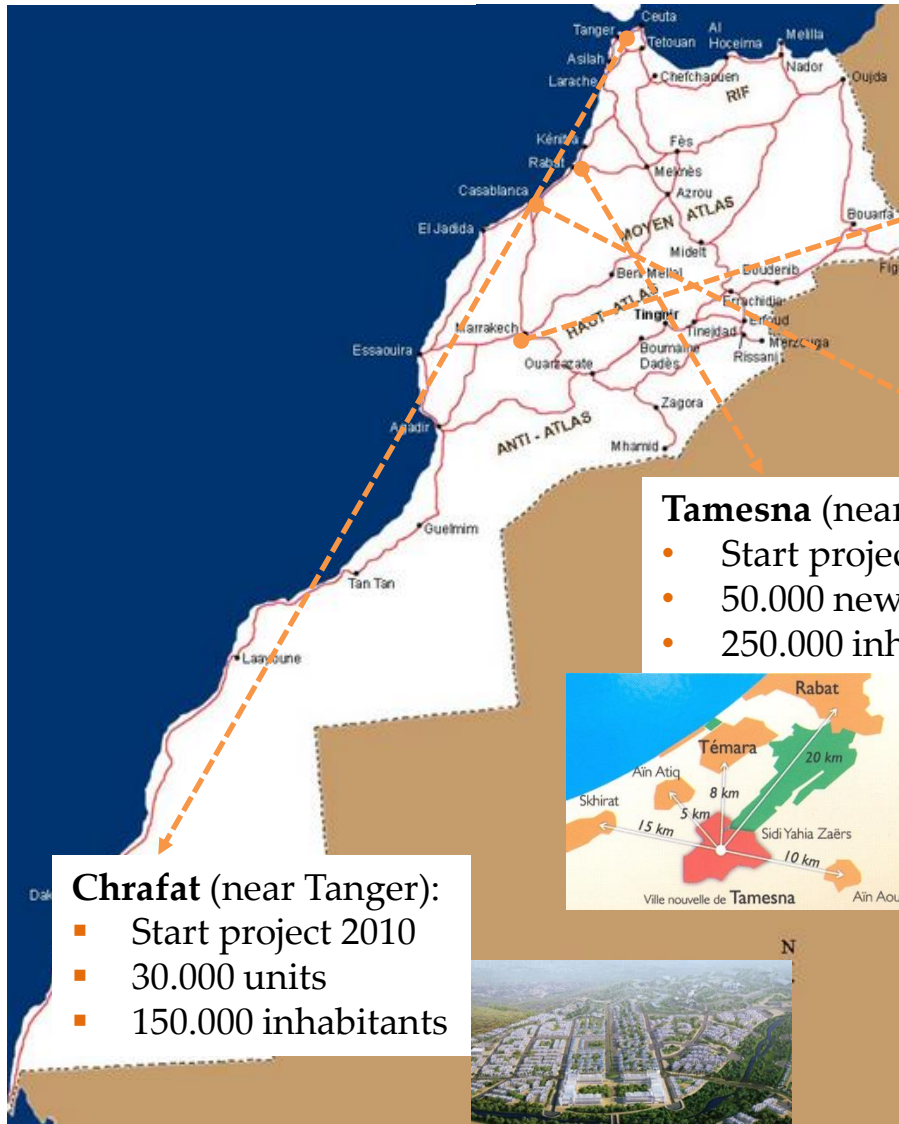
Rabat – Salé

Bouregreg Valley (820 million euro):

- Theatre
- Residential
- Museum
- Marina
- Leisure
- Hotels
- Commercial



Large social housing projects



- Chrafat (near Tanger):**
- Start project 2010
 - 30.000 units
 - 150.000 inhabitants



- Tamesna (near Rabat):**
- Start project 2007
 - 50.000 new units
 - 250.000 inhabitants



Tamansourt (near Marrakech):

- Start project 2004
- 90.000 new units
- 450.000 inhabitants



Sahel Lakhayta (near Casablanca):

- 58.000 units
- 300.000 inhabitants



Major infrastructure projects

Expansion of regional airports

PROGRAMME PREVISIONNEL POUR L'ANNEE BUDGETAIRE 2014

Conformément à l'article 14 du Règlement des Marchés de l'ONDA approuvé en date du 06 février 2013, le programme prévisionnel d'investissement de l'ONDA au titre du budget 2014 se décline comme suit :

CONTRÔLE AÉRIEN

- Automatisation du contrôle aérien
- Construction d'un deuxième CCR

AÉROPORTS

Aéroport de Casablanca Mohammed V

- Infrastructure aéronautique, réseaux divers et cat III

Aéroport de Marrakech

- Extension de l'aérogare passagers (terminal 1) et infrastructures associées
- Nouveau terminal T3 et infrastructure associée

Aéroport Fès

- Extension des installations terminales

Aéroport de Rabat Salé

- Extension terminal 1 et VRD

Autres aéroports

- Tanger : Extension aérogare, salons et infrastructure
- Al Hoceima : Salon, aérogare et infrastructure
- Tétouan : Réaménagement bâtiments et extension parking avion
- Er-Rachidia : Aérogare et VRD associés
- Agadir : Réaménagement aérogare
- Benslimane : Développement de la plateforme
- Benguerir : Mise à niveau de la plate-forme
- Tan-Tan : Développement plate-forme
- Laayoune : Aérogare et Salon
- Ouarzazate : Salons : Infrastructure et bâtiments
- Guelmim : Etude et renforcement des infrastructures
- Zagora : Projet de développement
- Nador : Extension aérogare
- Smara : Réhabilitation et mise à niveau de la plateforme militaire

AUTRES PROJETS

- Divers projets
 - Système intégré de gestion aéroportuaire
 - Programme de sûreté et sécurité
 - Développement des infrastructures de l'Académie
 - Informatisation des services de l'ONDA
 - Installations et Equipements de Radionavigation
 - Programme social
 - Technopoles
 - Système gestion des postes frontières
 - Etudes stratégiques
- Logistique et Divers
 - Engins, Véhicules utilitaires et transports
 - Grosses réparations diverses
 - Etudes diverses
 - Mobiliers et agencements divers

TERRAINS ET INDEMNISATIONS DES OCCUPANTS



Projet - Aéroport Guelmim



Projet - Aéroport Nador Larouj



Projet - Aéroport Ouarzazate

Investments in new train terminals and lines

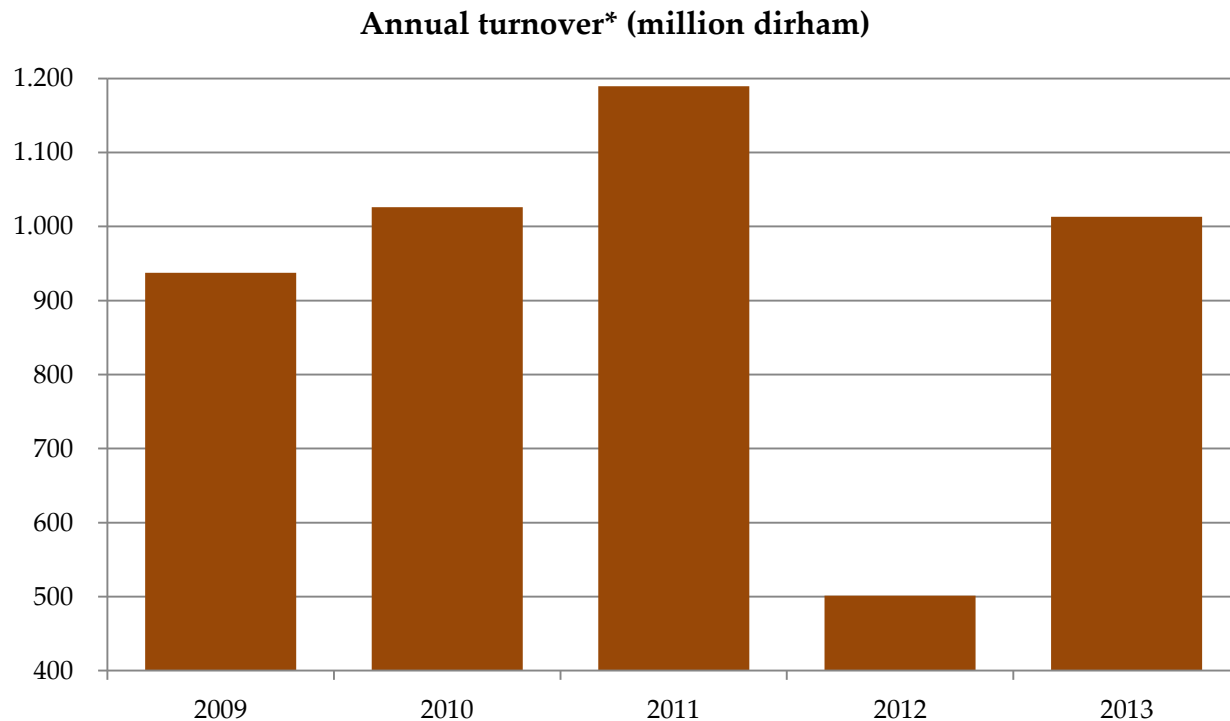


Expansion of road network



Market developments prefab steel construction

- ✓ Development annual turnover market leaders STROC , DLM similar to overall developments Moroccan construction market
- ✓ Expansion into national and international (i.e. West African) markets



Note: (*) total figures DLM and STROC

Source: DLM, STROC

www.magdev.ma

Profile market prefab steel constructions

- ✓ Diversified market -> trade & logistics, industry, public buildings (train stations, airports, utility companies, etc.)
- ✓ Strong competition from national and international companies; examples:
 - DLM//Delattre Levivier Maroc (Morocco) -> market leader
 - STROC Industrie (Morocco)
 - Frisomat (Belgium)
 - SMTSS (Morocco)
 - Isolpack/Couvermetal (Italy/Morocco)
 - Sogenexe (Morocco)
 - Inter Tridim (Morocco)
 - Charcomem (Morocco)
 - Menasteel (Morocco)



DLM



SMTSS



Inter Tridim



Frisomat



Charcomem



Sogenexe

Growing number of Moroccan companies to West Africa

French speaking West African countries most popular

Examples:

- SGTM
- Adohha
- Alliances
- TGCC
- DLM



I Morocco: At the crossroad of continents

II Moroccan construction & real estate market

III Outlook 2014 - 2020

IV **Company profile MagDev**

