



Business opportunities Mesa Imalat in Morocco

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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

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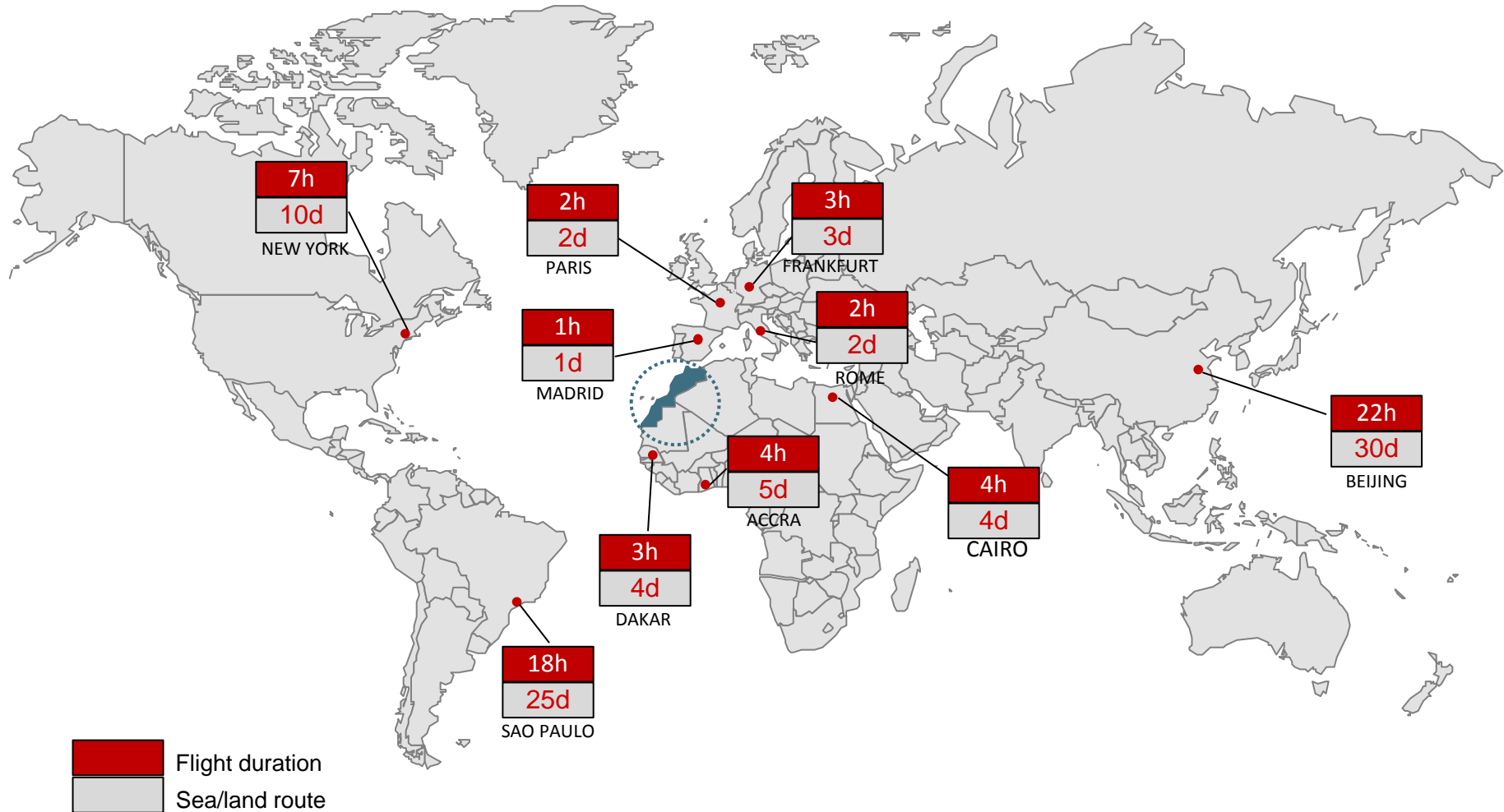
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MAGDEV

Morocco: A strategic geographical location





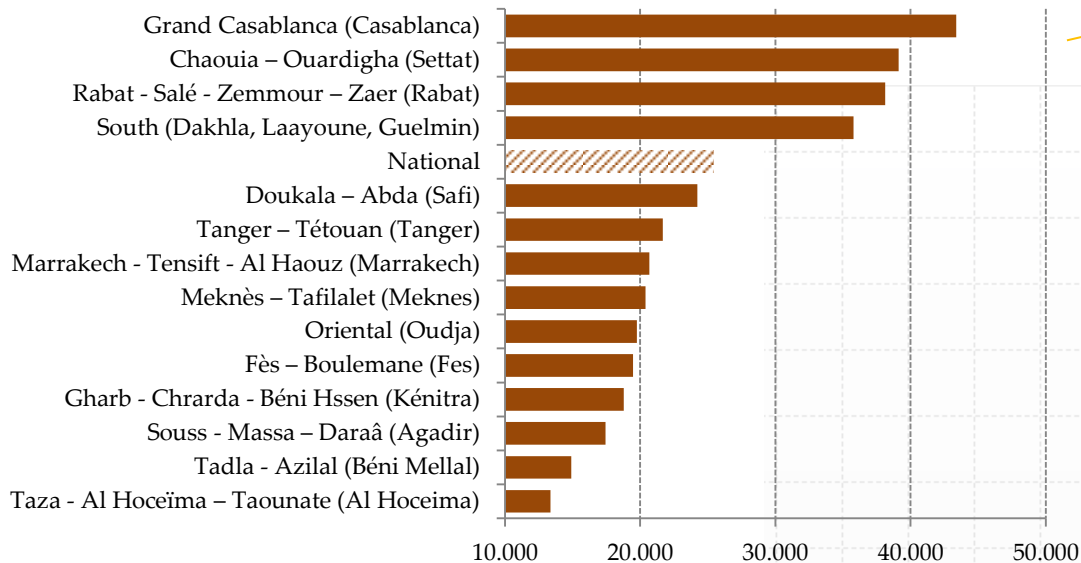
Capital	Rabat
Population	33.2 million people (2013)
Institutional System	Democratic and social Constitutional Monarchy
Area	710 850 km ²
Climate	Mediterranean
Time Zone	GMT (GMT+1 in summer)
Languages	Arabic (official), French, Spanish, English

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)	

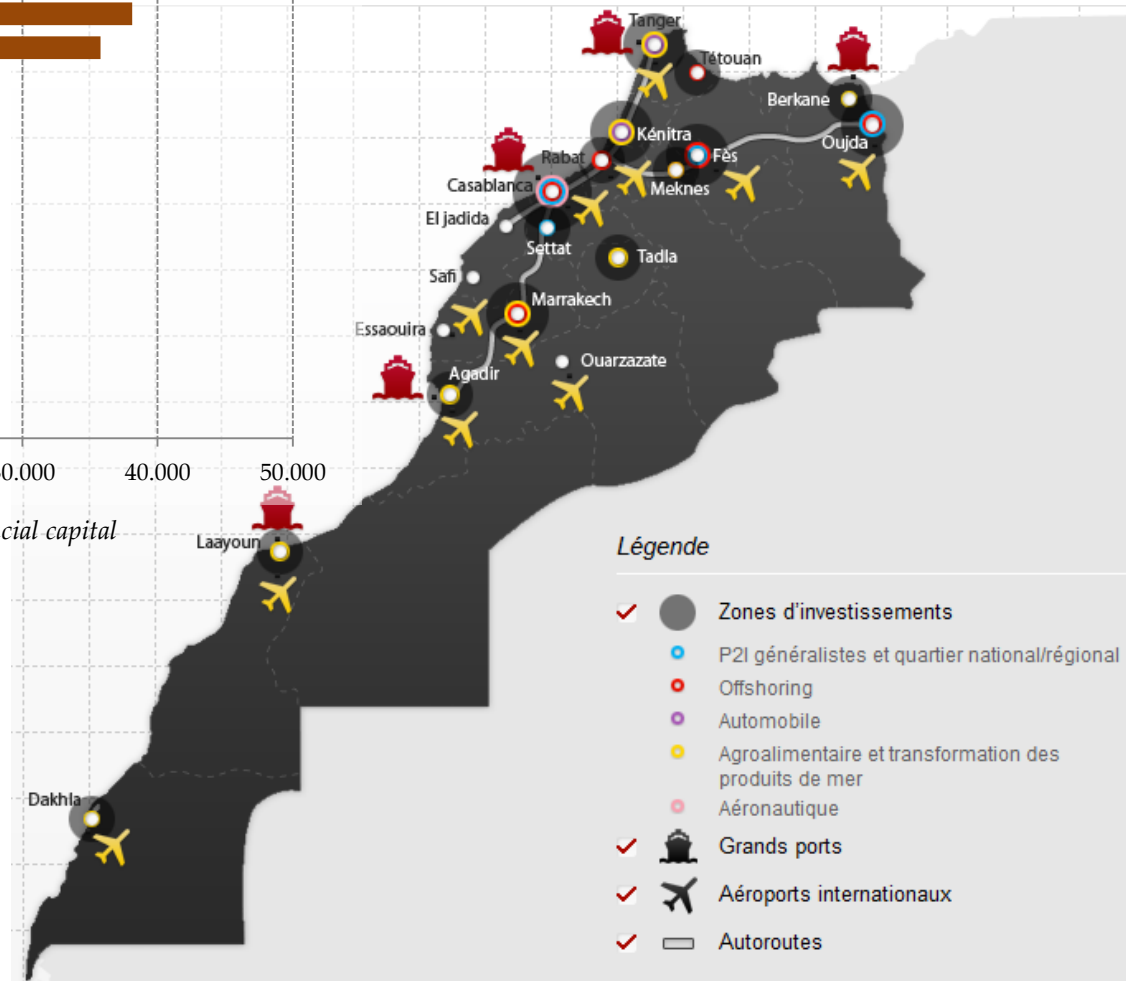
Large regional differences

GDP per capita by region, 2012 (dirham)

1 TRY = 3.9 MAD

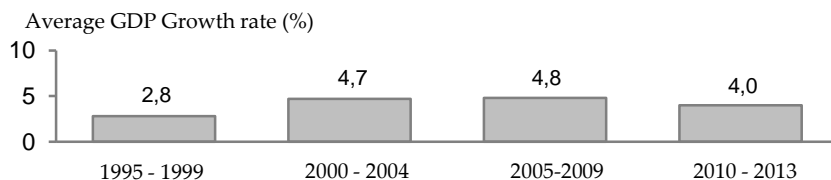


Note: between (...) provincial capital
Source: HCP

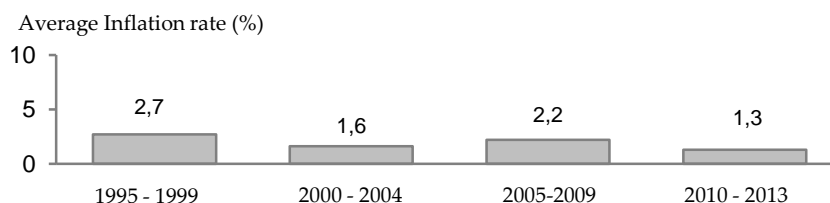


Strong macro-economic drivers

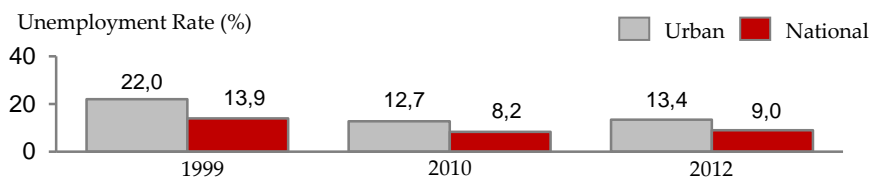
Sustained GDP growth



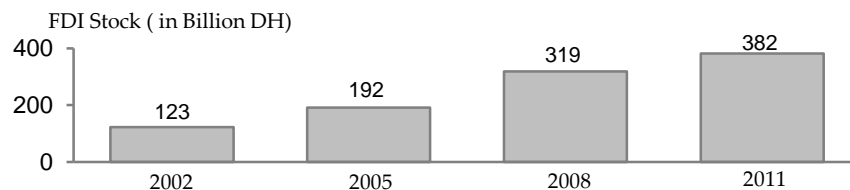
Controlled inflation



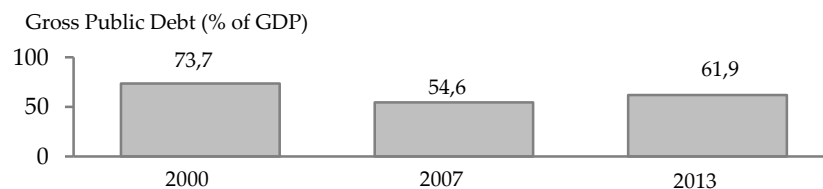
Relatively low unemployment



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

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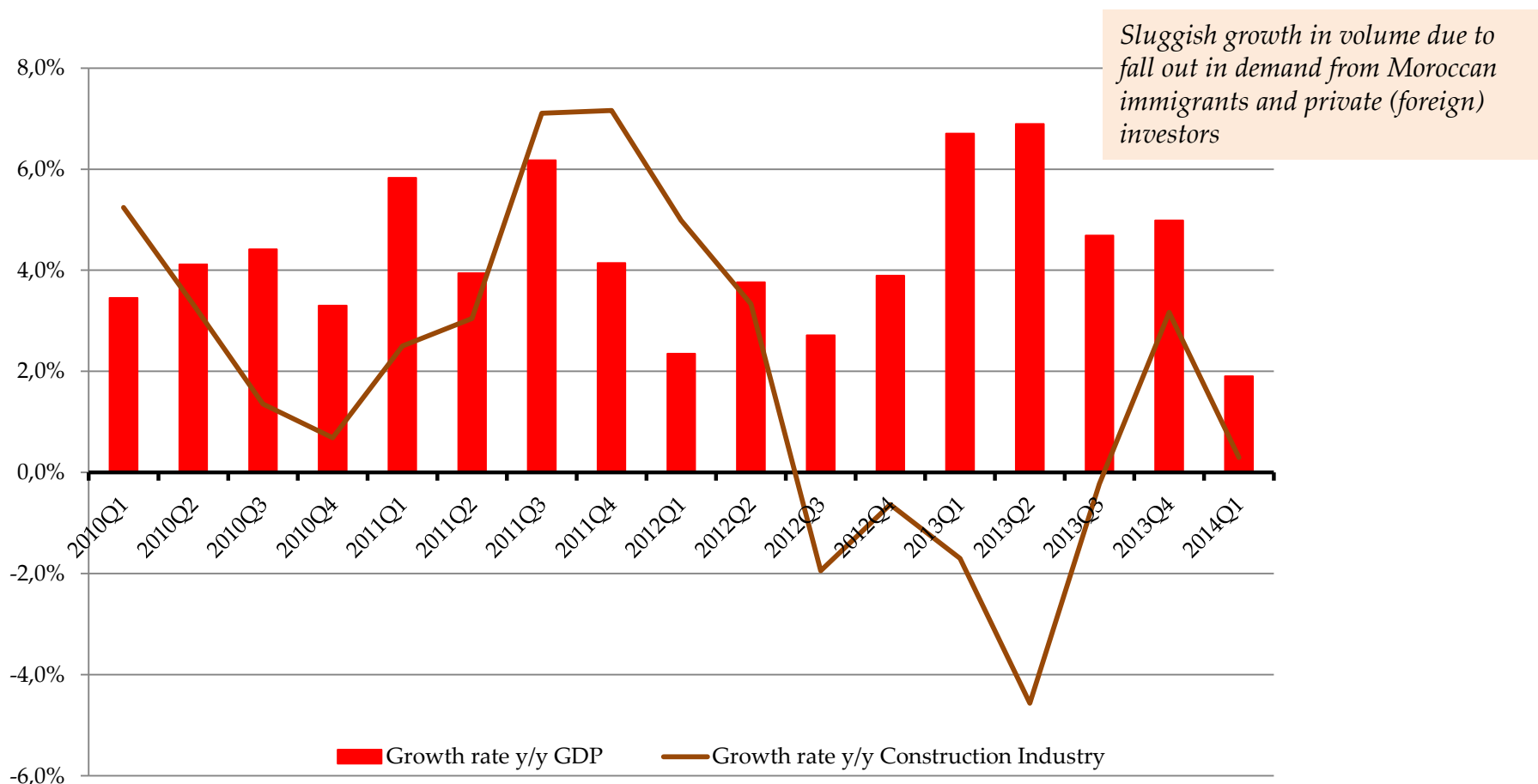
Profile construction & real estate sector

- 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



Source: HCP; compiled by MagDev

Negative growth in cement consumption

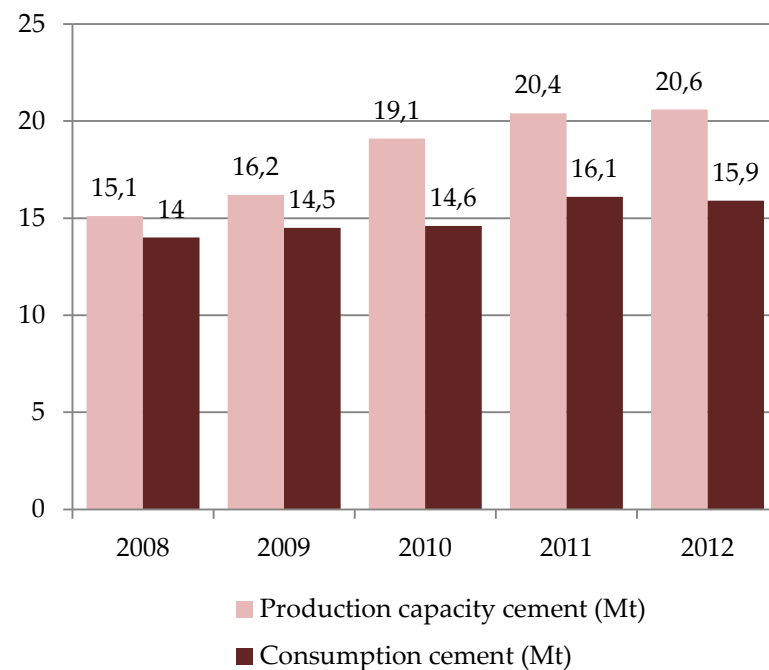
Overcapacity in the market leads to downward pressure on cement prices

Growth rate local cement consumption (%)



Source: APC

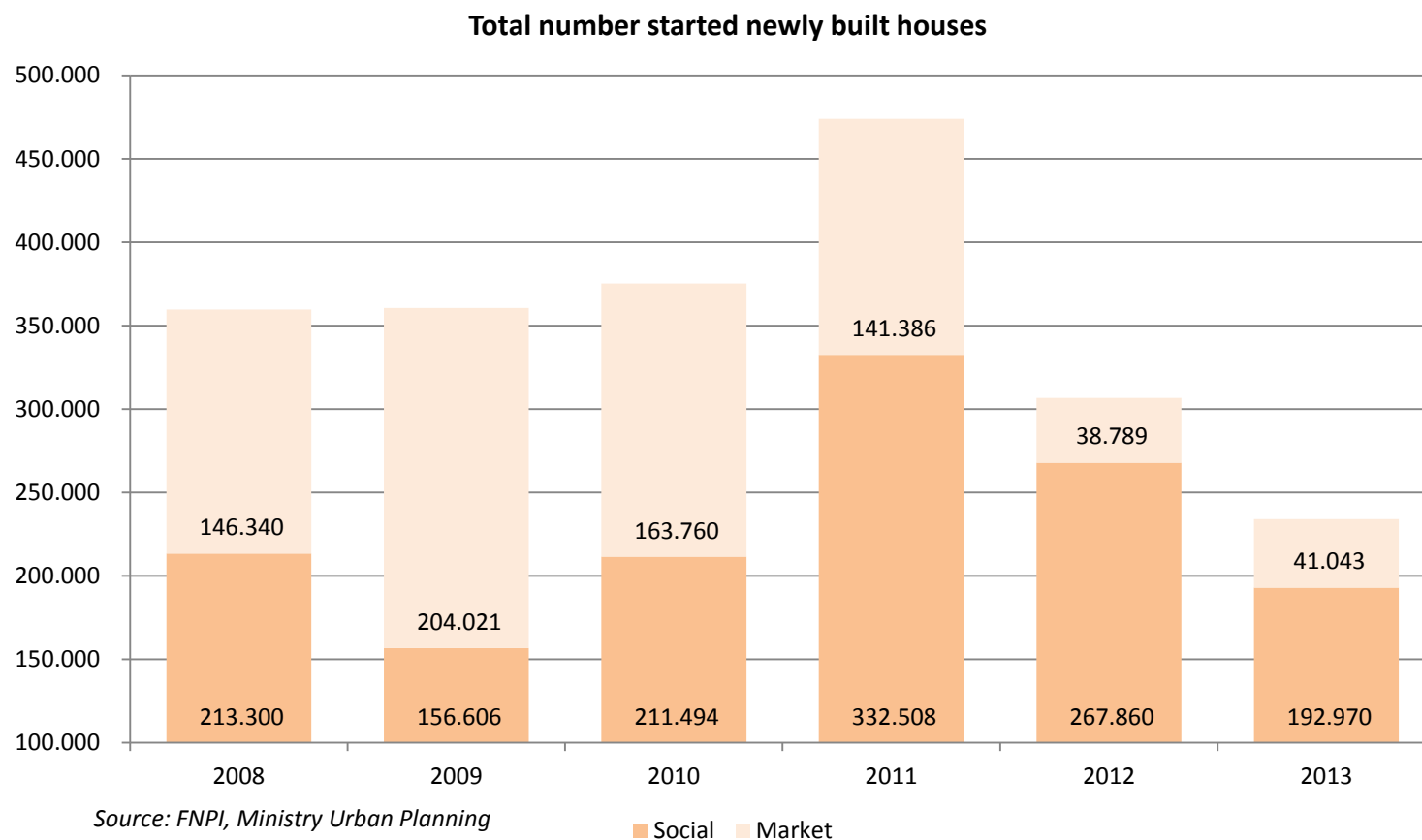
Cement market Morocco



Source: BMCE Capital

Decreasing volume new (private) housing projects

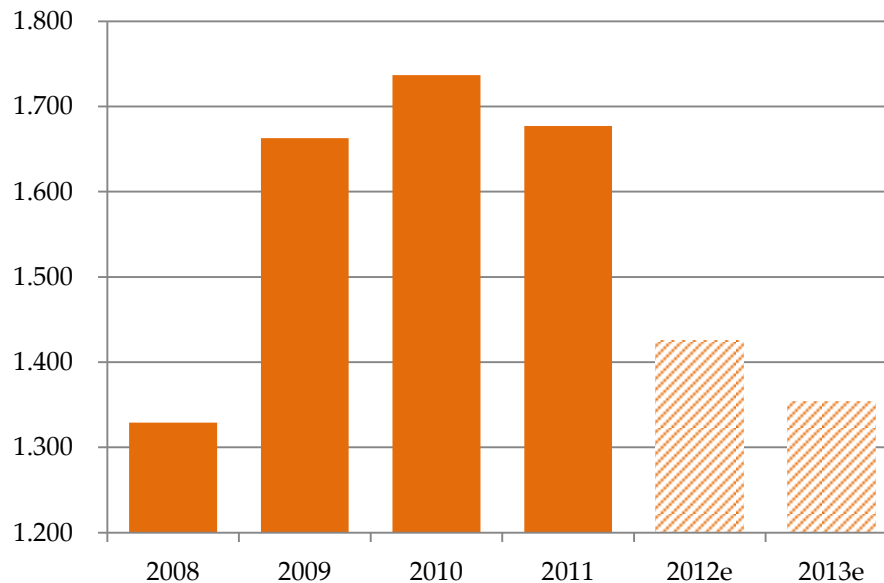
Target government 2012 - 2016 newly build 170.000 social housing per year



Lower volume newly built commercial property

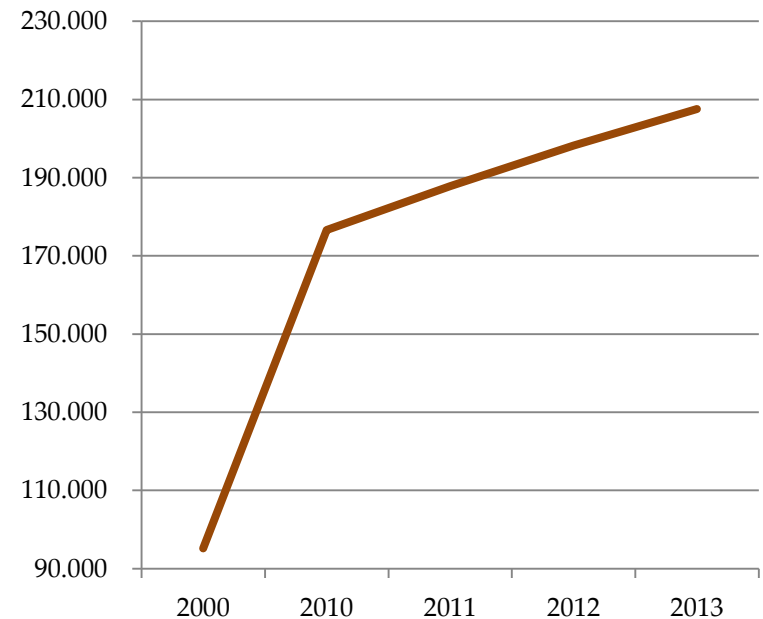
Strong increase hotel capacity

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



Note: (e) estimate MagDev
Source: HCP

Hotel capacity (number of beds)

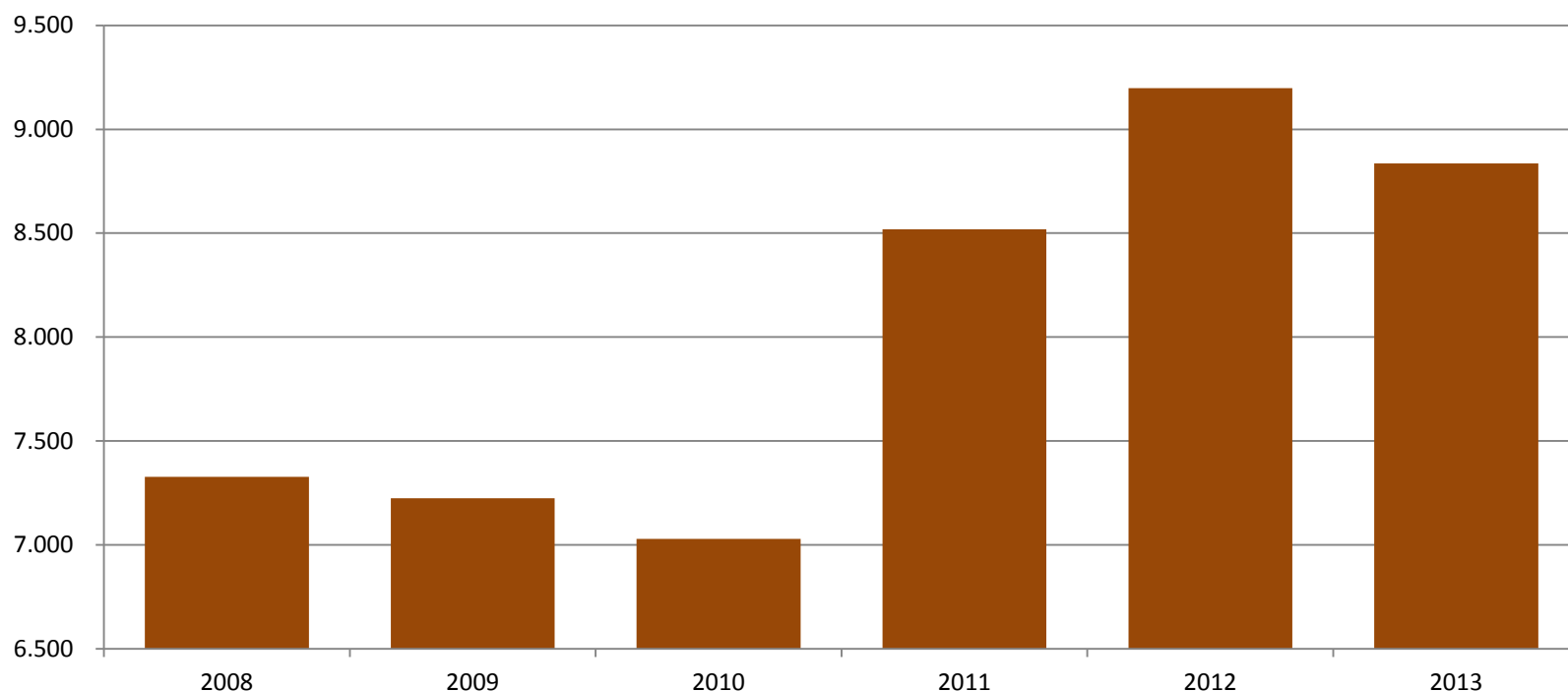


Source: Ministry of Tourism

Government investments in real estate at high level

Social housing programs important beneficiary public investment funds

Government investments in real estate activities*
(million dirham)



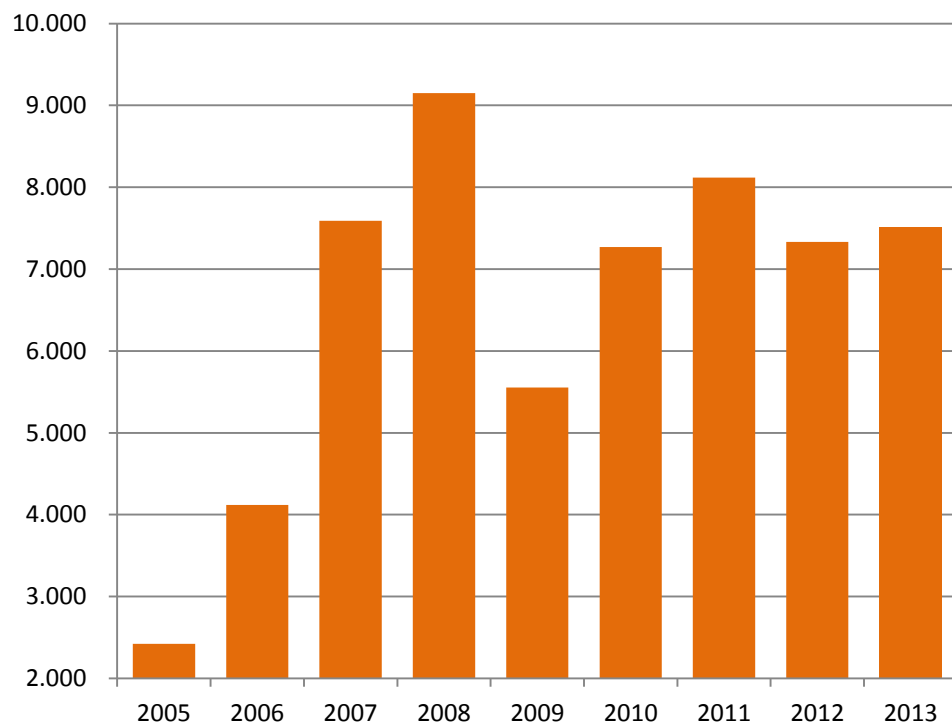
Note: (*) include investments in real estate companies and tax advantages for social housing programs

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



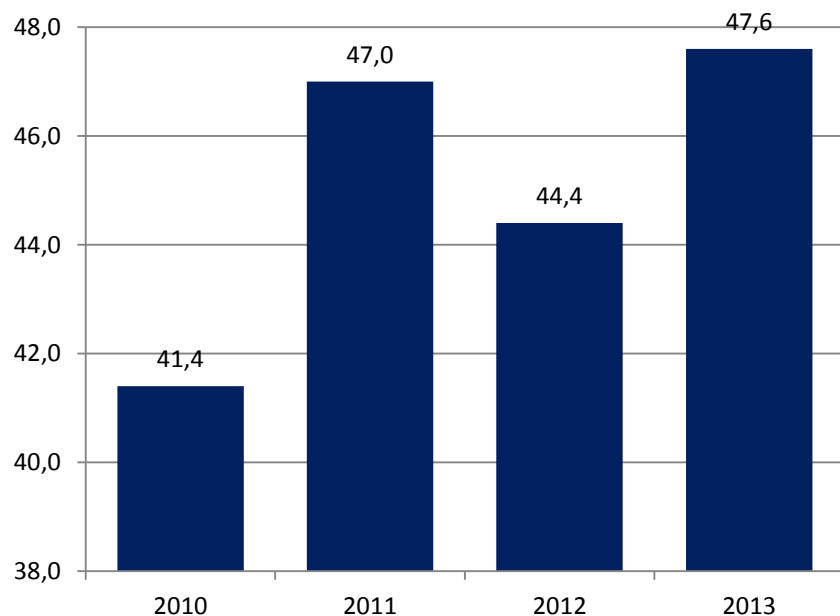
Major investors Moroccan real estate market

Turkey FDI, 2013:
198,6 million dh
(+153%)

Improvement turnover real estate & construction companies

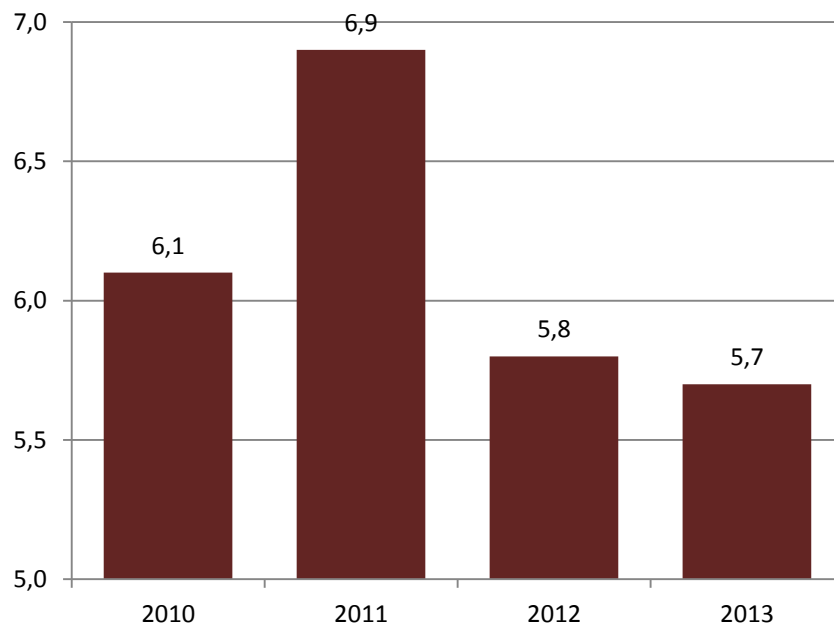
Lower prices reduces net results

Turnover construction & real estate market*
(billion dirham)



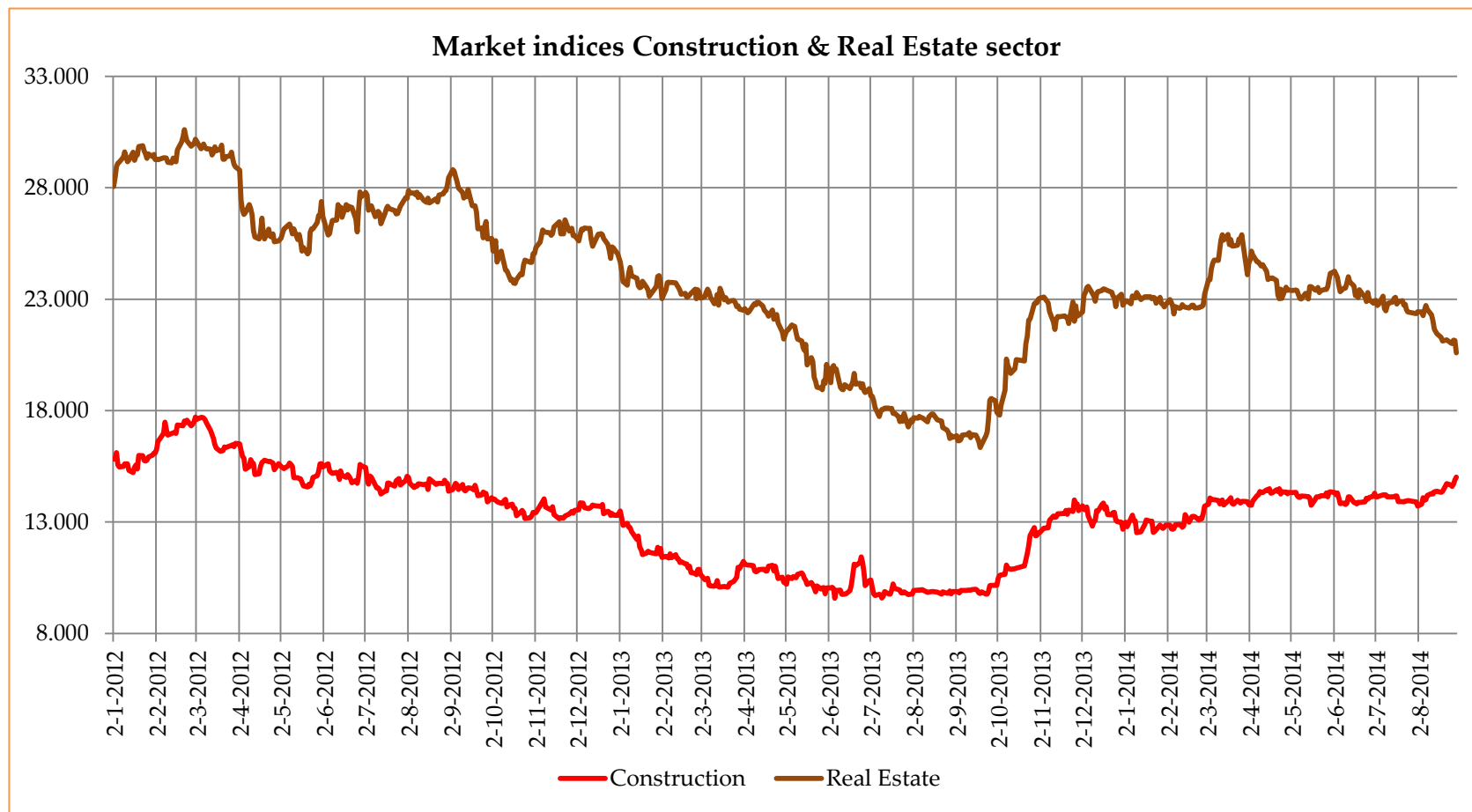
Note: (*) turnover largest construction & real estate companies in Morocco
Source: Annual reports companies; compiled by MagDev

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



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

Restore market confidence in Construction & Real Estate sector



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- ✓ Major real estate projects
- ✓ Large social housing projects
- ✓ Major infrastructure projects

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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



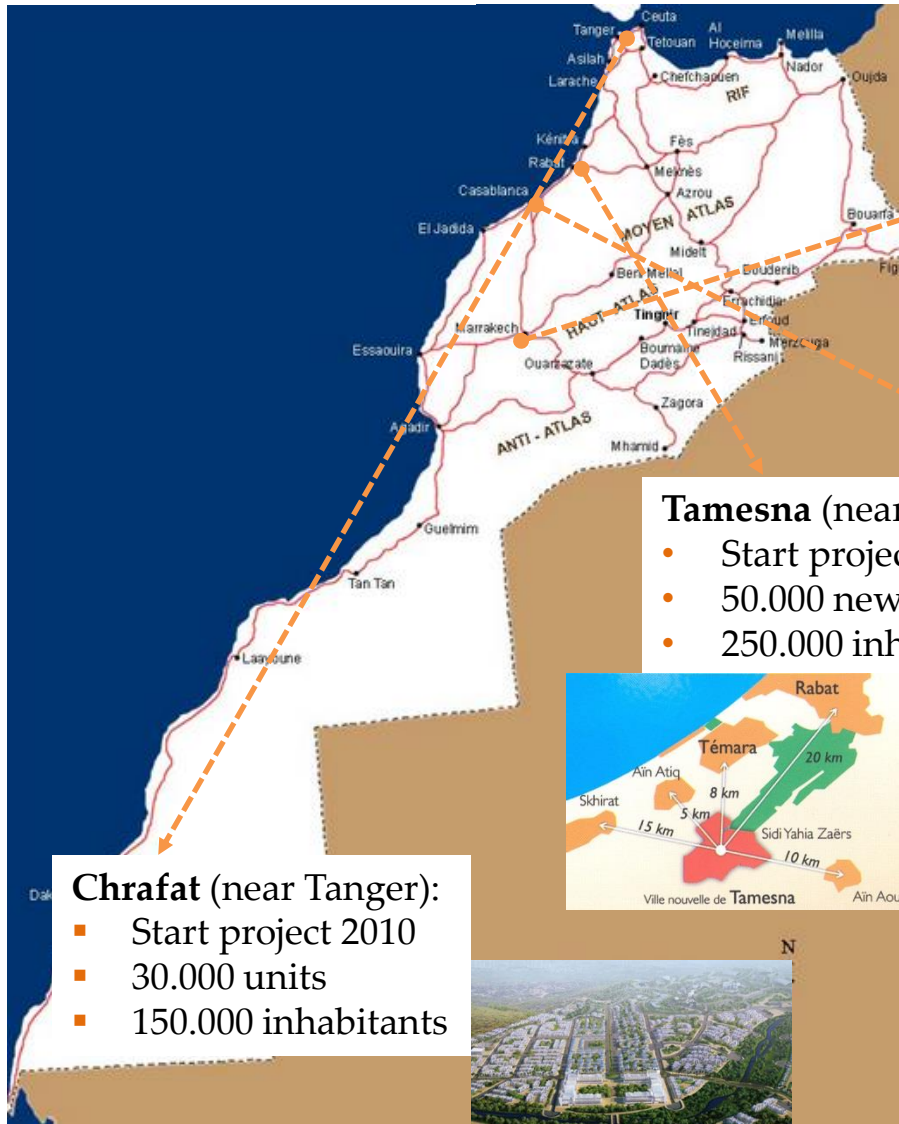
Rabat – Salé

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 Lakhyayta (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



Growing number of Moroccan companies to West Africa

French speaking West African countries most popular

Examples:

- SGTM
- Adohha
- Alliances
- TGCC



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- ✓ Current building process
- ✓ Opportunities tunnel form systems

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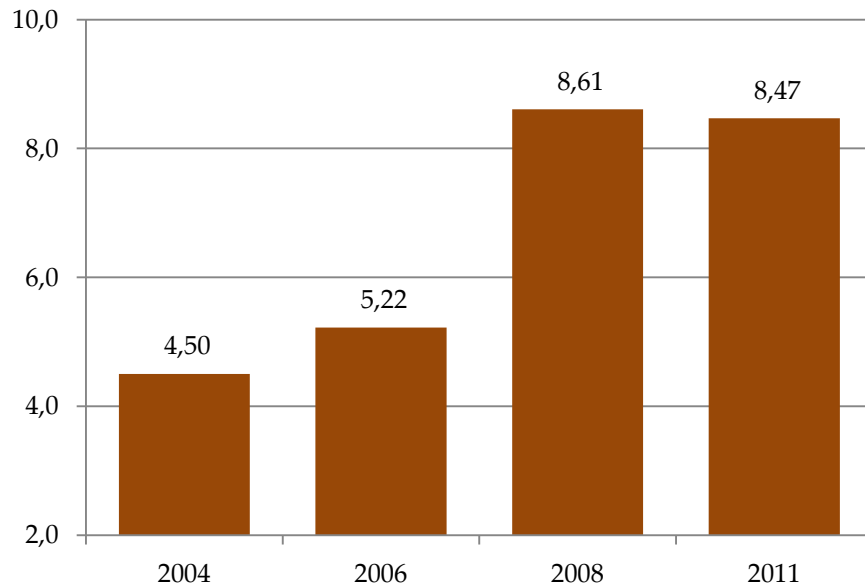
Current building process Morocco

Limited use prefabricated concrete; mainly in infrastructure

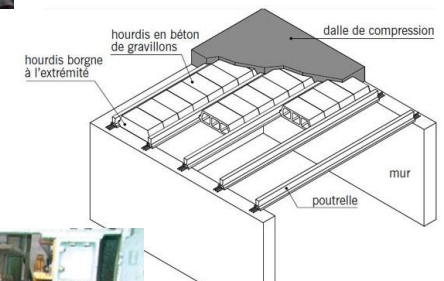


- ✓ Approximately 500 companies (230 companies in formal market) active in prefabricated concrete
- ✓ Annual production estimated at 8 million ton
- ✓ Market size estimated at 4.8 – 5.0 billion dirham (430 – 450 million euro) in 2011

**Production volume prefabricated concrete
(million ton)**



Source: AMIB



Tunnel form systems in Morocco

- ✓ First time introduced by Outinord
- ✓ Project in Fes (Moulay Idriss)
- ✓ Client AGI Groupe (Morocco)
- ✓ Start construction in 2011:
 - 3.600 appartments (social housing)
 - 5 floors building
 - 3 tunnels
 - 6 appartments per day
 - floor space appartments 75 m²
 - 2 year construction time



Other formwork systems Morocco



Water reservoir, Marrakech, Outinord (2007)



Bridge construction, SMM Socodam Davum



Cement factory, Beni Mellal, Outinord



High bridge Bouregreg, Rabat, consortium headed by Covec (2015)

Turkish companies in Morocco

- More than 75 Turkish companies active in Morocco
- Main sectors: Construction, Real estate, Retail
- Examples of Turkish construction companies:
 - ✓ Tefken Construction: since 2004 active in Morocco -> mainly pipeline construction
 - ✓ Yapi Merkezi: construction tramway Casablanca
 - ✓ Makyol: since 2003 active in Morocco -> mainly road construction
 - ✓ Mensoy: since 2005 active in Morocco -> groundlaying works, soil stabilization
 - ✓ Dogus Construction: road construction, mainly highways in Morocco
 - ✓ Nurol Construction: road construction
- Largest private Turkish investor in Morocco is retailer BIM



SWOT-analysis tunnel form systems Morocco

Strengths

- ✓ More efficient (less cement consumption)
- ✓ Higher quality end product
- ✓ Shorter building time
- ✓ Price competitive

Weaknesses

- ✓ Morocco has almost no experience with tunnel form systems

Opportunities

- ✓ Large construction projects in upcoming years (housing, commercial property)
- ✓ Only one competitor (Outinord)
- ✓ Increasing demand from customers for higher building quality
- ✓ Regional expansion into (French speaking) West Africa through Moroccan clients

Threats

- ✓ Higher taxes (VAT) on building materials (cement, sand, iron)
- ✓ Low labour costs gives no market pressure to introduce more efficient building processes
- ✓ (informal) Market protection by government and local companies
- ✓ With public tenders norm is 100% local content or JV > 50% local content

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