COSUMAR

2012 ANNUAL REPORT

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Mohammed FIKRAT
Chief Executive Officer

1. How would you assess 2012 in terms of activity and results for Cosumar ?

2012 was an important year in the history of Cosumar group. Successful and now operational investments have resulted in the improvement of our global performance. For instance, our net income group share went from MAD 622 million last year to MAD 730 million. These results were made possible despite this year's hazardous climatic conditions that have significantly disrupted sugar plant harvesting and led to a cyclical downturn in domestic sugar production. Volatile raw sugar overall prices have been restrained and our production activity has been consistent with our forecast. Our good performance in terms of results is mainly due to our continuous efforts to improve our industrial, operational and financial performance.
The professionalism and involvement of our Human Resources are also crucial assets for the achievement of our goals. The Board of Directors has always initiated and supported the strategic choices of our various projects.

Cosumar group has committed more than MAD 5 billion over the last 5 years to maintain its regular supply to the Moroccan market and upgrade the national sugar industry. With a growing and increasingly stringent demand for product quality, Cosumar has supported this investment policy which covers the agricultural, industrial and social field and which is gradually evolving towards an increasingly customer-oriented approach.

2. Cosumar is a responsible company that has been very active in the area of CSR, what are your highest priorities in this matter ?

Our CSR commitment is firmly embedded in our activities. Our strategy is to create shared value for both the Group and our partners. COSUMAR is an aggregator of the sugar industry and an economic and socially responsible agro-industrial player. Our presence in five agricultural perimeters contributes positively to economic, technological and social progress through our activities in several regions. Our actions and CSR communication were successful and our efforts in this area have been recognized at the national and international levels: distinction by the Food and Agriculture Organisation of the United Nations (FAO) as a model of aggregator of the sugar industry, label CSR CGEM granted to all subsidiaries, Perfomer CSR award by VIGEO and the Pioneers of Corporate Social Responsibility Prize and the Green Economy in Africa Prize in 2012, honouring our efforts and actions in CSR. Among our many priorities, we first and foremost strive to strengthen our partners' trust by providing support to our farmers through monitoring as well as ongoing and efficient assistance. We have also implemented actions to comply with the highest environmental standards. Significant investments were made also to help reducing our energy consumption. A special effort has been made as part of our social responsibility, and our local implantation helped many actions and projects to be carried out with the communities, regional associations, schools and NGOs.

INTERVIEW OF THE CHIEF EXECUTIVE OFFICER

3. The Moroccan market context is expected to be more and more demanding; how do you anticipate these changes ?

It is true that the Moroccan market is expected to become more demanding but Cosumar Group has already integrated this perspective among its major strategic orientations, especially through:

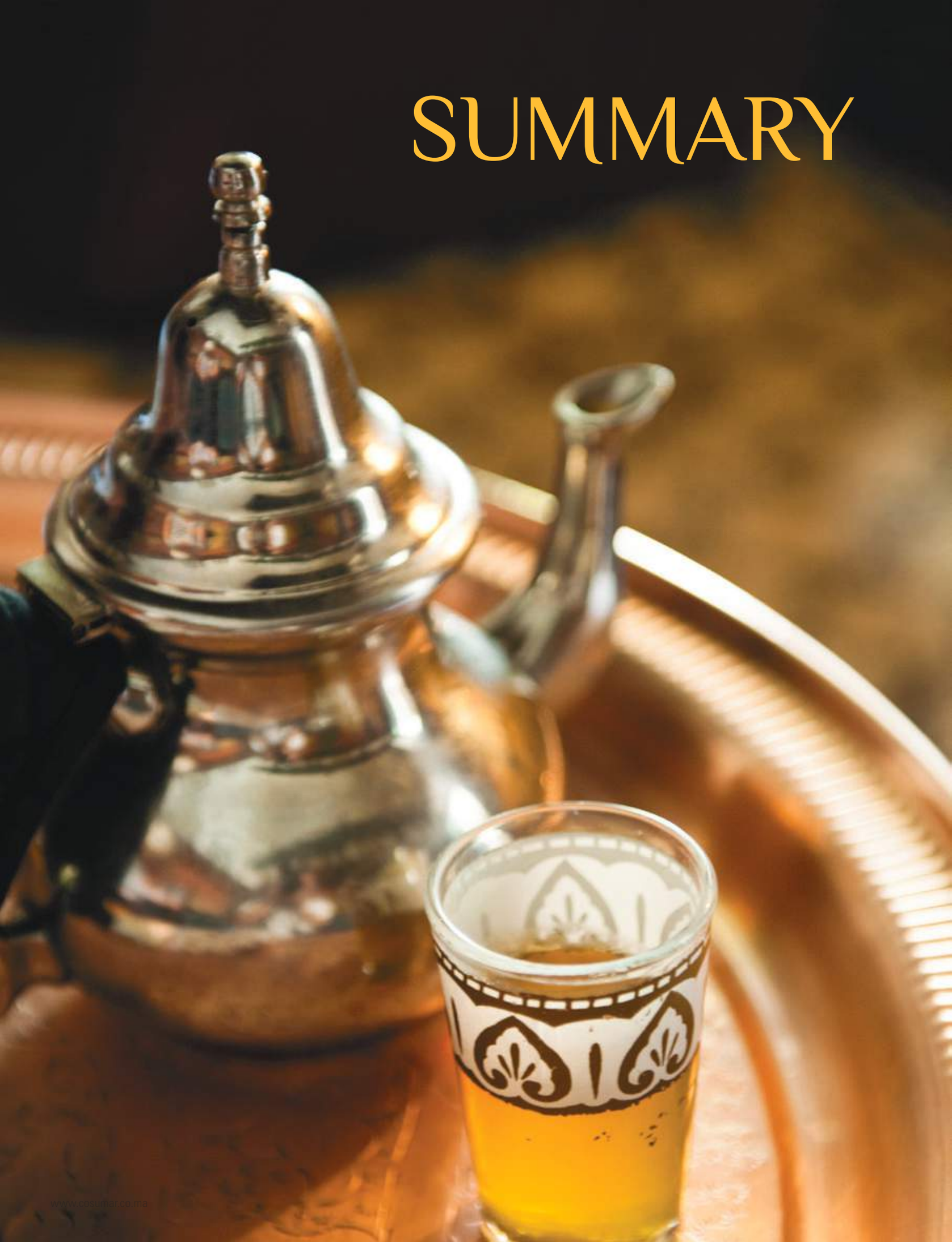
- The gradual strengthening of our market orientation through the adoption of a business organization based, besides the upstream and sugar extraction, on packaging and marketing of sugar.
- The pursuance of our investments in the extension and improvement of industrial facilities to ensure a more flexible range of products in terms of quantity and quality consistent with the standards and requirements of the market.
- The organization of our packaging and marketing businesses from the perspective of continual improvement of their operational performance.
- The support of our Human Resources through recruitment and training in various fields.

We give primary importance to customer expectations and satisfaction. To do this, we have implemented ISO 9001 V 2008 certification at all our sites as well as at the Sales, Marketing and Supply Chain Division. Similarly, a brand redesign strategy is underway to provide modern and innovative product brands. Not to mention that we regularly conduct customer satisfaction assessments using a barometer, the results of which are studied in order to continuously improve our overall satisfaction indicators.

4. Last question: what are your short and mid-term views in terms of development ?

The Group's ambition is to become a key player in the agricultural field in Africa. Our new "CAP TOWARDS EXCELLENCE 2016" corporate project integrates this goal through the reinforcement of our market orientation, considering the customer our foremost preoccupation and choosing to resort to external growth and diversified activities. In response to the ever-increasing market demand, we also seek to increase the share of local sugar production as part of a sustainable win-win partnership between all players involved in the sugar sector. Our strategy therefore aims to strengthen the Group's position at either the national or regional levels. The disposal plan of Cosumar, decided by SNI our reference shareholder, is in favour of these ambitions. Indeed, the choice was made on a strategic partner of global agribusiness and professional size of the sugar industry in this case the Wilmar Group. This new shareholder is likely to provide business expertise and a development project with added value to Cosumar and its environment, as well as to develop and support our international views for growth in Africa and the MENA region.

SUMMARY






IDENTITY

RESPONSIBILITIES AND COMMITMENTS

ACTIVITIES

RESULTS

IDENTITY

As the leading sugar producer in Morocco and third production capacity in Africa, Cosumar Group asserts its commitment to develop the Moroccan sugar sector and contributes to its international outreach.

KEY DATA ABOUT THE GROUP

A player involved in the national economy

A key player in the Moroccan economy, Cosumar group has been since 1929, the true driving force that encourages the Moroccan sugar sector to improve its competitiveness. Cosumar is the national pioneer of agricultural aggregation, maintaining a relationship with some 80,000 farmers and their families in the areas of Doukkala, Gharb, Loukkos, Tadla and Moulouya.

Since 1929,
a leading Group
at the service
of Moroccan people

UPSTREAM

AGRICULTURAL PERIMETERS :
GHARB, DOUKKALA, LOUKKOS, TADLA AND MOULOUYA

AREA
60,000 ha
of sugar beet
+
20,000 ha
of sugar cane

PRODUCERS
80,000
farmers

PRODUCTION
3 million
T of beet
+
1 million
T of sugar cane

INDUSTRIAL FACILITIES

EXTRACTION
7 sugar factories
with annual capacity of 4 million tons

REFINERY
1 refinery
of imported raw sugar with a capacity of 3,000 T/d

ANNUAL PRODUCTION
An overall capacity of
1.65 millions
tons of sugar annual production

Responsible for the national market supply

The Group's activity is based on three methods of sugar production: beet sugar extraction, cane sugar extraction in various sugar units established across the Kingdom, and refinery from raw sugar imported into Casablanca. Covering the national territory enables Cosumar group to ensure regular market supply by providing a wide range of refined white sugar products: sugar loaves, cubes, lumps and granulated sugar.

MARKET

NEEDS
1.2 million
tons

CONSUMPTION
36 kg /inhab./year
including 80% of direct consumption

PROGRESSION
1.8 %
of average annual progression

PRODUCTS
Loaves, lumps, cubes and granulated sugar

DISTRIBUTION
8 distribution agencies
throughout the national territory

CHRONOLOGY AND KEY DATES

1929
Incorporation of Cosuma by Saint Louis de Marseille.

1967
The Moroccan State acquires 50% of the capital.

1985
Leading Moroccan private group becomes the majority shareholder of the Company.

1993
Acquisition of sugar plants in Doukkala.

2005
Acquisition of 4 public sugar factories: SUTA, SUCRAFOR, SUNABEL AND SURAC.

2006
Extension of Sidi Bennour factory processing capacity to 15,000 t/d.

2008

- Incorporation of SUCRUNION ;
- Signature of Contract-Program between the State and FIMASUCRE.

2009

- The Food and Agriculture Organisation of the United Nations (FAO) medal award to COSUMAR for its role as an aggregator.

2010

- Incorporation of COSUMAGRI ;
- Presidency of ISO.

2011

- CSR CGEM label to SURAC and COSUMAR SA.

2012

- Pioneers of Corporate Social Responsibility and Green Economy in Africa ;
- CSR CGEM label granted to SUCRAFOR, SUNABEL and SUTA.
- Vigeo Prize « Top performer CSR ».

GOVERNANCE, STOCK MARKET AND SHAREHOLDERS

The governance bodies

The Board of Directors

Its assignment is to define Cosumar Group's major strategic areas for development, set the annual budget and allocate financial resources.

Administrators

Mr. **Hassan BOUHEMOU**
Mr. **Jean-Luc Robert BOHBOT**
Mr. **Khalid CHEDDADI**
Mr. **KUOK Khoon Hong**
Mr. **Mohamed LAHLOU**
Mr. **Mohamed LAMRANI**
Mr. **Régis Karim SALAMON**
Société Nationale d'Investissement «SNI» represented by Mr. **Aymane TAUD**

Chief Executive Officer

Mr. **Mohammed FIKRAT**

The Specialized committees

To enhance the effectiveness of internal controls, improve operational performance and empower managers in view of transparency, Cosumar Group has, besides the Board of Directors and Executive Committee, two specialist committees.

The risks and Accounts Committee

Its assignment is to examine all issues that may affect the accounts and the risks associated with the Group's activities and decide on how to prepare the social and consolidated accounts.

The appointments and remuneration Committee

Its assignment is to ensure that the human resources deployed by the Group are consistent with the expressed needs, decide on the remuneration of senior staff and validate the recruitments, transfers, dismissals and appointments of executives.

The Executive Committee

1. **Mohammed FIKRAT**
Chief Executive Officer

2. **Mohammed Jaouad KHATTABI**
Deputy Managing Director of Cosumar SA & Doukkala Sugar Factory

3. **Hassan MOUNIR**
Deputy Managing Director of Surac & Sunabel

4. **Abdelbaset ACHIQ**
Deputy Managing Director of Sales, Marketing and Supply Chain

5. **Ali EL MOUJAHID**
Director of Suta

6. **Salah NAHID**
Director of Sucrafor

7. **Abdeljaouad SLAOUI**
Director of Doukkala Sugar factory

8. **Mohcine BAKKALI**
International Development Director

9. **Abdelhamid CHAFAI EL ALAOUI**
Upstream Agricultural and Technical Coordination and the Communication Group Director

10. **Mohamed Aziz DERJ**
Strategic Projects, Sustainable Development, Internal Audit and Risk Management Director

11. **Assou MAHZI**
Deputy Managing Director & Advisor

12. **Abdeljalil KADDOURY**
Packaging and Refinery Production Director

13. **Youssef MOUTRANE**
Director in Charge of Developing the Information Systems

14. **Tarik BOUATTIOUI**
Finance and Management Control Director

15. **Ahmed ECHATOUI**
Information Systems and Human Resources Acting Director

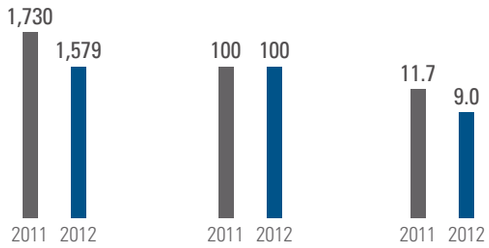
16. **Imad GHAMMAD**
Purchasing Director

17. **Abdelmotalib EL ABBADI**
AGA INGÉNIERIE Director

18. **Youssef BENSBAHOU**
General Affairs and Institutional Relations Director

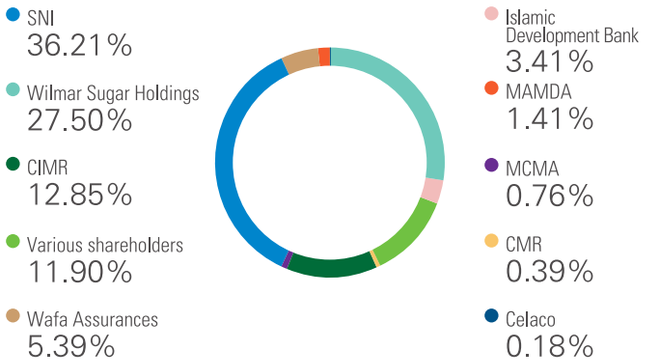
19. **Abdeslam HALOUANI**
Sucrunion Director

Stock market



Shareholders

Ownership of share capital at 17 April 2013






Development in Morocco in an increasingly competitive environment

Based on its privileged relationship with farmers, its production scheme, and the expertise and know-how of human resources of around 2,000 women and men, Cosumar ensures sugar supply to the national market. With its 8 sites in 5 agricultural areas throughout the Kingdom and an annual domestic production capacity of more than 1.6 million tons of sugar, Cosumar group is a major operator that plays an important role as a lever for regional economic development in its country.

As the leading domestic sugar producer and third production capacity in Africa, the Group asserts its commitment to develop the Moroccan sugar sector. With over 83 years of existence, Cosumar benefits from exceptional industrial, agricultural and human expertise in its various trades, which is a major asset in an increasingly competitive environment.

An international strategy in the light of new synergies

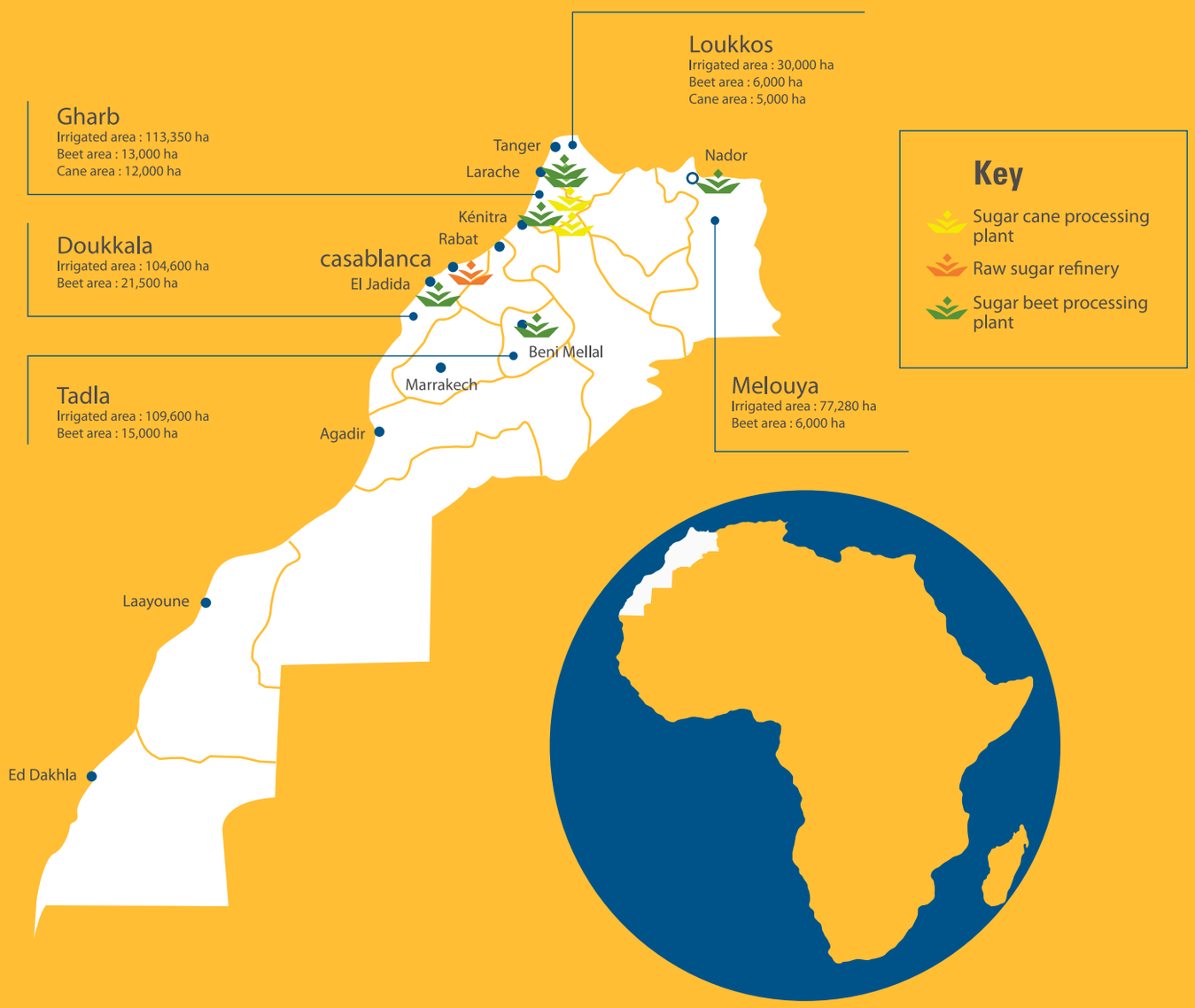
As part of its growth targets announced under "Cap towards Excellence 2016" corporate project, Cosumar sets out its ambition to expand in international markets. In this context, several options for geographic diversification have been explored. Cosumar has been able to seize these opportunities for external growth such as the Gafa Sugar Co project in Sudan, and is planning to continue exploring other potential partnerships and alliances in Africa. In this respect, a strategic plan for expansion in Africa is currently underway at Cosumar.

« CAP Towards excellence 2016 »: International ambitions and geographical diversification

LOCATIONS SET AT THE NEAREST OF THE UPSTREAM AND MARKETS

Cosumar is currently developing a plan for strategic expansion in Africa. Considering the sugar deficit in the continent of 6 million tons per year, Cosumar has initiated the integrated development project in Sudan, which is in advanced phase, as well as its establishment in several other countries.

PRODUCTION CAPACITY
1.6 million tons/year



A RECOGNIZED AGGREGATOR AND A CATALYST FOR THE MOROCCAN SUGAR INDUSTRY

Achievements of the 2008-2013 Contract Program

The sugar industry plays a strategic role in the country's economy through its contribution to food safety, to meeting the domestic needs for sugar, to job creation and to improving the living conditions of 80,000 families of sugar crop producers. With the launch of Morocco Green Plan, a Contract Program was signed between the Government and FIMASUCRE in 2008 for a 5-year period, in order to improve both upstream and downstream sector performance, thereby increasing the coverage rate of national demand for sugar. Cosumar, the national pioneer of agricultural aggregation, has been up to its commitments to the State and farmers, with nearly MAD 5.5 billion committed towards the modernization and increase of sugar plant treatment and refining capacity.

Progress assessment

Among the main achievements of this period, monogerm seeds were developed by 82%, mechanical sowing by 77% and mechanical harvesting by 21% for beet and 55% for cane. This period has also witnessed an increased performance in terms of efficiency and wealth with 9.5 tons of sugar per hectare against 7.8 tons in 2006, as well as an improvement in the gross income of farmers from MAD 17,500/ha in 2006 to MAD 25,000/ha in 2012.

The investments committed aimed the modernization of the sugar sector in farming business, upgrading industrial facilities and extending the refining capacity of formerly public sugar factories.

Industrial facilities have been subject to several plans for capacity extension and performance optimization and improvement which resulted in reaching an industrial capacity of 1,650,000 T/yr, thereby securing increased availability of sugar and its compliance with the most demanding quality standards.

Cosumar has continued its investments in sugar sector modernization, especially through the ongoing development of sugar loaf automatic manufacturing and of logistical facilities.

The new 2013-2020 Contract Program

Aligned with the previous one, a new Contract Program for the period 2013-2020 is being considered to contribute to the country's food safety and to play a strategic role in the economy and the socio-economic development of the upstream. This contract aims to achieve a coverage rate of 62% by 2020 through the improvement of areas planted with sugar crops with 77,500 ha for beet and 28,200 ha for sugar cane and the improvement of performance indicators including per hectare sugar which is expected to reach 12 T / ha in 2020. Cosumar plans to commit MAD 5 billion for this project.

Objectives of the Contract Program

The Contract Program provides the framework for pursuing the development and modernization of the sugar sector, with the following major axes:

Upgrade of the upstream:

-Extension of areas, particularly in Gharb and Loukkos perimeters,
-Promotion of water saving,
-Improvement of the agronomic performance of sugar crops,
-Improvement of harvesting and transportation conditions of sugar crops,
-Reinforcement of research and development,
-Promotion of environmental protection and production system safeguarding actions.

Industrial upgrade:

-Development and modernization of industrial facilities,
-Improvement of production reception and grading system,

Improvement of the sector's framework conditions:

-Implementation of an interprofessional agreement
-Fostering and strengthening of aggregation projects,
-Monitoring and reinforcement of the capacities of Producer Associations and their Union,
-Fostering of agricultural service providers,
-Protecting the sugar sector and ensuring its equilibrium.

Global investment

Cost of implementing the scheduled actions: **MAD 7.0 billion** including **MAD 2.0 billion** representing the share of the State contribution to the farmers.
Cosumar commits an investment of **MAD 5.0 billion**.

FIMASUCRE
FEDERATION INTERPROFESSIONNELLE MAROCAINE DU SUCRE

Actions within FIMASUCRE and APS

The Moroccan sugar sector is structured around the Moroccan Interprofessional Sugar Federation (FIMASUCRE) which brings together the National Union of Sugar Plant Producer Associations in Morocco (UNAPPSM) and the Professional Sugar assocation (APS). Cosumar is a permanent member involved in all of these organizations. Its contribution in partnership with other stakeholders has enabled many technological developments such as monogerm development, sugar crop mechanization... resulting in an overall improvement in agronomic performance indicators.

A CREATOR OF VALUE FOR THE MOROCCAN ECONOMY

Moroccan Industrial flagship

Industry-wise, Cosumar has undertaken an extensive upgrade program through significant investment of more than MAD 5.5 billion. These investments have focused on increasing the processing capacities at sugar factories (4 million tons/year) to support the evolution of agricultural production as well as the modernization of sugar mills and the refinery. The capacity extension, the performance optimization and the improvement program resulted in an increased industrial capacity of 1.65 million tons of white sugar per year, thereby exceeding current market needs for sugar by 1.25 million tons, with sugar that meets the most demanding quality standards.

These heavy investments confirmed the resilience of Cosumar's economic model, allowing it to secure the regular supply of the market in this strategic commodity, and avoiding all risks of shortage, regardless of climate hazards impact on national production.

ACTIVITIES

From extraction to refining, through packaging and marketing, Cosumar is present throughout the value chain of sugar in Morocco. The Group also promotes the establishment of service providers and the implementation of facilities in the communities around its agricultural perimeters.

EXTRACTING FROM MOROCCAN SUGAR BEET AND SUGAR CANE

Extraction and transformation processes

Sugar beet is grown in the regions of Doukkala, Gharb, Loukkos, Tadla and Moulouya. Sugar cane is grown in the regions of Gharb and Loukkos. Sugar is extracted from these two plants in sugar mills. This consists in separating the sugar from the other components of the plant through a succession of unit operations: washing, diffusion, purification, filtration, evaporation, crystallization, drying and packaging. The major difference between beet and cane sugar extraction processes lies in the fact that cane processing is made by crushing and pressure, rather than by diffusion. Since cane juice does not contain the same impurities as beet juice, it goes through different purification processes.

Social and economic impact of these activities

The presence of Cosumar group's subsidiaries in the five agricultural perimeters of Doukkala, Gharb, Loukkos, Tadla and Moulouya, contributes to the establishment of real socio-economic poles around sugar plants. The Group has long encouraged the creation of service providers and the establishment of utilities infrastructure.

Cosumar has also supported the neighbouring localities of its current perimeters (Doukkala, Tadla, Moulouya, Gharb-Loukkos):

- Over 10 million working days generated per year;
- 2,000 direct and 3,000 indirect jobs in the industry;
- Over 20 mechanization service providers with technical and financial support for a total amount of MAD 30 million / year;
- Over 60 companies specializing in the distribution of inputs with an annual turnover of MAD 400 million /year;
- Over 5 companies of sugar plant transport generating a turnover of MAD 250 million and mobilizing more than 1,400 trucks/year and 7,000 employees in loading.

Cosumar also provides income to the rural world thanks to the indirect jobs generated by the provision of inputs from the upstream (seeds, fertilizers) and agricultural equipment (seeders, harvesting machinery, etc.).

This strategic vision provides economic stimulation to the regions, whilst maintaining populations at the service of local development (against rural exodus) and value-creating to the major state investments (dams, hydro-agricultural networks, etc.) through the development of other activities related to the sugar sector (such as farming).

REFINING FROM IMPORTED RAW SUGAR

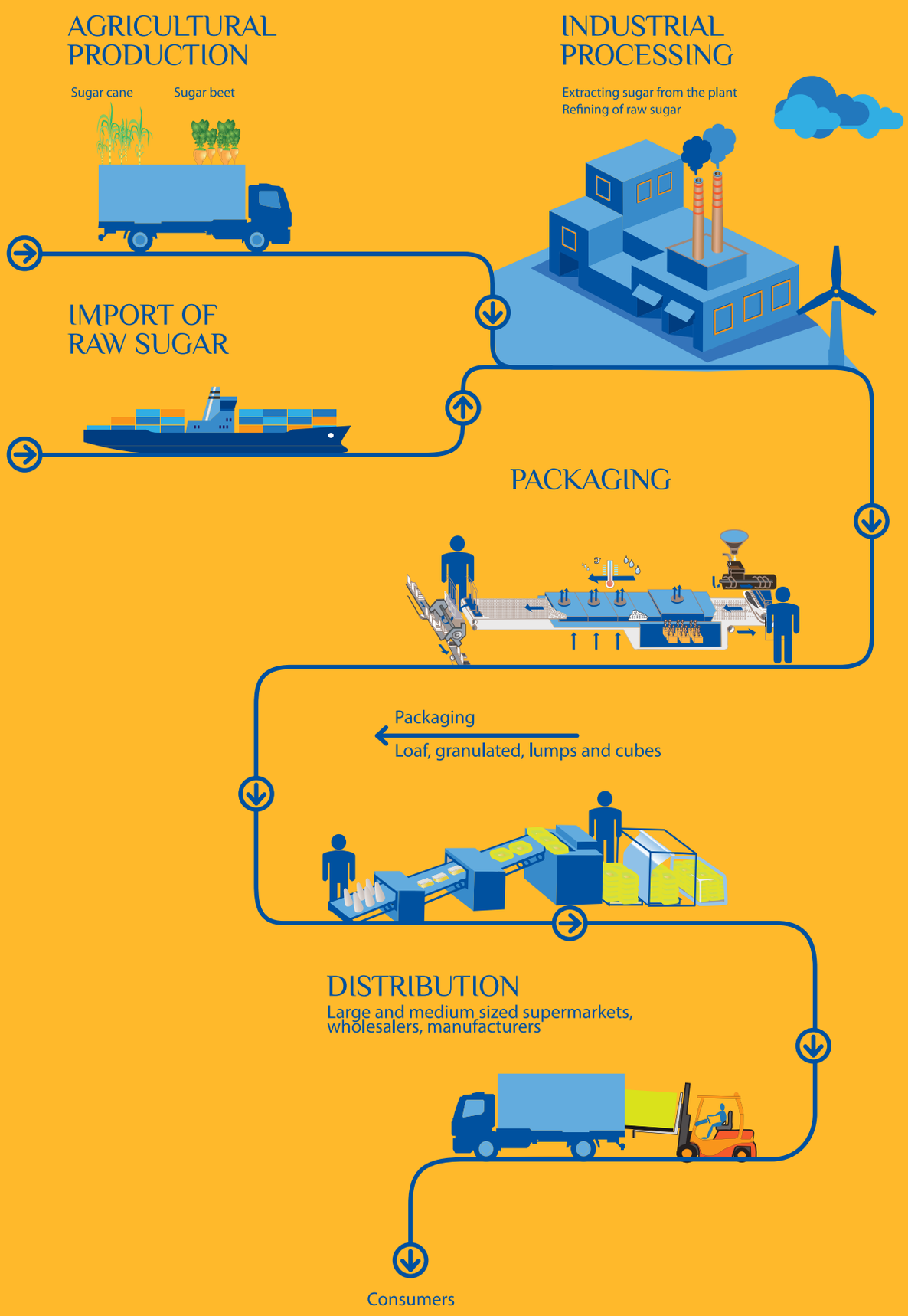
Product flows

Created in 1929, the Casablanca Refinery refines imported raw sugar to white sugar containing more than 99.7% of pure sucrose. Raw sugar is shipped by sea from Brazil, hence the refinery location near the port of Casablanca. Raw sugar is then transported from the port to the refinery where it is stored in dedicated silos.

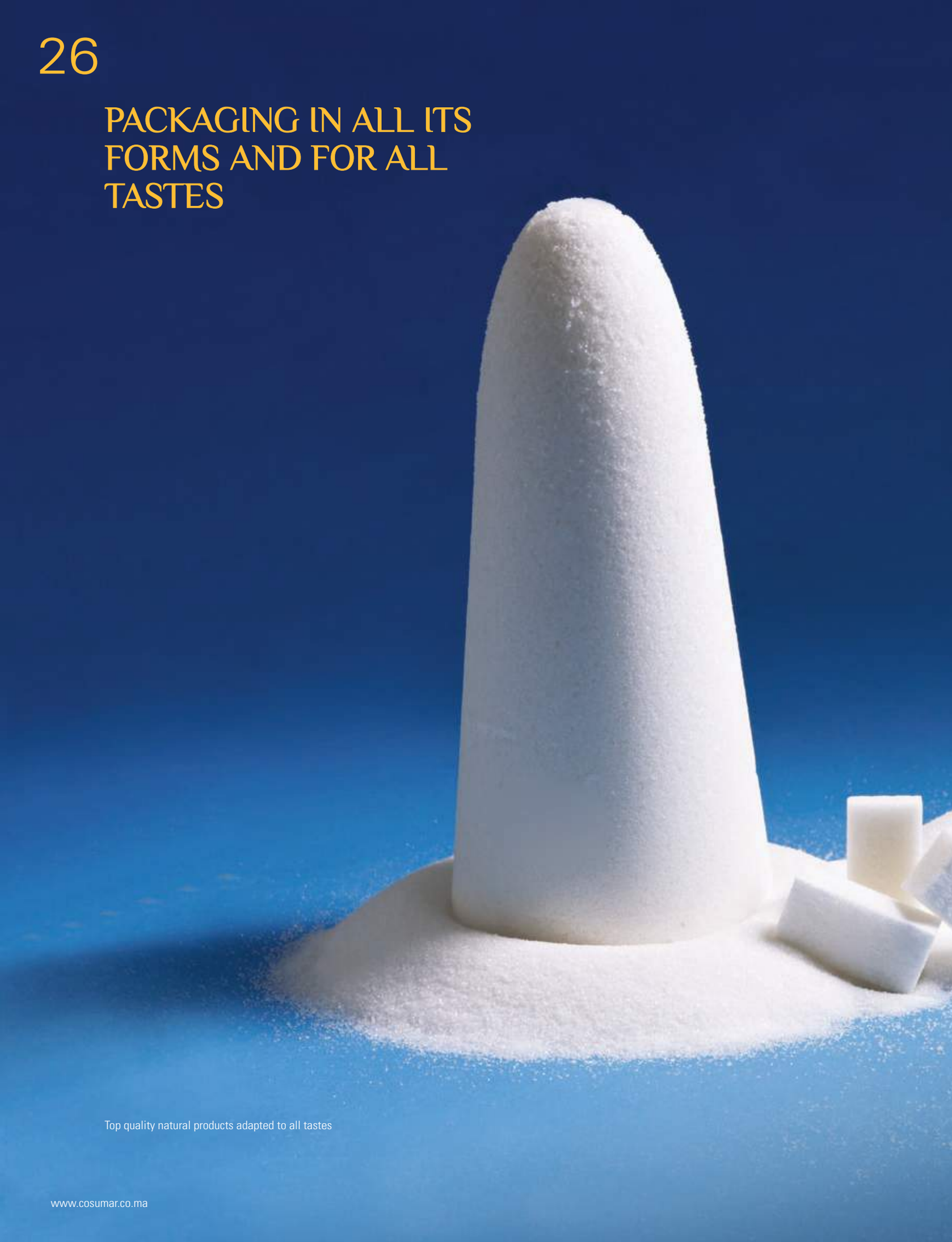
Transformation processes for a healthy and natural product

Pure white sugar is obtained through a series of operations: purification, mashing, thawing, carbonation, filtration, discoloration, evaporation, crystallization and drying. White sugar is then sent to packaging.
Each step of this process enables to further remove impurities so as to provide customers with a healthy product.

COSUMAR'S VALUE CHAIN



PACKAGING IN ALL ITS FORMS AND FOR ALL TASTES



Top quality natural products adapted to all tastes

Product range

Sugar Loaves

Associated with significant moments in Moroccan people's lives, sugar loaves are served during the traditional tea ceremony. It is also offered at events such as the pilgrimage to Mecca, weddings and births. This form was long confused with sugar.

Granulated sugar

A form used by both manufacturers and households, granulated sugar is sold in bags of 1 kg and 2 kg grouped by 6, 12 or 15 and in bags of 50 kg, thereby adapting it to the various reception and storage facilities of final users.

Cubes

Designed by Cosumar in the 1970s, cubes are used in the traditional way of preparation of mint tea and in coffee preparation. They are sold in 1 kg boxes and 5 kg burden.

Lumps

Sugar lumps are the world's most popular moulded form. They are marketed in 1 kg boxes and in 5 kg burden and are usually used in coffees.

Pellets and molasses

They are marketed for animal feed and yeast manufacture. Bagasses, the fibrous residues of sugar cane, are used as bio-energy in sugar units.

MARKETING INNOVATION

A new customer-oriented culture

Customer focus is at the heart of Cosumar Group's concerns. By implementing a real strategy for permanent and global improvement of our products and services, Cosumar wishes to reaffirm its position on the market, to get closer to consumers and to secure their loyalty. Products on the market comply with the most demanding standards. Through regular surveys conducted with our customers, consumer expectations and perceptions are assessed so as to provide innovative and modern products consistent with the needs expressed.

Cosumar intends to reaffirm its position on the market, to get closer to the consumer and secure their loyalty.

SUGAR DISTRIBUTION THROUGHOUT THE KINGDOM

Regular supply to the market through a diversified distribution channel

Ensuring regular supply to the market is the priority of Cosumar Group. Through its commitment to provide a product that meets the most stringent quality standards, Cosumar has implemented a high-performance distribution circuit, ensuring optimal coverage of the territory. Products are thus available in quantity and on time, and supplied by road and rail to 13 outlets throughout the Kingdom, 8 of which are sales agencies.

13 points
outlets throughout the Kingdom, 8 of which are sales agencies

CAP TOWARDS EXCELLENCE 2016

Mobilizing the whole company

A socially responsible group that creates lasting value through its diversified activities, Cosumar group has always stood out by its strong commitments. Following Indimage 2012 corporate project, the group has entered a new era geared towards excellence in all of its businesses, with the aim of becoming a major player in agribusiness in Africa: the Goup's position will thereby be strengthened, either at the national or regional levels.

Cosumar group enters a new era oriented towards excellence in all of its businesses.

"CAP Towards Excellence 2016": 64 projects based on 5 strategic axes

- Reinforcement of market orientation by consolidating the brand image and placing the customer at the centre of our preoccupations.
- Choice to resort to external growth for regional opportunities.
- Business diversification by developing related sectors with high added value.
- Operational excellence as main lever for development.
- Positioning of human resources around the culture of excellence.

Business guiding principles and performance monitoring: Improve 2013

To support the evolution of the environment and activity of Cosumar group, the redesign of information systems was initiated in order to meet the strategic objectives. The new IS should optimize industrial production, facilitate director management through proactive management, implement a competitive intelligence tool and enable to listen to the market needs. The final goal is to provide the required facilities for the achievement of objectives.

The Sales and Marketing Department launches the «CRM» tool

As part of the IMPROVE project, the Sales and Marketing Department has implemented the CRM tool, which offers a 360° view of customers and their products: trading history, agreements, product technical specifications ... This tool will also ensure real-time processing of claims from direct customers and consumers.

RESPONSIBILITIES AND COMMITMENTS

A responsible corporate citizen, Cosumar is involved in the well-being of its employees and consumers, as well as in environmental protection.

MEETING THE HIGHEST INTERNATIONAL STANDARDS ON CUSTOMER SAFETY

Standards and certifications

As part of the implementation of its QSE strategy, Cosumar has chosen the ISO 14 001 certification for all of its production sites, in order to capitalize on the efforts made in terms of environmental protection and sustainable development. This certification cycle started in 2008 has resulted in the ISO 14 001, ISO 9 001 for Quality and OHSAS 18 001 for management of health & safety at work certifications at all Cosumar's sites.

A CLOSE PARTNERSHIP WITH MOROCCAN FARMERS

An operator involved in the "Green Morocco plan"

Cosumar Group is involved in the upgrade of the sugar industry and the overall improvement of its performance. Investments scheduled under the contract program signed between the State and FIMASUCRE on April 22, 2008 are consistent with the "Green Morocco Plan" and will contribute to the sector's improved competitiveness.

المغرب الاخضر
LE MAROC VERT

Promoter of development for the Moroccan sugar sector

The Moroccan sugar sector ensures food security in the country and plays a strategic role in the economy and socio-economic development of Morocco. It is therefore necessary to continue the sector's development, in order to increase the coverage rate of national sugar needs from local production. Cosumar plays a key role in making every effort to promote the development of the sector. Since then, the sugar industry has made significant reforms, the first of which was its reorganization through the establishment of the Moroccan Interprofessional Sugar Federation (FIMASUCRE) in June 2007. Fimasucre brings together the sector's and industrial players represented by the associations of sugar plant producers and the sugar companies.

The Moroccan sugar sector ensures food security in the country and plays a strategic role in the economy and socio-economic development of Morocco.

A daily involvement with farmers

Considered as a successful aggregation model in Morocco, Cosumar Group was awarded with a medal by the United Nations Food and Agriculture Organization (FAO) at the World Food Day, in October 2009, as an acknowledgment of its leading role as an aggregator of 80,000 partners. The aggregation agreements implemented are intended to further strengthen the win - win relationship between the aggregator and its aggregates and to allow them to access the profits from the agricultural development fund.

Cosumar provides financial, technical and social support to its partners. Its tasks are as follows:

- Supervision of sugar crops production through input supply and distribution, pre-financing of inputs and certain cultivation operations, support for the incorporation of agricultural service providers, defence of their interests with the public authorities, etc.;
- Organization of sugar crops transportation;
- Purchase of production (increase in the purchase price of sugar crops during 2010/2011 and 2011/2012 seasons) with full transparency ensured by reception centres certified for international standards;

The total amount distributed in 2012 for the upstream exceeds MAD 2 billion.

LISTENING TO OUR EMPLOYEES' WELLBEING AND SAFETY

Social barometer: a major surveillance and monitoring tool

Conducted annually at all Group sites, the social barometer survey places human resources at the heart of the Group's development strategy and allows employees to express themselves in a confidential way about their needs and expectations. Outcomes are communicated to all staff with full transparency, thereby promoting operational and strategic decision-making, exchange of experience and sharing of good practices.

Areas of progress

- **Management**: strengthening the supervision and monitoring of staff to develop a style of management up to expectations.
- **Internal communication**: promoting greater fluidity in passing on information and conveying the image of a corporate citizen.
- **Integration and retention of new recruits**: developing a support policy that promotes integration and encourages the culture of performance to ensure succession in the best conditions.
- **Development of a common culture**: uniting the staff around the Group values to strengthen the feeling of belonging to the company.

Training at the service of our skills

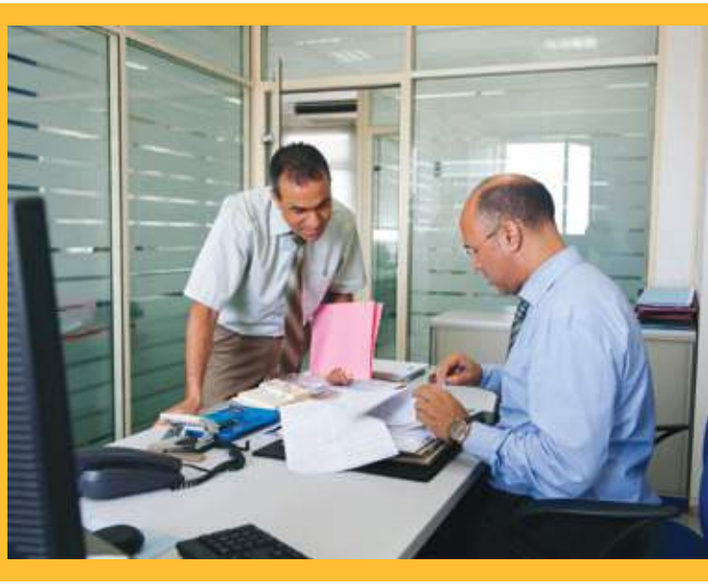
The skills' development of our employees is a key lever to achieve and maintain a high level of performance. Training aims to develop anticipation and support policies for short and mid-term developments taking into account Cosumar's strategic perspectives, organizational and technical changes, and the individual and collective needs of employees. Many training actions were conducted in 2012, which were either intended to meet the needs expressed by our employees or required by the evolution of Cosumar's environmental context. More than 3,300 days/men of training were completed in all businesses. Specific long cycles have also been scheduled for our senior staff. To support ongoing projects, awareness days were held for all master agents and classified agents.

Training results in figures

- Management and personal development 158 participants
- Business 91 participants
- Quality Safety Environment 66 participants
- Support 25 participants

- Management and personal development 273 participants
- Business 391 participants
- Quality Safety Environment 443 participants
- Support 17 participants

- Management and personal development 888 D/M
- Business 1,227 D/M
- Quality Safety Environment 965 D/M
- Support 272 D/M



"Developing Manager": a cycle dedicated to executives with high potential

This program dedicated to the Group's managers was designed in collaboration with ONA University, so as to meet the expectations reported by social barometers. In 2012, Cosumar held the second annual "Developing Manager" program for young and future managers. Over a period of 9 days, spread over 4 modules, this cycle helps to improve their behavioural and managerial skills: power, leadership, collaboration, trust, autonomy, recognition... Future managers are thereby given the tools to control their scope of action and support change in business. Participants are delivered a certificate upon completion of the cycle.

Integration policy

This integration policy aims to ensure the succession of key positions at Cosumar Group, as certain Cosumar positions are very specific to our trades and require careful support in passing on the know-how of our sugar industry.
Integration of our new employees is the last stage of recruitment and the first stage to loyalty. This course includes a series of steps that all new employees have to follow in order to live their adaptation period in the best conditions. In this context, the policy implemented makes them more quickly operational, productive and independent as it also promotes involvement, sustained commitment, and adherence to the culture and values of the Group. This helps to develop a sense of belonging to the company as from the first months of collaboration.

Integration of our new employees is the last stage of recruitment and the first stage to loyalty

Recruitment by subsidiary (executive & engineer)

Executives
Total : 4

Cosumar **4**

engineers
Total : 17

Cosumar **8**

Doukkala **1**

Sucrafor **3**

Sunabel **4**

Suta **1**

Health and safety at work: a top priority

All Cosumar employees have the right to work in a healthy and safe environment. Through its teams, the Group acts on a daily basis to maintain the goal of zero work accidents. For two years, all sites have certified their health and safety at work management system under the NM 00.5 801 or OHSAS 18 001 standard 2007 version. Materials and installations were brought into compliance while training on hazards in the workplace and wearing of individual protections were held.

A constructive social dialogue with social partners

The Cosumar management and social partners are involved in ongoing, permanent, constructive and responsible exchanges and dialogue based on trust and mutual respect, for the preservation of a motivating and healthy climate, while integrating the economic constraints of the company.

Strengthening the entrepreneurial spirit

To develop the sense of belonging of our employees and motivate them in a better way, Cosumar has developed a consistent corporate culture.
This latter is promoted through meetings between employees as well as through the values conveyed by the Group with its partners. The Senior Executives Convention is a strong event as it provides an opportunity to exchange on views and development strategies. It also helps to inform the employees on new projects, to review the progress of ongoing operations and to assess results of past actions. However, the Senior Executives Convention which is held every two years is above all an opportunity to take a global view. It is, in this respect, a great forum of exchanges designed to measure the progress made and to define the areas of improvement for the company.

The Senior Executives Convention is a strong event as it provides an opportunity to exchange on the Group's views and development strategies.

THE WILL TO ACT FOR THE ENVIRONMENT

Resources' preservation

Controlling the impact activities have on the environment and ensuring product compliance with customer specifications result in customer satisfaction and confirm the Group's QSE approach, the goal of which is to implement the best practices through a collective QSE Culture. Important measures have been deployed in all sites to reduce water consumption through industrial investments promoting water savings, reducing wastewater discharges, as well as through providing support to farmers in the implementation of the water saving irrigation system.

Other improvements have resulted in reduced fossil fuel consumption. The «bagasse boiler» project initiated by Surac and operated by Sunabel, has allowed the use of excess bagasse of Surac, thereby reducing CO2 emissions of about 30,000 T / year and resulting in a consumption saving of 7,000 tons / year of coal. This project was registered at the United Nations MDP (Clean Development Mechanism) Executive Board, thereby becoming the fifth Moroccan project within this framework.

Environmental compliance

The dual economic and ecological crisis has demonstrated the need for a new economic growth model that integrates the correct balance among economic, social and environmental objectives. This new business model will ensure a sustainable business development while preserving nature and developing the welfare of men. To position themselves in this model, Cosumar Group's subsidiaries have taken into account the environmental criteria in all their strategic decisions. Industrial sites ensure the provision of environment-friendly products and are committed to implement these environmental criteria in their daily operations. Protecting the environment, ensuring proper management of natural resources, satisfying its employees, partners, customers and the civil society are the fundamental principles on which Cosumar Group defines its strategy and sustainable development policy.

PROMOTING ECONOMIC AND SOCIAL DEVELOPMENT FOR MOROCCAN SOCIETY

Our actions for local economic and societal development

Through its various businesses, Cosumar Group is an aggregator of 80,000 farmers spread over five regions of Morocco for beet and sugar cane production. The Group supports its agricultural partners in improving their agricultural performance, optimizing their water consumption, increasing per hectare productivity and improving their income, through technical, financial and social proximity support. This CSR orientation of Cosumar Group is a global approach with an appropriate organization for strengthening the Group's position as a respected and citizen socioeconomic player generating wealth and jobs and heavily involved in the sustainable development of the regions.

Our sponsoring and support operations

Cosumar Group, which is also responsible towards citizens, is involved with civil society in a variety of charities. It provides constantly moral and financial support for associations and public utility organizations, such as SOS Village, Insaaf, L'Heure Joyeuse, etc.
Together with «Aljisr» association, Cosumar has sponsored several schools throughout the Kingdom by financing the redevelopment of their infrastructure and the provision of the required equipment for their activity. Cosumar contributes to reducing rural school dropout rate and controlling rural exodus. Cosumar has also met the challenge of a solidarity synergy with «Sife Morocco» students' association that supports low-income populations.

RESULTS

Good operating results are due to optimized industrial facilities and improved operational performance.

THE MARKET ENVIRONMENT

The year 2012 was marked by international sugar surplus for the second consecutive year.

International environment

2012 was marked by sugar surplus for the second consecutive year. This has resulted in the recovery of global stocks and loosening of raw Sugar prices to unrecorded levels since 2010. Sugar prices have kept declining since 2011, following improved supply conditions. Global sugar production is expected to reach a record level for the 2012/13 season, due to promising harvests in Brazil, the world's leading producer and exporter.

Thanks to good weather conditions, the main producing countries had good harvests thereby contributing to a surplus of about 10 million tons in 2012/2013 with a production level of 182 million tons. This improvement in cultivation is primarily related to the favorable climatic conditions in Brazil, both during the growing period and also since the beginning of the harvest where refineries have very quickly reached their full capacities without climatic disturbances. Sugar extracted in Brazil would thus exceed 37 million tons.

In this context, global sugar prices should remain under downward pressure until at least the end of the current growing season (October / September). Despite the sharp decline they have experienced, sugar prices remain relatively high (about 60 % against their average in 2007-2008). They are supported by a strong demand for sugar cane for ethanol production in a context of high oil prices.

The outlook for 2013 seems positive. The first assessments show that the global market is in surplus despite the decline recorded by Indian and European productions. According to assessments from the International Sugar Organization, the year 2013/ 2014 may also witness a surplus for the third consecutive year of about 6 million tons. However, the situation tends to be balanced between production and consumption and the surplus phase could eventually come to an end during year 2014/ 2015.

National market environment

Sugar sales on the domestic market reached 1.2 million tons, with an increase of 1.6% as with regard to 2011 achievements. This market growth is keeping with the historical trend. It is again driven by a 2.7% increase in granulated sugar (+ 17.5 million tons), with a stagnation of loaves offset by the increased volume of lumps-cubes. The tonnage received is lower due to the bad weather conditions (frost and lower temperatures) which affected per hectare yields in 2012 as compared with 2011. The sugar season was marked by unfavourable weather conditions. Beet season was disrupted by a period of drought during February and March and the extension of cold during the phase of plant growth in all areas. The floods that affected Gharb and Loukkos regions have impacted the achievement program. As for the cane season, it was affected by frost periods with a substantial impact on production and technological quality of sugar cane. In this context, beet and sugar cane production and per hectare yields were lower than the previous year and resulted in a decrease in white sugar production from local plants. This decrease was offset by Cosumar Group through its Casablanca refinery that helped to ensure normal and regular market supply.

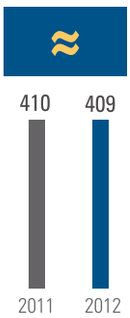
2012 HIGHLIGHTS AND KEY FIGURES

A year rich in events
announcing major changes

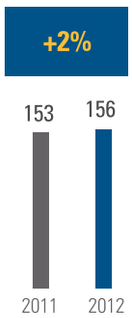
The national market in 2012

In 2012, sugar sales in the domestic market have reached 1.2 million tons, thereby increasing by 1.6% compared with 2011 achievements.

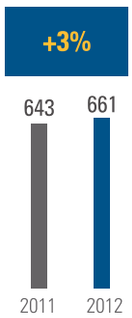
Evolution by product segment & market shares (in thousands of T)



Sugar loaves



Cubes, lumps



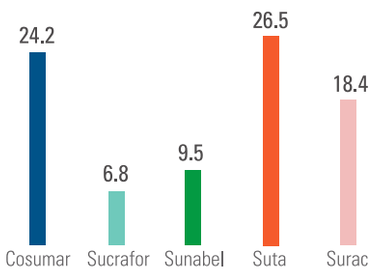
Granulated sugar

Agricultural activity
White sugar extracted / tonnages processed

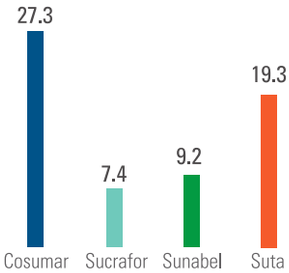
215 KT
of sugar
1,449 KT
of beet processed

32 KT
of sugar
511 KT
of cane processed

Evolution of co-product production (in KT)



Molasse - Total : 85.4 KT



Pellets - Total : 63.2 KT

Planted area (in ha)

The overall area planted with sugar crops for 2011-2012 amounted to 32,000 ha of beet and 2,980 ha of sugar cane against respectively 51,650 ha and 4,830 ha for the previous year. The decline in the program's level of achievement is mainly due to the impact of the succession of adverse weather conditions (floods in the Gharb and Loukkos).

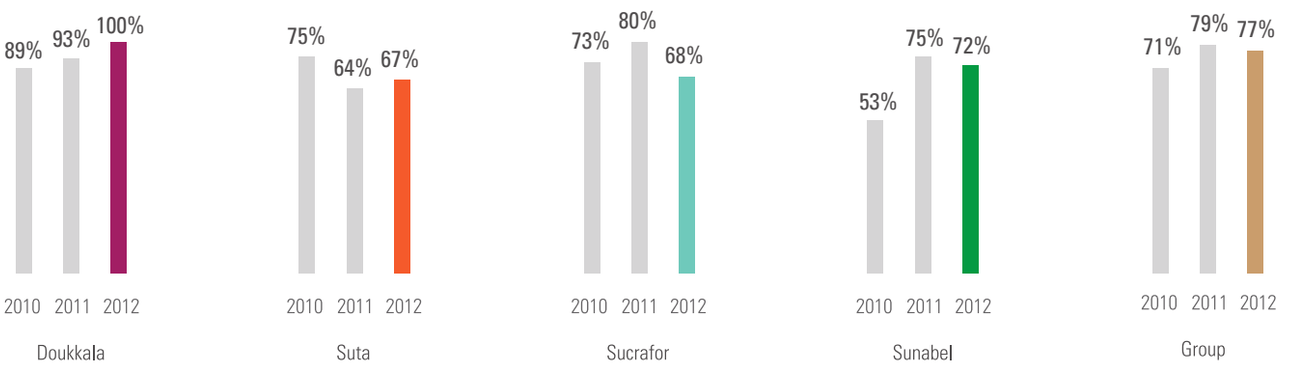
Doukkala 19,796 · Suta 11,202 · Sucrafor 6,610 · Sunabel 13,932 · Surac 4,317

Doukkala 20,016 · Suta 15,078 · Sucrafor 6,172 · Sunabel 10,382 · Surac 4,833

Doukkala 8,641 · Suta 12,502 · Sucrafor 2,997 · Sunabel 7,780 · Surac 2,978

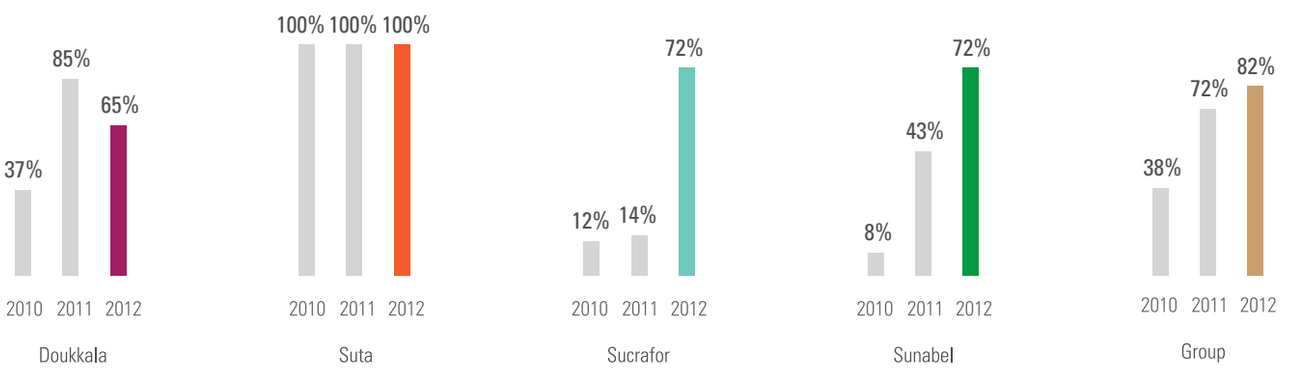
Evolution of mechanically-sown areas (in %)

With the action plan for the promotion of service providers and the introduction of material tailored for sugar crops, the mechanization rates of cultivation operations have witnessed significant improvement especially for seedlings. The mechanization rate of sugar beet seedlings reached 77% in 2011-2012.



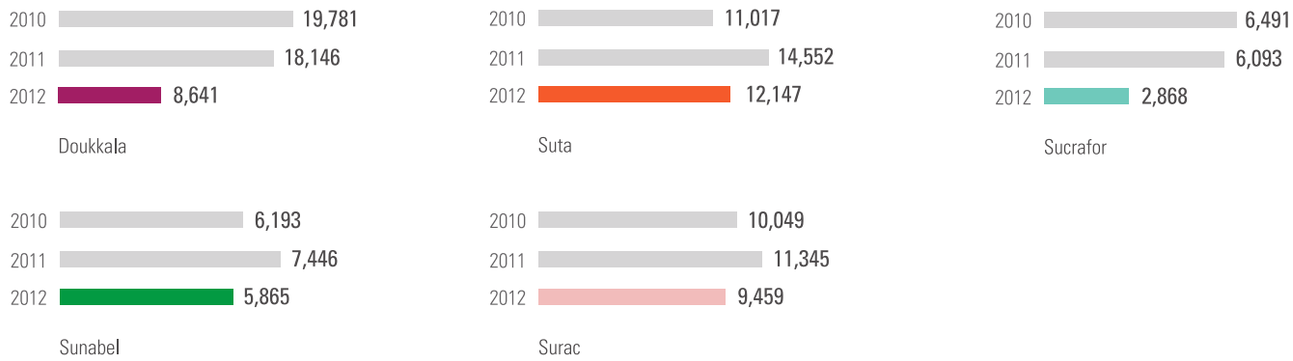
Evolution of areas sown with monogerm seeds (in %)

Cosumar has launched an action plan aimed at generalizing monogerm seed by 2016. During 2011-2012, the areas sown with monogerm seeds went from 72% to 82%.



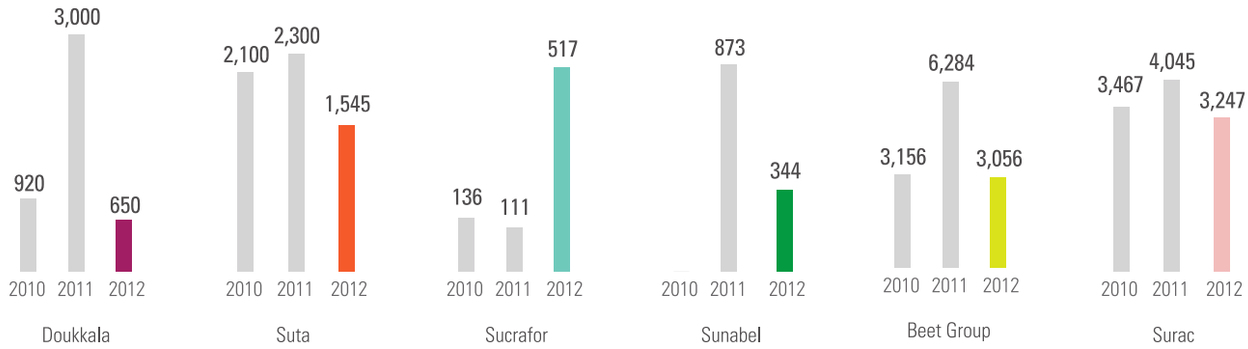
Evolution of harvested areas (in ha)

Harvested areas for year 2011-2012 are of about 29,500 ha for beet and 9,500 ha for cane. The gap recorded between the harvested areas and those planted for sugar beet is due to the drought in Loukkos and the effects of water stagnation in the Gharb in December and January.



Evolution of mechanically-harvested areas (in ha)

The level of mechanically-harvested areas remains below expectations due to a set of structural constraints such as the surface method of irrigation and the demand of farmers for the preservation of beet leaves. Incentive and development efforts are maintained for the generalization of mechanical harvesting.



Refining operations

In thousand tons

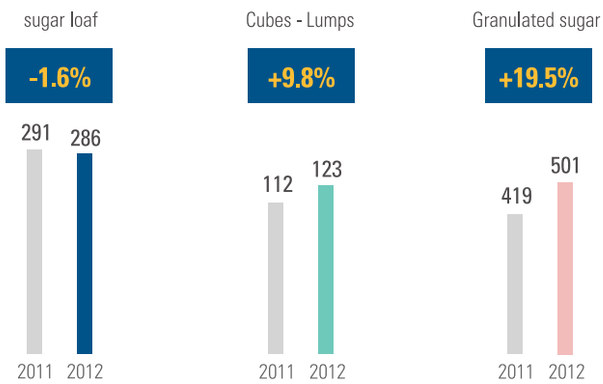
Group 853 | Cosumar SA 821 | Subsidiaries 32

Group 950 | Cosumar SA 935.5 | Subsidiaries 14.4

+ 11,38%
production from refining operations

The output from refining activities has increased by + 11.38% to compensate for the lower local production and ensure regular supply to the national market.

In thousand tons



The contrasted evolution according to segments is explained as follows:

- Loaf production at Cosumar SA was offset by the improved performance of the mechanized loaf packaging lines activity in Suta.
- Granulated sugar increased by + 19.5% to compensate for the decrease in the activity of extraction from local sugar plants.

Investments

Significant investments made by Cosumar to improve its refining and packaging facilities meet a quality rationale intended to offer consumers a product that is up to their expectations. They also meet a production capacity rationale to ensure regular sugar supply in the Kingdom all year long.

2012 investments mainly include:

-The continuation of mechanization works for sugar loaf manufacture.

-The project of replacement of the packaging lines for cubes-lumps at Casablanca refinery.

-The acquisition of the moist pulp press at Suta factory.

-The upgrade and maintenance works of the industrial facilities.

Major actions on the economic, social and environmental area

The year 2012 witnessed many achievements in terms of CSR - QSE. Cosumar Group was granted the renewal of the QSE certifications of the Sales and Marketing Department and in Suta, Sucrafor and Surac Ksibia subsidiaries. Doukkala, Surac MBK and Sunabel MBK subsidiaries also had their certification renewed after successful follow-up audits.

Cosumar, through its role as an aggregator model recognized at the national and international levels by the Food and Agriculture Organisation of the United Nations (FAO) in 2009, has managed to grant all of its subsidiaries the CSR-CGEM label. The Group was also awarded the "CSR Top Performer " trophy by Vigeo rating agency.

2012 « Pioneers of Corporate Social Responsibility and Green Economy in Africa prizes »

2012 CSR Top Perfomer award by VIGEO

Few actions conducted in 2012:

- Health Insurance for growers and their families;
- Solidarity fund for farmers who suffered from climate hazards;
- Medical campaigns in rural areas;
- Partnership with Al Jisr association which resulted in Sucrafor's commitment with Salaheddine Ayoubi School in Zaio region;
- 4th edition of the contest of the best final year study projects rewarding with 5 prizes ranging from MAD 10,000 to MAD 50,000 the best research for topics related to the sugar industry.
- 3rd edition of the incentive for the best high school graduates children of the Group's employees;
- An ISCAE - Cosumar partnership resulted in the launch of a study conducted by 23 students on sugar consumption habits in Morocco. The best results were rewarded by Cosumar and ISCAE;
- Participation of Cosumar in several events such as Business Leaders (Injaz Al Maghrib), sponsorship of several associations...

Pioneers of corporate social responsibility and Green Economy in Africa

This positioning has earned Cosumar the "Pioneers of corporate social responsibility and green economy in Africa" award in November 2012 and its representation role of the network of CSR and sustainable development players across the African continent.

In this context, Cosumar is fully involved in environmental protection and has conducted several projects, including:

- Installation of a bagasse boiler in Sunabel MBK which resulted in the reduction of the CO2 emissions and saving several thousands of tons of coal per year, thereby becoming the 5th Moroccan project under the United Nations' MDP project (Clean development mechanisms);
- Project to install the PKF filters for the filtration of sewer sludge in several sites of the Group resulting in water saving and reduced olfactory nuisances for locals;
- Project to install additional refrigerants and water separators for improved water efficiency;
- Use of nano-filtration for the processing of discoloration discharges.
- Creation of a wastewater treatment plant at Suta.

FINANCIAL PERFORMANCE

2012 RESULTS AND PERSPECTIVES

Despite adverse weather conditions, Cosumar Group has been able to address the growing demand of the market while preserving its financial results through the improvement of its operational and industrial performance. The good operational results are explained by the ongoing optimization of industrial facilities and the improvement of its operational performance despite the decline recorded by national sugar production due to the adverse weather conditions.

2013 outlook

Cosumar Group, an aggregator of sugar sector and a socially responsible economic player, will continue to work on increasing the contribution of local production and support farmers as part of a sustainable partnership for all stakeholders. Through its resilient business model, Cosumar will ensure to meet the growing needs of the national market in sugar, while pursuing the improvement of its industrial and operational performance. The right distribution of rainfall and the filling level of dams provide favourable conditions for 2013 sugar year.

Cosumar will make sure to meet the growing needs of the national sugar market.

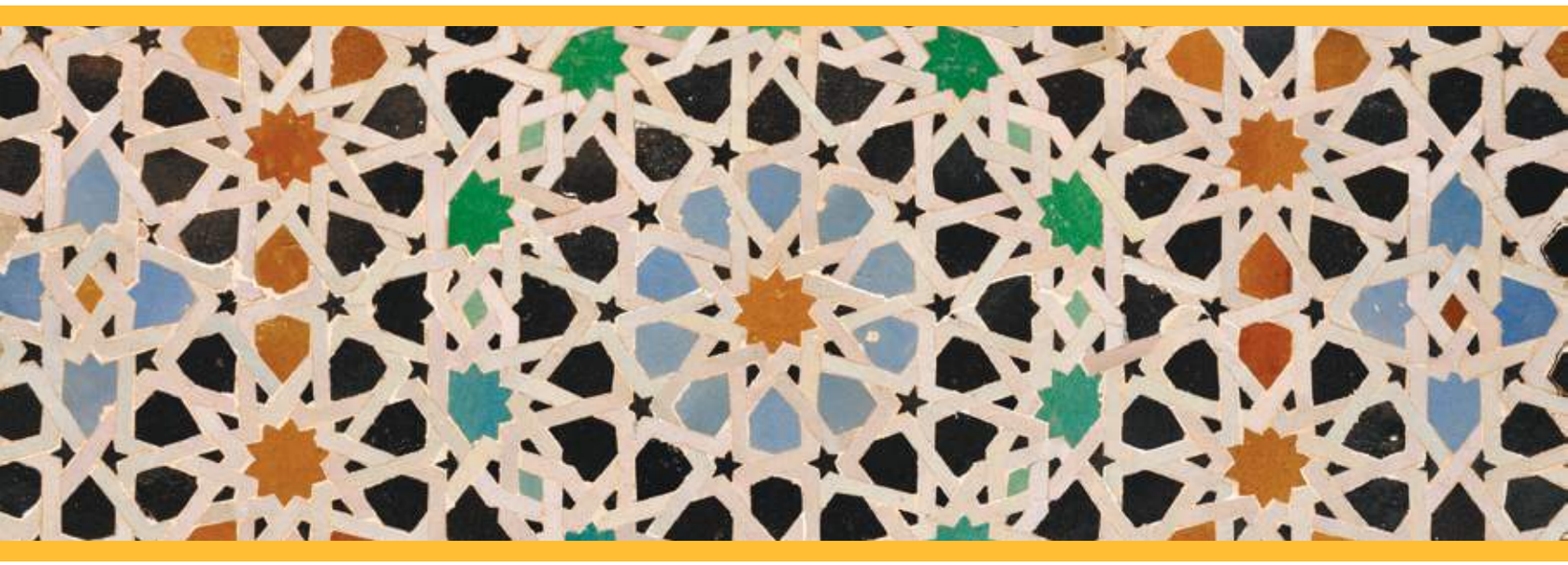
IFRS CONSOLIDATED ACCOUNTS

2012 turnover reached MAD 5,983.7 million, in decline by MAD 77.5 million compared to 2011. Indeed, the decline in the volume of production and sales of co-products has absorbed the increase in sales of finished products.

EBIDTA by the end of 2012 reached MAD 1,223 million, thereby increasing by MAD 7.3 million as compared with 2011.

The contribution of the increase in sales volumes in the result, the improved performance of the Casablanca refinery and the increase in the extraction rate of sugar plants have helped offseting the effects of adverse weather conditions on the sugar campaign and the withdrawal of harvested areas. The net income, group share, went from MAD 622 million at the end of fiscal year 2011 to MAD 730 million in 2012, due to increased non-current revenues.

EBITDA by the end of 2012 reached MAD 1,223 million, increasing by MAD 7.3 million as compared with 2011.



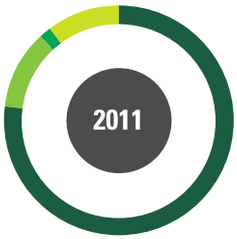
- Turnover
  MAD 5,983.7 million
- EBITDA
  MAD 1,223 million
- Net profit Group share
  MAD 729.8 million

- Turnover
  MAD 6,061.2 million
- EBITDA
  MAD 1,215.7 million
- Net profit Group share
  MAD 622 million

SOCIAL ACCOUNTS

2012 operating results of Cosumar S.A. of MAD 850 million recorded an increase of MAD 157.3 million compared to 2011. With the increase in sales volume, the improved performance of the Casablanca refinery and of the extraction rate of the Doukkala sugar plant, the decline in beet business has been offset. By the end of 2012, the net income of Cosumar S.A reached MAD 728.4 million, thereby recording an increase of MAD 101.0 million (+16.1%), mainly due to the improved operating results of Cosumar S.A.

- Trade turnover
  MAD 4,844.4 million
- Operating income
  MAD 850 million
- Financial result
  MAD 72.1 million
- Net result
  MAD 728.4 million



- Trade turnover
  MAD 4,723.2 million
- Operating income
  MAD 692.6 million
- Financial result
  MAD 90.6 million
- Net result
  MAD 627.4 million

CONSOLIDATED ACCOUNTS

Consolidated balance sheet: Assets

(In MAD millions)

ASSETS	31 dec 12	31 dec 11
Goodwill	196.1	196.1
Intangible assets	0.1	0.2
Tangible fixed assets	3,806.8	3,699.2
Investment property	63.7	63.7
Other financial assets	159.5	177.0
- Loans and credits	*113.2*	*151.7*
- Assets held for sale	*46.3*	*25.3*
Non-current assets	**4,226.2**	**4,136.2**
Other financial assets		130.7
- Hedging derivatives		*130.7*
Stocks and work in progress	1,185.6	1,198.0
Accounts receivables	171.2	203.2
Other receivables	3,125.0	2,697.9
Cash and cash equivalents	93.8	274.1
Current assets	**4,575.7**	**4,504.0**
TOTAL ASSETS	**8,801.9**	**8,640.2**

Consolidated balance sheet – Liabilities

(In MAD millions)

LIABILITIES	31 dec12	31 dec11
Capital	419.1	419.1
Share and premium	34.6	34.6
Reserves	2,167.0	1,988.5
Net income Group Share	729.8	622.0
Equity attributable to ordinary shareholders of the parent company	**3,350.5**	**3,064.2**
Minority interests	15.8	18.1
Consolidated shareholders' equity	**3,366.2**	**3,082.2**
Net current and non current provisions	41.1	92.1
Employee benefits	241.0	321.1
Non current financial debt	136.4	349.5
- Amounts owed to credit institutions	*136.4*	*349.5*
Deferred tax liabilities	494.9	407.7
Other noncurrent payables	5.6	0.0
Noncurrent financial debt	**919.0**	**1,170.4**
Current financial debt	1,349.6	1,060.5
- Amounts owed to credit institutions	*1,296.5*	*1,060.5*
- Hedging derivatives	*53.2*	*0.0*
Current trade payables	2,549.8	3,000.2
Other current payables	617.2	326.8
Current financial debt	**4,516.7**	**4,387.6**
TOTAL LIABILITIES	**5,435.7**	**5,558.0**
TOTAL EQUITY AND LIABILITIES	**8,801.9**	**8,640.2**

Consolidated income statement

(In MAD millions)

	Dec 12	Dec 11
Revenue	5,983.7	6,061.2
Other operating revenue	2,746.0	2,520.8
Revenues from ordinary activities	**8,729.7**	**8,582.0**
Purchases	(6,647.7)	(6,469.3)
Other external expenses	(426.4)	(442.5)
Staff expenses	(404.7)	(418.9)
Taxes	(27.9)	(35.5)
Depreciation and operating provisions	(262.3)	(204.9)
Other net operating revenues and expenses	15.3	(30.1)
Current operating expenses	**(7,753.7)**	**(7,601.2)**
Current operating result	**976.0**	**980.7**
Asset disposals	160.3	(0.0)
Noncurrent operating expenses and revenue	10.1	13.4
Income from operating activities	**1,146.4**	**994.0**
Interest income	9.9	16.0
Interest expenses	(89.7)	(66.1)
Other financial income and expenses	2.2	8.0
Financial result	**(77.6)**	**(42.2)**
Profit before tax from consolidated companies	**1,068.8**	**951.9**
Current taxes	(239.1)	(210.0)
Deferred tax	(87.4)	(78.2)
Net profit of consolidated companies	**742.3**	**663.6**
Income from equity affiliates		
Net income from continuing operations	**742.3**	**663.6**
Income from discontinued operations	(10.7)	(38.7)
Income from the consolidated group	**731.6**	**624.9**
Minority interests	(1.7)	(2.9)
Net income – Group share	**729.8**	**622.0**
Nb of shares – Parent company	4,191,057	4,191,057
Net income per share in MAD		
- low	*174.1*	*148.4*
- diluted	*174.1*	*148.4*

Statement of comprehensive income

(In MAD millions)

	Dec 12	Dec 11
Profit for the year	731.6	624.9
Profits and losses on revaluation of AFS	0.0	0.0
Income tax on other comprehensive income	0.0	0.0
Global income	**731.6**	**624.9**
Minority interests	(1.7)	(2.9)
Global net profit - Group Share	**729.8**	**622.0**

Statement of changes in equity

In mad millions	Capital	Share and merger premium	Undistributed reserves	Conversion differences	Revaluation reserves for financial assets available for sale	Reserves of hedging transactions	Total group share	Minority interests	Total
On 1 january 2011	419.1	34.6	2,350	0	-0.3	0	2,803.5	17.6	2,821.1
Effects on changes in accounting method / error correction			0				0	0	0
N-1 error correction									
Restated amounts at opening	419.1	34.6	2,350	0	-0.3	0	2,803.5	17.6	2,821.1
Change in cp for 2011									
Profit for the period			622				622	2.9	624.9
Profits and losses from revaluation of afs					0		0		0
Taxes on other elements of comprehensive income					0		0		0
Comprehensive income for the year			622	0	0	0	622	2.9	624.9
Dividends paid			-360.4				-360.4	-2.8	-363.2
Capital increase									
Other transactions with shareholders			-0.8				-0.8	0.3	-0.5
Total transactions with shareholders			-361.2	0	0	0		-2.5	-363.8
On 31 december 2011	**419.1**	**34.6**	**2,610.8**	**0**	**-0.3**	**0**	**3,064.2**	**18.1**	**3,082.3**
On 1 january 2012	419.1	34.6	2,610.8	0	-0.3	0	3,064.2	18.1	3,082.3
Effects on changes in accounting method / error correction			0				0	0	0
N-1 error correction			0				0		0
Restated amounts at opening	419.1	34.6	2,610.8	0	-0.3	0	3,064.2	18.1	3,082.3
Change in cp for 2012									
Profit for the period			729.8				729.8	1.7	731.6
Profits and losses from revaluation of afs					0		0		0
Taxes on other elements of comprehensive income					0		0		0
Total comprehensive income for the year	0	0	729.8	0	0	0	729.8	1.7	731.6
Dividends paid			-419				-419	-2.9	-421.9
Capital increase									
Other transactions with shareholders			-24.5				-24.5	-1.1	-25.6
Total transactions with shareholders	0	0	-443.5	0	0	0	-443.5	-4	-447.6
On 31 december 2012	**419.1**	**34.6**	**2,897.1**	**0**	**-0.3**	**0**	**3,350.5**	**15.8**	**3,366.3**

Statement of consolidated cash flows

(In MAD millions)

	Dec 12	Dec 11
Profit from consolidated companies	731.6	624.9
Adjustments for		
Depreciation and amortization. Impairment losses	161.9	194.6
Other adjustments	(2.3)	(153.3)
Cash flow after cost of net financial debt and tax	**891.1**	**666.2**
Elimination of the charge (income) taxes	326.5	288.2
Elimination of cost of net financial debt	79.8	50.2
Cash flow before cost of net financial debt tax	**1,297.4**	**1,004.6**
Impact of wcr variation	(843.4)	199.6
Deferred taxes	(0.2)	(0.2)
Paid taxes	(239.1)	(210)
Formating net cash provided by operating activities	**214.7**	**993.9**
Acquisition of tangible and intangible assets	(455.9)	(475.7)
Disposals of tangible and intangible assets	218.1	3.7
Other flows	21.3	(7.9)
Net cash used in investing activities	**(216.5)**	**(479.9)**
Capital incrase	0.4	0.5
Borrowings	3.3	0
Repayment of loans	(216.4)	(201.5)
Dividends paid to shareholders of the parent company	(419)	(360.4)
Dividends paid to minority shareholders of subsidiaries	(2.9)	(2.8)
Cost of net debt	(79.8)	(50.2)
Change in associates account	300.8	(0.4)
Net cash from financing activities	(414.4)	(615.9)
Variation of cash and cash equivalents	**(416.2)**	**(101.9)**
Net cash and cash equivalents at opening	(786.4)	684.5
Net cash and cash equivalents at closure	(1,202.6)	(786.4)
Variation of cash and cash equivalents	**(416.2)**	**(101.9)**

SUMMARY OF NOTES TO THE CONSOLIDATED ACCOUNTS

Note 1. Accounting rules and methods

1.1. Accounting standards

Pursuant to opinion No. 5 of the National Accounting Council (CNC), 26/05/2005 and in accordance with the provisions of Article 6, paragraph 6.3 of Circular No. 07/09 of Securities Ethics Council (CDVM) of 15 July 2009, the consolidated financial statements of COSUMAR Group are prepared in accordance with international accounting standards adopted in the European Union on 31 December 2012 and as published on that date.

The International accounting standards include IFRS (International Financial Reporting Standards), IAS (International Accounting Standards) and their SIC and IFRIC interpretations (Standards Interpretations Committee and International Financial Reporting Interpretations Committee). The Group regularly monitors the latest publications of the IASB and IFRIC.

Thus, in 2010, the Group has applied to the financial statements present in the revised IFRS 3 «Business combination», the main provisions of which is that Goodwill is only determined on the date of the takeover and that, from 2010, it was no longer possible to adjust it beyond the evaluation period. Now, additional acquisitions after majority takeover do not change the amount of Goodwill.

In 2009, Cosumar Group opted, as part of the IAS 1 standard, for the presentation of the comprehensive income in two Statements:

- Statement detailing components of income (statement of income);
- Statement that starts with the income and detailing other components of comprehensive income (statement of comprehensive income).

1.2. Principles of consolidation

The consolidated accounts are prepared under the historical cost convention except for certain categories of assets and liabilities in accordance with the principles embodied in IFRS.

All COSUMAR Group companies are consolidated from the annual accounts for the financial year ended 31 December 2012.

In accordance with IFRS, there is no exemption to the Group's perimeter of consolidation. The insignificant shareholdings are treated as AFS securities.

1.3. Tangible capital assets

Specific rule in the first adoption: as part of the first application of IFRS standards and in accordance with the provisions of IFRS 1, the company has conducted, on January 1, 2006, the fair-value measurements of all of its intangible and tangible fixed assets, and has retained that value as deemed cost. Fair value measurements were conducted by independent experts. Applicable principles as from January 1, 2006:

In accordance with IAS 16, tangible fixed assets are recorded at the historical cost or original manufacturing cost, reduced by the accumulated depreciation and, where applicable, by any accumulated impairment losses. Depreciation is charged based on the useful life. The amortization method chosen by the Group is the linear method.

1.4. Stocks

Inventories are valued at lower cost or net realisable value.

The cost reflects the cost of procurement or production costs incurred to bring inventories to the state and the place where they are. These include, based on a normal level of activity, direct and indirect costs of production. Production costs are generally calculated using the weighted average cost method.

The net realisable value of inventories is the estimated selling price in the ordinary course of business less the estimated costs to complete products and estimated costs necessary to complete the sale.

1.5. Employee benefits

The Group's obligations under the plans for health coverage and defined benefit at retirement allowances are determined in accordance with IAS 19, based on the method of projected unit credit, taking into account the specific economic conditions in Morocco. The commitments are covered by provisions recorded in the balance sheet as to the acquisition of rights by employees.

The retirement benefits are also subject to a provision. The latter is calculated taking into account the likelihood of the presence of employees in the Group on their date of retirement. This provision is updated at each closure.

Note 2. Scope of consolidation at 31 December 2012

COMPANY	OWNERSHIP %	EQUITY %	CONSOLIDATION METHOD
COSUMAR (parent)	100.00%	100.00%	Full consolidation
SUCRAFOR	90.96%	90.96%	Full consolidation
SUNABEL	99.15%	99.15%	Full consolidation
SURAC	100.00%	100.00%	Full consolidation
SUTA	99.84%	99.84%	Full consolidation

Moreover, the complete consolidated financial statements of the Group at December 31, 2012, established in accordance with international standards will be made available on the company's website. These complete statements include, besides the statement of the consolidated financial position, the statements of income and of consolidated comprehensive income, the consolidated Statement of Cash Flow and the statement of changes in consolidated shareholders' equity and detailed notes.

AUDITORS REPORT

ERNST & YOUNG

37, bv abellatif Ben Kaddour
20 050 Casablanca
Maroc

PRICEWATERHOUSECOOPERS

101, bv Massira Al Khadra
20 100 Casablanca
Maroc

To COSUMAR shareholders
8, Rue El Mouatamid Bnou Abbad
Casablanca

SUMMARY OF THE AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS AT 31ST DECEMBER 2012

As mandated by your General Assembly, we present our report for the year ended December 31st, 2012.

We have audited the consolidated financial statements attached of Cosumar and its subsidiaries (Cosumar Group) including the state of the financial position at 31st December, 2012, the consolidated income statement, the consolidated statement of comprehensive income, the statements of changes in equity and cash flow statement for the year then ended, and notes containing a summary of significant accounting policies and other explanatory notes for the period from 1st January to 31st December 2012.

These financial statements show an amount of consolidated equity of MAD 3,366.2 million, of which a consolidated net income of MAD 731.6 million.

The Management is responsible for establishing and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS).

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with applicable standards of the profession in Morocco. In our opinion, the consolidated financial statements referred to in the second paragraph above give in all material respects, a true picture of the financial situation of the group comprising the entities included in the consolidation at 31st December 2012, as well as the financial performance and cash flows for the year ended on that date, in accordance with the International Financial Reporting Interpretations Committee (IFRIC).

Without reassessing the opinion expressed above, we draw your attention to the fact that in the context of the implementation of the tax liability warranty under the acquisition contract of Suta, Sunabel, Surac and Sucrafor sugar plants, Cosumar Group has found in its accounts the amounts of already closed tax reassessments, and has asked for these reassessments to be refunded by the State. According to management, Cosumar group is also entitled to claim the refund of tax losses as may arise from other possible controls. Thus, the effect of the exercise of the tax liabilities guarantee is not yet final to date.

Casablanca, March 31st, 2013

The Auditors

ERNST & YOUNG
Abdelmejid FAIZ
Associé

PRICE WATERHOUSE
Aziz BIDAH
Associé

Balance sheet: Assets

Fiscal year 1/01/2012 to 31/12/2012

Assets	Fiscal year			Previous year
	Gross	Amortizations and provisions	Net	Net
IMMOBILIZATION IN NON-VALUE (A)	**11,861,089.15**	**7,976,310.39**	**3,884,778.76**	**6,405,952.70**
Preliminary cost	-	-		
Costs to be distributed over several fiscal years	11,861,089.15	7,976,310.39	3,884,778.76	6,405,952.70
Redemption premiums	-	-		
INTANGIBLE ASSETS (B)	**19,239,434.00**	**2,776,433.00**	**16,463,001.00**	**16,463,001.00**
Research and development capital-	-	-		
Patents, trademarks, similar rights and assets-	-	-		
Goodwill	19,239,434.00	2,776,433.00	16,463,001.00	16,463,001.00
Other intangible assets	-	-		
TANGIBLE CAPITAL ASSETS (C)	**4,135,195,126.54**	**2,583,506,274.19**	**1,551,688,852.35**	**1,491,603,813.97**
Land	57,620,184.28		57,620,184.28	57,639,797.28
Constructions	523,421,220.24	271,617,973.04	251,803,247.20	254,081,044.04
Technical facilities, machinery and equipment	2,935,211,828.37	2,083,355,481.94	851,856,346.43	972,814,170.56
Transport equipment	28,949,745.84	23,718,818.71	5,230,927.13	4,392,432.05
Office equipment, furniture and fittings	241,720,284.99	204,814,000.50	36,906,284.49	31,300,130.41
Other tangible assets				
In progress current tangible assets	348,271,862.82		348,271,862.82	171,376,239.63
FINANCIAL ASSETS (D)	**1,637,397,724.42**	**40,200.00**	**1,637,357,524.42**	**1,556,706,834.47**
Receivables secured loans	16,709,791.99		16,709,791.99	19,655,498.04
Other financial receivables	1,284,447.22		1,284,447.22	1,027,407.22
Equity securities	1,619,403,485.21	40,200.00	1,619,363,285.21	1,536,023,929.21
Other equity securities				
CONVERSION LOSSES (E)	**-**		**-**	**-**
Reduction of non-performing loans				
Increase of financial debts				
TOTAL I (A+B+C+D+E)	**5,803,693,374.11**	**2,594,299,217.58**	**3,209,394,156.53**	**3,071,179,602.14**
STOCKS (F)	**907,551,736.75**	**19,113,743.25**	**888,437,993.50**	**748,916,107.77**
Goods				
Materials & consumables	508,821,932.24	17,641,484.00	491,180,448.24	322,302,856.21
Goods in process				
Intermediates & residual products	20,506,856.31		20,506,856.31	22,072,308.10
Finished products	378,222,948.20	1.472,259.25	376,750,688.95	404,540,943.46
OPERATING RECEIVABLES (G)	**2,614,393,394.96**	**15,688,717.29**	**2,598,704,677.67**	**2,327,500,800.91**
Receivables from suppliers, advances & deposits	7,666,283.52		7,666,283.52	3,417,557.48
Customers & related accounts	174,279,364.88	4,091,341.74	170,188,023.14	191,533,574.20
Staff	26,093,671.25		26,093,671.25	27,688,942.03
State	2,050,928,892.35		2,050,928,892.35	1,878,886,655.11
Accounts of shareholders	4,000,001.00		4,000,001.00	3,938,501.00
Other receivables	338,105,204.03	11,597,375.55	326,507,828.48	213,912,444.72
Accruals and deferred income	13,319,977.93		13,319,977.93	8,123,126.37
INVESTMENT SECURITIES (H)				
EXCHANGE RATE DIFFERENCES ON ASSETS (I)	**118,658.65**		**118,658.65**	**113,175.82**
(Current items)				
TOTAL II (F+G+H+I)	3,522,063,790.36	34,802,460.54	3,487,261,329.82	3,076,530,084.50
CASH - ASSETS	**78,614,024.48**		**78,614,024.48**	**103,615,296.16**
Cheques & bills awaiting collection				190,230.00
Bank, T.G. & CCP	68,989,668.19		68,989,668.19	98,767,747.38
Cash, imprest accounts & letters of credits	9,624,356.29		9,624,356.29	4,657,318.78
GRAND TOTAL I + II + III	**9,404,371,188.95**	**2,629,101,678.12**	**6,775,269,510.83**	**6,251,324,982.80**

Balance sheet: Liabilities

Fiscal year of 1/01/2012 to 31/12/2012

Liabilities	year	Previous year
EQUITY	**2,546,788,899.77**	**2,237,519,537.44**
Social or Directoral capital (1)	419,105,700.00	419,105,700.00
less shareholders, uncalled subscribed capital		
Called-up capital		
of which paid...		
additional paid-in capital, merger or other premiums	34,564,369.70	34,564,369.70
Revaluation differences		
Legal reserves	41,910,570.00	41,910,570.00
Other reserves	1,322,503,925.82	1,113,503,925.82
Retained earnings (2)	329,271.92	1,016,936.06
Net results pending assignment (2)		
Net result for the year (2)	728,375,062.33	627,418,035.86
TOTAL EQUITY (A)	**2,546,788,899.77**	**2,237,519,537.44**
QUASI-EQUITY (B)	**457,834,112.10**	**486,242,043.54**
Investment grants		
Regulated provisions	457,834,112.10	486,242,043.54
FINANCING LIABILITIES (C)	80,000,000.00	220,000,000.00
Bond issues		
Other funding liabilities	80,000,000.00	220,000,000.00
TERM POVISIONS FOR CONTINGENCIES AND LOSSES (D)	104,881,721.96	182,058,116.24
Provisions for contingencies and losses	104,881,721.96	182,058,116.24
LIABILITIES UNDER CONVERSION GAINS (E)		
Increase in non-performing loans		
Decrease in financing liabilities		
TOTAL (A+B+C+D+E)	**3,189,504,733.83**	**3,125,819,697.22**
DEBTS FROM CURRENT LIABILITIES (F)	**2,941,175,090.68**	**2,903,421,319.74**
Suppliers & related accounts	2,391,794,719.02	2,634,619,450.88
Creditor customers, advance payments & deposits	7,632,299.26	14,821,625.76
Staff	31,454,227.43	29,848,994.85
Social Organizations	10.688,228.28	12,774,871.26
State	76,842,178.09	76,958,023.14
Accounts of shareholders	329,542,495.36	35,577,521.36
Other creditors	32,985,559.52	35,797,951.69
Accruals and deferred income	60,235,383.72	63,022,880.80
OTHER PROVISIONS FOR CONTINGENCIES AND LOSSES (G)	**118,658.65**	**113,175.82**
LIABILITIES UNDER CONVERSION GAINS (H)	**540,812.40**	**1,310,769.19**
(Circulating items)		
TOTAL II (F+G+H)	**2,941,834,561,732**	**2,904,845,264.75**
CASH-LIABILITY	643,930,215.27	220,660,020.83
Yielding discount credits		
Cash credits		
Banks of regularization	643,930,215.27	220,660,020.83
Total III	**643,930,215.27**	**220,660,020.83**
GRAND TOTAL I + II + III	**6,775,269,510.83**	**6,251,324,982.80**

(1) Owing Directoral capital borrowing
(2) Profit (+), deficit (-)

Accounts of revenues and expenses (ex tax)

Fiscal year 2012-01-1 to 2012-12-31

	NATURE	OPERATIONS Specific to year 1	OPERATIONS Concerning previous years 2	TOTALS FOR THE YEAR 3 = 1 + 2	TOTALS FROM PREVIOUS FINANCIAL YEAR
I	**OPERATING INCOME**	**7,336,440,167.74**		**7,336,549,339.20**	**6,769,376,254.91**
	Sale of goods (in their current state)				
	Sale of produced goods & services	4,844,409,979.09		4,844,409,979.09	4,723,223,487.17
	Turnover	4,844,409,979.09		4,844,409,979.09	4,723,223,487.17
	Variation of product stocks (1)	-33,706,903.61		33,706,903.61	-4,181,558.04
	In-house produced assets				
	Operating grants	2,413,890,631.88		2,413,890,631.88	1,918,476,700.00
	Other operating income	48,925,116.16	65,567.64	48,990,683.80	59,332,118.12
	Operating reversals: expense reclassifications	62,921,344.22	43,603.82	62,964,948.04	72,525,507.66
	TOTAL I	**7,336,440,167.74**		**7,336,549,339.20**	**6,769,376,254.91**
II	**OPERATING EXPENSES**	**6,492,443,390.78**	**-5,883,826.03**	**6,486,559,564.75**	**6,076,726,995.38**
	Resold procurements (2) of goods	-	-	-	-
	(2) Costs of supplies and consumable materials	5,625,671,048.54	-10,002,523.52	5,615,668,525.02	5,129,783,167.68
	Other external charges	284,169,113.87	3,198,649.88	287,367,763.75	293,629,177.07
	Taxes & fees	11,120,812.63		11,120,812.63	17,157,237.72
	Staff expenses	324,751,628.32	920,047.61	325,671,675.93	348,481,410.56
	Other operating expenses	4,880,000.00	-	4,880,000.00	880,000.00
	Depreciations and provisions	241,850,787.42	-	241,850,787.42	286,796,002.35
	TOTAL II	**6,492,443,390.78**	**-5,883,826.03**	**6,486,559,564.75**	**6,076,726,995.38**
III	**OPERATING RESULT (I - II)**			**849,989,774.45**	**692,649,259.53**
IV	**FINANCIAL REVENUES**	**112,135,076.19**	**6,623.75,112**	**141,699.94**	**124,177,007.65**
	Income from equity investment and other securities				
	Financial securities	105,436,387.50		105,436,387.50	110,632,996.01
	Exchange gains	4,977,781.75	22.28	4,977,804.03	4,593,221.35
	Interests & other financial products	1,607,731.12	6,601.47	1,614,332.59	8,841,369.97
	Financial reversals: expense reclassifications	113,175.82		113,175.82	109,420.32
	TOTAL IV	**112,135,076.19**	**6,623.75**	**112,141,699.94**	**124,177,007.65**
V	**FINANCIAL EXPENSES**	**40,012,763.88**		**40,012,763.88**	**33,546,844.50**
	Interest expenses	39,800,911.51		39,800,911.51	33,241,495.67
	Exchange losses	92,682.78		92,682.78	192,173.01
	Other financial charges	510.94		510.94	
	Financial allocations	118,658.65		118,658.65	113,175.82
	TOTAL IV	**40,012,763.88**		**40,012,763.88**	**33,546,844.50**
VI	**FINANCIAL RESULT (IV - V)**			**72,128,936.06**	**90,630,163.15**
VII	**CURRENT RESULT**			**922,118,710.51**	**783,279,422.68**
VIII	**NON CURRENT REVENUES**	**162,934,581.53**		**162,934,581.53**	**167,030,070.72**
	Revenue from disposals of noncurrent assets	12,649,036.84		12,649,036.84	2,862,863.66
	Balancing subsidy-				
	Reversals on investment grants-				
	Other noncurrent income	68,951.79		68,951.79	2,165,901.04
	Noncurrent reversals: expense reclassifications	150,216,592.90		150,216,592.90	162,001,306.02
	TOTAL VIII	**162,934,581.53**		**162,934,581.53**	**167,030,070.72**
IX	**NON CURRENT EXPENSES**	**122,382,780.71**	**-**	**122,382,780.71**	**141,231,742.54**
	Sold assets net value	677,717.73	-	677,717.73	1,912,628.38
	Grants awarded	-	-		
	Other non-recurrent expenses	77,072,795.80	-	77,072,795.80	55,637,905.34
	Non-recurrent expenses to depreciation, amortisation and provisions	44,632,267.18	-	44,632,267.18	83,681,208.82
	TOTAL IX	**122,382,780.71**		**122,382,780.71**	**141,231,742.54**
X	**NON-CURRENT RESULT (VIII - IX)**			**40,551,800.82**	**25,798,328.18**
XI	**PRE-TAX RESULT (VII + X)**			**962,670,511.33**	**809,077,750.86**
XII	**TAXES ON RESULTS**	**234,295,449.00**		**234,295,449.00**	**181,659,715.00**
XIII	**NET RESULT (XI - XII)**			**728,375,062.33**	**627,418,035.86**
	(1) Inventory change: final stock - initial stock; increase (+); decrease (-). (2) Resold or consumed purchases: purchases - Inventory change.				
XIV	**TOTAL REVENUE (I + IV + VIII)**			**7,611,625,620.67**	**7,060,583,333.28**
XV	**TOTAL EXPENSES (II + V + IX + XII)**			**6,883,250,558.34**	**6,433,165,297.42**
XVI	**NET RESULT (XIV - XV)**			**728,375,062.33**	**627,418,035.86**

ERNST & YOUNG

37, Bd Abdellatif Ben Kaddour
20 050 Casablanca
Maroc

PRICEWATERHOUSECOOPERS

101, Bd Massira Al Khadra
20 100 Casablanca
Maroc

To COSUMAR shareholders
8, Rue El Mouatamid Bnou Abbad
Casablanca

SUMMARY OF THE STATUTORY AUDITORS' REPORT FOR THE FISCAL YEAR FROM 1ST JANUARY TO 31ST DECEMBER 2012

In our capacity as auditors of your company, we present our report on the regulated agreements in accordance with the provisions of articles 56 to 59 of law 17-95 as amended and supplemented by Act 20-05 and its implementing decree.

It is our responsibility to submit the main characteristics and provisions of the agreements on which we were informed by the Chairman of the Board of directors or which we discovered during our mandate, without commenting as to their usefulness or appropriateness, or looking for the existence of other agreements. It is your responsibility according to the law above, to comment as to their approval.
We performed the procedures that we deemed necessary under the auditing standards in Morocco. These procedures included assessment of the adequacy of the information we were provided with and the basic documents it is taken from.

1. AGREEMENTS ENTERED INTO DURING THE YEAR
   1.1 Agreements previously authorized by your Board of Directors
      1.1.1 Agreement to provide packaging between Cosumar and Sunabel (written agreement)

Director involved: Mr Mohammed Fikrat is CEO of Cosumar and Sunabel
Nature and purpose of agreement: This agreement provides funds for packaging sugar between Cosumar and Sunabel as part of the optimisation of production facilities

Main terms:

- Effective date: 2012
- Compensation: MAD 220/ex-tax/t for 2 kg
  MAD 260/ex-tax/t for 1 kg

The amount of stock provision recorded in 2012 generated a charge of KMAD 11,522

1.1.2 Agreement for refining services between Cosumar and Surac (written agreement)

Director involved: Mr Mohammed Fikrat is CEO of Cosumar and Surac

Nature and purpose of agreement: This agreement provides sugar refining services between Cosumar and Surac as part of the optimization of productionfacilities.

Main terms:

- Effective date: 2012
- Compensation: MAD 600/ex-tax/t for the 50 kg
  MAD 820/ex-tax/t for the 2 kg
  MAD 860/ex-tax/t for the 1 kg

The amount of provision of inventories for fiscal year 2012 generated a charge of KMAD 8,057

1.1.3 Agreement to provide packaging between Cosumar and Surac (written agreement)

Director involved: Mr Mohammed Fikrat is CEO of Cosumar and Surac

Nature and purpose of agreement: This agreement provides sugar packaging services between Cosumar and Surac as part of the optimization of production facilities

Main terms:

- Effective date: 2012
- Compensation: MAD 220 /ex-tax/t for the 2 kg
  MAD 260 /ex-tax/t for the 1 kg

The amount of provision of inventories for fiscal year 2012 generated a charge of KMAD 11,113

1.1.4 Agreement to provide packaging between Cosumar and Suta (written agreement)

Director involved: Mr Mohammed Fikrat is CEA of Cosumar and Suta

Nature and purpose of agreement: This agreement provides sugar packaging services between Cosumar and Suta as part of the optimization of production facilities

Main terms:

- Effective date: 2012
- Compensation: MAD 780 /ex-tax/t for the ingot and the lump
  MAD 220 /ex-tax/t for the 2 kg
  MAD 260 /ex-tax/t for the 1 kg

The amount of provision of inventories for fiscal year 2012 generated a charge of KMAD 3,825

1.1.5 Contract for property disposal to the ONA Foundation (written agreement)

Director involved: Mr Hassan Bouhemou is President of Foundation ONA and administrator of Cosumar

Nature and purpose of agreement: During 2012, Cosumar transferred two holiday apartments to Foundation ONA, one in Cabo Negro and the other in El Jadida.

Main terms:

The two apartments have been sold for a total amount of KMAD 3,150

1.2 Agreements non authorized by your Board of Directors

None

2. AGREEMENTS ENTERED INTO DURING PREVIOUS YEARS AND WHICH HAVE CONTINUING EXECUTION DURING THIS YEAR

2.1 Agreement for the provision of services between SNI and Cosumar (written agreement)

Director involved: Mr Hassan Bouhemou is President of SNI and administrator of Cosumar

Nature and purpose of agreement: Under this agreement, SNI provides Cosumar with services in terms of contribution to the Presidency for the defence of the interests of the sugar sector; legal, management control, human resources, counselling, financial and fiscal.

Main terms:

- Effective date: April 1997
- Duration: one year renewable by tacit agreement
- Compensation: 0.85% of turnover capped at MMAD 25

The amount of provision of inventories for fiscal year 2012 generated a charge of MMAD 25

2.2 Agreement for cash management between SNI and Cosumar (written agreement)

Director involved: Mr Hassan Bouhemou is President of SNI and administrator of Cosumar

Nature and purpose of agreement: This agreement intends the centralization of treasury operations in order to optimize both the use of credit and investment of surplus cash.

Main terms:

- Effective date: March 1999
- Duration: one year renewable by tacit agreement
- Compensation: an annual rate of 2.5% for accounts receivable and an annual rate of 5.27 per cent for accounts payable

During fiscal year 2012, the interest payments made on SNI's current account of SNI generated costs for Cosumar of KMAD 11,985 ex-tax.

2.3 Agreement for cash management between Celaco and Cosumar (written agreement)
Director involved: Mr Mohammed Fikrat is CEO of Cosumar and Administrator of Celco
Nature and purpose of agreement: This agreement focuses on maximising cash flow through a current account
Main terms:

- Effective date: January 2003
- Duration: one year renewable by tacit agreement
- Compensation: annual rate of 2.5%

The amount of provision of inventories for fiscal year 2012 generated a charge of KMAD 25
2.4 Cash management agreement between Cosumar and Surac, Suta, Sunabel, and Sucrafor corporations (written agreement)
Director involved: Mr Mohammed Fikrat is CEO of Cosumar, Sunabel, Surac, Sucrator and Suta
Nature and purpose of agreement: This agreement intends the centralization of treasury operations in order to optimize both the use of credit and investment of surplus cash.
Main terms:

- Effective date: 2005
- Duration: one year renewable by tacit agreement
- Compensation: an annual rate of 2.5% for accounts receivable and an annual rate of 5.27 per cent for accounts payable

During fiscal year 2012, the remuneration of accounts receivable of Cosumar, Sunbel, Sucrafor, Surac and Suta generated a revenue of KMAD 635 for Cosumar

2.5 Agreement for the provision of services between Cosumar and Surac, Suta, Sunabel, and Sucrafor corporations (written agreement)

Director involved: Mr Mohammed Fikrat is CEO of Cosumar, Sunabel, Surac, Sucrafor and Suta
Nature and purpose of agreement: This agreement intends to provide services to Suta, Sunabel, Surace and Sucrafor by Cosumar in the areas of management control, investment assistance, financial assistance, human resources management, marketing, business assistance, IT assistance and auditing.
Main terms:

- Effective date: 2000
- Duration: one year renewable by tacit agreement
- Compensation: compensations are set at 0.425% of turnover and MAD 40 per tonne

2.6 Cash management agreement between Cosumar and Sucrunion (written agreement)
Director involved: Mr Mohammed Fikrat is CEO of Cosumar and Sucrunion
Nature and purpose of agreement: This agreement intends the centralization of treasury operations in order to optimize both the use of credit and investment of surplus cash.
Main terms:

- Effective date: April 2007
- Duration: one year renewable by tacit agreement
- Compensation: an annual rate of 2.5% for accounts receivable and an annual rate of 5.27 per cent for accounts payable

The revenue generated for fiscal year 2012 totalled KMAD 119

2.7 Agreement for the provision of services between Cosumar and Sucrunion (written agreement)

Director involved: Mr Mohammed Fikrat is CEO of Cosumar and Sucrunion
Nature and purpose of agreement: the agreement intends to provide services to Sucrunion by Cosumar in the areas of management control, investment assistance, financial assistance, human resources management, marketing, sales support, computer assistance and audit.
Main terms:

- Effective date: April 2007
- Duration: one year renewable by tacit agreement
- Compensation: 0.85% of turnover and MAD 35 per ton of sugar sold

The revenue generated for fiscal year 2012 totalled KMAD 395

2.8 Agreement for packaging services between Cosumar and Sucrunion (written agreement)

Director involved: Mr Mohammed Fikrat is CEA of Cosumar and Sucrunion
Nature and purpose of agreement: the agreement provides for sugar packaging services between Cosumar and Sucrunion as part of the optimization of the production facilities
Main terms:

- Effective date: January 2009
- Compensation: 780 dh/ex-tax/t for the ingot and the lump
  220 dh/ex-tax/t for the 2 kg
  260 dh/ex-tax/t for the 1 kg

The revenue generated for fiscal year 2012 totalled KMAD 8,878

2.9 Annual fee to Fondation ONA (written agreement)

Director involved: Mr Hassan Bouhemou is President of Fondation ONA and administrator of Cosumar

Nature and purpose of agreement: Payment of an annual fee by Cosumar to Fondation ONA

Main terms:

Compensation: annual fee of KMAD 6,400

During 2012, the annual fee paid to Foundation ONA by Cosumar totalled an amount of KMAD 6,400

Casablanca, March 13th, 2013

The statutory auditors

ERNST & YOUNG
37, Boulevard Abdellatif Ben Kaddour
- Casablanca -
Tél:(212) 2 95 79 00-Fax:(212) 2 39 02 26

Abdelmejid FAIZ
Associé

Aziz BIDAH
Associé

Price Waterhouse
101, Bd Massira Al khadra - Casablanca
Tél: 0522 98 40 40 / 0522 77 90 00
Fax: 0522 77 90 90 / 0522 99 11 96
I.F 01031195 - R.C 34533 - CNSS 1618

RESOLUTIONS

First resolution

The General Assembly, having heard reports of the Board of Directors and the Auditors, approves the budget and accounts for the fiscal year 2012 as presented, resulting in a net profit of MAD 728,375,062.33. It also approves the transactions reflected in these accounts or summarized in these reports.

Second resolution

As a result of adopting the above resolution, the General Assembly gives the directors and statutory auditors their discharge from the execution of their mandates for 2012 fiscal year.

Third resolution

The General Assembly, after having heard the special report of auditors on the agreements referred to in article 56 of Act 17-95, as amended and completed by Act 20-05, approves the operations concluded or performed during the fiscal year.

Fourth resolution

The General Assembly approves the following allocation of results:

Net profit	MAD 728,375,062.33
Retained from previous years	(+) MAD 329,271.92

Balance	MAD 728,704,334.25
Optional reserve	(-) MAD 309,000,000.00
Dividend	(-) MAD 419,105,700.00

Balance	MAD 598,634.25

It therefore decides to distribute a total dividend of MAD 419,105,700.00, that is a unit dividend of MAD 100.00 per share and allocate the balance carried forward not distributed, i.e. MAD 598,634.25. The dividend will be paid as prescribed by the regulations in force as of June 10th, 2013.

Fifth resolution

The General Assembly renews the duties of Mr. Mohammed FIKRAT for a statutory period of six (6) years. His mandate expires at the date of the Ordinary General Meeting approving the accounts for the fiscal year 2018.

Sixth resolution

The General Assembly renews the appointment of Mr. Mohamed LAMRANI for a statutory term of six (6) years.
His mandate expires at the date of the Ordinary General Meeting approving the accounts for the fiscal year 2018.

Seventh resolution

The General Assembly decides to revoke the Islamic Development Bank from its mandate as an administrator.

Eighth resolution

The General Assembly gives full powers to the bearer of a copy or extract of these minutes in order to complete the legal formalities.

A committed and responsible Group

The Cosumar Group, an actor committed to the development of sugar sector, takes an active part in the consolidation and ongoing improvement of its performance. In fully playing its role as an aggregator, Cosumar is involved with its agricultural partners and implements all necessary means to comply with, defend and promote the principles of social responsibility and sustainable development. The Group continues, on a daily basis, to create wealth and value in its activities and regional socio-economic environment.

Since 2009, the Cosumar Group has regularly been recognized for its commitment and efforts in the implementation of its CSR action programs. The Group was thus awarded a medal by the Food and Agriculture Organization of the United Nations "FAO" as an acknowledgment of its role as an aggregator model for the sugar ester, as well as the CSR CGEM labelling at all of its subsidiaries and the Top Performer in CSR award by VIGEO. In 2012, the Cosumar Group was also awarded the Pioneers of Corporate Social Responsibility and the Green Economy in Africa prizes, crowning all its efforts and actions in the area of CSR.

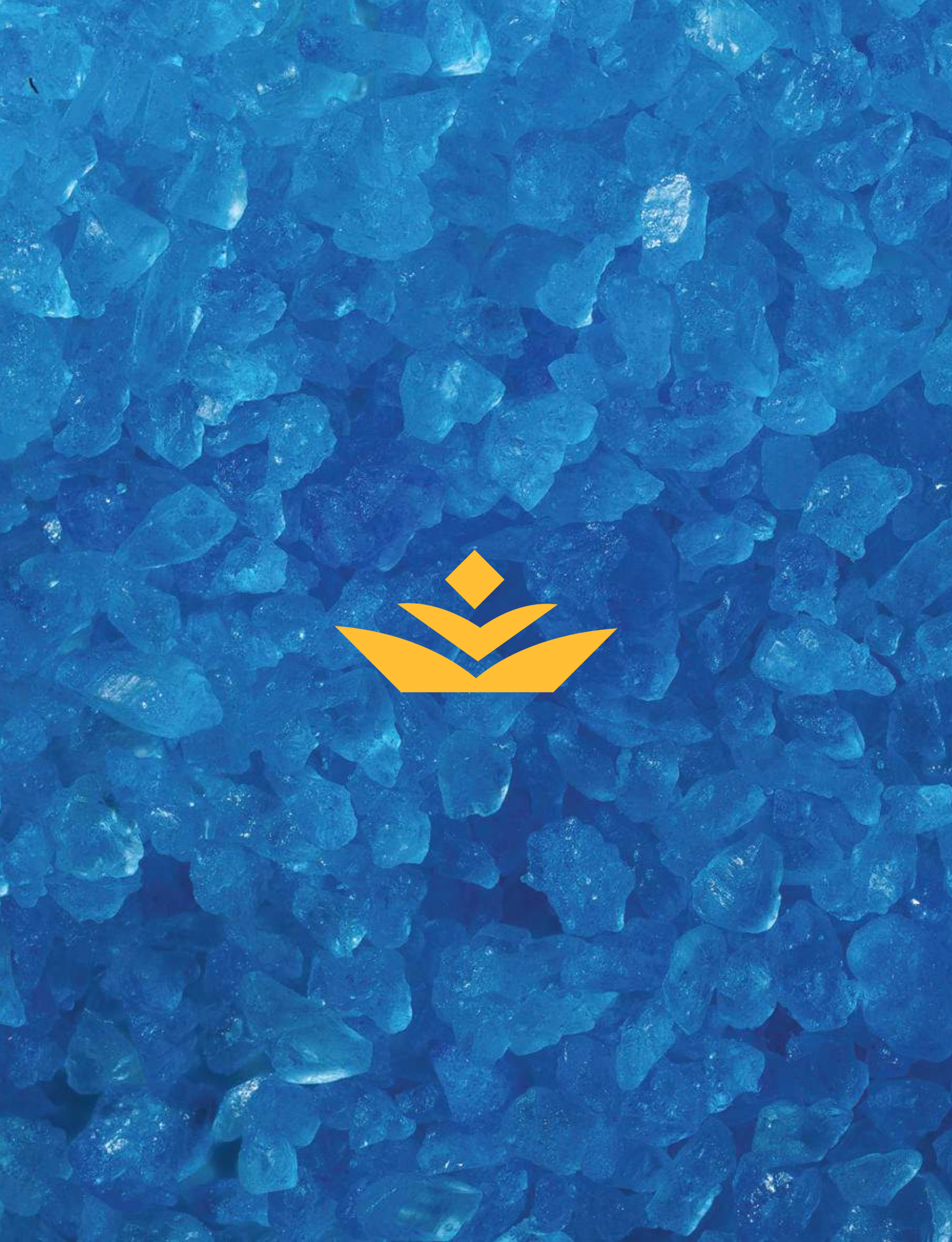
2009 Food and Agriculture Organisation of the United Nations (FAO) MEDAL FOR AGGREGATOR MODEL

2011 CSR-CGEM LABEL

2012 TOP PERFORMER CSR BY VIGEO

2012 « PIONEERS OF CORPORATE SOCIAL RESPONSIBILITY AND GREEN ECONOMY IN AFRICA PRIZES »

Artwork by Ms. Ahlam BAHIR, as part of a contest launched in December 2012 with the students of the Graduate School of Visual Arts in Casablanca.




MOSAÏK
كوسومار
COSUMAR
8, rue Mouatamid Ibnou Abbad
BP. 3098 - 20 300 Casablanca - Morocco
Tel.: +212 529 02 83 00 - Fax : +212 522 24 10 71.
www.cosumar.co.ma