

**Société Nationale Industrielle et Minière**

**S.N.I.M.**

Year ended December 31, 2014

**Statutory auditors and independent auditors' report on the consolidated financial statements**

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## Société Nationale Industrielle et Minière S.N.I.M.

Year ended December 31, 2014

### Statutory auditors and independent auditors' report on the consolidated financial statements

To the Chairman,

We have audited the accompanying consolidated financial statements of S.N.I.M., which comprise the statement of the financial position as at December 31, 2014, and the income statement, statement of change in equity and cash flow statement for the year-ended, and a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in annual financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the consolidated financial statements give a true and fair view of the financial position of S.N.I.M. as at December 31, 2014, and of its financial performance and its cash flows for the year-ended in accordance with International Financial Reporting Standards.

Nouakchott and Paris-La Défense, May 19, 2015

The statutory auditors and the independent auditors

CONEX



Sidi Mohamed Elemine

ERNST & YOUNG et Associés



Pierre Abily

**SOCIETE NATIONALE INDUSTRIELLE ET MINIERE**

**CONSOLIDATED FINANCIAL STATEMENTS**

**AS OF DECEMBER 31, 2014**

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**Société Nationale Industrielle et Minière**  
**Statement of financial position as of December 31, 2014**  
(In millions Oguiyas )

	Note	Dec 31, 14	Dec 31, 13	Dec 31, 13 (Adjusted)	Jan 01, 13 (Adjusted)
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	5.1	699 792	599 185	593 937	462 924
Exploration Assets	5.1	1 082	794	794	410
Intangibles assets	5.2	4 066	2 870	2 870	2 808
Other financial fixed assets	5.3	22 006	14 264	14 264	6 620
Investment in associated companies	5.3	27	241	241	345
Investments in associates	5.3	17 477	16 645	16 645	12 415
Deferred taxes		104	94	94	83
<b>Total non-current assets</b>		<b>744 554</b>	<b>634 093</b>	<b>628 845</b>	<b>485 605</b>
<b>Current assets</b>					
Inventories	5.4	84 110	75 866	77 489	57 375
Trade receivables	5.5	11 947	47 025	47 025	78 694
Other receivables	5.6	35 792	25 630	25 630	13 426
Future Contracts	5.7	241	1 282	1 282	2 354
Cash and cash equivalents	5.8	187 143	336 175	336 175	311 870
<b>Total current assets</b>		<b>319 233</b>	<b>485 978</b>	<b>487 601</b>	<b>463 719</b>
<b>Total assets</b>		<b>1 063 787</b>	<b>1 120 071</b>	<b>1 116 446</b>	<b>949 324</b>
<b>Equity and liabilities</b>					
<b>Equity</b>					
Issued Capital	5.9	182 700	182 700	182 700	12 180
Share premium		6 464	6 464	6 464	6 464
Underlying net earnings on forward contracts	5.7	4 886	(3 021)	8 679	(246)
Accumulated profits		503 292	393 198	393 198	475 186
Net profit for the year		23 674	173 358	169 733	140 098
<b>Total equity</b>		<b>721 016</b>	<b>752 699</b>	<b>760 774</b>	<b>633 682</b>
<b>Minority shareholding interest</b>		<b>7 542</b>	<b>7 687</b>	<b>7 687</b>	<b>5 209</b>
<b>Non-current liabilities</b>					
Interest-bearing loans and borrowings	5.10	190 006	233 429	207 882	188 768
Retirement benefits obligation	5.11	26 336	34 403	22 703	30 022
Other provisions	5.12	6 064	4 734	4 734	4 414
<b>Total Passifs non courant</b>		<b>222 406</b>	<b>272 566</b>	<b>235 319</b>	<b>223 204</b>
<b>Passifs courant</b>					
Trade payables	5.13	45 574	41 910	41 910	41 932
State and other public taxes	5.14	3 625	7 528	7 528	9 724
Other taxes	5.15	2 702	5 417	5 417	1 621
Other payables	5.16	53 034	28 035	53 582	25 768
Bank overdraft	5.8	2 545	2 454	2 454	5 658
Derivatives	5.7	5 343	1 775	1 775	2 527
<b>Total current liabilities</b>		<b>112 823</b>	<b>87 119</b>	<b>112 666</b>	<b>87 230</b>
<b>Total liabilities</b>		<b>335 229</b>	<b>359 685</b>	<b>347 985</b>	<b>310 434</b>
<b>Total equity and liabilities</b>		<b>1 063 787</b>	<b>1 120 071</b>	<b>1 116 446</b>	<b>949 324</b>

**Income statement and other comprehensive income**

(In million Oguiyas )

	Note	Year ended As of Dec 31, 2014	Year ended As of Dec 31, 2013	Year ended As of Dec 31, 2013 (Adjusted)
Sales	6.1	227 728	380 181	380 181
Revenue from ancillary business activities	6.2	6 435	4 764	4 764
Other operating income	6.3	6 487	527	527
<b>Operating income</b>		<b>240 650</b>	<b>385 472</b>	<b>385 472</b>
Changes in inventory of finished goods and work-in-progress		3 652	1 457	3 080
In-house production		24 682	22 319	22 319
Reversal of depreciation and provisions		-	7 566	7 566
Raw materials and consumables used	6.4	(107 698)	(105 196)	(105 196)
Personnel expenses	6.5	(44 560)	(40 937)	(40 937)
Depreciation, amortization and provision expenses	6.6	(46 039)	(36 829)	(42 077)
Taxes and duties	6.7	(672)	(693)	(693)
Other operating expenses	6.8	(21 512)	(22 854)	(22 854)
<b>Profit from operation</b>		<b>48 503</b>	<b>210 305</b>	<b>206 680</b>
Financial income	6.9	19 551	21 908	21 908
Financial expenses	6.10	(22 614)	(23 969)	(23 969)
Share of profits (losses) of equity-accounted affiliates		(507)	(304)	(304)
<b>Profit before tax</b>		<b>44 933</b>	<b>207 940</b>	<b>204 315</b>
Current income tax		(20 762)	(34 222)	(34 222)
<b>Net profit</b>		<b>24 171</b>	<b>173 718</b>	<b>170 093</b>
<b>Net total profit for the year</b>		<b>24 171</b>	<b>173 718</b>	<b>170 093</b>
<b>Earnings per share (1,218,000 shares) in Oguiyas</b>		<b>497</b>	<b>360</b>	<b>360</b>

**Statement of other comprehensive income**

In million Oguiyas	31/12/2014	2013 Adjusted	31/12/2013	Adjustement
Net profit	24 172	170 093	173 718	(3 625)
Impact of financial instruments	(3 794)	(265)	(265)	-
<b>Comprehensive income</b>	<b>20 378</b>	<b>169 828</b>	<b>173 453</b>	<b>(3 625)</b>

Société Nationale Industrielle et Minière



**Statement of cash flows**  
**(In million Oguiyas )**

	Note	Year ended As of Dec 31, 2014	Year ended As of Dec 31, 2013	Year ended As of Dec 31, 2013 <b>(Adjusted)</b>
<b>Operating activities</b>				
Income before tax		44 934	207 939	204 314
Amortization, depreciation and provision	6.1	45 052	36 341	41 589
Reversal of amortization, depreciation and provisions	6.4	(26 806)	(22 474)	(22 474)
Gains/losses on sale of assets		(517)		
Foreign exchange gains/losses	6.5	7 329	(545)	(545)
Investment income		(3 332)	(2 669)	(2 669)
Interest expenses		2 577	2 975	2 975
Investments in associates		507	305	305
Working capital needs	6.2	20 768	20 332	18 709
<b>Cash generated by operating activities</b>		<b>90 511</b>	<b>242 204</b>	<b>242 204</b>
Interest paid		(2 111)	(2 374)	(2 374)
Income tax paid		(23 340)	(37 022)	(37 022)
<b>Net cash flow from operating activities</b>		<b>65 061</b>	<b>202 808</b>	<b>202 808</b>
<b>Investing activities</b>				
Acquisitions d'immobilisations	6.3	(134 517)	(163 349)	(163 349)
Encaissement résultant de la cession de matériel		597	1 351	1 351
Intérêts encaissés		3 332	2 668	2 668
Dividendes reçus		15	-	-
<b>Flux de trésorerie liés aux activités d'investissements</b>		<b>(130 573)</b>	<b>(159 329)</b>	<b>(159 329)</b>
<b>Net cash flow from financing activities</b>				
Capital increase			1 940	1 940
Proceed from long-term borrowings		5 767	46 242	46 242
Payments on long-term borrowings		(29 744)	(9 515)	(9 515)
Dividends paid		(59 632)	(54 639)	(54 639)
<b>Net cash flow from financing activities</b>		<b>(83 609)</b>	<b>(15 972)</b>	<b>(15 972)</b>
<b>Net variation on cash and cash equivalents</b>				
Cash and cash equivalents at the beginning of the period		(149 121)	27 508	27 507
Impact of the foreign currency change on the cash and cash equivalents balances		333 720	306 212	306 212
<b>Cash and cash equivalents at the end of the period</b>	6.6	<b>184 598</b>	<b>333 720</b>	<b>333 720</b>

Statement of changes in shareholders' equity

Expressed in Million Ouguiyas	Share Capital	Share Premiums	Accumulated Profit	Underlying net earnings on forward contracts	Total	Minority Interest
<b>Capitaux propres au 01/01/2013</b>	<b>12 180</b>	<b>6 464</b>	<b>618 253</b>	<b>(2 756)</b>	<b>634 141</b>	<b>5 209</b>
Capital increase	170 520		(170 520)	-	-	
Revaluation of fixed assets				(265)	(265)	
Net profit of the period			173 358		173 358	2 478
Dividends			(54 611)		(54 611)	
Other			76		76	
Correction			(3 624)	11 700	8 076	
Change in control percentages			263		263	(531)
<b>Shareholders' equity as of December 31, 2013</b>	<b>182 700</b>	<b>6 464</b>	<b>563 195</b>	<b>8 679</b>	<b>761 038</b>	<b>7 687</b>
Capital Increase					-	
Revaluation of fixed assets				(3 793)	(3 793)	
Net profit of the period			23 674		23 674	(145)
Dividends			(59 890)		(59 890)	
Other			(14)		(14)	
<b>Shareholders' equity as of December 31, 2014</b>	<b>182 700</b>	<b>6 464</b>	<b>526 966</b>	<b>4 886</b>	<b>721 015</b>	<b>7 542</b>

Correction of error

The net profit for 2013 is retrospectively adjusted for 8 076 MUM regarding to the followings:

- ✓ Adjustment of the late amortization start for an amount of (5 248) MUM ;
- ✓ Impact of the end of Corridor option according to IRFS 19 for 11 700 MUM
- ✓ Adjustment of the iron ore stock valuation for an amount of 1 623 MUM.
- ✓ Adjustement of the impact of minority interest acquisition on both companies, DAMANE and MAIL.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
AS OF DECEMBER 31, 2014**

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of SNIM for the year ended December 31, 2014 were authorized for issuance in accordance with a resolution of the Board of Directors on April 28, 2014.

### 1 KEY EVENTS

The financial year 2014 is marked by a spectacular drop in iron ore sales price.

- The decline in the average iron ore price of 42%.
- The estimation of TIZERGHAF reserves at 1,2 Billion tons
- Launch of the prefeasibility study in TIZERGHAF complex, to produce 14 Mt, targeted for year 2019
- Launch of the feasibility study in F' derick exploitation project, to produce 3 Mt, targeted for the year 2017
- Launch of the feasibility study of a 50 MW plant in Zouerate. Discovery of 830 Million metric ton of propable reserves in TIZERGHAF EL BEIDHA. Launch of the new technical training center of Zouerate .
- Signature of a Term Sheet with "Glencore" for the provision of rail and port services for the transport of Glencore Iron Ore produced from the Askaf Project.
- Launch of construction of TO14 new installations.

### 2 COMPANY PURPOSE AND BUSINESS ACTIVITIES

The Société Nationale Industrielle et Minière (SNIM) is a company registered in the Islamic Republic of Mauritania to carry out the exploration, production, marketing and sale of iron ore.

The company headquarters are based in Nouadhibou, PO. 42.

The company extracts iron ore from the mines of M'haoudat, Guelbs and Kédia, while carrying on its own, mineral exploration activities.

### 3 ACCOUNTING POLICIES

#### 3.1 Principles for the preparation of the Financial Statements

##### Applicable standards

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The publication of the financial statements in IFRS is justified by:

- ✓ The wish for harmonization expressed by investors and sponsors, who are the main users of our financial statements;
- ✓ The use of these standards by SNIM's partners;
- ✓ Our concern to give comparable financial information.

##### **Norms, norm amendments and effective interpretations**

The group's consolidated financial statements as of 31 December 2014 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by EU (*European Union*), and in accordance with norms issued by IFRS as published by IASB (*International Accounting Standard Board*) and with a mandatory application as of 31 December 2014.

The group has applied in its 2014 combined financial statements new norms and amendments as adopted by the European Union and with a mandatory application as of 1<sup>st</sup> of January 2013.

It is about the following:

- IAS 1 - Amendment – *Presentation of financial statements: presentation of other comprehensive income items*, as published by IASB on June 16, 2011, as adopted by EU on June 5, 2012, and published in EU's Official Journal on June 6, 2012. It discloses a presentation of other comprehensive income items (named « Charges and income booked in other comprehensive income » in the combined comprehensive income statement) which are included from now on according or not to their recycling in the income statement.
- IAS 19 - Amendment – *Employees benefit*, as published by IASB on June 16, 2011, as adopted by EU on June 5 2012 and published in EU's Official Journal on June 6, 2012. The accounting principles and valuation methods relating to employee benefits plans are presented in Note 1.3.15 –Employee benefit plans.
- IFRS 13 – *Fair value measurement*, definition on the concept of fair value in terms of measurement and disclosure, has been published by IASB May 12, 2011, adopted by EU on December 11, 2012, and published in official Journal of EU December 29, 2012. The implementation does not have any significant impact, nor on the method of valuation used by the group, neither on the information disclosed in our annexes.
- Amendments in different IFRS norms included in the Annual improvement text Cycle 2009-2011 were published by IASB in May 2012 adopted in EU on March 27, 2013, and published in the EU's official Journal on March 28, 2013.

The group also decided to apply early in their consolidated financial statement as of December 31, 2013 the new standards of consolidation method: IFRS 10 - *Consolidated Financial Statements*, IFRS 11 - *Joint Arrangements*, IFRS 12 - *Disclosure of interests in Other entities* and IAS 28 - *Investments in Associates and Joint Ventures*, issued by the IASB on May 12, 2011, the EU adopted in December 11, 2012 and published in the EU's Official Journal on December 29 2012. Their application is mandatory from 1 January 2014 in the European Union.

The principles related to consolidation methods introduced by these new standards are presented below in Note 1.3.2 – Consolidation Methods.

##### **New IFRS standards and IFRIC interpretations issued but not yet effective**

Among other IFRS standards and IFRS interpretations issued by IASB/IFRS IC but not yet effective, for which the Group did not opt for early application, and which are likely to affect the group, found mostly the IFRIC 21 interpretation - *Duties or Taxes*, published by the IFRS IC 20 May 2013, the mandatory date of application is not yet known at this time, the EU has not yet adopted this interpretation. The application of this interpretation could lead, if applicable, to modify the analysis of the event giving rise to the recognition of liabilities.

The group's process of determining potential impacts of the application of this interpretation on the combined financial statements and on the content of combined financial statements notes is ongoing.

In addition, the group follows the evolution of IFRS 9 - *Financial Instruments* to replace IAS 39. The Board of the IASB temporarily decided to shift the norm's entry date (originally scheduled for 2015), without pronouncing on another date.

SNIM is now analyzing the potential impact of these standards and interpretations on its financial statements.

### General principles

The principles used are based on the historical cost method and the accrual basis accounting method, except for (1) derivative financial instruments and (2) categories of revalued fixed assets that have been measured at fair value. The carrying values of assets and liabilities that are hedged at fair value are adjusted to record changes in the fair value attributable to the risks that are being hedged.

The financial statements are presented and valued in Ouguiya (MRO). All of the tables and the notes to the financial statements are presented in million Ouguiyas.

The income statement is presented by category.

Asset and Liability accounts are presented according to the distinction between current and non-current assets and liabilities.

Assets held for sale or intended for consumption during the Group's normal business cycle, as well as cash and cash equivalents, are accounted for as current assets. Other assets represent non-current assets. Debts due during the Group's normal business cycle or during the twelve months following the end of the reporting period are accounted for as current liabilities. Other liabilities represent non-current liabilities.

Within the framework of the preparation of the statutory financial statements, and according to international accounting standards, the assessment of certain accounts in the statement of financial position and income statement requires the company's Management to take into account assumptions, estimations and judgments which have an impact on assets, liabilities, revenue and costs. These assumptions, estimations and judgments are based on information and situations that existed as of the drawing-up of the financial statements. However, the actual results in the future may be different.

### **3.2 Consolidation Basis**

Companies controlled exclusively by the group, either by right (direct or indirect ownership of the majority of the voting rights), contractual or de facto (management of financial and operational operations over a long period of time), are consolidated through global integration. Thus accounts are all integrated at 100%, with deduction of minority interests. Companies controlled jointly by the group and other companies are consolidated through proportional integration. Companies which are not subject to exclusive control from the group but on which the group has significant influence are consolidated through equity method if the percentage of control exceeds 20 %.

The group owes shares in a joint-venture. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. SNIM recognizes its interest in the jointly controlled entity using the equity method.

Under the equity method, the investment in an associate is initially recognized at cost and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The investor's share of the profit or loss of the investee is recognized in the investor's profit or loss.

#### **3.2.1 Operations eliminated through consolidation**

Intercompany receivables and payables balances at Dec.31, 2014 as intercompany revenues and charges, so as intercompany operations such as dividends payments, amortization of consolidated shares, or loans to intercompany are eliminated taking into account their impact on profit or loss.

Internal margins on inventories are also eliminated.

### 3.2.2 Goodwill

#### Acquisition cost

Acquisition method is used in order to account acquisition of shares in subsidiaries. Acquisition cost equals to fair value of assets, liabilities and equity issued by the buyer at acquisition date.

#### Goodwill

Goodwill corresponding to the amount of acquisition cost exceeding amount of share in fair values of assets and liabilities of the purchased entity are accounted is heading "goodwill". Negative goodwill is posted directly in the income statement.

Goodwill is not amortized in compliance with IFRS 3R "Business Combination" but is subject to impairment test once indication of loss of value appears and at minimum once a year. In case of loss of value, depreciation is posted in the income statement. It is non reversible.

### 3.2.3 Foreign currency translations – unrealized exchange gains and losses

Due to the nature of SNIM's business, numerous transactions are denominated in foreign currencies. Transactions in foreign currencies are recorded as follows:

- ✓ Tangible and intangible fixed assets, as well as raw materials and other consumables, are translated at current exchange rates applicable at the date of the transaction, except for revalued categories of fixed assets,
- ✓ Non-monetary items accounted for at fair value denominated in foreign currency are translated using the exchange rates applicable when the fair value was determined,
- ✓ Other assets and liabilities are translated at the functional currency rate at the end of the reporting period. Profits and losses resulting from exchange operations are recognized in the income statement,
- ✓ Profits and losses are converted using the exchange rates applicable at the transaction date

### 3.3 Property, plant and equipment

Property, plant and equipment are stated at acquisition cost less accumulated depreciation, workforce cost and any impairment in value. The revaluation method is applied.

Buildings	Acquisition cost
Specialized complex installations	Fair value
Railway rolling stock and railroad track equipment	Fair value
Operating equipment	Acquisition cost
Transport equipment	Acquisition cost
Other tangible assets	Acquisition cost

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Buildings	14 to 30 years
Specialized complex installations	15 to 30 years
Railway rolling stock and railroad equipment	10 to 30 years
Operating equipment	5 to 30 years
Transport equipment	5 years
Other tangible assets	5 years

As from financial year 2009 assets held under finance lease are initially recorded in the statement of financial position at the lower of their fair value and the discounted value of the minimum payments under the lease.

The corresponding commitment is recognized in financial liabilities. The financial expenses which represent the difference between the total lease commitments and the fair value of the assets are recognized in profit or loss over the term of the lease.

Arrangements that do not take the legal form of a lease are analyzed on the basis of IFRIC 4 to determine whether they contain a lease to be recognized according to IAS 17.

The carrying value of tangible assets is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the asset or cash-generating units are written down to their recoverable amount.

The recoverable amount of property, plant and equipment is the greater of the fair value of the depreciated replacement cost or the value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the income statement.

Within the context of the Guelbs 2 project and the mineral port, implicit commitments could lead SNIM to recognize assets with a view to the dismantling and/or rehabilitation of the facilities. SNIM also remains attentive to any changes in legislation and decisions taken in such matters by the Mauritian authorities (cf.3.14 Site rehabilitation).

### **3.4 Intangible Assets**

Intangible assets are recognized at their acquisition cost.

They are depreciated on a straight-line basis over their estimated useful life, between 3 and 5 years.

The carrying value of intangible assets is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

The Group's intangible assets do not include any goodwill.

### **3.5 Exploration for and Evaluation of Mineral Resources**

IFRS 6, which specifies the financial information to be disclosed relative to the exploration and evaluation of mineral resources, has been compulsory since January 1, 2006 and has been applied since then in the SNIM financial statements.

Intangible assets: recognized expenditures are as specified in §9 and only concern the research and development costs provided for by IFRS 6, including:

- Acquisition of rights to explore
- Topographical, geological, geochemical and geophysical studies
- Exploratory drilling
- Trenching
- Sampling

Tangible assets: these are the tangible assets used by the entity dedicated to research.

The impact estimated as of December 31, 2014 is as follows:

- ✓ Exploration tangible assets: 4 324 MUM,
- ✓ Research & Development costs: 1 890 MUM.

The depreciation of these assets as of December 31, 2014 is as follows :

- ✓ Exploration tangible assets: 3 242 MUM,
- ✓ Research & Development costs: 605 MUM.

### **3.6 Other financial assets**

The Group grants interest-free loans to employees. Deposits and guarantees, requested by the Mauritian electricity, water and telecommunications companies, are intended to cover the risk of credit and potential equipment damage. As the impact of discounting is deemed insignificant, loans and guarantees are accounted for at their historical cost.



### 3.7 Inventories

Inventories are mainly composed of raw materials, iron ore and other supplies.

Raw materials and other supplies, including spare parts, are valued at the lower of the weighted average cost and net realizable value.

The depreciation method of raw materials and other supplies can be presented as follows:

#### Strategic Items:

- ✓ No depreciation on strategic items for which coverage is less or equal to one year ;
- ✓ 10% Statistical depreciation per year of coverage beyond first year ;
- ✓ Review with the main users of the 50 main provisioned items at year end in order to determine the economic reality of inventory use and check their expiration dates.

#### Other items :

- ✓ Consumption > 1 year : statistical depreciation of 15% ;
- ✓ Consumption > 2 year : statistical depreciation of 30% ;
- ✓ Consumption > 3 year : statistical depreciation of 50% ;
- ✓ Consumption > 4 year : statistical depreciation of 75% ;
- ✓ Consumption > 5 year : statistical depreciation of 100% ;
- ✓ Review with the main users of the 50 main provisioned items at year end in order to determine the economic reality of inventory use and check their expiration dates.

Inventories of iron ore, including ore stockpiles, are valued at their weighted average price or at their net realizable value if such value proves to be lower. The cost includes the direct costs of the mines, the production sites, the railway and the port, as well as a portion of amortization and depreciation and general expenses.

This valuation does not take into account financial expenses, the fixed and variable general administrative expenses incurred to transform the raw materials into finished products and the costs related to sales and marketing.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

### 3.8 Impairment tests

In accordance with IAS 36, impairment tests are performed on tangible and intangible assets when any indication of potential loss of value is identified. Such tests are performed at least once a year on intangible assets with an indefinite useful life and on goodwill.

When the net book value of assets grouped together in a cash-generating unit exceeds their recoverable value, depreciation is recorded for an amount corresponding to the difference between the net book value and the recoverable value. Recoverable value is defined as the highest value between the asset's fair value less costs to sell and its useful value. Useful value is determined according to the discounted cash-flow method. Goodwill on consolidation is apportioned by cash-generating unit for the purposes of the impairment tests.

Depreciation is charges against goodwill. It is recognized under a specific caption of the income statement when amounts are deemed significant. Depreciation accounted for on goodwill cannot be subsequently reversed.

As of December 31, 14, The company proceeded to an impairment testing. The calculated value in use is strongly greater than the assets net book value.

### 3.9 Definition of a cash-generating unit

According to IAS 36, goodwill, tangible asset and intangible asset values are subject to impairment tests whenever there is an indication of loss of value. These indications are reviewed at year-end. This test must be performed at least once a year for assets with an undefined life, a category which does not exist at SNIM.

In order to perform such a test, assets are gathered into cash-generating units (CGUs). These CGUs are composed of homogeneous assets which generate cash-flows that are largely independent of cash-flows generated by other groups of assets.

The criterion for defining CGUs has led SNIM to make the following grouping:

Company SNIM: this is a homogeneous, integrated unit which groups the three mines operated at Zouerate, the private railway siding and the port facilities in Nouadhibou. These items cannot generate cash-flows that are largely independent of cash-flows generated by the other components of SNIM;

Company GMM: this company is considered as an independent UGT owing to its specific business, its exposure to risk and its profitability;

Company SAFA: this company is dedicated to smelting works for the group.

Company COMECA: this company is considered as an independent UGT due to its specific business, its exposure to risk and its profitability.

Company ATTM: this company is dedicated to construction, transport and maintenance of the group

Company SOMASERT: business of this company is tourism and hotel business;

Company SAMIA S.A.: this company is considered as an independent UGT due to its specific business, its exposure to risk and its profitability;

Company SAMMA: this company is dedicated to handling for the group

Company GIP: this company is involved in the storage, transport and distribution of refined hydrocarbons.

Company DAMANE ASSURANCE: this company is involved in industrial insurance.

Company Tazadit Underground Mine (TUM): this company is involved in research and underground mining iron ore.

Company Mauritanian society of Water and Electricity (M2E): aims for realization and management of distribution networks of water and electricity.

The value in use of these units is determined according to net discounted cash-flows. When the net value of assets grouped into a cash-generating unit exceeds its useful value, depreciation is recorded for an amount corresponding to the difference between net value and useful value. Depreciation is allocated first to reduce the carrying amount of any goodwill.

### 3.10 Trade receivables

Trade receivables are recognized and carried at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debt is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

The receivables in foreign currencies are valued at the year end, accordingly to IAS 21- *The Effects of Changes in Foreign Exchange Rates*, using the rates published by the Mauritanian Central Bank.

### 3.11 Borrowing costs

In accordance with IAS 23, borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are recorded as part of the cost of that asset.

### **3.12 Cash or cash-equivalents**

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

### **3.13 Interest-bearing borrowing**

SNIM's financial debt is mainly contracted with international financial sponsors at preferred rates.

According to IAS 39 principles, loans at preferred rates are accounted for as "other financial liabilities". Thus they should initially be registered at fair value, i.e. a discounted value based on the current market rate for a loan with similar conditions or for a similar borrower.

In order to determine the market value of a favorable-rate loan, a reliable future cash-flows discount rate must be calculated. This rate is determined according to the market and takes several factors into account:

- the loan currency,
- the credit spread

When no information is directly available on the market, IAS 39 allows the recording of a favorable-rate loan by comparison with fixed-rate loans of equal maturity taken out by the company or with rates applied under normal market conditions in a company of similar size and business.

In view of SNIM's specific environment, the market information that is necessary for determining a rate trend, in order to calculate the market value of favorable-rate loans, is not available because of the following:

- No market for long-term financing of private business in foreign currencies exists in Mauritania,
- It is difficult to evaluate SNIM's credit spread,
- No comparable ore extracting company exists in Western Africa.

It is consequently impossible to reliably determine a market value for the favorable-rate loans taken out by SNIM. In such a case IAS 39 allows the accounting of financial assets and liabilities at historical cost, which equals the amounts received. Interest is recorded on a nominal rate basis.

Within the context of the Development and Modernization Project, SNIM signed financing agreements with commercial financial institutions and institutional sponsors.

Under these new agreements, SNIM must comply with the following ratios until expiry of the agreements:

- Debt/equity ratio less than or equal to 3.5
- Liquidity ratio greater than or equal to 1.5
- Debt service cover ratio greater than or equal to 1.3
- Consolidated debt structure ratio less than or equal to 2
- Safe receivables/debt ratio.

### **3.14 Provisions for liabilities and charges**

Provisions are booked when the company has a present obligation (legal or constructive) which has arisen as a result of a past event, when it is probable that an outflow of resources representing economic benefits will be necessary to extinguish the obligation and when the amount can be estimated reliably.

The obligations resulting from restructuring operations are recognized at the time of their announcement to the people concerned.

## Site rehabilitation:

Legal obligations relating to the clean-up of mineral extraction sites are governed by the following regulatory framework as of 31 December 2014:

- Mining Code:  
The obligation to rehabilitate sites is mentioned in the 1979 Mining Code.  
This code, as updated in 2009 following the publication of law no. 2009-26 of 7 April 2009, states that the abandonment of the operation of any mining extraction zone must be the subject of a ministerial order defining the action taken in terms of “public health and safety and essential features of the environment”.  
As of April 30, 2015, the Council of Ministers has not adopted any implementing decree instituting the practical obligations yet.
- Law on the environment:  
Law no. 2000-45 relating to the environment confirms the existence of this legal obligation to rehabilitate extraction sites in Mauritania. Article 44 of this text, enacted on 26 July 2000, states that:

*"The operation of quarries and mines, as well as mineral exploration work, must be designed and performed in such a way that:*

- *it does not damage the environment surrounding the sites, or create or aggravate erosion phenomena*
- *the sites operated can be returned to their initial state.*

*The rehabilitation of the sites is the responsibility of the operator of the quarry or mine. The methods and deadlines for carrying out the work will be fixed by decree adopted on the basis of a joint report of the Minister for the Environment and the Minister for Mines."*

(Title III: Protection of resources and the natural environment / Chapter III: Protection of the soil and subsoil / Article 44)

This law has been the subject of the adopting of the following decrees:

- Decree no. 2004-94 requires that an environmental impact assessment must be carried out before any mine with a capacity exceeding 100 tons/day is opened for operation.
- Decree no. 2007-107 confirms this obligation and its article 7.8 requires that the measures taken in connection with this obligation to clean up the sites be accompanied by a bank guarantee, but it does not give any guidelines as to the interpretation of the term “rehabilitation”.

**As of April 30, 2015 these two decrees have not been published.**

- On 4 February 2009, decree no. 2009-051 was adopted within the framework of the law on the environment without modifying article 14 of decree no. 2008-159 ruling on the following obligation:  
*“Two months before expiry of the operating license, the mining cadastre must inform the Mines and Geology Cadastre of such expiry so that it makes sure that the license-holder carries out the clean-up work in compliance with the provisions of the decree relating to the Mines Police and of the decree relating to the mining environment.”*

In conclusion, although the legal obligation exists, it is not accompanied by an implementing decree specifying its interpretation. As the obligation cannot be assessed reliably, no provision has been booked in the financial statements of SNIM as of year-end.

In addition, since the end of February 2011, SNIM has been certified ISO 14001. Within this context, the objectives set are:

- The environmental analysis of the sites, the launch of the environmental management plan and the definition of the environmental program targets.
- SNIM’s legal department is monitoring any changes in the legislation relating to these obligations.
- The technical department is currently working on the valuation assumptions on the basis of an interpretation of the laws in force and the implicit obligations resulting from ISO 14001 certification.

A provision will therefore be booked when the obligation can be assessed reliably. Any changes in the valuation of this liability will be recognized in accordance with the IFRIC1 interpretation.

### **3.15 Employee benefits**

#### **Benefit plans**

The company has a benefit pension plan which is qualified as a defined-benefit pension plan. Note that there are no separately administered funds financing the pension plan.

The method applied for evaluating the plan is that of the projected unit credit actuarial valuation method. This method consists in measuring the benefit according to the projected wage at the end of the employee's career and to the eligible amount at valuation date.

Actuarial differences have been booked according to the corridor method. Actuarial gains and losses are recognized as income or expense when the net cumulative unrecognized actuarial gains or losses for each individual plan at the end of the previous reporting year exceeded 10 % of the higher of the defined-benefit obligation and the fair value of the plan assets at that date. These gains or losses are recognized over the expected average remaining working lives of the employees participating in the plan.

The option provided by IAS 19 allowing the recognition of all the actuarial gaps in equity and not yet applied by the SNIM became mandatory as of 1st January 2013.

Since January 2013, revised IAS 19 only allows actuarial gains and losses recognition in equity.  
The impact of actuarial gains and losses recognition in equity on retained earnings is 9537 MUM.

Supervising executives are offered additional benefits such as tax sharing, healthcare, company cars and fuel and allocated housing.

The costs related to these benefits are insignificant. Consequently they are accounted for as expenses.  
SNIM has not applied the new option offered by IAS 19 to integrate the full amount of actuarial gains and losses in equity.

#### **Defined contribution plan**

SNIM has decided to set up, as from January 2011, a defined contribution supplementary pension plan with the following main characteristics:

- ✓ An employer contribution corresponding to 10% and an employee contribution corresponding to 7% of the 2013 reference salary
- ✓ The prior service cost is borne by SNIM
- ✓ The reference salary is the base salary plus the seniority bonus (cf. 5.11 Actuarial assumptions)

Amortizations and reversals of the lump-sum pension indemnities and supplementary pension are booked in personnel expenses.

### **3.16 Leases**

As of December 31, 2014, there exists significant finance lease (see 5.1 Property, Plant and Equipment).

### **3.17 Profit from continuing operations**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured.

The following specific recognition criteria must also be met:

- ✓ **Sales of goods**  
Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer and can be reliably measured.
- ✓ **Construction contracts**  
The contract revenues are measured at the fair value of the consideration received or receivable.

Contract revenues and contract costs are recognized by reference to the stage of completion of the contract activity at the balance sheet date.

An expected loss on the construction contract is recognized as an expense immediately.

On those contracts, the stage of completion is based on the costs incurred at the closing date compared to the total budgeted costs

✓ **Interests**

Revenue is recognized as the interest accrues to the net carrying amount of the financial asset.

### **3.18 Government grants**

Government grants are recognized at their fair value when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an expense item, it is recognized, on a systematic basis, as income over the years necessary to match the grant to the costs that it is intended to offset. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the income statement over the expected useful life of the relevant asset by equal annual installments.

### **3.19 Income taxes**

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of the assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be used.

Deferred income tax is recorded on margin realized between companies of the group elimination.

### **3.20 Functional and presentation currency**

SNIM presents its financial statements in local currency, the Ouguiya. However, according to IAS 21, the economic analysis of SNIM's activities shows that the Ouguiya is not SNIM's functional currency.

If SNIM opts for USD as functional currency, the company will have to obtain authorization from the Mauritanian authorities to present its financial statements on that basis.

The information system is currently set for the Ouguiya as functional currency, with the Dollar being used as parallel currency. However, the system allows the editing of financial statements presented in USD. Shareholders' equity based on USD as a functional currency and presented in MRO can be estimated at 757 999 MUM compared to 721 418 MUM in the financial statements presented. Likewise income based on USD as a functional currency and presented in MRO can be estimated at 20 619 MUM compared to 24 067 MUM in the financial statements presented.

### **3.21 Derivative financial instruments and Hedging transactions**

SNIM uses derivative financial instruments to hedge against the risks relating to its business (exchange risk related to its operating, investing and financing activities).

Derivative financial instruments negotiated for hedging the company's exposure to risks linked to its business and financing operations are qualified as cash-flow hedges where the company hedges exposure to variability in cash-flows and qualify for hedge accounting.

No instrument is used to cover the exposure to variations in the fair value of assets or liabilities, except for the exchange risk, or to cover investment in foreign activity.

#### **3.21.1 Cash flow hedging**

Gains or losses on hedging instruments are recognized in equity for the portion that is determined to be effective and in the income statement for the ineffective portion.

At the time the asset or the liability is recognized, the associated gains or losses that had previously been recognized in equity are transferred to the income statement for the same period as the hedged transaction and to the same account.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. At that point, any cumulative gain or loss on the hedging instrument recognized in equity is kept in equity until the forecasted transaction occurs.

If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognized in equity is transferred to net profit or loss for the year.

### **3.21.2 Derivative financial instrument operations not qualifying for hedge accounting**

For derivatives that do not qualify for hedge accounting, any gains or losses arising from changes in fair value are taken directly to net profit or loss for the year.

All derivative financial instruments are stated in assets or liabilities at their fair value and revalued at fair value at year-end.

The market value of forward contracts and interest rate swaps, during their lifetime and at maturity, is determined by an independent expert on the basis of immediate and at term data at the time when the different underlying items and risk-free interest rate trends are valued for discounting.

During the option lifetime and at maturity, the market value is determined by FOREX according to the Black and Scholes model, on the basis of the following elements:

- ✓ Market value of the underlying item
- ✓ Option exercise price
- ✓ Sensitivity “to the forward currency”
- ✓ Risk-free interest rate.
- ✓ Maturity of the option

### **3.22 Interest and dividends**

Dividend revenue is recognized when the shareholders’ right to receive the payment is established.

The company’s accounting policy is to classify dividends and interest received as investing activities, dividends paid as financing activities and interest paid as operating activities.

### **3.23 Sector-based investment**

SNIM is dedicated to extraction of iron ore. Indeed SNIM’s exposure to risk so as expectations for profitability objectives are considered as homogeneous. Subsidiaries of SNIM, representing independent Cash-Generating Units, are below the quantitative thresholds needed to make a separate presentation of information related to their own operational sector.

Analysis of the SNIM business is thus made through geographical zones which constitute the primary level of sector-based information according to standard IFRS 8 “Sector-based investment” for the product of ordinary activities from external clients. Other information related to profit and loss, assets and liabilities are not followed by geographical zones. The activity of SNIM is indeed made integrally in the Islamic Republic of Mauritania. Geographical zones can be identified as follows:

- ✓ France,
- ✓ Germany,
- ✓ Belgium,
- ✓ Italy,
- ✓ Other countries member of the European Union,
- ✓ China,
- ✓ Others.

### 3.24 Investment in associates

#### Presentation note of El Aouj project

##### (a) Joint venture project

SNIM and the Australian company Sphere Investments signed a joint-venture agreement on October 22, 2001 regarding the performance of the research and studies necessary for a project concerning the production of pellets for the direct reduction of iron ore from the El Aouj Guelbs.

This partnership agreement defines the obligations of the parties as follows:

- SNIM contributes with a research permit (right of exploration) for the El Aouj zone, which comprises 5 guelbs.
- Sphere carries out a full bankable feasibility study (BFS), the costs of which are borne by Sphere

At the end of this feasibility study, Sphere gets 50% of the rights for the El Aouj zone.

The two parties then create a new common company in which both will hold a 50% stake. The purpose of this company is to assume the financing, realization and exploitation of the project.

The Guelb el Aouj project should include:

- A large scale open cut mine,
- An enrichment factory (both dry enrichment and water based enrichment),
- A 7MT/year capacity pelletizing factory,
- A power station of 125 MHertz
- Additional systems and services.

These facilities shall produce 7MT/year of high-quality pellets for direct reduction (DR). The product will be transported by the existing iron ore railway infrastructure and loaded onto ore carriers by the existing SNIM port infrastructure, in exchange for an acceptable remuneration that will be determined by an agreement to be concluded between SNIM and the future company.

The necessary financing should be around USD 2.5 billion, of which one third should be provided by the shareholders.

##### (b) Chronology

SNIM and Sphere Investment decided in 2006 to open the capital of the future Newco to two major Arab steel producers: the Saudi Basic Industries Corporation (SABIC) and the Qatar Steel Company (QASCO). These two partners are consumers of pellets made for direct reduction.

The Pre-Feasibility study was published on February 7, 2007.

In May 2007, SNIM and Sphere Investment offered to sell 49.9% of the El Aouj project to the steelmaker partners, SABIC and Qatar Steel, for an amount of USD 375 million.

On July 31, 2007, an agreement was signed according to which SNIM and Sphere Investment would transfer 49.9% of the El Aouj project to its partners for USD 375 million.

It should be noted that the amount of the transaction should serve as financing for the participation of SNIM and Sphere in the capital increase of the "Future Company". The capital should be increased to 30% of the total amount of capital expenditures. In October 2007, SABIC withdrew. Therefore Qatar Steel confirmed its decision to buy 49.9% of the project. The project was to continue with three partners, but in 2008, Qasco first informed SNIM of its decision to limit its participation to 15%, before withdrawing entirely from the project.

The final feasibility study was published in April 2008.

In August 2008, Sphere, a 100% shareholder of the company El Aouj SA, cancelled from the latter's accounts all costs not related to the exploration and evaluation of the iron ore deposit, and SNIM acquired 50% of the capital of the company, renamed El Aouj Mining Company (EMC), for MUM 5.



SNIM and Sphere have decided to seek a third partner and a call for tender has been prepared.

The takeover of Sphere by Xstrata became effective in November 2010 brought all parties to resize the project such as:

- The 7MT/year capacity pelletizing plant shall be resized to 30 MT/year,
- Production will extract pellets and raw iron ore
- The exploration program is extended to two new guelbs i.e. Tintekrate and Bouderga in order to estimate the mineral reserves of these guelbs according to the JORC standard, with a view to better use of the license.

As of December 31<sup>st</sup>, 2014, the expenses are presented below:

In millions d'ouguiyas	31/12/2014	31/12/2013	Variation
Cap Bouderga Tintekrate	10 947	10 947	0
Cap Expenses Study 2010	187	187	0
JV south Cappitalized	275	275	0
Cap Guelb El Aouj	15 244	13 885	1 359
<b>TOTAL</b>	<b>26 653</b>	<b>25 294</b>	<b>1 359</b>

**(c) Accounting Policy**

As of December 31<sup>st</sup>, 2009, the stake of SNIM in the joint venture has been valued according to the equity method.

As of December 31, 2014, the fair value of SNIM's participation in the El Aouj joint-venture has not been modified and was determined on the costs incurred by Sphere on the feasibility study as of December 31, 2009 12 280 MUM (cf. 4.3.1 Investments in associates).

Within the framework of this project, SNIM receives assets that correspond to the outlays borne by Sphere in return for an exploration right that was partially valued in the financial statements of SNIM.

#### 4 CONSOLIDATION SCOPE

The consolidated financial statements comprise the financial statements of SNIM with its Parisian branch, its subsidiaries (all from Mauritania) and investments in associates where SNIM has a significant influence. Consolidation scope comprises 11 companies globally consolidated and two companies consolidated using the equity method. The financial statements of subsidiaries are prepared as of December 31<sup>st</sup>, each year.

	Legal Form	% of Vote right	% of interest	Consolidation method (1)
SNIM	S.A			Consolidating company
MAURITANIE AFFILIATES				
SOMASERT	S.A	100%	100%	IG
SAFA	S.A	100%	100%	IG
SAMMA	S.A	53%	53%	IG
ATTM	S.A	100%	100%	IG
COMECA	S.A	93%	93%	IG
SAMIA	S.A	50%	50%	IG
GMM	S.A	96%	96%	IG
DAMANE ASSURANCE SA	S.A	63%	63%	IG
GIP	S.A	68%	68%	IG
EL AOUJ SA	S.A	50%	50%	MEE
TUM	S.A	99%	99%	IG
MAIL	S.A	31%	31%	MEE
M2E	SA	100%	100%	IG
MSMS	SA	50%	50%	MEE

- (1) IG : Global Integration  
MEE : Equity Method

## 5 ADDITIONAL INFORMATION RELATING TO THE STATEMENT OF FINANCIAL POSITION

### 5.1 Property, plant and equipment

<b>Immobilisations évaluées à la juste valeur En millions d'ouguiyas</b>	<b>Adjustment</b>	<b>31/12/2013</b>	<b>2013 Adjusted</b>	<b>Acquisitions</b>	<b>Disposals</b>	<b>31/12/2014</b>
Gross Value	-	195 782	195 782	14 742	(3 648)	206 875
Amortization	-	125 726	125 726	6 094	(3 521)	128 299
<b>Net Value</b>		<b>70 056</b>	<b>70 056</b>	<b>8 648</b>	<b>(127)</b>	<b>78 577</b>
<b>Cost of the assets</b>	<b>Adjustment</b>	<b>31/12/2013</b>	<b>2013 Adjusted</b>	<b>Acquisitions</b>	<b>Disposals</b>	<b>31/12/2014</b>
Gross Value		385 288	385 288	57 923	(6 289)	436 922
Amortization	5 248	136 205	141 453	28 956	(3 804)	166 604
<b>Net Value</b>	<b>(5 248)</b>	<b>249 083</b>	<b>243 835</b>	<b>28 967</b>	<b>(2 484)</b>	<b>270 318</b>
<b>Gross Value</b>	<b>-</b>	<b>581 070</b>	<b>581 070</b>	<b>72 665</b>	<b>(9 937)</b>	<b>643 798</b>
<b>Total Amortization</b>	<b>5 248</b>	<b>261 931</b>	<b>267 179</b>	<b>35 049</b>	<b>(7 325)</b>	<b>294 903</b>
<b>Fixed assets in progress</b>	<b>-</b>	<b>280 047</b>	<b>280 047</b>	<b>148 138</b>	<b>(77 287)</b>	<b>350 898</b>
<b>Total Net Value</b>	<b>(5 248)</b>	<b>599 185</b>	<b>593 937</b>	<b>185 753</b>	<b>(79 899)</b>	<b>699 792</b>

The impact of correction entries on the amortization opening balance is of 5 248 MUM which is related to assets not commissioned.

During the year, SNIM purchased tangible assets of 146 661 MUM.

This Investment mainly includes:

- ✓ Guelbs project II for 54 206 MUM ;
- ✓ Mining equipment for 24 622 MUM ;
- ✓ New mineral seaport for 8 836 MUM ;
- ✓ The railway for 7 889 MUM ;

Due to the drop of iron ore price , SNIM performed an impairment test and there are no loss losses on the carrying value of tangible assets.

There is no pledging of SNIM's tangible assets.

### Incorporated loan cost

The loan costs incorporated into the cost of assets for the year are as follows:

In million Ouguiyas	31/12/2013	Incorporated loan cost	31/12/2014
Guelbs 2	8 208	6 108	14 316
Mineral seaport	4 035	23	4 058
<b>Total</b>	<b>12 243</b>	<b>6 131</b>	<b>18 374</b>

### Finance leases

The gross book value of finance leases included in assets under construction (see 4.1 Property, plant and equipment) can be presented as follows:

In million Ouguiyas	31/12/2013	Acquisitions	Disposals	31/12/2014
Other materials Guelbs II (part BID)	16 668	431	(5 730)	11 370
Railway materials (part BID)	-	-	-	-
<b>Gross Value</b>	<b>16 668</b>	<b>431</b>	<b>(5 730)</b>	<b>11 370</b>

The various materials of Guelbs II in the capital in progress correspond to:

- ✓ To 6 Wagon loading system for 4 628 MUM
- ✓ To 4 Concentrations Humides for 6 742 MUM

The gross book value of the finance leases included in final assets (see 4.1 Property, plant and equipment) can be presented as follows:

In million Ouguiyas	31/12/2013	Acquisitions	Cessions	31/12/2014
Renewal of Port Equipment (Part BID)	7 686	-	-	7 686
Other materials Guelbs II (Part BID)	6 135	5 730	-	11 865
Railway materials (part BID)	6 307	-	-	6 307
<b>Gross Value</b>	<b>20 128</b>	<b>5 730</b>	<b>-</b>	<b>25 858</b>

Other materials Guelbs II correspond to the entry into service of 10 mining trucks and the 6 locomotive for 5730 MUM  
Railway materials correspond to the entry into service of the concrete sleepers plant for 3,747 MUM and supplies equipment for 2,559 MUM.

### Finance lease obligations:

Minimum lease payments in thousands of USD	31/12/2014	31/12/2013
Due within one year	12 857	30 857
From 2 <sup>nd</sup> to 5th year inclusive	47 867	47 118
More than five years	59 016	60 101
Less future financial charges	(20 512)	(22 513)
<b>Finance leases debt as at end of 2013</b>	<b>99 228</b>	<b>115 563</b>

### 5.1.1 Property, plant and equipment at fair value

Tangible assets are valued at their acquisition cost except for the categories of fixed assets that were revalued during financial year 2000. The revalued amounts were confirmed during financial year 2001 by an independent expert, the firm Met-Chem.

Certain classes of assets have been regularly revalued since then, notably during financial year 2006.

The fair value has been determined according to the replacement cost method less accumulated depreciation, as there was no market-based evidence.

The replacement cost has been estimated taking the following criteria into consideration:

- ✓ Value at purchase
- ✓ The technical condition of the equipment
- ✓ The useful life and the age of the equipment.

A general inventory of assets was carried out by the Tunisian ECOVIS firm in 2012 which will be the basis of the revaluation of certain categories of assets in 2014.

<b>Gross Value</b> In million Ouguiyas	<b>Adjustments</b>	<b>31/12/2013</b>	<b>2013</b> <b>Adjusted</b>	<b>Acquisitions</b>	<b>Disposals</b>	<b>31/12/2014</b>
Specialized complex installation	0	128 857	128 857	3 335	(946)	131 246
Railway rolling stock and railroad track equipment	0	66 924	66 924	11 407	(2 703)	75 629
<b>TOTAL</b>	<b>(0)</b>	<b>195 782</b>	<b>195 782</b>	<b>14 742</b>	<b>(3 648)</b>	<b>206 875</b>

<b>Depreciations</b> In million Ouguiyas	<b>Adjustments</b>	<b>31/12/2013</b>	<b>2013</b> <b>Adjusted</b>	<b>Acquisitions</b>	<b>Disposals</b>	<b>31/12/2014</b>
Specialized complex installation	0	88 369	88 369	3 950	(930)	91 389
Railway rolling stock and railroad track equipment	0	37 357	37 357	2 144	(2 591)	36 910
<b>TOTAL</b>	<b>0</b>	<b>125 726</b>	<b>125 726</b>	<b>6 094</b>	<b>(3 521)</b>	<b>128 299</b>

<b>Net Book Value</b> In million Ouguiyas	<b>Adjustments</b>	<b>31/12/2013</b>	<b>2013</b> <b>Adjusted</b>	<b>Acquisitions</b>	<b>Disposals</b>	<b>31/12/2014</b>
Specialized complex installation	0	40 488	40 488	(615)	(15)	39 858
Railway rolling stock and railroad track equipment	0	29 568	29 568	9 263	(112)	38 719
<b>TOTAL</b>	<b>0</b>	<b>70 056</b>	<b>70 056</b>	<b>8 648</b>	<b>(127)</b>	<b>78 577</b>

### 5.1.2 Property, plant and equipment at historical cost

Gross Value In million Ouguiyas	Adjustments	31/12/2013	2013 Adjusted	Acquisitions	Disposals	31/12/2014
Land	-	7 029	7 029	797	-	7 826
Land improvements	-	357	357	-	(130)	227
Buildings	-	158 271	158 271	17 630	(2 361)	173 540
Operating equipment	-	201 013	201 013	36 055	(3 076)	233 992
Transport equipment	-	12 148	12 148	2 156	(707)	13 597
Office and IT equipment	-	3 899	3 899	482	(2)	4 379
Office furniture	-	2 573	2 573	802	(14)	3 361
<b>TOTAL</b>	-	<b>385 289</b>	<b>385 289</b>	<b>57 923</b>	<b>(6 290)</b>	<b>436 922</b>

Depreciations In million Ouguiyas	Adjustments	31/12/2013	2013 Adjusted	Acquisitions	Disposals	31/12/2014
Land	-	-	-	-	-	-
Land improvements	-	207	207	1	-	208
Buildings	-	35 662	35 662	7 674	(4)	43 332
Operating equipment	-	86 523	86 523	18 533	(190)	104 866
Transport equipment	-	8 772	8 772	1 390	(2 945)	7 217
Office and IT equipment	-	3 274	3 274	288	(684)	2 877
Office furniture	-	1 767	1 767	406	18	2 192
Amortization adjustment	5 248	0	5 248	664	-	5 912
<b>TOTAL</b>	<b>5 248</b>	<b>136 205</b>	<b>141 453</b>	<b>28 956</b>	<b>(3 805)</b>	<b>166 604</b>

Net Book Value In million Ouguiyas	Adjustments	31/12/2013	2013 Adjusted	Acquisitions	Disposals	31/12/2014
Land	-	7 029	7 029	797	-	7 826
Land improvements	-	150	150	(1)	(130)	19
Buildings	-	122 609	122 609	9 957	(2 358)	130 208
Operating equipment	-	114 490	114 490	17 522	(2 885)	129 126
Transport equipment	-	3 376	3 376	766	2 238	6 380
Office and IT equipment	-	625	625	195	683	1 502
Office furniture	-	806	806	396	(32)	1 170
	(5 248)	-	(5 248)	(664)	(0)	(5 912)
<b>TOTAL</b>	<b>(5 248)</b>	<b>249 084</b>	<b>243 836</b>	<b>28 967</b>	<b>(2 485)</b>	<b>270 318</b>

The table below shows the gross value of tangible assets which are full amortized are still in use as of 31 December 2014:

In millions d'ouguiyas	Gross Value	
	2 014	2 013
Building	12 677	12 210
Railway rolling stock and railroad track equipment	14 226	10 119
Specialized complex installations	59 843	57 770
Operating equipment	38 438	32 816
Transport equipment	4 876	5 030
Other tangible assets	4 145	2 822
<b>TOTAL</b>	<b>134 205</b>	<b>120 767</b>

## 5.2 Intangible assets

Variation des immobilisations brutes	31/12/2013	Acquisitions	Disposal	31/12/2014
Intangible fixed assets value	5 219	1 484	-	6 703
<b>TOTAL</b>	<b>5 219</b>	<b>1 484</b>	<b>-</b>	<b>6 703</b>

Change in amortization	31/12/2013	Increase	Reversals	31/12/2014
Intangible fixed assets value	2 349	288	-	2 637
<b>TOTAL</b>	<b>2 349</b>	<b>288</b>	<b>0</b>	<b>2 637</b>

Net value of intangible fixed assets	2 870	1 196	0	4 066

Intangible assets relate to patents and software.

## 5.3 Other financial assets

In million Ouguiyas	31/12/2014	31/12/2013
Loans to employees	17 774	10 032
Deposits and guarantee	4 232	4 232
Equity security	27	44
Investment in associate entities	-	197
Investment in associates	17 477	16 645
<b>TOTAL</b>	<b>39 510</b>	<b>31 150</b>

The increase in loan to subsidiaries relates to shareholder advances includes:

- ✓ NAJAH loan for 6 626 MRO
- ✓ EMC for 981 MUM composed from 628 MUM (2 106 831 USD) shareholders' advances reclassification and 353 MUM shareholders' loan valuation.

Investments in associates includes:

- ✓ MAIL for 908 MUM
- ✓ EMC for 11 978 MUM.
- ✓ TAKAMUL for 4 572 MUM

Loans granted to employees do not bear interest. The impact of discounting is deemed insignificant, so loans and guarantees are accounted for at their historical amount.

Deposits and guarantees are valued on the basis of the amount of outgoing cash, which does not result in a significant gap compared to their fair value.

#### 5.4 Inventories

Inventories are valued at the lower of cost and net realizable value.

In million Ouguiyas	31/12/2014	31/12/2013	2013 Adjusted
Raw materials at cost	75 655	71 640	71 640
Raw materials at net realizable value	65 393	61 562	61 562
Goods and final products	1 031	865	865
Iron ore at cost	35 378	30 203	31 826
Iron ore at net realizable value	17 686	13 440	15 063
<b>Total inventories at the lower of cost and net realizable value</b>	<b>84 110</b>	<b>75 866</b>	<b>77 489</b>

The increase in inventories of raw materials is mainly due to the increase in of the spare parts stocks (mining machinery) for 4 074 MUM.

Ore inventories to their net realizable value increased by 2 624 MUM.

The company does not pledge inventories.

#### 5.5 Trade receivables

In millions Ouguiyas	31/12/2014	31/12/2013
Iron ore trade receivables	6 494	37 789
Other trade receivables	5 453	9 236
<b>Total</b>	<b>11 947</b>	<b>47 025</b>

Generally, there is no credit risk on iron ore customers. The provision maintained in 2012 for an Ore customer of 981MUM has been fully recovered in 2013.

An analysis of this risk is regularly performed on other customers in order to identify potential provisions.

The statement of changes in loans and receivables is presented below:

In million Ouguiyas	31/12/2014	31/12/2013
<b>Depreciation as of January 1<sup>st</sup></b>	<b>1130</b>	<b>2017</b>
Revaluation of foreign exchange		
Additional depreciation	271	94
Utilizations	0	0
Reversals	0	-981
<b>Depreciation as of December 31<sup>st</sup></b>	<b>1401</b>	<b>1130</b>
Debt collection on depreciated receivables	0	980
Gross value of depreciated receivables	1401	1130



## 5.6 Other receivables

En millions d'ouguiyas	31/12/2014	31/12/2013
Trade payables – debit balances	8 939	11 037
Trustee	14 596	8 907
Tax receivables	3 165	1 288
Deferred expenses	1 401	1 663
Sundry debtors	7 691	2 734
<b>Total</b>	<b>35 792</b>	<b>25 630</b>

Trade payables - debit balances relate to advances granted to its suppliers and orders realized before the issuing of the corresponding invoices.

Trustee fund is directly powered by the bank when clients' sales receipts and reimbursement deadlines related to loans of the same name.

Deferred expenses consist of prepayments.

Sundry debtors are mainly composed of the asset related to MIB selling transaction of ElAleg factory for an amount of 4 537 MUM as of December 31, 2014.

## 5.7 Financial instrument: disclosure

### 5.7.1 Financial instruments presented in the statement of financial position

As of 31 December 2014, financial instruments recorded in the statement of financial position are presented as follows:

Breakdown by classes of instruments							
In million Ouguiyas	Value in statement of financial position	Fair value	Fair value through profit & loss	Assets available for sale	Financial assets held to maturity investments	Loans and receivables	Financial liabilities measured at amortized cost
Other financial fixed assets	22 006	22 006			4 232	17 774	
Trade receivables and related accounts	11 947	11 947				11 947	
Other receivables and related accounts	35 792	35 792				35 792	
Cash and cash equivalents	187 143	187 143	54 553		132 590		
<b>Assets</b>	<b>256 888</b>	<b>256 888</b>	<b>54 553</b>	<b>0</b>	<b>136 822</b>	<b>65 513</b>	<b>0</b>
Interest bearing loans and borrowings	190 006	190 006					190 006
Trade payables	45 574	45 574				45 574	
Other payables	53 034	53 034		0		53 034	
<b>Liabilities</b>	<b>288 614</b>	<b>288 614</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>98 608</b>	<b>190 006</b>

The fair value of other financial instruments (loans and deposits) was not deemed significant and these items are therefore valued at amortized cost.

The fair value of the trade receivables, other receivables, trade payables and other payables was not deemed significant and these items are therefore valued at amortized cost discounted at closing market price in the transaction currency.

Taking into account SNIM's economic environment (lack of market data required to determine a yield curve in order to estimate the market value of loans and borrowings at preferential rates), borrowings and loans are valued at historic cost.

## 5.7.2 Derivative financial instruments

In application of IFRS 7, the fair values of financial instruments are organized according to different valuation techniques defined as follow:

- Level 1: direct reference to prices published on an active market;
- Level 2: valuation techniques based on observable data ;
- Level 3: valuation techniques based on unobservable data.

The group is using level 2 for the fair value valuation of derivative financial instruments.

As of December 31, 2014, financial instruments on exchange rates available at closing date are detailed below:

### Foreign currency Risk :

Hedging accounting	2014				2013			
	Fair value in MUM	Fair value in KUSD	Nominal in thousands		Fair value in MUM	Fair value in KUSD	Nominal in thousands	
			Purchases	Sales			Purchases	vendus
<b>Exchange risk</b>								
<b>a) Cash flow hedging</b>								
Forward contracts in foreign currency								
Euro	(644)	(2 066)	46 500		197	659	64 200	
JPY	-	-						
CHF	-	-						
CAD	(6)	(18)	12		(3)	(11)	1 250	
Options on foreign currency								
Euro	(583)	(1 868)	37 000	41 000	616	2 065	77 400	79 900
JPY								
CHF								
CAD	(5)	(17)	600	600	(1)	(4)	1 250	1 250
<b>b) Fair value hedging</b>								
Forward contracts in foreign currency								
Euro	(93)	(298)	9 500		1	2	3 000	
Options on foreign currency								
Euro	-	-	4 000		41	138	5 000	
<b>c) Other operations</b>								
Options on foreign currency								
Euro	(299)	(957)	5 000	22 500	(81)	(273)	4 000	36 800
JPY								
CHF								
CAD					-	(1)		250
<b>Total foreign currency</b>	<b>(1 630)</b>	<b>(5 224)</b>			<b>768</b>	<b>2 575</b>		

## Commodity price risk

As of December 31, 2014, financial instruments on commodity price risk at closing date are detailed here below:

Hedging accounting	2014				2013			
	Fair value in MUM	Fair value in KUSD	Nominal in thousands		Fair value in MUM	Fair value in KUSD	Nominal in thousands	
			Purchases	Sales			Purchases	Sales
<b>Commodity price risk</b>								
<b>a) Cash Flow Hedging</b>								
Swaps on commodities								
Fuel	(908)	(2 913)	23 600		(72)	(242)	1 550	
Diesel oil	(1 163)	(3 731)	17 400		113	377	1 200	
Others								
Options on commodities								
Fuel	(196)	(629)	5 100	5 100	7	22	1 000	1 000
Diesel oil	(358)	(1 147)	8 700	8 700	99	331	1 500	1 500
Others								
<b>b) Other operations</b>								
Options on commodities								
Fuel	(94)	(301)		1 350	(26)	(87)		800
Diesel oil	(107)	(342)		1 350	(21)	(71)		1 000
Others								
<b>Total commodities</b>	<b>(2 826)</b>	<b>(9 063)</b>			<b>99</b>	<b>331</b>		

## Interest rate risk

As of December 31, 2014, interest rate risks at closing date are detailed below:

Comptabilité de couverture	2014				2013			
	Fair value in MUM	Fair value in KUSD	Fair value in MUM		Fair value in KUSD	Fair value in MUM	Fair value in KUSD	
			Purchases	Sales			Purchases	Sales
<b>Interest rate risk</b>								
<b>a) Cash flow hedging</b>								
Interest rate swaps								
EUR	(527)	(1 691)	121		(939)	(3 147)	101 000	
JPY								
CHF								
Interest rate options								
Euro	(63)	(202)	120 000	70	(400)	(1 342)	90 000	70
JPY								
CHF								
<b>b) Other transactions</b>								
EUR								
JPY								
CHF								
<b>Total interest rate</b>	<b>(590)</b>	<b>(1 893)</b>			<b>(1 339)</b>	<b>(4 489)</b>		-

The impacts on the income statement of derivative financial instruments as of December 31, 2014 are presented here below:

	<b>Transfer from equity of gains and losses</b>	<b>Inefficiency booked in profit</b>
<b>Cash Flow Hedging</b>		
Foreign currency hedging	306 108 USD	(508 767) USD
Interest rate hedging	(653 502) USD	(698 646) USD
Commodities hedging	192 529 USD	(141 306) USD

<b>Fair Value Hedge</b>	<b>Gains and losses on hedging instruments</b>	<b>Gains and losses on hedged items</b>	<b>Inefficiency booked in profit</b>
Foreign currency hedging	(58 956) USD	(292 800) USD	(233 844) USD
Interest rate hedging			
Commodities hedging			

<b>Non-qualifying derivative hedging</b>	<b>Gains and losses recorded in income statement</b>
Foreign currency hedging	(654 733) USD
Interest rate hedging	-
Commodities hedging	(626 992) USD

### **Hedging policy**

The iron ore market is denominated in US dollars. Consequently SNIM's entire sales are realized in US dollars.

The Mauritanian regulation for exchange transactions forbids hedging the exposure of foreign currency risk on local currency.

Thus SNIM is exposed to foreign currency risk on the dollar for operating expenses denominated in a third currency (imports of Euros, CAD versus USD for instance).

In order to finance its development, SNIM contracted loans denominated in dollars, in Euros and in yen toward international sponsors.

According the evolution of the dollar versus these currencies, part of the cash collection will be allocated to financial debt. Consequently SNIM is exposed to foreign currency risk in dollars for its entire debt denominated in a third currency.

The company set its policy for risk exposure and in particular its level of tolerance toward these risks. Procedures to evaluate the company's exposure to foreign currency risks were implemented. These procedures were approved by the head office and are reviewed annually.

The company binds itself to manage hedges with first-rate banks (Société Générale, BNP Paribas...).

### **Foreign currency risk**

SNIM's policy for managing its exposure to foreign currency risk consists in hedging foreign currency risk on firm and estimated purchasing commitments denominated in foreign currencies. Financial instruments that have been negotiated have a lifetime corresponding to that of firm or estimated operations. Usually financial instruments' maturities do not exceed one year.

To reach its hedging objectives, the company resorts to forward purchasing contracts or option sales on currency contracts. Usually option sales contracts are part of an overall hedging strategy (tunnel). Derivative financial instruments are negotiated by mutual agreement with first-rated financial institutions.

The analysis of sensitivity of profit before tax (due to variation of monetary assets and liabilities' fair value) and equity (linked to variation in forward contracts' fair value) is based on two assumptions: that the euro exchange rate is changing within reason and that all other variables remain stable. The conclusion of our analysis appears below.

In USD	Variation of Euro	Impact on profit before tax	Impact on equity
2014	10%	97 249	6 169 263
	-10%	(2 554 322)	(15 654 202)

1 Dollar = 311.86 Ouguiyas

### Commodity price risk

The company is exposed to the commodity price risk on firm and estimated operational transactions. SNIM's policy is to hedge against exposure to these risks. In order to reach its hedging objectives, the company resorts to purchase and selling contracts on commodity options or on swap contracts. Some selling contracts are part of a global hedging strategy.

Management of this risk is spread over less than a year.

The analysis of the sensitivity of SNIM's profit before tax (due to variations in the fair value of the monetary assets and liabilities) and equity (linked to variations in the fair value of the swaps) is based on two assumptions: that the raw material prices change within reason and that all other variable remain stable.

En USD	Variation on rate	Impact on profit before tax	Impact on equity
2014	10%	(588,039)	(6, 304,127)
	-10%	(852,569)	(10, 407,413)

### Interest rate risk

SNIM has obtained important findings for the realization of the Development and Modernization Program (DMP). These findings are indexed on variable rates (libor). Therefore the company is exposed to a financial risk related to the increase of interest rates.

SNIM's policy is to hedge the risks related to interest rates fluctuations on its floating rate debt on a 5-year management horizon.

In order to reach its hedging objectives, the company resorts to interest-rate derivative instruments, signs interest swaps and conditional financial instruments such as caps, floors and collars.

In order to limit the effect of the dollar rate on its financial instruments, SNIM decided to implement a hedging policy, aimed at guaranteeing a minimum income rate.

The analysis of the sensitivity of SNIM's profit before tax (due to variations in the fair value of the monetary assets and liabilities) and equity (linked to variations in the fair value of the swaps) is based on two assumptions: that the interest rates change within reason and that all other variables remain stable.

In USD	Variation on rate	Impact on profit before tax	Impact on equity
2014	0,5%	111,337	853,944
	-0,5%	(93,407)	(852,693)

## Credit risk

SNIM maintains commercial relations exclusively with reliable third parties.

Most of the client portfolio is constituted by iron ore customers whose terms of payments require a 90% advance at order and the remaining 10% within 26 days after delivery. Thus, for those clients, there exists no risk of credit.

For the other customer, trade receivables are not material and a credit risk analysis is performed regularly to adapt depreciations of eventual debts. The maximum exposure is mentioned in Note 4.5.

Regarding the credit risk on other financial assets of the Group, i.e. cash and cash equivalents, financial assets available for sale, loans and certain derivative instruments, the Group' exposure is due to a potential failure of the third party. The maximum exposure does not exceed the accounting value of those instruments.

## Liquidity risk

SNIM controls its liquidity risk based on a projected financial investment maturity and an estimated cash flow generated by operational activities.

94% of borrowings have been placed within the scope of the trustee in order to decrease the liquidity risk. This system consists in withholding a part of the monthly sales, until the six months maturity has been reached. The amount withheld cannot be used for anything other than debt redemption.

As of December 31, 2014, 12% of the debt will mature within one year, as compared to 11% in 2013.

## Maturity

The table below shows the maturity of the financial liabilities as of December 31, 2014, based on contractual payments not discounted.

The principal considers only the debt actually drawn by the Group SNIM as of December 31, 2014.

Similarly, interest expenses reflect the interests of the Group's debt SNIM totally drawn as of December 31, 2014.

Therefore, future withdrawals of the debt of DMP and corresponding interest expenses are not taken into account in the preparation of this table of maturity.

	Less than 3 months			3 à 12 mois		
	Principal	Interest	Total cash flow	Principal	Interest	Total cash flow
<b>Interest-bearing borrowings</b>	413	57	470	25313	8519	33832
	1 to 5 years			More than 5 years		
	Principal	Interest	Total cash flow	Principal	Interest	Total cash flow
<b>Interest-bearing borrowings</b>	93 750	21701	115 451	96 256	9421	105 677

## 5.8 Cash and cash equivalents

In million Ouguiyas	31/12/2014	31/12/2013
Cash & cash equivalents	187 143	336 175
Overdraft	(2 545)	(2 454)
<b>Total</b>	<b>184 598</b>	<b>333 721</b>

Cash and cash equivalents comprise cash at bank and cash in hand.

Cash equivalents are short-term deposits with an original maturity of less than three months, liquid and immediately convertible.

Bank loans and overdrafts include loans with an original maturity of less than three months.

## 5.9 Issued capital

In 2013 the company's issued capital increase to 170 520 000 000 MRO by capitalization of available reserves which amounts to 128 700 000 000 ouguiyas, i.e. 18 270 000 shares each with a nominal value of 10,000 Ouguiyas. The capital is called up and paid up in full.

Capital does not comprise any share with favorable voting right.

Share capital can be broken down as follows:

In ouguiyas	31/12/2012	31/12/2014	(%)	Variations
Mauritanian government:	9 543 030 000	143 145 450 000	78,35%	133 602 420 000
Industrial Bank of Kuwait :	873 200 000	13 098 000 000	7,17%	12 224 800 000
Arab Mining Company :	689 790 000	10 346 850 000	5,66%	9 657 060 000
Irak Fund for External Development :	558 820 000	8 382 300 000	4,59%	7 823 480 000
« Office National des Hydrocarbures et des Mines » (ONHYM - Maroc) :	279 500 000	4 192 500 000	2,29%	3 913 000 000
Islamic Development Bank:	218 300 000	3 274 500 000	1,79%	3 056 200 000
Private Mauritanian Individuals:	17 360 000	260 400 000	0,14%	243 040 000
<b>TOTAL</b>	<b>12 180 000 000</b>	<b>182 700 000 000</b>	<b>100%</b>	<b>170 520 000 000</b>

Premiums arising from shares issuance relate to previous capital increases and amount to 6 464 MUM.

As of December 31, 2014, the legal reserve amounts to 1 218 MUM, i.e. 5,35% of the capital.

## 5.10 Interests bearing borrowings

### 5.10.1 Loans within the scope of the trustee agreement

These loans are covered by a trust agreement signed on July 7, 1980 between the company, sponsors, the government of the Islamic Republic of Mauritania, the Société Générale bank (to encourage the development of trade and industry in France) and the Law Debenture Trust Corporation. According to this agreement the latter was appointed as "Trustee", and regular credit transfers to the trust account would serve to make the half-yearly repayments to the sponsors.

Furthermore, another agreement was concluded on July 7, 1980 between the company sponsors, Mauritania Central bank and the Société Générale bank. Under this agreement, through which a debit account would be opened with the Société Générale to receive all cash from sales of ore, the Société Générale would make the necessary transfers to the "Trustee" to enable the latter to meet the provisions stipulated in the Trust Agreement referred to above.

The balance of the trust account as of December 31, 2014 present a debtor balance of 14 596 MUM against 8907 MUM as of December 31,2013. It is classified as "Other debtors" (under other receivables).

In millions Ouguiyas	Currency	Interest rate	Maturity	31/12/2014	31/12/2013
<b>Truste debts</b>					
Agence Française de Développement					
Emprunt n°. 70X	EUR	5,00%	2 019	88	117
Emprunt n°. 89U	EUR	2,00%	2 020	356	457
BEI 6	EUR	3,07%	2 015	1 173	2 212
AFD (Centrale)	EUR	Var.	2 019	4 528	5 197
AFD (Centre de formation)	EUR	Var.	2 021	1 859	2 306
BEI VII (Centrale)	EUR	6,90%	2 019	5 061	5 627
BID PORT	USD	Var.	2 023	-	5 363
<b>PDM</b>					
<b>VOIE</b>					
BID	USD	Var.	2 024	8 076	6 865
<b>GUELB II</b>					
BEI	USD	6,03%	2 024	28 229	29 697
BAD	USD	Var.	2 024	49 614	52 194
AFD	USD	Var.	2 024	28 200	29 666
BID	USD	Var.	2 024	22 870	22 240
KFW/G21/USD	USD	Var.	2 021	4 921	5 430
KFW/G22/USD01	USD	5,96%		14 948	15 884
<b>PORT</b>					
KFW NP1	USD	Var.	2 022	12 913	13 893
KFW NP2	USD	Var.	2 022	9 951	9 936
<b>Total</b>				<b>192 787</b>	<b>207 082</b>

### 5.10.2 Loans outside the scope of the trustee agreement

These loans are related to mining projects that are not included in the trustee agreement. Repayments are made directly to lenders.

In millions d'ouguiyas	Currency	Interest rate	Maturity	31/12/2014	31/12/2013
<b>Non trustee debts</b>					
Banque Européenne d'Investissement					
FED/03/EUR	USD	0,00%	2009	12 953	14 058
Société Générale de Mauritanie(ATTM)	MRO	10,40%	2017	1 035	1 770
CDD (ATTM)	MRO	10,40%	2018	797	
Société Générale de Mauritanie(ATTM)	EUR	10,40%	2017	219	
Etat Mauritanien (COMECA)	MRO	0,00%	2015	2 077	1 817
Société Générale de Mauritanie(SAMIA)	MRO	13,50%	2015	92	
Deposits and guarantees received				24	21
Premiums paid on interest rate hedges.	USD		2015	122	32
<b>Total</b>				<b>17 319</b>	<b>17 698</b>



## Statement of Financing Agreements for the DMP

Project	Lender	Currency	Interest Rate	Maturity year	Total Million MRO	Drawn Millions MRO	Non drawn Millions MRO
Guelbs II	AFD	EUR	Var	2024	31 019	31 019	-
	BEI	EUR	Fixe	2024	31 052	31 052	-
	BAD	USD	Var	2024	54 576	54 576	-
	BID	USD	Var	2023	24 949	24 949	-
	Commercial banks ( Part 1)	EUR	Var	2021	7 547	7 547	-
	Banques commerciales (Part 2)	EUR	Fixe	2023	16 608	16 608	-
Port	Banques commerciales (Part 1)	EUR	Var	2022	13 333	12 294	1 039
	Banques commerciales (Part2)	EUR	Var	2022	16 141	16 141	-
Railway	BID	USD	Var	2024	8 732	8 732	0
Training	AFD	EUR	Var	2021	2 656	2 656	-
<b>Total</b>					<b>206 613</b>	<b>205 574</b>	<b>1 039</b>

### 5.10.3 Rescheduled debts

In the context of the 8th club of Paris gathered on July 8,2002,and following the bilateral agreement between the government of the French Republic and the government of Islamic Republic of Mauritania signed on May 26,2003,the French debt that was rescheduled during agreement III,IV,V and VI, was cancelled to the benefit of the Mauritanian Islamic Republic.

A treaty signed on August 21, 2003 adjusted the rescheduled debt between SNIM and Ministry of Finance and defined methods of payments initially due by SNIM to the Banque de France and the Coface

Total amount of this treaty (Agreement 8) is EUR 15,235,989.75, which represents interests accumulated from 06/30/2002 to 06/30/2019 for agreement III, IV, V and VI, EUR 12,763,021.30 representing the principal amount and EUR 2,472,968.44 of interests.

The balance of this agreement is 1 650 MUM as of 31 December 2014 against 2 273 MUM as of 31 December 2013.

In million Ouguiyas	Currency	Interest rate	Maturity	31/12/2014	31/12/2013
<b>Debt rescheduled</b>					
French debt due dates rescheduled					
Agreement 8	EUR	3,00%	2 019	1 650	2 273
<b>Total</b>				<b>1 650</b>	<b>2 273</b>

#### 5.10.4 Reassigned debt

In the context of SYSMIN, the European Union granted the Mauritanian Islamic Republic 58 million Euros under Agreement No 5546/MAU signed on October 23, 1995. The agreement provides for the reassignment of the grant as a loan for the rehabilitation of some of its industrial facilities. Consequently a three-party agreement was signed between SNIM, the Mauritanian Government and the European Union in order to define the terms of the reassignment as a non-repayable grant (equal to the amount allocated to technical assistance – 0.8 million Euros) and a repayable loan of 57,2 million Euros.

The amount of drawings amounts to 777 MUM as of 31 December 2014 compared to 2 655 MUM as of 31 December 2013.

In most of the above-mentioned loan agreements, the Company had undertaken to comply with certain conditions, such as the repayment of the amounts due at maturity, the distribution of dividends being subject to certain conditions, and the maintaining of the debt and debt service ratios.

In the event of failure to comply with any of these conditions, lenders could stop fund drawings and demand immediate repayment of the loans.

In millions Ouguiyas	Currency	Interest rate	Maturity	31/12/2014	31/12/2013
<b>Reassigned debt</b>					
European Economic Community (Sysmin 1)	EUR	0,50%	2 028	3 200	3 721
European Economic Community (Sysmin 2)	EUR	3,00%	2 015	777	2 655
<b>Sub-total</b>				<b>3 977</b>	<b>6 376</b>
<b>Total debt</b>				<b>211 510</b>	<b>229 842</b>
<b>Debts maturing in less than one year</b>				<b>24 800</b>	<b>25 547</b>
<b>Long and mid term debts</b>				<b>186 710</b>	<b>204 295</b>

Loans maturing in less than one year comprise the part of loans that will be paid within the twelve coming months.

#### 5.11 Retirement benefit obligation

In millions Ouguiyas	Adjustment	31/12/2013	2013 Adjusted	Amortizations	reversals
Provisions for retirement indemnities	(11 700)	24 526	12 826	3 555	(1 024)
Provisions for additional retirement	-	9 878	9 878	1 103	(3)
<b>TOTAL</b>	<b>(11 700)</b>	<b>34 404</b>	<b>22 704</b>	<b>4 658</b>	<b>(1 027)</b>

#### Description of the plan

A benefit is being provided to employees as they retire, which depends on:

- ✓ The wage amount at the age of retirement
- ✓ The employee length of service in the company

Note that this benefit is provided without any condition of presence of the employee at retirement date.

#### Actuarial assumptions

The benefit obligation amount is determined according to the projected unit credit actuarial valuation method. This method consists in valuing the benefit according to the projected salary at the end of the employee's career and to the eligible amount at valuation date. The following assumptions were used:

Assumptions	Assumptions used
Age of retirement	60 years for man 55 years for Women
Future salary increase	11,5%
Actual rate of return	6,31%
Death rate	TM 60-64 – 20%
Employee rotation rate	2,45% decreasingly spread by age
Inflation	6%

The accrual basis held to recognize actuarial gains and losses is the “corridor rule”.

Assumptions for the period ended as of	31/12/2013	31/12/2014
Beginning of the period	01 January 2013	01 January 2014
End of the period	31 December 2013	31 December 2014
Actual rate of return	6.31%	6.31%
Actual rate of return on assets		
Expected average remaining working lives	8.0	8.0

#### Variation in actuarial debt:

In millions Ouguiyas	31/12/2013	31/12/2014
<b>Benefit obligation at beginning of the year</b>	<b>19 194</b>	<b>23 791</b>
Current service cost	1 419	1 832
Interest cost	1 281	1 617
Plan modification	-	-
Reductions / Cessations	-	-
Acquisition /Sale	-	-
Transferts	-	-
Actuarial Gains/Losses	2 510	(11 701)
Changes in financial assumptions		(9 774)
Experience variation		(1 927)
Past service cost	(613)	-
Other	-	-
<b>Actuarial debt at the end of the year</b>	<b>23 791</b>	<b>15 540</b>

#### Variations in investments

The benefits defined by SNIM are not covered by investments.

**Financial cover:**

In million Ouguiyas	31/12/2013	31/12/2014
Financial security	(23 791)	(15 540)
Unrecognized actuarial gains or losses	-	-
Unrecognized past service costs	-	-
<b>Provisions</b>	<b>(23 791)</b>	<b>(15 540)</b>

**Cost on the period:**

COUT NET En millions d'ouguiyas	31/12/2013	31/12/2014
Current service cost	1 419	1 832
Financial cost	1 281	1 617
Actual rate of assets	-	-
Amortization of actuarial loss in the period	-	-
Amortization of actuarial loss on the period	-	-
Impact of reduction / cessation	-	-
<b>Charge (Produit)</b>	<b>2 700</b>	<b>3 449</b>

**Description of the defined benefit regime**

SNIM agents of Mauritanian nationality on permanent contracts in force after 2011 receive an indemnity upon retirement, death or redundancy at the initiative of the company, which is equal to one hundred twentieths:

- ✓ The 10% employer contribution and the 7% employee contribution based on the reference salary
- ✓ The income from the investment of the employer and employee contributions
- ✓ The prior service cost borne by SNIM (10% of the 2012 reference salary)
- ✓ The reference salary is the base salary plus the seniority bonus

In other cases, only the employee contributions and the income from the investment of the employee contributions are paid to the employee.

**Actuarial assumptions**

The charge has been determined according to the following assumptions:

- ✓ Subscription of all the employees
- ✓ No social charge due in respect of the supplementary pension
- ✓ Convergence of the rates over 20 years to 5% is taken into account, i.e. a risk premium of 3% compared to inflation
- ✓ No guaranteed rate of return
- ✓ The revaluation rate corresponds to the financial rate of return which is equal to 9%.

### 5.12 Provisions

These provisions cover risks of litigation with former employees and any other contentious matter. These provisions are not discounted as the impact is insignificant.

In millions Ouguiyas	31/12/2013	Amortization	Reversal	31/12/2014
Contingency provision	4 733	2 829	(1 498)	6 064
<b>TOTAL</b>	<b>4 733</b>	<b>2 829</b>	<b>(1 498)</b>	<b>6 064</b>

### 5.13 Trade payables

Trade payables can be broken down as follows:

In million Ouguiyas	31/12/2014	31/12/2013
Trade payables	52 898	39 900
Accrued payables	(7 324)	2 010
<b>Total</b>	<b>45 574</b>	<b>41 910</b>

There are no discounted payables as of December 31, 2014.

### 5.14 Taxes

In million Ouguiyas	31/12/2014	31/12/2013
Income tax payment	3 189	6 559
Taxes on wages and salaries	436	969
<b>Total</b>	<b>3 625</b>	<b>7 528</b>

An agreement was signed on December 23, 1998 between the Mauritanian Government – represented by the Ministry of Finance and the Ministry of Industry and Mines - and the company, for a period of 20 years starting on January 1, 1999. This agreement ensures SNIM's autonomy for management and importation.

The single tax on income comprises all taxes payable on the fiscal-year net income. In accordance with the agreement signed with the Mauritanian Republic, SNIM is liable for the single tax on income and pays an annual amount corresponding to 9% of total iron ore exports.

An amendment to the agreement was signed in December 2008 concerning the basis of assessment of the single tax on income.

The single tax has significantly decreased due to the decrease of sales (price effect less than 25%)

There is no need to book any deferred taxes as there is no difference between the accounting values and fiscal values of assets and liabilities in the statement of financial position.

SNIM also pays a fixed annual amount of MUM 80 representing the total tax for compensation of taxes and benefits in kind granted by SNIM to its employees.

### 5.15 Other taxes

In million Ouguiyas	31/12/2014	31/12/2013
VAT payable	2 087	4 624
Other taxes	615	793
<b>Total</b>	<b>2 702</b>	<b>5 417</b>

SNIM is exempted from all customs duty and assimilates taxes of all kind related to goods, equipment, services, and exploration of sources of ore and water by the convention signed with Mauritanian government.

SNIM is also exempted from all customs and assimilated taxes on materials, consumables and goods imported by companies and subcontractors, which are dedicated to SNIM.

Clause N°1 was added to this convention on June 19, 2001 concerning VAT and subjugation of SNIM to this tax.

Consequently SNIM is subject to VAT on goods and services that are not in correlation with industrial and mining exploitation

### 5.16 Other payables

In millions Ouguiyas	31/12/2014	31/12/2013	2013 Adjusted	Adjustment
Trade creditors	6 867	7 565	7 565	-
Payroll expenses and related costs	3 049	3 090	3 090	-
Dividends payable	172	97	97	-
Sundry creditors and pre-payments	17 220	17 283	17 283	-
Current financial liabilities (loan)	25 727		25 547	25 547
<b>TOTAL</b>	<b>53 034</b>	<b>28 035</b>	<b>53 582</b>	<b>25 547</b>

Other payables are mainly composed by the advance granted to SABIC of 30 million of American dollars related to the research license sale (ATOUMAI area), charges to pay and interests included.

## 6 ADDITIONAL INFORMATION RELATING TO THE INCOME STATEMENT

### 6.1 Sales

Production sales represent sales of iron ore in the amount of 212 495 MUM (709 379 317 USD) for financial year 2014 (net of demurrage). Almost all sales of iron ore are to Western European countries and China.

65% of total sales for financial year are generated by three customers(CARGIL, GLENCORE et ILVA) in 2014.

#### 6.1.1 Sector-based information

Geographical breakdown of sales is disclosed below:

In millions Ouguiyas	31/12/2014	31/12/2013
China	135 750	268 328
Germany	33 853	33 798
Italy	25 096	40 766
France	15 512	15 831
UK		2 507
Autres	17 516	18 950
<b>Total</b>	<b>227 728</b>	<b>380 181</b>

### 6.2 Other income

In million Ouguiyas	31/12/2014	31/12/2013
Rents, material disposal, telecom	1 490	1 144
Rentals of buildings and equipment	165	312
Other services	2 718	1 492
Supply of personnel	180	124
Disposals	1 882	1 693
<b>Total</b>	<b>6 435</b>	<b>4 764</b>

The increase in disposals is related to the selling of staff store B.

### 6.3 Other operating income

In million Ouguiyas	31/12/2014	31/12/2013
Discount obtained	102	364
Profit and gains	446	(22)
Reversal of provisions	5 422	75
Profit on disposals	517	110
<b>Total</b>	<b>6 487</b>	<b>527</b>

## 6.4 Consumables

In million Ouguiyas	31/12/2014	31/12/2013
Consumables used	(104 970)	(103 288)
Maintenance products	(1 042)	(1 071)
Water and electricity	(1 553)	(421)
Supplies	(128)	(408)
Material	(6)	(6)
<b>Total</b>		

The increase in consumables is mainly due to an increase in excavations and increase in production capacity (acquisition of 50 mining trucks in 2014):

- Gasoil (more than 2 098 MUM), due to the commissioning of the new mining equipment in 2014 and to the increase of the earthwork activity by 11%.
- Mining equipment (462 MUM), due to the commissioning of the new mining equipment in 2014
- Wheel of car (more than 469 MUM), due to the commissioning of the new mining equipment in 2014
- Item n° 2300 (more than 332 MUM)

## 6.5 Staff Cost

In millions Ouguiyas	31/12/2014	31/12/2013
Wages	(36 858)	(35 175)
Social charges	(4 445)	(4 121)
Provision for retirement indemnities	(2 425)	(849)
Complementary pension scheme	(831)	(792)
<b>Total</b>	<b>(44 560)</b>	<b>(40 937)</b>

The increase in personnel cost is linked with the increase in salaries, the increase with the choice of 10% and on the other hand with the rise of provision of IDR.

Changes in the average workforce are as follows:

Category	31/12/2014	31/12/2013
Executives	500	495
Supervisory staff	3 162	3 050
Workers	3 737	2 786
<b>Total</b>	<b>7 399</b>	<b>6 331</b>

The average workforce is calculated on the basis of the number of employees working for the company at the end of each month.



## 6.6 Depreciation, amortization and provision expenses

In million Ouguiyas	31/12/2014	31/12/2013	2013 Adjusted
Depreciation of property, plant and equipment	(35 050)	(26 393)	(31 641)
Amortization of intangible assets	(288)	(150)	(150)
Allocation to provision for contingency and retirement	(2 032)	(2 293)	(2 293)
Other depreciation	(8 669)	(7 993)	(7 993)
<b>Total Depreciation and provisions</b>	<b>(46 039)</b>	<b>(36 829)</b>	<b>(42 077)</b>

## 6.7 Taxes

In million Ouguiyas	31/12/2014	31/12/2013
Tax on benefit	(82)	(80)
Other taxes	(590)	(610)
<b>Total</b>	<b>(672)</b>	<b>(693)</b>

## 6.8 Other operating expenses

Other operating expenses can be broken down as follows:

In million Ouguiyas	31/12/2014	31/12/2013
Expenses related to investment	(14 050)	(15 001)
Expenses related to operations	(5 061)	(5 147)
Other Charges	(2 401)	(2 706)
<b>Total</b>	<b>(21 512)</b>	<b>(22 854)</b>

Expenses related to investment mainly concern repair, maintenance and insurance and expenses for technical assistance.

Expenses related to activity mainly concern mission cost, fees, telephone, analysis of ore and bank charges.

Other expenses concerns gifts, grants, fines and penalties and slowdown of stock.

## 6.9 Financial income

Financial income can be broken down as follows:

In million Ouguiyas	31/12/2014	31/12/2013
Interest and related income	3 332	2 672
Income on financial instrument	562	700
Foreign exchange gain	15 272	18 106
Other financial income	384	430
<b>Total</b>	<b>19 551</b>	<b>21 908</b>

Financial income has been mainly generated by foreign exchange gains. The latter is broken down as follows:

<b>In millions Ouguiyas</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
Unrealized exchange gains	1 892	1 326
Other exchange gains	13 380	16 780
<b>Total</b>	<b>15 272</b>	<b>18 106</b>

The decline in other foreign exchange is mainly due to the lower gains on the revaluation of liabilities billed in Euro and the reevaluation cash accounts at the closing rate. The variance comparing to 2013, amounts respectively to 1 683 MUM and 1 219 MUM.

#### **6.10 Financial expenses**

These exchange losses can be broken down as follows:

<b>In million Ouguiyas</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
Interest and related charges	(2 851)	(3 203)
Foreign exchange losses	(15 128)	(18 080)
Charges on financial instruments	(3 585)	(1 540)
Other financial charges	(1 050)	(1 147)
<b>Total</b>	<b>(22 614)</b>	<b>(23 969)</b>

These exchange losses can be broken down as follows:

<b>In million Ouguiyas</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
Unrealized exchange losses	(8 400)	(730)
Other exchange losses	(6 728)	(17 350)
<b>Total</b>	<b>(15 128)</b>	<b>(18 080)</b>

## 7 ADDITIONAL INFORMATION RELATED TO THE STATEMENT OF CASH FLOWS

### 7.1 Amortization and depreciation restatement

In millions Ouguiyas	31/12/2014	31/12/2013	2013 corrigée
Property, plant and equipment amortization	35 050	28 507	33 755
Intangible assets amortization	288	303	303
Financial assets amortization	818	980	980
Allocation to provision for contingency and retirement	6 631	4 541	4 541
Loss of tangible assets	2 265	2 010	2 010
<b>Total depreciation and provision</b>	<b>45 052</b>	<b>36 341</b>	<b>41 589</b>

### 7.2 Change in working capital

In millions Ouguiyas	31/12/2014	31/12/2013	2013 Adjusted
Decrease (Increase) in inventories	(8 244)	(18 491)	(20 114)
Decrease (Increase) in trade receivables	35 078	31 669	31 669
Decrease (Increase) in other receivables	(11 575)	(5 757)	(5 757)
Increase (Decrease) in trade payables	9 564	(96)	(96)
Increase (Decrease) in tax payables	(4 657)	3 404	3 404
Increase (Decrease) in other payables	602	9 602	9 602
<b>Change in working capital</b>	<b>20 768</b>	<b>20 332</b>	<b>18 709</b>

### 7.3 Disbursements related to fixed asset acquisitions

In million Ouguiyas	31/12/2014	31/12/2013
Acquisition of tangible assets	(124 036)	(146 565)
Acquisition of intangible assets	(1 484)	(416)
Acquisition of net financial assets	(8 997)	(16 369)
<b>Total Acquisitions</b>	<b>(134 517)</b>	<b>(163 349)</b>

### 7.4 Reversal of depreciation and provisions

In millions Ouguiyas	31/12/2014	31/12/2013
Capitalized production	(24 680)	(22 319)
Reversal of depreciation and provision	(2 128)	(155)
<b>Total</b>	<b>(26 808)</b>	<b>(22 474)</b>

### 7.5 Foreign exchange gains/losses

<b>In million Ouguiyas</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
Foreign exchange gains/losses on loans	6 514	(601)
Nets deferred profits on financial instruments	815	56
<b>Total</b>	<b>7 329</b>	<b>(545)</b>

### 7.6 Cash and cash equivalents

<b>In millions Ouguiyas</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
Cash	187 143	336 175
Cash equivalents	(2 545)	(2 454)
<b>Net cash and cash equivalents</b>	<b>184 598</b>	<b>333 721</b>

## 8 OTHER COMMITMENTS AND LIABILITIES

Off balance sheet commitments are broken down as follows:

<b>In million Ouguiyas</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
Documentary credits in-progress	18 358	19 118
Guarantees received from contractors	7 555	1 939
Run released portion of long-term loans	1 088	48 225
<b>Total</b>	<b>27 000</b>	<b>69 282</b>

## 9 RELATED PARTY DISCLOSURES

Transactions with related parties are not significant.

They mainly concern disposal of materials and fuel and workshop services.

The following table summarizes the main intergroup services invoiced in 2014 in million Ouguiyas

	ATTM	COMECA	SAMMA	SAMIA	SOMASERT	GMM	SAFA	GIP	DAMANE	TUM	EMC	MAIL	MSMS	M2E	SNIM	TOTALS
ATTM															6 000	6 000
COMECA					1	1	0								1 472	1 474
SAMMA	4	24			0	4	11								570	613
SAMIA	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
SOMASERT	10	9	1	-		1	3	1	1				7	1	684	719
GMM																51
SAFA	10	96													1 639	1 745
GIP															147	147
DAMANE	15														1 515	1 530
TUM																-
EMC																-
MAIL																-
MSMS																-
M2E																-
SNIM	10	15	274	20	46	2	113	67	20	43	176	13	610	1		1 407
TOTALS	49	143	275	20	48	8	127	68	21	43	176	13	616	1	12 026	13 684

Information relating to remuneration of subsidiaries directors is not disclosed for purposes of confidentiality.

## 10 EVENTS AFTER THE REPORTING PERIOD

No subsequent event has a significant impact on financial statements.