

DAKARNAVE
CHANTIERS NAVALS DE DAKAR S.A.

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR FISCAL YEAR 2015



Limited Liability Company (Société Anonyme) with Capital of 1,727,000,000 CFA francs

Head office: Boulevard du Centenaire de la Commune de Dakar

Dakar (Republic of Senegal)

Dakar Trade & Companies Registry no. 97B614

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SHAREHOLDERS

LISNAVE INTERNACIONAL, S.A.	- 50,99%
NAVALSET- Serviços Industriais e Navais, S.A.	- 48,99%
Ana Maria MESQUITA DA SILVA.....	- 1 share
Frederico José Ferreira de Mesquita SPRANGER	- 1 share
João Rui CARVALHO DOS SANTOS.....	- 1 share
José António FERREIRA MENDES.....	- 1 share
José António TEIXEIRA	- 1 share
Rogério Jesus PAIS	- 1 share

Members of the Board

Three-year term of office 2013/2015

Board of directors:

CEO:

Frederico José Ferreira de Mesquita Spranger

Directors:

José António Ferreira Mendes

José António Teixeira

Rogério de Jesus Pais

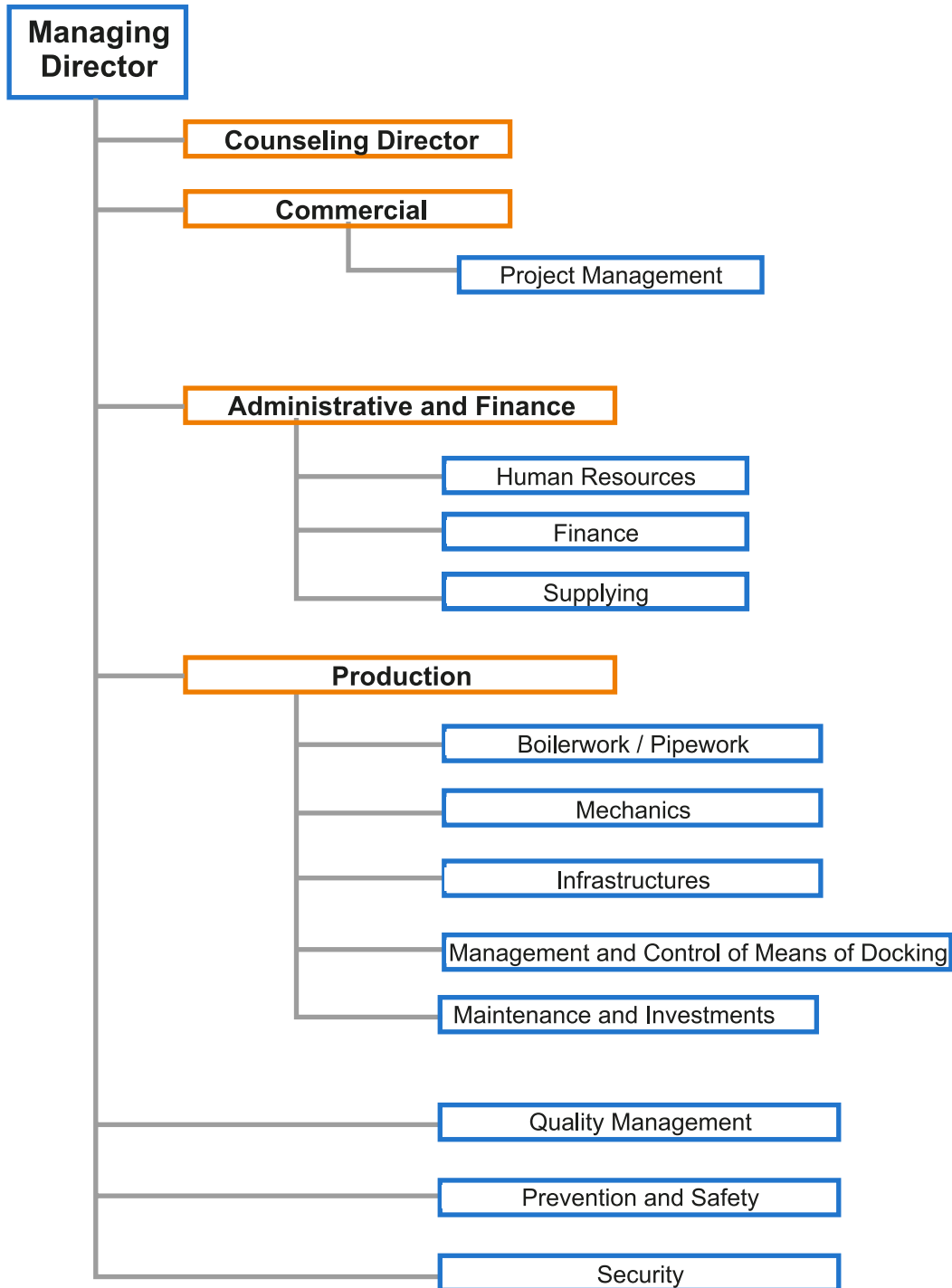
João Rui Carvalho dos Santos

Statutory auditors:

ROOTS

Member of Ernst & Young

Dakar



2015 ANNUAL REPORT

Dear Sirs,

The Board of Directors of DAKARNAVE has the honour of presenting its annual report and financial statements for fiscal year 2015 for your kind consideration and approval.

1. Preamble

During the year 2015, the crisis and the constant decrease of petroleum prices had an impact on the Merchant Marine resulting in a loss of contracts for the vessels supporting the Oil Industry.

For DAKARNAVE this crisis mainly affected the off-shore sector. In the year 2015 there weren't carried out major repairs as it did for the past few years.

In spite of these difficulties regarding the market, activity has been maintained by a rather positive performance.

DAKARNAVE maintains its intervention on both regional and international markets. In 2015 the company had a very good occupation of the dry-docking area. This performance came from an increasing number of clients from the fishing fleet sector, mainly with high sea fishing vessels. This sector balanced the decrease in repairs of off-shore and Merchant Marine vessels.

In 2015, as a result from our commercial activity development in the past few years, client satisfaction rate and support of our reference shareholder Lisnave International, the company has reached the third record of its revenue history. The company had its best Turnover in 2014.

In order to achieve these results, DAKARNAVE repaired 248 ships against 195 in 2014. We had major repairs in the fishing fleet sector with an unusual billing level which offset the drop in the number of interventions in other areas. This year, the percentage of the Turnover for the fishing fleet was 44% compared to 17% in 2014.

During the year 2015, other sectors didn't meet major repairs like they did in the past few years. For example, in 2014 one intervention had a 9% weight on the Turnover.

DAKARNAVE continues to implement the policy of developing the shipyard's potential based on two main factors: assets and productivity.

In relation to assets, both corporate, owned assets and those awarded in concessions, the facilities and equipment such as the piers, the dry-docking facilities and the workshops, were subject to major financial efforts, for the investment in their implementation and maintaining their certification.



Since the end of the rehabilitation work conducted on the shipyard infrastructure by the Senegalese Government in 2003, DAKARNAVE has taken responsibility for all the investments necessary to obtain the current level of performance. These investments impacted Government assets, mainly, and DAKARNAVE's capital equipment.

Concerning productivity, DAKARNAVE's investments are oriented towards efficient use of assets. Beyond staff training operations that are carried out each year, DAKARNAVE also invested efforts in terms of applying organisational methods, for which ISO 9001-2008 certification is the reference. This certification was materialised during the first quarter of 2013 and a follow-up audit with success was conducted in 2014 and 2015.

For the infrastructure, in particular the floating dock, these efforts were materialised in the renewal of the DNV-GL certificate, which will be valid until 2019.

Taking this policy into account, we consider that in the course of the fiscal period there was a change which, in the short or medium term, could lead to a modernisation of work methods, in order to improve quality and productivity and to achieve the objectives we have set ourselves. The purpose of these objectives is to obtain the necessary means to rise to the challenges of the shipping repair market, by combining economic rationalisation and technological innovation.

The most important factors that constitute the major strategy lines are:

- Performance of the repair service, with the shortest time frame and the best quality,
- Pricing,
- The commercial network,
- Professional capacity and expertise of the workers.

For DAKARNAVE, the goals defined are dictated by the needs of the customer. Their needs orient the creation of the market response conditions. With an analysis of this information, the requisite demands are implemented to ensure the company's competitiveness.

After the economic crisis that occurred from 2010 onwards, the ship-owners encountered difficulties in obtaining funding to grow their business. This situation has a direct effect on the level of repairs, with a reduction in the number and value of the interventions carried out.

In the wake of the above mentioned factors, the effects on the 2015 financial year for DAKARNAVE were as follows:

Turnover for 2015 was approximately 12.7 billion CFA francs, distributed as follows:

- International fishing fleets, which each year constitute a stable, recurring basic activity, represented approximately 43% of total billing in 2015.
Until 2014 this sector represented around 25% of the Turnover. For this increase whose value is near of Merchant Shipping usual numbers, we can consider :
 - Increase of dry-docked ships,
 - Increase of major repairs on Chinese fleets (steel replacement),
 - Major repairs on high sea fishing fleets,
 - New clients, in particular Chinese, operating in the Guinea Conakry Coast and Mauritania.
- Merchant Shipping fleets are the main weight in the Turnover and in 2015 accounted for approximately 51% of billing. This year there was any major repairs as in the past few years.
- The part of Turnover relative to orders from the Senegalese National Navy represented more than 2% as in 2014.
- A last category of clients is represented by companies in the Oil Industry, namely in off-shore activities, which represented 2% of total turnover (11% for 2014). Our principal objective, increasing the regularity of orders from our customers in this market segment, couldn't be achieved because of the Oil sector crisis.

Concerning the activity of routine repairs, as in previous years, Merchant Shipping and Fishing fleets accounts for the major part of Turnover. However, the regular arrival of new off-shore clients (the target set during past financial years), will enable an increase in business levels.

This year, the increase of fishing fleet repairs, 184 in 2015 against 118 in 2014, with a respective 5,495 M CFA francs billing against 2,376 M CFA francs has compensated the loss of major repairs in other sectors during 2015.

In this context, DAKARNAVE closed the financial year 2015 with sales amounting to 12,729 M CFA francs, an increase of 11% compared to the initial budget.

Interventions were carried out on 248 ships in 2015. This performance is a 27% increase compared to 2014 with more than 53 ships repairs. The Total Operating revenue stood at 13 billion CFA francs.

Net profits for the fiscal period amounted to 393 M CFA francs, a 56% decrease compared to 2014. 2015 result was marked by an external reason not related to activity production. In fact, the company has been subject to a tax adjustment, only due to a matter of law interpretation from the inspectors after the 2012 « Code des Impôts » (tax laws) changes. As a result, the company had to pay 504 M CFA francs for fees and fines related to those preceding years, even though the inspectors admitted there wasn't any fraud, bad faith, or any intention from DAKARNAVE to harm the State. The argument that was raised was a procedural question. Equity Capital reached a value of over four and a half times that of Share Capital.

DAKARNAVE has kept its characteristic of a major exporter company and is sought after by customers on the international market, and currently exports more than 97% of its services. With turnover in the order of 12,355 M CFA francs, this makes the company one of the major contributors to national wealth.

The volume of business obtained since 1999, the year the Concession contract began, has allowed DAKARNAVE to meet all its commitments, in particular those related to the Concession. With a total amount of turnover of 144 billion CFA francs for this fiscal period, the company paid staff costs equivalent to 42.1 billion CFA francs and paid the State 8.7 billion CFA francs in concession fees, as well as over 9.1 billion CFA francs in taxes and Social security contributions. For investments in the infrastructure covered by the concession, the Floating Dock, the Dry Dock, Syncrolift, Slipway, Quai Selmer and the buildings, DAKARNAVE has already injected approximately 7.6 billion CFA francs.

Nonetheless, after the level of business expansion throughout 2014, the Board maintains its cautious stance regarding the outlook for the activity in 2016. The economic climate has not changed over the past few years and there are still risks at the level of the global economic situation. Although the conditions are not yet very positive, we shall invest all the efforts required to exceed the budget established for 2016.

Relative to the scheduled investments for 2015, we acquired 2 compressors, initially scheduled for 2014 along with other equipment and tools like: 9 welding stations, sea water pumps and fire pumps, holding ovens for electrodes and 2 gangways for small vessels. The total amount for these investments were 182 M CFA francs. Rehabilitation and installation work have been made for the administrative and financial sectors (118 M CFA francs) as well as furniture for staff (53 M CFA francs), other computer equipment and furniture (11 M CFA francs). Rehabilitation work for the Floating Dock has continued for an amount of 107 M CFA francs (surface treatment and cathodic protection).

2. Ship Repairs

Compared to 2014, billing decreased by 816 M CFA francs. A great difference was noticed in major repairs, non-existent in 2015 against 1.2 billion CFA francs in 2014, and in the off shore sector with a 1.3 billion CFA francs reduction. Compensation for the overall difference caused by these two sectors came from the fishing sector with an increase of 3 billion CFA francs bringing the raise to 127% more than in 2014.

2015 was also marked by a six month stoppage period for one of the biggest Syncrolift trolleys and other six months for one of the smallest trolleys. During 2015, we also kept the prohibition of nightshift work at the Syncrolift. These measures were taken in September 2014 to enable the implementation of better safety conditions. Having in consideration that the fishing sector had a demand which led to a total occupation of the dry-docking facilities, we can say that there was a 400 M CFA francs loss in earnings due to the stoppage of one of the Syncrolift trolleys.

We exceeded the number of ships repaired in 2014 and anticipated in the annual budget. Compared to 195 ships repaired in 2014 and 193 foreseen for 2015, 248 have been repaired this year. These 248 ships are owned by 76 clients. Among them, 48 come from the Merchant Shipping, 184 from the Fishing fleet, 8 from the War Navy of Senegal. In addition, 7 tugboats and 1 offshore supply vessel.

The average volume of billing per ship was higher than in previous years for the fishing fleet with higher number of interventions. Regarding the Shipping Fleet, the owners, in view of the reductions in transport freight rates, maintained the value of the interventions and the number of interventions compared to 2014.

In the course of 2015, we achieved a satisfactory overall level of occupation of our different dry dock facilities, by maintaining regularity in this business line. The occupation of the floating dock was 88% and 98% for the dry dock. This situation was possible because of the increase of ships from the fishing fleet.

This performance is the consequence of the loyalty of certain customers already included in our portfolio, and of others who have come back after a few years' absence. The major client of the year, as a result of the indicators that were mentioned, was the CHINESE MISSION of FISHING. After years of major clients coming from the Shipping Fleet, this year's highest billing came from a fishing customer whose ships enabled a 2.2 billion CFA francs billing.

We were present at NORSHIPPING - International Maritime Exhibition at Oslo / Norway in June, at the EUROPORT – Exhibition for Maritime Technology at Rotterdam / Holland and we were able to meet important clients and refresh the contacts with part of our Agent's international network.

The repair business relative to fishing and tug boats units saw a number of interventions that almost met the forecast billing level of 44% of the global Turnover. The billing relative to the fishing fleet and tugboats exceeded the forecast of 24% and had an increase of 65% compared to 2014.

The fishing fleet represented 43% of the billing, with 184 ships repaired, and routine repairs for the Merchant Marine together with the off-shore unit 53%, with 48 vessels repaired. These constitute the major part of the Annual Turnover.



The best customer of the year 2015 was, for the first time, the CHINESE MISSION, regular customer all year long since the beginning of DAKARNAVE, with a billing of 2.2 billion CFA francs and 52 ships. UNION MARITIME (UK) was the second with a billing of 1 billion CFA francs and 7 ships. CAPSEN/SCASA (South Korea), a fishing operator and a new customer, with 4 units and 663 M CFA francs. SEAWARD MANAGEMENT, with 2 units and 597 M CFA francs, was the fourth. UNIBROS SHIPPING CORP, SONIT GUINEA, CORINTHIAS SHIPPING and DILETON MARITIME, all with 3 units, are customers with a billing over 400 M CFA francs.

Operating essentially on the international market, DAKARNAVE implements a policy of loyalty towards its existing customers, while simultaneously constantly striving to attract new opportunities. In this context, while maintaining its focus on its traditional market segments – fishing fleets, Merchant Marine and war navy vessels – which constitute a significant proportion of its business activity, DAKARNAVE has strengthened its presence in other segments, such as the units operating in oil exploration in the Gulf of Guinea – Supply Vessels, Barges – which may eventually represent more than 20% of the Turnover of the company.

In 2015 business activity with total Turnover of 12,728,920,993 FCFA was divided as follows:

DESIGNATION	2015			2014		
	Vessels	Billing	%	Vessels	Billing	%
Fishing fleet	184	5497	43	129	2376	17
Tugboats	7	152	1	11	1046	8
Merchant Marine	48	6590	51	44	8197	61
War Navy Vessels	8	192	2	7	303	2
Off-shore units	1	248	2	4	1527	11
Industry	-	50	0	-	96	1
TOTAL	248	12,729	100	195	13,545	100

DAKARNAVE is continuing to take the necessary steps to collect all the old debts which are still in litigation. However, DAKARNAVE waits for the final decision of the court for the settlement of these files.

The total value is almost a billion CFA francs, corresponding to the vessels “AOG Explorer”, “Sea Beach” and “Tamaya”.

3. Company holdings

Our subsidiary SATAC – Société Africaine de Traitement Anti-Corrosif, SA, in which DAKARNAVE holds a 76.22% interest, continues to be our principal sub-contractor.

This year, its Turnover amounted to 319 M CFA francs compared to 300 M CFA francs in 2014, representing a 6.3% increase.

SATAC balance sheet for 2015 showed a positive result of 4 M CFA francs in operating revenue.

The Equity Capital remains at a level which permits good financial solvency thanks to good coverage of liabilities. Added value and working capital remained positive with good liquidity ratios. Overall, the structure of the company remains balanced.



4. Major Maintenance and Investment Plan

During the 2nd half of 2014 the DNV Classification class inspection of our floating dock has been done, including Survey of monitoring system for deflections and stresses. Following the requirement of DNV one Hundred twenty seven (127) tons of steel have been replaced on upper decks, working deck and outside / inside side shell plating. With the conclusion of the required works in January 2015 a five years certificate, valid up to 2019 was issued by DNV.

During 2015, the investments were allocated to production and improvement of the administrative facilities.

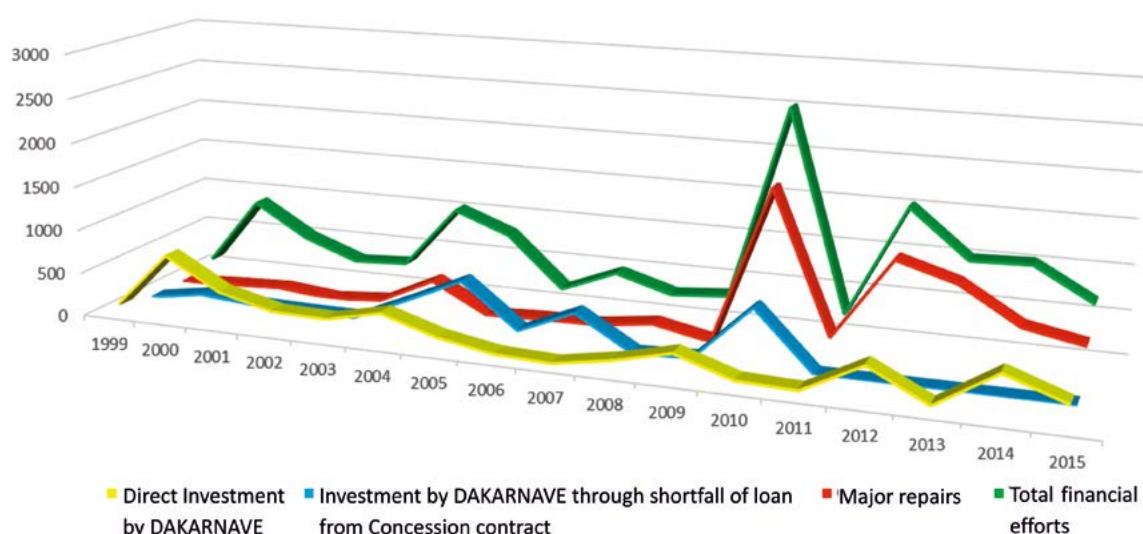
The investments in 2015 were in the in the value of 654 M CFA francs.

In 2015, repairs investment for the floating dock (replacement of the transformer and the circuit breaker) amounted to 145 M CFA francs. To this value was added the surface treatment and the cathodic protection for a total amount of 107 M CFA francs.

In the IT sector, DAKARNAVE has renewed all of its Microsoft Office licenses as well as equipment like computers, UPSs and other material for a total amount of 4 M CFA francs.

The rehabilitation works of the administrative and financial installations were completed for a total amount of 118 M CFA francs. The installation of the new furniture for the staff was made for the amount of 54 M CFA francs.

INVESTMENTS AND MAJOR REPAIRS



5. Human resources

In 2015, we have continued to seek a greater cost-effectiveness in our procedures, an increase in the Company's productivity level and have improved control of costs at all levels.

DAKARNAVE decided to harmonise wage supplements by category in 2013, and set three levels of supplements per occupational category. This year we have consolidated these procedures in order to rationalise our human resources. This harmonisation makes it possible to establish a professional career with incentives to improve the performances of the agents and their respective promotion.

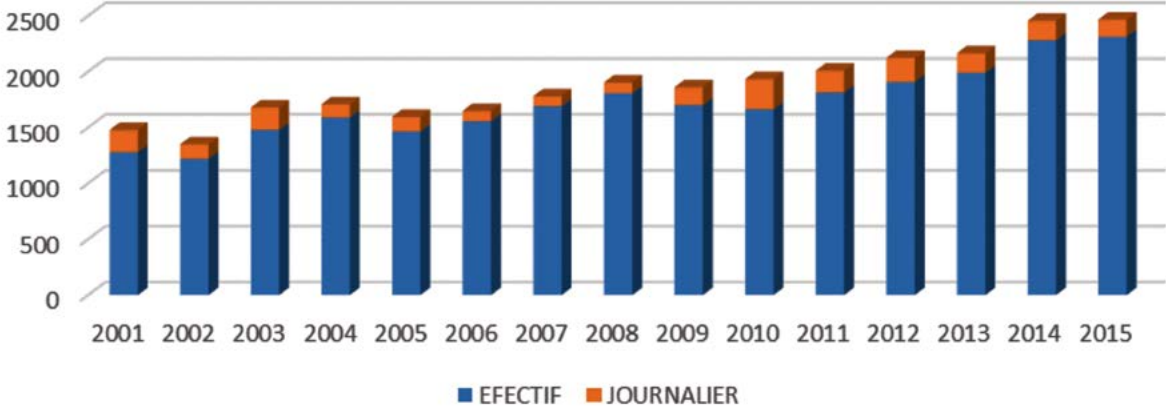


5.1. Staff costs

Since the company was founded, DAKARNAVE has implemented a policy of an annual adjustment to maintain the purchasing power of its employees. This is why the amounts in the company’s pay grid are rather higher than the official pay scales.

Despite the rationalisation that was implemented, this did not result in a reduction of costs in relation to Turnover. The increase of the salary scale was verified in 2015 giving rise to the continuation of the policy of annual adjustment of salaries. This increase, the purpose of which is to maintain the purchasing power of employees, was in a range of 4% to 8%.

STAFF BY AGE



The total amount for domestic labour, including sub-contractors and service providers, represented 29.7% of Turnover in 2015, compared to 28.3% in 2014.

Overall staff costs increased by 0.4% in 2015 compared to the previous year. The confirmed increase in pay, plus 6%, was compensated by overtime and seasonal work. We have also replaced the daily fireman work by a Subcontractor.

The weight of daily labour in overall staff costs was 6% in 2015 against 8% in 2014.

Rubrics	2015	2014
Pay	1 134 319 392	1 100 791 818
Additional work	325 085 624	323 568 261
Prices, Subsidies, Other Remuneration	674 276 494	691 523 729
Subtotal	2 133 681 510	2 115 883 808
Social contributions	329 967 527	337 259 963
Subtotal	2 463 649 037	2 453 143 771
External personnel	238 947 334	163 959 122
Total Staff costs	2 702 596 371	2 617 102 893

In 2015, The Board of DAKARNAVE decided to pay each worker a bonus, on an exceptional basis, as an incentive to workers to improve continuously in their daily work. This bonus, in recognition of the workers' contribution to the results obtained in 2014, and as an incentive to workers to improve continuously in their daily work, was in accordance with the professional evaluation and the level of absenteeism of each worker, and varied from between 100% and 150% of the salary and wage supplements.

5.2. Training

5.2.1. Introduction

The annual training program is aimed at boosting the professional capacities of the staff the better to attain the performance levels required for the shipyard and for the overall satisfaction of the Customers' needs.

Thus, in 2015 continuous training actions were carried out for all the sectors of the company and financed with equity capital. In fact, DAKARNAVE did not receive any subvention from FONDEF which is restructuring and has suspended its funding to companies for the organisation and financing of their training operations.

5.2.2. Training dispensed in 2015

- In 2015, 18 training operations were carried out of 22 previously scheduled, for a global volume of 5831 hours/person, for 56 agents.
- All company sectors were concerned but the Production sector received a 78% majority of the overall training operations for the domains bellow:
 - Welding
 - Hydraulics et pneumatics
 - Mechanics construction technics
 - Plans reading and tracing
 - Adjustment and alignments
 - Fire fighting
 - Engines mechanics
 - Industrial Electricity

French and English training sessions have continued in 2015 to enlarge the linguistic skills of the Production and Commercial agents.



ACTIONS AND TRAININGS	DATES	Services	hours/person			
			scheduled		done	
1. Fire training - 1st session	Jan-Feb	<i>Infrastructure</i>	0		336	
2. French 1st session	Feb-April	<i>Production/ Commercial</i>	360		576	
3. Negotiation technics	March	<i>Project Launching</i>	600		320	
4. Direct Taxation	March	<i>Accounting</i>	96		63	
5. Fire training 2nd session	March	<i>Infrastructure</i>	0		288	
6. Welding TIG/MAG	April	<i>Boiler making</i>	280		280	
7. Fire training 3rd session	April	<i>Infrastructure</i>	0		288	
8. Non-destructive testing	June	<i>Quality Control</i>	120		120	
9. English (28 agents)	June-Sept.	<i>Production/ Commercial</i>	1980		1440	
10. Mechanics Construction Technologies	August	<i>Mechanics</i>	360		360	
11. Pneumatics and Hydraulics	August	<i>Maintenance</i>	160		160	
12. French 2nd session	Aug.-Oct.	<i>Production/ Commercial</i>	360		540	
13. Security Syst. Management	August	<i>Prevention/ Security</i>	0		64	
14. Adjustment-alignment	October	<i>Mechanics</i>	192		180	
15. Engine injection timing	October	<i>Mechanics</i>	80		80	
16. Industrial Electricity	October	<i>Maintenance</i>	240		240	
17. Scaffolding Reception and Verification	November	<i>Prevention/ Security</i>	0		96	
18. Plans reading and tracing	December	<i>Boiler making</i>	300		400	
TOTAL			6644	h/P	5831	h/P

TOTAL: 56 agents - 5 831 Hours/P

- **Assessment and indicators**

DAKARNAVE considers quality management to be a key success factor in the market it operates in. Within the scope of its overall policy, emphasis is placed on the long-term improvement of the system of management and organisation in order to achieve the production of services compliant with international standards, an approach that is resolutely oriented towards customer satisfaction.

DAKARNAVE intends to raise the level of its technological skills to achieve the status of the most modern maintenance and repair shipyard on the West Coast of Africa.

Dakarnave sets itself apart by its specific pertinence in the Senegalese economy, with eminently exportable characteristics, whose high Added Value for the domestic economy is associated with the business activity and a high level of employment.



In order to obtain a competitive edge, DAKARNAVE is governed by a management philosophy which combines rigorous budgetary control and the implementation of integrated systems in crucial domains such as quality.

ISO 9001 2008 Certification was an objective that was achieved during the first quarter of 2013, and was confirmed by an audit in 2014 and 2015.

The International Ship and Port Facility Security Code (ISPS), but also the questions relative to Health and Safety at work, are significant in the day to day running of the shipyard. This day to day running involves an average population of 500 people in the shipyard.

The continuous qualification the staff framework is the subject of investment for the present and for the future.

5.3. Other indicators

In 2015, we continued the indispensable process of lowering the average age of the personnel as a whole. Given the physical nature of the work, we believe we shall obtain a significant increase in productivity by lowering the average age of the workforce.

Currently, more than 74% are under 45, compared to 29% in 2006. In the same period, the percentage of workers under 30 increased from 16% in 2006 to 44% in 2015.

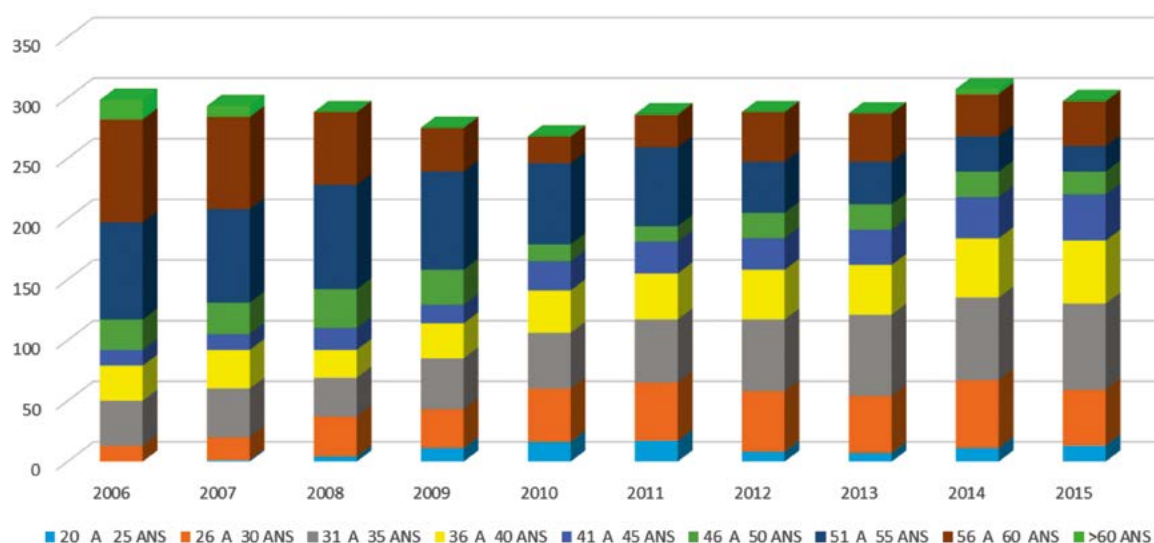
On 31 December 2015, the global headcount at DAKARNAVE was 308 workers:

- 169 effective agents
- 128 contractual agents
- 11 expatriate agents

25 agents were still trainees at the end of 2015.

From a spirit of internal harmony established with the workforce, this year we once again funded two pilgrimages to Mecca.

STAFF BY AGE



6. Economic and Financial Situation

The summary table presented below shows the changes in the indicators relative to the company's business activity during recent fiscal periods:

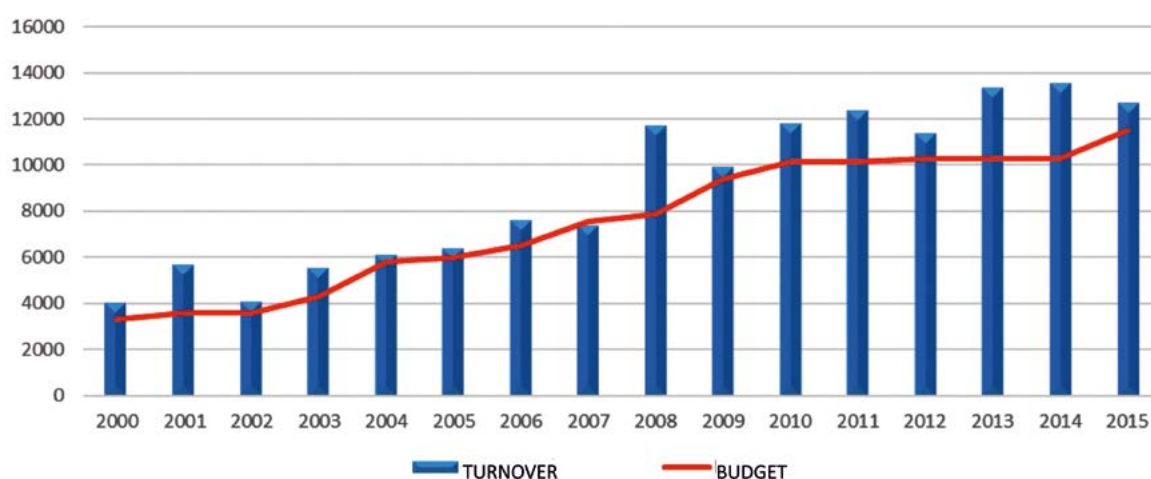
Analysis of the Profit & Loss Account

million CFA francs

	2010	2011	2012	2013	2014	2015
Turnover	11,811	12,393	11,371	13,359	13,545	12,729
Intermediate consumption	7,305	,497	8,321	7,191	7,304	6,265
EBITDA	1,531	1,964	1,251	2,263	2,268	1,854
EBITDA / TURNOVER	13.0%	15.8%	11.0%	17.0%	16.8%	14.6%
Operating results	1,221	1,247	451	1,259	1,118	611
Result	955	962	359	1,033	891	393

DAKARNAVE achieved a volume of billing of 12,729 M CFA francs resulting from the repair of 248 ships, 53 more than the previous year.

BUDGET & ANNUAL



The weight of maintenance in the total operating costs continues to be excessive. This is verified by the EBITDA / TURNOVER ratio, despite the reduction in EBITDA in recent years. The increase in turnover and net income over the past few years, combined with rigorous management, enable us to envisage the future with optimism.

Full-time staff costs, which remain under 20% of turnover, show that DAKARNAVE is in a flexible position, attuned to the market.

Changes in profitability are noted on the constant ratios of the table below relative to Turnover:

RATIOS	2012	2013	2014	2015
Gross production value	111,0%	103,1%	105,6%	102,4%
Gross added value	29,7%	33,2%	34,9%	33,9%
Cash-flow	10,4%	15,5%	15,5%	13,0%
Profitability of Sales	3,2%	7,7%	6,6%	3,1%
Staff costs	18,7%	16,2%	18,1%	19,4%
External Services	48,0%	43,9%	45,5%	44,0%
Depreciation on investments	7,0%	7,5%	7,9%	9,1%
Return on capital	5,4%	14,0%	11,5%	5,2%
Return on Assets	3,9%	10,2%	9,0%	4,3%

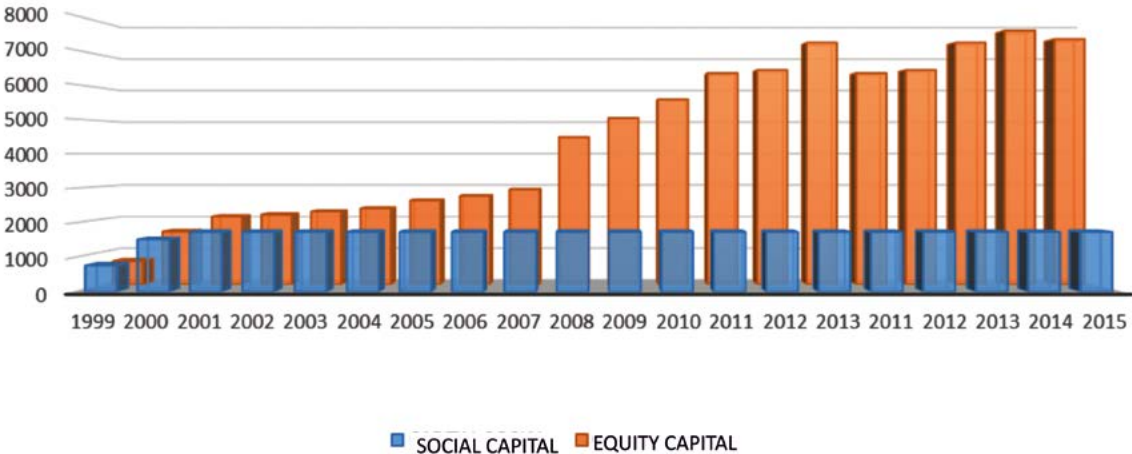
Given the economic context in which DAKARNAVE has developed its activity since it was founded, the fact that it has been able to maintain ratios that represent excellent performance over the past few years should be emphasised.

RATIOS	2012	2013	2014	2015
Current liabilities/current assets	45,0%	45,0%	43,5%	22,9%
Current liabilities Time/Current assets. Time	41,4%	37,5%	28,6%	20,0%
Solvency	241,9%	267,9%	364,2%	469,7%
Financial self-sufficiency	70,7%	72,8%	78,5%	82,4%
Working capital ratio	222,0%	222,0%	229,9%	436,7%
Working capital/Total assets	33,1%	37,5%	41,4%	49,0%
Equity/Share Capital	379,7%	428,1%	449,3%	434,1%

There are no adequate conditions for insuring against market variations, in particular the risks of debts emerging from business on the international market. This situation forces DAKARNAVE to make its own classification in this balance. In spite of this situation, the financial structure of the Company has considerably improved over the past few years, both in the short and the long term.

Current Liabilities have been reduced and Current Assets have increased. The working capital ratio, solvency and financial self-sufficiency have been increased.

CAPITAL



Equity capital amounts to four and a half times the Share Capital. This situation is due to the cumulated Net income and to the fact that the shareholders have preferred to maintain a comfortable situation in the company, rather than collect on all the profits.

Financial Liabilities include the repayment schedule of the bank loan taken out to renovate the infrastructure of the dock and the floating dock. This is a long-term loan, over five years, and about 95% has already been repaid.

Equity Capital amounted to 7,497 M CFA francs as at 31 December 2015 maintains past years landscape. Net income for this financial year was 393 M CFA francs.



7. Outlook for 2016

At this time, it is still difficult to predict how the shipping business will evolve in 2016. In any case, we believe that now is the time to carry out the maintenance and repair work to commercial ships that has been postponed over the past few years due to the economic crisis which negatively affected international trade. This leads us to a moderately optimistic outlook, by forecasting an increase in business in 2016 compared to 2015.

DAKARNAVE will continue to pursue the goal of achieving optimisation of processes and a resulting increase in overall productivity, which will secure our business activity. From a commercial standpoint, in addition to the policy of developing the loyalty of existing customers, DAKARNAVE will strengthen the position it has achieved over the past few years in the off-shore sector of the Oil Industry, the aim being to increase the number of customers who are loyal to us thanks to the quality of the services we provide on these units.

The company, in achieving the overall objective relative to its Mission, has also incorporated a policy of Quality, Health, Safety and Environment in order to comply with the legislation in force and, secondly, to provide customers and partners with a favourable, secure environment. It shall gain from further consolidating its image as an international reference in the field of Ship Repairs on the West Coast of Africa, as compliance with standards is the golden rule in the sector.

As far as Training is concerned, we will continue to give priority to developing employee skills, while at the same time maintaining internal training, to raise employee awareness of strategic aspects, with special attention to good practices in terms of Quality, Health, Safety and Environment. It is obviously with a workforce that is valued, trained and aware of its role in our organisation that we can continue to progress a step ahead of the competition.

For this success, we have always counted on the inestimable and indispensable help of our majority shareholder, LISNAVE INTERNACIONAL, in supplying critical Know-How and commercial assistance materialised by the “LISNAVE” trademark.

It should be noted that the availability of Lisnave technicians for intermittent work projects constitutes an invaluable advantage, since the urgency of such work and the customers' deadlines are not compatible with the time it would take to launch calls for tender on the market.

We have fixed the target for Turnover in the 2016 Budget at the sum of 11.5 billion CFA francs. To procure a major repair contract and maintain the level of activity on the Merchant fleets will be the principal objective in 2016. Whatever happens, we have planned the following distribution in 2016 to achieve our target turnover:

▪ Fishing Fleet	2,94 billion CFA francs
▪ Tugboats	0,25 billion CFA francs
▪ Merchant Ships	7,35 billion CFA francs
▪ Major Repairs	0,72 billion CFA francs
▪ Other Works	0,24 billion CFA francs

Priority investment needs represent a total amount of approximately 730 M CFA francs, including the following, which should be noted:

- The steel surface treatment resulting from the rehabilitation of the walls of the floating dock with the replacement of the required steel plates for certification. This action is already underway and was started in 2010: the provisional cost for this year will be 210 M CFA francs.
- For the production equipment, two compressors, scaffold elements and various tools, the provisional cost is approximately 245 M CFA francs.
- The tools, IT equipment, office equipment and furniture are other scheduled investments
- Management software update.

The total volume of investments of 730 CFA francs will still be in proportion to the net resources freed during the financial year 2016.

8. Proposed use of profits

The Board of Directors proposes to the General Meeting of Shareholders that Net income from the financial year 2015, which amounts to 891,465,623 CFA francs, be distributed as follows:

▪ Distribution of dividends to shareholders	327 978 500 CFA francs
▪ Balance carried forward	65 353 461 CFA francs

9. Acknowledgements

To conclude this report, we would like to thank our Shareholders for their frank and active presence at our side, for providing their inestimable and indispensable know-how, and for their commercial assistance materialised by the trademark “LISNAVE”.

To all our Customers in general, for the confidence they placed in our capacity and we hope to continue to be worthy of their trust.

We would also like to highlight the inestimable cooperation of the Senegalese Navy and the Dakar Port Authority, the Statutory Auditors and the SIRN for the execution of the Concession Contract. To the French Development Agency we address our gratitude for the comprehension they demonstrated regarding certain problems that were presented to them.

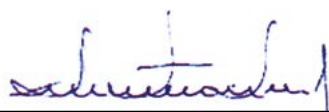
To all our suppliers and in particular Lisnave Internacional, that occasionally provided us with possibilities for a balanced financial management. At the same time, for being tolerant with regards to the due dates of balances to be paid by DAKARNAVE.

To the banks, particularly the *Credit du Sénégal*, the *Société Générale des Banques du Sénégal*, the *Compagnie Bancaire de l'Afrique de l'Ouest*, BICIS and Ecobank, we express our gratitude for the support they have always given us.

The final word of thanks goes to all our employees and partners at every level, for their ever-present commitment in the pursuit and responsible execution of our common mission.

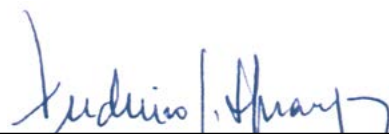
Dakar, 3rd March 2016

Managing Director



José António Ferreira Mendes

Chairman of the Board



Frederico José Ferreira de Mesquita Spranger

INCOME AND ACCOUNTS

Company's name	Fiscal year duration (in months)	12
DAKARNAVE	Ended on	31-12-2015
Company's address	Previous fiscal year duration (in months)	12
BD DU CENTENAIRE DE LA COMMUNE DE DAKAR	Ended on	31-12-2014

A - BALANCE SHEET - NORMAL SYSTEM

ASSETS	Ref.	N Fiscal year			N-1 fiscal year
		Gross	Depreciations	Net asset values	Net asset values
CURRENT ASSETS					
Capitalized expenses	AA				
Start up expenditures and deferred charges	AB				
Bond payment premium	AC				
Intangible assets	AD				
Research and development	AE				
Patents, licence and software package	AF	147.437.682	128.449.831	18.987.851	28.140.254
Goodwill	AG				
Other intangible assets	AH				
Fixed assets	AI				
Lands	AJ				
Buildings	AK	6.374.365.049	3.998.798.994	2.375.566.055	3.088.482.701
Facilities and fittings	AL	701.682.886	429.381.954	272.300.932	215.584.803
Equipments	AM	3.776.741.989	3.037.112.171	739.629.818	639.986.123
Transport equipments	AN	194.265.598	159.765.276	34.500.322	53.152.510
Advances and deposits paid on fixed assets	AP				40.565.575
Long term Financial assets	AQ				
Financial investments	AR	46.710.000	8.600.000	38.110.000	38.110.000
Other financial fixed assets	AS	49.418.707		49.418.707	49.418.707
(1) including Extraordinary :	AW				
<i>Gross</i>					
<i>Net assets value</i>					
TOTALFIXED ASSETS (I)	AZ	11.290.621.911	7.762.108.226	3.528.513.685	4.153.440.673
CURRENT ASSETS					
EXTRAORDINARY CURRENT ASSETS	BA				
Inventories	BB				
Goods	BC				
Raw materials and other supplies	BD	1.994.865.786	1.071.178	1.993.794.608	2.052.746.847
Inventories in progress	BE	77.429.747		77.429.747	151.276.147
Manufactured products	BF				
Receivables	BG				
Prepaid expenses and advances to suppliers	BH	17.754.757		17.754.757	4.990.773
Receivables-sales	BI	3.840.966.811	1.443.113.820	2.397.852.991	1.243.623.171
Receivables-other	BJ	365.148.575		365.148.575	314.475.483
TOTAL CURRENT ASSETS (II)	BK	6.296.165.676	1.444.184.998	4.851.980.678	3.767.112.421
CASH					
Short term financial investment	BQ				
Cash to be collected	BR				
Banks and cash in hand	BS	713.297.825		713.297.825	1.970.485.558
TOTAL CASH (III)	BT	713.297.825		713.297.825	1.970.485.558
Exchange loss adjustment	BU				
(probable loss on current exchanges)					
GENERAL TOTAL (I+II+III)	BZ	18.300.085.412	9.206.293.224	9.093.792.188	9.891.038.652

Company's name	Fiscal year duration (in months)	12
DAKARNAVE	Ended on	31-12-2015
Company's address	Previous fiscal year duration (in months)	12
BD DU CENTENAIRE DE LA COMMUNE DE DAKAR	Ended on	31-12-2014

A - BALANCE SHEET - NORMAL SYSTEM

LIABILITIES AND EQUITIES	Ref.	N fiscal year	<i>(N-1) fiscal year</i>
		Net	Net
EQUITY AND EQUIVALENT RESOURCES			
Capital	CA	1.727.000.000	1.727.000.000
Shareholders, non called up capital	CB		
Premiums ad reserves	CC		
Premiums of contribution, broadcast, fusion	CD		
Differences from revaluation	CE		
Inalienables reserves	CF	373.267.099	373.267.099
Free reserves	CG	330.901.658	330.901.658
Previous profits or losses	CH	4.672.976.349	4.437.467.726
Profit or loss for the year	CI	393.331.961	891.465.623
Other stockholders' equity	CK		
Investment subsidies	CL		
Regulated provisions and assimilated funds	CM		
TOTAL STOCKHOLDERS' EQUITIES (I)	CP	7.497.477.067	7.760.102.106
LOG TERMS FINANCIAL DEBTS			
Long term debts	DA	24.275.096	116.394.843
Leasing debts and comparable contracts	DB		
Other long term debts	DC		
Financial provisions for risks and charges	DD	460.967.054	376.106.076
(1) including Extraordinary :	DE		
TOTAL OF LONG TERMS DEBTS (II)	DF	485.242.150	492.500.919
TOTAL OF STABLE RESOURCES (I+II)	DG	7.982.719.217	8.252.603.025
CURRENT LIABILITIES			
Extraordinary current PAYABLES	DH	330.526	6.557.712
Customers, advances	DI	34.421.415	10.978.029
Accounts payable	DJ	511.841.773	1.037.409.248
Accrued taxes	DK	275.156.986	279.811.184
Social liabilities	DL	96.431.724	103.233.429
Other liabilities	DM	189.892.104	197.447.582
Provisions for risks	DN	2.998.443	2.998.443
TOTAL OF CURRENT LIABILITES (III)	DP	1.111.072.971	1.638.435.627
FINANCE			
Banks, discount credit	DQ		
Banks, cash advances	DR		
Banks, overdrafts	DS		
TOTAL FINANCE (IV)	DT		
Exchange gain adjustment - (V)	DU		
(Probable differed change profits)			
GENERAL TOTAL (I+II+III+IV+V)	DZ	9.093.792.188	9.891.038.652

Company's name	Fiscal year duration (in months)	12
DAKARNAVE	Ended on	31-12-2015
Company's address	Previous fiscal year duration (in months)	12
BD DU CENTENAIRE DE LA COMMUNE DE DAKAR	Ended on	31-12-2014

B - INCOME STATEMENT - NORMAL SYSTEM

EXPENSES	Ref.	N fiscal year	N-1 fiscal year
EXPENSES FROM OPERATIONS			
Purchases of goods	RA		
- Variation in inventories (+ or -)	RB		
<i>(Gross margin on goods see TB)</i>			
Purchases of raw materials and supplies	RC		
- Variation in inventories (+ or -)	RD	-86.300.650	162.937.160
<i>(Gross margin on raw materials see TG)</i>			
Other purchases	RE	3.219.129.158	3.634.143.692
-Variation in inventories (+ or -)	RH		
Transports	RI	63.385.251	69.125.632
External Services purchases	RJ	4.942.262.711	5.425.032.665
Taxes	RK	530.728.425	24.671.758
Others expenses	RL	17.900.718	199.385.097
<i>(Value Added see TN)</i>			
Personnel expenses (1)	RP	2.463.649.037	2.453.143.771
including external personnel /	RQ		
<i>(Gross balance in operations see TQ)</i>			
Depreciations and provisions allowances	RS	1.266.469.406	1.213.226.268
Total of operational costs	RW	12.417.224.056	13.181.666.043
<i>(Balance operation see TX)</i>			
FINANCIAL ACTIVITIES			
Interests and other finance charges	SA	10.186.899	17.403.013
Change loss	SC	526.482	108.108
Amortization and provisions allowances	SD		
Total of financial costs	SF	10.713.381	17.511.121
<i>(Financial profit see UG)</i>			
Total of ordinary activities expenses	SH	12.427.937.437	13.199.177.164
<i>(Ordinary activities balance profit see UI)</i>			
EXTRAORDINARY ACTIVITIES			
Book value of assets sold	SK		
Extraordinary expenses	SL		
Extraordinary depreciations	SM		
Total of Extraordinary Expenses	SO		
<i>(Extraordinary balance see UP)</i>			
Profit sharing for personnel	SQ		
Income tax	SR	210.933.851	216.887.440
Total of profit sharing for personnel and income tax	SS	210.933.851	216.887.440
TOTAL OF EXPENSES	ST	12.638.871.288	13.416.064.604
<i>(Net income or loss see UZ)</i>			

Company's name	Fiscal year duration (in months)	12
DAKARNAVE	Ended on	31-12-2015
Company's address	Previous fiscal year duration (in months)	12
BD DU CENTENAIRE DE LA COMMUNE DE DAKAR	Ended on	31-12-2014

B - INCOME STATEMENT - NORMAL SYSTEM

INCOMES	Ref.	N fiscal year	N-1 fiscal year
REVENUE AND EXPENSES FROM OPERATIONS			
Sales of goods	TA		
GROSS PROFIT IN SALES OF GOODS	TB		
Sales of manufactured products	TC		
Sales of works services	TD	12.710.806.948	13.509.665.321
Charges in finished goods and progress inventory (+ or -)	TE	-73.846.400	105.804.517
Own work capitalized	TF	278.286.226	534.352.136
GROSS PROFIT IN RAW MATERIALS SALES	TG	13.001.547.424	13.986.884.814
Accessory incomes	TH	18.114.045	35.092.414
NET SALES (1) (TA+TC+TD+TH)	TI	12.728.920.993	13.544.757.735
(1) including in exportation	TJ		
Subsidies for operations	TK		
Other current earnings	TL	71.867.292	51.923.087
VALUE ADDED	TN	4.318.122.498	4.721.541.471
GROSS OPERATING PROFIT	TQ	1.854.473.461	2.268.397.700
Provisions written back	TS	22.809.260	41.145.939
Expenses transfers	TT		22.002.486
Total operating incomes	TW	13.028.037.371	14.299.985.900
OPERATING PROFIT Benefit (+); Loss (-)	TX	610.813.315	1.118.319.857
FINANCIAL ACTIVITIES			
Financial incomes	UA	3.056.803	5.370.598
Gains from foreign currency	UC	346.363	
Provisions written back	UD		
Expenses transfer	UE		
Total investments incomes	UF	3.403.166	5.370.598
FINANCIAL BALANCE (+ or -)	UG	-7.310.215	-12.140.523
Toatal ordinary activities revenues	UH	13.031.440.537	14.305.356.498
ORDINARY ACTIVITIES profit (1)	UI	603.503.100	1.106.179.334
(1) including corresponding tax	UJ		
EXTRAORDINARY ACTIVITIES			
Fixed assets sales	UK	762.712	2.173.729
Extraordinary incomes	UL		
Extraordinary provision wrriten back	UM		
Expenses transfer	UN		
Total of extraordinary revenue	UO	762.712	2.173.729
EXTRAORDINARY BALANCE. (+ or -)	UP	762.712	2.173.729
INCOMES GENERAL TOTAL	UT	13.032.203.249	14.307.530.227
NET INCOME BEFORE TAX	UZ	393.331.961	891.465.623
Benefit (+); Loss (-)			

CERTIFICATION

DAKARNAVE
Chantiers Navals de Dakar SA

Rapport général du commissaire aux comptes

Etats financiers annuels - Exercice clos le 31 décembre 2015

Messieurs les actionnaires,

En exécution de la mission qui nous a été confiée par votre Assemblée Générale du 9 avril 2013, nous vous présentons notre rapport relatif à l'exercice clos le 31 décembre 2015, sur :

- le contrôle des états financiers de la société DAKARNAVE Chantiers Navals de Dakar SA, tels qu'ils sont joints au présent rapport ;
- les vérifications et informations spécifiques prévues par la loi.

I. Opinion sur les états financiers annuels

Nous avons effectué l'audit des états financiers ci-joints de la société DAKARNAVE Chantiers Navals de Dakar SA comprenant le bilan au 31 décembre 2015, le compte de résultat, le tableau financier des ressources et des emplois (TAFIRE) pour l'exercice clos à cette date et l'état annexé.

Responsabilité du Conseil d'Administration pour les états financiers

Les états financiers annuels ont été établis et arrêtés par le Conseil d'Administration conformément aux règles et méthodes comptables prévues par l'Acte Uniforme de l'OHADA relatif au Droit Comptable. Le Conseil d'Administration est également responsable du contrôle interne qu'il estime nécessaire à l'établissement d'états financiers ne comportant pas d'anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs.

Responsabilité du commissaire aux comptes

Notre responsabilité est d'exprimer une opinion sur ces états financiers sur la base de notre audit. Nous avons effectué notre audit selon les Normes Internationales d'Audit. Ces normes requièrent de notre part de nous conformer aux règles d'éthique et de planifier et de réaliser l'audit en vue d'obtenir une assurance raisonnable que les états financiers ne comportent pas d'anomalies significatives.

Un audit implique la mise en œuvre de procédures en vue de recueillir des éléments probants concernant les montants et les informations fournis dans les états financiers. Le choix des procédures mises en œuvre, y compris l'évaluation des risques que les états financiers comportent des anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs, relève du jugement de l'auditeur. En procédant à cette évaluation des risques, l'auditeur prend en compte le contrôle interne de l'entité relatif à l'établissement et à la présentation sincère des états financiers afin de définir des procédures d'audit appropriées en la circonstance, et non dans le but d'exprimer une opinion sur l'efficacité du contrôle interne de l'entité. Un audit consiste également à apprécier le caractère approprié des méthodes comptables retenues, le caractère raisonnable des estimations comptables faites par la direction et la présentation d'ensemble des états financiers.

Nous estimons que les éléments probants recueillis sont suffisants et appropriés pour fonder notre opinion.

Opinion

Nous certifions que les états financiers annuels sont réguliers et sincères et donnent une image fidèle du résultat des opérations de l'exercice écoulé, ainsi que de la situation financière et du patrimoine de la société à la fin de cet exercice, conformément aux règles et méthodes comptables édictées par l'Acte Uniforme de l'OHADA relatif au Droit Comptable.

II. Vérifications et informations spécifiques

Nous avons également procédé aux vérifications spécifiques prévues par la loi.

Nous n'avons pas d'observation sur la sincérité et la concordance avec les états financiers annuels des informations données dans le rapport de gestion du Conseil d'Administration et dans les documents adressés aux actionnaires sur la situation financière et les états financiers annuels.

Le Commissaire aux Comptes

RACINE
MEMBRE D'ERNST & YOUNG



Makha SY
Associé

Le 23 mars 2016



Société Anonyme au Capital de 1.727.000.000 F CFA
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