

## Introduction

At the heart of Lebanon's capital, Beirut city center is an urban area thousands of years old, traditionally a focus of business, finance, government, culture and leisure. Its reconstruction constitutes one of the most ambitious urban revitalization projects of our times.

The Lebanese Company for the Development and Reconstruction of the Beirut Central District s.a.l. (Solidere) is a joint-stock company established on May 5, 1994. It is based on Law 117 of 1991, which regulates Lebanese real estate companies aiming at the reconstruction of war-damaged areas, in accordance with an officially approved master plan. Its share capital is US\$1.65 billion.

As it spearheads and oversees this project, Solidere is bringing life to Beirut's central district and hopes to turn it into the finest city center in the Middle East.

The Company issues annual and semi-annual reports to its shareholders. Solidere's activities through the end of 2006 are also summarized in its thirteenth Annual Report.

This Annual Report includes consolidated financial statements, which consolidate the accounts of Solidere's subsidiaries depending on its shareholdings: Beirut Waterfront Development s.a.l. (50% shareholding), Beirut Real Estate Management and Services s.a.l. (45%), Solidere Management Services s.a.l. (100%) and Beirut Real Estate Management and Services (Offshore) s.a.l. (50%). The consolidated financial statements are prepared and audited in accordance with international standards.

# consolidated financial highlights

	2006	2005
<b>Summary of Operations</b> in US\$ million		
Gross land sales	255.2	252.8
Gross rental income	20.7	20.8
General and administrative expenses	14.3	11.5
Net income	132.2	108.5
Sales backlog	1,196.0	1,119.2
<b>Stock Data per Share</b> in US\$		
Earnings	0.8375	0.6858
Shareholders' equity	11.37	11.62
Stock price range		
A shares	26.01–15.07	6.87–19.00
B shares	25.89–15.10	6.87–19.25
GDRs	26.30–14.45	7.63–18.00
<b>Financial Data</b> in US\$ million		
Cash and securities	114.8	121.1
Accounts and notes receivable	348.9	272.8
Properties held for development and sale	1457.8	1527.4
Investment properties	153.8	160.5
Retained earnings	221.4	185.6
Legal reserves	59.9	46.7
Treasury stock	(162.7)	(38.5)
Total shareholders' equity	1768.6	1845.1
<b>Financial Ratios</b> in %		
Gross profit margin	55.05	45.80
Return (interest income) on liquid assets	5.86	4.68
Debt to equity	1.57	7.09

