

REAL ESTATE STRATEGY

Solidere continues to develop real estate projects within its strategy to create a vibrant city center and also with the objective to secure a regular income stream from this successful activity. In addition to Beirut Souks, the Company is pursuing ongoing real estate projects, including the Beirut Waterfront Development, reviving some that had been put on hold due to the 2006 war and its political aftermath, and launching new projects that span a variety of land uses.

Starting with its Saifi Village, Wadi Abou Jamil and Zokak El Blatt projects, Solidere created a booming residential market in Beirut city center, which now extends to residential clusters, mid- and high-rise buildings in all new development sectors of the city center. The Company is continuing this activity by developing more residential projects.

Having successfully put on the market institutional and business office buildings, Solidere is launching important office developments to cater for major international companies, which it considers Beirut is now able to attract.

Finally, with Beirut becoming a favorable visitor destination, Solidere is embarking in tourist and hospitality projects with special character.

BEIRUT WATERFRONT DEVELOPMENT

In Sector D, immediately adjacent to the marina, Beirut Waterfront Development is under construction on 22,341 sq m of private land, to offer facilities totaling 20,000 sq m of floor area. The development, together with the public space around the marina, was designed by Steven Holl Architects (US), with Nabil Gholam Architecture and Planning as associate architect.

The project is undertaken by Beirut Waterfront Development s.a.l. (BWD), a 50-50 joint venture between Solidere and Stow Waterfront Development s.a.l. (Stow). BWD was capitalized with Solidere contributing in kind 20,000 sq m BUA on 22,341 sq m of land, and Stow contributing in cash US\$31.6 million.

The facilities include a town quay of waterside restaurants, cafés and shops, and a yacht club with apartments on upper floors. In addition, a harbormaster, customs and immigration building will be erected on public domain. The project is expected to be gradually inaugurated starting spring 2011.

Concept Located around Beirut Marina in the heart of the city center, the site for the Beirut Waterfront Development extends the existing corniche along the seashore into a series of overlapping platforms. The corniche is inflated to create an 'urban beach', with levels subtly articulated to provide outdoor spaces with public areas for artwork.

The concept takes shape from strata and layers in forking vectors. Like the ancient beach that was once the site, the planar lapping waves of the sea, inspires striated spaces in horizontal layers, as distinct from vertical objects. The horizontal and the planar become a geometric force shaping the new harbor spaces.

The form allows the separate levels to define the organization of public and private spaces including apartments, yacht club, public facilities, harbormaster, restaurants, and specialty stores. The syncopated rhythm of platforms is achieved by constructing the overall curve of the corniche in five angles relating to five reflecting pools. Due to variations in height along the corniche, the platform levels and pools vary slightly in height allowing quiet, gravity-fed fountains to connect each pool level. In accordance with Master Plan

requirement, the Beirut Marina and its waterside restaurants will eventually be linked to the Hotel District pedestrian corridor by footbridge across the corniche.

Design The design submitted by Holl in August 2004 was gradually amended following BWD and Solidere comments. The project is integrated into the city center through direct access to the corniche promenade to the north, waterside city park to the east, and a pedestrian bridge over the corniche to the south providing access to the town quay restaurants and shops. Landscape designs were developed for the entry plaza, the quayside and the extension of the corniche sidewalk above, creating open-air terraces in the form of a 'stone beach' over the restaurants and shops.

Apartment building and yacht club On the northeastern side of the development, on lot 1456, is the main building totaling 14,000 sq m of floor area, accommodating yacht club, together with furnished and serviced apartments over four floors plus three basements.

The design-and-build tender for underground structural work and construction of the basement floors, was won by the Hourié - Profond joint venture, based on the design endorsed by Solétanche Bachy group (France). Profond were in charge of the shoring diaphragm wall, piling and dewatering; Hourié of excavations and construction of slabs and columns. A fast track approach was adopted, using up down construction based on a technology specific to underground construction below sea level, which may be applied throughout the waterfront district. The works were completed in March 2009. As per their contract, Hourié - Profond should continue the dewatering for the next six months after underground structural work completion, and until the beginning of superstructure construction.

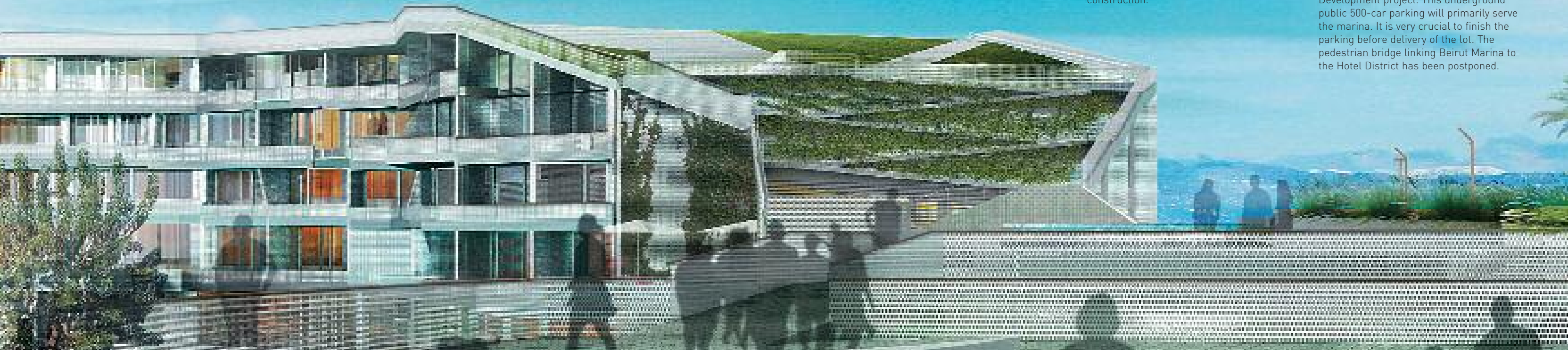
BWD conducted negotiations with Hourié regarding upper floor construction. After obtaining the relevant building permits, construction started in May 2009 and the soft opening is expected to be completed by early 2011. Nabil Dada was entrusted with the interior design. In addition to the yacht club, lot 1456 accommodates 53 one-, two- and three-bedroom furnished and serviced apartments, of which 11 apartments are to be retained by BWD and operated by a third-party operator. The other apartments will be sold.

Quayside restaurants strip The quayside restaurant strip on the southern side of the development, on lot 1455, comprises 26 restaurants and shops totaling 6,000 sq m of floor area. Stretching along Beirut Marina, from the site's western limit to the main building on the east, the one-floor construction remains below sea corniche level, with the roofs forming a continuation of the corniche.

The shoring permit was obtained in May 2008. DMR (US), with a Turkish contractor, won the tender for enabling and ground stabilization works which were completed in April 2009. The building permit is currently being sought from the Municipality. BWD have tendered the superstructure works and are in the process of reviewing the bids. Completion of the development is targeted for early 2011.

BWD had commissioned restaurant consultant Ulysses (France) to conduct a market study to select an optimal type and size mix for the quayside restaurants, as well as establish a typical rental agreement.

Phasing issues The lot 1455 quayside restaurants strip will be finished ahead of the apartment yacht club building on lot 1456, and is to be delivered upon completion of the parking currently being built by Solidere near the Beirut Waterfront Development project. This underground public 500-car parking will primarily serve the marina. It is very crucial to finish the parking before delivery of the lot. The pedestrian bridge linking Beirut Marina to the Hotel District has been postponed.





GRAND THEATRE BOUTIQUE HOTEL



Solidere is developing around the Grand Théâtre an integrated project on the 2,370-sq m lot 891 Bachoura, which have regrouped the former lot 891 historic building, lot 870 building and vacant lot 1521. "The building epitomizes the multifunctional urban building; since its conception and construction, it housed a theater, a hotel, apartments, offices, and many shops ... distributed among basement, four stories from ground level, and a roof floor. At street level, fourteen shops are found in total, ten on Syria Street and four on Amir Bachir Street. They were mostly bookshops and used the basements for storage. In the original design, the eastern side of the building had a hotel on two floors, accessible from Syria Street. Except for the theater located in the core and the rear of the southern side, the rest of the building offered apartments of various sizes for rent. By the 1960's, they were mostly transformed into hotel rooms or into offices." (George Arbid, The Grand Théâtre, an all-inclusive building.)

Following its initial attempts to restore Le Grand Théâtre des Mille et Une Nuits into a significant modern-day theater, Solidere established that this would not be possible without the practical demolition of the building and its reconstruction. Even so, some site constraints would have made it difficult to achieve a world-class performance theater. This is due to numerous factors including the small size of the auditorium and stage, the shape and volume of the auditorium shell, inappropriate inclines for the seating, lack of backstage facilities, poor sight-lines and poor acoustics; the narrow site, etc. It was thus decided to annex adjacent lots to the theater proper in order to provide any future facility with all the support spaces it may require.

BOUTIQUE HOTEL LOT 1338 MINA EL HOSN

In developing lot 1338 Mina El Hosn, Solidere's initial thoughts of creating there a fifth retail anchor to complement Beirut Souks have evolved towards a hospitality land use, together with retail and entertainment, thus complementing rather than competing with the Beirut Souks.

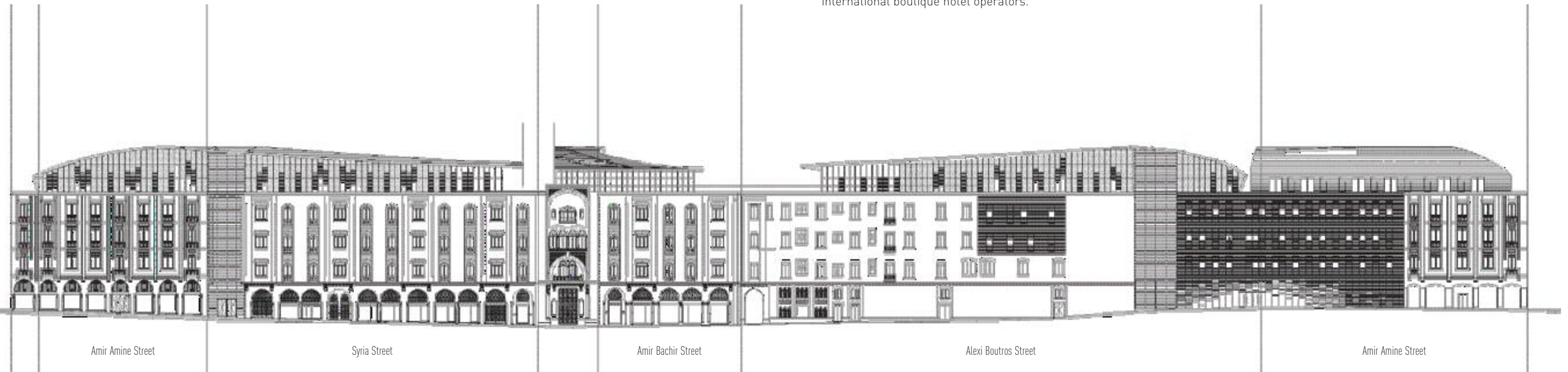
The program envisaged is a boutique hotel complex for targeted customers, business and leisure visitors, including a hotel of around 9,000 to 10,000 sq m, an exclusive spa of around 2,500 sq m, and a complementary retail component of around 3,000 to 4,000 sq m.

Whilst the volume itself may not necessarily serve as a conventional theater, Solidere was very concerned to restore it in order to preserve and honor the memory of the Grand Théâtre. The restoration of the main façades was carried out, together with some strengthening works to the footings. The original concept design by Architecture Studio (France) obtained approval from the Higher Council for Urbanism in April 2005. It offered a total floor area of 11,850 sq m over four floors and five basements: a boutique hotel enjoying a roof swimming pool, restaurants and bars offering artistic performances, and shops at street level below the arcades.

Solidere is in the process of preselecting the international architects who will be invited to bid for the design. A retail strategy study has been conducted by MXD Consultants (Canada), to guide configuration concepts relating to the boutique hotel, Patriarch Hoyek Street and Beirut Souks. Talks have been held with international boutique hotel operators.

Solidere is envisaging a change in design and is running a limited design competition in order to pre-select architects, hoping to launch the design by the end of summer 2009. The program is still a luxury boutique hotel. As per the Master Plan, a maximum BUA of nearly 12,000 sq m is allowed, with a maximum height of 25 m (ground with mezzanine plus four upper floors). Interior designers will be selected at a later date. Talks have been held with international boutique hotel operators.

top the Grand Théâtre in its context
bottom panoramic elevations





LOT 800 MINA EL HOSN

In Wadi Abou Jamil, Solidere initiated the design and implementation of predominantly residential clusters of various sizes, involving restoration and infill construction. The use of this typology on the city scale, in combination with detailed and individual residential buildings, is meant to reinforce urban integration. International and Lebanese architects, with experience in Mediterranean and Middle Eastern countries, contributed design concepts reflecting responsiveness to local context, culture and climate, and the market interest led to the sale of practically all the properties with cluster concepts.

Owned by Solidere, lot 800 Mina El Hosn is a triplet designed by Ayman Senyora, combining restoration and new construction. The 4,234 sq m floor area comprises two twin restored Levantine houses plus an infill building, with four floors each, located between two streets, a lower entrance street and Rue de France. The infill building, designed in a similar style but with two basement floors linking the three buildings and providing parking space to serve the entire triplet, has obtained a building permit, with earthworks completed in 2008. Civil works started in April 2009, completion is scheduled for mid 2011.

178 SAIFI VILLAGE

The success of Saifi Village led Solidere to initiate concepts for its extension. 178 Saifi Village is a residential cluster designed by Nabil Gholam on 2,937 sq m of land to offer about 11,225 sq m of residential and 1,066 sq m of commercial floor space.

The cluster is formed by six elegant buildings with clean modern façades along surrounding streets, set around a landscaped courtyard. The design offers a range of spacious apartments to include lofts with 5.75 m high ceilings, mini lofts with work live space, ground floor maisonettes with private gardens, central hall apartments and a variety of penthouses with generous terraces, while the building opening on the ring road offers modular office platforms, with a restaurant on the ground floor and mezzanine. The scheme focuses on a contemporary lifestyle, bringing a blend of services, convenience and a discreet sense of luxury. Space, light, calm and comfort characterize the townhouse-like residential units, combining the advantage of a great urban location with the pleasure of a quiet green haven in the heart of Beirut. Earth works are due to start in June 2009.

OFFICE BUILDING, LOT 1493 MINA EL HOSN

Solidere is launching on lot 1493 Mina Hosn (block 20-2) the design of a grade A multi-tenancy office building. The site is located in the Hotel District, with residential towers in proximity and a central green landscaped corridor that overlooks Beirut Marina and the Mediterranean Sea to the north. A highrise, cutting edge development with exceptional architectural design, the project will feature an intelligent building in a prime location, with a high level of accessibility, ample parking, flexible floor plates designed with international best practice specifications, offering functional daylight office space and a wide range of amenities. These will be planned to appeal both to the tenants and to neighboring residents.

The office of Jones Lang LaSalle has just completed the market research and development advisory. Solidere will launch the conceptual design process in July 2009 with the selected international architect.

SERVICED APARTMENT BUILDING LOT 1408 MINA HOSN

In line with its policy to enhance hospitality services in Beirut city center, Solidere is developing a serviced apartment building on lot 1408 Mina Hosn (block 9-6).

Designed and implemented to the best international standards, the project will carry the Solidere brand, offering comfort, competitive services and high value amenities to its clientele.

The Company has commissioned Jones Lang LaSalle to undertake market research, assess comparable developments in Europe and the region, and prepare a development advisory for the project. Axel Schultes, the selected international architect, will then proceed with the conceptual design.



HOSPITALITY MANAGEMENT

Solidere aims at enhancing vibrancy in the city center, at least to the levels achieved in the early 2000's. This is in response to the general slowdown of organic activity since the 2005 and 2006 tragedies and their aftermath, with consequent suffering in quality.

Now that Beirut has become again an attractive destination for local, Arab and foreign visitors, the Company intends to create a sustainable level of activities and to upgrade hospitality facilities and services, by encouraging the establishment of high-end restaurants, cafés, boutique hotels with retail outlets.

Looking at this matter in all its aspects, Solidere has also decided to engage in Hospitality Management as a revenue-generating activity. The Grand Théâtre and Lot 1338 Mina El Hosn boutique hotels with their facilities are among projects that will quickstart this evolution.

FUTURE PROJECT: BEIRUT CITY HISTORY MUSEUM

Solidere has proposed the construction of a Beirut City History museum on a significant archeological site north of Martyrs' Square, where excavation in the mid-1990s unearthed such major finds as the Phoenician Tell, Bronze Age city gate and other features from Persian, Hellenistic, Byzantine, Medieval and Ottoman periods.

In 1997, Solidere commissioned Michel Macary (France) to undertake a site planning study of the Tell and to explore the concept of a Site Museum. Macary was chosen for his expertise in cultural projects, in particular his design work for the Louvre extension with underground galleries incorporating excavated elements of historic structures. In conjunction with Solidere, Macary completed the concept design of a 9,300 sq m museum due to incorporate the site's archeological findings and envisioned, with Directorate General of Antiquities (DGA) approval, as an outreach of the National Museum.

In order to protect and safeguard the site while providing the necessary vehicle and pedestrian access in what is a heavy use environment, Solidere commissioned Dar Al-Handasah to study three route options, in coordination with DGA, and to carry out the detailed design of the most appropriate option. The chosen one incorporates a two-way road and bridge structure on the east side of the Tell, with additional underpasses to be dug beneath the road to ensure pedestrian connections to the museum.

It will be a complex underground structure, with its roof terrace serving as a viewing platform at the level of Martyrs' Square, overlooking the ancient Tell. The museum is closely integrated with the design of the Martyrs' Square parking structure and the Petit Sérail remains, and with the public space landscaping of Martyrs' Square and the Tell site.

Because of Michel Macary's long association with the project, it is Solidere's recommendation that he should carry out the detailed design of the museum, in coordination with Dar Al-Handasah and with the winning team of the Martyrs' Square Axis international design competition. Solidere would be pleased to manage the design and construction process for the museum on behalf of the Ministry of Culture, reporting to the DGA.

Solidere is also coordinating with developers of properties adjacent to the museum, some of whom have professed a desire to support the museum by making either design amendment to their own lots, or possibly providing their own land for various museum functions.

The City History Museum will be the point of origin of the Heritage Trail, a circuit connecting all main archaeological sites and heritage buildings and extending the museum out into the city itself. The full extent of Beirut's urbanized area, from its Bronze Age origins to the 1830's, lies within the boundary of the present-day city center. Evidence of past urban layers is there for all to see. It is the ideal place to tell the story of the history, growth and development of Beirut from ancient times to the recent past. The first phase of the Heritage Trail is being implemented by Solidere in coordination with DGA.

Two other site museums are located in the city center, both on Nejme Square. The recently restored Crypto Portico museum, beneath the Deputies' office building, features part of the site of the Roman Forum, at the original level of the ancient city. In this section of the principal street, an omphalos (round granite block representing the navel or exact center of the city from which all distances were measured) sits against a backdrop of a series of blind arches that once lined the street, complete with its original checkered black and white tiling pattern. The museum is not opened to the public. The Byzantine church site museum, in the crypt beneath St George Greek-Orthodox cathedral, is under restoration and should be opened to the public upon completion.

