

solidere shares and GDRs

exchange listings & ticker symbols

Beirut Stock Exchange:	A shares
Beirut Stock Exchange:	B shares
London Stock Exchange:	GDRs (SOLAq.L)

beirut exchange trading system

The Beirut Stock Exchange (BSE) uses an Outcry system which allows traders to match buy or sell orders posted on the floor, thus improving visibility of the trading.

dividend distribution

In June 2003, the annual general meeting approved, on the basis of 2002 profits and accumulated retained earnings, the distribution of a stock dividend of one share for every 40 shares held. Accordingly, the Company distributed 3.9 million shares from its treasury stock portfolio for a total value of US\$19.6 million. The Company's strategy is to distribute dividends in coming years, taking into consideration the amount of future profits and available liquidity.

analysis of share prices

Solidere shares traded sideways during 2003, as regional tensions that affected the first part of the year kept most traders in a wait-and-see mood. Share prices were on average at higher levels than the previous year, but remained subdued as uncertainty held most investors on the side lines.

Around the middle of the year, Solidere shares witnessed a major jump in price and activity, after the Company published its 2002 financial results showing a net income of US\$41.1 million, a major improvement compared to the previous year. During the last part of the year, share trading declined and prices stabilized until the end of the year, when most market participants returned to the market with prices and volume increasing significantly. During the first part of 2004, Solidere shares witnessed a major move to the upside, reaching the US\$7 level early in May, as optimism regarding the Company's activities overshadowed regional tensions.

Share A closed the year at US\$4.72, a 3.18% decrease compared to the previous year closing. Share B closed the year at US\$5, a 5.26% increase over the previous year closing. During the year, share A traded between a high of US\$5.50 and a low of US\$4.05; share B between a high of US\$5.50 and a low of US\$4.22. The GDRs traded slightly higher in the London Stock Exchange, progressing by about 0.41% during the year to close at US\$4.95.

Trading remained active during the year, but was lower than the previous year, with a total of 15 million shares changing hands, for a cumulative value of about US\$80 million. This represents around 9.1% of the Company's capital changing hands. The average daily volume was about 64,000 shares worth around US\$320,000. The average price for the year consequently was about US\$4.96, a 7.35% increase compared to the previous year.

research and investor relations

During 2003, a number of financial institutions and realtors initiated or updated coverage of Solidere.

Local Arab Finance Corporation (AFC) updated its previous research, confirming its positive outlook on the Company.

EFG-Hermes, Egyptian-based asset manager and financial research institution, initiated its coverage of the Company, giving a neutral recommendation for the acquisition of Solidere's shares when the share was still trading in the range of US\$4.25 per share.

RAMCO, local real estate advisors and realtors, initiated a special survey titled "Solidere is winning", explaining how the Company is currently "reaping the fruits of a consistent urban vision and long-term investment strategy". They expected a turnaround in the market perception of the Company, which would start affecting positively its share price.

Investor relation efforts by the Company continued. Increased contact with shareholders and investors focused on highlighting the progress achieved in sales and development work and on the Company's strong financial fundamentals.

The Company continued to receive at its premises numerous visitors with diverse profiles. It participated in several local and regional real-estate-related conferences, as well as international promotional exhibitions, such as MIPIM 2003, held in France.

Solidere Shares: Volume and Price Movements 2003

