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Merrill Lynch extends recommendation on Lebanese Eurobonds, says little downside risk for bond prices in the near-term

Merrill Lynch maintained its recommendation on Lebanese Eurobonds for the 18th consecutive month and slightly increased its market weight allocation to 2.3% from 2.2% in its model emerging markets' portfolio. It saw little near-term downside risk on the Eurobonds despite concerns about the medium term economic outlook. Lebanon's market weight allocation of 2.3% remained the highest in the Middle East and Africa area.

Full story on page 6

Solidere declares net income of \$16.43m on gross revenues of \$87m in 2003

Solidere, Lebanon's largest company in terms of market capitalization, announced net profits of \$16.43 million in 2003 compared to \$41.14 million in 2002. Realized sales contracts totaled \$87 million, down from \$128.9 million in the previous year, while unrealized sales contracts of \$67.3 million were carried forward.

Full story on page 7

Beirut Port launches bid for management of container terminal

The Beirut Port Authority launched an international tender for the management and operation of its container terminal. The main objectives of the transaction are to maximize the productivity of container handling operations, increase traffic to the port, and improve the quality of service. The contract is for 10 years renewable for another 5 years.

Full story on page 4

Rating agency issues ratings for 10 Lebanese insurers

Insurance rating agency i.e. Muhanna & Co issued its third set of ratings covering 77 insurers and reinsurance firms in the Arab world. The ratings provide opinions on the financial strength of Arab insurers. The rated Lebanese firms are ADIR, Arabia, Assurex, Bankers, Cumberland, Libano-Arabe, MEDGULF, United Commercial, Victoire and Arab Re. Nine local firms fell into the 'secure' range.

Full story on page 5

Quote to Note

"We have the money and we have the skills, and we are ready to modernize our laws to meet international reinsurance standards."

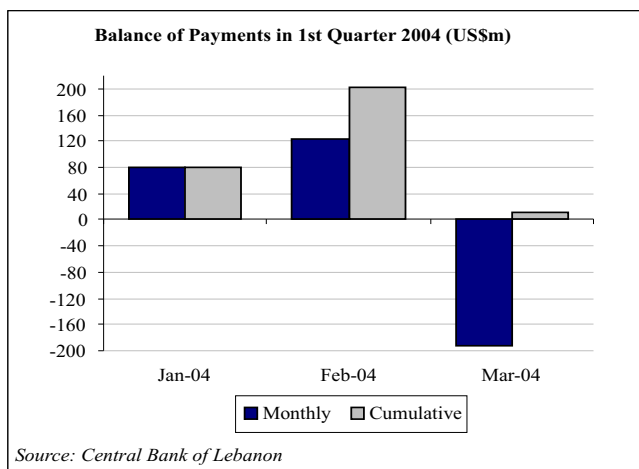
Prime Minister Rafiq Hariri, on Lebanon's potential to become a regional center for reinsurance firms

Number of the Week

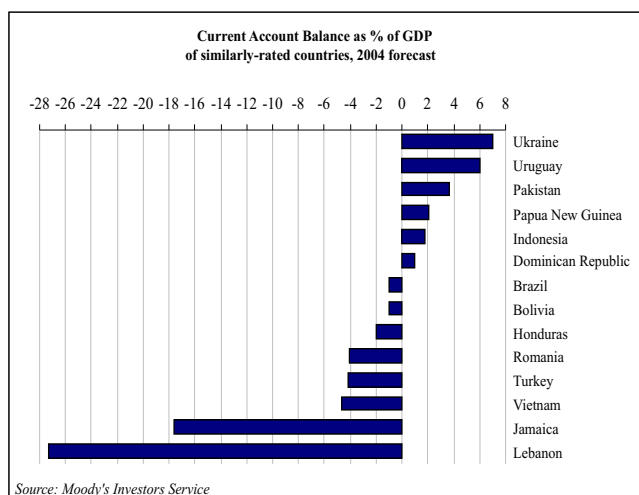
22%: Taxes as a percentage of Lebanon's gross domestic product, according to Central Bank Governor Riad Salameh

Balance of payments posts \$10.9m surplus in first quarter

Central Bank figures show that Lebanon's balance of payments (BoP) recorded a surplus of \$10.9 million in the first quarter of 2004 compared to a surplus of \$2.17 billion in the same period last year. The BoP posted a deficit of \$192.1 million in March compared to surpluses of \$123.6 million in February and \$1.47 billion in March 2003. The March deficit was caused by a decline of \$397.7 million in the Central Bank's net foreign assets and a rise of \$206 million in those of banks and financial institutions.



The cumulative surplus over the first quarter of the year was caused by a decline of \$62.3 million in the Central Bank's foreign assets and an increase of \$73 million in those of banks and financial institutions. The BoP posted a surplus of \$3.39 billion in 2003, equivalent to about 18% of GDP. The surplus was due to the inflow of funds following the success of the Paris II donor conference in November 2002 as well as to transfers from donor countries as per their financial commitments at the conference. The BoP recorded a surplus of \$1.56 billion in 2002 compared to deficits of \$1.17 billion in 2001 and \$289.1 million in 2000.

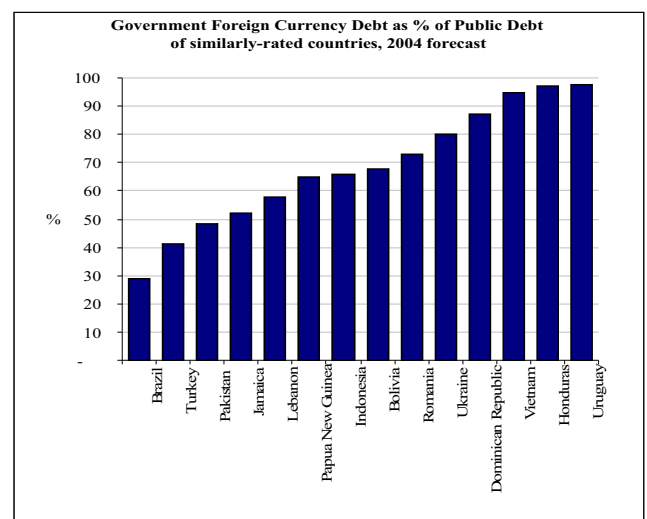


Public debt reaches \$33.62 billion at end of March 2004

Figures released by the Central Bank show that Lebanon's gross public debt reached \$33.62 billion at the end of March, constituting an increase of 0.87% in the first quarter of the year and a rise of 2.5% from \$32.8 billion in March 2003. Domestic debt increased by 4% in the year-to-March period and by 9.4% year-on-year to \$18.52 billion, while external debt rose by 2.7% in the first 3 months of the year and regressed by 4.8% annually to \$15.1 billion.

Commercial banks accounted for 49.1% of domestic debt at the end of March, followed by the Central Bank with 31.4%, individual investors with 11%, public agencies with 8.4%, and financial institutions with 0.2%. Foreign governments, development institutions and multilateral organizations accounted for 11.4% of external debt. Net public debt, which excludes the public sector's deposits at the Central Bank and at commercial banks from overall debt figures, rose annually by 6.5% to \$31.55 billion.

Foreign currency borrowing accounted for 44.9% of gross public debt at the end of March, up from 14.8% at year-end 1995. This reflects the ongoing restructuring of the debt as the Lebanese government is gradually shifting towards foreign currency financing in order to borrow at lower rates and over longer maturities.



BLC Bank posts \$3.55m in first quarter profits

BLC Bank sal, one of Lebanon's listed banks, declared unaudited net income of \$3.55 million in the first quarter of 2004 compared to a loss of \$2.1 million in the same period last year. Net interest income totaled \$8.9 million, up 46.5% from the first quarter of 2003, while net commission earned jumped by 83.2% year-on-year to \$0.82 million. The bank's gross income improved by 92.8% to \$13.5 million, while overall expenditures rose by 9.1% to \$10 million in the same period last year.

Total assets reached \$1.62 billion, up 27.8% from the end of March 2003, as performing loans to customers improved by 6.5% to \$154.2 million and non-performing loans grew by 6.6% to \$564 million. Non-performing loans continue to be a burden for the bank, as they accounted for 78.5% of total loans and as provisions and unrealized interest totaled \$478.2 million at the end of March 2004.

The bank carried Treasury bonds worth \$468.2 million as at the end of March, down from \$514.8 million a year earlier. BLC's goodwill was reported at \$66.3 million. Customer deposits totaled \$1.33 billion, constituting an increase of 26.3% from the end of March 2003. Shareholder's equity was \$30.6 million, up 145.4% from a year earlier. BLC's stock trades sporadically on the Beirut bourse and closed at \$2.94, unchanged throughout the first quarter of the year.

Byblos gets \$7.5m credit line from ICD

Byblos Bank, one of Lebanon's top 5 banks, received a \$7 million line of credit from the Islamic Corporation for the Development of the Private Sector (ICD), the private sector arm of the Islamic Development Bank. The facility is earmarked to finance the procurement by Lebanese firms of fixed assets such as equipment and machinery. The line of financing, the first-of-its kind granted by ICD to a Lebanese bank, has a tenor of 7 years and will be invested by way of installment sale facility to Byblos Bank's clients.

Earlier this year, ICD acquired a 10% stake in Byblos Bank Africa Ltd in order to support the activities of Byblos Bank Africa Ltd., which started operations in Sudan in September 2003. Byblos declared consolidated net income of \$10.3 million in the first quarter of 2004, down 12.7% from the same period last year. Its assets reached \$6.2 billion and its customer deposits totaled \$5.1 billion at the end of March.

Foreign reserves total \$12bn at the end of April

The Central Bank's interim balance sheet reached \$25.45 billion at the end of April compared to \$25.17 billion in the first half of the month. Assets in foreign currencies decreased by 0.78% to \$11.98 billion from \$12.07 billion in mid-April.

Assets in foreign currencies declined by \$93.1 million in the second half of April compared to a drop of \$20.34 million in the same period last year. They declined by rise of \$144 million in April \$403.1 million in March, rose by \$280 million in February, and \$67.53 million in January. This resulted in a decline of \$199.58 million, or 1.64%, in the year-to-April period and in an aggregate rise of \$1.98 billion, or 19.8%, year-on-year.

The bank's gold reserves decreased by 2.1% in the second half of April to \$3.57 billion, while its securities portfolio rose by 5.1% to \$6.5 billion. Further, deposits of the financial sector improved by 1.1% to \$21.62 billion, while deposits of the public sector were nearly unchanged at \$1.11 billion.

Assets in foreign currencies increased by \$5.23 billion in 2003 and \$2.21 billion in 2002, and declined by \$1.21 billion and \$1.66 billion in 2001 and 2000, respectively. Assets in foreign currencies are equivalent to about 20 months worth of imports.

Insurer ADIR's equity rises by 8.5% to \$10.7m at end of 2003

Byblos Bank's insurance subsidiary, Adonis Insurance and Reinsurance Co. (ADIR) sal, released its balance sheet showing total assets of \$19.5 million at the end of 2003, up 17.6% from the previous year and shareholder's equity of \$10.7 million, an 8.5% growth year-on-year. The life insurance branch accounted for 57.8% of total assets and 61.1% of shareholders' equity in 2003.

Further, technical provisions rose by 40.6% to \$5.25 million from \$3.73 million in the previous year. Reserves for the life category totaled \$2.63 million and reserves for unrealized premiums grew by 25.5% to \$2.81 million, while provisions for risks and charges increased by 8.1% to \$0.13 million over the same period. The life insurance branch accounted for 50% of technical provisions and for 65% of provisions for risks and charges.

Al-Bayan magazine's annual survey of the insurance sector in Lebanon ranked ADIR in 6th and 21st place in 2003 in terms of life and non-life premiums, respectively. The firm's life premiums reached \$3.04 million while non-life premiums amounted to \$5.56 million last year, constituting increases of 23.1% and 39.1%, respectively, from similar figures in 2002. It had a 2.2% share of the life insurance market and a 1.46% share of the general insurance market in 2003.

In 2001, Assurances Banques Populaires, now operating as Natexis Assurances, acquired 34% of ADIR. Natexis Assurances is the 5th largest bancassurance group in France. The venture aims to diversify ADIR's sources of income by offering life and savings products with Natexis' expertise in designing, managing and marketing insurance products through commercial banks. Natexis Assurances is an affiliate of Natexis Banques Populaires, which has around 33,000 employees and operates in 44 locations around the world.

Beirut port launches bid for management and operation of container terminal

The Port of Beirut Authority launched an international public tender for companies interested in managing and operating its container terminal. The Port Authority built a \$150 million container terminal with a berth 600 meters in length, 15.5 meters in depth and 23 hectares of backup area, and bought \$26.9 million worth of container handling equipment. The main objectives of the transaction are to maximize the productivity of container handling operations, increase traffic to the port, and provide the highest quality of service to its users.

The Beirut port is a government-owned corporation that operates as a private enterprise, which has been managed by an administrative committee since 1991 under the 'principle of continuity'. Operating the container terminal is key to increasing activity at the port, which at present handles domestic freight, while the improvement in services will allow the port to handle containers that currently cannot be hauled off big ships.

Terms of the tender stipulate that the operator will manage the terminal for a 10-year period with an option to renew for 5 additional years if the port is not privatized. The new operator will have to invest around \$3 million and pay a performance bond of \$3 million for the duration of the contract. The operator is expected to handle up to 500,000 20-foot equivalent units (TEU) per year, the maximum throughput of the terminal.

The operator must have a minimum experience of 7 years in operating container terminals, must operate at least 2 container terminals comparable to the Port of Beirut terminal in two different countries, and operate at least one container terminal with annual throughput of at least 500,000 TEU's for each of the last 5 years. Further, the operator will have to invest in maintenance, operation, information systems and equipment as required during the contract period.

The Beirut port handled 5.15 million tons of cargo in 2002, of which around 35% was general cargo, 32% was in containers, 24% was liquid fuel and 9% was Dry Bulk cargo. Over 90% of the cargo handled at the port is import cargo. The port's share of revenues from container handling operations totaled around \$13.0 million in 2002 and \$12.8 million in 2001, while the equipment contractors' share of these activities was in excess of \$8.4 million in 2002 and \$8.3 million in 2001.

Rating agency issues ratings for 10 Lebanese insurers

i.e. Muhanna & Co., the first Arab rating agency for insurance companies in the Arab world, issued its third set of ratings covering 77 insurance and reinsurance firms operating in the Arab world, up from 66 companies in the 2003 edition. The ratings provide opinions on the financial strength of Arab insurers and are supported by a detailed rationale describing key issues. The ratings scale ranges from 'AAA' to 'CC' with the 'A' range being the more secure.

The agency's rating methodology, which has been refined to better differentiate between the risk characteristics of life and general insurers, falls under the categories of 'secure' and 'uncertain' ratings. The 'secure' category includes insurers with a sound and balanced financial capacity to meet policyholders' obligations, while the 'uncertain' category is for insurers whose capacity to meet those obligations is viewed as vulnerable to adverse economic and underwriting conditions. Companies rated below the 'BBB-' classification fall under the 'uncertain' range. The agency based its rating opinion on the analysis of 17 financial ratios and 4 non-financial items for each insurer for the 1998-2002 period and incorporated them into its model.

The Beirut-based agency approached 61 Lebanese firms, but only 9 insurers and one reinsurer responded to its initiative. The rated Lebanese firms are ADIR, Arabia, Assurex, Bankers, Cumberland, Libano-Arabe, MEDGULF Lebanon, United Commercial (UCA), Victoire, and Arab Re. ADIR, Arabia, MEDGULF and United Commercial went through an interactive financial strength rating process, which involves extensive interaction between the management of the insurer and the Muhanna team of analysts. Nine Lebanese firms fell into the 'secure' range with only one being classified in the 'uncertain' category.

Arabia was the highest rated Lebanese insurer, receiving an 'A' rating, while ADIR, Assurex, Libano-Arabe, and MEDGULF received an 'A-' rating each. According to Muhanna & Co., companies with such ratings have a strong ability to meet their policyholders' obligations but are somewhat more susceptible to adverse changes in economic and underwriting conditions than higher rated insurers.

UCA and Arab Re followed with a 'BBB+' rating each, while Bankers and Victoire received a 'BBB' rating each. This category meets overall criteria for a 'secure' rating but some aspects may be relatively weak. Insurers rated at this level are viewed as offering average security for the industry. UCA stands out as the only Lebanese insurer in the BBB range to have been rated interactively and Muhanna & Co. expects its financial strength rating to improve over the next 12 months as indicated by its positive outlook.

Cumberland received a 'BB+' rating. The 'BB' rating falls under the 'uncertain' category and denotes some weakness in an insurer's operating profile or financial condition. Financial security may be adequate, but the capacity to meet obligations for long-term policies is vulnerable to adverse conditions.

The ratings on the 77 Arab insurers are published in the Digest of Arab Insurance Rating (DAIR) in association with the General Arab Insurance Federation, which also includes an updated industry summary and benchmarks. The rated firms represent 40% of the aggregate premiums of insurance companies operating in the Arab world.

Rated Lebanese Firms		
Firm	Rating	Outlook
Arabia*	A	Stable
ADIR*	A-	Stable
Libano-Arabe	A-	n/a
MEDGULF - Lebanon*	A-	Stable
Assurex	A-	n/a
Arab Re	BBB+	n/a
United Commercial*	BBB+	Positive
Bankers	BBB	n/a
Victoire	BBB	n/a
Cumberland	BB+	n/a

* Ratings are interactive

Source: i.e. Muhanna & Co., DAIR 2004

Merrill Lynch extends recommendation on Lebanese Eurobonds

Merrill Lynch maintained its recommendation on Lebanese Eurobonds for the 18th consecutive month and slightly increased its market weight allocation to 2.3% from 2.2% in its model emerging markets' portfolio. The decision reflects the still positive outlook on Lebanese paper, as the firm noted that the Lebanese component of its IGOV emerging market debt index posted a return of 3.1% in the first 4 months of 2004 compared to -2.4% for the IGOV. Further, Lebanon outperformed the market by 5.5% in April.

It said Lebanon's carry, or the spread between the LIBOR rate and yields on the bonds, is still positive compared to the rest of the emerging markets. The investment firm noted that Lebanese Eurobonds may be a good near-term defensive play as they would probably outperform the overall emerging debt market if the latter experiences another sell-off similar to the one that took place earlier this year. It saw little near-term downside risk on the prices of eurobonds, as local banks hold most of the debt and did not express a strong preference for any particular bond due to the market's lack of liquidity. It added that the Republic '16 maturity is the cheapest bond on the yield curve, trading about 120 basis points above the Republic '09.

Merrill Lynch has previously affirmed that the Central Bank's large reserve cushion will be more than sufficient to face any possible near-term turbulence. It also expected the upcoming Eurobond issue to be in the range of \$500 million to \$1 billion.

Lebanon's market weight allocation of 2.3% remained the highest in the Middle East and Africa area. It was followed by Nigeria with a 2.2% allocation, South Africa (1.7%), Morocco (0.5%), and the Ivory Coast (0.2%). Merrill Lynch modified the allocation of Lebanese Eurobonds in its recommended portfolio by increasing the weight of the Republic '06 and '08 to 0.6% from 0.5% for each, reducing the Republic '09 to 0.4% from 0.6%, and by adding the Republic '16 with a 0.1% allocation.

ML Portfolio Market Weight	
Issue	Recommended Allocation
Lebanon Rep 05	0.2%
Lebanon Rep 05C	0.4%
Lebanon Rep 06	0.6%
Lebanon Rep 08	0.6%
Lebanon Rep 09	0.4%
Lebanon Rep 16	0.1%
Total	2.3%

Source: Merrill Lynch

BLOM Bank to issue \$50m to \$100m in preferred shares

BLOM Bank sal, one of Lebanon's top 5 banks, is to issue tier-one non-cumulative redeemable preferred shares starting in July 2004. The bank intends to issue 500,000 shares subject to an increase up to a maximum of one million shares. The issue size of the Series 2004 Preferred Shares is expected to range between \$50 million and \$100 million, with an open-ended maturity subject to a call option. The issue price is set at \$100 per share with a par value of LP10,000 per share. Shareholders will receive annual dividends in an aggregate amount equivalent to 8.5% of the bank's consolidated profits.

This is BLOM's second issuance of such shares, as it issued \$75 million worth of preferred shares in October 2002. Holders of the 2002 preferred shares have the right to subscribe to the new issue, on a priority basis, pro rata to their holdings in the previous issue. Also, holders of common shares will have the priority of allocation pro rata to their holdings of common stock, but after holders of preferred 2002 shares have exercised their priority subscription rights.

Holders of Series 2004 Preferred Shares will have limited voting rights compared to holders of common stock, but will have priority to receive dividends ahead of common stock holders.

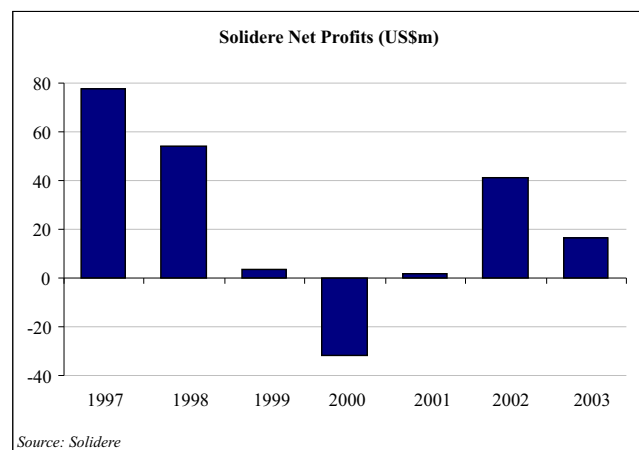
BLOM's aggregate capital funds reached \$681 million at the end of March 2004, while its Tier One capital totaled \$574.8 million. The bank declared net income of \$22.4 million in the first quarter of this year. Its assets reached \$9 billion and its customer deposits totaled \$8 billion at the end of March.

Solidere posts \$16.43m in net profits for 2003

Solidere, Lebanon's largest company in terms of market capitalization, announced net profits of \$16.43 million in 2003 compared \$41.14 million in 2002 and \$1.91 million in 2001, and to losses of \$31.77 million in 2000. The firm's net income was \$3.72 million in 1999, \$54 million in 1998 and \$77.8 million in 1997.

Realized sales contracts, or gross revenues, totaled \$87 million compared to \$128.9 million in 2002, \$77.5 million in 2001 and \$6.3 million in 2000. They amounted to \$37.5 million in 1999, \$117.9 million in 1998 and \$144 million in 1997. Unrecognized sale contracts totaling \$67.3 million were carried forward as part of the company's backlog of sales agreements and are expected to be recognized in 2004. Further, rental revenues rose by 10% to \$15.4 million and are projected to improve to \$16.5 million in 2004.

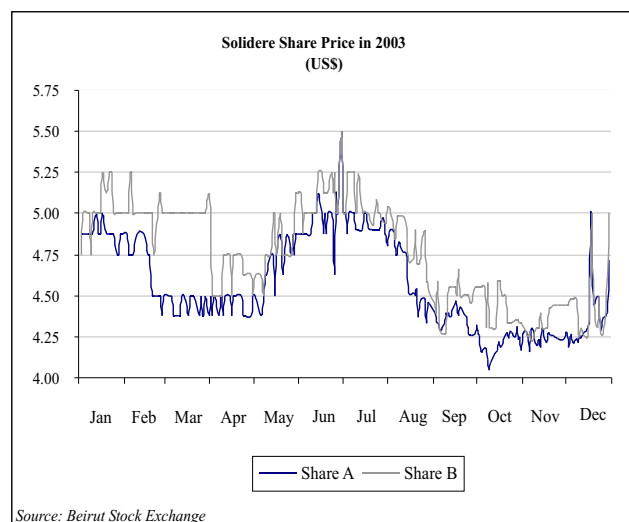
Net revenues from land and real estate sales regressed by 40.3% to \$35.2 million and net revenues from rented properties rose 15.4% to \$9.62 million, resulting in total operating revenues of \$45.6 million in 2003, down 32.4% year-on-year.



The company's operating expenses were nearly unchanged at \$10.34 million, as general and administrative expenses marginally regressed by 0.5% to \$9.24 million. As a result, it posted operating profits of \$35 million last year compared to \$57 million in 2002. Bank loans regressed by 0.2% to \$319.5 million, with the firm's leverage ratio of 19.48% remaining within its stated limit of 25% of shareholders' equity, as its debt servicing cost fell by 5.2% to \$23.7 million.

The firm succeeded in reducing this ratio to less than 20% for the second year in a row, in line with company objectives and with the requirements of some bank loans. It expects its debt to equity ratio to further decline this year to 18%.

Further, Solidere maintained a comfortable cash balance of \$89.7 million compared to \$75.6 million in 2002 and \$79.44 million in 2001. The company's overall liabilities declined to \$451 million at the end of 2003 from \$479 million a year earlier. Solidere distributed dividends for 2002 in the form of one share for each 40 shares held by investors on a pro rata basis.



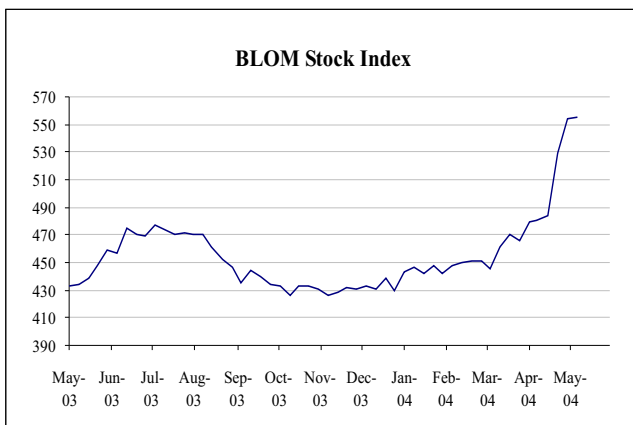
Equities

April activity declines to \$11.2m

Activity on the Beirut Stock Exchange regressed in April compared to March, as aggregate volume declined by 14.1% to 1.41 million shares and total value retreated by 15.6% to \$11.22 million, of which \$6.26 million, or 55.8%, were in **Solidere** stock. Overall activity was lower relative to the \$15.1 million in turnover registered in April 2003. Market liquidity decreased from 0.84% in March to 0.6% in April, while market capitalization improved by 18.6% month-to-month to \$1.88 billion. On a weekly basis, activity regressed as volume dropped by 24.6% to 0.38 million shares and turnover dropped by 22% to \$2.79 million. Trading was thin, as 9 stocks were traded with 4 advances and 2 declines. The BLOM Stock Index closed up 0.11% at 555.28, as **Solidere** accounted for 95.6% of volume and 89.4% of value.

Solidere's stock continued its upward trend. The 'A' share increased by 0.6% to end the week at \$6.8 while its 'B' counterpart gained 0.3% to close at \$6.76. A total of 363,293 shares changed hands for a turnover of \$2.5 million compared to a volume of 449,798 shares and a value of \$2.97 million for the previous week. Bank stocks contributed 6.4% of turnover compared to 14.3% for the previous week, as 4 out of 8 bank stocks were traded with one price change. **Byblos'** regular stock was the only mover, as it decreased by 2.84% to close at \$1.71.

Three out of 4 investment funds saw light activity, as the **Beirut InterBank Fund** increased by 0.49% to close at \$105.5, and the **Beirut Lira Fund** gained 0.98% to end the week at LL103,000, while the **Beirut Global Income** fund dropped 0.48% to \$105. The GDR market was in positive territory, as **Solidere** gained 2.89% to cross the \$7 mark and close at \$7.13, while **Audi** and **BLOM** were stable at \$20 and \$25.75, respectively.



Fixed Income

Bonds worth \$700m in the pipeline

The fixed income markets were quiet for the week and maintained their stability despite the regional instability. Bonds prices remained largely unchanged in low activity. The markets' attention has been focused on the new sovereign paper, as the Finance Ministry has decided to launch two separate issues totaling \$700 million.

The first issue will be a \$500 million Eurobond with a 7-year maturity and carrying a coupon rate ranging between 7.625% and 7.875%, while the \$200 million issue will be denominated in Euros, have a 5-year maturity and carry a coupon rate of between 7.58% and 7.38%. The new Eurobonds would be the first for the Lebanese government in nearly a year and a half, as it has not issued any foreign currency debt since the Paris II conference that was held in November 2002.

Global interest rate uncertainty has deterred investors from long-term debt instruments in emerging markets in recent months but, as in the case of previous Lebanese sovereign paper, the bulk of the two new issues will be placed with Lebanese commercial banks.

In parallel, the government continues to tap the domestic debt market, as the week's Treasury bills auction resulted in a 1-year issue carrying an average yield of 6.7%, a 2-year issue with an average coupon rate of 7.76%, and a 3-year issue carrying an average coupon rate of 8.68%. The government started tapping the debt market in order in the last quarter of 2003 to meet its financing needs after abstaining for the previous 9 months.

Fixed Income

Closing May 7, 2004	Size \$ million	Coupon rate	Coupon Frequency	Maturity Date	Price \$		Yield		Issue Spread (BP)	Current Average Spread	Duration
					Bid	Offer	Bid	Offer			
SOVEREIGN											
Lebanon Dec 04	850	9.500%	semi-ann	14/12/04	103	104	4.39%	2.75%	410	218	0.58
Lebanon Mar 05	1000	10.250%	semi-ann	3/5/05	104 1/4	105 1/4	4.93%	3.74%	n/a	270	0.80
Lebanon Jun 05	850	9.375%	semi-ann	6/30/05	104 3/4	105 3/4	5.05%	4.18%	310	260	1.08
Lebanon May 06	350	10.500%	annual	5/15/06	108	109	6.17%	5.66%	n/a	331	1.76
Lebanon Oct 07	400	8.625%	annual	10/31/07	105 1/4	106 3/4	6.85%	6.38%	250	334	3.04
Lebanon Aug 08	750	10.125%	semi-ann	8/6/08	110 3/4	112	7.14%	6.82%	516	339	3.52
Lebanon Oct 09	650	10.250%	semi-ann	10/6/09	112 1/2	114	7.40%	7.09%	440	326	4.22
Lebanon Oct 06 Euro	300	8.875%	annual	10/6/06	105 3/4	107	6.21%	5.66%	400	314	2.19
Lebanon 16	400	11.630%	semi-ann	11/5/16	115	116 1/2	9.50%	9.31%	400	507	6.71
CORPORATE											
Méditerranée 04	150	9.250%	semi-ann	7/12/04	100 5/8	101 3/8	5.59%	1.57%	480	253	0.18
Méditerranée 05	50	9.500%	semi-ann	3/1/05	103 5/8	104 5/8	4.90%	3.69%	502	208	0.79
Crédit Libanais 05	60	9.000%	semi-ann	7/18/05	104 1/2	106	5.07%	3.82%	n/a	243	1.14
Méditerranée 05	80	9.750%	semi-ann	9/9/05	105 3/4	107 1/4	5.24%	4.12%	n/a	266	1.27
BLOM 05	75	9.000%	annual	12/12/05	105 1/2	107	5.28%	4.34%	300	257	1.52
Crédit Libanais 06	60	6.750%	semi-ann	7/14/06	101 1/2	102 1/2	6.00%	5.52%	n/a	316	2.03
First National Bank 07	50	6.875%	semi-ann	1/26/07	100 3/4	101 3/4	6.56%	6.16%	n/a	344	2.48
Fransabank 07	60	8.500%	semi-ann	12/13/07	107 1/2	108 1/2	6.14%	5.84%	542	264	3.10
Byblos 12	100	9.000%	semi-ann	6/30/12	104	106	8.32%	7.99%	n/a	362	5.83

Equities

Closing May 7, 2004	Shares Listed	Total Outstanding Shares	Closing Price (\$) 4/30/04	Closing Price (\$) 5/7/04	Weekly Volume Traded	Weekly Price Mvnt	YTD Price Mvnt	P/E	P/BV	Dividend Yield
Solidere 'A'	100,000,000	165,000,000	6.76	6.80	222,460	0.60%	58.5%	25.70	0.64	2.50%
Solidere 'B'	65,000,000		6.74	6.76	140,833	0.30%	36.6%	25.55	0.64	2.50%
BLC 'C'	6,720,000	40,320,000	2.96	2.96	0	0.00%	0.7%	n/a	n/a	n/a
Audi 'C'	2,200,000	18,899,358	19.50	19.50	0	0.00%	5.4%	11.44	1.04	3.40%
BoB 'C'	13,536,000	40,600,000	7.82	7.82	5,000	0.00%	0.0%	15.39	2.06	1.27%
BoB Preferred	3,000,000	3,000,000	11.64	11.64	0	0.00%	n/a	n/a	n/a	6.91%
Byblos 'C'	68,355,000	205,023,723	1.76	1.71	5,252	-2.84%	3.5%	7.96	1.08	9.19%
Byblos Preferred	333,400	1,000,000	108.00	108.00	52	0.00%	4.4%	n/a	n/a	11.11%
BEMO 'C'	5,332,800	16,000,000	3.50	3.50	0	0.00%	0.0%	20.02	1.40	2.84%
BLOM (GDR)	4,389,601	18,500,000	25.00	25.00	4,998	0.00%	6.4%	5.74	0.95	7.96%
RYMCO	10,000,000	25,000,000	1.25	1.25	0	0.00%	-28.6%	8.57	0.87	7.20%
HOLCIM Liban	234,192,509	234,192,509	0.50	0.50	0	0.00%	-2.0%	10.66	0.59	4.90%
SCBB	6,000,000	9,000,000	1.50	1.50	0	0.00%	0.0%	15.40	2.10	n/a
SCBN	3,000,000	9,000,000	1.50	1.50	0	0.00%	0.0%	15.40	2.10	n/a
Uniceramic 'A'	3,667,000	12,870,000	1.40	1.40	0	0.00%	0.0%	102.94	1.04	n/a
Uniceramic 'C'	7,333,000	12,870,000	1.75	1.75	0	0.00%	3.0%	128.68	1.29	n/a
Lebanon Holdings	4,500,000	4,500,000	4.75	4.75	0	0.00%	-5.0%	n/a	0.71	n/a
Beirut InterBank Fund	200,000	200,000	103.00	103.50	20	0.49%	-5.1%	n/a	0.99	6.59%
Beirut Global Income	200,000	200,000	105.50	105.00	280	-0.48%	2.9%	n/a	0.99	n/a
Beirut Lira Fund (LL)	200,000	200,000	102.000	103,000	1,260	0.98%	n/a	n/a	1.01	n/a
GLOBAL DEPOSITORY RECEIPTS										
Audi	4,843,000	16,860,000	20.00	20.00	n/a	0.00%	9.6%	n/a	n/a	n/a
BLC	3,400,000	10,080,000	n/a	n/a	n/a	0.00%	0.0%	n/a	n/a	n/a
BLOM	3,731,111	18,500,000	25.75	25.75	n/a	0.00%	10.8%	n/a	n/a	n/a
Solidere	6,700,000	165,000,000	6.93	7.13	n/a	2.89%	43.2%	n/a	n/a	n/a
OVER THE COUNTER										
ABC	4,155,300	4,155,300	15	15	n/a	0.00%	0.0%	n/a	n/a	n/a
Casino du Liban	720,000	720,000	145	145	n/a	0.00%	0.0%	n/a	n/a	n/a
SGHL	16,000,000	16,000,000	4.75	4.75	n/a	0.00%	0.0%	n/a	n/a	n/a

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