

**CUSTODIAN AND CLEARING CENTER
OF FINANCIAL INSTRUMENTS
FOR LEBANON
AND THE MIDDLE EAST
(MIDCLEAR) S.A.L.**

FINANCIAL STATEMENTS

31 DECEMBER 2007

Custodian and Clearing Center of Financial Instruments for Lebanon and the Middle East (MIDCLEAR) S.A.L

INCOME STATEMENT

Year ended 31 December 2007

	<i>2007</i>	<i>2006</i>
	<i>LL</i>	<i>LL</i>
Revenues	7,530,623,704	7,455,542,124
Securities custody charges	(1,977,082,342)	(1,812,304,451)
GROSS PROFIT	5,553,541,362	5,643,237,673
Other income	1,025,460,739	764,003,370
Administrative expenses	(2,216,373,218)	(2,302,421,752)
Depreciation	(103,151,804)	(78,522,662)
Loss of exchange, net	6,402,658	(1,580,045)
Loss on disposal of property and equipment, net	(309,539)	(3,060,127)
PROFIT FOR THE YEAR BEFORE INCOME TAX	4,265,570,198	4,021,656,457
Income tax expense	(610,041,512)	(581,185,325)
PROFIT FOR THE YEAR	3,655,528,686	3,440,471,132

Custodian and Clearing Center of Financial Instruments for Lebanon and the Middle East (MIDCLEAR) S.A.L

BALANCE SHEET At 31 December 2007

	<i>2007</i>	<i>2006</i>
	<i>LL</i>	<i>LL</i>
ASSETS		
Non-current assets		
Property and equipment	363,261,447	267,466,362
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Current assets		
Accounts receivable and prepayments	1,030,307,972	879,975,354
Bank balances and cash	11,375,837,107	8,715,702,366
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	12,406,145,079	9,595,677,720
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TOTAL ASSETS	12,769,406,527	9,863,144,082
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EQUITY AND LIABILITIES		
Equity		
Share capital	2,800,000,000	2,800,000,000
Statutory reserve	933,333,333	713,309,539
Retained earnings	7,618,901,768	4,683,396,876
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Total equity	11,352,235,101	8,196,706,415
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Non-current liabilities		
Employees' end of service benefits	494,686,946	440,051,548
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Current liabilities		
Accounts payable and accruals	922,484,480	1,226,386,119
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Total liabilities	1,417,171,426	1,666,437,667
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TOTAL EQUITY AND LIABILITIES	12,769,406,527	9,863,144,082
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Custodian and Clearing Center of Financial Instruments for Lebanon and the Middle East (MIDCLEAR) S.A.L

CASH FLOW STATEMENT Year ended 31 December 2007

	<i>2007</i>	<i>2006</i>
	<i>LL</i>	<i>LL</i>
OPERATING ACTIVITIES		
Profit before income tax	4,265,570,198	4,021,656,457
Adjustments for:		
Depreciation	103,151,804	78,522,662
Provision for employees' end of service benefits	54,635,398	126,078,021
Loss on sale of property and equipment	309,539	3,060,127
	4,423,666,939	4,229,317,267
Working capital changes:		
Accounts receivable and prepayments	(150,332,618)	(234,932,215)
Accounts payable and accruals	(332,757,826)	72,933,268
Cash from operations	3,940,576,495	4,067,318,320
Income tax paid	(581,185,325)	(310,148,273)
Net cash from operating activities	3,359,391,170	3,757,170,047
INVESTING ACTIVITIES		
Purchase of property and equipment	(208,557,268)	(171,379,445)
Proceeds from sale of property and equipment	9,300,839	5,981,760
Net cash used in investing activities	(199,256,429)	(165,397,685)
FINANCING ACTIVITIES		
Dividends paid	(500,000,000)	(500,000,000)
Net cash used in financing activities	(500,000,000)	(500,000,000)
INCREASE IN CASH AND CASH EQUIVALENTS		
Cash and cash equivalents at 1 January	8,715,702,366	5,623,930,004
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	11,375,837,107	8,715,702,366

**Custodian and Clearing Center of Financial Instruments for
Lebanon and the Middle East (MIDCLEAR) S.A.L**

**STATEMENT OF CHANGES IN EQUITY
Year ended 31 December 2007**

	<i>Share capital LL</i>	<i>Statutory reserve LL</i>	<i>Retained earnings LL</i>	<i>Total LL</i>
Balance at 1 January 2006	2,800,000,000	369,262,426	2,086,972,857	5,256,235,283
Profit for the year – 2006	-	-	3,440,471,132	3,440,471,132
Dividends paid	-	-	(500,000,000)	(500,000,000)
Transfer to statutory reserve	-	344,047,113	(344,047,113)	
Balance at 31 December 2006	<u>2,800,000,000</u>	<u>713,309,539</u>	<u>4,683,396,876</u>	<u>8,196,706,415</u>
Profit for the year - 2007	-	-	3,655,528,686	3,655,528,686
Dividends paid	-	-	(500,000,000)	(500,000,000)
Transfer to statutory reserve	-	220,023,794	(220,023,794)	
Balance at 31 December 2007	<u>2,800,000,000</u>	<u>933,333,333</u>	<u>7,618,901,768</u>	<u>11,352,235,101</u>