

**CUSTODIAN AND CLEARING CENTER
OF FINANCIAL INSTRUMENTS
FOR LEBANON
AND THE MIDDLE EAST**

(MIDCLEAR) S.A.L.

**FINANCIAL STATEMENTS
31 DECEMBER 2008**

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

INCOME STATEMENT

Year ended 31 December 2008

	<i>2008</i>	<i>2007</i>
	<i>LL</i>	<i>LL</i>
Revenues	9,376,361,459	7,530,623,704
Securities custody charges	(1,827,989,308)	(1,977,082,342)
GROSS PROFIT	7,548,372,151	5,553,541,362
Other income	1,079,134,370	1,025,460,739
Administrative expenses	(2,741,083,397)	(2,216,373,218)
Depreciation	(115,793,998)	(103,151,804)
(Loss) profit of exchange, net	(5,839,554)	6,402,658
Loss on disposal of property and equipment, net	(221,882)	(309,539)
PROFIT FOR THE YEAR BEFORE INCOME TAX	5,764,567,690	4,265,570,198
Income tax expense	(830,964,016)	(610,041,512)
PROFIT FOR THE YEAR	4,933,603,674	3,655,528,686

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

BALANCE SHEET At 31 December 2008

	<i>2008</i>	<i>2007</i>
	<i>LL</i>	<i>LL</i>
ASSETS		
Non-current assets		
Property and equipment	387,043,110	363,261,448
Deposits with the Central Bank of Lebanon for the purchase of real estate	5,279,384,907	-
	5,666,428,017	363,261,448
 Current assets		
Accounts receivable and prepayments	1,007,609,894	1,030,307,972
Bank balances and cash	11,028,092,696	11,375,837,107
	12,035,702,590	12,406,145,079
TOTAL ASSETS	17,702,130,607	12,769,406,527
 EQUITY AND LIABILITIES		
 Equity		
Share capital	2,800,000,000	2,800,000,000
Statutory reserve	933,333,333	933,333,333
Retained earnings	12,051,808,042	7,618,901,768
	15,785,141,375	11,352,235,101
Total equity	15,785,141,375	11,352,235,101
 Non-current liabilities		
Employees' end of service benefits	683,799,186	494,686,946
	683,799,186	494,686,946
 Current liabilities		
Accounts payable and accruals	1,233,190,046	922,484,480
Total liabilities	1,916,989,232	1,417,171,426
TOTAL EQUITY AND LIABILITIES	17,702,130,607	12,769,406,527

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

CASH FLOW STATEMENT

Year ended 31 December 2008

	2008	2007
	<i>LL</i>	<i>LL</i>
OPERATING ACTIVITIES		
Profit before income tax	5,764,567,690	4,265,570,198
Adjustments for:		
Depreciation	115,793,998	103,151,804
Provision for employees' end of service benefits	189,519,402	54,635,398
Loss on sale of property and equipment	221,882	309,539
	6,070,102,972	4,423,666,939
Working capital changes:		
Accounts receivable and prepayments	22,698,078	(150,332,618)
Accounts payable and accruals	89,783,062	(332,757,826)
	6,182,584,112	3,940,576,495
Cash from operations	6,182,584,112	3,940,576,495
Income tax paid	(610,041,512)	(581,185,325)
Employees' end of service benefits paid	(407,162)	-
	5,572,135,438	3,359,391,170
INVESTING ACTIVITIES		
Purchase of property and equipment	(139,872,917)	(208,557,268)
Proceeds from the sale of property and equipment	75,375	9,300,839
Deposits with the Central Bank of Lebanon for the purchase of real estate	(5,279,384,907)	-
	(5,419,182,449)	(199,256,429)
Net cash used in investing activities	(5,419,182,449)	(199,256,429)
FINANCING ACTIVITIES		
Dividends paid	(500,697,400)	(500,000,000)
	(500,697,400)	(500,000,000)
Net cash used in financing activities	(500,697,400)	(500,000,000)
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(347,744,411)	2,660,134,741
Cash and cash equivalents at 1 January	11,375,837,107	8,715,702,366
	11,028,092,696	11,375,837,107
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	11,028,092,696	11,375,837,107

**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 2008**

	<i>Share capital LL</i>	<i>Statutory reserve LL</i>	<i>Retained earnings LL</i>	<i>Total LL</i>
Balance at 1 January 2007	2,800,000,000	713,309,539	4,683,396,876	8,196,706,415
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>
Profit for the year - 2008	-	-	4,933,603,674	4,933,603,674
Dividends paid	-	-	(500,697,400)	(500,697,400)
Balance at 31 December 2008	<u>2,800,000,000</u>	<u>933,333,333</u>	<u>12,051,808,042</u>	<u>15,785,141,375</u>