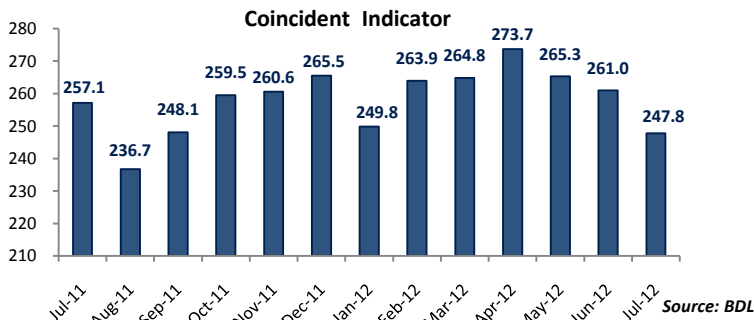


LEBANON ECONOMIC HIGHLIGHTS: July 2012

Coincident Indicator (INDIC) down -3.6% YOY in July 2012:

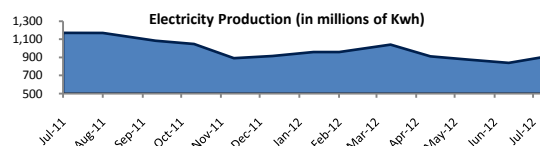
In July 2012, the coincident indicator witnessed a decrease of -3.6% YOY from 257.1 in July 2011 to 247.8 in July 2012. The indicator decreased -5.1% MOM from 261.0 in June 2012. Coincident indicator was created in 1994 by the BDL as a monthly estimate of the Gross Domestic Product (GDP). It includes eight economic indicators that seek to reflect the current state of the economy in Lebanon. The economic variables that compose the coincident indicator are: electricity production, cement deliveries, cleared checks, money supply M3, passengers flows, imports of petroleum derivatives, imports and exports.



According to the IMF, the Lebanese economy is expected to have a growth rate of 1.5% in 2011. The estimated growth rate for 2012 is 3.0% and it is forecasted to stabilize at 4.0% for the following four years into 2016.

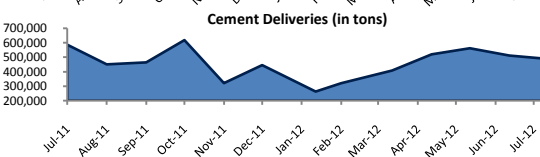
Electricity Production:

Electricity production decreased -22.2% YOY but increased 8.6% MOM to 912 million of Kwh.



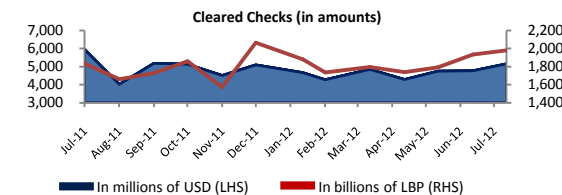
Cement Deliveries:

Cement deliveries, an indicator of construction activity, decreased by -16.7% YOY to 488,690 tons and -4.5% MOM. Construction permits, an indicator of future supply in the real estate sector, decreased by -1.3% YOY and -13.3% MOM.



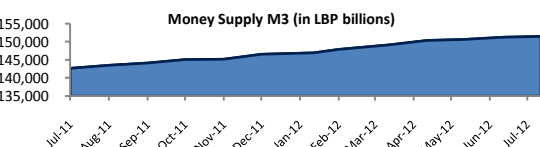
Cleared Checks:

The total value of cleared checks in both LBP and USD decreased -9.7% YOY to USD 6,460 million. The cleared checks in LBP increased by 7.8% YOY to LBP 1,977 billion and 2.3% MOM, and those in USD decreased -13.3% YOY to USD 5,148 million but increased 8.0% MOM.



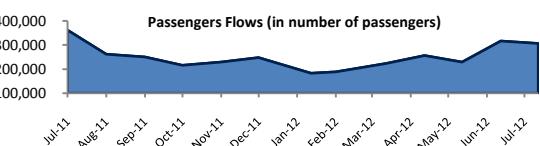
Money Supply M3:

M3 increased by 6.2% YOY and 0.1% MOM to LBP 151,510 billion (USD 100.5 billion), of which 59.0% is denominated in foreign currencies. M3 increased 2.7% in the first seven months of 2012.



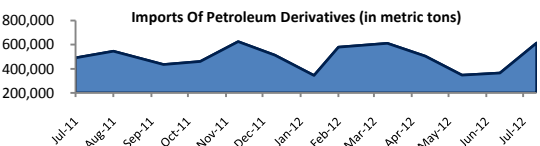
Passengers Flows:

The number of passengers arriving to Lebanon decreased by -15.3% YOY and -3.2% MOM to 306,467. Arrivals in the first seven months of 2012 surpassed those recorded in the first half 2011 by 6.4%.



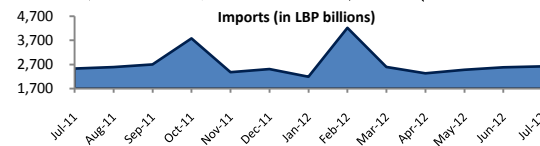
Imports Of Petroleum Derivatives:

Imports of petroleum derivatives increased by 25.1% YOY and 68.2% MOM to 614,142 metric tons of petroleum derivatives.



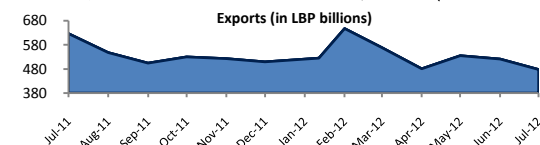
Imports:

Imports increased by 3.6% YOY to LBP 2,622 billion and 1.5% MOM. In the first seven months, mineral products lead imported goods with 29.4%, followed by machinery and mechanical appliances with 9.7% and chemical products with 8.3%.



Exports:

Exports totaled LBP 477 billion reflecting a decrease of -23.8% YOY and -8.3% MOM. Pearls, precious and semi-precious stones were on top of the list with 38.6%, followed by machinery and mechanical appliances with 11.8% and base metals with 9.9%.



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Source: BDL