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**CORPORATE PROFITABILITY  
COMPARISON BETWEEN  
2008 AND 2007**

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## OVERVIEW OF OUR CORPORATE PROFITABILITY COMPARISON BETWEEN 2008 AND 2007

As the global economy continues to undergo a rapid transformation, first from strong and steady growth, to a state of soaring inflation, and then to an overall market collapse, investors are looking on in anticipation to judge what the repercussions the latest economic developments have had on corporate operations and profitability. This summary report intends to highlight the performance of the 50 largest companies listed on the Amman Stock Exchange in terms of market capitalisation, illustrating key financial data for 2007 and 2008 for comparison.

Year 2008 started off buoyant on a global scale, but particularly so in the MENA region as stock markets flourished, investments soared, and profitability reached record levels. The rising prices of oil in the international market was a double-edged sword for the region, driving up inflation to double-digit figures, while at the same time, generating an abundance of wealth and liquidity in the oil-rich countries. While Jordan would be categorised, in contrast, as an oil-poor country, it was set to benefit nonetheless from the oil wealth indirectly, through increased remittances from Jordanians living abroad, and from direct and indirect foreign investment from the GCC into the Kingdom. The influx of liquidity helped boost the stock market performance, which saw the General Index rise by 39.5% during the first six months of 2008, a fact that reflected positively on corporations' investment portfolios and therefore the investment gains realised in financial statements. The boom in the stock market also helped increase investor wealth, thereby stimulating demand, as well as improving investor and consumer sentiment alike.

The buoyant stock market and economy meant that core operations of companies flourished and investment activities fared well. The continuous surge in prices of goods and commodities both locally and in the international market provided opportunity for companies to hike up the sales price of their products and services, enabling the generation of higher profit margins and earnings. Industrial companies, particularly those in the mining industry, benefited dramatically from the soaring prices of commodities in the international markets, with the Arab Potash Company and the Jordan Phosphate Mines recording both unprecedented earnings for the 2008 financial year and new all-time highs with regards to their stock price.

Strikingly, this strong performance came at a time of sizeable challenges in the market; accompanying the rise in prices of oil was an overwhelming rise in prices of goods and services across the board brought on by increased production costs from the hike in energy prices, rising transportation costs, and a spill-over effect to other segments of the economy. Inflation was rising month-on-month to levels not seen in years, which pushed up the costs relating to production and corporate operations. As prices continued to rise, corporations had to increase salaries to compensate for the higher cost of living, leading to further increases in expenses. Moreover, the devaluation of the dollar, and therefore the dinar, against other major currencies further exacerbated the effect of imported inflation, which for Jordan, a primarily import-oriented economy, added to the local inflation problem further.

The crisis that occurred in the U.S. market in terms of the sub-prime mortgage debacle, followed by the financial crisis and credit crunch, set the global economy into a tailspin. Gains made on the stock market during the first half of the year evaporated, with stock markets on the global front shifting into freefall. Billions of dollars of wealth disappeared, and consumer and investor confidence deteriorated. The Amman Stock Exchange lost 42.6% of its value compared to the first half of the year, and registered a 29.9% decline year-on-year. Oil prices slumped at an accelerating rate on the back of negative market sentiment, further exaggerating the markets' poor performance. Liquidity dissipated, bringing about huge asset sell-offs. Meanwhile, banks became increasingly risk averse, limiting their lending, rendering businesses unable to obtain finance to continue with their projects and investments. Many projects have been terminated or put on hold, and companies worldwide are laying off employees to cut costs.

The sharp downturn in prices of commodities in the aftermath of the crisis meant that many companies were stuck with expensive inventories that they could not offload. Provisions against such impairments, as well as provisions against the increased doubtfulness of collecting receivables, meant that income statements were hit hard. Added to this the negative impact of investment portfolios on companies P&L's led us to expect negative financial results for the 2008 fiscal year. Surprisingly, however, many companies' outstanding performance during the first half of the year managed to offset the losses or drop in revenues sustained during the second half of the year, with the aggregate net profits of our 50 listed companies registering a 36.2% increase year-on-year from JD 1.13 billion to JD 1.54 billion. 31 of the companies registered an increase in their bottom line, while 24 and 23 companies registered an increase in their return on average assets (ROAA) and return on average equity (ROAE), respectively, over the same period.

Company	Ticker	Paid up Capital		Total Assets			Shareholders' Equity**			Net Profit			ROAA		ROAE	
		2008	2007	2008	2007	% Change	2008	2007	% Change	2008	2007	% Change	2008	2007	2008	2007
ARAB BANKING CO.	ABCO	64,471,875	56,062,500	587,006,228	601,180,052	(2.4%)	85,103,604	77,344,767	10.0%	9,919,883	10,557,968	(6.0%)	1.7%	1.9%	12.2%	14.8%
NAT'L COM CENTER	ABLA	39,291,667	6,000,000	60,718,758	7,321,456	729.3%	35,705,605	5,616,810	535.7%	(581,820)	(320,530)	(81.5%)	(1.7%)	(4.5%)	(2.8%)	(6.8%)
ARAB EAST INVST.	AEIV	47,000,000	35,000,000	123,865,224	102,213,866	21.2%	97,472,425	60,242,738	61.8%	9,210,353	18,976,992	(51.5%)	8.1%	23.0%	11.7%	39.7%
ARAB INT INV EDU	AIEI	40,500,000	40,500,000	88,350,555	88,704,371	(0.4%)	55,752,084	54,934,665	1.5%	4,676,112	4,642,704	0.7%	5.3%	5.6%	8.4%	8.2%
ARAB INT'L FOOD	AIFF	10,500,000	10,500,000	33,329,206	33,479,544	(0.4%)	32,880,291	33,222,776	(1.0%)	458,715	1,233,902	(62.8%)	1.4%	4.4%	1.4%	4.4%
ARAB INTL HOTEL	AIHO	25,000,000	25,000,000	69,779,451	71,861,670	(2.9%)	58,916,236	62,822,586	(6.2%)	3,203,150	3,513,278	(8.8%)	4.5%	4.9%	5.3%	5.7%
ARAB JOR/INV/BANK	AJIB	100,000,000	100,000,000	697,473,021	636,778,592	9.5%	123,832,030	117,576,597	5.3%	11,782,226	6,977,496	68.9%	1.8%	1.2%	9.8%	7.5%
AMWAL INVEST	AMWL	42,500,000	42,500,000	85,209,107	72,749,551	17.1%	63,379,808	59,881,740	5.8%	4,436,660	5,146,098	(13.8%)	5.6%	7.5%	7.2%	9.0%
ARAB POTASH CO	APOT	83,318,000	83,318,000	873,339,000	543,224,000	60.8%	641,951,000	388,961,000	65.0%	311,390,000	150,191,000	107.3%	44.0%	31.8%	60.4%	45.7%
ARAB BANK	ARBK	534,000,000	356,000,000	22,751,002,000	21,220,031,000	7.2%	3,579,954,000	3,547,994,000	0.9%	360,174,000	334,656,000	7.6%	1.6%	1.7%	10.1%	10.1%
ARAB REAL EST	ARED	40,000,000	25,000,000	112,391,795	77,721,049	44.6%	40,345,353	32,253,230	25.1%	(1,448,156)	5,125,821	(128.3%)	(1.5%)	6.9%	(4.0%)	18.6%
BANK OF JORDAN	BOJX	100,000,000	100,000,000	1,686,018,203	1,455,719,079	15.8%	179,604,487	161,205,938	11.4%	32,858,476	24,384,386	34.8%	2.1%	1.7%	19.3%	16.2%
CAIRO AMMAN BANK	CABK	80,000,000	75,000,000	1,462,244,466	1,319,245,230	10.8%	151,500,924	145,043,672	4.5%	20,294,839	20,909,814	(2.9%)	1.5%	1.7%	13.7%	14.8%
DAR ALDAWA DV/IV	DADI	20,000,000	20,000,000	68,492,775	64,110,038	6.8%	51,289,862	52,076,078	(1.5%)	3,696,490	3,449,073	7.2%	5.6%	5.4%	7.2%	6.6%
CAPITAL BANK	EXFB	132,280,000	123,000,000	983,546,499	939,639,235	4.7%	194,699,120	165,141,627	17.9%	15,250,169	13,508,666	12.9%	1.6%	1.5%	8.5%	8.6%
FIRST JORDAN*	FRST	150,000,000	150,000,000	240,219,108	161,751,428	48.5%	172,315,675	157,502,659	9.4%	20,036,429	10,217,680	161.5%	19.9%	6.3%	24.3%	6.5%
GENERAL INVESTMENT	GENI	10,000,000	10,000,000	27,354,793	29,944,692	(8.6%)	24,894,014	27,133,709	(8.3%)	1,964,563	2,007,832	(2.2%)	6.9%	7.2%	7.6%	7.9%
INVEST ESTATE INDUST	IEAI	30,000,000	30,000,000	64,210,456	53,091,578	20.9%	39,064,937	31,453,279	24.2%	7,611,658	1,041,679	630.7%	13.0%	2.0%	21.6%	3.4%
INDSTR'L DEV BANK	INDV	24,000,000	24,000,000	113,993,500	129,666,137	(12.1%)	42,142,204	40,130,009	5.0%	3,144,032	5,439,406	(42.2%)	2.6%	4.1%	7.6%	11.4%
JOR INV FIN BANK	JIFB	61,325,000	55,000,000	683,282,263	699,126,874	(2.3%)	85,752,798	79,229,944	8.2%	8,875,046	6,385,123	39.0%	1.3%	0.9%	10.8%	8.3%
JOR NEW CABLE CO	JNCC	27,000,000	13,500,000	123,320,379	91,942,583	34.1%	20,094,789	32,308,151	(37.8%)	(10,743,991)	8,895,966	(220.8%)	(10.0%)	11.0%	(41.0%)	32.3%
JOR CEMENT FACT	JOCM	60,444,460	60,444,460	284,629,845	268,720,582	5.9%	183,247,716	173,307,897	5.7%	49,347,818	48,200,765	2.4%	17.8%	19.1%	27.7%	28.5%
JOR ELECTRIC PWR	JOEP	70,000,000	66,000,000	433,707,715	362,291,674	19.7%	100,442,071	95,932,316	4.7%	16,215,274	11,530,649	40.6%	4.1%	3.4%	16.5%	12.3%
JCBANK	JOGB	69,575,000	63,250,000	628,156,537	549,260,650	14.4%	87,628,197	81,227,982	7.9%	9,338,221	12,420,154	(24.8%)	1.6%	2.3%	11.1%	15.8%
JOR HOTEL TOURS	JOHT	10,000,000	10,000,000	28,770,605	29,048,520	(1.0%)	23,739,694	20,711,045	14.6%	4,528,649	2,959,077	53.0%	15.7%	10.6%	20.4%	15.0%
JOR ISLAMIC BANK	JOIB	81,250,000	65,000,000	1,848,373,078	1,598,135,334	15.7%	160,989,384	133,475,836	20.6%	35,140,643	22,988,321	52.9%	2.0%	1.5%	23.9%	18.5%
JORDAN INSURANCE	JOIN	30,000,000	30,000,000	64,454,717	61,458,769	4.9%	40,634,829	35,690,138	13.9%	8,460,011	(5,399,565)	256.7%	13.4%	(9.8%)	22.2%	(16.8%)
JOR KUWAIT BANK	JOKB	100,000,000	75,000,000	2,062,791,204	2,016,727,606	2.3%	239,397,722	216,946,670	10.3%	49,075,991	45,396,662	8.1%	2.4%	2.5%	21.5%	22.4%
JORDAN AHLI BANK	JONB	110,000,000	110,000,000	2,106,172,872	1,976,151,767	6.6%	201,458,941	195,834,145	2.9%	17,396,197	10,810,145	60.9%	0.9%	0.6%	8.8%	5.3%
JOR PHOSPHATE MN	JOPH	75,000,000	75,000,000	551,097,811	318,294,601	73.1%	417,113,593	193,530,914	115.5%	238,621,888	46,110,409	417.5%	54.9%	14.4%	78.2%	26.5%
JOR PETROLM REFINERY*	JOPT	32,000,000	32,000,000	971,101,379	521,648,179	86.2%	77,058,477	61,277,276	25.8%	17,338,913	4,397,811	425.7%	3.1%	0.9%	33.4%	7.3%
JOR WORSTED MILL	JOWM	15,000,000	12,500,000	81,640,455	104,437,234	(21.8%)	77,950,958	100,214,946	(22.2%)	4,384,728	5,819,231	(24.7%)	4.7%	6.0%	4.9%	6.3%
JOR PROJ TOUR DEV	JPTD	21,500,000	17,000,000	69,427,856	57,035,057	21.7%	35,533,315	31,678,426	12.2%	3,854,889	3,493,475	10.3%	6.1%	6.5%	11.5%	11.7%
JORDAN TELECOM	JTEL	250,000,000	250,000,000	676,045,635	664,642,715	1.7%	416,502,433	411,204,409	1.3%	99,336,490	93,745,786	6.0%	14.8%	14.9%	24.0%	23.1%
AL-DAWLIYAH H&M	MALL	43,200,000	43,200,000	67,459,778	65,901,008	2.4%	56,761,956	56,228,399	0.9%	2,632,606	2,236,423	17.7%	3.9%	3.4%	4.7%	4.0%
AFAQ INVEST REAL DEV	MANR	80,000,000	80,000,000	101,762,270	99,060,603	2.7%	93,376,380	85,323,647	9.4%	8,052,733	5,351,562	50.5%	N/A	N/A	N/A	N/A

Company	Ticker	Paid up Capital		Total Assets			Shareholders' Equity**			Net Profit			ROAA		ROAE	
		2008	2007	2008	2007	% Change	2008	2007	% Change	2008	2007	% Change	2008	2007	2008	2007
MEDITER. TOURISM	MDTR	45,000,000	45,000,000	52,864,413	51,919,647	1.8%	49,762,159	49,169,210	1.2%	3,140,401	3,067,152	2.4%	6.0%	5.8%	6.3%	6.3%
MID EAST COMPLEX *	MECE	100,000,000	100,000,000	428,259,758	366,730,792	16.8%	176,489,192	162,715,291	8.5%	7,728,733	6,172,992	66.9%	2.6%	1.9%	6.1%	3.8%
SOCGEN BK - JORDANIE	MEIB	40,455,830	26,970,553	275,841,242	221,921,355	24.3%	48,423,110	27,312,443	77.3%	4,006,490	2,206,611	81.6%	1.6%	1.1%	10.6%	8.4%
NAT'L POULTRY	NATP	30,000,000	30,000,000	77,246,925	73,013,124	5.8%	57,656,640	53,050,192	8.7%	4,606,448	6,374,930	(27.7%)	6.1%	9.9%	8.3%	12.8%
J. PRESS FOUNDAT	PRES	7,500,000	7,500,000	38,305,031	39,223,822	(2.3%)	34,022,170	33,407,056	1.8%	8,115,114	11,524,992	(29.6%)	20.9%	32.8%	24.1%	38.6%
REAL ESTATE INV	REIN	70,000,000	7,500,000	82,247,240	8,573,630	859.3%	70,168,099	7,677,675	813.9%	590,420	(681,562)	186.6%	1.3%	(7.6%)	1.5%	(8.9%)
ROYAL JORDANIAN	RJAL	84,373,350	84,373,350	374,361,000	330,257,000	13.4%	85,736,000	109,098,000	(21.4%)	(23,362,000)	20,363,000	(214.7%)	(6.6%)	6.8%	(24.0%)	20.6%
READY MIX CONCRT	RMCC	25,000,000	12,100,000	39,788,930	34,439,333	15.5%	26,834,992	16,693,939	60.7%	1,721,685	3,129,873	(45.0%)	4.6%	10.2%	7.9%	19.5%
SPCZ.INVST.COMD	SPIC	25,760,000	23,000,000	72,327,333	70,291,176	2.9%	26,952,773	30,149,635	(10.6%)	65,096	2,906,136	(97.8%)	0.1%	4.3%	0.2%	10.5%
TAAMEER JOR HLDGS	TAMR	211,982,573	211,982,073	340,456,793	283,524,576	20.1%	182,721,786	198,619,320	(8.0%)	3,953,938	(3,200,557)	223.5%	1.3%	(1.2%)	2.1%	(1.6%)
HOUSING BK TRD FIN	THBK	252,000,000	250,000,000	5,430,579,044	5,020,071,766	8.2%	868,663,134	850,478,735	2.1%	101,322,745	111,463,294	(9.1%)	1.9%	2.4%	11.8%	13.4%
UNI ARAB INVEST*	UAIC	147,500,000	147,500,000	353,684,544	311,852,089	13.4%	232,829,945	220,962,178	5.4%	3,506,634	(100,797)	4,738.5%	1.4%	(0.0%)	2.1%	(0.0%)
UNION BK SAV/INV	UBSI	95,000,000	95,000,000	1,134,469,444	1,068,090,450	6.2%	218,517,817	214,999,181	1.6%	15,609,002	13,776,465	13.3%	1.4%	1.4%	7.2%	8.7%
ZARA INVESTMENTS	ZARA	125,000,000	125,000,000	255,579,679	221,360,437	15.5%	131,673,954	119,666,590	10.0%	11,739,502	6,079,323	93.1%	4.9%	2.9%	9.3%	5.3%
<b>Total</b>		<b>3,968,727,755</b>	<b>3,535,700,936</b>	<b>49,866,749,920</b>	<b>45,193,585,521</b>	<b>10.3%</b>	<b>10,198,938,683</b>	<b>9,318,659,466</b>	<b>9.4%</b>	<b>1,538,881,663</b>	<b>1,130,083,111</b>	<b>36.2%</b>	<b>3.2%</b>	<b>2.7%</b>	<b>15.8%</b>	<b>12.9%</b>

\* 2008 Net Profit, ROAA and ROAE based on annualised earnings

\*\* Represents Shareholders' Equity before Minority Interest

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