
**CORPORATE PROFITABILITY
COMPARISON BETWEEN
Q1 2009 AND Q1 2008**

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OVERVIEW OF OUR CORPORATE PROFITABILITY COMPARISON BETWEEN Q1 2009 AND Q1 2008

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 that issued 2009 first quarter results, illustrating key financial data for the first quarter of 2009 compared to the first quarter of 2008 in terms of profits and losses, and the end of 2008 in terms of financial position.

Globally, the start of 2008 had been buoyant, a characteristic particularly visible 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 6.8% during the first quarter 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, although the impact of this did not become truly visible until the second quarter of the year. 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, the removal of the Jordanian Government's subsidy on fuel prices, and a spill-over effect to other segments of the economy. Inflation had begun a rising trend 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 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% in the second half of 2008, registering a 29.9% decline year-on-year, and continued to drop by 1.8% during the first quarter of 2009. Comparing the end of Q1 2009 with Q1 2008 reveals a substantial 1,217.5 points decline in the General Index. Moreover, the trading value had dropped to JD 2.75 billion for the quarter, almost half the JD 4.66 billion registered in the same quarter one year prior. 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. And while inflation levels have returned to more reasonable levels, the deceleration of the economy and the hardship experienced by the Jordanian population translated into reduced sales, particularly for companies in cyclical industries. Trading portfolios also continued to be hit as stock prices remained substantially lower than their 2008 peak levels, leading us to continue to anticipate poor financial results for the first quarter of 2009 vis-a-vis the first quarter of 2008. Overall, of the 50 companies considered, 31 registered a decline in their 2009 profits compared to 2008, and 10 companies registered losses for the quarter.

Company	Ticker	Paid-up Capital		Total Assets			Shareholders' Equity***			Profit for the Period			ROAA**		ROAE**	
		Q1 2009	2008*	Q1 2009	2008*	% Change	Q1 2009	2008*	% Change	Q1 2009	Q1 2008	% Change	2009	2008	2009	2008
ALNISR ALARABI	AAIN	10,000,000	10,000,000	31,054,343	30,288,918	2.5%	17,306,269	17,383,964	(0.4%)	385,904	747,702	(48.4%)	5.0%	10.2%	8.9%	17.0%
ARAB BANKING CO.	ABCO	64,471,875	64,471,875	582,119,774	587,006,228	(0.8%)	87,912,767	85,103,604	3.3%	2,333,234	3,776,401	(38.2%)	1.6%	2.5%	10.8%	18.6%
AL-AHLIA ENTERPRISES	ABLA	37,062,125	37,062,125	61,219,442	60,718,758	0.8%	35,179,161	35,705,521	(1.5%)	(497,089)	(78,815)	(530.7%)	(3.3%)	(0.9%)	(5.6%)	(1.5%)
ARAB EAST INVST.	AEIV	47,000,000	47,000,000	124,543,198	123,865,224	0.5%	98,481,565	97,472,425	1.0%	3,682,461	17,926,257	(79.5%)	11.9%	63.4%	15.0%	90.9%
ARAB FINANCIAL INVEST	AFIN	15,000,000	15,000,000	54,813,190	40,553,916	35.2%	34,130,588	32,231,745	5.9%	1,898,843	2,115,375	(10.2%)	15.9%	24.6%	22.9%	36.4%
ARAB GERMAN INS	AGICC	10,400,680	10,400,680	35,018,317	33,786,489	3.6%	11,607,472	10,630,871	9.2%	772,956	(34,570)	2,335.9%	9.0%	(0.4%)	27.8%	(1.3%)
ARAB INT INV EDU	AIEI	40,500,000	40,500,000	85,483,442	88,350,555	(3.2%)	52,136,868	55,752,084	(6.5%)	(1,317,794)	(475,638)	(177.1%)	(6.1%)	(2.1%)	(9.8%)	(3.4%)
ARAB INT'L FOOD	AIFF	10,500,000	10,500,000	27,603,955	33,329,206	(17.5%)	27,121,716	32,880,291	(17.5%)	(20,050)	46,215	(143.4%)	(0.3%)	0.6%	(0.3%)	0.6%
ARAB INTL HOTEL	AIHO	25,000,000	25,000,000	74,732,541	69,779,451	7.1%	59,902,848	58,916,236	1.7%	933,566	743,611	25.5%	5.2%	4.2%	6.3%	4.9%
ARAB JOR/INV/BANK	AJIB	100,000,000	100,000,000	795,896,050	697,473,021	14.1%	127,180,358	123,832,020	2.7%	2,992,562	2,789,542	7.3%	1.6%	1.7%	9.5%	9.2%
AMWAL INVEST	AMWL	42,500,000	42,500,000	66,745,329	85,209,107	(21.7%)	62,752,203	63,379,808	(1.0%)	4,377,508	2,820,251	55.2%	23.0%	14.3%	27.8%	18.3%
ARAB POTASH CO	APOT	83,318,000	83,318,000	803,205,000	873,339,000	(8.0%)	677,037,000	641,951,000	5.5%	35,106,000	29,268,000	19.9%	16.8%	16.5%	21.3%	22.7%
ARAB BANK	ARBK	534,000,000	534,000,000	23,044,070,000	22,751,002,000	1.3%	3,460,439,000	3,579,954,000	(3.3%)	80,139,000	120,617,000	(33.6%)	1.4%	2.2%	9.1%	13.5%
ARAB REAL EST	ARED	40,000,000	40,000,000	114,845,853	112,391,795	2.2%	46,980,563	40,345,353	16.4%	(3,889,252)	2,486,832	(256.4%)	(13.7%)	10.5%	(35.6%)	27.4%
BANK OF JORDAN	BOJX	100,000,000	100,000,000	1,767,904,625	1,686,018,203	4.9%	172,533,451	179,604,487	(3.9%)	7,400,625	6,790,005	9.0%	1.7%	1.7%	16.8%	15.9%
CAIRO AMMAN BANK	CABK	80,000,000	80,000,000	1,622,269,906	1,462,244,466	10.9%	159,897,613	151,500,924	5.5%	5,178,142	4,607,955	12.4%	1.3%	1.3%	13.3%	12.4%
DAR ALDAWA DV/IV	DADI	20,000,000	20,000,000	70,157,223	68,492,775	2.4%	51,162,722	51,286,862	(0.2%)	171,220	1,318,678	(87.0%)	1.0%	8.0%	1.3%	10.2%
CAPITAL BANK	EXFB	132,280,000	132,280,000	1,128,310,091	983,546,499	14.7%	199,705,166	194,699,120	2.6%	3,008,371	4,201,983	(28.4%)	1.1%	1.7%	6.1%	9.3%
INDSTR'L DEV BANK	INDV	50,000,000	24,000,000	163,571,759	113,993,500	43.5%	114,406,036	42,142,204	171.5%	498,764	1,082,084	(53.9%)	1.4%	3.6%	2.5%	10.5%
IRBID DISTRICT ELEC	IREL	4,000,000	4,000,000	112,257,851	110,966,734	1.2%	11,953,290	10,872,357	9.9%	1,080,933	(189,572)	670.2%	3.9%	(0.7%)	37.9%	(8.1%)
INT TOBACCO	ITCC	20,000,000	20,000,000	86,005,929	78,894,532	9.0%	32,155,735	35,402,904	(9.2%)	2,232,688	1,744,899	28.0%	10.8%	9.1%	26.4%	18.7%
JOR INV FIN BANK	JIFB	61,325,000	61,325,000	609,907,230	683,282,263	(10.7%)	86,082,115	85,752,798	0.4%	289,516	3,343,838	(91.3%)	0.2%	1.9%	1.3%	16.2%
JOR CEMENT FACT	JOCM	60,444,460	60,444,460	281,772,780	284,629,845	(1.0%)	192,143,233	183,247,716	4.9%	9,000,235	10,939,650	(17.7%)	12.7%	15.8%	19.2%	24.5%
JOR ELECTRIC PWR	JOEP	70,000,000	70,000,000	456,478,944	433,707,715	5.3%	100,139,663	100,442,071	(0.3%)	(72,855)	637,905	(111.4%)	(0.1%)	0.6%	(0.3%)	2.6%
JCBANK	JOGB	69,575,000	69,575,000	617,555,942	628,156,537	(1.7%)	90,689,085	87,628,197	3.5%	2,139,852	3,416,079	(37.4%)	1.4%	2.3%	9.6%	16.2%
JOR ISLAMIC BANK	JOIB	81,250,000	81,250,000	1,908,892,412	1,848,373,078	3.3%	169,074,268	160,989,384	5.0%	8,086,550	7,828,963	3.3%	1.7%	1.8%	19.6%	21.3%
JORDAN INSURANCE	JOIN	30,000,000	30,000,000	69,378,978	64,454,717	7.6%	42,608,201	40,634,829	4.9%	1,611,900	3,970,442	(59.4%)	9.6%	25.2%	15.5%	41.6%
JOR INV TRUST	JOIT	29,513,889	29,513,889	59,630,042	61,891,243	(3.7%)	38,223,268	39,738,184	(3.8%)	(2,004,937)	266,684	(851.8%)	(13.2%)	1.7%	(20.6%)	2.4%
JOR KUWAIT BANK	JOKB	100,000,000	100,000,000	2,051,046,927	2,062,791,204	(0.6%)	243,422,947	239,397,722	1.7%	14,275,539	13,328,330	7.1%	2.8%	2.6%	23.7%	23.4%
JORDAN AHLI BANK	JONB	110,000,000	110,000,000	2,128,683,913	2,106,172,872	1.1%	200,208,533	201,458,941	(0.6%)	7,032,800	9,010,190	(21.9%)	1.3%	1.8%	14.0%	18.1%
JOR PHOSPHATE MN	JOPH	75,000,000	75,000,000	560,330,563	551,097,811	1.7%	448,168,760	417,113,593	7.4%	31,055,167	8,710,097	256.5%	22.4%	8.0%	28.7%	11.4%
JOR STEEL	JOST	35,000,000	35,000,000	81,050,838	80,356,281	0.9%	44,874,406	44,287,678	1.3%	2,982,699	5,714,748	(47.8%)	14.8%	32.8%	26.8%	50.0%
JOR TRADE FAC	JOTF	16,500,000	16,500,000	32,110,529	35,365,596	(9.2%)	17,885,913	18,785,806	(4.8%)	631,603	N/A	N/A	7.5%	N/A	13.8%	N/A
JOR WORSTED MILL	JOWM	15,000,000	15,000,000	77,351,579	81,640,455	(5.3%)	73,554,786	77,950,958	(5.6%)	2,077,037	2,089,270	(0.6%)	10.5%	9.0%	11.0%	9.4%
JORDAN TELECOM	JTEL	250,000,000	250,000,000	682,550,048	676,145,635	0.9%	441,776,039	416,502,433	6.1%	25,053,080	25,022,877	0.1%	14.8%	14.9%	23.4%	24.2%
AL-DAWLIYAH H&M	MALL	43,200,000	43,200,000	71,338,609	67,459,778	5.7%	57,076,504	56,761,956	0.6%	354,308	669,297	(47.1%)	2.0%	4.0%	2.5%	4.7%

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		Q1 2009	2008*	Q1 2009	2008*	% Change	Q1 2009	2008*	% Change	Q1 2009	Q1 2008	% Change	2009	2008	2009	2008
SOCGEN BK - JORDANIE	MEIB	40,455,830	40,455,830	254,150,242	275,841,242	(7.9%)	49,192,292	48,423,110	1.6%	769,182	N/A	N/A	1.2%	N/A	6.3%	N/A
MIDDLE EAST INS	MEIN	18,000,000	18,000,000	60,458,816	61,965,525	(2.4%)	32,352,821	32,760,050	(1.2%)	(86,665)	(375,596)	76.9%	(0.6%)	(3.2%)	(1.1%)	(4.2%)
PETRA EDUCATION	PEDC	16,000,000	16,000,000	27,292,487	26,799,927	1.8%	19,811,176	20,515,118	(3.4%)	1,696,058	1,069,626	58.6%	25.1%	16.1%	33.6%	21.2%
J. PRESS FOUNDAT	PRES	7,500,000	7,500,000	36,579,795	38,305,031	(4.5%)	27,470,289	34,022,170	(19.3%)	948,119	1,807,886	(47.6%)	10.1%	18.7%	12.3%	21.4%
REAL ESTATE DV	RELV	91,500,000	91,500,000	195,241,635	198,782,640	(1.8%)	122,107,855	124,113,797	(1.6%)	(1,365,848)	(719,204)	(89.9%)	(2.8%)	(2.0%)	(4.4%)	(3.4%)
REAL ESTATE INV	REIN	70,000,000	70,000,000	90,010,870	82,247,240	9.4%	70,153,167	70,168,099	(0.0%)	57,499	(90,507)	163.5%	0.3%	(0.8%)	0.3%	(0.9%)
ROYAL JORDANIAN	RJAL	84,373,000	84,373,000	384,535,000	374,361,000	2.7%	69,347,000	77,917,000	(11.0%)	(8,570,000)	(4,404,000)	(94.6%)	(9.0%)	(5.0%)	(46.6%)	(18.8%)
READY MIX CONCRT	RMCC	25,000,000	25,000,000	39,421,109	39,788,930	(0.9%)	27,418,485	26,834,992	2.2%	25,668	583,364	(95.6%)	0.3%	6.3%	0.4%	10.7%
SPCZ.INVST.COMD	SPIC	25,760,000	25,760,000	73,980,115	72,327,333	2.3%	29,073,575	26,953,290	7.9%	630,341	1,497,385	(57.9%)	3.4%	8.4%	9.0%	21.0%
HOUSING BK TRD FIN	THBK	252,000,000	252,000,000	5,608,005,190	5,430,579,044	3.3%	828,781,103	868,663,134	(4.6%)	20,862,932	30,806,794	(32.3%)	1.5%	2.4%	9.8%	14.3%
UNION BK SAV/INV	UBSI	95,000,000	95,000,000	1,172,518,967	1,134,469,444	3.4%	222,141,746	218,517,817	1.7%	3,931,088	5,439,775	(27.7%)	1.4%	2.0%	7.1%	10.0%
UNION INV	UINV	50,000,000	50,000,000	82,120,232	84,396,132	(2.7%)	58,057,936	61,128,322	(5.0%)	(182,992)	210,641	(186.9%)	(0.9%)	1.0%	(1.2%)	1.3%
UNION LAND DEV	ULDC	45,000,000	45,000,000	82,290,579	82,153,477	0.2%	56,510,550	55,776,655	1.3%	739,141	580,474	27.3%	3.6%	3.0%	5.3%	4.2%
ZARQA EDUC	ZEIC	8,475,000	8,475,000	20,001,371	18,228,267	9.7%	14,506,907	13,572,156	6.9%	934,751	655,359	42.6%	19.6%	14.5%	26.6%	20.4%
TOTAL		3,341,906,868	3,315,904,859	48,666,515,569	47,677,020,639	2.1%	9,412,837,023	9,391,105,756	0.2%	269,372,369	334,316,570	(19.4%)	2.2%	2.9%	11.5%	14.9%

*Based on 2008 year-end results

** ROAA and ROAE are based on annualised Q1 earnings

*** Represents shareholders' equity before minority interest

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