
**CORPORATE PROFITABILITY
COMPARISON BETWEEN
Q3 2009 AND Q3 2008**

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OVERVIEW OF OUR CORPORATE PROFITABILITY COMPARISON BETWEEN Q3 2009 AND Q3 2008

One year following the collapse of the global financial system, which led the world into a state of confusion and distress, investors are still coming to grips with the challenges that have been brought about by the turmoil it inflicted on corporate profitability and capital market performance. 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 third quarter results, illustrating key financial data for the third quarter of 2009 compared to the third quarter of 2008 in terms of profits and losses, and the end of 2008 in terms of financial position.

The first three quarters of 2008 were characterised by soaring inflation, high liquidity and strong corporate profitability. While the Jordanian economy was continuing to enjoy the remnants of the boom it had been experiencing in recent years, it was, however, concurrently, exposed to a series of shocks. While the sky-rocketing prices of oil indirectly led to an inflow of foreign investment from the GCC countries to the Kingdom, it also led to heightened imported and domestic inflation which peaked during September 2008. For the majority of companies able to pass on the additional costs and more, profit margins were on the rise. Fertiliser companies were also recording record profits as the global price of their products increased multiple times over, and the financial sector was enjoying continued growth in operations, alongside a growing interest rate spread, leading the sector to record remarkable financial profits.

The eruption of the financial crisis in the United States and the consequent global economic slowdown brought the booming years of the Jordanian economy to an end. Liquidity rapidly dried up as banks became reluctant to lend, FDI dissipated, and remittances shrunk, while bad debts were accumulating and corporations resorted to layoffs to cut costs and remain in the green.

Although the crisis came to a head during H2 2008, the buoyancy of the economy and strong stock market performance during the first half of the year managed to offset a large portion of losses and drops in revenues that occurred during the second half, leading companies' profitability to fair reasonably well in the midst of the global slowdown. Overall, by the end of 2008, net profits of the 50 largest companies listed rose to JD 1.54 billion compared to JD 1.13 billion in 2007, with 32 of the companies registering an increase in their bottom line.

The continued effects of the global economic slowdown and its detrimental effect on the stock market meant that core operations of companies weakened and investment activities deteriorated. The drop in prices of commodities across the board left companies stuck with expensive inventories that could not be sold and had to be provided for on the income statement. The hardship faced by corporations and individuals alike necessitated taking large provisions against the doubtfulness of collecting receivables. Share prices plummeted in response to negative market sentiment, damaging companies' trading portfolios, adding further negative impact to their profit and loss statements, re-emphasising the poor market outlook. While inflation levels declined during 2009, the deceleration in the economy and the financial squeeze experienced by the population saw demand for goods and services decline, which in turn reduced sales of companies and therefore profits. Banks continued to tighten credit policies and demand more collaterals, leaving businesses unable to finance their projects and continue their investments.

In general, corporate profitability is correlated with stock performance. In 2009, the Amman Stock Exchange was hit hard by the global economic crisis. During the nine months of 2009, the Index lost 2.5% of its value compared to 2008 year-end. Moreover, in spite of the market's downward shift during the third quarter of 2008, the General Index still managed to registered a year-on-year decline of 34.0% as of September 30th 2009, with the sharpest drop occurring in the final quarter of 2008. This continuous decline in the Index saw share prices of companies reach attractive levels for rebuilding positions, but with a lack of available liquidity investors were unable to buy. Trading activity also slumped, with the trading value for the nine months registering at JD 7.79 billion compared to JD 18.08 billion for the same period last year, dropping by 56.9%. The situation was exacerbated further by the temporary decision by the Jordan Securities Commission to prohibit the trading of three heavyweight investors in certain stocks listed on the market. Moreover, the companies' negative Q3 2009 financial results further affected investors' sentiment towards the market leading them to divert their attention to more secure investments.

The challenges of the year so far led the aggregate net profits of our 50 largest listed companies to register a 37.2% year-on-year decline, dropping from JD 1.27 billion to JD 798.39 million, with 38 of the companies registering a decline in their Q3 bottom line compared to Q3 2008, of which 10 companies registered losses for the period.

Company	Ticker	Paid-up Capital		Total Assets			Shareholders' Equity			Net Profit			ROAA		ROAE	
		Q3 2009	2008	Q3 2009	2008**	% Change	Q3 2009	2008**	% Change	Q3 2009	Q3 2008	% Change	Q3 2009	Q3 2008	Q3 2009	Q3 2008
ALNISR ALARABI	AAIN	10,000,000	10,000,000	32,103,224	30,288,918	6.0%	18,250,929	17,383,964	5.0%	1,157,606	2,603,677	(55.5%)	4.9%	11.8%	8.7%	19.7%
ARAB BANKING CO.	ABCO	70,919,063	64,471,875	560,593,492	587,006,228	(4.5%)	93,795,897	85,103,604	10.2%	6,812,705	9,429,470	(27.8%)	1.6%	2.1%	10.2%	15.5%
ARAB EAST INVST.	AEIV	47,000,000	47,000,000	119,694,286	123,865,224	(3.4%)	95,375,192	97,472,425	(2.2%)	(2,085,709)	21,948,171	(109.5%)	(2.3%)	25.9%	(2.9%)	37.1%
ARAB FINANCIAL INVEST	AFIN*	15,000,000	15,000,000	48,539,814	44,323,053	9.5%	38,338,575	32,231,745	18.9%	5,106,830	7,920,417	(35.5%)	14.7%	29.1%	19.3%	45.4%
ARAB GERMAN INS	AGICC	10,400,680	10,400,680	32,417,489	33,786,489	(4.1%)	11,510,237	10,630,871	8.3%	860,022	(1,271,626)	167.6%	3.5%	(4.6%)	10.4%	(15.5%)
ARAB INT INV EDU	AIEI	40,500,000	40,500,000	80,952,391	88,350,555	(8.4%)	46,995,182	55,752,084	(15.7%)	(365,395)	734,539	(149.7%)	(0.6%)	1.1%	(0.9%)	1.8%
ARAB JOR/INV/BANK	AJIB	100,000,000	100,000,000	782,874,643	697,473,021	12.2%	124,267,413	123,832,020	0.4%	9,002,699	9,859,798	(8.7%)	1.6%	2.0%	9.7%	10.9%
AMWAL INVEST	AMWL	42,500,000	42,500,000	83,932,246	85,209,107	(1.5%)	67,928,738	63,379,808	7.2%	9,554,043	8,619,208	10.8%	15.1%	14.6%	19.4%	18.6%
ARAB POTASH CO	APOT	83,318,000	83,318,000	830,404,000	873,339,000	(4.9%)	689,639,000	641,951,000	7.4%	106,157,000	218,236,000	(51.4%)	16.6%	41.1%	21.3%	59.3%
ARAB BANK	ARBK	534,000,000	534,000,000	23,092,822,000	22,751,002,000	1.5%	3,775,566,000	3,579,954,000	5.5%	217,081,000	301,552,000	(28.0%)	1.3%	1.8%	7.9%	11.3%
ARAB REAL EST	ARED*	40,000,000	40,000,000	108,374,967	112,391,795	(3.6%)	40,378,776	40,345,353	0.1%	(8,693,448)	3,847,968	(325.9%)	(10.5%)	5.4%	(28.7%)	14.1%
BANK OF JORDAN	BOJX	100,000,000	100,000,000	1,852,939,944	1,686,018,203	9.9%	190,108,769	179,604,487	5.8%	22,619,697	30,248,430	(25.2%)	1.7%	2.6%	16.3%	23.7%
CAIRO AMMAN BANK	CABK	88,000,000	80,000,000	1,714,073,797	1,462,244,466	17.2%	169,439,808	151,500,924	11.8%	18,272,736	17,563,376	4.0%	1.5%	1.7%	15.2%	15.8%
DAR ALDAWA DV/IV	DADI	20,000,000	20,000,000	77,530,956	68,492,775	13.2%	51,050,877	51,289,862	(0.5%)	3,186,661	4,441,733	(28.3%)	5.8%	8.9%	8.3%	11.5%
CAPITAL BANK	EXFB	132,280,000	132,280,000	1,016,812,637	983,546,499	3.4%	200,238,198	194,699,120	2.8%	3,257,111	14,000,565	(76.7%)	0.4%	1.9%	2.2%	10.4%
INVEST ESTATE INDUST	IEAI*	30,000,000	30,000,000	62,655,665	64,210,456	(2.4%)	37,968,154	39,064,937	(2.8%)	(1,096,783)	N/A	-	(2.3%)	-	(3.8%)	-
INDSTR L DEV BANK	INDV	50,000,000	24,000,000	145,174,273	113,993,500	27.4%	114,796,515	42,142,204	172.4%	1,324,174	3,825,105	(65.4%)	1.4%	4.2%	2.3%	12.4%
IRBID DISTRICT ELEC	IREL	4,000,000	4,000,000	116,179,910	110,966,734	4.7%	12,274,327	10,872,357	12.9%	4,721,969	1,656,140	185.1%	5.5%	2.2%	54.4%	23.7%
INT TOBACCO	ITCC	20,000,000	20,000,000	84,139,570	78,894,532	6.6%	37,048,520	35,402,904	4.6%	6,906,631	5,612,789	23.1%	11.3%	9.8%	25.4%	20.0%
JOR INV FIN BANK	JIFB	70,000,000	61,325,000	626,874,071	683,282,263	(8.3%)	92,274,231	85,752,798	7.6%	5,472,091	5,103,594	7.2%	1.1%	1.0%	8.2%	8.2%
JOR CEMENT FACT	JOCM	60,444,460	60,444,460	293,451,695	284,629,845	3.1%	197,671,029	183,247,716	7.9%	54,579,269	41,522,712	31.4%	25.2%	20.0%	38.2%	31.1%
JOR ELECTRIC PWR	JOEP	75,600,000	70,000,000	473,869,200	432,159,450	9.7%	94,892,658	96,459,649	(1.6%)	4,321,849	7,923,228	(45.5%)	1.3%	2.7%	6.0%	11.0%
JCBANK	JOGB	73,053,750	69,575,000	619,180,611	628,156,537	(1.4%)	88,337,872	87,628,197	0.8%	3,308,684	10,129,156	(67.3%)	0.7%	2.3%	5.0%	16.0%
JOR ISLAMIC BANK	JOIB	100,000,000	81,250,000	2,090,085,349	1,848,373,078	13.1%	172,026,832	160,989,384	6.9%	23,158,148	30,394,133	(23.8%)	1.6%	2.4%	18.5%	27.5%
JORDAN INSURANCE	JOIN	30,000,000	30,000,000	73,387,764	64,628,985	13.6%	47,879,564	40,634,829	17.8%	3,072,608	13,597,987	(77.4%)	5.9%	28.8%	9.3%	47.5%
JOR INV TRUST	JOIT	29,513,889	29,513,889	57,639,600	61,891,243	(6.9%)	38,222,988	39,738,184	(3.8%)	(2,207,844)	2,171,237	(201.7%)	(4.9%)	4.6%	(7.6%)	6.5%
JOR KUWAIT BANK	JOKB	100,000,000	100,000,000	2,131,706,344	2,062,791,204	3.3%	273,562,289	239,397,722	14.3%	31,599,882	43,581,298	(27.5%)	2.0%	2.8%	16.4%	25.5%
JORDAN AHLI BANK	JONB	110,000,000	110,000,000	2,245,035,274	2,106,172,872	6.6%	209,801,661	201,458,941	4.1%	13,390,544	18,992,607	(29.5%)	0.8%	1.2%	8.7%	12.7%
JOR PHOSPHATE MN	JOPH	75,000,000	75,000,000	570,109,652	551,097,811	3.4%	460,400,670	417,113,593	10.4%	80,852,747	203,655,306	(60.3%)	19.2%	62.5%	24.6%	88.9%
JOR STEEL	JOST	35,000,000	35,000,000	85,060,078	80,356,281	5.9%	47,726,349	44,287,675	7.8%	5,840,566	7,125,928	(18.0%)	9.4%	13.6%	16.9%	20.8%
JOR WORSTED MILL	JOWM	15,000,000	15,000,000	80,002,987	81,640,455	(2.0%)	75,361,214	77,950,958	(3.3%)	4,537,797	4,556,156	(0.4%)	7.5%	6.5%	7.9%	6.8%
JO REALESTATE	JRCD*	34,500,000	30,000,000	44,394,974	42,277,291	5.0%	36,800,378	36,737,442	0.2%	(38,635)	5,579,727	(100.7%)	(0.1%)	17.2%	(0.1%)	19.7%
JORDAN TELECOM	JTEL	250,000,000	250,000,000	659,564,957	676,145,635	(2.5%)	394,690,593	416,502,433	(5.2%)	77,714,698	77,308,687	0.5%	15.5%	15.4%	25.5%	24.9%
AL-DAWLIYAH H&M	MALL	43,200,000	43,200,000	69,792,940	67,459,778	3.5%	56,505,602	56,761,956	(0.5%)	2,116,232	2,272,828	(6.9%)	4.1%	4.5%	5.0%	5.4%
SOCGEN BK - JORDANIE	MEIB	40,455,830	40,455,830	278,849,254	275,841,242	1.1%	51,108,077	48,423,110	5.5%	2,680,358	2,932,275	(8.6%)	1.3%	1.6%	7.2%	10.3%

Company	Ticker	Paid-up Capital		Total Assets			Shareholders' Equity			Net Profit			ROAA		ROAE	
		Q3 2009	2008	Q3 2009	2008**	% Change	Q3 2009	2008**	% Change	Q3 2009	Q3 2008	% Change	Q3 2009*	Q3 2008*	Q3 2009*	Q3 2008*
TAJ TOURIST PROJ	MERM*	55,170,859	40,000,000	87,432,679	71,822,408	21.7%	60,322,379	45,385,918	32.9%	(233,729)	1,569,400	(114.9%)	(0.4%)	3.5%	(0.6%)	4.6%
PETRA EDUCATION	PEDC	16,000,000	16,000,000	30,165,599	26,799,927	12.6%	20,483,611	20,515,118	(0.2%)	2,368,493	644,144	267.7%	11.1%	3.2%	15.4%	4.2%
J. PRESS FOUNDAT	PRES	7,500,000	7,500,000	34,220,475	38,305,031	(10.7%)	30,671,853	34,022,170	(9.8%)	4,149,683	7,178,100	(42.2%)	15.3%	24.7%	17.1%	28.4%
REAL ESTATE DV	REDV*	91,500,000	91,500,000	190,919,059	198,782,640	(4.0%)	119,225,773	124,113,797	(3.9%)	(11,456,648)	(669,735)	(1610.6%)	(7.8%)	(0.6%)	(12.6%)	(1.0%)
REAL ESTATE INV	REIN*	70,000,000	70,000,000	99,686,958	82,247,240	21.2%	69,635,221	70,168,099	(0.8%)	(437,475)	116,433	(475.7%)	(0.6%)	0.3%	(0.8%)	0.4%
ROYAL JORDANIAN	RJAL	84,373,000	84,373,000	385,996,000	374,361,000	3.1%	103,434,000	77,917,000	32.7%	25,517,000	(3,769,000)	777.0%	8.9%	(1.4%)	37.5%	(5.4%)
READY MIX CONCRT	RMCC	25,000,000	25,000,000	48,426,090	42,499,107	13.9%	29,301,799	29,530,463	(0.8%)	16,955	1,647,418	(99.0%)	0.0%	5.7%	0.1%	9.5%
SPCZ.INVST.COMD	SPIC	25,760,000	25,760,000	68,981,507	72,327,333	(4.6%)	26,729,307	26,953,290	(0.8%)	1,109,651	3,141,943	(64.7%)	2.1%	5.9%	5.5%	14.7%
HOUSING BK TRD FIN	THBK	252,000,000	252,000,000	5,653,518,455	5,430,579,044	4.1%	873,251,962	868,663,134	0.5%	48,767,845	89,142,297	(45.3%)	1.2%	2.3%	7.5%	13.8%
ISLAMIC INSUR CO	TIIC	12,000,000	10,000,000	22,736,589	23,628,834	(3.8%)	14,317,231	15,651,800	(8.5%)	(541,959)	9,200,000	(105.9%)	(3.1%)	57.5%	(4.8%)	88.7%
UNION BK SAV/INV	UBSI	100,000,000	95,000,000	1,373,347,628	1,134,469,444	21.1%	229,653,036	218,517,817	5.1%	10,733,127	16,838,163	(36.3%)	1.1%	2.0%	6.4%	10.4%
UNION INV	UINV*	50,000,000	50,000,000	75,348,130	84,396,132	(10.7%)	53,608,805	61,128,322	(12.3%)	123,680	1,420,162	(91.3%)	0.2%	2.2%	0.3%	3.0%
UNION LAND DEV	ULDC	45,000,000	45,000,000	83,832,383	82,153,477	2.0%	57,791,824	55,776,655	3.6%	1,614,238	2,996,881	(46.1%)	2.6%	5.2%	3.8%	7.1%
UNION TOBACCO	UTOB*	15,000,000	15,000,000	67,552,532	62,540,236	8.0%	44,625,074	33,100,015	34.8%	1,298,754	3,081,861	(57.9%)	2.7%	6.3%	4.5%	11.2%
ZARQA EDUC	ZEIC	12,000,000	8,475,000	19,131,921	18,228,267	5.0%	14,749,239	13,572,156	8.7%	1,177,083	651,300	80.7%	8.4%	4.8%	11.1%	6.7%
TOTAL		3,440,989,531	3,333,842,734	49,482,516,059	47,685,446,645	3.8%	9,900,034,228	9,380,714,010	5.5%	798,385,241	1,270,863,986	(37.2%)	2.2%	3.7%	11.0%	19.0%

* Figure for profit is pre-tax

** Based on 2008 year-end results

Figures for shareholders' equity are before minority interest

ROAA and ROAE are based on annualised Q3 earnings

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