
STOCKS WATCH LIST

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ABC 
Investments

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OVERVIEW OF OUR STOCKS WATCH LIST AND SCREENING PROCESS

Since the end of June 2008, the Amman Stock Exchange General Index has dropped by a substantial 42.4% from 4,772.2 points on June 30th 2008 to 2,750.6 points as of January 19th 2009 on the back of a sharp downward correction in the market following the 29.9% climb in the Index during the first half of 2008, and in response to negative market sentiment following the fallout in the U.S. sub-prime mortgage market, the global credit crunch, inflationary pressures and the global economic slowdown. As a result, many companies' share prices have overshot on the downside, rendering them undervalued and attractive for a buy-and-hold strategy.

To date, there are 68 companies listed that have a share price below par value. Moreover, there are 84 companies which are currently trading below book value as of the last financial statements. While the fall in share price below book value may be an indicator that investors are pessimistic about a company's future earnings potential or that its returns are insufficient to cover the required return by investors, we have used this factor as our primary screening factor, before applying a variety of other screening factors.

The screening factors used in the accompanying tables were as follows:

Table	Screening Factor 1	Screening Factor 2	Screening Factor 3
Table 1	Share Price < Book Value	Positive Earnings in Last Produced Financials	Sorted in Descending Order According to EPS
Table 2	Share Price < Book Value	Positive Earnings in Last Produced Financials	Sorted in Descending Order According to ROAA
Table 3	Share Price < Book Value	Positive Earnings in Last Produced Financials	Sorted in Descending Order According to ROAE
Table 4	Share Price < Book Value	Positive Earnings in Last Produced Financials	Sorted in Ascending Order According to P/E Ratio
Table 5	Share Price < Book Value	Positive Earnings in Last Produced Financials	Sorted in Ascending Order According to P/BV Ratio

One word of caution, however; these lists **do not** represent recommendations of stocks to buy. These lists merely highlight attractive looking stocks based on their current price and their last produced financial statements. Economic conditions and developments since the last financial statement date may have a dramatic impact on the current and future financial and economic position of these companies, which will ultimately present an entirely different perspective on them. Some of these stocks are inherently risky and may, in the post-financial reporting period, have become loss-generating, or may be operating in an industry with a negative outlook. Therefore, we recommend you exercise due diligence before taking any investment action.

LIST OF STOCKS TRADING AT BELOW BOOK VALUE RATED ACCORDING TO KEY RATIOS

Table 1 - Top 10 Companies Based on Annualised EPS

Company	Ticker	Date of Financial Statements	Paid up Capital	Total Assets	Shareholders' Equity	Annualised EPS	ROAA	ROAE	Share Price	P/E	BV	P/Bv
AL-AMIN FOR INVST	AAFI	Q3 2008	10,000,000	26,815,213	25,202,102	1.456	67.6%	72.0%	2.28	1.57	2.52	0.90
ARAB EAST INVST.	AEIV	Q3 2008	47,000,000	135,051,096	109,430,049	0.623	24.7%	34.5%	1.86	2.99	2.33	0.80
NATIONAL PORTFOLIO	NPSC	Q3 2008	15,000,000	45,811,357	27152232	0.617	23.9%	39.1%	1.38	2.24	1.81	0.76
PREMIER	ACDT	Q3 2008	1,330,008	8,837,346	5420932	0.598	8.8%	14.7%	4.05	6.77	4.08	0.99
JOR WORSTED MILL	JOWM	Q3 2008	15,000,000	99,105,707	95611183	0.405	6.0%	6.2%	5.18	12.79	6.37	0.81
AMAD REAL ESTATE INV.	AMAD	Q3 2008	6,600,000	11,211,833	10868324	0.389	24.1%	25.2%	1.18	3.03	1.65	0.72
INDSTRL DEV BANK	INDV	Q3 2008	24,000,000	123,033,827	65,998,433	0.333	6.3%	12.7%	2.36	7.09	2.75	0.86
UNIV MOD INDCO	UMIC	Q3 2008	6,000,000	13,788,992	9418037	0.297	14.7%	19.9%	1.17	3.93	1.57	0.75
UNION TOBACCO	UTOB	Q3 2008	15,000,000	64,097,903	38170687	0.274	6.3%	11.0%	2.07	7.56	2.54	0.81
AMWAL INVEST	AMWL	Q3 2008	42,500,000	91,322,208	67248863	0.270	14.0%	18.1%	1.41	5.21	1.58	0.89

Table 2 - Top 10 Companies Based on ROAA

Company	Ticker	Date of Financial Statements	Paid up Capital	Total Assets	Shareholders' Equity	Annualised EPS	ROAA	ROAE	Share Price	P/E	BV	P/Bv
AL-AMIN FOR INVST	AAFI	Q3 2008	10,000,000	26,815,213	25,202,102	1.456	67.6%	72.0%	2.28	1.57	2.52	0.90
ARAB EAST INVST.	AEIV	Q3 2008	47,000,000	135,051,096	109,430,049	0.623	24.7%	34.5%	1.86	2.99	2.33	0.80
AMAD REAL ESTATE INV.	AMAD	Q3 2008	6,600,000	11,211,833	10,868,324	0.389	24.1%	25.2%	1.18	3.03	1.65	0.72
NATIONAL PORTFOLIO	NPSC	Q3 2008	15,000,000	45,811,357	27,152,232	0.617	23.9%	39.1%	1.38	2.24	1.81	0.76
RESOURCES INVEST	JOMA	H1 2008	11,000,000	11,932,172	11,867,112	0.241	23.1%	23.2%	0.87	3.61	1.08	0.81
JO REAL ESTATE	JRCD	Q3 2008	30,000,000	43,426,529	37,935,212	0.248	17.0%	19.4%	0.94	3.79	1.26	0.74
FIRST JORDAN	FRST	H1 2008	150,000,000	240,219,108	172,315,675	0.267	16.7%	23.3%	0.55	2.06	1.15	0.48
SPCZ. TRDG & INVST	SPTI	Q3 2008	3,075,000	4,744,854	3,922,333	0.257	16.1%	20.9%	1.17	4.55	1.28	0.92
UNIV MOD INDCO	UMIC	Q3 2008	6,000,000	13,788,992	9,418,037	0.297	14.7%	19.9%	1.17	3.93	1.57	0.75
AMWAL INVEST	AMWL	Q3 2008	42,500,000	91,322,208	67,248,863	0.270	14.0%	18.1%	1.41	5.21	1.58	0.89

Table 3 - Top 10 Companies Based on ROAE

Company	Ticker	Date of Financial Statements	Paid up Capital	Total Assets	Shareholders' Equity	Annualised EPS	ROAA	ROAE	Share Price	P/E	BV	P/Bv
AL-AMIN FOR INVST	AAFI	Q3 2008	10,000,000	26,815,213	25,202,102	1.456	67.6%	72.0%	2.28	1.57	2.52	0.90
NATIONAL PORTFOLIO	NPSC	Q3 2008	15,000,000	45,811,357	27,152,232	0.617	23.9%	39.1%	1.38	2.24	1.81	0.76
ARAB EAST INVST.	AEIV	Q3 2008	47,000,000	135,051,096	109,430,049	0.623	24.7%	34.5%	1.86	2.99	2.33	0.80
AMAD REAL ESTATE INV.	AMAD	Q3 2008	6,600,000	11,211,833	10,868,324	0.389	24.1%	25.2%	1.18	3.03	1.65	0.72
FIRST JORDAN	FRST	H1 2008	150,000,000	240,219,108	172,315,675	0.267	16.7%	23.3%	0.55	2.06	1.15	0.48
RESOURCES INVEST	JOMA	H1 2008	11,000,000	11,932,172	11,867,112	0.241	23.1%	23.2%	0.87	3.61	1.08	0.81
SPCZ. TRDG & INVST	SPTI	Q3 2008	3,075,000	4,744,854	3,922,333	0.257	16.1%	20.9%	1.17	4.55	1.28	0.92
UNIV MOD INDCO	UMIC	Q3 2008	6,000,000	13,788,992	9,418,037	0.297	14.7%	19.9%	1.17	3.93	1.57	0.75
JO REAL ESTATE	JRCD	Q3 2008	30,000,000	43,426,529	37,935,212	0.248	17.0%	19.4%	0.94	3.79	1.26	0.74
AMWAL INVEST	AMWL	Q3 2008	42,500,000	91,322,208	67,248,863	0.270	14.0%	18.1%	1.41	5.21	1.58	0.89

Table 4 - Top 10 Companies Based on P/E

Company	Ticker	Date of Financial Statements	Paid up Capital	Total Assets	Shareholders' Equity	Annualised EPS	ROAA	ROAE	Share Price	P/E	BV	P/Bv
AL-AMIN FOR INVST	AAFI	Q3 2008	10,000,000	26,815,213	25,202,102	1.456	67.6%	72.0%	2.28	1.57	2.52	0.90
FIRST JORDAN	FRST	H1 2008	150,000,000	240,219,108	172,315,675	0.267	16.7%	23.3%	0.55	2.06	1.15	0.48
NATIONAL PORTFOLIO	NPSC	Q3 2008	15,000,000	45,811,357	27,152,232	0.617	23.9%	39.1%	1.38	2.24	1.81	0.76
ARAB EAST INVST	AEIV	Q3 2008	47,000,000	135,051,096	109,430,049	0.623	24.7%	34.5%	1.86	2.99	2.33	0.80
AMAD REAL ESTATE INV.	AMAD	Q3 2008	6,600,000	11,211,833	10,868,324	0.389	24.1%	25.2%	1.18	3.03	1.65	0.72
RESOURCES INVEST	JOMA	H1 2008	11,000,000	11,932,172	11,867,112	0.241	23.1%	23.2%	0.87	3.61	1.08	0.81
JO REAL ESTATE	JRCD	Q3 2008	30,000,000	43,426,529	37,935,212	0.248	17.0%	19.4%	0.94	3.79	1.26	0.74
UNIV MOD INDCO	UMIC	Q3 2008	6,000,000	13,788,992	9,418,037	0.297	14.7%	19.9%	1.17	3.93	1.57	0.75
SPCZ. TRDG & INVST	SPTI	Q3 2008	3,075,000	4,744,854	3,922,333	0.257	16.1%	20.9%	1.17	4.55	1.28	0.92
SOUTH ELECTRONICS	SECO	H1 2008	50,000,000	85,444,390	52,584,483	0.093	4.8%	8.9%	0.46	4.94	1.05	0.44

Table 5 - Top 10 Companies Based on P/BV

Company	Ticker	Date of Financial Statements	Paid up Capital	Total Assets	Shareholders' Equity	Annualised EPS	ROAA	ROAE	Share Price	P/E	BV	P/Bv
AD-DULAYL INDUS. PARK	IDMC	Q3 2008	21,000,000	61,090,243	55,150,434	0.033	1.1%	1.2%	0.86	25.69	2.63	0.33
SOUTH ELECTRONICS	SECO	H1 2008	50,000,000	85,444,390	52,584,483	0.093	4.8%	8.9%	0.46	4.94	1.05	0.44
JORDAN IND. RES.	JOIR	Q3 2008	13,250,000	22,003,428	16,290,937	0.059	3.6%	4.9%	0.57	9.63	1.23	0.46
FIRST JORDAN	FRST	H1 2008	150,000,000	240,219,108	172,315,675	0.267	16.7%	23.3%	0.55	2.06	1.15	0.48
D-KHALILI & SONS	DKHS	H1 2008	4,700,000	44,013,003	16,613,165	0.214	2.3%	8.6%	1.76	8.24	3.53	0.50
OFFTEC INVESTMENTS	BDIN	H1 2008	42,000,000	48,237,331	42,876,727	0.013	1.1%	1.3%	0.52	40.29	1.02	0.51
JORDAN EXPAT .INVST	JEIH	Q3 2008	16,125,000	26,549,553	20,564,151	0.087	5.2%	6.4%	0.68	7.80	1.28	0.53
UNION INVESTMENTS	UINV	Q3 2008	50,000,000	90,746,868	68,292,024	0.038	2.1%	2.8%	0.73	19.28	1.37	0.53
UNITED ARAB INVST	UAIC	Q3 2008	147,500,000	353,684,544	232,829,945	0.032	1.4%	2.0%	0.9	28.39	1.58	0.57
JOR PIPES MANFACT	JOPI	Q3 2008	3,575,000	11,204,796	7,494,451	0.079	2.7%	3.8%	1.21	15.32	2.10	0.58

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