
STOCKS WATCH LIST

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ABC 
Investments

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OVERVIEW OF OUR STOCKS WATCH LIST AND SCREENING PROCESS

After witnessing a plummet in the Amman Stock Exchange General Index during the first quarter of 2009 due to the global credit crunch, the financial crisis, and the global economic slowdown, the second quarter took off with the Index showing signs of a recovery, rising to reach its high for the year of 2,968.8 points on the 2nd of June, only to free-fall again, closing off the second quarter of 2009 at 2,735.2 points, down 7.9% from its high for 2009, and a whopping 42.7% lower year-on-year. Consequent to this sustained period of downward market correction, many companies' share prices have overshot on the downside, rendering them undervalued and attractive for a buy-and-hold strategy.

To date, there are 74 companies listed that have a share price below par value. Moreover, there are 91 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	EPS	ROAA	ROAE	Share Price	P/E	BV	P/BV
EAST REAL ESTATE	REAL	Q1 2009	9,996,082	39,853,196	30,281,657	0.581	14.9%	19.4%	2.17	3.73	3.03	0.72
JOR WORSTED MILL	JOWM	Q1 2009	15,000,000	77,351,579	73,554,786	0.554	10.5%	11.0%	4.75	8.58	4.90	0.97
AMWAL INVEST	AMWL	Q1 2009	42,500,000	66,745,329	62,752,203	0.412	23.0%	27.8%	1.27	3.08	1.48	0.86
ARAB EAST INVST.	AEIV	Q1 2009	47,000,000	124,543,198	98,481,565	0.313	11.9%	15.0%	1.29	4.12	2.10	0.62
INT'L BROKERAGE	IBFM	Q1 2009	28,748,407	48,189,389	29,837,617	0.263	15.8%	26.2%	0.67	2.55	1.04	0.65
JORDAN PHARMA	JPHM	Q1 2009	20,000,000	59,981,028	36,729,237	0.259	8.6%	14.4%	1.47	5.67	1.84	0.80
CAIRO AMMAN BANK	CABK	Q1 2009	80,000,000	1,622,269,906	159,897,613	0.259	1.3%	13.3%	1.97	7.61	2.00	0.99
JORDAN AHLI BANK	JONB	Q1 2009	110,000,000	2,128,683,913	200,208,533	0.256	1.3%	14.0%	1.47	5.75	1.82	0.81
ARAB ALUM IND	AALU	Q1 2009	6,750,000	16,033,553	11,803,124	0.222	9.0%	12.6%	1.34	6.05	1.75	0.77
UNITED INSURANCE	UNIN	Q1 2009	8,000,000	19,809,393	12,777,470	0.197	8.0%	12.3%	1.15	5.83	1.60	0.72

Q1 profits have been annualised in the computation of EPS, ROAA, ROAE and P/E

Table 2 - Top 10 Companies Based on ROAA

Company	Ticker	Date of Financial Statements	Paid up Capital	Total Assets	Shareholders' Equity	EPS	ROAA	ROAE	Share Price	P/E	BV	P/BV
AMWAL INVEST	AMWL	Q1 2009	42,500,000	66,745,329	62,752,203	0.412	23.0%	27.8%	1.27	3.08	1.48	0.86
INT'L BROKERAGE	IBFM	Q1 2009	28,748,407	48,189,389	29,837,617	0.263	15.8%	26.2%	0.67	2.55	1.04	0.65
EAST REAL ESTATE	REAL	Q1 2009	9,996,082	39,853,196	30,281,657	0.581	14.9%	19.4%	2.17	3.73	3.03	0.72
ARAB EAST INVST.	AEIV	Q1 2009	47,000,000	124,543,198	98,481,565	0.313	11.9%	15.0%	1.29	4.12	2.10	0.62
JOR WORSTED MILL	JOWM	Q1 2009	15,000,000	77,351,579	73,554,786	0.554	10.5%	11.0%	4.75	8.58	4.90	0.97
TRANSPORT BARTER	NAQL	Q1 2009	12,100,000	22,969,822	16,554,078	0.180	9.1%	13.3%	1.24	6.90	1.37	0.91
ARAB ALUM IND	AALU	Q1 2009	6,750,000	16,033,553	11,803,124	0.222	9.0%	12.6%	1.34	6.05	1.75	0.77
JORDAN PHARMA	JPHM	Q1 2009	20,000,000	59,981,028	36,729,237	0.259	8.6%	14.4%	1.47	5.67	1.84	0.80
NAT'L ALUM IND	NATA	Q1 2009	9,000,000	17,388,359	11,534,072	0.166	8.4%	13.2%	0.86	5.17	1.28	0.67
UNITED INSURANCE	UNIN	Q1 2009	8,000,000	19,809,393	12,777,470	0.197	8.0%	12.3%	1.15	5.83	1.60	0.72

Q1 profits have been annualised in the computation of EPS, ROAA, ROAE and P/E

Table 3 - Top 10 Companies Based on ROAE

Company	Ticker	Date of Financial Statements	Paid up Capital	Total Assets	Shareholders' Equity	EPS	ROAA	ROAE	Share Price	P/E	BV	P/BV
AMWAL INVEST	AMWL	Q1 2009	42,500,000	66,745,329	62,752,203	0.412	23.0%	27.8%	1.27	3.08	1.48	0.86
INT'L BROKERAGE	IBFM	Q1 2009	28,748,407	48,189,389	29,837,617	0.263	15.8%	26.2%	0.67	2.55	1.04	0.65
EAST REAL ESTATE	REAL	Q1 2009	9,996,082	39,853,196	30,281,657	0.581	14.9%	19.4%	2.17	3.73	3.03	0.72
ARAB EAST INVST.	AEIV	Q1 2009	47,000,000	124,543,198	98,481,565	0.313	11.9%	15.0%	1.29	4.12	2.10	0.62
JORDAN PHARMA	JPHM	Q1 2009	20,000,000	59,981,028	36,729,237	0.259	8.6%	14.4%	1.47	5.67	1.84	0.80
JORDAN AHLI BANK	JONB	Q1 2009	110,000,000	2,128,683,913	200,208,533	0.256	1.3%	14.0%	1.47	5.75	1.82	0.81
TRANSPORT BARTER	NAQL	Q1 2009	12,100,000	22,969,822	16,554,078	0.180	9.1%	13.3%	1.24	6.90	1.37	0.91
CAIRO AMMAN BANK	CABK	Q1 2009	80,000,000	1,622,269,906	159,897,613	0.259	1.3%	13.3%	1.97	7.61	2.00	0.99
NAT'L ALUM IND	NATA	Q1 2009	9,000,000	17,388,359	11,534,072	0.166	8.4%	13.2%	0.86	5.17	1.28	0.67
ARAB ALUM IND	AALU	Q1 2009	6,750,000	16,033,553	11,803,124	0.222	9.0%	12.6%	1.34	6.05	1.75	0.77

Q1 profits have been annualised in the computation of EPS, ROAA, ROAE and P/E

Table 4 - Top 10 Companies Based on P/E

Company	Ticker	Date of Financial Statements	Paid up Capital	Total Assets	Shareholders' Equity	EPS	ROAA	ROAE	Share Price	P/E	BV	P/BV
INT'L BROKERAGE	IBFM	Q1 2009	28,748,407	48,189,389	29,837,617	0.263	15.8%	26.2%	0.67	2.55	1.04	0.65
AMWAL INVEST	AMWL	Q1 2009	42,500,000	66,745,329	62,752,203	0.412	23.0%	27.8%	1.27	3.08	1.48	0.86
EAST REAL ESTATE	REAL	Q1 2009	9,996,082	39,853,196	30,281,657	0.581	14.9%	19.4%	2.17	3.73	3.03	0.72
ARAB EAST INVST.	AEIV	Q1 2009	47,000,000	124,543,198	98,481,565	0.313	11.9%	15.0%	1.29	4.12	2.10	0.62
NAT'L ALUM IND	NATA	Q1 2009	9,000,000	17,388,359	11,534,072	0.166	8.4%	13.2%	0.86	5.17	1.28	0.67
JORDAN PHARMA	JPHM	Q1 2009	20,000,000	59,981,028	36,729,237	0.259	8.6%	14.4%	1.47	5.67	1.84	0.80
JORDAN AHLI BANK	JONB	Q1 2009	110,000,000	2,128,683,913	200,208,533	0.256	1.3%	14.0%	1.47	5.75	1.82	0.81
UNITED INSURANCE	UNIN	Q1 2009	8,000,000	19,809,393	12,777,470	0.197	8.0%	12.3%	1.15	5.83	1.60	0.72
ARAB ALUM IND	AALU	Q1 2009	6,750,000	16,033,553	11,803,124	0.222	9.0%	12.6%	1.34	6.05	1.75	0.77
TRANSPORT BARTER	NAQL	Q1 2009	12,100,000	22,969,822	16,554,078	0.180	9.1%	13.3%	1.24	6.90	1.37	0.91

Q1 profits have been annualised in the computation of EPS, ROAA, ROAE and P/E

Table 5 - Top 10 Companies Based on P/BV

Company	Ticker	Date of Financial Statements	Paid up Capital	Total Assets	Shareholders' Equity	EPS	ROAA	ROAE	Share Price	P/E	BV	P/BV
UNI ARAB INVEST	UAIC	Q4 2008	147,500,000	355,151,104	215,956,463	0.037	1.6%	2.5%	0.77	20.75	1.46	0.53
OFFTEC INVESTMENTS	BDIN	Q4 2008	42,000,000	48,890,061	43,112,073	0.012	1.1%	1.2%	0.61	51.02	1.03	0.59
SHARECO BROKERAGE	SHBC	Q4 2008	12,000,000	21,183,606	13,969,769	0.098	5.3%	8.4%	0.70	7.15	1.16	0.60
JOR INT INSUR CO	JJJC	Q4 2008	16,500,000	31,600,824	20,848,193	0.040	2.1%	3.2%	0.76	19.08	1.26	0.60
ARAB ELECT IND	AEIN	Q1 2009	6,000,000	10,120,056	6,908,421	0.047	2.8%	4.1%	0.70	14.83	1.15	0.61
ARAB EAST INVST.	AEIV	Q1 2009	47,000,000	124,543,198	98,481,565	0.313	11.9%	15.0%	1.29	4.12	2.10	0.62
INTER PETRO CHEM	IPCH	Q4 2008	7,000,000	10,778,864	8,354,143	0.026	1.9%	2.5%	0.76	28.81	1.19	0.64
INT'L BROKERAGE	IBFM	Q1 2009	28,748,407	48,189,389	29,837,617	0.263	15.8%	26.2%	0.67	2.55	1.04	0.65
CENTURY INV.GRP	CEIG	Q1 2009	5,191,560	8,608,440	6,319,355	0.084	5.0%	6.9%	0.80	9.58	1.22	0.66
GENERAL ARAB INS	GARI	Q4 2008	8,000,000	18,097,193	10,562,702	0.045	1.9%	3.2%	0.88	19.35	1.32	0.67

Q1 profits have been annualised in the computation of EPS, ROAA, ROAE and P/E

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