
STOCKS WATCH LIST

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Investments

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OVERVIEW OF OUR STOCKS WATCH LIST AND SCREENING PROCESS

The slump in the Amman Stock Exchange continued into the third quarter of the year with its General Index closing on September 30th 2009 at 2,688.2 points, falling by 1.7% compared to the closing price of the previous quarter, and registering a 2.6% decline year-to-date. 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 90 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
AMLAK FINANCE/ JO.	AMLK	H1 2009	1,000,000	2,913,209	2,723,214	0.846	2.6%	2.6%	0.85	1.00	2.72	0.31
JOR WORSTED MILL	JOWM	H1 2009	15,000,000	78,056,109	72,951,665	0.488	9.2%	9.7%	4.78	9.80	4.86	0.98
AMWAL INVEST	AMWL	H1 2009	42,500,000	84,979,071	67,566,132	0.433*	21.6%*	28.1%*	1.15	2.66	1.59	0.72
JORDAN PHARMA	JPHM	H1 2009	20,000,000	62,015,649	38,368,173	0.293*	9.5%*	15.9%*	1.34	4.57	1.92	0.70
SURA DEV.& INVEST	SURA	H1 2009	11,500,000	13,056,984	12,829,767	0.239	22.2%	22.6%	0.74	3.09	1.12	0.66
SALAM INT TRN TD	SITT	H1 2009	13,200,000	63,574,196	20,671,008	0.227	4.6%	14.7%	1.55	6.83	1.57	0.99
AMAD REAL ESTATE INV.	AMAD	H1 2009	6,600,000	10,686,747	10,432,547	0.161*	9.7%*	10.1%*	1.47	9.11	1.58	0.93
JOR LOAN GRNT.CO	JLGC	H1 2009	10,000,000	23,212,936	14,847,167	0.155	6.7%	10.4%	0.75	4.83	1.48	0.51
UNION BK SAV/INV	UBSI	H1 2009	100,000,000	1,239,171,604	219,216,953	0.153	1.3%	7.0%	2.03	13.25	2.19	0.93
JORDAN AHLI BANK	JONB	H1 2009	110,000,000	2,199,614,226	201,872,506	0.148**	0.8%**	8.1%**	1.52	10.30	1.84	0.83

*Figures for profit are pre-tax

** Based on Draft first-half financial statements

H1 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
SURA DEV.& INVEST	SURA	H1 2009	11,500,000	13,056,984	12,829,767	0.239	22.2%	22.6%	0.74	3.09	1.12	0.66
AMWAL INVEST	AMWL	H1 2009	42,500,000	84,979,071	67,566,132	0.433*	21.6%*	28.1%*	1.15	2.66	1.59	0.72
AMAD REAL ESTATE INV.	AMAD	H1 2009	6,600,000	10,686,747	10,432,547	0.161*	9.7%*	10.1%*	1.47	9.11	1.58	0.93
JORDAN PHARMA	JPHM	H1 2009	20,000,000	62,015,649	38,368,173	0.293*	9.5%*	15.9%*	1.34	4.57	1.92	0.70
JOR WORSTED MILL	JOWM	H1 2009	15,000,000	78,056,109	72,951,665	0.488	9.2%	9.7%	4.78	9.80	4.86	0.98
NAT'L ALUM IND	NATA	H1 2009	9,000,000	17,786,890	11,823,529	0.147 *	7.3%*	11.5%*	0.87	5.90	1.31	0.66
JOR LOAN GRNT.CO	JLGC	H1 2009	10,000,000	23,212,936	14,847,167	0.155	6.7%	10.4%	0.75	4.83	1.48	0.51
TRANSPORT BARTER	NAQL	H1 2009	12,100,000	22,685,097	15,827,830	0.110	5.6%	8.3%	1.20	10.93	1.31	0.92
CONTEMPRO	COHO	H1 2009	6,000,000	8,527,406	8,010,103	0.079 *	5.6%*	5.9%*	0.94	11.88	1.34	0.70
NAT'L POULTRY	NATP	H1 2009	30,000,000	78,628,542	59,790,349	0.142 *	5.5%*	7.3%*	1.76	12.37	1.99	0.88

*Figures for profit are pre-tax

H1 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	H1 2009	42,500,000	84,979,071	67,566,132	0.433*	21.6%*	28.1%*	1.15	2.66	1.59	0.72
SURA DEV.& INVEST	SURA	H1 2009	11,500,000	13,056,984	12,829,767	0.239	22.2%	22.6%	0.74	3.09	1.12	0.66
JORDAN PHARMA	JPHM	H1 2009	20,000,000	62,015,649	38,368,173	0.293*	9.5%*	15.9%*	1.34	4.57	1.92	0.70
SALAM INT TRN TD	SITT	H1 2009	13,200,000	63,574,196	20,671,008	0.227	4.6%	14.7%	1.55	6.83	1.57	0.99
NAT'L ALUM IND	NATA	H1 2009	9,000,000	17,786,890	11,823,529	0.147	7.3%	11.5%	0.87	5.90	1.31	0.66
ARAB BANKING CO.	ABCO	H1 2009	70,919,063	544,257,883	91,882,446	0.143	1.8%	11.5%	1.17	8.17	1.30	0.90
JOR LOAN GRNT.CO	JLGC	H1 2009	10,000,000	23,212,936	14,847,167	0.155	6.7%	10.4%	0.75	4.83	1.48	0.51
AMAD REAL ESTATE INV.	AMAD	H1 2009	6,600,000	10,686,747	10,432,547	0.161*	9.7%*	10.1%*	1.47	9.11	1.58	0.93
JOR WORSTED MILL	JOWM	H1 2009	15,000,000	78,056,109	72,951,665	0.488	9.2%	9.7%	4.78	9.80	4.86	0.98
JORDAN CONSULTING	JOMC	H1 2009	1,400,000	4,916,173	1,975,044	0.122	3.6%	8.8%	1.12	9.21	1.41	0.79

*Figures for profit are pre-tax

H1 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
AMLAK FINANCE/ JO.	AMLK	H1 2009	1,000,000	2,913,209	2,723,214	0.846	2.6%	2.6%	0.85	1.00	2.72	0.31
AMWAL INVEST	AMWL	H1 2009	42,500,000	84,979,071	67,566,132	0.433*	21.6%*	28.1%*	1.15	2.66	1.59	0.72
SURA DEV.& INVEST	SURA	H1 2009	11,500,000	13,056,984	12,829,767	0.239	22.2%	22.6%	0.74	3.09	1.12	0.66
JORDAN PHARMA	JPHM	H1 2009	20,000,000	62,015,649	38,368,173	0.293*	9.5%*	15.9%*	1.34	4.57	1.92	0.70
JOR LOAN GRNT.CO	JLGC	H1 2009	10,000,000	23,212,936	14,847,167	0.155	6.7%	10.4%	0.75	4.83	1.48	0.51
NAT'L ALUM IND	NATA	H1 2009	9,000,000	17,786,890	11,823,529	0.147	7.3%	11.5%	0.87	5.90	1.31	0.66
SALAM INT' TRN TD	SITT	H1 2009	13,200,000	63,574,196	20,671,008	0.227	4.6%	14.7%	1.55	6.83	1.57	0.99
JOR INT INSUR CO	JJJC	H1 2009	16,500,000	35,871,985	20,639,057	0.096	4.5%	7.8%	0.73	7.61	1.25	0.58
ARAB BANKING CO.	ABCO	H1 2009	70,919,063	544,257,883	91,882,446	0.143	1.8%	11.5%	1.17	8.17	1.30	0.90
REAL ESTATE DV	REDV	H1 2009	91,500,000	191,137,471	119,196,059	0.073*	3.4%*	5.5%*	0.64	8.72	1.30	0.49

*Figures for profit are pre-tax

H1 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
AMLAK FINANCE/ JO.	AMLK	H1 2009	1,000,000	2,913,209	2,723,214	0.846	2.6%	2.6%	0.85	1.00	2.72	0.31
EL-ZAY READY WR	ELZA	H1 2009	13,288,777	19,749,082	9,318,873	0.019*	1.3%*	2.7%*	0.34	18.05	0.70	0.48
REAL ESTATE DV	REDV	H1 2009	91,500,000	191,137,471	119,196,059	0.073*	3.4%*	5.5%*	0.64	8.72	1.30	0.49
JOR LOAN GRNT.CO	JLGC	H1 2009	10,000,000	23,212,936	14,847,167	0.155	6.7%	10.4%	0.75	4.83	1.48	0.51
OFFTEC INVESTMENTS	BDIN	H1 2009	42,000,000	50,066,082	44,291,705	0.053	4.5%	5.1%	0.57	10.85	1.05	0.54
INTER PETRO CHEM	IPCH	H1 2009	7,000,000	10,578,955	8,360,669	0.002*	0.1%*	0.2%*	0.69	>100	1.19	0.58
UNITED INSURANCE	UNIN	H1 2009	8,000,000	19,281,718	12,140,037	0.054	2.2%	3.4%	0.88	16.29	1.52	0.58
SHARECO BROKERAGE	SHBC	H1 2009	12,000,000	18,384,827	12,791,293	0.004	0.2%	0.3%	0.62	>100	1.07	0.58
JOR INT INSUR CO	JJJC	H1 2009	16,500,000	35,871,985	20,639,057	0.096	4.5%	7.8%	0.73	7.61	1.25	0.58
JORDAN IND.RES.	JOIR	H1 2009	16,625,000	23,874,458	17,600,703	0.050	4.5%	6.7%	0.64	12.75	1.06	0.60

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