







His Majesty King Abdullah II Ibn Al-Hussein



Al-Eqbal Investment Co. (a public shareholding limited company) is an investment company that owns affiliates in the Hashemite Kingdom of Jordan, United Arab Emirates, and Arab Republic of Egypt, and specializes in tobacco-related activities:

1- (International Tobacco & Cigarettes Co.) ITCC occupies a notable place among industrial companies in the region by manufacturing products of superior quality utilizing local talent and expertise.

2- (Al-Fakher Tobacco Trading Co.) Manufactures and distributes high quality flavored tobacco.

3- (Arab Cigarettes Distribution Co.) Distributes cigarettes produced by International Tobacco & Cigarettes Co. in Aqaba Special Economic Zone.

4- (International Company for Trade and Distribution of Tobacco and Cigarettes, WLL) Invests, trades, and distributes cigarettes in the Arab Republic of Egypt.





**Mr. Samer Tawfiq Fakhouri, Chairman of the Board of Directors**





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## **Board of Directors**

### **Chairman**

Mr. Samer Tawfiq Shaker Fakhouri

### **Vice Chairman & General Manager**

Mr. Waleed Tawfiq Shaker Fakhouri

### **Directors**

**Mr. Ibrahim Rashid Abdul Mene'm al-Ja'beh**

**Mr. Dia'aldin Abdul Latif Ahmad Saleh**

**Mr. Abdul Rahman Talal Abdul Rahman Daghmash**

Representative of al-Lo'lo'a Trade Co. for Construction & Investment

**Mr. Hasan Mohammad Hasan Hanafiyeh**

Bank of Jordan representative

**Mr. Yousef Mohammad Omar**

Representative of Farah Company for Electrical & Sanitary Installations

**Mr. Hassan Abdul Hafez Ibrahim Jaser**

Representative of Arab Gulf Investment and Public Transportation Company

**Mr. Riyadh Tawfiq Nijmeh**

Representative of Zahrat al-Urdun Company for Real Estate and Hotel Investment

**Mr. Nabeeh Amr Nimer al-Nimer**

Representative of al-Eqbal General Trading Jordanian Company

**Mr. Haitham Mohammad Ali Qteshat**

Representative of al-Yamama General Investment Company

### **Auditors:**

**Messrs: Ibrahim al-Abbasi & Company**

## Chairman's Statement

Dear Shareholders,

Greetings,

It is a pleasure and privilege to put in your hands the results of your company which celebrated this year its eighteenth anniversary with increased growth and excellent results. It is only appropriate, in this context, to point out the exceptional performance by executive management, which was crucial to the success achieved by the company during the financial year ended December 31st 2009. I would also like to commend the team of managers in the Company, and affiliated companies along with all departments and management levels for their sincere efforts and dedication to the success of the Company. Finally I would like to pay my most sincere gratitude for your continuing support for the sake of achieving the objectives of your company.

Dear Shareholders,

Your company continued on its tradition of investing in affiliates throughout the region (Jordan, the Arabian Gulf area, and Arab Republic of Egypt). Those affiliates have contributed positively to the success of the holding Company.

After completing the restructuring effort, we conducted an intensive review of all financial, administrative, and technical matters to ensure raised efficiency and productivity. Additionally, we reviewed our Sales plan in the local and export markets in order to grow sales in both areas.

We equipped al-Fakher (Ajman-UAE) with cutting edge automated production lines to meet the growing market demand for our products. This growth in demand is a direct result of our selection of the best tobacco quality and imported flavors. Thus, we became in less than four years the leading company in the UAE and the world in the production of premium flavored tobacco brands.

Dear Shareholders,

The annual report in your hands clearly shows that we have achieved record profits during the year that amounted to 11,420,000 (JD).

It is expected, in the light of our study and future plans, to have the company's profits doubled during the next five years, which will have the greatest impact on completed amortization of indebtedness, relieve the Company from the burden of financing, and further enable the Company to expand through investing, horizontally and vertically, to ensure a balanced management of risks, while realizing the most optimal return on investment for all shareholders.

I would like to express my thanks and appreciation to all those who have contributed to achieving those results and for their real efforts during the past year, led by his Excellency Mr. Tawfiq Fakhouri, the founder, director and spiritual father of the Company. Our giving in the service of the company will continue until we achieve the goals you are striving for and Allah grant the success.

**Samer Tawfiq Fakhouri**  
*Chairman*

## On Eqbal Investment Company Businesses, Balance Sheet As On 31.12.2009, and its Plan for 2010

### Main Activities of the Company:

Al-Eqbal Investment Co. is an investment company that owns firms specialized in the tobacco business and products of cigarettes and flavored tobacco in the Hashemite Kingdom of Jordan, UAE, and Arab Republic of Egypt.

### The Geographic Locations of the Company and Number of Employees in Each:

The Company headquarters is in the Hashemite Kingdom of Jordan

Amman, Na'ur, P. O. box 911145 Amman 11191

Tel: +962 65 72 01 Fax: +962 65 72 79 02

E-mail: info@eqbal-invest.com

Website: www.eqbal-invest.com

The company has a total of seven employees, and has no branches.

It is registered with the Ministry of Industry & Trade under no. (218), on 01/06/1992, the national number: (200022790).

The capital investment of the Company on 31/12/2009 was roughly 86, 280,000 (JD)

## Affiliated Companies

### 1) Al-Fakher Tobacco Trading and Agencies Co.

- WLL
- Distribution of flavored tobacco in the Jordanian market
- Capital of 30,000 (JD), ownership proportion 100%
- Headquarters in the Hashemite Kingdom of Jordan
- Amman Capital governorate, Na'ur area, Umm al-Basateen Triangle, al-Quds St.;
- Number of Employees: 40
- The Company has a branch by the 7th Circle area for Hubble-Bubble delivery service, and one employee is commissioned by the main branch to work there.
- It owns al-Fakher Tobacco Trading Company (Ajman – EAU) with capital of \$ (12) million.
- Registered with the Ministry of Industry & Trade under no. 12208 on 30/05/2006, the national number: (200010064).

### 2) International Tobacco & Cigarettes Co.

- WLL
- Manufacturer of cigarettes
- Capital is worth 30,000 (JD), ownership proportion 100%
- Headquarters of the Company in the Hashemite Kingdom of Jordan, Amman Capital governorate, Na'ur area, Umm al-Basateen Triangle, al-Quds St.
- Number of Employees: 256
- The Company has no other branches.
- Registered with the Ministry of Industry & Trade under no. 16206 on 16/04/2008, the national number: (200094979).

### 3) Arab Cigarettes Distribution Company

- WLL
- Distributor of cigarettes
- Capital is worth 30,000 (JD), with 100% proportion of ownership
- Headquarters of the Company in the Hashemite Kingdom of Jordan, Amman Capital governorate, Na'ur area, Umm al-Basateen Triangle, al-Quds St
- Number of Employees: 3.
- The Company has no other branches.
- Registered with the Ministry of Industry & Trade under no. 6321 on 04/09/2000, the national number: (200022449).

### 4) International Company for Trade and Distribution of Tobacco and Cigarettes

- WLL
- Owns firms that specialize in cigarettes trade and distribution.
- Capital is worth 25600 (JD), 100% the proportion of ownership.
- Headquarters of the Company is located in the Arab Republic of Egypt, Cairo,
- Number of Employees: 43.
- It owns the following firms:
  - 1- Arab International Import, Export and Trade Agencies Co.**
    - Trade and distribution of cigarettes, capital is worth 767,000 (JD), ownership proportion: 98,333%.
  - 2- Charms Import and Distribution Co.**
    - Import and Export, capital is worth 6,500 (JD), proportion of ownership 100%.

## Names of the Board Directors, Senior Management Members, and their Respective Profiles

Name	National ID.	Date of Birth	Nationality	Education	Graduation Date	Position at Al Eqbal Co., and Experiences			
						From	To	Owner of business	Office
Board of Directors Members and their Representatives									
Mr. Samer Tawfiq Shaker Fakhouri	9721050578	01/05/1972	Jordanian	Bachelor of Business Administration	1993	1995	To date		General Manager
						2001	3/10/09	EICO /Amman	Vice - Chairman
						3/10/09	To date		Chairman
						2001	7/11/07	Al-Eqbal Printing & Packaging Co.	Chairman
						4/08	To date	International Tobacco & Cigarette Co. LTD	Head of the Administration
						1992	1995		Employee
						1995	1999		Executive Director
Waleed Tawfiq Shaker Fakhouri	9721000980	12/02/1972	Jordanian	Bachelor of Marketing	1992	1999	2003	Bank of Jordan	Assistant GM for Investment Treasury
						2003	2004		Assistant GM for Investment and Branches
						2005	To date		Member of the Board
						2004	To date	Arab Islamic Bank	Chairman of the Board
						2001	2005		Representative Member of the Board - Al-Eqbal General Trading Co.
						2005	25/3/07	EICO /Amman	Representative of the Board - Bank of Jordan
						25/3/07	10/3/09		Member of the Board
Mr. Ibrahim Rasheed Abdul Mene'm al-Ja'beh	9561017570	20/05/1956	Jordanian	Master of Business Administration	1999	3/10/09	To date		Vice-Chairman of the Board
						2006	To date	Tafawwoq Co. for Financial Investment	Vice-chairman of the Board
						2009	To date	Al-Theqa International Transportation	Chairman of the Board
						2007	To date	Al-Tawfiq Investment House	Vice-chairman of the Board/CEO
						2006	To date	Zahrat al-Urdun for Real Estate & Hotel Investment	Vice-chairman of the Board
						1980	1992	Jordan Tobacco & Cigarettes Co.	Assistant Plant Manager/Production Manager
						1992	31/12/06		Deputy GM
Mr. Ibrahim Rasheed Abdul Mene'm al-Ja'beh	9561017570	20/05/1956	Jordanian	Tobacco Expert	1980	2001	25/3/07	EICO /Amman	Representative Board Member - Farah Co. for Electrical and Sanitary Installations
						25/3/07	To date		Board Member
						1/1/07	To date	Al-Fakher Co. / Ajman UAE	Deputy GM
						7/11/07	To date	Al-Eqbal Printing & Packaging Co.	Representative Board Member - Al-Lo'lo'aTrading Co. for Construction and Investment

## Names of Board of Directors Members, and Top Management Members and Information about Each of Them

Name	National ID.	Date of Birth	Nationality	Certificate	Graduation Date	Position at Al Eqbal Investment Co., and Professional Experiences		
						From	To	
Board of Directors Members and their Representatives								
Mr. Hasan Mohammad Hasan Hanafiyeh	9401006458	01/01/1940	Jordanian	Secondary School (Tawjihi)	1968	1964	1972	High Art Trade Co. Partner
						1973	1980	High Fashion Clothes Co. Partner
						1982	1985	International Clothes Co. Partner + Board of Directors Member
						1985	To date	Al-Ahliya Industrial Co. The Owner
						2001	1/2/08	Member of the Board - Arab Gulf Investment & General Transportation
						1/10/08	To date	Representative of the Board - Bank of Jordan
Mr. Haitham Mohammad Ali Qteshat	9481005364	03/04/1948	Jordanian	B. B. A.	1972	1972	1975	The Hashemite Kingdom of Jordan Radio Broadcaster and Presenter
						1975	2002	Customs Department General Supervisor and Director of Customs in Queen Alia Airport/Amman Civil Airport
						2002	2003	Prime Ministry Premier Consultant, General Coordinator for Securities Commission
						2004	To date	Bank of Jordan Media Consultant
						2004	To date	EICO /Amman Representative Board Member - Al-Yamama General Investments Co.
						2004	7/11/07	Al-Eqbal Printing & Packaging Co. Representative Board Member - Al-Lo'lo'a Trade Co. for Construction & Investment
						1/9/2005	To date	Al-Theqa International Transportation Co. Representative Board Member - Arab Gulf Investment & Public Transportation Co.
						1975	1984	Al-Mehidi General Contracting Co./Abu Dhabi
Mr. Yousef Mohammad Omar Omar	9491000368	4/12/1949	Jordanian	B. Commerce and Accounting	1975	1984	1986	Arab Co. for Electrical Industries
						1987	1987	Jordan Bonds Co. Accountant
								Arab Gulf Co.
						1987	1995	Lo'lo'a Trade Co.
								Al-Eqbal Jordanian Co.
								Modern Fashion Co.
						1996	2000	Financial Manager
						2003	7/11/07	Al-Eqbal Printing & Packaging Co. Representative Board Member - Farah Co. for Electrical and Sanitary Installations
						2001	To date	Bank of Jordan Chairman of the Board Office/Financial Manager
						2001	To date	EICO /Amman Representative Board Member - Farah Co. for Electrical and Sanitary Installations

## Names of Board of Directors Members, and Top Management Members and Information about Each of Them

Name	National ID	Date of Birth	Nationality	Certificate	Graduation Date	From	To	Position at Al-Eqbal Investment Co. and Professional Experiences
<b>Board of Directors Members and their Representatives</b>								
Mr. Hassan Abdul Hafiz Ibrahim Jaser	9551017827	11/09/1955	Jordanian	B. Arch.	1983	1984	2002	Amman Greater Municipality
						2002	To date	Director of Research and Development Department
Mr. Abdul Rahman Talal Abdul Rahman Daghmash	9641028819	04/01/1964	Jordanian	B.B.A.	1986	2002	To date	Director of Real Estate Department
						18/2/09	To date	Representative member of the Board - Arab Gulf Co. for Investments and General Transportation
								Merchant & Businessman
								GM of Daghmash Group
						2007	To date	Representative Member of the Board - Al-Lo'ia Trade Co. for Construction & Investment
						2004	To date	Member of the Board
Mr. Riyadh Tawfiq Ibrahim Nijmeh	1114598737	1/9/1957	Syrian	Diploma Commerce/Accounting	1979	2005	To date	Member of the Board
								Representative Member of the Board - United Arab Investors Co.
						2006	To date	Co.
						1970	1980	Partner
						1995	To date	Member
						1997	To date	Member
Mr. Dia aldin Abdul Latif Ahmad Saleh	9661007113	23/3/1996	Jordanian	B. B. A.	1988	2008	To date	Board Member- Secretary-General
								Representative Member of the Board - Zahrat al-Urdun for Real Estate and Hotel Investments
						18/2/09	To date	GM
						1991	2006	Photography Director
						2006	To date	Member of the Board
						3/10/09	To date	Ex-ambassador in Damascus
Mr. Nabeeh Amr Nimer Amr	9311004168	1/1/1931	Jordanian	License of Law/ Alexandria University	1955	1973	1978	Ex-ambassador in Bonn
						1978	1981	Ex-ambassador in Tunis
						1981	1985	Ex-ambassador in London
						1985	1987	Ex-ambassador not resident in Luxembourg
						1978	1981	Ex-ambassador not resident in Oslo
						1981	1985	Ex-ambassador not resident in Copenhagen
Senior Management	Isa Mahmoud Mohammad Issa	15/9/1940	Jordanian	Bachelor of Laws	1973	1985	1987	Ex-ambassador not resident in Valetta
						1987	1989	Ex-ambassador not resident in Dublin
						1989	1993	Ex-ambassador not resident in Nairobi
						1999	2001	Ex-ambassador in Cairo
						2001	To date	Member of the Board
						18/2/09	To date	Representative Member of the Board - Al-Eqbal General Trading Jordanian Co.
Mr. Mohammad Khalil Hussein al-Sheibat	9451006695	1/1/1945	Jordanian	B. Accounting	1969	2001	To date	Representative Member of the Board - Al-Eqbal General Trading Jordanian Co.
								Representative Member of the Board - al-Lo'ia Trading for Construction and Investment
						1971	1980	Financial Analyst
						1980	1999	Financial Consultant
						1999	2000	Sr. Strategic Development Manager
						2000	2005	Director of Strategic Development
Mr. Salf Musa Mustafa Saleh	9771056015	30/5/1977	Jordanian	JCPA Jordan Certificate of Public auditor	2007	2002	To date	Financial & Administrative Manager
						2002	To date	Financial & Administrative Manager
						2005	To date	Assistant GM for Financial and Administrative Affairs
						2009	To date	Financial Manager
						22/8/09	To date	Representative Member of the Board - al-Lo'ia Trading for Construction and Investment
								Financial Analyst
Isa Mahmoud Mohammad Issa	9401008738	15/9/1940	Jordanian	Bachelor of Laws	1973	2000	To date	Financial Consultant
						2002	To date	Sr. Strategic Development Manager
						2005	To date	Director of Strategic Development
						2009	To date	Financial Analyst
						22/8/09	To date	Financial Consultant
								Sr. Strategic Development Manager
Mr. Salf Musa Mustafa Saleh	9771056015	30/5/1977	Jordanian	JCPA Jordan Certificate of Public auditor	2007	2002	To date	Director of Strategic Development
						2002	To date	Financial Analyst
						2005	To date	Financial Consultant
						2009	To date	Sr. Strategic Development Manager
						22/8/09	To date	Director of Strategic Development
								Financial Analyst



## Shareholders Owning more than 5% of the Company's Capital

Shareholder	31/12/2009			31/12/2008		
	Number of Shares	Number of Shareholders	Percentage	Number of Shares	Number of Shareholders	Percentage
Tawfiq Shaker Khader Fakhouri	3,255,948		16,280%	3,255,948		16,280%
Bank of Jordan Co.	2,848,425		14,242%	2,848,425		14,242%
Al- Eqbal General Trade Jordanian Co.	1,927,915		9,640%	1,932,915		9,665%
Arab Gulf Company for Investment and Public Transportation	3,307,716		16,539	3,307,716		16,539%
Total	11,340,004	4	56,700%	11,345,004	4	56,725%
The rest of shareholders	8,659,996	1,983	43,300%	8,654,996	2,072	43,275%
Total Sum	20,000,000	1,987	100%	20,000,000	2,076	100%

## Competitive Position Of The Company

The leadership position and excellence that our company enjoys requires us to maintain a pace of hard work, build on the successes we have enjoyed and stay at the forefront of our industry. Our strategy is to strengthen the channels of distribution in different regions of the world while ensuring the continuity of the company's sales growth, and focus on the future expansion of operations through its affiliates. This strategy will allow us to enhance the Company's standing at the regional and international levels, maintain and grow our domestic market share through the sale of our brands as well as the Philip Morris brands, and expand the scope of cigarettes and flavored tobacco exporting. Our partnership with Philip Morris (through our affiliate International Tobacco and Cigarettes Company- ITCC) has been an invaluable source of strength for our company.

In the face of intense competition, the expansion of contraband markets and high cost of production the Company will remain as keen to produce various kinds of cigarettes and flavored tobacco with international quality, and will continue to form its selling and marketing plans in accordance with the effective regulations and laws issued by the relevant authorities, and shall also be diligent not to violate them with illegal promotion of tobacco and flavored tobacco products.

## The markets we serve:

- International Tobacco and Cigarettes Company- ITCC
  - o Local Market – Hashemite Kingdom of Jordan
  - o Export Markets: Iraq, Iran, Yemen, and Libya.
- The Company's share of the total domestic market is up to 40%
- Al-Fakher Co.
  - o Local Market – Unit Arab Emirates – UAE
  - o Export Markets - 45 countries.

### The Extent of Dependence on Specific Suppliers or Key Clients Locally and Externally:

Suppliers		
No.	Name of supplier	Percentage of total purchases
1	Phillip Morris	49%
2	Rahman Khan	12%
3	Eqbal for Printing & Packaging	11%

Clients		
No.	Client name	Rate of dealing from the Company's total sales and revenues
1	Phillip Morris Co. Jordan	64%
2	Mohammad Karim Abu Rashed	11.5%
3	Al Masbah Company	10,5%

### Government Protection Or Privileges Enjoyed By The Company Or Any Of Its Products:

Al-Eqbal Investment Company does not have any government protection for its products apart from intellectual Property & Trademarks Laws.

### Decisions Made By The Government Or International Organizations That Have A Material Effect On The Company's Work And Competitiveness:

The company applies international quality standards in the industry by affixing the necessary health warnings on the packs of cigarettes and flavored tobacco produced by its subsidiary companies pursuant to the decisions issued in this regard.

### Rehabilitation And Training Programs For The Company's Employees:

Provided that human resources are the most important elements of the production process, and with the aim to develop talents capable of performing and leading at the highest levels, the Company continued the training and education programs for its employees, as well as the implementation of a human resources strategy derived from the Company's vision, mission and objectives. We also continue to promote the spirit of teamwork among employees, and improve their living conditions through numerous social programs including but not limited to:

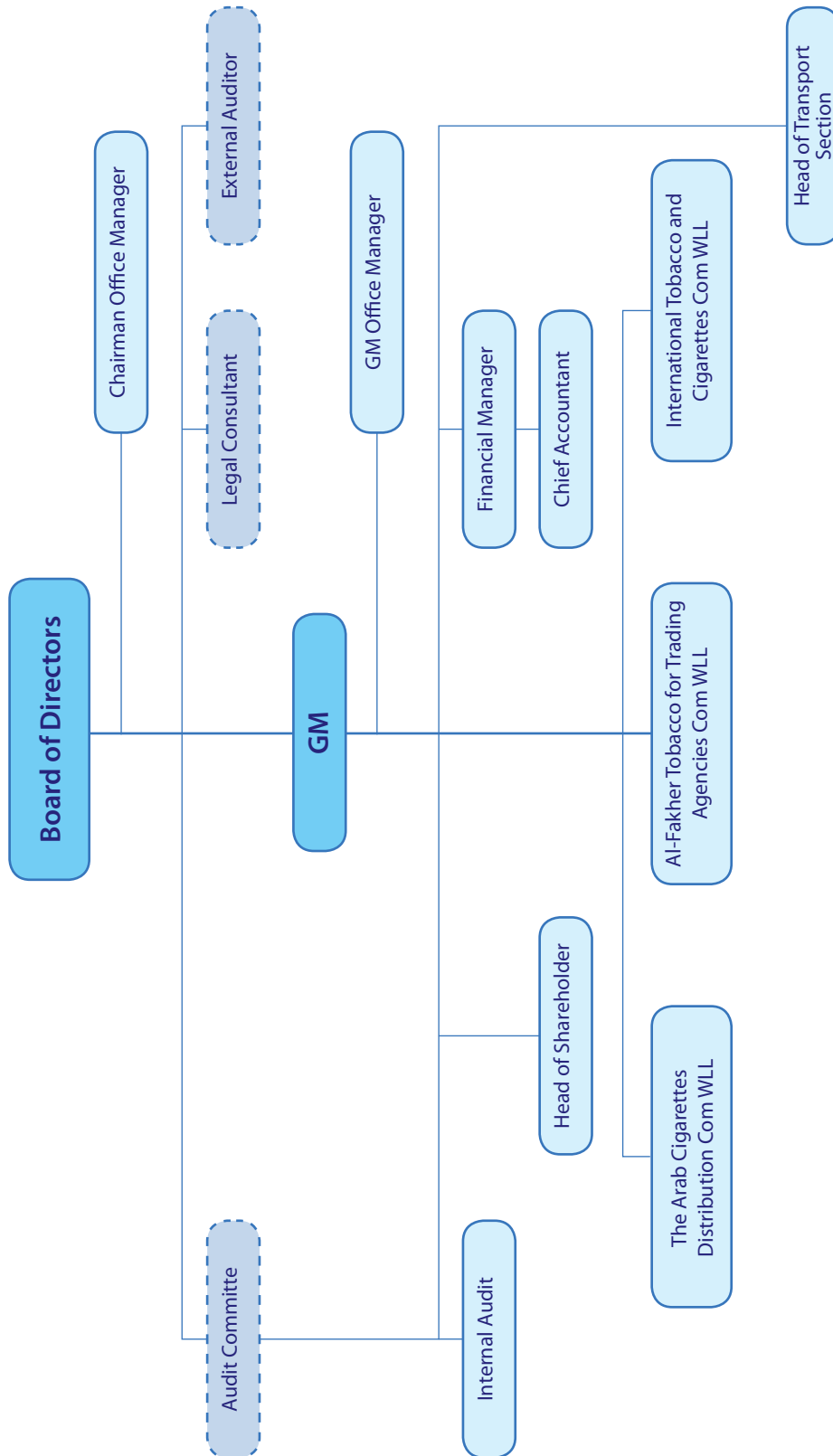
- 1) Social Programs: the Company organizes various social programs to reinforce a sense of belonging among its employees.
- 2) Occupational Safety: the Company's commitment to employees' safety is demonstrated by the frequent public safety training, educational sessions, and taking preventive measures to avert injuries.
- 3) Health Care: The Company, periodically, conducts checkups for various diseases and provides its employees with the necessary vaccinations. Also, a doctor is available on a daily basis in the company to review and monitor the employees' health and wellbeing through an integrated clinic that has been equipped with an ambulance and furnished with medical instruments necessary in case of injury, God forbid.
- 4) Medical Insurance: the Company provides its employees and their families with advanced and distinctive medical insurance including serious illnesses not covered by most insurance policies.
- 5) Daily Meals: the Company, since its inception, subsidizes the daily meals and makes them available at nominal prices to all employees.
- 6) Transportation Means: the Company provides modern transportation means to all its workers.
- 7) Education of workers' children: the Company has adopted to educate the children of its workers who excelled in the general secondary school certificate at public universities in Jordan; and also to educate its workers' children in public, or equivalent private schools.
- 8) Social Committee: the Social Committee plays an active social role by creating a number of sporting activities, leisure excursions, and purposeful social programs, in addition to supporting low-income employees.
- 9) Ideal Employee: in order to motivate the employees and prompt them to more productivity, the company has continued its trend in applying the ideal employee of the month program, the best leader, and ideal employee of the year.
- 10) Newsletter: the Public Relations Department issues a biweekly newsletter dealing with the most important developments within the Company and highlighting the employees' contributions and achievements.

Number of Staff of the Parent Company and its Subsidiaries and their Qualification Category				
Education	EICO	International Tobacco & Cigarettes Co.	Al-Fakher Tobacco Trading & Agencies Co.	Arab Co.
Doctorate	0	0	0	0
Master	0	6	0	1
High Diploma	0	0	0	0
Bachelor	4	66	11	1
Intermediate diploma	1	55	8	0
Secondary grade	2	46	5	0
Less than secondary	0	199	16	1
Vocational Training Center	0	21	0	0
<b>Total</b>	<b>7</b>	<b>256</b>	<b>7</b>	<b>3</b>

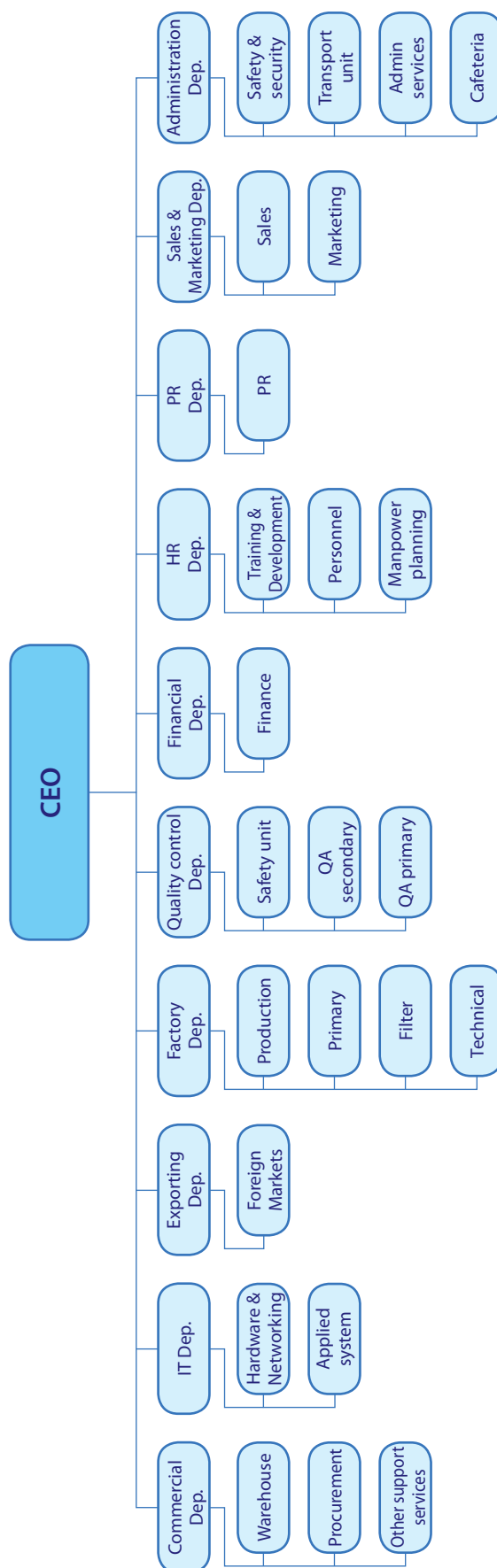
Certificate of technical major	EiCo	ITC	Al-Fakher Tobacco Trading & Agencies Co.	Arab Co.
(MCSA)		1		
(MCSE)		1		
(MCP)		2		
(JCPA)	1			
<b>Total</b>	<b>1</b>	<b>4</b>	<b>0</b>	<b>0</b>

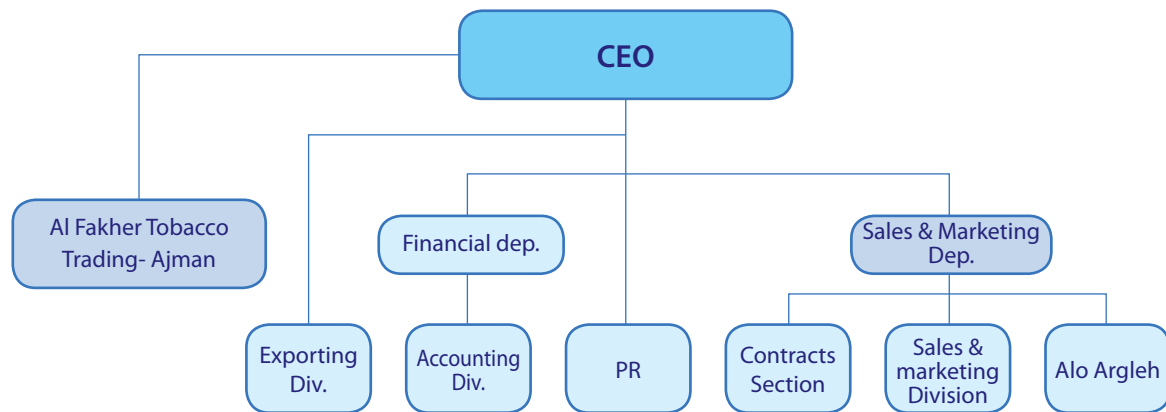
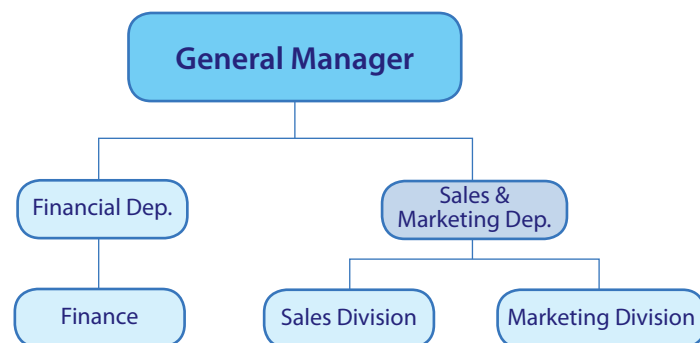
Course Name	
Course Name	Number of Employees joining the course
Session on transport and storage of materials	3
Session on personal protective equipment	35
Session on electrical hazards	34
Session on First Aid	22
Session on chemical risks	33
Session on Public safety (Swine Flu)	17
Session on fire (practical/theoretical)	91
Session on physical risks	59
Session on fire alarms	15
Session for the new staff	5
Siemens Certified Training Course on PLC	2
Session on new developments and developments in international accounting standards	2
Session on changes in international accounting standards to keep pace with transparency in the financial statements	2
<b>Total number of sessions (13)</b>	<b>320</b>

The Organizational Structure of Al-Eqbal for Investment



The Organizational Structure of the International Tobacco and Cigarettes Com



**The Organizational Structure of Al-Fakher Tobacco for Trading Agencies Com****The Organizational Structure of The Arab Cigarettes Distribution Com**

### Risks to which the Company is Exposed:

The risks that the Company faces can be summarized in the following:

1. Taxes: As a result of raising taxes we have witnessed an increase in the entry of contraband cigarettes from adjacent countries of brands sold in the local market at lower prices.
2. Unknown entities have illegally produced forged (imitated) brands similar to those of Company with lower quality in order to damage the reputation of the Company and reduce the demand for its products.
3. Changing of the governmental laws and legislation and its negative effects on the Company's strategy and objectives.

### Achievements realized by the Company during the financial year:

1. Completion of "Al- Fakher Factory" in the free zone of Ajman Emirate/UAE.
2. Transfer of administration offices to the new building in the free zone of Ajman Emirate/UAE.
3. Maintain and promote our products in the export markets.

### The Financial Impact of Non-recurring Activities During the Fiscal Year

There have not been any non-recurring activities during the fiscal year.

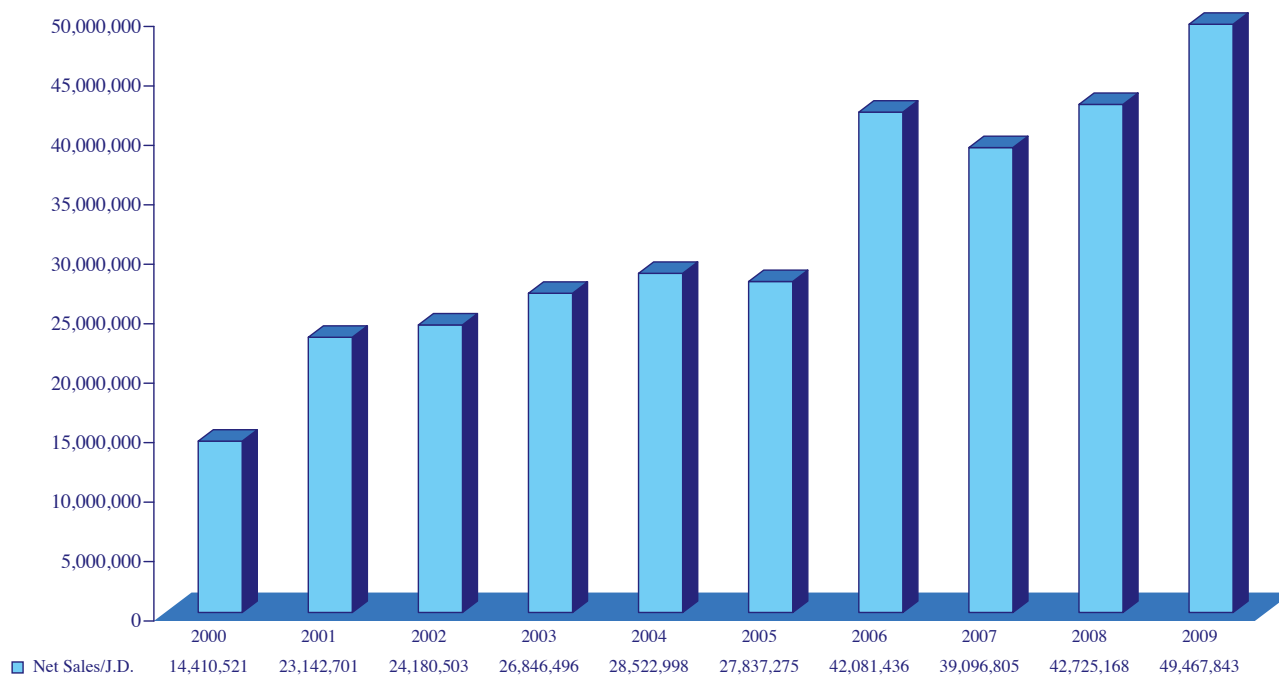
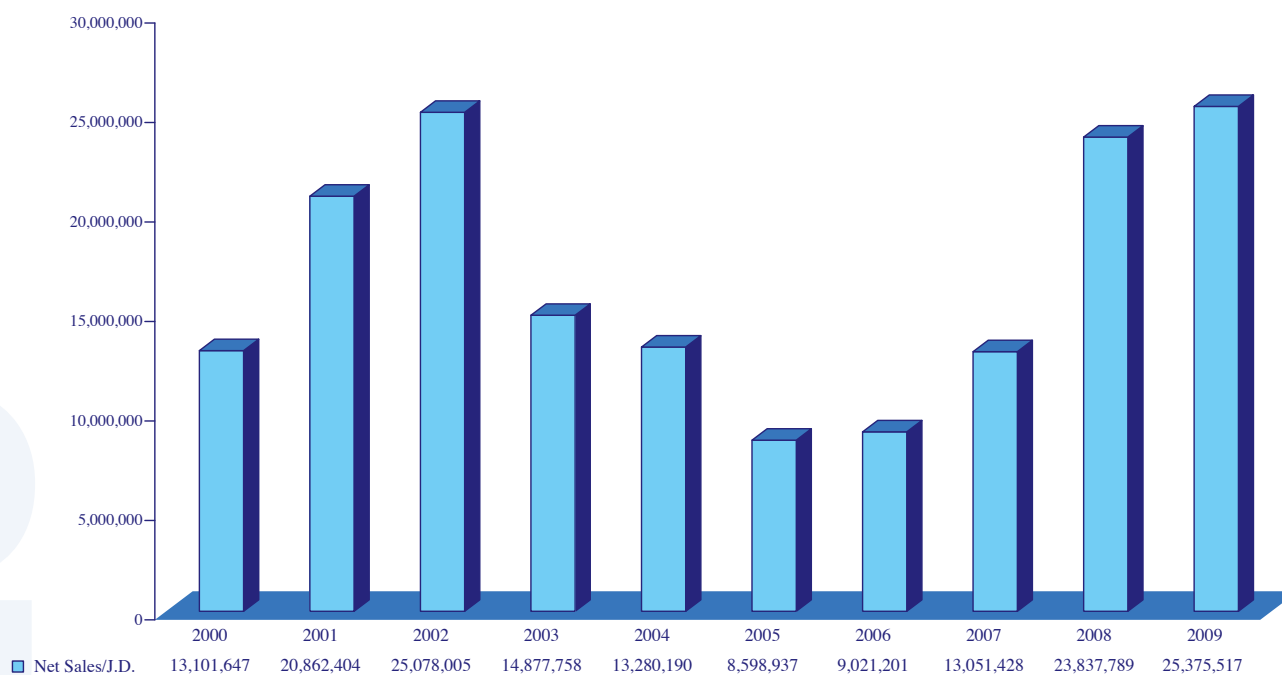
### The Analysis of the Company's Financial Position and its Results During the Fiscal Year:

The consolidated financial statements of the Company for the year 2009 show impressive results for the Affiliates during the year, and in order to analyze that it is worth to point out some important information about the Parent Company and Affiliates:

Parent Company: Al-Eqbal Investment Public Shareholding Limited Company (Capital of 20,000,000 JDs) specializes in tobacco investments and owns the following companies:

#### Affiliated Companies:

- International Tobacco and Cigarettes Company/ WLL, its capital 30,000 (JD), proportion of ownership 100%, operates in the industry and production of tobacco and cigarettes.
  - Arab Cigarettes Distribution Co. / WLL, its capital 30,000 (JD), proportion of ownership 100%, operates in the field of cigarettes distribution in the economic zone (Aqaba).
  - Al-Fakher Tobacco Trading and Agencies Company/ WLL, its capital is 30,000 (JD), the proportion of ownership 100%, operates in the field of trade and distribution of tobacco and other investments; most importantly its Affiliate in Ajman/UAE.
  - Al-Fakher Tobacco Trading Company/ WLL. An Emirate company located in Ajman Emirate, the capital amounts to 40,000,000 (ED) equivalent to 7,720,000 (JD), proportion of ownership is 100%, operates in the field of production, trade and distribution of flavored tobacco locally (UAE), regionally (member states of GCC, Iraq, and Iran), and internationally.
  - International Trading and Distribution of Tobacco and Cigarettes Company/ WLL with a capital of 200,000 (EP) equivalent to 25,600 (JD), and ownership proportion of 100%, operates in the field of tobacco and cigarettes distribution and has other investments most notably its Affiliates:
    - a) Arab International Import, Export and Trade Agencies Company/ WLL, with a capital of 6,000,000 (EP) equivalent to 767,000 (JD), operates in the field of cigarettes and flavored tobacco distribution in the Egyptian market, import and export, and has an ownership proportion of 98,333%.
    - b) Charms Import and distribution Company/WLL with a capital of 50,000 (EP) equivalent to 6500 (JD), and with ownership proportion of 85%, operates in the field of trade and distribution of cigarettes.
- Overall revenue for the Company amounted to 74,843,360 (JD) in 2009 compared to 66,563,957 (JD) in 2008, with an increase of 8,280,403 (JD), up almost by 12, 5%.

**The Development of the Net Sales of the Domestic Market****The Development of the Net Export Sales**



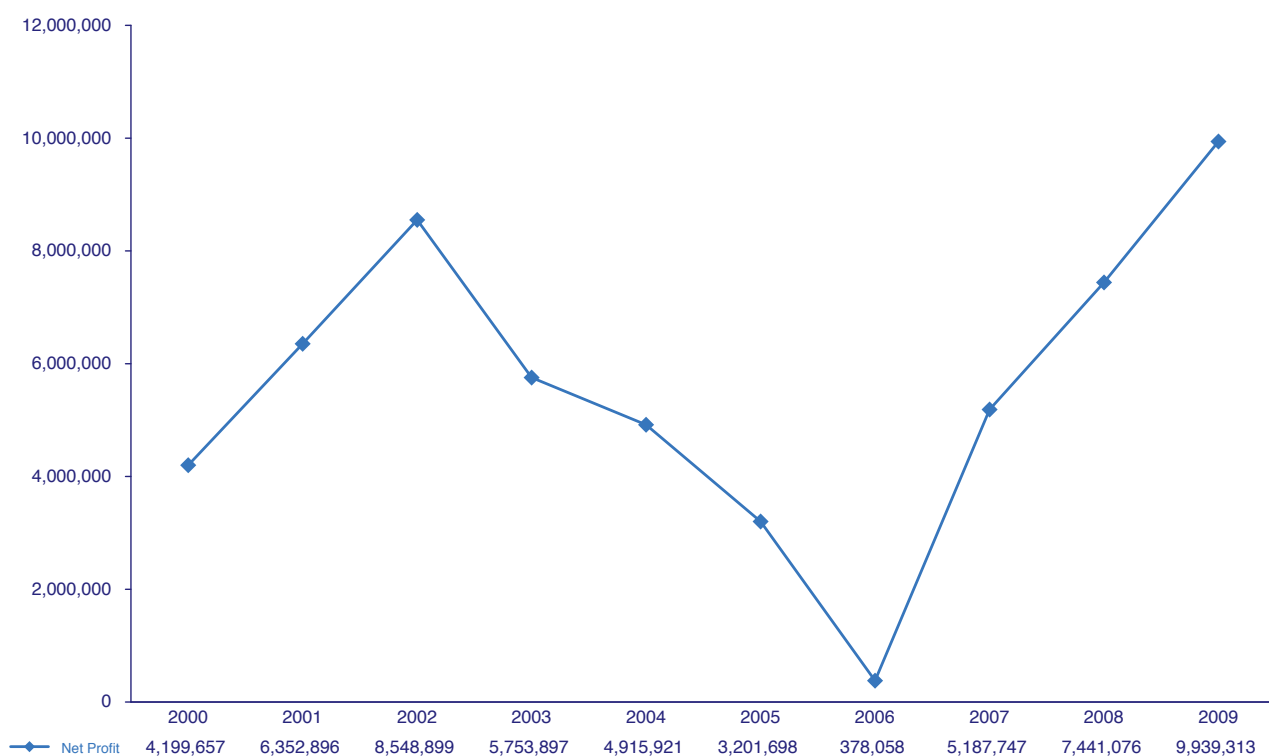
Time Series of the Balance Sheet											
Assets	30/11/2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	
Current Assets											
Cash on hand and at banks	38,140	1,547,673	302,292	380,893	223,164	551,600	1,644,360	1,545,059	6,083,061	3,873,943	
Checks for collection	158,480	290,355	2,232,397	312,532	324,625	240,396	932,014	780,737	1,188,728	1,407,563	
Receivables, net	1,629,778	2,998,454	3,297,526	598,501	3,245,672	4,178,468	6,791,051	10,794,240	8,886,911	5,042,708	
Inventory	12,175,006	10,066,979	12,485,288	13,736,697	19,031,658	18,740,605	17,017,608	16,769,428	17,732,772	24,365,676	
Spare parts warehouse	1,782,748	2,197,174	3,132,602	3,442,219	3,362,649	3,433,542	3,937,399	3,267,318	3,598,379	3,461,610	
Letter of credits expenses and deposits	252,329	490,148	178,750	9,641	743,223	0	26,922	7,112	146,221	87,528	
Machinery and goods in transit	748,433	0	1,192,006	1,235,496	0	222,675	308,772	37,023	44,548	222,987	
Miscellaneous accounts receivable	429,315	404,483	406,714	514,225	516,198	351,293	1,662,543	1,913,974	1,424,248	2,449,466	
<b>Total current assets</b>	<b>17,214,229</b>	<b>17,995,266</b>	<b>23,227,575</b>	<b>20,257,204</b>	<b>27,447,189</b>	<b>27,718,579</b>	<b>32,320,669</b>	<b>35,114,891</b>	<b>39,104,868</b>	<b>40,911,481</b>	
Investments for sale	7,696,878	12,051,998	5,799,360	4,260,262	6,987,875	11,571,815	9,389,433	3,138,834	3,351,256	3,460,208	
Investments in land	0	861,171	861,171	622,232	622,232	622,232	622,232	281,682	281,682	281,682	
Investments in associated companies	0	0	3,948,697	4,882,010	4,841,090	4,847,624	916,145	856,474	942,321	1,069,658	
Non-current assets											
Fixed assets net of accumulated depreciation	17,859,400	19,929,179	24,811,625	22,563,965	20,209,100	18,746,817	24,186,446	28,110,738	28,611,419	30,868,674	
Intangible assets, net	0	0	0	0	0	0	6,602,986	6,602,986	6,602,986	9,687,237	
Promotion expenses of new brands	39,648	80,640	67,383	59,859	20,798	0	0	0	0	0	
Warehouse goodwill after amortization	0	2,917	2,217	1,517	817	117	0	0	0	0	
<b>Total Assets</b>	<b>42,810,155</b>	<b>50,921,171</b>	<b>58,718,028</b>	<b>52,647,049</b>	<b>60,129,101</b>	<b>63,507,184</b>	<b>74,037,911</b>	<b>74,105,605</b>	<b>78,894,532</b>	<b>86,278,940</b>	
Liabilities and Shareholders Equity											
Current liabilities											
Creditor banks	3,345,056	893,568	4,804,389	0	8,017,519	8,102,446	12,667,694	8,342,816	2,787,644	10,239,366	
Payables and notes payable	6,542,039	5,347,420	11,155,800	5,955,979	4,880,997	3,091,289	6,445,340	6,724,202	5,471,209	9,653,267	
Miscellaneous accounts payable	6,519,664	7,371,423	4,776,557	3,534,443	2,911,737	3,224,171	6,321,317	5,879,004	3,643,016	5,373,071	
Loans, current component	790,578	354,500	0	0	0	0	8,400,000	7,626,036	13,125,000	31,334,204	
Current component of loan bonds	700,000	1,400,000	700,000	0	0	5,000,000	0	0	0	0	
<b>Total current liabilities</b>	<b>17,897,337</b>	<b>15,366,911</b>	<b>21,436,746</b>	<b>9,490,422</b>	<b>15,810,253</b>	<b>19,417,906</b>	<b>33,834,351</b>	<b>28,572,058</b>	<b>25,036,869</b>	<b>31,334,204</b>	
Loan bonds – long term	3,500,000	0	0	5,000,000	5,000,000	0	0	0	0	0	
Long – term loans	1,400,000	0	0	0	0	0	1,433,333	5,625,000	17,725,000	14,160,000	
End of service emolument	0	0	0	0	0	0	0	560,072	729,759	711,151	
<b>Total liabilities</b>	<b>22,797,337</b>	<b>15,366,911</b>	<b>21,436,746</b>	<b>14,490,422</b>	<b>20,810,253</b>	<b>19,417,906</b>	<b>35,267,684</b>	<b>34,757,130</b>	<b>43,491,628</b>	<b>46,205,355</b>	
Shareholders Equity											
Capital	12,000,000	14,304,675	15,000,000	15,000,000	15,000,000	16,500,000	20,000,000	20,000,000	20,000,000	20,000,000	
Shares owned by Affiliates	0	0	0	0	0	0	(97,492)	0	0	0	
Statutory reserve	1,329,737	2,108,263	3,062,398	3,687,781	3,750,000	4,109,814	4,150,838	4,687,387	5,000,000	5,000,000	
Voluntary reserve	2,039,008	5,388,696	6,342,831	6,968,214	7,446,377	7,806,191	4,306,191	4,306,191	3,178,307	3,178,307	
Proposed dividend to shareholders	1,800,000	2,860,935	4,125,000	4,500,000	4,500,000	0	0	0	0	0	
Cumulative change in fair value	0	6,701,203	2,749,420	1,998,323	2,858,000	7,491,931	3,208,160	1,482,785	(86,922)	541,474	
Foreign currency translation differences										(10,582)	
Retained earnings at the year end	2,844,073	4,190,488	6,001,633	6,002,309	5,764,471	8,181,342	4,251,992	8,872,112	7,311,519	11,308,208	
<b>Total</b>	<b>20,012,818</b>	<b>35,554,260</b>	<b>37,281,282</b>	<b>38,156,627</b>	<b>39,318,848</b>	<b>44,089,278</b>	<b>35,819,689</b>	<b>39,348,475</b>	<b>35,402,904</b>	<b>40,017,407</b>	
Minority rights	0	0	0	0	0	0	2,950,538	0	0	56,178	
<b>Total equity</b>	<b>20,012,818</b>	<b>35,554,260</b>	<b>37,281,282</b>	<b>38,156,627</b>	<b>39,318,848</b>	<b>44,089,278</b>	<b>38,770,227</b>	<b>39,348,475</b>	<b>35,402,904</b>	<b>40,073,585</b>	
<b>Total liabilities and equity</b>	<b>42,810,155</b>	<b>50,921,171</b>	<b>58,718,028</b>	<b>52,647,049</b>	<b>60,129,101</b>	<b>63,507,184</b>	<b>74,037,911</b>	<b>74,105,605</b>	<b>78,894,532</b>	<b>86,278,940</b>	

Time Series Of Profits and Losses												
List	30/11/2000	2001	2002	2003	2004	2005	2006	2007	2008	2009		
Net sales	27,512,168	44,005,105	49,258,508	41,724,256	41,803,188	36,436,212	51,102,637	52,148,233	66,562,957	74,843,360		
Cost of sales	(20,686,770)	(32,694,168)	(37,583,991)	(34,302,174)	(34,388,018)	(30,587,571)	(42,405,392)	(43,941,333)	(50,191,311)	(52,933,356)		
<b>Gross profit</b>	<b>6,825,398</b>	<b>11,310,937</b>	<b>11,674,517</b>	<b>7,422,082</b>	<b>7,415,170</b>	<b>5,848,641</b>	<b>8,697,245</b>	<b>8,206,900</b>	<b>16,371,646</b>	<b>21,910,004</b>		
General & administrative expenses	(682,211)	(1,079,790)	(1,260,146)	(948,376)	(1,141,390)	(1,432,755)	(2,358,746)	(1,982,459)	(2,467,531)	(3,527,091)		
Sales & distribution expenses	(914,899)	(2,606,716)	(3,153,536)	(2,909,037)	(2,523,292)	(2,500,514)	(4,044,847)	(3,358,312)	(4,166,238)	4,702,580)		
Amortization	(17,119)	(39,967)	(54,497)	(73,234)	(94,554)	(53,266)	0	0	0	0		
Slow moving inventory allowances	0	(131,988)	(161,090)	(127,631)	(169,019)	(199,380)	(735,489)	(231,161)	(140,659)	(822,363)		
<b>Period net expenses</b>	<b>(1,614,229)</b>	<b>(3,858,461)</b>	<b>(4,629,269)</b>	<b>(4,058,278)</b>	<b>(3,928,255)</b>	<b>(4,185,915)</b>	<b>(7,139,082)</b>	<b>(5,571,932)</b>	<b>(6,774,428)</b>	<b>(9,053,034)</b>		
Investment earnings in associated companies	0	0	448,607	266,661	213,761	0	0	0	0	0		
Investment earnings in Affiliates	0	0	0	0	0	0	0	0	0	0		
Earnings (loss) of shares sales	0	(1,124)	2,178,427	2,678,961	2,261,185	2,403,795	0	4,361,732	0	0		
Adjustments to the Company share in associated companies	0	0	0	335,767	0	0	214,703	0	0	0		
Unrealized losses on investments available for sale	0	0	0	0	0	0	0	0	0	0		
Increase in shareholders equity over the cost in associated companies	0	0	0	335,767	0	0	0	0	0	0		
Bank interest	(680,679)	(579,740)	(461,933)	(537,542)	(541,232)	(579,689)	(1,083,900)	(1,398,899)	(1,752,707)	(1,721,767)		
Incomes and other expenses	16,758	85,424	346,871	151,904	7,892	125,552	(37,734)	91,202	517,093	804,304		
Profit of the year before minority interest	4,547,248	6,957,036	9,557,220	6,259,555	5,428,521	3,612,384	651,232	5,689,003	8,361,604	11,420,062		
Minority interest	0	0	0	0	0	0	(112,783)	0	0	(43,920)		
Provisions of the Affiliates	0	0	0	0	0	(15,886)	(128,211)	(338,905)	(712,632)	(1,076,838)		
Profit of the year after minority interest and before provisions and tax	4,547,248	6,957,036	9,557,220	6,259,555	5,428,521	3,596,498	410,238	5,350,098	7,648,972	10,299,304		
Provision of Jordan universities fees	(45,472)	(69,570)	(95,413)	(62,538)	(54,038)	(35,981)	(4,102)	(53,655)	76,448)	0		
Provision of scientific research & vocational training	(45,472)	(69,570)	(95,413)	(62,538)	(54,038)	(35,981)	(4,102)	(53,655)	(76,448)	0		
Members of the Board remuneration	0	(55,000)	(48,616)	(55,000)	(55,000)	(55,000)	(22,000)	(55,000)	(55,000)	(53,781)		
Provision for training and education	0	0	(76,622)	(51,778)	(49,584)	(28,047)	(1,976)	(41)	0	(115,194)		
Other provisions	0	0	(185,000)	0	0	0	0	0	0	(204,560)		
Income tax provision	(256,647)	(410,000)	(507,257)	(273,804)	(299,940)	(239,791)	0	0	0	(30,376)		
<b>Net income after tax &amp; provisions</b>	<b>4,199,657</b>	<b>6,352,896</b>	<b>8,548,899</b>	<b>5,753,897</b>	<b>4,915,921</b>	<b>3,201,698</b>	<b>378,058</b>	<b>5,187,747</b>	<b>7,441,076</b>	<b>9,895,393</b>		
Retained earnings - beginning of year	1,808,591	2,844,073	4,190,488	6,001,633	6,002,309	5,764,471	8,181,342	4,251,992	8,872,112	7,211,519		
Capitalizing portion of the profits	0	0	(695,325)	0	0	0	0	0	0	0		
Paid out dividends during the year	0	(58,437)	(9,159)	0	0	0	(4,125,000)	0	(10,000,000)	(6,000,000)		
Adjustments on associated companies profits	0	0	0	0	0	0	(114,604)	(59,670)	85,847	127,337		
Expenses from previous years	0	0	0	(2,455)	(113,377)	(65,199)	(26,780)	28,592	97,213	(26,041)		
<b>Retained profits - end of the year</b>	<b>6,008,248</b>	<b>9,138,532</b>	<b>12,034,903</b>	<b>11,753,075</b>	<b>10,804,853</b>	<b>8,900,970</b>	<b>4,293,016</b>	<b>9,408,661</b>	<b>6,496,248</b>	<b>11,308,208</b>		
Statutory reserve	454,725	695,703	954,135	625,383	62,219	359,814	41,024	536,549	312,613	0		
Voluntary reserve	909,450	1,391,406	954,135	625,383	478,163	359,814	0	0	(1,127,884)	0		
Proposed dividends for distribution	1,800,000	2,860,935	3,000,000	4,500,000	4,500,000	0	0	0	0	0		
Retained earnings -end of the year	2,844,073	4,190,488	7,126,633	6,002,309	5,764,471	8,181,342	4,251,992	8,872,112	7,311,519	11,308,208		
<b>Total</b>	<b>6,008,248</b>	<b>9,138,532</b>	<b>12,034,903</b>	<b>11,753,075</b>	<b>10,804,853</b>	<b>8,900,970</b>	<b>4,293,016</b>	<b>9,408,661</b>	<b>6,496,248</b>	<b>11,308,208</b>		

Dividends Paid Out by the Company							
Year of distribution	2003	2004	2005	2006	2007	2008	Total
Stock dividend	0	1,500,000	3,500,000	0	0	0	5,000,000
Percentage	0	10%	21%				
Dividend in cash	4,500,000	3,000,000	4,125,000	0	10,000,000	6,000,000	27,625,000
Percentage of dividend distributed in cash	30%	30%	25%		50%	30%	
<b>Total profits</b>	<b>4,500,000</b>	<b>4,500,000</b>	<b>7,625,000</b>	<b>0</b>	<b>10,000,000</b>	<b>6,000,000</b>	<b>32,625,000</b>
Ratio of total distributed profits/capital	30%	40%	46%	0%	50%	30%	

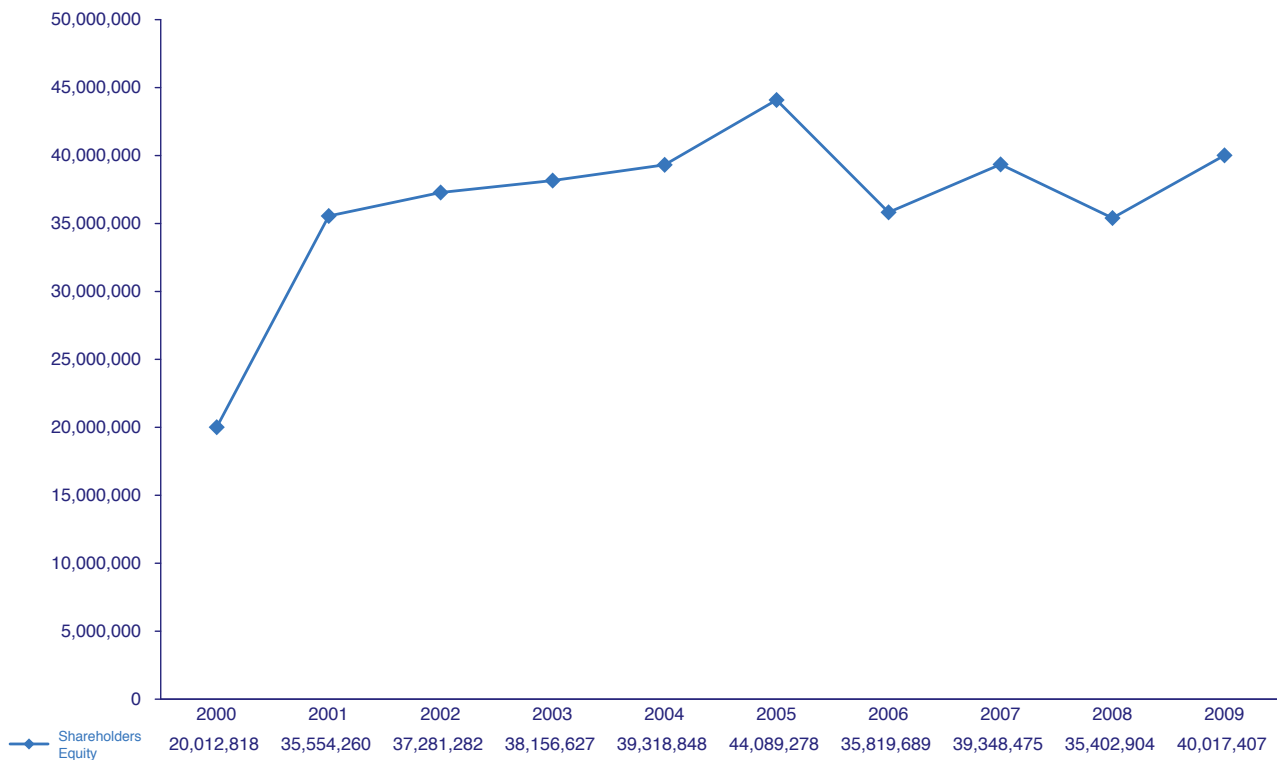
The Company's net operating profits, before provisions and taxes reached 11,420,000 (JD) compared to 8,362,000 (JD) for the previous year, with an increase of 3,058,000 (JD), or up by 37%.

Chart of Net Profit Development



Net shareholders equity stood at about 40,017,000 (JD) at the end of year 2009, compared to 35,403,000 (JD) for 2008, with an increase of 4,614,000 (JD), a proportion of approximately 13% equivalent to the difference between the dividends to shareholders that amounts to 6,000,000 (JD); as well as an increase in the fair value of the Company investments in stock with amount 628,000 (JD), and net profits amount made by the Company during the year 2009 which is 9,986,000 (JD), noting that no amendment or change was made to the statutory reserve, since it fulfilled the legal acceptable percentage.

## Chart of Shareholders Equity Development

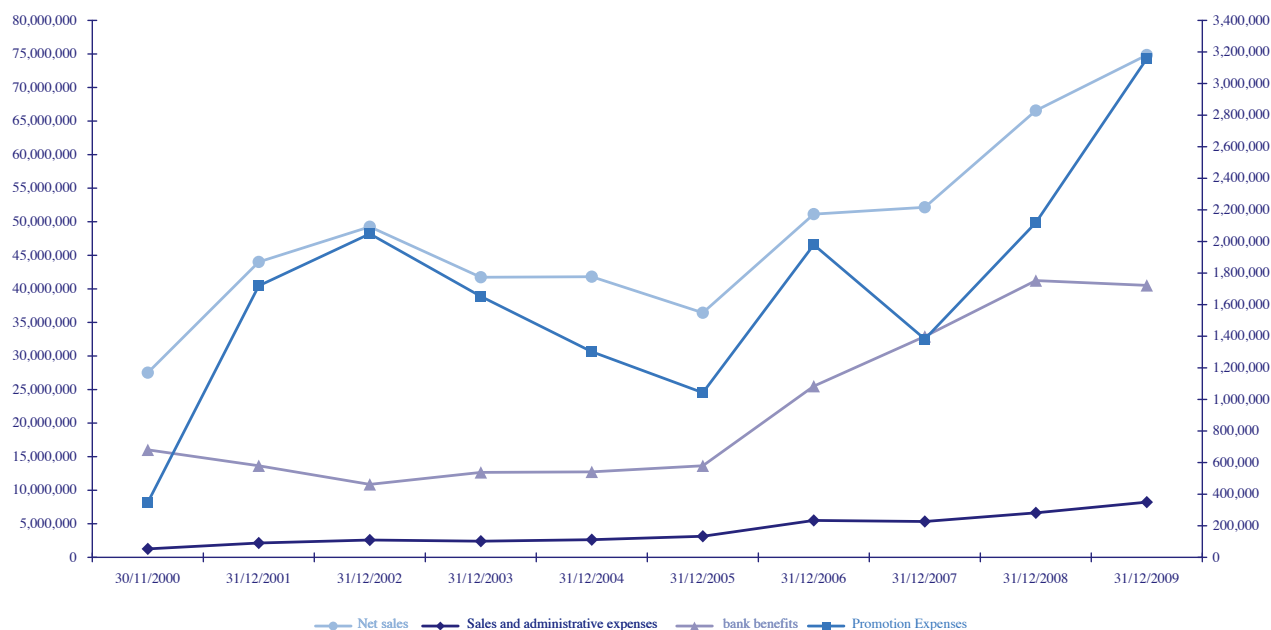


## The Book Value With the Market Value of the Company Share



The working capital stood at 9,577,000 (JD) in 2009 compared to 14,068,000 (JD) for the year 2008, i.e. with a decrease of 4,491,000 (JD) resulted from the conversion of 3,565,000 (JD) from long-term loans to short-term loans, in addition to increased payables and notes payable at Al-Fakher Company/UAE by about 2,100,000 (JD) due to the expansion in production and increased confidence of suppliers in the Company.

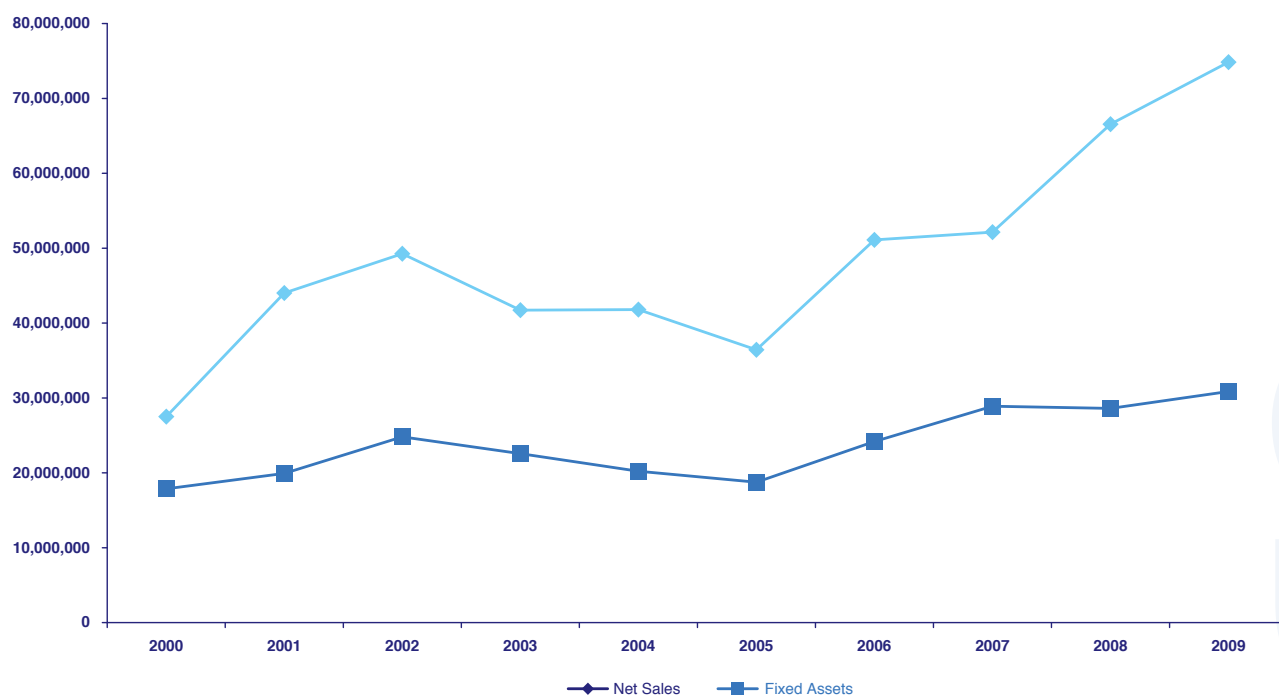
Chart of Net Sales Development Compared With Administrative and Sales Expenses



Gross profit ratio to net sales amounted to 29% in 2009 compared to 25% in 2008; the ratio of general and administrative expenses to sales was 4,7% in 2009 compared to 3,7% in 2008, while the ratio of sales and distribution expenses to sales remained nearly the same (6,3% in 2009, 6,25% in 2008).

As for the cost of funding to sales ratio it has declined from 2,65% in 2008 to 2,3% in 2009.

Chart of Fixed Assets Versus Net Sales



The following are some of the Company's financial ratios for comparison		
Financial percentage	2009	2008
Net profit after provisions/sales	13,7%	11,5%
Revenue on investment (ROI) ratio	11,5%	9,5%
Revenue on equity (ROE) ratio	25%	21%
Equity/fixed assets	130%	124%
Expenses of sales and distribution/sales	6,30%	6,26%
General and administrative expenses/sales	4,7%	3,7%
Bank expenses/Sales	2,3%	2,64%
Basic earnings per share	0,495	0,372 (JD)/share

### Important Future Developments and Plan of the Company for a Year to Come at Least:

To continue on the path of dedication and sincere hard work set by the founder, sponsor, and ex-chairman of the Board His Excellency Mr. Tawfiq Fakhouri, and to achieve further success for the Company we shall:

- 1) Launch new brands of the Company trademarks and diversify the markets of its products and not rely on traditional markets.
- 2) Prepare the processing section in al-Fakher factory in the free zone (UAE) to become a full production unit, and stop relying on other sources for the supply of semi-processed materials.
- 3) Promote tobacco-flavored varieties in the existing markets and search for new markets.
- 4) Furnish the administration offices of al-Fakher factory in the free zone of UAE.
- 5) Start the automation of production processes at al-Fakher factory in the free zone of UAE.
- 6) Strengthen the Company's adherence to and compliance with the laws, legislation, and regulations in force.
- 7) Design studies on the Jordanian market and target markets to identify their needs and link them to the Company's future plans.

### Audit and Other Fees for the Company and its Affiliates

Fees for the Company's Auditors and Affiliates	
Statement	Amount (JD)
Al-Eqbal Investment Co.	7,500
International Tobacco & Cigarettes Co.	5,000
Arab Cigarettes Distribution Co.	1,250
Al-Fakher Tobacco Trade and Agencies Co.	1,250
<b>Total</b>	<b>15,000</b>

- There are no any fees or other dues for the auditor.

Shares owned by the Chairman and Members of the Board, General Manager and Subordinate Directors, their wives & minor children in al-Eqbal Investment Company and in the companies in which the Company is a shareholder and other companies controlled by any of them										
Name	National ID./Center No.	Nationality	Name of company issuing security	Position in the company issuing the security and/or companies in which EICO is a shareholder	Election/entry date	Representative person or relation capacity (spouse/children)	Security type	Par value (JD)	Number of securities as on 31/12/08	Number of securities as on 31/12/09
Members of the board and their representatives										
Mr. Samer Tawfiq Fakhouri	9721050578	Jordanian	EICO	GM	1995		Share	1,000	6,666	6,666
Child: Ja'fer Samer Fakhouri	2001154306	Jordanian	EICO	Shareholder	3/10/09	Son of Mr. Samer Tawfiq Fakhouri	Share	1,000		3,838
Child: Ne'mat Samer Fakhouri	2001419606	Jordanian	EICO	Shareholder		Daughter of Mr. Samer Tawfiq Fakhouri	Share	1,000		2,000
			Bank of Jordan	Shareholder			Share	1,000		490
			EICO	Vice-chairman of the board	3/10/09		Share	1,000	5,000	5,000
Mr. Waleed Tawfiq Fakhouri	9721000980	Jordanian	Bank of Jordan	Member of the Board in a company owning more than 50% in EICO			Share	1,000	5,813	5,813
			Zahrat al-Urdun Co. for Investment in Real Estates and Hotels	Vice-Chairman of the Board in a company shareholding in EICO			Share	1,000	5,000	5,000
			Al-Theqa International Transportation	Chairman of the Board representative for EICO which owns more than 5% in al-Theqa Co.						
Mrs. Shatha Abdul Hameed al-Dabbas	9732038721	Jordanian	Bank of Jordan	Shareholder in a company owning more than 5% in EICO		Spouse of Mr. Waleed Tawfiq Fakhouri	Share	1,000	203	203
Child: Miriam Waleed Fakhouri	2000346160	Jordanian	Bank of Jordan	Shareholder in a company owning more than 5% in EICO		Daughter of Mr. Waleed Tawfiq Fakhouri	Share	1,000	20060	20,364
Child: Rakan Waleed Fakhouri	2000737776	Jordanian	Bank of Jordan	Shareholder in a company owning more than 5% in EICO		Son of Mr. Waleed Tawfiq Fakhouri	Share	1,000	8,958	9,480
Child: Aesha Waleed Fakhouri	2001097308	Jordanian	Bank of Jordan	Shareholder in a company owning more than 5% in EICO		Daughter of Mr. Walled Tawfiq Fakhouri	Share	1,000	2,422	2,726
Child: Ahmad Waleed Fakhouri	2001974088	Jordanian	Bank of Jordan	Shareholder in a company owning more than 5% in EICO		Son of Mr. Waleed Tawfiq Fakhouri	Share	1,000		2,502
			EICO	Member of the Board	9/3/05	Represented by Mr. Hasan Mohammad Hanafiyeh	Share	1,000	2,848,425	2,848,425
			Tourist Transportation Co. "Jet"	Member of the Board in a company in which EICO is a shareholder		Represented by Mr. Waleed Fakhouri	Share	1,000	1,080,000	1,080,000
			Jordan co. for Pioneer Projects	Member of the Board		Represented by Mr. Sehab Owais	Share	1,000	100,000	100,000
			Visa Smart Card Services	Member of the Board		Represented by Mr. Mohammad Anwar Hamdan	Share	1,000	415,740	415,740
			Al-Theqa & Dubai Investment	Owning more than 5%			Share	1,000	1,500,000	1,500,000
Messrs. Bank of Jordan	1105698671	Jordanian	International Bank of Jordan Co.	Member of the Board		Represented by Mr. Shaker Fakhouri	Share	1,000	1,565,000	1,565,000
			Bank of Jordan Syria	Owning more than 5%			Dollar		14,773,870	2,940,000
			Tafawwoq Financial Investment Co.	Affiliate			Share		3,500,000	3,500,000
			Arab Islamic Bank	Owning more than 5% in the Bank which is a shareholder in an affiliate to EICO (Arab Cigarettes Distribution co.)			Share		3,430,650	3,636,489
			Arab Palestinian Warehousing	Owning more than 5%			Share		250,000	250,000
			Al-Theqa International Transportation Co.	Owning more than 5% in a company in which EICO is a shareholder			Share	1,000	310,100	310,100
			Al-Eqbal Printing and Packaging	Owning more than 5%			Share	1,000	292,187	292,187
			Consultative Investment Group	Owning more than 5%			Share	1,000	7,850,681	7,850,681
Mr. Hasan Mohammad Hanafiyeh	9401006458	Jordanian	EICO	Representative Board member - Bank of Jordan	1/10/08		-	-		
			EICO	Member of the Board	9/3/05	Represented by Mr. Abdul Rahman Talal Daghmash	Share	1,000	6,666	6,666
Messrs. Al-Lo'lo'a' Trade Co. for Construction & Investment	1109416944	Jordanian	Bank of Jordan	Member of the Board in a company owning more than 5% in EICO		Represented by Dr. Mazen al-Basheer	Share	1,000	119,454	44,454
			Al-Eqbal Printing and Packaging Co.	Member of the Board		Represented by Mr. Ibrahim al-Ja'beh	Share	1,000	5,000	5,000
			Al-Theqa International transportation Co.	Member of the Board in a company in which EICO is a shareholder		Represented by Mr. Awad al-Tal	Share	1,000	5,000	5,000

Shares owned by the Chairman and Members of the Board, General Manager and Subordinate Directors, their wives & minor children in al-Eqbal Investment Company and in the companies in which the Company is a shareholder and other companies controlled by any of them										Security type				
Name	National ID / Center No.	Nationality	Name of company/issuing security	Position in the company issuing the security and/or companies in which EICO is a shareholder	Election/entry date	Representative person or relation capacity (spouse/children)	Par value (JD)	Number of securities as on 31/12/08	Number of securities as on 31/12/09					
Members of the board and their representatives														
Mr. Abdul Rahman Talal Daghmash	9641028819	Jordanian	EICO	Representative member of the Board – Al-Lo'la Trade Co. for Construction & Investment	13/3/07		Share	1,000	364,186			363,636		
			Arab United Investors Co.	Member of the Board	2004	Share	1,000	3,506,680	3,161,806					
			Aman Securities Co.	Member of the Board	2005	Share	1,000	1,500,000	10,000					
			Jordan Tameer co.	Representative member of the Board-Arab United Investors Co.	2006									
Messrs. Arab Gulf for Investment and General Transportation	1600866537	Jordanian	EICO	Member of the Board	9/3/05	Represented by Mr. Hassan Abdul Hafez Ibrahim Jaser	Share	1,000	6,666			6,666		
			Bank of Jordan	Member of the Board in a company owning more than 5% in EICO		Share	1,000	30,641	30,641					
			Al-Eqbal Printing and Packaging Co.	Member of the Board	7/11/07	Share	1,000	5,000	5,000					
			Al-Theqa International Transportation Co.	Member of the Board in a company in which EICO is a shareholder		Represented by Mr. Halitham Mohammad Ali al-Qshat	Share	1,000	5,000			5,000		
Mr. Hassan Abdul Hafez Ibrahim Jaser	9551017827	Jordanian	EICO	Representative Member of the Board – Arab Gulf Co. for Investment and General Transportation	1/2/08									
Messrs. Al-Yamama General Investment Co.	112880043	Jordanian	EICO	Member of the Board	3/9/05	Represented by Mr. Halitham Mohammad Ali al-Qshat	Share	1,000	6,666			6,666		
			Bank of Jordan	Shareholder in a company owning more than 5% in EICO			Share	1,000	15,227			15,227		
Mt. Halitham Mohammad Ali al-Qshat	9481005364	Jordanian	EICO	Representative member of the Board – al-Yamama General Investment Co.	3/9/05		Share	1,000	32,450			50,000		
			Bank of Jordan	Shareholder in a company owning more than 5% in EICO			Share	1,000	77,470			77,470		
Messrs. Al-Eqbal General Trade Jordanian Co.	1901304522	Jordanian	EICO	Member of the Board	9/3/05	Represented by Mr. Nabeeh al-Nimer	Share	1,000	1,932,915			1,927,915		
			Bank of Jordan	Member of the Board in a company owning 5% in EICO		Share	1,000	15,918,314	15,913,314					
			Zahrat al-Urdun for Real Estate and Hotel Investment Co.	Shareholders in a company which is a shareholder in EICO		Share	1,000	13,843	13,843					
			Al-Theqa International Transportation	Shareholders in a company in which EICO is a shareholder			Share	1,000			5,000			
Mr. Nabeeh Amr al-Nimer		Jordanian	EICO	Representative member of the Board- Al-Eqbal General Trade Jordanian co.	18/2/09									
Messrs. Farah Co. for Electrical and Sanitary Installations	1117715390	Jordanian	Bank of Jordan	Shareholder in a company owning more than 5% in EICO			Share	1,000	100,000			100,000		
Mr. Yousef Mohammad Omar	9491000368	Jordanian	EICO	Member of the Board	9/3/05	Represented by Mr. Yousef Mohammad Omar	Share	1,000	6,666			6,666		
Mr. Ibrahim Rasheed Abdul Mene'm al-Ja'beh	9561017570	Jordanian	EICO	Representative member of the Board –Farah Co. for Electrical and Sanitary Installations	9/3/05									
			EICO	Member of the Board	25/3/07	Share	1,000	6,729	6,729					
			Bank of Jordan	Shareholder in a company owning more than 5% in EICO		Share		10,000						
			Al-Eqbal Printing and Packaging Co.	Representative member of the Board –al-Lo'la Trade Co. for Construction and Investment										
Mrs. Zenat Mohammad Jameel Amen	9562016196	Jordanian	EICO	Shareholder		Spouse of Mr. Ibrahim Rasheed al-Ja'beh	Share	1,000	175			175		
Messrs. Zahrat al-Urdun for Real Estate & Hotel Investments Co.	1164063016	Jordanian	EICO	Member of the Board	3/3/07	Represented by Mr. Riyadh Tawfiq Nijmeh	Share	1,000	5,000			5,000		
			Bank of Jordan	Shareholders in a company owning 5% in EICO			Share	1,000	152,615			152,615		
Mr. Riyadh Tawfiq Nijmeh	1114598737	Syrian	EICO	Representative member of the Board – Zahrat al-Urdun Co. for Real Estate and Hotel Investments	18/2/09									
Mr. Dia'aldin Abdul Latif Ahmad Saleh	9661007113	Jordanian	EICO	Member of the Board	3/10/2009		Share	1,000				5,000		
Higher Administration														
Mr. Isa Mahmoud Mohammad Issa	9401008738	Jordanian	EICO	Secretary-General of the Board	2/4/01									
			Bank of Jordan	Shareholder in a company owning more than 5% in EICO			Share	1,000				1,500		
			EICO	Financial Manager	1/12/05		Share	1,000	3,000					
Mr. Mohammad Khalil Hussein al-Sheibat	9451006695	Jordanian	Al-Theqa International transportation Co.	Representative member of the Board –Al-Lo'la Trade Co. for Construction and Investment in a company in which EICO is a shareholder	1/1/09									
Mr. Saif Musa Mustafa Saleh	9771056015	Jordanian	EICO	Manager of strategic development	23/8/09									



## Benefits and Bonuses of the Chairman, Directors of the Board, and Senior Management

1- Chairman and members of the Board						
Name	Office	Audit fees	Bonuses	Travel allowance	Total benefits	Remarks
Tawfiq Fakhouri	Ex-Chairman of the Board		5,000	8,000	13,000	Resigned on 31/8/09
Samer Tawfiq Fakhouri	Chairman of the Board		5,000	12,000	17,000	
Waleed Tawfiq Fakhouri	Vice-chairman of the Board		5,000	12,000	17,000	
Ibrahim Ja-Ja'beh	Director		5,000	12,000	17,000	
Yousef Mohammad Omer	Director	2,000	5,000	12,000	19,000	
Haitham Qteshat	Director		5,000	12,000	17,000	
Abdul Rahman Daghmash	Director	2,000	5,000	12,000	19,000	
Hassan Jaser	Director	1,732	4,583	12,000	18,315	
Hasan Mohammad Hanafiyeh	Director		1,667	12,000	13,667	
Nabeeh Amr Nimer al-Nimer	Director			10,393	10,393	
Riyadh Tawfiq Nijmeh	Director			10,393	10,393	
Dia'aldin Abdul Latif	Director			3,000	3,000	
Yahya Qadamani	Director		5,000	1,607	6,607	Resigned on 18/2/09
Adel Abu Durgham	Director	286	5,000	1,607	6,875	Resigned on 18/2/09
Adel Ahmad Irshaid	Director		3,750		3,750	Resigned on 1/10/08
<b>Total</b>		<b>6,000</b>	<b>55,000</b>	<b>131,000</b>	<b>192,000</b>	

Note: Each one of Samer Fakhouri, Ibrahim al-Ja'beh has the use of a car.

2- Senior Management						
Name	Office	Fees, salaries and bonuses	Transport allowance	Travel expenses	Total	
Samer Fakhouri	Chairman of the Board/GM	221,082	2,119	20,686	243,887	
Mohammad al-Sheibat	Financial manager	60,970	354	431	61,755	
Saif Saleh	Development manger	10,404	0	0	10,404	
<b>Total</b>		<b>292,456</b>	<b>2,473</b>	<b>21,117</b>	<b>316,046</b>	

Donations and grants paid by the Company during the financial year			
No.	Description	Value	
1	Educational donations to school and university students	10,329	
2	Donations and grants to local community	6,565	
3	Clubs, associations and charity centers	16,900	
4	Donation campaign "To relieve Gaza-t- Hashim"	52,000	
5	Affiliates' donations	67,283	
<b>Total</b>		<b>153,077</b>	

### Contracts, Projects and Engagements Held by the Company or Affiliates:

There are no contracts, projects, or engagements held by the Company with the Affiliates, Chairman of the Board, directors, General Manager or any employee of the Company, or their relatives, with the exception of the Affiliated companies; (International Tobacco & Cigarettes Co.) which manufactures cigarettes for the domestic market and export markets, (Arab Cigarettes Distribution Co.) which distributes and sells cigarette brands produced by the Tobacco Company in Aqaba Economic Zone; and (Al-Fakher Tobacco Trading and Agencies Co.) which distributes tobacco-flavored products in the Hashemite Kingdom of Jordan markets.

### The Company's Contribution to the Protection of the Environment:

- The company has installed a high standard water purification plant in order to treat wastewater and re-use in irrigation of trees.
- The Company, on a weekly basis, lays tobacco waste unfit for human consumption in landfills designated for that purpose by the government.
- The Company separates burnt oils from sewage and assembles them in special places to be re-used for other purposes.
- In building the new factory, the Company took into account the installation of filters that prevent the exit of tobacco dust or smell into the atmosphere.
- The Company does not throw away cardboard or paper. Instead the company sells it for recycling and reuse.
- The Company, in agreement with qualified entities, collects wastes (such as iron, wood, plastic, glass, paper, and etc.), sorts and sells them to factories for recycling.
- The company, in collaboration with specialized companies, collects and transfers the wastes to designated grounds on a daily basis.

### The Company's Contribution to Community Service:

The Company plays a major role in supplying the state treasury with taxes and various fees, and their value since the establishment of the Company exceeded 472 million (JD). The Company, also, supports the Jordanian economy through its Affiliates' revenues and profits that are transferred to the Parent Company in Amman, the estimated total value of which is more than 20 million dollars annually. Furthermore and in line with its history of social responsibility and commitment to community development, the Company launched charity support programs for municipal councils in the Kingdom, charities, and poor families' Zakat funds. In addition, the Company launched other programs in contribution to the provision of social welfare for the children of its workers. Its also worth mentioning that Company management has launched in 2006, the "Starter Fund" in cooperation with the Ministry of Higher Education, to provide scholarships dedicated to outstanding Jordanian students who can not afford to fulfill their university study dream. Forty eight students (male/female) are benefiting from this program. It should be noted here that the Company management has spent over 750,000 (JD) on social responsibility programs since its incorporation 17 years ago.

The Company, and through the Department of Public Relations, has built a system to connect with the local community, clearly highlight its positive image, and show its active participation in community development through corporate social responsibility programs.

### In Conclusion:

I would like to emphasize the commitment of Al-Eqbal Investment Company to play an essential and active role in the overall development process in Jordan. Since its inception more than 18 years ago, the Company has been working feverishly on its own development in a way to serve the national economy, support the state treasury through full commitment to paying taxes and customs duties, show transparency in its dealings, disclose periodic financial results, and provide the shareholders and all stakeholders with up-to-date details on the financial statements.

The Company continues to be committed to the development and the service of the community, and strives to build upon the distinctive achievements that have been made to our national economy by expanding the scope of products we produce and sell, as well as our strategic investments to increase productivity and profitability.

However, our success would not have been possible if it was not for the unique and inviting climate for investment in the Kingdom, and the existence of appropriate infrastructure whether in laws, legislation, or various investment incentives. I would like to commend the good efforts extended by various governmental departments and institutions involved, in particular the Ministry of Finance, Income & Sales Tax Department, and Customs Department, where the collective efforts of those institutions have played a significant role in achieving the objectives of the Company in the recent years, thanks to the wise guidance and prudent leadership of King Abdullah II Ibn Al Hussein, may Allah bless and guard him.

**Declarations:**

- 1- The company name board of directors that are no core effects on the company's continuity during the next financial year.
- 2- The company board of directories declares its responsibility for preparing the financial statments and providing the company with an effective monitoring system.

NAME	POSITION	SIGNATUR
Samer Tawfiq Fakhouri	Chairman	
Walid Tawfiq Fakhouri	Deputy Chairman	
Riad Taoufik Najmeh	Director	
Ibrahim Rashid AL Juba	Director	
Abdul Rahman Talal Dagmash	Director	
Hassan Mohammad Hanafiye	Director	
Yousef Mohammad Omar	Director	
Nabih Amr Al -Nimr	Director	
Haitham Mohammad Qtaishat	Director	
Hassan Abdul Hafez Jaser	Director	
Dia El'Din Abdullatef Saleh	Director	

- 3- With an effective control system. \We, hereunder signed, declare the authentication accuracy and completion of the information data stated in the annual statment.

NAME	POSITION	SIGNATUR
Tawfiq Shaker Fakhouri	Chairman	
Samer Tawfiq Fakhouri	Genral Manager	
Mohammad Khaleel Alshuiabat	Financial Manager	

IBRAHIM ABBASI & Co.  
public Accountants & Consaltants



## INDEPENDENT AUDITOR'S REPORT

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**To The Shareholders,**  
**Al- Eqbal Investment Co. (P.S.C)**  
Amman - The Hashemite Kingdom of Jordan

### Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of the Al- Eqbal Investment Co. (P.S.C) which comprise the Consolidated financial position as at December 31, 2009, and Consolidated income statement, Consolidated comprehensive Income Statement, Consolidated Statement of Changes in Equity, and Consolidated Cash Flow Statement for the year then ended. And a summary of significant accounting policies and other explanatory notes.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these Consolidated Financial Statements in accordance with International Financial Reporting Standards. This responsibility includes : designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Consolidated Financial Statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessing the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error; In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Consolidated Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose

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of expressing an opinion on the effectiveness of the entity's control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Financial Statement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the Consolidated Financial Statements present fairly, in all material respects the Consolidated Financial Position of the Al- Eqbal Investment Co. (P.S.C) as of December 31, 2009, and of its Consolidated financial performance and its Consolidated Cash Flows for the year then ended in accordance with the International Financial Reporting Standards.

**Report on Other Legal and Regulatory Requirements**

In compliance with the Jordanian Companies Law no. (22) of 1997 and its amendment laws, we obtained the necessary information and explanations for our audit, and the company maintains proper accounting books of accounts, and the accompanying consolidated financial statements agree with the Consolidated Financial Statements incorporated in the Board of Directors' report.

Based on the above, we recommend the General Assembly to approve the accompanying Consolidated Financial Statements.

FOR IBRAHIM ABBASI & CO.

Dr. Ibrahim M. Abbasi  
License No. 116

Amman –February 04, 2010

Consolidated Statement of Financial Position as of December 31, 2009		Statement A	
		For the year ending on December 31 <sup>st</sup>	
	Note	2009 JD	2008 JD
<b>This item consists of:</b>			
Non- Current Assets			
plant & equipment - net	4	30,848,504	27,819,188
Working in progress		20,170	743,596
Intangible assets - net	5	9,687,237	6,651,621
Investment in associated companies	6	1,069,658	942,321
Land Investments	7	281,682	281,682
Available for sales securities	8	3,460,208	3,351,256
<b>Total Non- Current Assets</b>		<b>45,367,459</b>	<b>39,789,664</b>
Current Assets			
Inventory - Net	9	24,365,676	17,732,772
Good in transit		222,987	44,548
Spare parts inventory - Net	10	3,461,610	3,598,379
Margins & expenses on letters of credit		87,528	146,221
Accounts receivable - Net	11	5,042,708	8,886,911
Cheques under collection		1,407,563	1,188,728
Other receivables	12	2,449,466	1,390,223
Cash on hand and at banks		3,873,943	6,083,061
<b>Total Current Assets</b>		<b>40,911,481</b>	<b>39,070,843</b>
<b>Total Assets</b>		<b>86,278,940</b>	<b>78,860,507</b>
<b>Liabilities and Shareholder's Equity &amp; Rights of non-controlled Owner's Equity</b>			
Capital		20,000,000	20,000,000
Statutory reserve		5,000,000	5,000,000
Voluntary reserve		3,178,307	3,178,307
Accumulated changes in fair value		541,474	(86,922)
translated Exchange differences		(10,582)	
Retained earnings at Year end - Exhibit C	13	11,308,208	7,311,519
<b>Total Owner's equity</b>		<b>40,017,407</b>	<b>35,402,904</b>
Rights of non-controlled		56,178	0
<b>Total Owner's Equity and Rights of non-controlled</b>		<b>40,073,585</b>	<b>35,402,904</b>
<b>Non - Current Liabilities</b>			
loans - Long term	14	14,160,000	17,725,000
Remuneration reserve		711,151	729,759
<b>Total Non - Current Liabilities</b>		<b>14,871,151</b>	<b>18,454,759</b>
<b>Current Liabilities</b>			
Banks overdrafts	15	10,239,366	2,787,644
loans - Short term	14	6,068,500	13,135,000
Accounts and Notes payable	16	9,653,267	5,471,209
with holding sales tax		2,381,904	1,642,255
Other payables	17	2,991,167	1,966,736
<b>Total Current Liabilities</b>		<b>31,334,204</b>	<b>25,002,844</b>
<b>Total Liabilities and Owner's Equity and Rights of non-controlled</b>		<b>86,278,940</b>	<b>78,860,507</b>

The accompanying notes form an integral part of this statement.

Consolidated Statement of Income for the year ended December 31, 2009		Statement B	
		For the Year Ending on December 31 <sup>st</sup>	
	Notes	2009	2008
		JD	JD
Net sales	3 i	74,843,360	66,562,957
Cost of goods sold	18	(52,933,356)	(50,191,311)
Gross Profit		21,910,004	16,371,646
General & administrative expenses	19	(3,527,091)	(2,467,531)
Selling and distribution expenses	20	(4,703,580)	(4,166,238)
Slowmoving provision		(822,363)	(140,659)
Other income ( expenses )	21	804,304	517,093
Operation profit of the year		13,661,274	10,114,311
Unrealized losses on investments available for sale	22	(519,445)	0
Finance costs		(1,721,767)	(1,752,707)
Profit for the year before provision for subsidiary company		11,420,062	8,361,604
Income tax provision-subsidiary company		(1,076,838)	(624,144)
Jordanian Universities fees provision-subsidiary company		(115,194)	(88,488)
Income before provision		10,228,030	7,648,972
Income tax provision		(30,376)	0
Jordanian Universities fees provision		0	(76,448)
Provision for Scientific Research & vocational training		0	(76,448)
Board of Directors Remuneration		(53,781)	(55,000)
provision for expected obligations		(204,560)	0
Income after provision and return to :		9,939,313	7,441,076
The company's shareholders		9,895,393	7,441,076
Rights of non-controlled		43,920	0
Total		9,939,313	7,441,076
		J.D/Share	J.D/Share
Basic per share profit for the year	24	0.496	0.372
<b>Income after provision and tax</b>		<b>9,939,313</b>	<b>7,441,076</b>
<b>Add: items of comprehensive income</b>			
Accumulated changes in fair value		628,396	(1,569,707)
translated Exchange differences		(10,582)	0
<b>Total comprehensive income</b>		<b>10,557,127</b>	<b>5,871,369</b>
<b>Return to :</b>			
<b>The company's shareholders</b>		<b>10,513,207</b>	<b>5,871,369</b>
Rights of non-controlled		43,920	0
<b>Total</b>		<b>10,557,127</b>	<b>5,871,369</b>

The accompanying notes form an integral part of this statement

Consolidated Statement of Changes in Shareholder's Equity for the Year Ended December 31,2009							Statement C	
Description	Capital	Statutory reserve	Voluntary reserve	translated Exchange differences	Accumulated Changes in Fair Value	Retained earnings	Rights of non controlled	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Balance as of December 31,2007	20,000,000	4,687,387	4,306,191	0	1,482,785	8,872,112	0	39,348,475
Total comprehensive income	-	-	-	-	(1,569,707)	7,441,076	-	5,871,369
Transfer to statutory reserve	-	312,613	-	-	-	(312,613)	-	-
Prior years Income	-	-	-	-	-	97,213	-	97,213
Adjustments in inv. Profits for association Co.	-	-	-	-	-	85,847	-	85,847
Dividends paid (Exhibit 17)	-	-	(1,127,884)	-	-	(8,872,116)	-	(10,000,000)
Balance as of December 31,2008 (statement A)	20,000,000	5,000,000	3,178,307	0	(86,922)	7,311,519	0	35,402,904
Total comprehensive income	-	-	-	(10,582)	628,396	9,895,393	-	10,513,207
Prior years (Expenses)	-	-	-	-	-	(26,041)	-	(26,041)
Right of non controlled	-	-	-	-	-	-	56,178	56,178
Adjustments in Profits for association Co.	-	-	-	-	-	127,337	-	127,337
Dividends paid (Exhibit 17)	-	-	-	-	-	(6,000,000)	-	(6,000,000)
Balance as of December 31,2009 (statement A)	20,000,000	5,000,000	3,178,307	(10,582)	541,474	11,308,208	56,178	40,073,585
The accompanying notes form an integral part of this statement.								



Consolidated Statement of Cash Flows for the year ended December 31, 2009		Statement D	
		For the Year Ending on December 31 <sup>st</sup>	
		2009	2008
		JD	JD
<b>Cash flows from operating activities</b>			
Net income after provisions and tax		9,895,393	7,441,076
Prior years (EXP) Income		(26,041)	97,213
translated Exchange differences		(10,582)	0
(Profit) from investment in associated company		127,337	85,847
Slow moving inventory		822,363	140,659
Unrealized (losses) on investments available for sale		519,445	0
Depreciation		4,295,553	3,951,981
Operating profit before changes in working capital		15,623,468	11,716,776
(Increase) decrease in current assets			
Accounts receivable		3,844,203	1,907,329
Cheques under collection		(218,835)	(407,991)
Inventory		(7,093,473)	(1,104,003)
Spare parts inventory		(225,025)	(331,061)
Goods in transit		(178,439)	(7,525)
Margins & expenses on letters of credit		58,693	(139,109)
Other receivables		(1,059,243)	(296,903)
Increase (decrease) in current liabilities			
Accounts & notes payable		4,182,058	(1,252,993)
Other payables		1,745,472	(2,066,301)
Net Cash Provided from Operating Activities		16,678,879	8,018,219
<b>Cash Flows From Investing Activities</b>			
Changes in plant & equipment		(7,324,869)	(11,267,333)
intangible Assets - net		(3,035,617)	(25,000)
Working in progress		723,426	1,420,630
Machinery & Equipment under installing		0	6,205,670
Changes in investment in associated company		(127,337)	(85,847)
Changes in available for sales securities		0	(1,782,129)
Rights of non-controlled		56,178	0
Net Cash (Used in) Investing Activities		(9,708,219)	(5,534,009)
<b>Cash Flows From Financing Activities</b>			
Bank overdrafts		7,451,722	(5,555,172)
Loan		(10,631,500)	17,608,964
Proposed dividends to shareholders		(6,000,000)	(10,000,000)
Net Cash (Used in) Provided from Financing Activities		(9,179,778)	2,053,792
Net (decrease) Increase in Cash		(2,209,118)	4,538,002
Cash on hand and at banks at beginning of the Year		6,083,061	1,545,059
Cash on hand and at banks at Year end(Exhibit A)		3,873,943	6,083,061

The accompanying notes form an integral part of this statement

### 1. Company's Registration and Objectives

- Al Eqbal Investment Co. (P.S.C) was established by virtue of the temporary Companies Law No (1) of 1989, and was registered in the public shareholding companies record at the Ministry of Industry and Trade in the Hashemite Kingdom of Jordan under number (218) on 1/6/1992.
- The financial statements were approved by the company's Board of Directors in their meeting held on 28 January 2010. the financial statements require the approval of the General Assembly.

### 2. Basis of Preparation of the Financial Statements

The consolidated financial statement are prepared in accordance with International Financial Reporting Standard. The consolidated financial statement are prepared under the historical cost convention modified to included measurement at fair value of available for sale and has also been presented assets and financial liability are hedged with fair value. The consolidated financial statements are presented in jordanian Dinars, which is the functional currency of the company.

### 3. Basis of Consolidation of the Financial Statements

The consolidated financial statements comprise the financial statements of AL Eqbal Investment Co.(P.S.C) and the subsidareis, the subsidareis are fully consolidated from the date of aquisition, being the date on which the company obtains control ceases. All intra-company balances, income and expenses and profits and losses resulting from intra-company transactions are eliminated in full.

The financial statements of the subsidiaries are prepared for the same reporting as the parent company, using consistent accounting policies.

Company's Name	Company Legal Aspect	Co. Capital/JD	Rate of Investment	Mother Co. Share profit from the Subsidiaries Companies	Invetsments Book Values
Arab Co. for Distrbuting Cigarettes	Limited liability	30,000	100%	187,788	767,935
Al Fakher Tobacco for Trading & Agencies	Limited liability	30,000	100%	11,004,030	11,064,030
International Tobacco & Cigarettes	Limited liability	30,000	100%	216,331	250,461
International Company for Trading and distribution of tobacco and cigarettes	Limited liability	25,200	100%	480,910	(141,787)
- There is no fair value to the above investments because it's a limited liability co. and there is no closed prices available to these companies					
- Summary of Assets, Liabilities Revenues, Profits and Looses of subsidiary Companies					

Name of Subsidiary Company	Assets	Liabilities	Revenues	Profits
	JD	JD	JD	JD
Arab Co. for Distributing Cigarettes	1,903,715	1,135,780	533,229	187,788
Al Fakher Tobacco for Trading & Agencies	34,026,743	22,962,713	37,321,257	11,004,030
International Tobacco & Cigarettes	36,480,873	36,230,412	33,573,269	216,331
International Company for Trading and distribution of tobacco and cigarettes	2,295,280	2,669,892	3,637,655	480,910

#### 4. Significant Accounting Policies

##### a. Inventory

###### 1. Raw Materials and Spare Parts

Raw materials and spare parts inventory are stated at cost. Cost is determined by using the moving average method.

###### 2. Finished Goods

Finished goods inventory is stated at the lower of cost or net realizable value. Cost is determined by using the moving average method.

##### b. Available for Sale Securities

Available for sale securities are stated at fair market value. The change in the securities fair market value from the book value is recorded as a component of shareholders' equity.

##### c. Investments in Associated Companies

The company's investment in associated is accounted for using the equity method of accounting. An associated is an entity in which the company has significant influence and which is neither a subsidiary nor a joint venture.

Under the equity method, the investment in the associated is carried in the balance sheet at cost plus post acquisition changes in the company share of net assets of the associated.

Goodwill relating to an associate is included in the carrying amount of the investment and is not amortized.

The consolidated income statement reflects the share of the results of operations of the associate. Where there has been a change recognized directly in the equity of the associate, the company recognizes its share of any changes and discloses this, when applicable, in the consolidated statement of changes in equity. Profit and losses resulting from transactions between the company and the associate are eliminated to the extent of interest in the associate.

##### d. Land Investments

Investments in land are stated at cost and they are appeared on fair value on notes attachment plants and equipments.

##### e. Plants & Equipment

Plants & equipment are recorded at cost and are depreciated over their estimated useful life by using the straight-line method at annual depreciation rates between 9-20 percent.

The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with expected pattern of economic benefits from items of property and equipment.

**f. Good Will**

Good will represents the increase of cost over the fair value of assets and liabilities and appears since preparing the consolidated financial statement the good will is subjected to the impairment.

**g. Sales**

Sales represents the value of invoices issued against goods delivered to the company's customers during the current year.

**h. Foreign currency translation**

Foreign currency transactions are translated into Jordanian Dinars at exchange rates prevailing at the date of transaction. Assets and liabilities expressed in foreign currencies are translated into Jordanian Dinars at exchange rates prevailing at the balance sheet date. Exchange differences arising from these translations are included in the income statement of the year.

**i. Remuneration Reserve**

Remuneration reserve are calculated according to internal system of the company.

**j. Account Receivable**

Account receivable are stated at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amounts is no longer probable. Bad debts are written off when there is no possibility of recovery.

**k. The Fair Value**

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date.

**l. Cash and Cash Equivalents**

For cash flow statement purposes, cash and cash equivalents include cash on hand, bank balances and short term deposits with an original maturity of three months or less.

**m. Loans**

Interest on borrowing is recorded in the consolidated income statement accrued during the period, which covers the grace period, if any.

**n. Accounts Payable and Accruals**

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

**o. Provisions**

Provisions are recorded when the company has a present obligation (legal or constructive) arising from a past event and the costs to settle the obligation are probable and able to be measured reliably.

5- Plants & Equipments, Net of Accumulated Depreciation									
This item Consists of:									
	Land	Apartment & buildings	Machinery & equipment	Vehicles	Furniture & fixture	A variety of devices	Other assets	Total	
	JD	JD	JD	JD	%	JD	JD	JD	JD
Balance as of December 31, 2009									
Cost as in the January 1, 2009	4,291,775	8,413,776	16,142,444	1,387,361	572,772	633,047	469,249	31,910,424	
Additions	0	4,588,988	2,555,780	58,633	413,559	711,405	64,182	8,392,547	
Deletions	0	(771,608)	(434,552)	(418,326)	(19,855)	(22,908)	0	(1,667,249)	
Accumulated Depreciation	0	(2,254,742)	(4,233,936)	(495,214)	(271,442)	(295,966)	(235,918)	(7,787,218)	
Net book value as of December 31, 2009	4,291,775	9,976,414	14,029,736	532,454	695,034	1,025,578	297,513	30,848,504	
Balance as of December 31, 2008									
Cost as in the January 1, 2008	4,219,775	6,478,958	21,644,340	1,584,562	683,009	2,147,410	545,642	37,375,696	
Additions	0	2,202,079	8,652,562	439,060	142,470	162,482	124,569	11,723,222	
Deletions	0	(267,261)	(93,396)	(630,664)	(13,241)	(11,485)	0	(1,016,047)	
Accumulated Depreciation	0	(1,780,277)	(15,314,842)	(622,719)	(408,785)	(1,770,458)	(366,602)	(20,263,683)	
Net book value as of December 31, 2008	4,219,775	6,633,499	14,888,664	770,239	403,453	527,949	303,609	27,819,188	

6. Intangible assets - net				
			For the year ending on December 31 <sup>st</sup>	
			2009	2008
This item consists of:			JD	JD
	Cost	Accumulated amortization	Net	Net
Goodwill - Al Fakher Tobacco Trading and Agencies	6,602,986	0	6,602,986	6,602,986
Goodwill - International Company for the tobacco trade - Egypt	693,992	0	693,992	0
Franchises - Imperial and Charmz	1,284,128	0	1,284,128	0
Human use of the Free Zone - Ajman	1,264,150	158,019	1,106,131	0
Retreats - Al Fakher Tobacco Trading	0	0	0	48635
<b>Total</b>	<b>9,845,256</b>	<b>158,019</b>	<b>9,687,237</b>	<b>6,651,621</b>

7. Investments in Associated Companies				
			For the year ending on December 31 <sup>st</sup>	
			2009	2008
a. This item consists of:	Share of Owns		JD	JD
Trust for International Transportation Co. - P.S.C	38,576%		1,069,658	942,321
<b>Total</b>			<b>1,069,658</b>	<b>942,321</b>

b. The financial statements as of 31 December 2008 was approved in valuating the investments in the associated companies above due to availability of audited financial statements for those companies on the date of preparation of financial statements.

8. Lands Investments				
			For the year ending on December 31 <sup>st</sup>	
			2009	2008
a. This item consists of:			JD	JD
Investments in lands			281,682	281,682
<b>Total</b>			<b>281,682</b>	<b>281,682</b>

b. The fair value in investments in lands at the date of preparing the financial statements amounted to JD 1,035,270.

**9. Available for Sale Securities**

		For the year ending on December 31 <sup>st</sup>	
		2009 Cost	2008 Cost
This item consists of:	No. of Shares	JD	JD
Bank of Jordan	477,270	1,026,132	1,384,276
Shahiya for Food Industries Co.	20,734	20,734	20,734
Jordan express Tourist Transportation Co. – Jet	27,650	31,532	31,532
National Industries Co.	3,000	1,335	1,335
Al Shamal International Ind. Co./ Foreign	424,578	301,025	301,025
Eqbal for Printing & Packaging	305,203	241,110	402,410
Arab Islamic Bank/ Foreign	2,228,370	1,296,866	1,296,866
<b>Total Cost</b>		<b>2,918,734</b>	<b>3,438,178</b>
Amendments of fair value		541,474	(86,922)
<b>Fair value available for sale</b>		<b>3,460,208</b>	<b>3,351,256</b>

**10. Inventory – Net**

		For the year ending on December 31 <sup>st</sup>	
		2009	2008
This item consists of:		JD	JD
goods and materials under process		998,441	1,117,717
Promotional materials		802,777	569,232
Manufactured tobacco		444,298	542,714
Raw materials		18,917,189	12,948,335
Finished goods at the end of period – note 18		4,148,222	3,022,369
Consumables warehouse		6,265	6,865
Fuel tanks		12,893	29,380
<b>Total</b>		<b>25,330,085</b>	<b>18,236,612</b>
Less: provisions for slow moving items		(964,409)	(503,840)
<b>Net</b>		<b>24,365,676</b>	<b>17,732,772</b>

**11. Spare Parts Inventory – Net**

		For the year ending on December 31 <sup>st</sup>	
		2009	2008
This item consists of:		JD	JD
Spare parts inventory		3,964,117	3,739,724
Spare parts - vehicles		10,404	11,566
<b>Total</b>		<b>3,974,521</b>	<b>3,751,290</b>
Less: provisions for slow moving items		(512,911)	(152,911)
<b>Net</b>		<b>3,461,610</b>	<b>3,598,379</b>

12. Accounts Receivable - Net		
	For the year ending on December 31 <sup>st</sup>	
	2009	2008
This item consists of:	JD	JD
Advance payments to farmers for prior years	101,230	101,230
Trade receivables	4,696,652	6,527,011
Other receivables	411,042	2,397,285
<b>Total</b>	<b>5,208,924</b>	<b>9,025,526</b>
Less : Provision for doubtful debts	(166,216)	(138,615)
<b>Net</b>	<b>5,042,708</b>	<b>8,886,911</b>

13. Other Receivables		
	For the year ending on December 31 <sup>st</sup>	
	2009	2008
This item consists of:	JD	JD
Prepaid expenses	935,685	828,792
Prepaid Income tax	491,908	203,700
Refundable custom deposits	234,553	224,080
Others	133,166	20,023
Employees advances	138,856	113,204
Raw material warehouse deposits	324	324
Payments in advance	443,974	-
Margins against letters of guarantees	71,000	100
<b>Total</b>	<b>2,449,466</b>	<b>1,390,223</b>

#### 14. Retained Earnings

According to the general assembly convened on February 18, 2009 they agreed to distribute 30% from the nominal value of shares as cash profit to the shareholders from retained earnings JD(6,000,000).

15. Loans				
	For the year ending on December 31 <sup>st</sup>			
	2009			2008
a. This item consists of:	Short term JD	Long term JD	Total JD	Total JD
Jordan bank Loan (Note 8 b)	3,565,000	14,160,000	17,725,000	17,725,000
HSBC Bank loan (Note 8 c)	1,044,500	0	1,044,500	0
City Bank Loan (Note 14 d)	709,000	0	709,000	0
Standard Chartard Bank Loan (Note 14 e)	750,000	0	750,000	2,500,000
AB invest commercial paper	0	0	0	10,635,000
<b>Total</b>	<b>6,068,500</b>	<b>14,160,000</b>	<b>20,228,500</b>	<b>30,860,000</b>



- b. The company have Banker aggregation loan amounted to USD 25,000,000 equivalent 17,725,000 JD with laypor interest price 6 months and profit margine 2% Payments under the annual value of each premium USD 5,000,000 Worth on March 31,2010 & 2011& 2012 And the final installment of USD 10,000,000 on March 31,2013, the loan guaranteed by the compan'y guarantee.
- c. The company have loan from HSBC Bank from up to six months, the loan guarantee by the parent company - AL Eqbal investment Co. and total balance as of december 31,2009 atotal of 1,044,500 JD.
- d. The company have loan from City Bank amounted to \$ 1,000,000 and JD 4,000,000, the loan guarantee by the company.
- e. The company have a revolving loan from Standard Chartard amounted to JD 2,000,000, the loan guarantee by the company.
- f. The company have loan from City Bank amounted to \$ 1,000,000, the loan guarantee by the company.

#### 16. Banks Overdrafts

The company obtained an overdraft credit facilities from some local banks in total amount of JD 14,257,000 and a ceiling of bank guarantees for the amount of JD 5,984,000 which are secured on the company's guarantee.

17. Accounts & Notes Payable		
For the year ending on December 31 <sup>st</sup>		
	2009	2008
This item consists of:	JD	JD
Accounts payable	9,653,267	4,336,901
Notes payable	0	1,134,308
<b>Total</b>	<b>9,653,267</b>	<b>5,471,209</b>

18. Other Payables		
For the year ending on December 31 <sup>st</sup>		
	2009	2008
This item consists of:	JD	JD
a. Provision for income tax ( Not 17b )	2,092,375	1,002,540
Board of directors remunerations	55,000	55,000
Jordanian universities fees provision	76,448	76,448
Provision for scientific research & Prof. training	76,448	76,448
Custom commitments expected	204,560	0
Accrued expenses	128,660	501,247
Due to income tax and social security	34,492	11,948
Other payables	38,345	37,951
With holding the shareholders	51,855	54,491
Youth Fund tax	59,581	32268
Educational & technical vocational training	142,964	116,258
Deferred taxes	28,477	0
Employees payables	1,962	2,137
<b>Total</b>	<b>2,991,167</b>	<b>1,966,736</b>

Other Payables		
For the year ending on December 31 <sup>st</sup>		
	2009	2008
b. Provision income tax	JD	JD
The following movement on provision income tax:	1,002,540	-
Balance at beginning of year	30,376	-
Provision tax - parent company	1,076,838	-
Provision tax - subsidiaries	(17,379)	-
Paid during the year	2,092,375	-
Balance at end of year		-

19. Cost of Goods Sold		
For the year ending on December 31 <sup>st</sup>		
	2009	2008
This item consists of:	JD	JD
Raw materials used in production Manufacturing Costs	40,253,842	40,258,992
Depreciation	3,943,699	3,602,895
Salaries and wages & related costs	3,099,337	3,669,090
Maintenance & Spare parts	594,562	1,263,981
Other manufacturing expenses	2,964,269	2,186,774
<b>Total manufacturing Costs</b>	<b>10,601,867</b>	<b>10,722,740</b>
<b>Total production cost</b>	<b>50,855,709</b>	<b>50,981,732</b>
Finished products at beginning of Year	2,991,937	2,317,151
Promotional material	(134,205)	(79,014)
Finished goods purchase	3,368,561	0
Return Finished products	(424)	(6,189)
Finished goods at Year end - Note 9	(4,148,222)	(3,022,369)
<b>Cost of Goods Sold</b>	<b>52,933,356</b>	<b>50,191,311</b>

20. General and Administrative Expenses		
	For the year ending on December 31 <sup>st</sup>	
	2009	2008
This item consists of:	JD	JD
Salaries and wages	1,945,242	1,264,427
Fees and subscriptions	110,533	98,742
Depreciation and Amortization	269,903	190,932
Stationary & printing	28,718	32,328
Advertising expenses	48,417	32,560
Professional fees	141,556	76,121
Board of directors> transportations	131,000	132,000
Company's Share in Social security	51,289	35,993
Assets insurance	20,727	18,980
Fuel	6,455	11,480
Postage, telephone & Fax	67,556	79,752
Hospitality & cleaning	25,402	32,459
Water, electricity and heating	15,934	18,990
Donations and supports	153,077	66,472
Miscellaneous expenses	23,349	34,696
Transprotation	1,041	2,309
Medical expenses & health insurance	33,989	19,989
Vehicles expenses	21,049	23,674
Building Taxes	29,125	16,827
Maintenance & repairs	31,568	31,802
Legal fees	46,253	3,158
End of services remuniration	35,144	25,273
Computres expenses	11,191	13,355
Rents	59,916	37,952
Traveling expenses	130,523	98,332
Bank>s expenses & interest	8,867	12,837
Trade marke	34,667	16,627
Bedaia Project	44,600	32,940
bad debits	0	6,524
<b>Total</b>	<b>3,527,091</b>	<b>2,467,531</b>

21. Selling & Distribution Expenses		
	For the year ending on December 31 <sup>st</sup>	
	2009	2008
This item consists of:	JD	JD
Marketing expenses	3,157,183	2,127,827
Salaries, wages and related costs	676,543	822,012
Insurance	14,806	8,743
Depreciation and amortization	81,951	158,154
Vehicle expenses	73,918	74,150
Transportation	41,424	52,497
Export and freight expenses	153,971	221,160
Fees and subscriptions	1,165	8,501
Company's share of Social Security	28,737	56,661
Stationary & printing	1,998	8,232
Hospitality	2,599	619
Postage, telephone and telex	33,466	37,123
Studies and Consultants expenses	1,400	4,047
Miscellaneous expenses	41,429	27,880
Maintenance & Repairs	31,732	9,705
Health Insurance	38,742	34,370
Material and supplies	8,106	19,783
Traveling expenses	3,306	1,665
Fuel	25,599	130,740
Rents	110,120	56,003
End of service remuneration	19,408	48,419
Egypt expenses	0	35,020
Allowance discount	84,268	73,811
Amortizations	11,733	12,149
Trade mark registration	53,410	16,204
Gallery expenses	6,566	120,763
<b>Total</b>	<b>4,703,580</b>	<b>4,166,238</b>

22. Other (Expenses) Income		
For the year ending on December 31 <sup>st</sup>		
	2009	2008
This item consists of:	JD	JD
Stock Investment profit distribution	71,590	75,738
Currency exchange	29,253	49,714
Profit of plants & equipment sales	288,040	184,948
Other income	415,421	206,693
<b>Total</b>	<b>804,304</b>	<b>517,093</b>

23. Been recognized unrealized losses on investments available for sale in the income statement and in the case of low market value of those financial assets by 20% or more of the cost of investment when purchasing and this trend continued for nine months or more according to the instructions of the Securities commisiom.

#### 24. Income Tax

##### a. The parent company -AL Eqbal Investment Co. (P.S.C)

*income tax were setteled until 2005*

Was introduced self-assessment returns for the financial years 2006, 2007 and 2008 as part of the legal limit for statements, and the department did not check the company's accounts and issuing final decisions until the date of preparation of financial statements.

##### b. subsidiaries - AL Fakher Tobacco Trading

self-assessment was introduced returns for the financial years 2006, 2007 and 2008 as part of the legal limit for statements, and the department did not check the company's accounts and issuing final decisions until the date of preparation of financial statements.

##### c. subsidiaries - Arab Company for the distribution of cigarettes

*income tax were setteled until 2005*

Was introduced self-assessment returns for the financial years 2007 and 2008 as part of the legal limit for statements, and the department did not check the company's accounts and issuing final decisions until the date of preparation of financial statements.

##### d. Subsidiaries - International Tobacco and Cigarettes

Was introduced self-assessment returns for the financial year 2008 as part of the legal limit for statements, and the department did not check the company's accounts and issuing final decisions until the date of preparation of financial statements

##### e. Subsidiaries - International Company for Trading and distribution of tobacco & cigarettes - Egypt

###### Tax profits of financial companies

Did not examine the companys international trade and distribution of tobacco and cigarettes, to date,the companys regular supply of tax returns.

Did not examine the Arab international Company for Import and Export to 31/12/2008 and tha company regularly tax filing.

Did not examine the company Charms for Imports and Exports to date and the companys.

##### f. Taxable employment earnings

Did not examine the companys international trade and distribution of tobacco and cigarettes to date.

Did not examine theArab international Company for Import and Export to 31/12/2008 and the companys in the supply of regular tax gain work.

Did not examine the company Charms for Imports and Exports to date and the companys.

## g. Stamp Tax

Did not examine the company's international trade and distribution of tobacco and cigarettes to date.

Were examined Arab international Company for Import and Export activity from the beginning until 31/7/2007 reimbursement was Charms company has been asked to import and export model was my objection and work is going to get a resolution to re-examine the company from beginning of activity and even physically 31/7/2006.

25. Earning Per Share:		
	2009	2008
This Item Consists of:	JD	JD
Profit for the year attributable to shareholders of the company	9,895,393	7,441,076
Weighted average number of shares during the year	20,000,000	20,000,000
Earning per share	0.496	0.372

## 26. Related Party Transactions

there are represent transactions with related party major shareholders, associated companies, directors and companies of which they are principal owners. pricing policies and terms of these transactions are approved by the company management.

## Below is a Summary Balances with Related Parties that Appear in the Financial Position:

		For the year ending on December 31 <sup>st</sup>	
	Account Type	2009	2008
		JD	JD
Al Fakher Tobacco Trading and Agencies (Consolidated)	credit	16,363,043	9,050,391
International tobacco and cigarettes	credit	16,394,636	24,513,354
Arab Company for the distribution of cigarettes	credit	579,425	312,495
International Company for Trade and distribution of tobacco - Egypt	credit	2,228,844	2,352,929

## Below is a summary balances with related parties that appear in the financial position:

		For the year ending on December 31 <sup>st</sup>	
		2009	2008
		JD	JD
Sales between affiliated companies		533,229	2,118,517

## Skip to transactions with related parties

## Below is a summary of the benefits (salaries, bonuses, other benefits) for the key management personnel

		For the year ending on December 31 <sup>st</sup>	
		2009	2008
		JD	JD
Salaries and other benefits (AL Eqbal investment co)		275,456	199,309

**27. Segment Informations**

Principal activities of the company are to invest in securities.

	2009			
	The main activity	Stock and Real state	Other	Total
	JD	JD	JD	JD
Net sales	74,843,360	-	-	74,843,360
<b>Assets and Liability</b>				
Assets	77,593,449	4,811,548	3,873,943	86,278,940
Liability	31,334,204	-	-	31,334,204
<b>Information in other sectors</b>				
Capital expenditure	-	-	7,324,869	7,324,869
Depreciation	-	-	4,295,553	4,295,553

	2008			
	The main activity	Stock and Real state	Other	Total
	JD	JD	JD	JD
Net sales	66,562,957	-	-	66,562,957
<b>Assets and Liability</b>				
Assets	68,517,894	4,293,577	6,083,061	78,894,532
Liability	25,036,869	-	-	25,036,869
<b>Information in other sectors</b>				
Capital expenditure	-	-	11,267,333	11,267,333
Depreciation	-	-	3,951,981	3,951,981

**28. Accruals Analysis of Assets and Liabilities:**

The following table shows the analysis of assets and liabilities according to the period expected to be recovered or settled:

	Up to the year	2009 More than a year	Total
Figures for the year	JD	JD	JD
Plants & Equipments - Net	0	30,848,504	30,848,504
Working in progress	0	20,170	20,170
Intangible assets - net	0	9,687,237	9,687,237
Investment in associated companies	0	1,069,658	1,069,658
Land Investments	0	281,682	281,682
Available for sales securities	0	3,460,208	3,460,208
Inventory - Net	24,365,676	0	24,365,676
Good in transit	222,987	0	222,987
Spare parts inventory - Net	3,461,610	0	3,461,610
Margins & expenses on letters of credit	87,528	0	87,528
Accounts receivable - Net	5,042,708	0	5,042,708
Cheques under collection	1,407,563	0	1,407,563
Other receivables	2,449,466	0	2,449,466
Cash on hand and at banks	3,873,943	0	3,873,943
<b>Total</b>	<b>40,911,481</b>	<b>45,367,459</b>	<b>86,278,940</b>
<b>Liabilities</b>			
Banks overdrafts	10,239,366	0	10,239,366
Loans	6,068,500	14,160,000	20,228,500
Accounts and Notes payable	9,653,267	0	9,653,267
Withholding sales tax	2,381,904	0	2,381,904
Other payables	2,991,167	0	2,991,167
Remuneration reserve	0	711,151	711,151
<b>Total</b>	<b>31,334,204</b>	<b>14,871,151</b>	<b>46,205,355</b>
<b>Net</b>	<b>9,577,277</b>	<b>30,496,308</b>	<b>40,073,585</b>



	Up to the year	2008 More than a year	Total
Comparative figures for the year	JD	JD	JD
Plants & Equipments - Net	0	27,819,188	27,819,188
Working in progress	0	743,596	743,596
Intangible assets - net	0	6,651,621	6,651,621
Investment in associated companies	0	942,321	942,321
Land Investments	0	281,682	281,682
Available for sales securities	0	3,351,256	3,351,256
Inventory - Net	17,732,772	0	17,732,772
Good in transit	44,548	0	44,548
Spare parts inventory - Net	3,598,379	0	3,598,379
Margins & expenses on letters of credit	146,221	0	146,221
Accounts receivable - Net	8,886,911	0	8,886,911
Cheques under collection	1,188,728	0	1,188,728
Other receivables	1,390,223	0	1,390,223
Cash on hand and at banks	6,083,061	0	6,083,061
<b>Total</b>	<b>39,070,843</b>	<b>39,789,664</b>	<b>78,860,507</b>
<b>Liabilities</b>			
Banks overdrafts	2,787,644	0	2,787,644
Loans	13,135,000	17,725,000	30,860,000
Accounts and Notes payable	5,471,209	0	5,471,209
Withholding sales tax	1,642,255	0	1,642,255
Other payables	1,966,736	0	1,966,736
Remuneration reserve	0	729,759	729,759
<b>Total</b>	<b>25,002,844</b>	<b>18,454,759</b>	<b>43,457,603</b>
<b>Net</b>	<b>14,067,999</b>	<b>21,334,905</b>	<b>35,402,904</b>

**29. Risk Management****Interest Rate Risk**

The company is exposed to interest rate risk on its interest bearing assets and liabilities (Bank deposits, due to banks and loans)

**Equity Price Risk**

The following table demonstrates the sensitivity of the income statement and cumulative changes in fair value (Available for sale ) to reasonably possible changes in equity prices, with all other variables held constant.

2009 Indicator			
	change in equity price	Effect on profit	Effect on equity
	%	JD	JD
Amman Stock Exchange	20	583,746	40,601,153

2008 Indicator			
	change in equity price	Effect on profit	Effect on equity
	%	JD	JD
Amman Stock Exchange	20	687,635	36,092,539

**Credit Risk**

credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The company seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and monitoring outstanding receivables and with respective bank by only dealing with reputable banks.

**Currency Risk**

Most of the company transaction are in Jordanian Dinars and accordingly, the company is not exposed to significant currency.

### Liquidity Risk

The company works on the management of liquidity risk, and through ensuring the availability of banking facilities.

**The Table Below Summarizes the Benefits of Financial Obligations (on the Basis of the Benefit Period from the Date of the Financial Statements):**

<b>Figures of the current year Liability</b>		less than month	From month to 3 months	From 3 months to 6 months	of 6 months to one year	from one year to 3 years	more than 3 years	without benefit	Total
Banks overdrafts		-	-	-	10,239,366	-	-	-	10,239,366
Loans		-	-	-	6,068,500	14,160,000	-	-	20,228,500
Accounts and Notes payable		-	-	-	9,653,267	-	-	-	9,653,267
withholding sales tax		-	-	-	2,381,904	-	-	-	2,381,904
Other payables		-	-	-	2,991,167	-	-	-	2,991,167
Remuneration reserve		-	-	-	-	711,151	-	-	711,151
<b>Total</b>		-	-	-	<b>31,334,204</b>	<b>14,871,151</b>	-	-	<b>46,205,355</b>
<b>Total assets</b>		-	-	-	<b>40,911,481</b>	<b>45,367,459</b>	-	-	<b>86,278,940</b>
<b>Comparative Figures of the current year Liability</b>		less than month	From month to 3 months	From 3 months to 6 months	of 6 months to one year	from one year to 3 years	more than 3 years	without benefit	Total
Banks overdrafts		-	-	-	2,787,644	-	-	-	2,787,644
Loans		-	-	-	13,135,000	17,725,000	-	-	30,860,000
Accounts and Notes payable		-	-	-	5,471,209	-	-	-	5,471,209
withholding sales tax		-	-	-	1,642,255	-	-	-	1,642,255
Other payables		-	-	-	1,966,736	-	-	-	1,966,736
Remuneration reserve		-	-	-	-	729,759	-	-	729,759
<b>Total</b>		-	-	-	<b>25,002,844</b>	<b>18,454,759</b>	-	-	<b>43,457,603</b>
<b>Total assets</b>		-	-	-	<b>39,070,843</b>	<b>39,789,664</b>	-	-	<b>78,860,507</b>

### 30. Capital Management

The primary objective of the company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholder value.

The company manages its capital structure and makes adjustments to it in light of changes in business conditions. No changes were made in the objectives, policies or processes during the years ended 31 December 2009 and 2008.

Capital comprises share capital, additional paid in capital, advances over capital increase, statutory reserve, voluntary reserve and retained earnings, and is measured at JD39,486,515 as at 31 December 2009 (2008:JD35,489,826).

### 31. New and Amended Standard

#### 1- Standards to be Enforced in the First January 2009:

- International Accounting Standard No (1): presentation of financial statement (Amendments).
- International Accounting Standard No (32): Financial instruments-presentation (Amendments) On financial instruments of recoverable and liabilities resulting from the liquidation.
- International Accounting standard No (23): Borrowing Costs (Amendment).
- IFRS No(1): Application of international standards for financial reports for the first time.
- International Accounting Standard No(27): The consolidated financial statement and separate(Amendment) and the cost of investment for the application of international standards for financial reporting of the first time.
- IFRS No(2): stock-based payments (Amendment) for grants and canceled.
- IFRS No(8): Operating Segements.
- IFRIC No(15): Agreement for the Construction of Real Estate.
- Amendments to the IFRS No (5) and international accounting standard No(1), (16), (19), (20), (23), (27), (28), (29), (31), (36), (38), (39), (40) and (41) resulting from the improvements to the annual International financial reporting standard issued in May 2008.

#### 2- Standards to be Enforced in July 2009:

- International Accounting Standard No(39): Financial instruments - recognition and measurement (Amendment), items eligible hedge.
- IFRS No(1): Application of international standards for financial reports for the first time.
- IFRS No(3): business combinations (amendments) - comprehensive version on the application of purchase method and consequential amendments for each of IAS27: consolidated financial statements and the separate and IAS28: Investment in associates and IAS31: interests in joint ventures.
- IFRIC No(13): Customer loyalty programs.
- IFRIC No(17): Distribution of non-monetary assets of the owners.

#### 3- Standards to be Enforced in the First October 2009:

- IFRIC No(16): Hedge the net investment in foreign operations.

Administration expects the company to be implemented each of the criteria and interpretations set forth above in the financial statements at the date of entry into each of them, but there were these standards and interpretations of any material effect on the financial statements of the company.

### 32. Subsequent Events :

There are no subsequent events on the financial statements or after the preparation of financial statements.

### 33. Contingent Liabilities

The contingent liabilities of the company at the balance sheet date were as follows:

	JD
Against letters of gaurantees - Mother Co.	6,693,000

### 34. Comparative Figures

Certain comparative figures were reclassified to conform with the presentation of the current year.

### 35. General

The financial statements for the year of comparison, did not include the financial statements of the subsidiary - the International Company for Trade and distribution of tobacco and cigarettes - Egypt because the company owns at the beginning of 2009.

### Rules of Corporate Governance

The company is currently committed to the partial application of the Corporate Governance guidelines and has developed a plan to ensure the full application of these guidelines by no later than mid-2010.

### Board of Directors Meetings

The Board of Directors held eight meetings in the year 2009.

### Lawsuits

#### a. Lawsuits against the Company:

The British American Tobacco Company (BAT) and the Union Manufacturing Company have filed a lawsuit against the International Tobacco & Cigarettes Company (ITC) on December 30th 2001 to stop the production latter one of the cigarette brands manufactured by ITC basing on the Unlawful Competition Law.

ITC has returned the appeal which resulted in dismissing the procedure won by BAT Co. and the Union Manufacturing Co. by the judge of rushed matters. The decision of Court of Appeal was in favor of ITC, and it was supported by the Court of Cassation.

Accordingly, ITC has filed a counter lawsuit for compensation (damage & disorder) against both BAT and the Union Manufacturing Co., and this lawsuit is still consideration before the competent courts.

#### b. Lawsuit filed by the Company against the Sales Tax Department:

Sales Tax Department has submitted a financial claim and penalties for the sales of cigarette brand L&M alleging that sales tax was not paid for a margin of profit of the Distribution Company.

As a result of this unjustified claim, the Company has decided to file a lawsuit against the Sales Tax Department to drop the claim because it is not based on the Sales Tax Law and the instructions issued by its General Manager since the Distribution Company of L&M brand is not affiliated with ITC, as it is an independent entity.

All procedures taken in calculating the sales tax for L&M brand were supported by official letters from the Company to the Sales Tax Department, and the Company has also kept the written consents issued by the Sales Tax Department with this respect. This lawsuit is still pending before the competent courts.