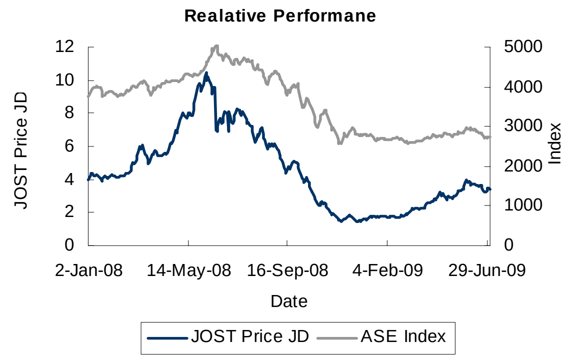

Stock Information as of July 02, 2009

ASE Ticker	JOST	**Closing Price (JD)**	8.38
Reuters Ticker	JOST.AM	**Bloomberg Ticker**	JOST JR
Shares Out.*	35	**Free Float (%)**	76
Mkt Cap (JD) *	117.3	**Mkt Cap (USD)***	165.3
Y-T-D (%)	126.8	**Y-o-Y (%)**	-57.8
P/E (Times)	n.a	**P/BV (Times)**	2.62

*Million

AB INVEST

Al Arabi Investment Group

"Member of the Arab Bank Group"

Financials Summary (JD) Million

	2005	2006	2007	2008	1Q09
Income Statement					
Sales	53.57	61.45	72.93	106.35	20.30
Gross Profit	3.43	4.38	6.33	-8.37	3.38
Operating Profit	1.86	2.49	4.52	-11.43	2.83
Net Income	2.97	3.84	5.67	-9.82	2.98
Balance Sheet					
Current Assets	24.64	28.90	34.37	32.80	34.02
Noncurrent Asset	15.75	32.21	24.49	47.56	47.03
Assets	40.39	52.11	58.86	80.36	81.05
Current Liabilities	16.78	6.39	11.58	18.00	18.16
Noncurrent Liabilities	0.0	0.0	0.0	17.75	17.75
Capital	15.0	23.08	23.08	35.00	35.00
Retained Earnings	0.78	0.11	0.80	-10.04	3.04
Equity	23.62	45.72	47.28	44.61	45.14
Statement of Cash Flows					
Profit Before Tax	3.19	4.36	6.30	-9.55	3.06
Cash from Operations	-2.97	4.99	3.86	-10.09	10.92
Cash from Investing	-4.15	-8.59	-2.37	-27.35	-0.66
Cash from Financing	7.17	5.67	-0.38	32.69	-6.69
Change in Cash	0.06	2.06	1.10	-4.75	3.58
Cash on January 1	2.97	3.03	5.09	6.20	1.44
Cash on December 31	3.03	5.09	6.20	1.44	5.02

Key Ratios

	2005	2006	2007	2008	1Q09
Internal Liquidity (Times)					
Current Ratio	1.47	4.52	2.97	1.82	1.87
Quick Ratio	0.58	2.90	1.90	0.70	1.09
Cash Ratio	0.18	0.80	0.54	0.08	0.28
Inventory Turnover*	3.98	5.01	4.09	11.37	5.70
Rec. Turnover*	5.30	4.21	5.42	9.19	7.86
Operating Performance (%)					
Asset Turnover*	1.50	1.33	1.31	1.53	1.18
Fix. Asset Turnover*	4.67	5.39	6.40	3.76	2.31
Equity Turnover*	2.22	1.77	1.57	2.31	2.14
Operating Profitability (%)					
Gross Profit Margin	6.41	7.12	8.68	-7.87	16.65
Ope. Profit Margin	3.46	4.05	6.19	-10.75	13.93
Net Profit Margin	5.54	6.25	7.77	-10.75	14.69
ROaA*	8.31	8.30	10.21	-14.11	-14.73
ROaE*	12.32	11.07	12.19	-21.37	-26.74
Per Share Data (JD)					
Earnings	0.20	0.17	0.25	-0.28	0.09
EBITDA	0.29	0.24	0.32	-0.15	0.12
Book Value	1.57	1.98	2.05	1.27	1.29
Sales	3.57	2.66	3.16	3.04	0.58

* Based on Trialing 12 Month Results

Amman 11814, Jordan — Tel: 962 (6) 5522239 — Fax: 962 (6) 5519064 — research@ab-invest.net
www.ab-invest.net — Reuters: <ATLAS1>-20 — Bloomberg: ABIG

Company Background and Operations:

- Jordan Steel Company (JSC) was established as a public shareholding company in 1993 with JOD15 million paid-up capital divided into 15 million shares. Since then, JSC has increased its paid-up capital multiple times to and now it stands at JOD35 million divided into 35 million shares.
- JSC's main shareholders are the Social Security Corporation (Jordan), Hassan A. Badran, and Jordan Islamic Bank for Finance & Investment. The three shareholders have stakes of 6%, 4%, and 3% respectively.
- JSC started production in 1996, and now produces Standard Flat Bars, Standard Square Bars, and Plain Round Bars in different sizes, lengths, and thickness to meet the varying needs of the construction industry.
- JSC markets most of its production locally. In the 3rd quarter of 2008 the local demand for steel dropped dramatically. However, demand picked-up in 1Q09 following a substantial decrease in the price of steel, cement, and other construction materials, which encouraged a resumption of the construction activity.
- The increasing demand for steel pushed prices up recently close to JOD500 per ton compared to JOD375 at the end of the 1Q09. However, prices remain substantially lower than their 1Q08 level when a ton of steel cost JOD1040.
- According to Central Bank of Jordan, the number of residential and nonresidential constructions permits increased in the first four months of 2009 by 34% in comparison to the same period of 2008. Moreover, the construction area increased by 35% over the same period.
- In order to meet the increasing demand, lower the cost of production, become less sensitive to fluctuations in the price of raw materials, and to be better prepared to serve foreign markets, JSC is increasing its use of scrap steel. This has been made possible by acquiring Consolidated Jordanian Iron & Steel Works Co. (CJISW), which became a wholly owned subsidiary of JSC in early 2008. CJISW, which has the capability of processing scrap metal into construction grade steel fits into JSC’s strategy. Scrap metal will lower production and input costs, add additional production capacity, and minimize the dependence on imported steel.
- Jordan Steel Engineering Industries Co. (JSEI), which was established in 2003 for the purpose of cutting and bending steel bars, is another wholly owned subsidiary of JSC. JSC also owns 60% of Modern Wire Mesh Co. (MWM). MWM specializes in producing wire mesh. JSC benefits from a 10-year 50% tax exemption on the net income of its subsidiaries. The exemption becomes active with the start of actual production. The combination of JSC and its subsidiaries is turning JSC into a fully integrated steel producer that is capable of meeting the majority of local demand for construction steel.

Financial Highlights:

- JSC suffered JOD9.82 million in net losses in 2008 compared to a net gain of JOD5.67 million in 2007. The losses resulted from inventory revaluation, especially in the last tow quarters of 2008 that followed the sharp drop in the global prices of steel following the start of the global financial crisis.
- The recovery in the demand for steel and iron in the beginning of this year reflected well on the performance of JSC in 1Q09; JSC posted JOD3.0 million in net income during 1Q09. Despite the improvements in comparison to the last quarter of 2008 JSC's net income was well below the JOD5.7 million in net income that it posted in 1Q08.
- Revenues in 1Q09 reached JOD20.3 million in comparison to JOD21.2 million in 1Q08. On the other hand, the cost of goods sold reached JOD16.9 million in 1Q09 in comparison to JOD15.9 million in 1Q08. Given that steel prices dropped by almost 50% in 1Q09 compared to 1Q08, the revenue figure reflect a substantial increase in the quantity sold, which will turn into substantial revenue gains if the price of steel recovers.
- Less revenues and higher cost of goods sold were the main reasons of the drop in the gross profit margin to 14% in 1Q09 compared to 23% in 1Q08. Moreover, the net profit margin dropped to 15% in 1Q09 in comparison to 27% in 1Q08.
- Liquidity indicators deteriorated during 2008 and up to 1Q09 due to an increase in the current liabilities. The majority of the increase in current liabilities relates to short-term bank finances, which is used to finance the company's working capital.
- A JOD17.75 million long-term loan that was taken to finance the purchase of CJISW increased the financial leverage of JSC.
- The most recent indicators point towards lower steel imports and recovering construction activity and a possible increase in steel prices. JSC stands to benefit from these developments by increasing its share of the local market and improving its margins. The utilization of scrap steel through its CJISW subsidiary will be a key driver of future growth and profitability for JSC.

Disclaimer

This publication has been prepared by Al-Arabi Investment Group (AB Invest) for informational purposes only. The information contained herein is based on sources we believe to be reliable, but its accuracy is not guaranteed and such information may be incomplete or condensed. Neither the information nor the opinion expressed herein constitutes, or is to be construed as an offer, or the solicitation of an offer, to buy or sell securities, nor a recommendation to buy or sell securities. The information contained and opinions expressed herein are subject to change without notice. This publication has been prepared by AB Invest to provide background information about the Company and not to promote it. It has been produced independently of the Company. This report is based on information available to the public. The report has no regard to the specific investment objectives, financial situation or particular needs of any specific recipient. The report should not be regarded by recipients as a substitute for the exercise of their own judgment. AB Invest, its affiliates, officers, directors, employees or agents may have or may in the future, execute transactions in the securities mentioned in this report, which transactions may not be consistent with this report's conclusions. Furthermore, it may have or have had a relationship with or may provide or have provided corporate finance or other services to or serve or have served as directors of the relevant Company. AB Invest may from time to time act as a consultant to the Company being reported upon. AB Invest accepts no liability whatsoever for any loss or damage of any kind arising out of the use of all or any part of this report. The past performance of the Company does not guarantee or predict future performance. An investment in emerging markets can involve significant risk. This information is intended for use by professional or institutional investors only and not the general investing public. Additional information will be made available on request. Neither this report nor any copy hereof may be distributed in any jurisdiction outside Jordan where its distribution may be restricted by law. Persons who receive this report should make themselves aware of and adhere to any such restrictions. AB Invest has not received, nor does it intend to seek payment of any kind directly or indirectly from the company or any recipient for preparing and disseminating this report.

"AB Invest, member of the Arab Bank Group"
P.O. Box 143156, Amman 11814, Jordan — Tel: 962 (6) 5522239 — Fax: 962 (6) 5519064
research@ab-invest.net
http://www.abinvest.net/
Reuters: <ATLAS1>-20
Bloomberg: ABIG
Registered in Jordan No. 4394
Regulated by the Jordan Securities Commission