

New Listing 2011

# National Aluminum & Profiles Company

*Palestine Stock Exchange*

| Ticker | Sector   | Business               | ISIN         | Listing Date      | Trading Currency | Free Float |
|--------|----------|------------------------|--------------|-------------------|------------------|------------|
| NAPCO  | Industry | Aluminum Manufacturing | PS2013111914 | November 30, 2011 | JD               | 18.55%     |

## Company Background

NAPCO - National Aluminum & Profiles Company - is 100% Palestinian aluminum solutions company based in Palestine and a subsidiary of the Arab and Palestinian Investment Company-APIC. NAPCO was founded in 1991 with a workforce of more than 160 employees, distributed among several production lines.

It is the sole extrusion operation for aluminum profiles being sold to aluminum fabricators in Palestine and the neighboring countries. NAPCO offers many services: engineering solutions, technical support for projects, and advisory services through specialized engineering programs; where the program chooses the appropriate profiles for the project and calculates the amounts of aluminum and accessories to ensure providing solutions at the lowest cost and shortest time possible.

NAPCO's production capacity is around 6 thousand metric tons, enough to meet all of the Palestinian market's needs of aluminum profiles. In addition to manufacturing aluminum profiles, NAPCO also offers engineering consultations relating to aluminum systems used in various applications. NAPCO imports its production materials from Russia and its products are in line with the highest international standards.

## Major Shareholders

- The Arab Palestinian Investment Company APIC was established in 1995 by a number of Arab and Palestinian businessmen who were interested in investing in Palestine. The main goal of APIC is to create local projects in Palestine that will in turn revive the Palestinian economy and encourage others to invest in Palestine. Al-Aqqad Investment Company is the largest investor in APIC, followed by Palestine Investment Fund PIF as the second largest investor. APIC has investments in different sectors like food industries, trade, distribution and services, and currently runs its investments through a number of subsidiaries

| Major shareholders                           | Ownership |
|--|-----------|
| The Arab Palestinian Investment Company APIC | 70.45%    |
| Palestine Commercial Service Company PCSC    | 9.22%     |
| Wael Khoury                                  | 2.30%     |
| Unipal General Trading Company               | 1.50%     |
| Nabil Al Atari                               | 0.90%     |

- The Palestinian Commercial Services Company PCSC is the main supplier and distributor of cement in Palestine. PCSC imports cement from several sources including Israel and Jordan and offers quality cement at competitive prices. PCSC also owns Bulk Express Company which specializes in cement transportation.
- Unipal General Trading Company is a leading Fast Moving Consumer Goods distributor in Palestine, providing distribution for leading quality products. Unipal has secured and services the sole distribution rights for multinationals such as Philip Morris Tobacco, Procter and Gamble, Kraft Jacobs Suchard, Keebler among others. It has the largest retail distribution network in Palestine; covering over 4,500 stores through different trade channels.

## Income Statement

| Item              | 2009      | 2010       | Δ       | Q3 2011    |
|-------------------|-----------|------------|---------|------------|
| Revenues          | 9,370,840 | 10,474,725 | 11.78%  | 10,857,904 |
| cost of revenues  | 8,027,974 | 9,230,247  | 14.98%  | 9,565,476  |
| Gross Income      | 1,342,866 | 1,244,478  | -7.33%  | 1,292,428  |
| Gross Margin      | 14.33%    | 11.88%     | -17.09% | 11.90%     |
| G,A,S&D Expenses  | 1,037,715 | 1,107,174  | 6.69%   | 987,118    |
| Operating Income  | 305,151   | 137,304    | -55.00% | 305,310    |
| Operating Margin  | 3.26%     | 1.31%      | -59.75% | 2.81%      |
| Investment Income | -         | 266,000    | -       | -          |
| Interest Expenses | 273,160   | 361,705    | 32.42%  | 279,526    |
| Other Revenues    | 32,706    | 1,399      | -95.72% | 32,797     |
| Net Income        | 51,916    | 52,673     | 1.46%   | 52,340     |
| Net Margin        | 0.55%     | 0.50%      | -9.23%  | 0.48%      |

## Balance Sheet

| Item                       | 2009       | 2010       | Δ       | Q3 2011    | Δ       |
|----------------------------|------------|------------|---------|------------|---------|
| Current assets             | 5,650,032  | 7,467,328  | 32.16%  | 8,933,199  | 19.63%  |
| Noncurrent assets          | 9,252,816  | 10,178,317 | 10.00%  | 10,282,648 | 1.03%   |
| Total assets               | 14,902,848 | 17,645,645 | 18.40%  | 19,215,847 | 8.90%   |
| Current Liabilities        | 6,257,043  | 8,035,845  | 28.43%  | 9,261,679  | 15.25%  |
| Noncurrent liabilities     | 355,718    | 747,876    | 110.24% | 1,039,904  | 39.05%  |
| Loans                      | 4,316,702  | 5,991,831  | 38.81%  | 8,312,906  | 38.74%  |
| Total liabilities          | 6,612,761  | 8,783,721  | 32.83%  | 10,301,583 | 17.28%  |
| Retained earnings          | -4,644,866 | 46,340     | 101.00% | 98,681     | 112.95% |
| Outstanding shares         | 11,500,000 | 6,900,000  | -40.00% | 6,900,000  | 0.00%   |
| Total Shareholders' equity | 8,290,087  | 8,861,923  | 6.90%   | 8,914,264  | 0.59%   |

## Financial Ratios

| Item                                | 2009      | 2010      | Δ       | Q3 2011   |
|-------------------------------------|-----------|-----------|---------|-----------|
| EPS                                 | 0.005     | 0.008     | 69.10%  | 0.008     |
| BV                                  | 0.72      | 1.28      | 78.16%  | 1.29      |
| Gross Margin                        | 14.33%    | 11.88%    | -17.09% | 11.90%    |
| Operating Margin                    | 3.26%     | 1.31%     | -59.75% | 2.81%     |
| Net Margin                          | 0.55%     | 0.50%     | -9.23%  | 0.48%     |
| ROaA                                | 0.36%     | 0.32%     | -9.53%  | 0.28%     |
| ROaE                                | 0.69%     | 0.61%     | -10.77% | 0.59%     |
| Current Ratio                       | 0.90      | 0.93      | 2.91%   | 0.96      |
| Debt Ratio                          | 44.37%    | 49.78%    | 12.18%  | 53.61%    |
| Equity Ratio                        | 55.63%    | 50.22%    | -9.72%  | 46.39%    |
| Loans to equity                     | 52.07%    | 67.61%    | 29.85%  | 93.25%    |
| Loans to assets                     | 28.97%    | 33.96%    | 17.23%  | 43.26%    |
| Working Capital                     | (607,011) | (568,517) | 6.34%   | (328,480) |
| Working Capital turnover            | -6.48%    | -5.43%    | -16.21% | -3.03%    |
| total shareholders' equity / Assets | 55.63%    | 50.22%    | -9.72%  | 46.39%    |
| Loans to total shareholders' equity | 52.07%    | 67.61%    | 29.85%  | 93.25%    |

**Board of Directors**

|                        |                                  |
|------------------------|----------------------------------|
| Mr. Khaled Osaily      | Chairman -Representative of APIC |
| Ali Al Aqqad           | Representative of APIC           |
| Taleb Budeir           | Representative of APIC           |
| Nabeel Al-Zaeem        | Representative of PCSC           |
| Reema Arafat           | -                                |
| Mazen Al Rasekh        | -                                |
| Hussien Al A'raj       | -                                |
| Abdelfattah Abu-Shokor | -                                |

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