

May 05, 2010

Flash Result-Q1 2010

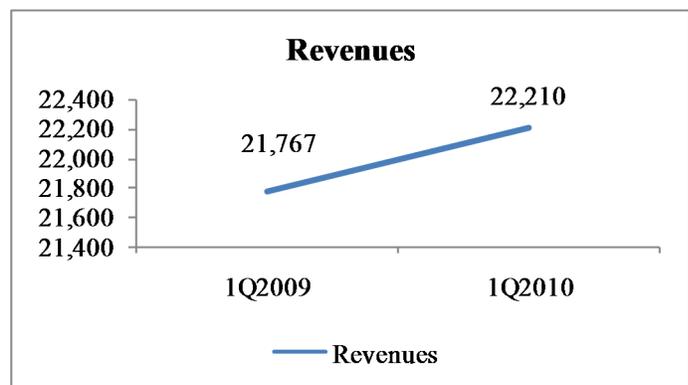
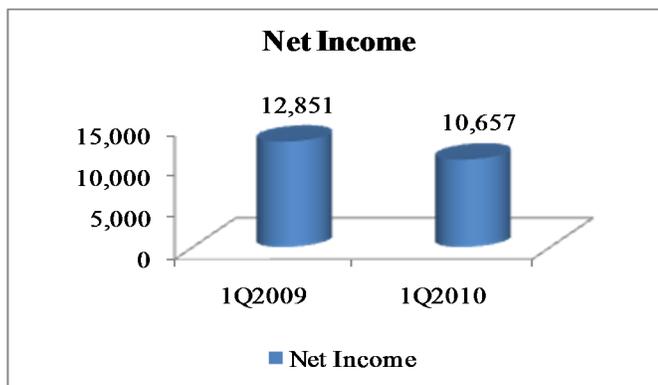
Palestine Development & Investment Company

Ticker	ISIN	Current Price (\$)	Current Cap(\$000)	52 week High	52 week low
PADICO	PS4002112937	1.35	337,500	1.47	1.16

Growth in operating revenues by %67

Item(000\$)	1Q2009	1Q2010	Growth
Revenues	21,767	22,210	2.04%
Expenses	8,883	11,301	27.22%
Pretax Income	12,884	10,909	-15.33%
Net Income	12,851	10,657	-17.07%
EPS	0.05	0.04	-17.07%

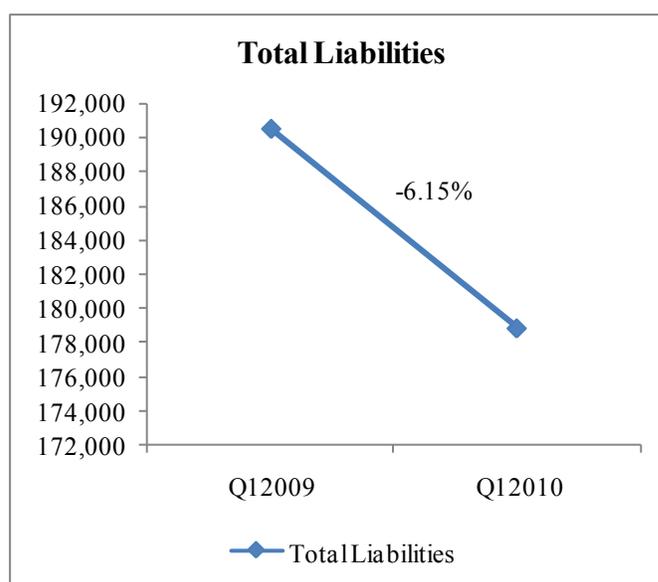
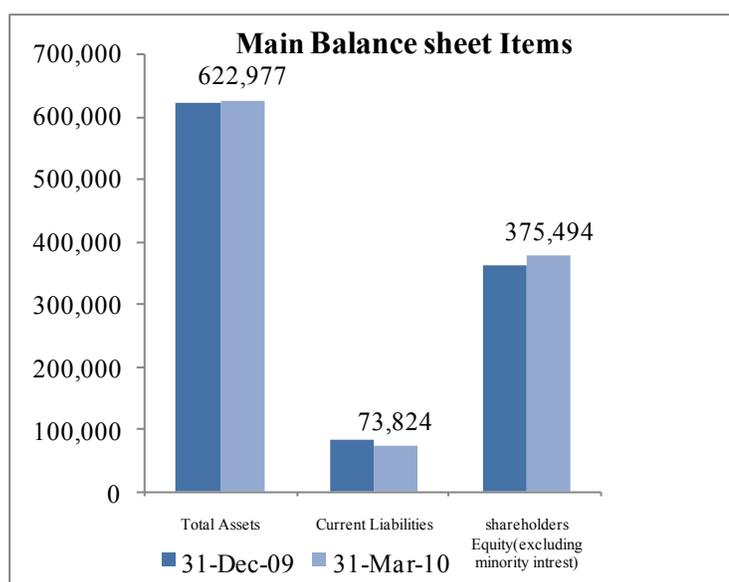
- Revenues increased by 2.04% in Q1 of 2010 to reach \$22.21 million, Due to a remarkable growth in subsidiaries operating revenues in which grow by %67.06 increasing from \$6.09 million in the Q1 of 2009 to \$10.17 million in the Q1 of 2010. At the same time, the company's stake from associates profit grow by %22.28 to reach \$10.21 million in Q1 of 2010 compared to \$8.31 million in Q1 of 2009 ; this was attributed to the improved performance of the associates and subsidiaries in the Q1 of 2010.
- Expenses rose by %27.22 to reach \$11.30 million in the Q1 of 2010 compared to \$8.88 million in the Q1 of 2009, this increase was due to a remarkable growth in operating expenses in which grew to \$5.34 million Q12010 from \$3.68 million Q12009; an increase of %45.06; this was a normal growth in light of the increased operating revenues of subsidiaries .
- The company's net income reached \$10.66 million in Q1 of 2010 comparing to \$ 12.85 million in the same period of 2009; a decrease of %17.07. Its worth to mention that the comprehensive income in Q1 of 2010 reached to \$14.49 million; A growth rate of 89.01% comparing to Q12009 and attributed to the growth in the fair value of financial assets that has amounted \$3.35 million.



Total Liabilities dropped by 6.15% ... and 30% of loans will be paid within the year

Item(000\$)	31-Dec-09	31-Mar-10	Growth
Current Assets	79,475	86,949	9.40%
Non-current assets	540,722	536,028	-0.87%
Total Assets	620,197	622,977	0.45%
Current Liabilities	83,430	73,824	-11.51%
Non-current Liabilities	107,062	104,962	-1.96%
Total Liabilities	190,492	178,786	-6.15%
shareholders' Equity (excluding minority interest)	362,243	375,494	3.66%
Outstanding Shares	250,000	250,000	0.00%

- Current assets grew by 9.40% to reach \$86.95 million in Q1 of 2010 due to an increase in account receivables and trading investments. Non- current assets decreased slightly by %0.87 to reach \$536.03 million at the end of Q1 of 2010 affected by the drop in the investment of associates and projects in progress. In aggregate, Total assets grew by 0.45% in Q1 of 2010 to reach \$622.98 million comparing by \$620.20 million to the end of 2009.
- Current liabilities dropped by 11.51% to reach \$73.83 million attributed to a noticeable decrease in the short term loans and credit facilities from \$64.46 million in Q12009 to \$51.81 million in Q12010. Non-current liabilities also decreased by 1.96 % due to a remarkable drop in long term loans at the end of Q1 of 2010. In aggregate, total liabilities decreased by 6.15% at the Q1 of 2010 to reach \$178.79 million comparing to \$190.49 million the end of 2009.
- Shareholder's equity advanced by 3.66% to reach \$444.19 million at the end of 2010 due to an increase in the retained earnings by 10.79%.



Market indicators

- According to the reported shareholders equity on Mar 31,2010, the share's book value reached \$1.50 rising by \$0.05 comparing to the book value at the end of 2009.
- The share is currently trading on PE ratio below the overall market's PE.

Market indicator	31-Mar-10
Price	1.31
Book value	1.50
Price/book Value	87.33%
PE e	8.18
Market Capitalization	327,500

Recent News

- PADICO intends to enhance its operating income by focusing on improving subsidiaries and affiliates' operating revenues.
- PADICO plans to reduce its liabilities through paying 30% of its loans during this year; strategy to shrink "loans to Equity" to approximately 25%.
- PADICO plans to shrink expenses through different aspects, one of them is represented in the Restructuring plan to merge real estate and tourism subsidiaries in one entity, while industrial companies to be combined in other legal entity.

Items	Q12010
ROA	1.71%
ROE	2.84%
Current Ratio	1.18
Working Capital (\$000)	13,125
Debt Ratio	28.69%
Q Ratio	0.52
Profit Margin	47.98%
Total Asset/Equity	1.66
Total Asset Turnover	0.04
Loans to Equity	33.82%

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