

Flash Result—1Q 2010

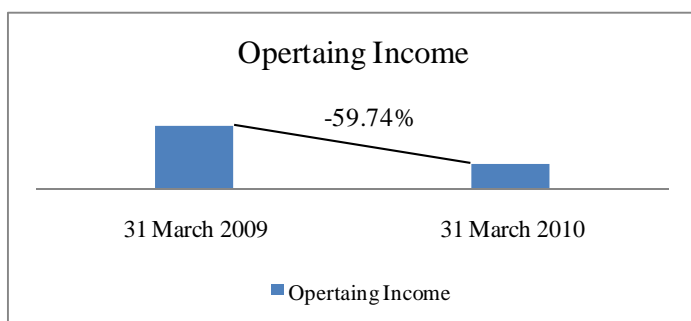
Palestinian Distribution & Logistics Services

| Ticker | ISIN | Current price (JD) | Market Capitalization (JD) | 52 Week High | 52 Week Low |
|--------|--------------|--------------------|----------------------------|--------------|-------------|
| WASSEL | PS5007111055 | 0.68 | 4,420,000 | 0.71 | 0.54 |

Stability in operating margin .. & a drop in investment profit reduces the net income by %62.33

| Item | 31 March 2009 | 31 March 2010 | Growth |
|-----------------------------------|---------------|---------------|---------|
| Revenues | 1,863,196 | 1,581,146 | -15.14% |
| Cost of Revenues | 1,200,206 | 1,022,447 | -14.81% |
| Gross Income | 662,990 | 558,699 | -15.73% |
| General & Administrative Expenses | 368,395 | 440,098 | 19.46% |
| Operating Income | 294,595 | 118,601 | -59.74% |
| Investment Income | 160,012 | 45,698 | -71.44% |
| Stake from Associates Profit | - | 18,500 | - |
| Interest Expense | 26,552 | 19,760 | -25.58% |
| Other Revenues (Expenses) | 51,807 | 37,811 | 172.98% |
| Tax expense | 46,751 | 39,713 | -15.05% |
| EBIT | 402,800 | 183,610 | -54.42% |
| Net Income | 329,497 | 124,137 | -62.33% |

- Gross income declined by %15.73 in 1st Q 2010 to reach JD 0.56 million comparing to JD0.66 million 1st Q 2009, due to a similar drop in the overall revenues which in its turn fell back by JD 0.28 million and a consequence drop in direct cost of revenues, to result in a -slightly unchanged- gross margin of %35.34 at the end of 1st Q 2010. Cost of revenues constituted between %64.42 and %64.66 from total revenues in the comparison periods; the stability in this ratio is an indicator of the company's controlling to its margins.
- General & Administrative expenses rose significantly by JD0.07 million; an increase of %19.46 in 1st Q 2010. G & A expenses accounted for %27.83 from the company's revenues. As a result, operating income dropped by %59.74 to reach JD 0.12 million at the end of 1st Q 2010 realizing an operating margin of %7.50. There is a significant variation between gross and operating margin; attributed to the increase in the G & A expenses.
- Investment income dropped from JD0.16 million in 1st Q 2009 to JD0.04 in 1st Q 2010; a drop of %71.44, leading the earnings before interest and tax to descend by %54.42 to amount JD 0.18 million. EBIT margin reached %11.61 after adding the other revenues and the stake of associates profit.
- In aggregate, the company earned a net income of JD0.12 million in 1st Q 2010 comparing to JD0.33 million in 1st Q 2009; a decline of %62.33 to realize a profit margin of %7.85 and an earnings per share of JD 0.019.



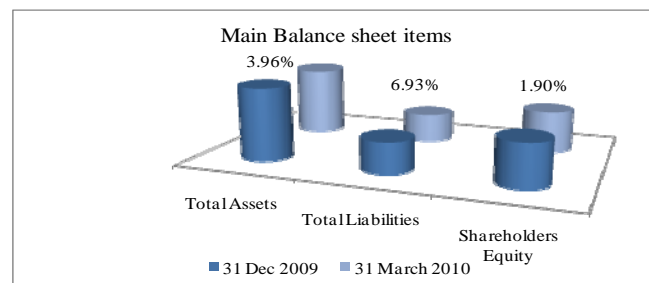
| Item | 31 March 2009 | 31 March 2010 | Growth |
|------------------|---------------|---------------|---------|
| Gross Margin | 35.58% | 35.34% | -0.70% |
| Operating Margin | 15.81% | 7.50% | -52.56% |
| EBIT Margin | 21.62% | 11.61% | -46.29% |
| Profit Margin | 17.68% | 7.85% | -55.60% |
| EPS | 0.051 | 0.019 | -62.33% |

A major growth in long term loans .. But insignificant to total liabilities

- Total assets increased by %3.96 in 1st Q 2010; ascribed to a growth in both of current and non current assets by %2.46 and %6.55 respectively. ROA reached %1.08 at the end of 1st Q 2010 due to the noticeable decline in profit in comparison to the growth in total assets.
- Total liabilities ascended by %6.93; attributed to the major increase in non current liabilities by %95.97 when attained JD 0.68 million at the end of 1st Q 2010 in comparison to JD0.35 million at the end of 2009. This was in result of an increase in the long term loans when reached JD0.47 million and constituted %68.84 from non current liabilities.
- Shareholders' equity grew slightly by %1.90 to reach JD6.65 million, to record a book value of JD 1.02 per share. ROE reached %1.87 at the end of 1st Q 2010; given that the company is considered not as old as the majority of the service sector's companies.

Main balance sheet items

| Item | 31 March 2010 | Growth |
|-------------------------|---------------|--------|
| Current Assets | 7,179,563 | 2.46% |
| Non-current assets | 4,305,366 | 6.55% |
| Total Assets | 11,484,929 | 3.96% |
| Current Liabilities | 4,152,229 | -0.47% |
| Non-current liabilities | 679,045 | 95.97% |
| Total Liabilities | 4,831,274 | 6.93% |
| Shareholders' Equity | 6,653,655 | 1.90% |
| Capital | 6,500,000 | 0.00% |



Financial Analysis

- The current ratio –liquidity ratio– reached 1.73; a good indicator for the company to pay its debts as they come due, while total liabilities amounted %42.07 from total assets, and loans constituted %22.93 from the company's shareholders' equity.
- Accounts receivables are turned over by %37.22, and that raises the number of days it takes for collection to 980 days.
- The company's ability to use it assets to generate revenues amounted %13.77.
- The company's market capitalization as of the end of 1st Q 2010 constitutes %32.26 of total assets.

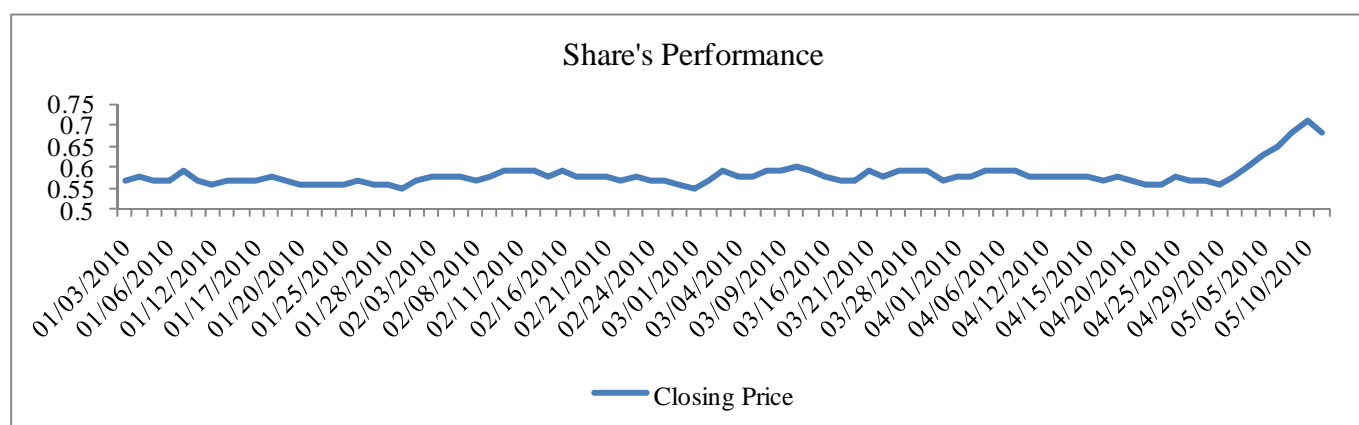
Financial Ratios

| Item | 31 March 2010 |
|--------------------------------|---------------|
| ROA | 1.08% |
| ROE | 1.87% |
| Current Ratio | 1.73 |
| Total assets turnover | 13.77% |
| Working Capital | 3,027,334 |
| Debt ratio | 42.07% |
| Debt to Equity | 22.93% |
| Interest Coverage Ratio | 9.29 |
| Net Working Capital Ratio | 26.36% |
| Accounts Receivables Turn-over | 37.22% |
| Equity to Assets | 57.93% |
| Average Collection Period | 980 |
| Market Cap/ Total Assets | 32.26% |

Market indicators

- According to the reported shareholders' equity on Mar 31,2010 , the share's book value reached JD1.02 rising by JD0.02 comparing to the realized book value on Dec 31,2009.
- The share is currently trading on an estimated PE ratio below the overall market's PE.

| Market Indicators | 31 March 2010 |
|-----------------------|---------------|
| Price | 0.57 |
| Book value | 1.02 |
| Price/book value | 55.68% |
| PE e | 7.46 |
| Market Capitalization | 3,705,000 |
| Turnover | 3.65% |



Disclaimer: This report is not an offer to buy or sell nor a solicitation to buy or sell any of the securities mentioned within. The information contained in this report were prepared using information available to the public and sources Sahem Trading & Investment Co believes to be reliable. Sahem Trading & Investment Co does not guarantee the accuracy of the information contained within this report and accepts no responsibility or liability for losses or damages incurred as a result of investment decisions taken based on information provided or referred to in this report. Any analysis of historical facts and data is for information purposes only and past performance of any company or security is no guarantee or indication of future results