

Flash Result—1H, 2010

Union Construction & Investment Company

Company Overview

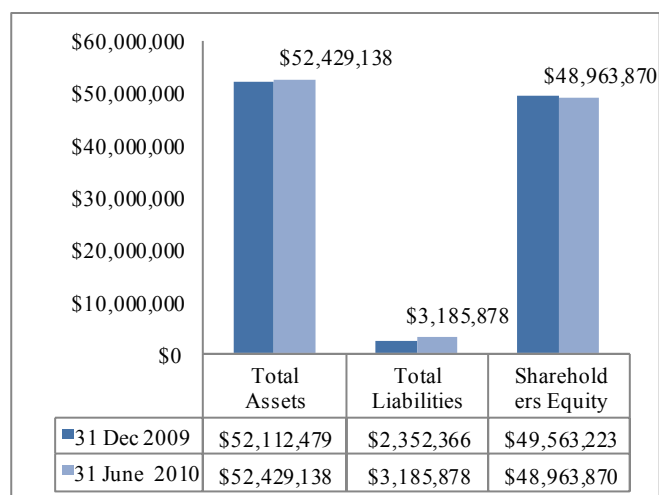
Ticker	Sector	Trading Currency	ISIN	Current Price	Market Capitalization	52 Week High	52 Week Low
UCI	Investment	USD	PS4008112055	0.66	\$ 26,400,000	0.80	0.57

Union Construction & Investment Company P.S.C (UCI). is a Palestinian shareholding company engaged in the construction and housing business within the Palestinian territories. The Company's main activities are constructing and developing residential sub-divisions, commercial complexes, shopping malls, industrial and tourist areas, as well investment in real estate and properties. The Company, in order to meet the energy and environment requirements, is offering the choice of geothermal technology in its residential and commercial buildings, which provides a low-emission, cost-efficient and renewable source of energy. UCI's projects include Etihad Sub-division, which is a residential avenue on the hills of the Palestinian cities of Al-Beireh and Ramallah, Arkadia Residential Compound at Al Massyoun heights, Crown Tower and Al Rawda Avenue in Gaza city. The Company has 50% of Minageothermal Company's capital.

Real estate investment hit a figure of \$26.88 constituting 51.27% of total assets

- UCI's total assets hit a figure of \$52.43 million in 1H,2010 as apposed to \$52.11 million in 2009 slightly increased by 0.61% .
- Current Assets reported \$19.16 million in 1H,2010 as apposed to \$22.21 million in 2009, showing off a decrease of 13.73% ascribed mainly to the company's efficiency to decrease account receivables from \$3.41 million in 2009 to \$1.99 million in 1H,2010 .
- Cash and cash equivalent registered a decline by 5 % during the period between Jan1 – June 30, 2010 from \$ 6.28 million to \$5.96 million to attain a cash ratio of 11.36% at the end of the first half of 2010 .
- Non-current assets stood at \$33.27 million in 1H,2010 against a figure of \$ 29.91 million in 2009 increasing by 11.25% attributed to a major increase of real estate investment by 12.95% which in turn hit a figure of \$26.88 million at the of 1H, 2010 . Its worth to mention that Union Construction and Investment real estate investment constituted 80.80% of non-current assets and 51.27% of total assets .

Item	31 Dec 2009	31 June 2010
Current Assets	\$22,206,171	\$19,157,448
Non-current assets	\$29,906,308	\$33,271,690
Total Assets	\$52,112,479	\$52,429,138
Current Liabilities	\$1,490,947	\$2,300,836
Non-current liabilities	\$861,419	\$885,042
Total Liabilities	\$2,352,366	\$3,185,878
Shareholders' Equity	\$49,563,223	\$48,963,870
Capital	\$40,000,000	\$40,000,000



Debts constitute only 6.08% of total assets

- The company liabilities rose by 35.43% pushed mainly by an increase of current liabilities from \$1.49 in 2009 to reach \$2.30 million in 1H, 2010, it's worth to mention that UCI's relied mainly on internal source to financing its operation when its debt ratio increased slightly to reach 6.08% in 1H,2010 while Equity ratio attained 93.39% in the same period.
- UCI maintained a perfect liquidity position with a current ratio of 8.33 times; current assets cover current liabilities by more than 8 times.

Total revenues increased by 257.19%

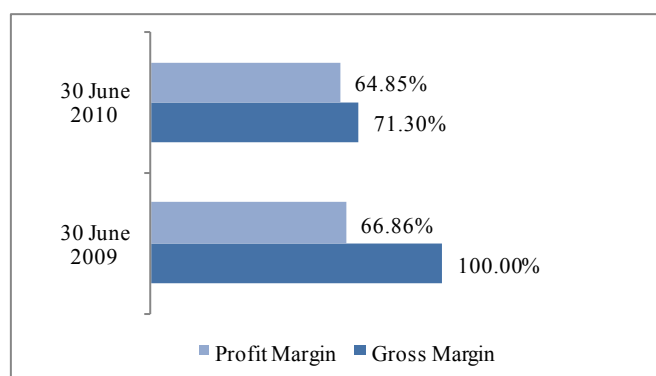
- Total revenues settled at \$ 1.12 million in 2009 lifted up to \$4.35 million in 1H,2010 reporting a net change of 257.19% while cost of revenues recorded \$1.25 million. In aggregate gross profit hit a figure of \$3.10 million in 1H, 2010 opposing to \$1.22 million in 2010 increasing significantly by 154.68%.
- General and administrative expenses fell to \$0.19 million in 1H,2010 opposing to \$0.25 million in the same period of 2009

Net income Increases by 246%

- Operating income reached \$2.90 million in 1H,2010 increasing by 199.75% comparing to 1H 2009; operating margin 66.80%.
- Net income reported \$2.82 million in 1H,2010 as opposed to \$0.813 million increasing by 246.43%, EPS attained \$0.075 in 1H,2010 compared to \$0.023 in 1H, 2009; ROA 5.38%, ROE 5.76%.
- UCI's PE dropped to 4.54 at the end of 1H,2010 compared to 10.15 that was registered at the end of June 2010, while PBV declined from 0.54 in 1H,2009 to land at 0.52 at the end on June 2010.

Item	2009	31 March 2010
Book Value	1.24	1.22
Debt Ratio	4.51%	6.08%
Equity Ratio	95.11%	93.39%
Current Ratio	14.89	8.33
Working Capital	\$20,715,224	\$16,856,612
Net Working Capital Ratio	39.75%	32.15%

Item	30 June 2009	30 June 2010
Operating revenues	\$1,217,056	\$4,347,162
Operating Expenses	\$0	\$1,247,507
Gross Income	\$1,217,056	\$3,099,655
General & Administrative Expenses	\$248,327	\$195,890
Operating Income	\$968,729	\$2,903,765
Other Expenses	\$56,045	\$82,200
Net Income	\$813,739	\$2,819,065
EPS	2.03%	7.05%



Revenues Sources	%
Revenues From Financial Institutions	5.44%
Financial Assets Portfolio Revenues	1.09%
Real Estate Investment Revenues	58.28%
Housing Unites selling Revenues	28.73%
Rental Revenues	1.78%
Minageothermal revenues	4.57%
Other Revenues	0.09%
Total Revenues	100.00%

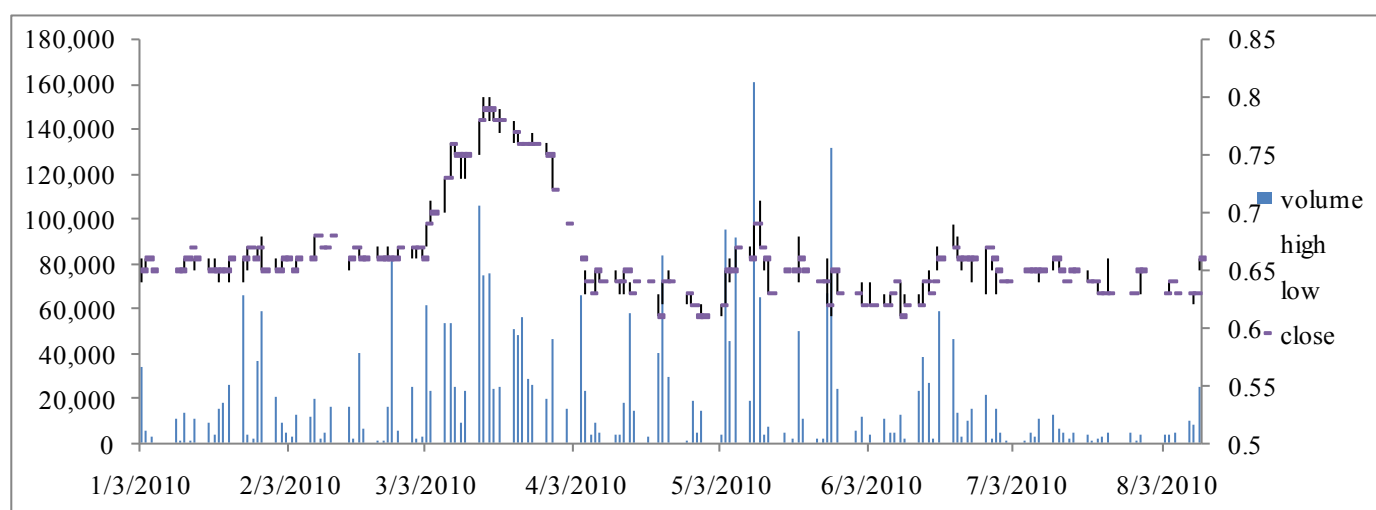
Gross Margin	Profit Margin	ROA	ROE
71.30%	64.85%	5.38%	5.76%

Market Indicators

- The company's market cap stood at \$ 25.60 million at the end of 1H 2010 , decreasing by 4.47% compared to the settled value at Dec 31 , 2010 .
- Trading volume of UCI reach \$3.11 million . shares for the period between Jan 1 - June 30 m 2010 .

Market Indicators	2009	30 June 2010
Price	0.67	0.64
Price/book value	54.07%	52.28%
PE	10.15	4.54
Market Capitalization	\$26,800,000	\$25,600,000
Turnover	12.04%	12.49%

* Forward PE



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