

May 23, 2010

## Flash Result-Q1 2010

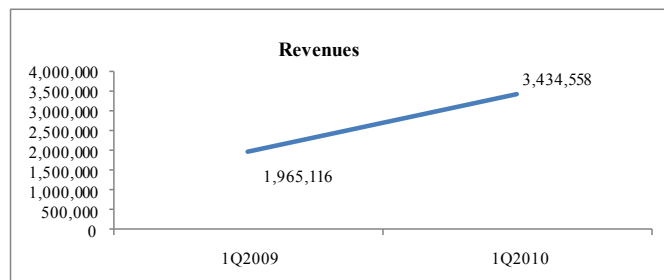
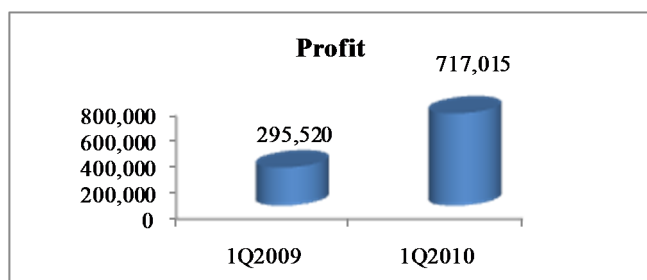
### Jerusalem Pharmaceuticals

Ticker	ISIN	Current Price (JD)	Current Cap(000)	52 week High	52 week low
JPH	PS4004111952	4.40	22,000,000	4.52	3.65

### Growth in Profit by %142.63

Item	1Q2009	1Q2010	Growth
Revenues	1,965,116	3,434,558	74.78%
Cost of good sold	1,488,754	1,797,688	20.75%
Gross Profit	476,362	1,636,869	243.62%
Gross margin	24.24%	47.66%	96.60%
General & administrative Expenses	406,263	725,752	78.64%
Investment income	0	49,885	N/A
Interest expense	0	656	N/A
Other revenues (Expenses)	249,382	84,052	-133.70%
EBIT	319,481	777,181	143.26%
EBIT margin	16.26%	22.63%	39.19%
Profit	295,520	717,015	142.63%
Profit margin	15.04%	20.88%	38.82%
EPS	0.06	0.14	142.63%
operating income	70,099	911,117	322.26%
operating margin	3.57%	26.53%	430.96%

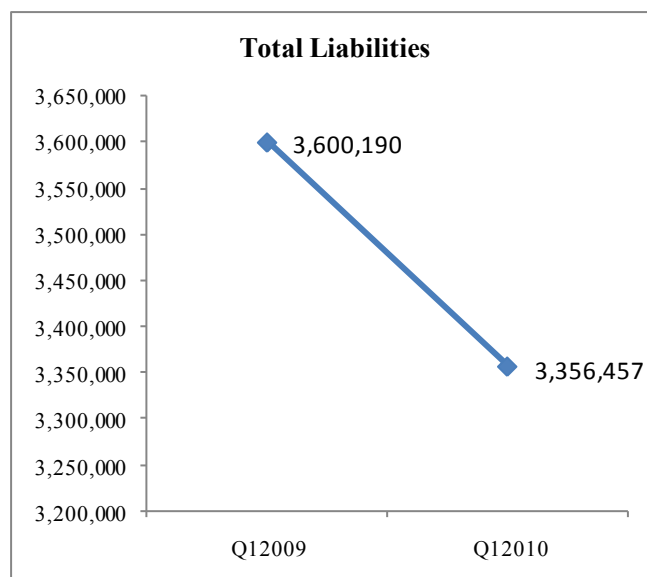
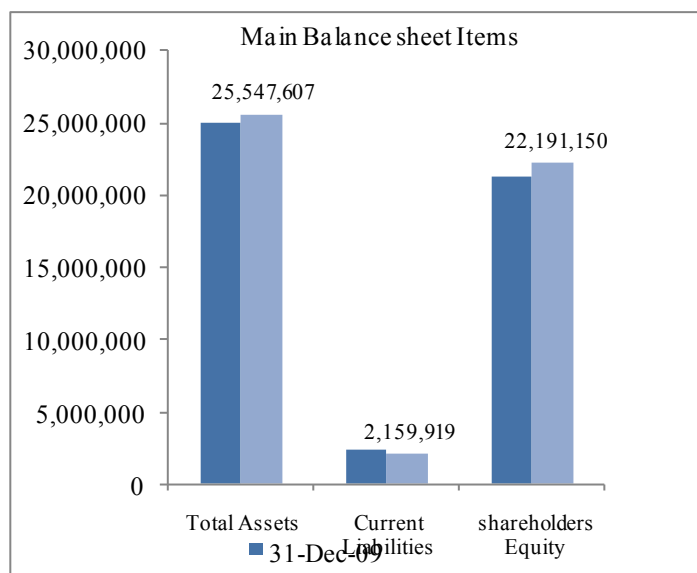
- Gross Profit increased by %243.62 in 1Q of 2010 to reach JD 1.64 million, Due to a remarkable growth in operating revenues to grow by %74.78 when reached JD 3.43 million in the Q1 of 2010 from JD 1.97 million in the Q1 of 2009. It's worth to mention that the gross margin reached %47.66 in 1Q of 2010 rising from %24.24 in 1Q of 2009 ; this increase is a good indicator of the company's earning profit with consideration of its direct costs .
- General & administrative Expenses rose by %78.64 to amount JD 0.73 million in the Q1 of 2010 comparing by JD 0.41 million in the Q1 of 2010. As a result, operating income ascended by %322.26 to reach JD 0.91 million at the end of 1Q 2010 realizing an operating margin of %26.53 .
- The company's Profit reached JD 0.72 million in Q1 of 2010 comparing to JD 0.30 million in the same period of Q1 of 2009; an increase of %142.63. due to a remarkable advance in revenues and gross profit.



## Shareholders Equity grows by 3.95% ... while total liabilities decrease by % 6.77

Item	31-Dec-09	31-Mar-10	Growth
Current Assets	15,616,302	16,345,228	4.67%
Non-current assets	9,331,155	9,202,379	-1.38%
Total Assets	24,947,457	25,547,607	2.41%
Current Liabilities	2,440,101	2,159,919	-11.48%
Non-current Liabilities	1,160,089	1,196,538	3.14%
Total Liabilities	3,600,190	3,356,457	-6.77%
shareholders Equity	21,347,267	22,191,150	3.95%
Outstanding Shares	5,000,000	5,000,000	0.00%

- Non-Current assets reported JD 9.20 million in Q1 of 2010 as opposite to JD 9.33 million in 2009 showing a drop of 1.38% due to a slightly decrease in fixed asset & investment in subsidiaries. Current assets advanced slightly by %4.67 to reach JD 16.35 million at the end of Q1 of 2010 .In aggregate, Total assets grew by 2.41% in Q1 of 2010 to reach JD 25.55 million compared to JD 24.95 million to the end fiscal year 2009.
- Non-Current liabilities increased by 3.14% from JD 1.16 million in 2009 to JD 1.20 million in Q12010 attributed to slightly increase in employees compensation. Current liabilities decreased by 11.48 % due to a remarkable to remarkable decline in accounts payables and accrued expenses . In aggregate, total liabilities decreased by 6.77% at the Q1 of 2010 to reach JD 3.36 million comparing to JD 3.60 million at the end of 2009.
- Shareholder's equity registered JD 22.19 million at the end of 1Q 2010 comparing to JD 21.35 in 2009 increasing by 3.95%,due to an increase in retained earning, , statutory reserve and gains from the spread of currency exchange.



## Market indicators

- According to the reported shareholders equity on Mar 31,2010, the share's book value reached JD 4.42 comparing to JD 4.25 at the end of 2009.
- The share is currently trading on PE ratio below the overall market's PE and approximate to the leading share P/E .

Market indicator	31-Mar-10
Price	4.4
Book value	4.42
Price/book Value	99.63%
PE e	7.67
Market Cap	22,000,000

## Ratios

- Working capital is a the life blood of most small business where working capital for JPH reached JD 8.00 million; a good indicator for the company to support and grow a healthy business, while Net working capital ratio is %31.34.
- Jerusalem Pharmaceuticals attained a high liquidity ratio by 7.69 Times which is a good indicator .
- Jerusalem Pharmaceuticals recorded a significant growth in profitability indicators; a growth in ROA and ROE to attain %3.23 and %2.81 respectively, attributed to a high advance in Net income at the end of 1Q 2010.

Items	Q12010
ROA	2.81%
ROE	3.23%
Current Ratio	7.69
Working Capital	8,005,841
Debt Ratio	13.14%
Q Ratio	0.86
Debt/Equity Ratio	15.13%
Profit Margin	20.88%
Total Asset/Equity	1.15
Total Liabilities/Equity	0.15
Total Asset Turnover	0.13
Net working capital ratio	31.34%

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