



His Majesty King Abdullah II Ibin Al-Hussain

Al-Eqbal Investment Co. is an investment company owning industrial companies:

1. International Tobacco & Cigarette Co. (WLL).
It manufactures high quality cigarettes complying with its core values which depend on the high quality product, suitable price and qualified staff. It takes a remarkable place among the industrial companies by providing international products which are locally manufactured.

2. Al-Fakher Tobacco Trade Co.
It manufactures high quality products of flavored tobacco

3. Arab Cigarette Distribution Co.
It distributes cigarettes produced by International Tobacco & Cigarette Co. in Aqaba Economic Zone.



Mr. Tawfik Fakhoury Chairman of the Board



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Board of Directors

Chairman

Tawfiq Shaker Fakhouri

Vice Chairman & General Manager

Samer Tawfiq Shaker Fakhouri

Directors

Walid Tawfiq Shaker Fakhouri

Ibrahim Rashid Abdul Mene'm Al Juba

Yahya Zakariya Qadamani

Representative of Al Eqbal Co. for General Trade

Abdul Rahman Talal Abdul Rahman Dakhmash

Rep. of Pearl Commercial Co. for Construction & Investment

Hasan Mohammad Hasan Hanafiyeh

Rep. Bank of Jordan as of 01.10.2008

Yousef Mohamad Omer

Rep. Farah Company for Electrical & Sanitary

Adel Ramez Abu Durgham

Rep. of Zahra Al Urdun for Real-Estate Investment

Hassan Abdul Hafez Ibrahim Jaser

Rep. Arab Gulf Company for Investment & Transportation as of 01.02.2008

Haitham Mahmoud Qtaishat

Rep. of Al Yamama General Investment

The Auditors

Messrs Ibrahim Al Abbasi & Company

Eqbal Investment Company's achievements and balance sheet as on 31.12.2008 and its plan of 2009.

Dear Shareholders

Greeting,,,,,

On behalf of myself and all board of directors of Eqbal Investment Company, it is my pleasure to present to you our 16th annual report of the Company's achievements during 2008 and the business plan for the year 2009.

Dear Shareholders,,,,,

Since the beginning, we have worked on creating a special and distinguished corporate identity and established a strong base for a giant and developed national company which embraces the concepts of both innovative industry and profitable investment. We were able to establish a trustworthy reputation both nationally and internationally thus creating an elite investors base inside and outside the Kingdom.

The outstanding achievements of Eqbal Investment Co. were made possible by the dedication of its workers and their loyalty to the Mother Company and its subsidiaries.

The excellent financial results seen today are the outcome of accurate planning and concentration of all efforts. The Company employs knowledgeable experts in various fields, and applies best preparation and training programs to its staffs, at same time it provides its employees with motivations and privileges to insure their dedication. The company succeeded in forming a strong work force capable of implementing all necessary steps to achieve its goals and aspirations at the national, regional and international levels.

Our aim is to stay at the forefront and continuously reinforce our leading position and achieve our set targets by keeping up the continuous efforts to produce high quality brands of Cigarettes and Tobacco that meet our customers needs and reflect the real image of Eqbal Company.

As you see, the report indicates profits of JD 7.441.076 during the last year; such number could not have been reached without the intensive efforts made by the Top Management, Executive Management and all people working for the Company.

The Company's main activities:

1. Eqbal Investment Co. is a Company owning industrial companies: International Tobacco & Cigarette Co. (wll It manufactures high quality cigarettes complying with its core values which depend on the high quality product, suitable price and qualified staff. It takes a remarkable place among the industrial companies by providing international products which are locally manufactured.

2. Al-Fakher Tobacco Trade Co.

It manufactures high quality products of flavored tobacco

The Company's geographic locations and number of employees in each one:

The Company headquarter is in the Hashemite Kingdom of Jordan

Amman, Na'ur, P.O. Box 911145 Amman 11191

Tel: +962 65 72 79 01 Fax: +962 65 72 79 02

E-mail: info@eqbal-invest.com

Website: www.eqbal-invest.com

7 employees work there and no branches for the Company.

It is registered at the Ministry of Industry & Trade under No. 218 on 01.06.1992, the Establishment national No. is 200022790

The Company's Capital Investment

It is 79,000,000 JDs on 31.12.2008.

Subsidiary Companies Owned by the Company:

1. Al Fakher Tobacco for Trading & Agencies:

Limited Liabilities Company

Specialized in the distribution of flavored tobacco within the Jordanian market

Capital investment worth 30,000 JDs

100% ownership

Headquarters in Amman Na'ur, the Hashemite Kingdom of Jordan

Amman, Na'ur, Umm Al-Basateen Triangle, Al-Quds St.; its team consists of 40 employees.

The Company has a branch in the 7th Circle Area for Hubble-Bubble delivery service, and 21 employees are mandated by the Main Branch to work there.

It owns Al Fakher Tobacco Trading in Ajman UAE with a capital investment of 11 million dollars.

It is registered at the Ministry of Industry & Trade under No. 12208 on 30.05.2006, the Establishment national No. is 200010064.

2. International Tobacco & Cigarette Co.:

Limited Liabilities Company

It manufactures cigarettes.

Capital investment worth 30,000 JDs

100% ownership

Headquarters in Amman Na'ur, the Hashemite Kingdom of Jordan

Amman, Na'ur, Umm Al-Basateen Triangle, Al-Quds St.; its team consists of 393 employees.

The Company has no other branches.

It is registered at the Ministry of Industry & Trade under No. 16206 on 16.04.2008, the Establishment national No. is 200094979.

3. The Arab Cigarette Distribution Company:

Limited Liabilities Company

Specialized in the distribution of cigarettes

Capital investment worth 30,000 JDs.

100% ownership

Headquarters in Amman Na'ur, the Hashemite Kingdom of Jordan

Amman, Na'ur, Umm Al-Basateen Triangle, Al-Quds St.; its team consists of 3 employees.

The Company has no other branches.

It is registered at the Ministry of Industry & Trade under No. 6321 on 04.09.2000, the Establishment national No. is 200022449.

Names of Board of Directors Members, and Top Management Members and Information about Each of Them

Name	National No.	Date of Birth	Nationality	Certificate	Graduation Date	Position at Al Eqbal Investment Co., and Professional Experiences			
						From	To		
Board of Directors Members and their Representatives									
Tawfiq Shaker Fakhouri	9351011862	1935	Jordanian	Businessman		1987	2/8/07	Bank of Jordan	Chairman of Board of Directors
						2001	Till Now	Al Eqbal Investment Co./Amman	Chairman of Board of Directors
						2006	Till Now	Zahrat Al-Urdun for Real Estate & Hotels Investments	Chairman of Board of Directors
Samer Tawfiq Shaker Fakhouri	9721050578	01/05/1972	Jordanian	Bachelor of Business Administration	1993	1995	Till Now	Al Eqbal Investment Co./Amman	General Manager
						2001	Till Now		Vice Chairman of Board of Directors
						2001	7/11/07	Al-Eqbal Printing & Packaging Co.	Chairman of Board of Directors
						04/2008	Till Now	International Tobacco & Cigarette Co. LTD	Chairman of Board of Directors
						1992	1995		Employee
Waleed Tawfiq Shaker Fakhouri	9721000980	12/02/1972	Jordanian	Bachelor of Marketing	1992	1995	1999		Executive Manager
						1999	2003	Bank of Jordan	General Manager Assistant for Investment Treasury
						2003	2004		General Manager Assistant for Investment & Branches
						2005	Till Now		Board of Director Member
						2004	Till Now	Arab Islamic Bank	Head of Board of Directors
				2001	2005		Board of Directors Member Representative- Al-Eqbal Jordanian Co. for General Trade		
				2005	25/2/07	Al Eqbal Investment Co./Amman	Board of Directors Member Representativ - Bank of Jordan		
				25/2/07	Till Now		Board of Directors Member		
				2003	7/11/07	Al-Eqbal Printing & Packaging Co.	Board of Directors Member		
				2006	Till Now	Zahrat Al-Urdun for Real Estate & Hotels Investments	Vice Chairman of Board Directors		
Ibrahim Rasheed Abdul Mene'm Juba	9561017570	20/05/1956	Jordanian	Tobacco Expert	1980	1980	1992	Jordan Tobacco Co.	Factory Manager Assistant/ Production Manager
						1992	31/12/06		General Manager Assistant
						2001	25/3/07	Al Eqbal Investment Co./Amman	Board of Directors Member Representative at Farah Co. for Electrical & Sanitary Installation
						25/3/07	Till Now		Board of Directors Member
						7/11/07	Till Now	Al-Eqbal Printing & Packaging Co.	Board of Directors Member Representative- Lo'lo'a Trade Co. for Construction & Investment

Names of Board of Directors Members, and Top Management Members and Information about Each of Them

Name	National No.	Date of Birth	Nationality	Certificate	Graduation Date	Position at Al Eqbal Investment Co., and Professional Experiences		
						From	To	
Board of Directors Members and their Representatives								
Hasan Mohammad Hasan Hanafiyeh	9401006458	01/01/1940	Jordanian	Secondary School (Tawjihi)	1968	1964	1972	High Art Trade Co. Partner
						1973	1980	High Fashion Clothes Co. Partner
						1982	1985	International Clothes Co. Partner + Board of Directors Member
						1985	Till Now	Al-Ahliya Industrial Co. The Owner
						2001	2/1/08	Board of Directors Member Representative- Arab Gulf for Investment & General Transportation
						10/1/08	Till Now	Board of Directors Member Representativ - Bank of Jordan
Haitham Mohammad Ali Qteshat	9481005364	03/04/1948	Jordanian	Bachelor of Business Administration	1972	1972	1975	The Hashemite Kingdom of Jordan Broadcast Programs Announcer & Presenter
						1975	2002	Jordan Customhouse General Supervisor & Queen Alia Airport Customhouse Manager/ Amman Civil Airport
						2002	2003	Prime Ministry President Consultant/ Securities Commission General Coordinator
						2004	Till Now	Bank of Jordan Media Consultant
						2004	Till Now	Al Eqbal Investment Co./Amman Board of Directors Member Representative-Al-Yamama General Investment Co.
						2004	7/11/07	Al-Eqbal Printing & Packaging Co. Board of Directors Member Representative- Lo'lo'a Trade Co. for Construction & Investment
Yehya Zakariya Mohammad Al-Qadamani	9571027681	18/12/1957	Jordanian	Bachelor of Business Administration	1979	2004	Till Now	Trust International Transportation Co. Board of Directors Member Representative- Arab Gulf Investments & Public Transportation Co.
						1979	1988	Tourism to Holy Lands Co./Jerusalem General Manager
						1979	2004	Italian Airlines – General Agent/Jordan Head of Directors Commission & General Agent
						1982	1997	Jet Tourist Co. Board of Directors Member
						1994	2005	Bank of Jordan Co. Board of Directors Member
						2005	Till Now	Board of Directors Member Representative - Arab Gulf Investments & Public Transportation Co.
						1995	Till Now	Arab Islamic Bank Co. Vice Chairman of Board Directors
						1999	7.11.07	Al-Eqbal Printing & Packaging Co. Board of Directors Member
						2001	2005	Board of Directors Member
						2005	Till Now	Board of Directors Member Representative- Al-Eqbal Jordanian Co. for General Trade

Names of Board of Directors Members, and Top Management Members and Information about Each of Them

Name	National No.	Date of Birth	Nationality	Certificate	Graduation Date	From		To	Position at Al Eqbal Investment Co., and Professional Experiences		
Board of Directors Members and their Representatives											
Yousef Mohammad Omar Omar	9491000368	04/12/1949	Jordanian	Bachelor of Business/ Accounting	1975	1975	1984	Al-Mahdi General Contracting Co./Abu Dhabi	Accountant		
						1984	1986	Arab Co. for Electrical Industries			
						1987		Jordan Bonds Co.			
						1987	1995	Arab Gulf Co.			
								Lo'lo'a Trade Co.			
Al-Eqbal Jordanian Co.											
Modern Fashion Co.											
Yousef Mohammad Omar Omar	9491000368	04/12/1949	Jordanian	Bachelor of Business/ Accounting	1975	1996	2000	Al-Eqbal Printing & Packaging Co.	Financial Manager	Board of Directors Member Representative- Farah Sanitary & Electrical Installation Co.	
						2003	7/11/07				
						2001	Till Now	Bank of Jordan	Head of Board of Directors Office and Financial Manager		
Hassan Abdul Hafiz Ibrahim Jaser	9551017827	11/09/1955	Jordanian	Bachelor of Architecture	1983	2001	Till Now	Al Eqbal Investment Co./Amman	Board of Directors Member Representative- Farah Sanitary & Electrical Installation Co.	Research & Development Department Director	
						1984	2002	Amman Greater Municipality			
						2002	Till Now	Bank of Jordan	Real Estate Department Director		
Abdul Rahman Talal Abdul Rahman Daghmarsh	9641028819	04/01/1964	Jordanian	Bachelor of Business Administration	1986	2007	Till Now	Daghmarsh Companies Group	Merchant & Businessman	General Manager of Daghmarsh Companies Group	
								Al Eqbal Investment Co./Amman	Board of Directors Member Representative- Lo'lo'a Trade Co. for Construction & Investment		
						1984	1985	Saudi Technical Co. for Plastic (Riyadh/KSA) Al-Hoshan Press Association (Riyadh-	Projects Architect		
Adel Ramez Melhem Abu Dargham	1176667880	05/11/1962	Lebanese	Bachelor of Engineering	1984	1985	1990	Jeddah-Khubar/KSA)	Maintenance Manager/Technical Sales Manager		
						1991	2001	Yousef Qara & Sons Press Co. (Lebanon/Germany/ Syria/Jordan/U.A.E/Kuwait)	Projects Architect		
						1/5/01	Till Now	Al-Eqbal Printing & Packaging Co.	General Manager		
						2002	2005	Al-Theqa International Transportation Co.	Board of Directors Member		
						2003	Till Now	Al-Eqbal Printing & Packaging Co.	Vice Chairman of Board of Directors / General Manager		
Top Management	Issa Mahmud Mohammad Issa	15.09.1940	Jordanian	Bachelor of Laws	1973	7/10/07	Till Now	Al Eqbal Investment Co.	Board of Directors Member Representative- Zahrat Al-Urdun for Real Estate & Hotels Investments		
						1963	1994	Ministry of Interior	Traffic & Licensing Affairs Manager		
						1999	2001	Al-Eqbal Financial Investments Co.	Counselor		
						2001	Till Now	Al Eqbal Investment Co.	Head of Board of Directors Office Manager/Board of Directors Secretariat		
						1971	1980	Public Association for Social Security/Libya	Interior Auditor		
Mohammad Khaleel Hussein Al-Sheibat	9451006695	01.01.1945	Jordanian	Bachelor of Accounting Jordan Certificate of Public Auditor	1969	1980	1999	Lime & Bricks Co./Amman	Financial & Administrative Manager	General Manager Assistant for Financial & Administrative Affairs	
						1999	2000	Lo'lo'a Co. for Sanitary Sheet Industry/Amman	Financial & Administrative Manager		
						2000	2005	Al-Eqbal Printing & Packaging Co.	General Manager Assistant for Financial & Administrative Affairs		
						1.12.05	Till Now	Al Eqbal Investment Co.	Financial Manager		

Shareholders who own more than 5% of the Company's capital				
	31/12/2007		31/12/2008	
Shareholder's Name	Shares	Percentage	Shares	Percentage
Tawfeeq Shaker Khader Fakhouri	3,255,948	16,280%	3,255,948	16,280%
Bank of Jordan Company	2,848,425	14,242%	2,848,425	14,242%
Jordan Eqbal for General Trade	1,932,915	9,665%	1,932,915	9,665%
Arab Gulf Company for Investment & Transportation	6,666	0,033%	3,307,716	16,539%
Total	8,043,954	40,220%	11,345,004	56,725%

The Company Market Position:

The Company makes more efforts to maintain its share in the local market and expand its exportation range of cigarettes and flavored tobacco in order to strengthen its competitive position through its sales of the local brands and Phillip Morris' Company's brands according to policies depending on a lot of studies about both national and exportation markets.

In spite of the hard competition, smuggling markets range expansion and the production high cost, the Company will keep producing various kinds of cigarettes and flavored tobacco with international quality especially the French tobacco with its own trade marks or the product of Phillip Morris Company that has an outstanding relation to (the International Tobacco & Cigarette Co.); this relation is continuously developed through cooperation in several technical and market fields which led to build a factory for preparing tobacco with high quality standards.

The Company emphasizes its adherence to make its promotional and marketing plans in conformity with the applicable laws and regulations issued by the competent entities. It adheres not to breach the same with illegal promotion for cigarette and flavored tobacco products.

- Company's local markets (by subsidiaries) all governorates and cities of the Kingdom.
- Company's markets abroad (by Tobacco Company) Iraq, Iran, Yemen and Libya.
- Company's markets abroad (by Al Fakher Company) 45 states.
- The Company's share in the whole local market is about 40%.

The extent of depending on particular suppliers or main clients nationally and internationally:

Suppliers		
No.	Supplier's Name	Percentage of total purchases
1	Phillip Morris	49%
2	Rahman Khan	12%
3	Eqbal for Printing & Packaging	11%

Clients		
No.	Supplier's Name	Percentage of total company's sales & revenues
1	Al-Rapan Trade Company	41%
2	Al Masbah Company	16%
3	Parisian Tobacco Company	12,5%
4	Mohammad Karim Abu Rashed	10%

Government Protection or Privileges of the Company or any of its Products:

Al Eqbal Investment Company does not have any government protection for its products except the Intellectual Property & Trade Mark Law.

Decisions Made by the Government or International Organizations that Have Material Effect on the Company's Work and Competitive Abilities:

The Company adopts the international standards quality in the industry by affixing the necessary health warnings on the cigarette and flavored tobacco cans produced by the subsidiary companies pursuant to the decisions made with respect thereto.

Qualification & Training Programs for the Company's Employees:

Believing in the qualified and trained human element, the Company continued the qualification and training programs for its employees. It also continued applying the human resources strategy that aims to develop its human resources abilities, provide administrative proficiencies and develop relationships of the individuals and workgroup solidity in order to reinforce their loyalty spirit and improve their living standards through its several social programs such as:

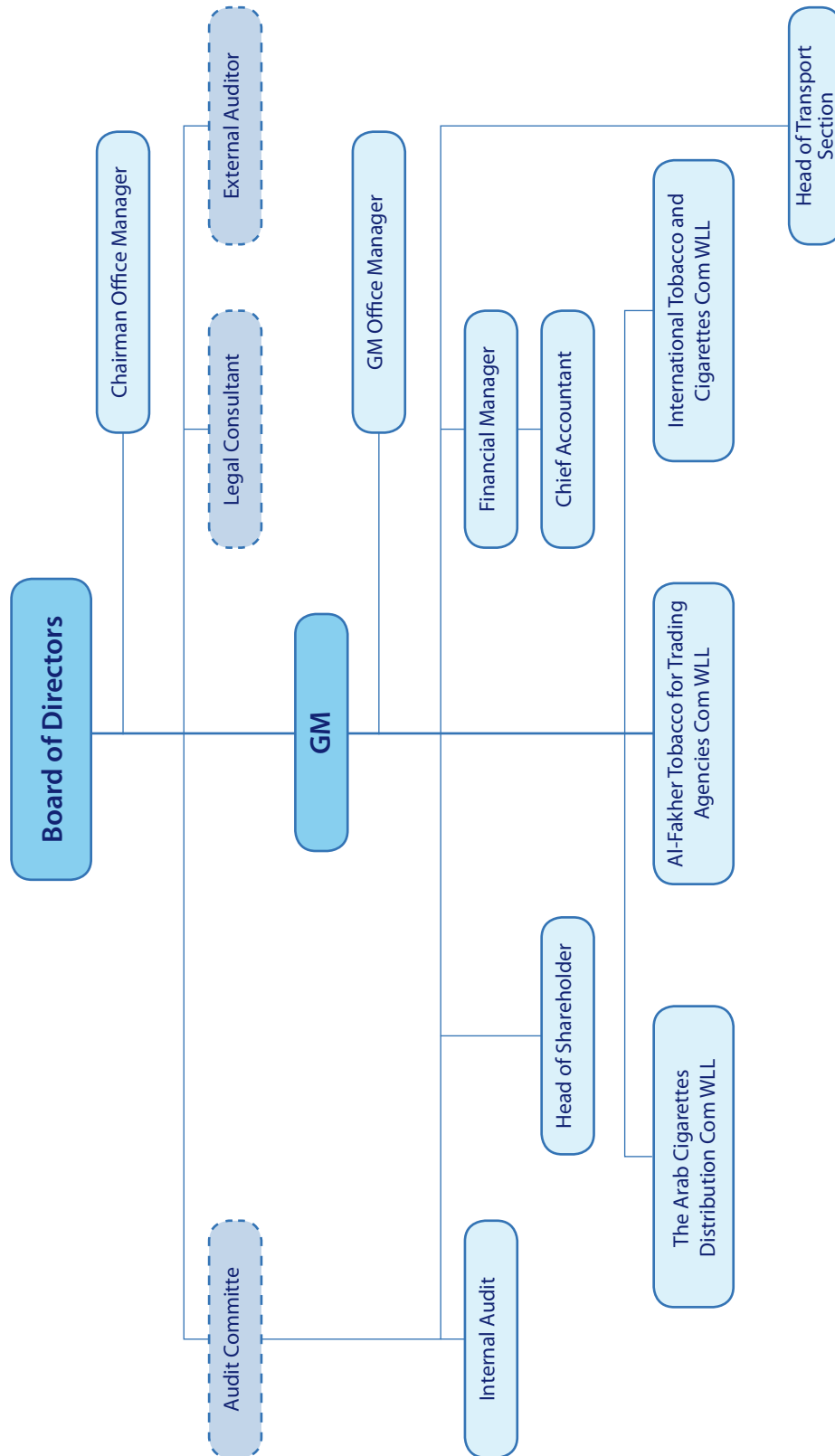
1. Social programs: the company organizes several and various social programs for its employees to reinforce their spirit of loyalty.
2. Work Safety: the company takes care of its employees' safety by holding cultural programs and courses and making precautions to avoid injuries.
3. Healthcare: the Company periodically makes the necessary checkups of various sicknesses and provides its employees with the necessary vaccines, and it adheres to daily providing a doctor in the Company to review and oversee the employees' health situations. The Company's clinic was equipped with a cardiograph, so the clinic became integrated and equipped with an ambulance with the instruments to be used for relieving the workers in case of injury.
4. Medical Insurance: the Company provides its employees and their families with developed and excellent medical insurance including serious illnesses not included by the most kinds of insurance.
5. Daily meals: since its foundation, the Company has been supporting the daily meals to be given for low prices, and it agreed with high standard food company to supply and provide meals.
6. Transportation means: the company provides modern transportation means to all its workers by a specialized and distinguished transportation company.
7. Workers' children education: the Company adopted the education of its workers' children excellent in the Secondary school certificate to be educated in the governmental universities of Jordan; and it also educates its workers' children in the governmental or private schools.
8. Social Committee: the Social Committee plays a key social role by making a number of sport activities, entertainment picnics and purposeful social programs as well as supporting the employees with limited income.
9. Perfect Employee: in order to motivate employees and prompt them toward more productivity, the Company continued applying the Perfect Employee System per month and the best leader and employee throughout the year.
10. The Periodical: the Public Relations Department issues fortnight periodical in which it deals with the most important recent developments and emphasizes the employees' participations and achievements; it has a positive effect on improving the communication channels and spreading knowledge and news well.

The number of employees of the Mother Company and Subsidiary Companies				
Education	Al Eqbal Investment Co.	ITC	Al Fakher Tobacco & Agencies	Arab Co.
Doctorate	0	0	0	0
Master	0	6	0	1
Higher Diploma	0	0	0	0
Bachelor	4	66	11	1
Diploma	1	55	8	0
Secondary	2	46	5	0
Less than Sec	0	199	16	1
Vocational	0	21	0	0
Total	7	393	40	3

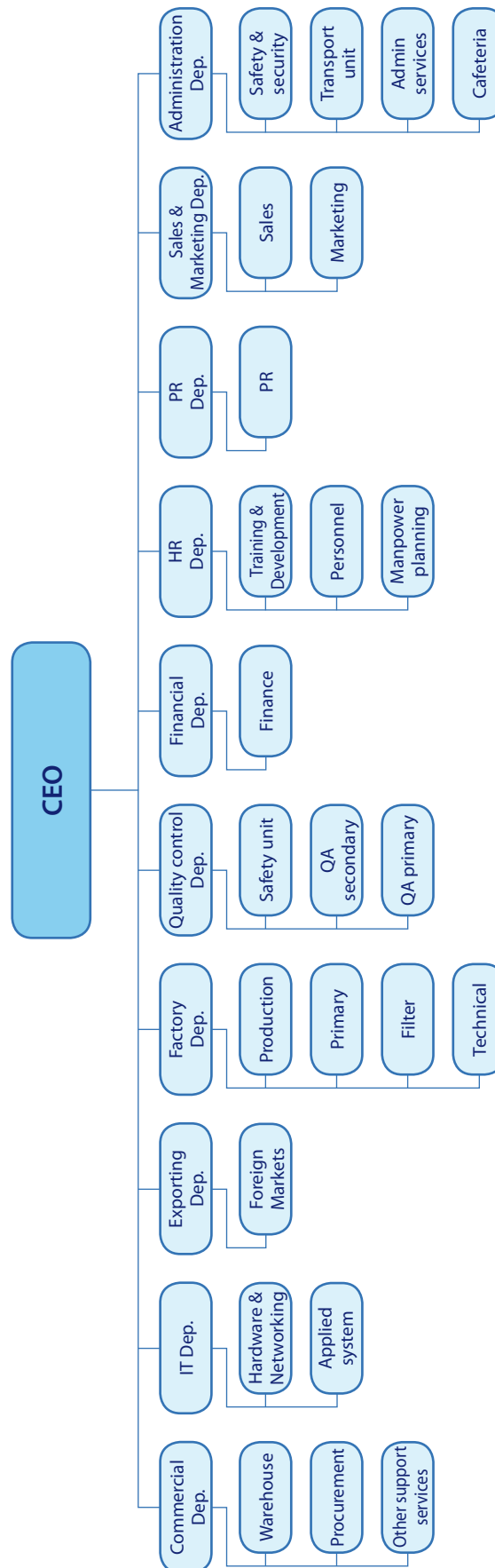
Technical Cert.	Al Eqbal Investment Co.	ITC	Al Fakher Tobacco & Agencies	Arab Co.
MCSA		1		
MCSE		1		
MCP		2		
CCNA		1		
JCPA	1			
Total	1	5	0	0

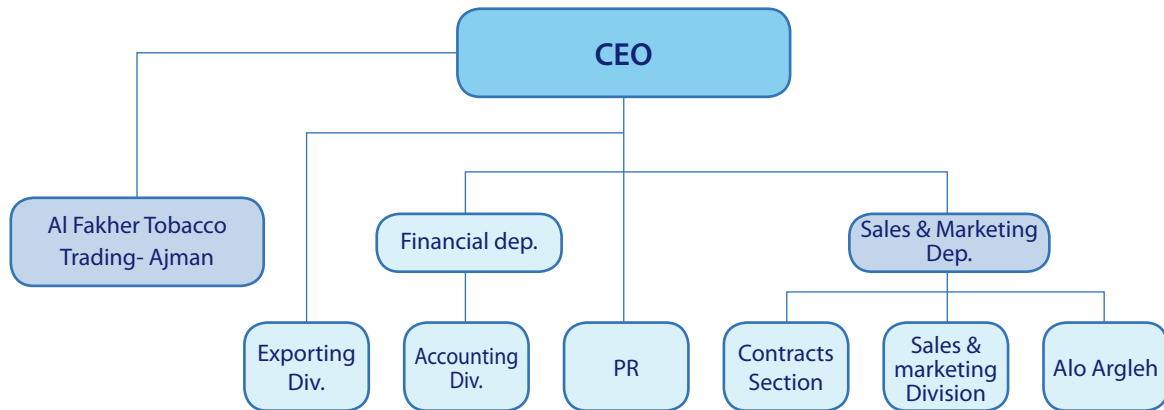
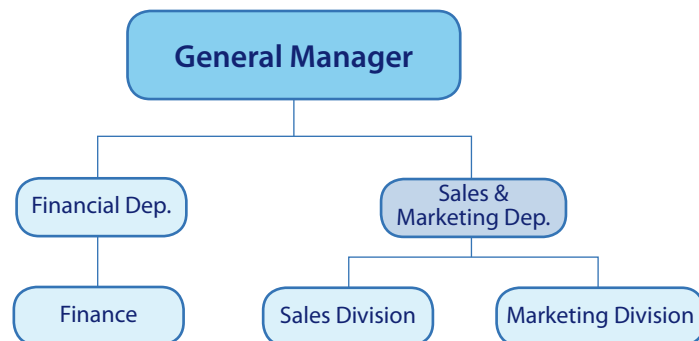
The Courses Held for the Company's Employees	
Course Name	Number of Employees joining the course
Marine Insurance	10
International Symbolization Criteria Application	2
Fundamental Knowledge of Manufacture & Tobacco Raw Material Type & Specifications	2
Financial Skills for Non-Financials	10
First Aid Courses	21
General Safety Courses	56
Workshop for Work Injuries & How to Limit them	27
Seminar in Energy Economization in Industry	1
PLC Software Training	4
Simatic S7 Tia	6
Human Capital Competencies	1
Competency Based System	1
Quality Measurement in Piercing	26
Total beneficiary employees	167

The organizational structure of Al-Eqbal for investment



The Organizational Structure of the International Tobacco and Cigarettes Com



The Organizational Structure Of Al-Fakher Tobacco for Trading Agencies Com**The Organizational Structure Of The Arab Cigarettes Distribution Com**

Risks to which the Company is Exposed:

The risks that faced the Company can be summarized as follows:

1. As a result of tax value increase, these decisions contributed to promoting the importation of smuggled brands of the cigarettes and trademarks, sold in the local market, from the adjacent countries to be sold for lower prices.
2. Unknown entities have illegally produced forged (imitated) brands similar to the Company's ones with lower quality for the purpose of damaging the Company's reputation and decreasing the demand of its products.
3. Changing the governmental laws and legislations and their negative effect on the Company's strategy and objectives.

The achievements realized by the Company during the financial year:

1. Completing the restructure of the Company by changing the Company's name from International Tobacco & Cigarettes Co. to Eqbal Investment Co..
2. Founding and registering a subsidiary company named International Tobacco & Cigarettes Co. L.L.C completely owned by the Mother Company.
3. Building a Tobacco Preparation Factory in cooperation with Phillip Morris Co. which is considered the most modern in the Region for producing minced tobacco with international specifications and a cost of USD 12 millions.
4. Constructing Al Fakher's building in Ajman/ UAE to go in conformity with the increased demand for flavored tobacco products.
5. Transferring the flavored tobacco factory and the administration to the new building in Ajman/ UAE.
6. Purchasing and installing a production and manufacturing machine of Al Fakher flavored tobacco with a capacity of 50 g.
7. Reinforcing and keeping our brands available in the exportation markets.

The International Effect of Operations with an infrequent Nature Occurred during the Financial Year and not Included in the Company's Main Activity:

There is no infrequent operations during the financial year which are not included the company main activities.

The financial analysis of the company's operations and results for the financial year

Introduction:

During 2008 and in the light of the decision made by its General Assembly in the extraordinary meeting held on 03.03.2008, the Company restructured itself in order to provide the Administration with more flexibility to enable it to make the appropriate strategic plans in the right time, implement and observe its investment plans and to make the studies necessary for increasing the Company's profits in various fields.

The Company made the following procedures:

1. The Company's name was changed from International Tobacco & Cigarettes Co. P.J.S. to Eqbal Investment Co. P.J.S.; and its Articles of Incorporation and main bylaw to go in conformity with the Company's main activity of the investment objectives.
2. Registering and establishing a subsidiary company holding the name of the International Tobacco & Cigarettes Co. L.L.C to practice the main activity of manufacturing and producing tobacco and cigarettes to which the Mother Company's activities related to this industrial activity were transferred.

The financial and accounting notes and data have arisen as consolidated including the financial and accounting data of the Mother Company and subsidiary companies.

Subsidiary Companies:

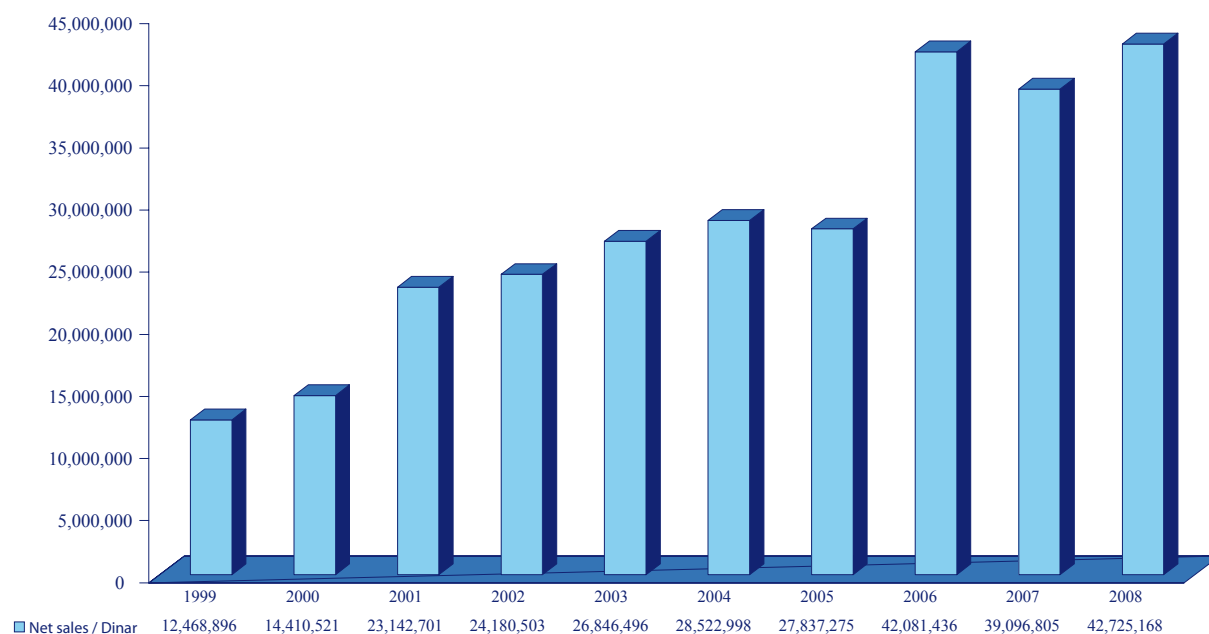
- The International Tobacco & Cigarettes Co. is a Limited Liability Company with a capital of JD 30,000 and 100% ownership, and it operates in the tobacco and cigarettes industry and production field.
- Arab Cigarette Distribution Co. is a Limited Liability Company with a capital of JD 30,000 and 100% ownership, and it operates in the cigarettes distribution field in the Economic Zone (Aqaba).
- Al Fakher Tobacco for Trading & Agencies Co. is a Limited Liability Company with a capital of JD 30,000 and 100%

ownership, and it operates in the flavored tobacco trade and distribution field and other investments such as its subsidiary company in Ajman (UAE).

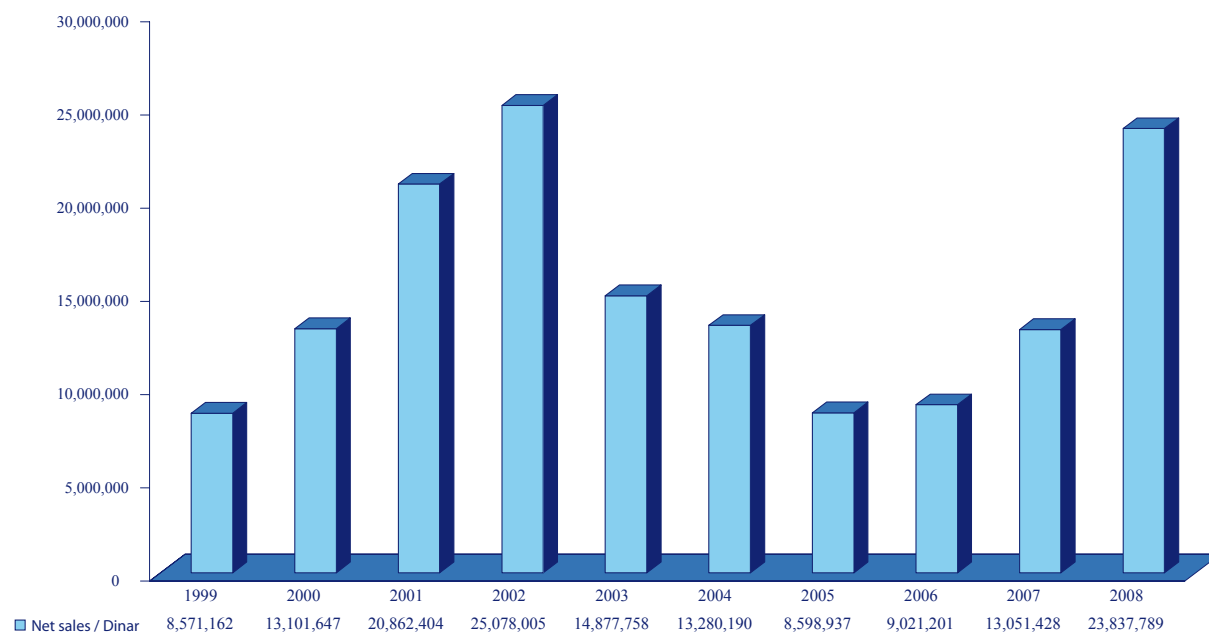
- Al Fakher Tobacco Trade Co. is a Limited Liability Company located in Ajman with a capital of DRH 40,000,000 equivalent to JD 7,720,000 and 100% ownership, and it operates in the flavored tobacco production, trade and distribution field locally (in UAE), regionally (in Gulf Cooperation Council Countries, Iraq and Iran) and internationally (worldwide).

- The united company's sales reached JD 66,562,957 in 2008 against JD 52,148,233 in 2007; the increase reached JD 14,414,724 with a percentage of 27,64%.

The Development of the Net Sales of the Domestic Market



The Development of the Net Export Sales



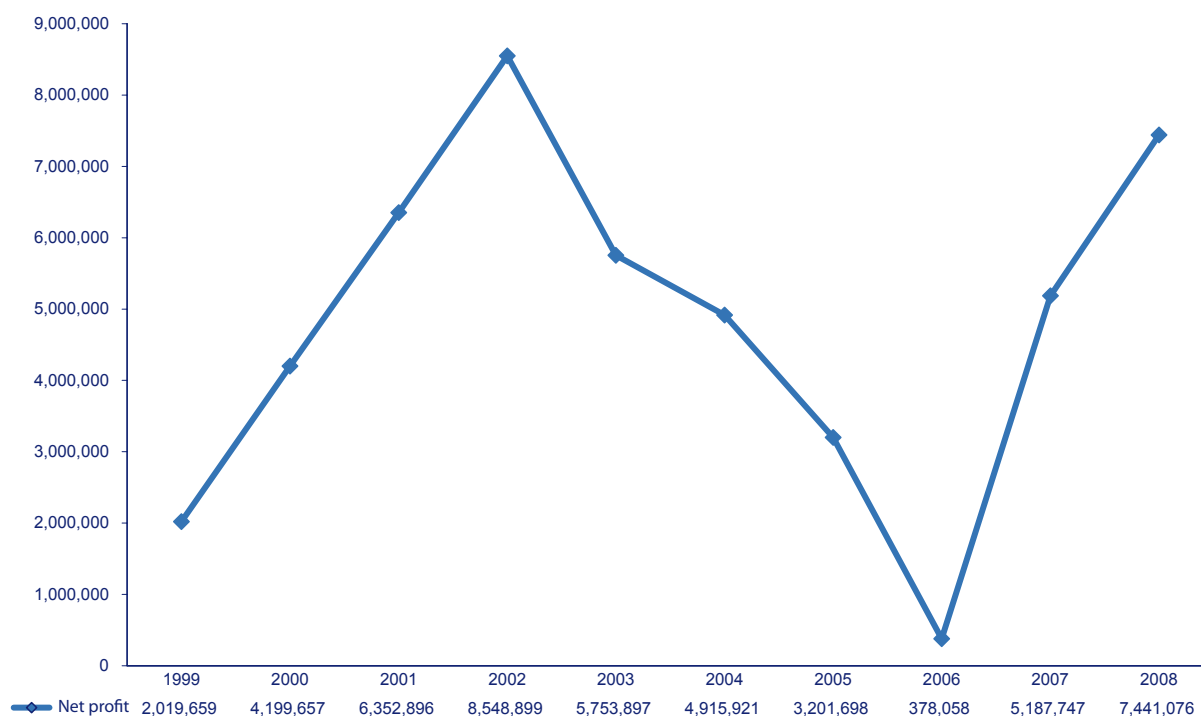
Balance Sheet											
Assets	1999	30/11/2000	2001	2002	2003	2004	2005	2006	2007	2008	
Current Assets											
Cash On Hand & At Banks	170,191	38,140	1,547,673	302,292	380,893	223,164	551,600	1,644,360	1,545,059	6,083,061	
Cheques Under Collection	297,881	158,480	290,355	2,232,397	312,532	324,625	240,396	932,014	780,737	1,188,728	
Net Accounts Receivable	915,943	1,629,778	2,998,454	3,297,526	598,501	3,245,672	4,178,468	6,791,051	10,794,240	8,886,911	
Net Inventory	6,604,431	12,175,006	10,066,979	12,485,288	13,763,697	19,031,658	18,740,605	17,017,608	16,769,428	17,732,772	
Spare Parts Warehouse	1,437,091	1,782,748	2,197,174	3,132,602	3,442,219	3,362,649	3,433,542	3,937,399	3,267,318	3,598,379	
Margin & Expenses On Letters Of Credit	29,520	252,329	490,148	178,750	9,641	743,223	0	26,922	7,112	146,221	
Goods In Transit	93,062	748,433	0	1,192,006	1,235,496	0	222,675	308,772	37,023	44,548	
Other Receivable	297,567	429,315	404,483	406,714	514,225	516,198	351,293	1,662,543	1,913,974	1,424,248	
Total Current Assets	9,845,686	17,214,229	17,995,266	23,227,575	20,257,204	27,447,189	27,718,579	32,320,669	35,114,891	39,104,868	
Available For Sale Securities	1,318,757	7,696,878	12,051,998	5,799,360	4,260,262	6,987,875	11,571,815	9,389,433	31,138,834	3,351,256	
Investments In Land	0	0	861,171	861,171	622,232	622,232	622,232	622,232	281,682	281,682	
Investments In Associated Companies	0	0	0	3,948,697	4,882,010	4,841,090	4,847,624	916,145	856,474	942,321	
Non-current Assets											
Fixed Assets-net Of Accumulated Depreciation	13,701,451	17,859,400	19,929,179	24,811,625	22,563,965	20,209,100	18,746,817	24,186,446	28,110,738	28,611,419	
Goodwill	0	0	0	0	0	0	0	6,602,986	6,602,986	6,602,986	
New Products & Trademark Expenses-net	31,566	39,648	80,640	67,383	59,859	20,798	0	0	0	0	
Stork Key Money After Amortization	0	0	2,917	2,217	1,517	817	117	0	0	0	
Total Assets	24,897,460	42,810,155	50,921,171	58,718,028	52,647,049	60,129,101	63,507,184	74,037,911	74,105,605	78,894,532	
Liabilities & Shareholders Equity											
Current Liabilities											
Bank Overdrafts	1,183,530	3,345,056	893,568	4,804,389	0	8,017,519	8,102,446	12,667,694	8,342,816	2,787,644	
Accounts & Notes Payable	3,036,617	6,542,039	5,347,420	11,155,800	5,955,979	4,880,997	3,091,289	6,445,340	6,724,202	5,471,209	
Other Payables	1,910,011	6,519,664	7,371,423	4,776,557	3,534,443	2,911,737	3,224,171	6,321,317	5,879,004	3,643,016	
Loans- Current Portion	154,141	790,578	354,500	0	0	0	0	8,400,000	7,626,036	13,135,000	
Bonds- Current Portion	700,000	700,000	1,400,000	700,000	0	0	5,000,000	0	0	0	
Total Current Liabilities	6,984,299	17,897,337	15,366,911	21,436,746	9,490,422	15,810,253	19,417,906	33,834,351	28,572,058	25,036,869	
Bonds Long Terms	0	3,500,000	0	0	5,000,000	5,000,000	0	0	0	0	
Long-term loans	2,100,000	1,400,000	0	0	0	0	0	1,433,333	5,625,000	17,725,000	
End Of Service Indemnities	0	0	0	0	0	0	0	0	560,072	729,759	
Total Liabilities	9,084,299	22,797,337	15,366,911	21,436,746	14,490,422	20,810,253	19,417,906	35,267,684	34,757,130	43,491,628	
Shareholders Equity											
Capital	12,000,000	12,000,000	14,304,675	15,000,000	15,000,000	15,000,000	16,500,000	20,000,000	20,000,000	20,000,000	
Stocks Owned By Subsidiary's Company	0	0	0	0	0	0	0	(97,492)	0	0	
Statutory Reserve	875,012	1,329,737	2,108,263	3,062,398	3,687,781	3,750,000	4,109,814	4,150,838	4,687,387	5,000,000	
Voluntary Reserve	1,129,558	2,039,008	5,388,696	6,342,831	6,968,214	7,446,377	7,806,191	4,306,191	4,306,191	3,178,307	
Proposed Dividends	0	1,800,000	2,860,935	4,125,000	4,500,000	4,500,000	0	0	0	0	
Unrealized Gain From Securities	0	0	6,701,203	2,749,420	1,998,323	2,858,000	7,491,931	3,208,160	1,482,785	(86,922)	
Retained Earnings	1,808,591	2,844,073	4,190,488	6,001,633	6,002,309	5,764,471	8,181,342	4,251,992	8,872,112	7,311,519	
Total	15,813,161	20,012,818	35,554,260	37,281,282	38,156,627	39,318,848	44,089,278	35,819,689	39,348,475	35,402,904	
Net Minority	0	0	0	0	0	0	0	2,950,538	0	0	
Net Shareholders Equity	15,813,161	20,012,818	35,554,260	37,281,282	38,156,627	39,318,848	44,089,278	38,770,227	39,348,475	35,402,904	
Liabilities & Shareholders Equity	24,897,460	42,810,155	50,921,171	58,718,028	52,647,049	60,129,101	63,507,184	74,037,911	74,105,605	78,894,532	

Income Statement										
List	1999	30/11/2000	2001	2002	2003	2004	2005	2006	2007	2008
Net Sales	21,040,057	27,512,168	44,005,105	49,258,508	41,724,256	41,803,188	36,436,212	51,102,637	52,148,233	66,562,957
Cost Of Good Sold	(16,816,509)	(20,686,770)	(32,694,168)	(37,583,991)	(34,302,174)	(34,388,018)	(30,587,571)	(42,405,392)	(43,941,333)	(50,191,311)
Gross Profit	4,223,548	6,825,398	11,310,937	11,674,517	7,422,082	7,415,170	5,848,641	8,697,245	8,206,900	16,371,646
General&administrative Expenses	(638,612)	(682,211)	(1,079,790)	(1,260,146)	(948,376)	(1,141,390)	(1,432,755)	(2,358,746)	(1,982,459)	(2,467,531)
Selling &distribution Expenses	(530,337)	(914,899)	(2,606,716)	(3,153,536)	(2,909,037)	(2,523,292)	(2,500,514)	(4,044,847)	(3,358,312)	(4,166,238)
Amortization	(159,493)	(17,119)	(39,967)	(54,497)	(73,234)	(94,554)	(53,266)	0	0	0
Slow Moving Inventory	0	0	(131,988)	(161,090)	(127,631)	(169,019)	(199,380)	(735,489)	(231,161)	(140,659)
Period Expenses	(1,328,442)	(1,614,229)	(3,858,461)	(4,629,269)	(4,058,278)	(3,928,255)	(4,185,915)	(7,139,082)	(5,571,932)	(6,774,428)
Profit From Investing In Associated Companies	0	0	0	448,607	266,661	213,761	0	0	0	0
Profit From Investing In Subsidiary Companies	0	0	0	0	0	0	0	0	0	0
Profit (Loss) of Sale Of Securities	0	0	(1,124)	2,178,427	2,678,961	2,261,185	2,403,795	0	4,361,732	0
Adjustment Of Company Share On Associated Companies	0	0	0	0	0	0	0	214,703	0	0
Increase Of Shareholders Equity For Associated Companies	0	0	0	0	335,767	0	0	0	0	0
Interest Expense	(631,493)	(680,679)	(579,740)	(461,933)	(537,542)	(541,232)	(579,689)	(1,083,900)	(1,398,899)	(1,752,707)
Other Income (Expenses)	(160,644)	16,758	85,424	346,871	151,904	7,892	125,552	(37,734)	91,202	517,093
Net Income Before Minority Rights	2,102,969	4,547,248	6,957,036	9,557,220	6,259,555	5,428,521	3,612,384	651,232	5,689,003	8,361,604
Minority Rights	0	0	0	0	0	0	0	(112,783)	0	0
Provision For Subsidiary's Co.	0	0	0	0	0	0	(15,886)	(128,211)	(338,905)	(712,632)
Profit After Net Equity And Before Tax Provision	2,102,969	4,547,248	6,957,036	9,557,220	6,259,555	5,428,521	3,596,498	410,238	5,350,098	7,648,972
Provision For Jordanian Universities	(21,030)	(45,472)	(69,570)	(95,413)	(62,538)	(54,038)	(35,981)	(4,102)	(53,655)	(76,448)
Provision For Scientific & Vocational Training	(21,030)	(45,472)	(69,570)	(95,413)	(62,538)	(54,038)	(35,981)	(4,102)	(53,655)	(76,448)
Board Of Directors Remuneration	(41,250)	0	(55,000)	(48,616)	(55,000)	(55,000)	(55,000)	(22,000)	(55,000)	(55,000)
Provision For Education & Training Fund	0	0	0	(76,622)	(51,778)	(49,584)	(28,047)	(1,976)	(41)	0
Other Provision	0	0	0	(185,000)	0	0	0	0	0	0
Income Tax Provision	0	(256,647)	(410,000)	(507,257)	(273,804)	(299,940)	(239,791)	0	0	0
Net Income After Tax & Provision	2,019,659	4,199,657	6,352,896	8,548,899	5,753,897	4,915,921	3,201,698	378,058	5,187,747	7,441,076
Retained Earnings- Beginning Of Year	197,717	1,808,591	2,844,073	4,190,488	6,001,633	6,002,309	5,764,471	8,181,342	4,251,992	8,872,112
Capitalization From Retained Earning	0	0	0	(695,325)	0	0	0	0	0	0
Paid Out Dividends	(51,281)	0	(58,437)	(9,159)	0	0	0	(4,125,000)	0	(10,000,000)
Adjustment Of Profit On Associated Companies	0	0	0	0	0	0	0	(114,604)	(59,670)	85,847
Prior Years Adjustments	0	0	0	0	(2,455)	(113,377)	(65,199)	(26,780)	28,592	97,213
Retained Earnings(Loss) - Ending Balance To Be Appropriated As Follow	2,166,095	6,008,248	9,138,532	12,034,903	11,753,075	10,804,853	8,900,970	4,293,016	9,408,661	6,496,248
Transfer To Statutory Reserve	210,297	454,725	695,703	954,135	625,383	622,219	359,814	41,024	536,549	312,613
Transfer To Voluntary Reserve	147,207	909,450	1,391,406	954,135	625,383	478,163	359,814	0	0	(1,127,884)
Proposed Dividends To Shareholders	0	1,800,000	2,860,935	3,000,000	4,500,000	4,500,000	0	0	0	0
Retained Earnings- End Of Period	1,808,591	2,844,073	4,190,488	7,126,633	6,002,309	5,764,471	8,181,342	4,251,992	8,872,112	7,311,519
Total	2,166,095	6,008,248	9,138,532	12,034,903	11,753,075	10,804,853	8,900,970	4,293,016	9,408,661	6,496,248

Profits distributed by the Company:

Distribution year	2003	2004	2005	2006	2007	Total
Shares	0	1,500,000	3,500,000	0	0	5,000,000
Percentage	0	10%	21%			
Cash	4,500,000	4,500,000	4,125,000	0	10,000,000	23,125,000
Cash profit distributed percentage	30%	30%	25%		50%	
Total profits	4,500,000	6,000,000	7,625,000		10,000,000	28,125,000
Distributed profits percentage/ Capital	30%	40%	46%	0%	50%	

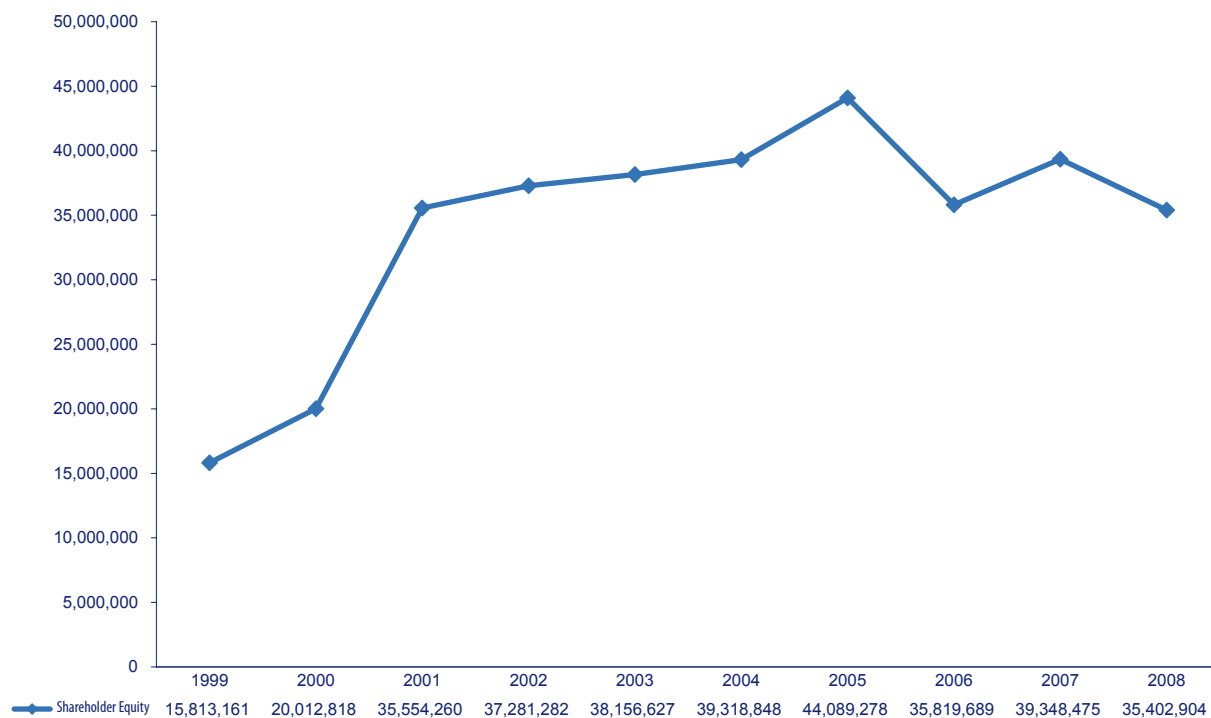
The Company's net profits, before taxes, reached JD 8,361,604 against JD 5,689,003 in the previous year. The profits resulting from stocks and lands vendition in 2007 were JD 4,654,742 of that year's profits, so the operational profits were JD 1,034,261; therefore, the Company realized a giant leap in 2008 by realizing operational profits of more than eightfold comparing to 2007.

The Development of Net Profit

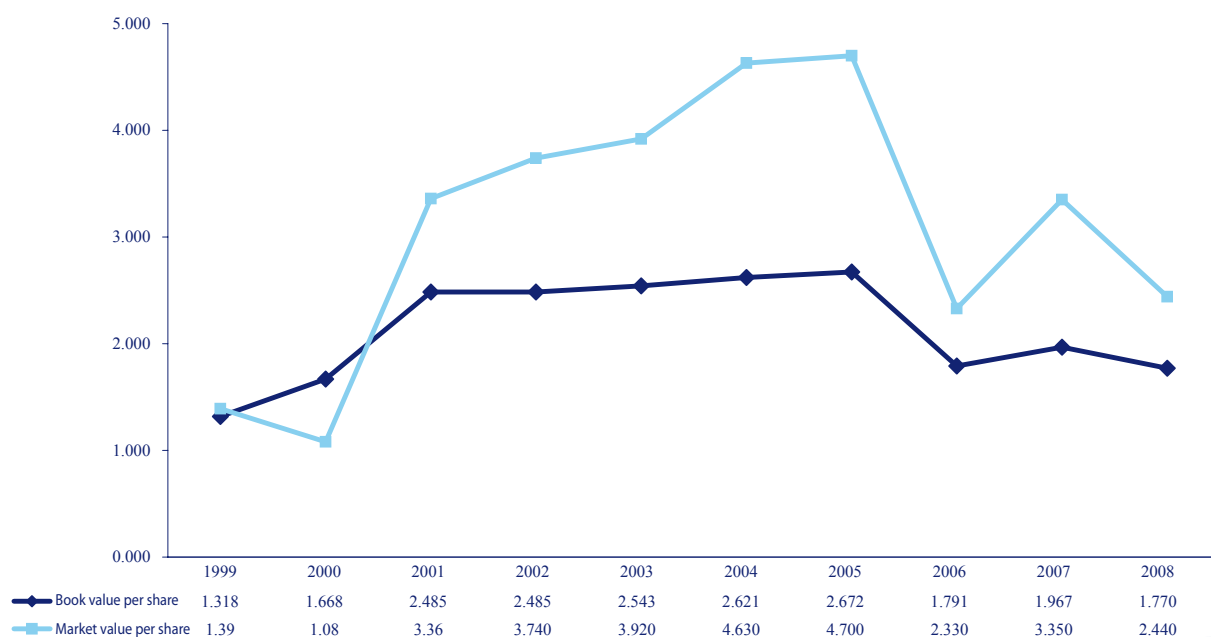
As a result of the modification made to the policies of selling the Mother Company's products as well as the national subsidiary companies in the field of cigarettes sales and distribution regarding the modification of the prices, Al Eqbal Investment Co., represented by its subsidiary companies specialized in tobacco and cigarettes production and sale, realized profits of JD 41,111 despite bearing bank expenses, interests and commissions of JD 1,752,707 used for financing, purchasing, operating and developing Al Fakher Co. in Ajman, in addition to funding the Company's local projects of constructing the conversional tobacco factory to meet the highest quality of the Company's products, in comparison with operational losses of JD 1,770,575 in 2007.

Shareholders' net equity: shareholders' net equity reached JD 35,402,904 in 2008 against JD 39,348,475 in 2007. The decrease was JD 3,945,571 i.e. 10% between the profits distributed to the shareholders JD10 million, and the fair value of the Company's investments in the shares decreased to JD 1,569,707 due to the circumstances of both national and international stock markets, the net profits gained by the Company reaching JD 7,311,519 and the statutory reserve of JD 312,613.

The Development of the Rights of Shareholders

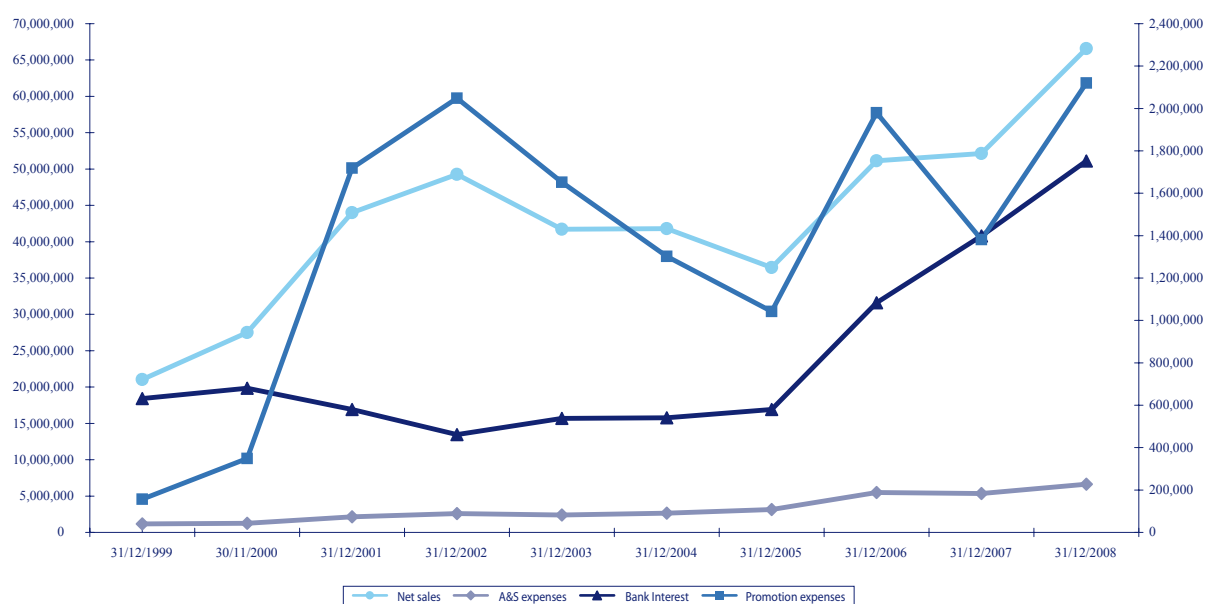


The Book Value with the Market Value of Company Shares



The Company's working capital increased from JD 5,756,204 in 2007 to JD 14,067,999 in 2008. This indicates the Company's power, strength and ability to fulfill its liabilities and the universal trust of the different financing entities; in addition, the Company replaced a major part of its short-term loans with long-term ones, and the circulation percentage increased from 120% in 2007 to 156% in 2008.

The Development of Net Sales Compared with Sales and Administrative Expenses



The percentage gross profits to the sales reached approximately 25% against 16% in 2007, and the general and administrative expenses and selling and distribution expenses decreased from 3,8%, 6,5% to 3,7%, 6,26% successively. On the other hand, the financing cost increased due to the increase with the bank loans and facilitations necessary for the Company's expansion and development. The following are some of the Company's financial percentages for comparison:

Financial Percentage	2008	2007
Net profit after provisions/ sales	11.5%	9.95%
Investment revenue percentage	9.5%	7%
Equity revenue percentage	21%	13.2%
Equity/ fixed assets	124%	140%
selling and distribution exp. /sales	6.26%	6.44%
general & administrative exp./sales	3.7%	3.8%
Bank expenses/sales	2.64%	2.68%
Earning per share.	0.380	0.258

The Company's important developments and future plan for minimum one following year:

Depending on its belief in the local market importance as the major consumer of its products, and on its strategy aiming to extend its international markets, the Company takes the following actions:

1. Making studies about the Jordanian markets and the targeted markets to be aware of these markets needs and link them to the Company's future plans.
2. Varying the markets of its products, and not depending on the customary markets.
3. Completing phase 2 of Al Fakher Factory in the Free Zone of UAE.
4. Reinforcing the flavored tobacco products brands in the current markets, and looking for new markets.
5. Going on developing the training methodology in order to develop the skills, knowledge and values of the human resources.
6. Going on reinforcing the Company's adherence to and compliance with the applicable laws, legislations and regulations.

The auditor fees to the Company and subsidiary companies.

Fees for the services provided to the Company and subsidiary companies:	
Statement	Amount
Al Eqbal Investment Co.	7,500
International Tobacco & Cigarettes Co.	1,250
Arab Cigarette Distribution Co.	1,250
Al Fakher for Tobacco Trade & Agencies	1,250
Total	11,250

There are no more fees or dues to the auditor

Shares owned by the Chairman and Directors of the Board, General Manager and Subordinate Directors and their Wives & Minor Children in Al Eqbal Investment Company, the companies in which the Company is shareholder and the companies controlled by the Company

Name	National No. / Center No.	Nationality	Name of company issuing security	Position in the company issuing security and/or companies in which the International Tobacco Company is shareholding	Election / joining date	Representative person or relation capacity (husband/wife/children)	Security type	Par value Dinar	Securities number as on 31/12/2007	Securities number as on 31/12/2008
Board of Directors Members & their Representatives										
Tawfiq Shaker Fakhouri	9351011862	Jordanian	Al Eqbal Investment Co.	Chairman of Board of Directors	09/03/2005		Stock	1,000	3,255,948	3,255,948
			Bank of Jordan	Shareholder in a company shareholding in Al Eqbal Investment Co.			Stock	1,000	25,136,852	25,727,555
			Zahrat Al-Urdun for Real Estate & Hotels Investments	Chairman of Board of Directors			Stock	1,000	356,260	360,679
			Al-Eqbal Printing & Packaging Co.	Shareholder in a company shareholding in Al Eqbal Investment Co.			Stock	1,000	3,125	-
Ne'mat Theeb Kamel Al-Nejem	9462000302	Jordanian	Consultative Investment Group	Owning more than 5%			Stock	1,000	1,000,000	1,539,035
			Zahrat Al-Urdun for Real Estate & Hotels Investments	Board of Directors Member		Tawfiq Fakhouri's Wife	Stock	1,000	18,750	18,750
Samer Tawfiq Fakhouri	9721050578	Jordanian	Al Eqbal Investment Co.	General Manager	1995		Stock	1,000	6,666	6,666
			Al-Eqbal Printing & Packaging Co.	Vice Chairman	2001	Tawfiq Fakhouri's Son	Stock	1,000	5,000	-
			Al Eqbal Investment Co.	Board of Directors Member	25/03/2007		Stock	1,000	5,000	5,000
Waleed Tawfiq Fakhouri	9721000980	Jordanian	Bank of Jordan	Board of Directors Member of a company shareholding in a company shareholding in Al Eqbal Investment Co.			Stock	1,000	5,813	5,813
			Al-Eqbal Printing & Packaging Co.	Shareholder in a company shareholding in Al Eqbal Investment Co.			Stock	1,000	5,000	-
			Zahrat Al-Urdun for Real Estate & Hotels Investments	Deputy Head of Board of Directors		Tawfiq Fakhouri's Son	Stock	1,000	5,000	5,000
			Jet Tourist Transportation Co.	Bank of Jordan Board of Directors Member Representative in a company in which International Tobacco Co. is a Shareholder			-	-	-	-
Shaza Abdul Hameed Al-Dabbas	9732038721	Jordanian	Bank of Jordan	Shareholder in a company shareholding in Al Eqbal Investment Co.		Waleed Fakhouri's Wife	Stock	1,000	203	203
Mariam Waleed Fakhouri	2000346160	Jordanian	Bank of Jordan	Shareholder in a company shareholding in Al Eqbal Investment Co.		Waleed Fakhouri's Daughter	Stock	1,000	20,060	20,060
Rakan Waleed Fakhouri	2000737776	Jordanian	Bank of Jordan	Shareholder in a company shareholding in Al Eqbal Investment Co.		Waleed Fakhouri's Son	Stock	1,000	8,958	8,958
A'asha Waleed Fakhouri	2001097308	Jordanian	Bank of Jordan	Shareholder in a company shareholding in Al Eqbal Investment Co.		Waleed Fakhouri's Daughter	Stock	1,000	2,422	2,422
Bank of Jordan	1105698671	Jordanian	Al Eqbal Investment Co.	Board of Directors Member	09/03/2005		Stock	1,000	2,848,425	2,848,425
			Jet Tourist Transportation Co.	Board of Directors Member in a company shareholding in Al Eqbal Investment Co.		Represented by Waleed Fakhouri	Stock	1,000	1,080,000	1,080,000
			Concrete & Supplies Co.	Board of Directors Member			Stock	1,000	87,809	-
			Jordan Company for pioneer projects	Board of Directors Member		Represented by Mr. Sehab Owais	Stock	1,000		100,000
			Visa Smart Card Services	Board of Directors Member		Represented by Mohammad Anwar Hamdan	Stock	1,000		415,740
			Trust & Dubai Investment	Owning more than 5%			Stock	1,000		1,500,000
			International Bank of Jordan Co.	Board of Directors Member		Represented by Mr. Shaker Fakhouri	Stock	1,000	1,565,000	1,565,000
			Sherco Securities Co./Syria	Owning more than 5%			SL			27,000,000
			Bank of Jordan Syria	Owning more than 5%			Dollar		14,773,870	
			Tafawoq Financial Investment	Dependant company			Stock			3,500,000
			Arab Islamic Bank	Owning more than 5% in a company owned by a subsidiary of Al Eqbal Investment Co. (The Arab Cigarettes Distribution Co.)			Stock			3,430,650
			Arab Palestine Warehousing	Owning more than 5%			Stock			250,000
Bank of Jordan	1105698671	Jordanian	Trust International Transportation Co.	Owning more than 5% in a company shareholding in Al Eqbal Investment Co.			Stock	1,000	310,000	310,000
			Al-Eqbal Printing & Packaging Co.	Owning more than 5% in a company shareholding in Al Eqbal Investment Co.			Stock	1,000	292,187	292,187
			Consultative Investment Group	Owning more than 5%			Stock	1,000	8,084,898	7,850,681

Shares owned by the Chairman and Directors of the Board, General Manager and Subordinate Directors and their Wives & Minor Children In Al Eqbal Investment Company, the companies in which the Company is shareholder and the companies controlled by the Company										
Name	National No. / Center No.	Nationality	Name of company/issuing security	Position in the company/issuing security and/or companies in which the International Tobacco Company is shareholding	Election / joining date	Representative person or relation capacity (husband/wife/children)	Security type	Par value Dinar	Securities number as on 31/12/2007	Securities number as on 31/12/2008
Board of Directors Members & their Representatives										
Hasan Mohammad Hasan Halfeyeh	9401006458	Jordanian	Al Eqbal Investment Co.	Board of Directors Member Representative - Bank of Jordan	01/10/2008	-	Stock	1,000	22,500	-
			Al Eqbal Investment Co.	Board of Directors Member	09/03/2005	Represented by Abdulrahman Talal Daghmash	Stock	1,000	6,666	6,666
			Bank of Jordan	Board of Directors Member in a company shareholder in Al Eqbal Investment Co.		Represented by Dr.Mazen Al Basheer	Stock	1,000	119,454	119,454
			Al-Eqbal Printing & Packaging Co.	Board of Directors Member in a company shareholder in Al Eqbal Investment Co.		Represented by Ibrahim Al-Ja beh	Stock	1,000	5,000	5,000
			Al-Theqa International Transportation Co.	Board of Directors Member		Represented by Awad Al-Tal	Stock	1,000	5,000	5,000
Abdul Rahman Talal Abdul Rahman Daghmash	9641028819	Jordanian	Al Eqbal Investment Co.	Board of Directors Member Representative - Lo'lo'a Trade Co. for Construction & Investment	12/03/2007		Stock	1,000	378,636	364,186
			Arab United Investors Co.	Board of Directors Member	2004		Stock	1,000	3,942,485	3,506,680
			Jordan Construction Co.	Board of Directors Member	2006		Stock	1,000	50,000	-
			Waha Insurance Co.	Board of Directors Member			Stock	1,000	2,061	-
			Aman Securities Co.	Board of Directors Member	2005		Stock	1,000	2,000,000	1,500,000
Arab Gulf for Investment & General Transportation	1600866537	Jordanian	Al Eqbal Investment Co.	Board of Directors Member	09/03/2005	Represented by Hassan Abd Elhafez Jaser	Stock	1,000	6,666	6,666
			Bank of Jordan	Board of Directors Member in a company shareholder in Al Eqbal Investment Co.		Represented by Yehya Al-Qadmani	Stock	1,000	30,641	30,641
			Al-Eqbal Printing & Packaging Co.	Board of Directors Member in a company shareholder in Al Eqbal Investment Co.	7/11/2007	Represented by Adel Abu Dhargham	Stock	1,000	5,000	5,000
			Al-Theqa International Transportation Co.	Board of Directors Member in a company shareholder in Al Eqbal Investment Co.		Represented by Haitham Mohammad Ali Al-Qshat	Stock	1,000	5,000	5,000
			Al Eqbal Investment Co.	Board of Directors Member Representative - Arab Gulf for Investment & General Transportation	01/02/2008		-	-	-	-
Hassan Abdul Halif Ibrahim Jaser	9551017827	Jordanian	Al Eqbal Investment Co.	Board of Directors Member	09/03/2005	Represented by Haitham Mohammad Ali Al-Qshat	Stock	1,000	6,666	6,666
			Bank of Jordan	Shareholder in a company Contributing in Al Eqbal Investment Co.			Stock	1,000	15,277	15,227
			Al Eqbal Investment Co.	Board of Directors Member representative in Yamam General Investment Co.	09/03/2005		Stock	1,000	21,450	32,450
			Bank of Jordan	Shareholder in a company Contributing in Al Eqbal Investment Co			Stock	1,000	77,470	77,470
			Al-Eqbal Printing & Packaging Co.	Shareholder in a company Contributing in Al Eqbal Investment Co			Stock	1,000	5,000	5,000
Haitham Mohammad Ali Al-Qshat	9481005364	Jordanian	Al-Theqa International Transportation Co.	Board of Directors Member representative in Arab Gulf for Investment & General Transportation			-	-	-	-
			Al Eqbal Investment Co.	Board of Directors Member	09/03/2005	Represented by Yehya Zakariya Al-Qadmani	Stock	1,000	1,932,915	1,932,915
			Bank of Jordan	Board of Directors Member in a company shareholder in Al Eqbal Investment Co.		Represented by Nabeeh Al-Nemr	Stock	1,000	15,243,367	15,918,314
			Al-Eqbal Printing & Packaging Co.	Shareholder in a company Contributing in Al Eqbal Investment Co			Stock	1,000	5,000	-
			Zahrat Al-Urdun for Real Estate & Hotels Investments	Shareholder in a company Contributing in Al Eqbal Investment Co			Stock	1,000	22	13,843

Shares owned by the Chairman and Directors of the Board, General Manager and Subordinate Directors and their Wives & Minor Children in Al Eqbal Investment Company, the companies in which the Company is shareholder and the companies controlled by the Company										
Name	National No. / Center No.	Nationality	Name of company issuing security	Position in the company issuing security and/or companies in which the International Tobacco Company is shareholding	Election / joining date	Representative person or relation capacity (husband/wife/children)	Security type	Par value Dinar	Securities number as on 31/12/2007	Securities number as on 31/12/2008
Board of Directors Members & their Representatives										
Yehya Zakariya Mohammad Al-Qadamani	9571027681	Jordanian	Al Eqbal Investment Co.	Board of Directors Member Representative at Al-Eqbal Jordanian for General Trade	09/03/2005		Stock	1,000	100,000	100,000
			Bank of Jordan Co.	Board of Directors Member Representative at Arab Gulf for Investment & General Transportation at a Company shareholder in Al Eqbal Investment Co.		Stock	1,000	660,000	660,000	
Amal Ameen Al-Turk	9582016841	Jordanian	Bank of Jordan	Shareholder in a company Contributing in Al Eqbal Investment Co		Yehya Zakariya Qadamani's Wife	Stock	1,000	140,000	140,000
Farah Co. for Electrical & Sanitary Installation	1117715390	Jordanian	Al Eqbal Investment Co.	Board of Directors Member	09/03/2005	Represented by Yousef Mohammad Omar	Stock	1,000	6,666	6,666
			Al-Eqbal Printing & Packaging Co.	Shareholder in a company Contributing in Al Eqbal Investment Co.	27/04/2003	Stock	1,000	5,000	-	
Yousef Mohammad Omar Omar	9491000386	Jordanian	Al Eqbal Investment Co.	Board of Directors Member Representative at Farah Co. for Electrical & Sanitary Installation	09/03/2005	-	-	-	-	-
			Al-Theqa International Transportation Co.	Shareholder		Stock	1,000	5,000	5,000	
Ibrahim Rasheed Abdul Mene'm Juba	9561017570	Jordanian	Al Eqbal Investment Co.	Board of Directors Member	25/02/2007		Stock	1,000	6,729	6,729
			Al-Eqbal Printing & Packaging Co.	Board of Directors Member Representative- Lo'lo'a Trade Co. for Construction & Investment in a company shareholder in Al Eqbal Investment Co.	07/11/2007	-	-	-	-	
Zenat Mohammad Jameel Amen	9562016196	Jordanian	Bank of Jordan	Shareholder in a company Contributing in Al Eqbal Investment Co.			Stock	-	-	10,000
			Al Eqbal Investment Co.	Shareholder		Stock	1,000	175	175	
Zahrat Al-Urdun for Real Estate & Hotels Investments	1164063016	Jordanian	Al-Eqbal Printing & Packaging Co.	Shareholder in a company Contributing in Al Eqbal Investment Co.		Ibrahim Rasheed Al-Ja'beh's Wife	Stock	1,000	5,980	5,980
			Al Eqbal Investment Co.	Board of Directors Member	03/03/2007	Represented by Adel Ramez Melhem Abu Dargham	Stock	1,000	5,000	5,000
Adel Ramez Melhem Abu Dargham	1176667880	Lebanese	Bank of Jordan	Shareholder in a company Contributing in Al Eqbal Investment Co.			Stock	1,000	152,615	152,615
			Al Eqbal Investment Co.	Board of Directors Member Representative at a Zahrat Al-Urdun for Real Estate & Hotels Investments	07/10/2007	-	-	-	-	
Higher Administration				Vice Chairman and Board of Directors Member Representative Arab Gulf for Investment & General Transportation.	01/05/2001		Stock	1,000	5,000	5,000
					11/07/2007					
Issa Mahmoud Mohammad Issa	9401008738	Jordanian	Al Eqbal Investment Co.	Chairman of Board of Directors Office Manager / Board of Directors Secretary	20/04/2001		-	-	-	-
Mohammad Khaleel Hussein al-She'bat	9451006695	Jordanian	Al Eqbal Investment Co.	Financial Manager	01/12/2005		-	-	-	3,000

Privileges and premiums of the Chairman of the Board, Directors and the Top Management:

1. The Chairman and Directors:						
Name	Position	Auditing fees	Travel charges	Allowance	Total privileges	Notes
Tawfiq Fakhouri	Chairman		12,000	5,000	17,000	
Samer Fakhouri	Vice Chairman		12,000	5,000	17,000	
Walid Fakhouri	Director		12,000	5,000	17,000	
Yahya Qadamani	Director		12,000	5,000	17,000	
Ibrahim Al Juba	Director		12,000	5,000	17,000	
Hassan Jaser	Director		11,000		11,000	
Yousef Mohamad Omer	Director	2,000	12,000	5,000	19,000	
Hasan Hanafiyeh	Director		4,000	5,000	9,000	
Haitham Qtaishat	Director	201	12,000	5,000	17,201	
Abdul Rahman Dakhmash	Director	2,000	12,000	4,028	18,028	
Adel Abu Durgham	Director	1,799	12,000	1,178	14,977	
Shaker Fakhouri	Director			589	589	Resigned on 13/02/2007
Muhyi Addin Al-Husni	Director			1,137	1,137	Resigned on 25/03/2007
Bassam Adeeb Salah	Director			2,986	2,986	Resigned on 07/10/2007
Adel Ahmad Irshiad	Director		9,000	3,863	12,863	Resigned on 01/10/2008
Total		6,000	132,000	53,781	191,781	

Note: Each one of Tawfiq Fakhouri, Samer Fakhouri and Ibrahim Al Juba has a car

2. Executive Top Management:					
Name	Position	Fees, salaries & allowances	Travel charges	Travel expenses	Total
Samer Fakhouri	General Manager	141,021	0	213	141,234
Mohammad Al-Shebat	Financial Manager	58,075	0	0	58,075
Total		199,096	0	213	199,309

Donations and grants paid by the Company during the financial year		
No.	Statement	Value
1	Educational donations for school and university students	5,256
2	Donations and grants for the local community	7,192
3	Charitable clubs, associations and centers	18,800
4	Donations for patient's treatment	4,259
5	Subsidiary companies donations	30,965
Total		66,472

Contracts, projects and engagements made by the Company or subsidiary companies:

No contracts, projects or engagements made by the Company with the subsidiary companies, Chairman of the Board, directors, General Manager or any of the Company's employees or their relatives except the subsidiary companies (International Tobacco & Cigarettes Co. which manufactures cigarettes for both local and exportation markets; Arab Cigarette Distribution Co. which distributes and sells its produced cigarette brands in Aqaba Economic Zone; and Al Fakher Company Tobacco for Trading & Agencies which distributes flavored tobacco products in Jordan markets).

The Company's contribution to the environment protection:

- The Company installed purification station to purify waste water with high standards in order to treat and reuse water for trees irrigation.
- The Company weekly damages the tobacco inappropriate for human use in the waste places specified by the Government.
- The Company segregates the burned oils from the pipelines by gathering them in particular places to be reused in other fields.
- Upon building the new factory, the Company took into consideration installing filters that prevent dust or tobacco smells from getting outside.

The Company's contribution to serving the local community:

- The Company in kind and materially supports various institutions, commissions and departments of the local community, as well as the municipalities, charities, social associations, mosques alms funds and poor families are also supported by the Company; in addition, it makes charitable programs aiming to realize social responsibility through a web of communications and good relations established by the Company through the Public Relations Department in order to provide the local people with social welfare.
- Through the Public Relations Department, the Company made a system for communication with its environment to strongly and clearly exhibit its positive aspect and show its effective participation in the local community development by the social responsibility programs implemented by the Company.
- The Company keeps making the donation program of (Beginning) in order to develop the national staffs in cooperation with Ministry of Higher Education, as 12 students, which means a student for each governorate, joined their classmates at the program's cost, so the number of beneficiaries from the program became 36,3 for each governorate of the Kingdom, to support the economy with the qualified human element; this program is included in the Company's care of the young talented and educated Jordanian people, as the total amount spent for serving the local community during 2008 is about JD 66,472 and since the foundation is JD 606,083.





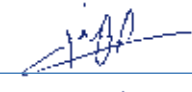





Finally:

On behalf of the Chairman of Board, directors, General Manager and all workers and employees, Al Eqbal Investment Company would like to thanks His Majesty King Abdullah II for his wise administration and directions that provided an economic and political climate which enables Jordan to be in a great position in the universal economy. The Company also wants to thank the Government and all its relevant ministries and institutions. In addition, we thank the shareholders of Al Eqbal Investment Co. and their clients inside and outside Jordan for their precious trust and continual support given to the Company Progress.

Finally, on behalf of myself and Colleagues, Board of Directors We thank the General Manager, Executive Management, family of Al Eqbal Investment Company and the subsidiary companies for their efforts made for serving the Company's objectives as well as their loyalty, professional performance and team spirit to lead the Company to this advanced level.

Declarations:

- 1- The company name board of directors that are no core effects on the company's continuity during the next financial year.
- 2- The company board of directories declares its responsibility for preparing the financial statments and providing the company with an effective monitoring system.

NAME	POSITION	SIGNATUR
Tawfiq Shaker Fakhouri	Chairman	
Samer Tawfiq Fakhouri	Deputy Chairman	
Walid Tawfiq Fakhouri	Director	
Ibrahim Rashid Al-Juba	Director	
Abdul Rahman Talal Dagmash	Director	
Hassan Mohammad Hanafiyeh	Director	
Yousef Mohammad Omar	Director	
Adel Ramez Abu Durgham	Director	
Haitham Mohammad Qaishat	Director	
Hassan Abdul Hafeed Jaser	Director	
Yahya Zakariya Qadaamani	Director	

- 3- With an effective control system. \We, hereunder signed, declare the authentication accuracy and completion of the information data stated in the annual statment.

NAME	POSITION	SIGNATUR
Tawfiq Shaker Fakhouri	Chairman	
Samer Tawfiq Fakhouri	Deputy Chairman	
Mohammad Khaleel Alshuabat	Financial Manager	

IBRAHIM ABBASI & Co.
public Accountants & Consultants



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INDEPENDENT AUDITOR'S REPORT

513 0904

To The Shareholders,
Al- Ekbal Investment Co. (P.S.C)
Amman - The Hashemite Kingdom of Jordan

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of the Al-Ekbal Investment Co. (P.S.C) which comprise the balance sheet as of December 31, 2008 and the Income Statement, Statement of Changes in Owner's Equity, and Cash Flow Statement for the year then ended. And a summary of significant accounting policies and other explanatory notes .

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these Consolidated Financial Statements in accordance with International Financial Reporting Standards. This responsibility includes : designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances .

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Consolidated Financial Statements are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessing the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error; In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Consolidated Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Financial Statement .

Member Firm of POLARIS International

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e-mail: abbasi@abbasicpa.com www.abbasicpa.com



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion .

Opinion

In our opinion, the Consolidated Financial Statements present fairly, in all material respects the Financial Position of the Al- Ekbal Investment Co. (P.S.C) as of December 31,2008 and of its financial performance and its Cash Flows for the year then ended in accordance with the International Financial Reporting Standards .

Report on Other Legal and Regulatory Requirements

In compliance with the Jordanian Companies Law no. (22) of 1997 and its amendment laws, we obtained the necessary information and explanations for our audit, and the company maintains proper accounting books of accounts , and the accompanying consolidated financial statements agree with the Consolidated Financial Statements incorporated in the Board of Directors' report.

Based on the above, we recommend the General Assembly to approve the accompanying Consolidated Financial Statements .

FOR IBRAHIM ABBASI & CO.

Dr. Ibrahim M. Abbasi
License No. 116

Amman -January 20, 2009

Consolidated Balance Sheet
As of December 31st 2008 and 2007

Exhibit A

		For the Year Ending on December 31 st	
	Notes	2008	2007
		JD	JD
Assets			
Current assets			
Cash on hand and at banks		6,083,061	1,545,059
cheques under collection		1,188,728	780,737
Account receivables – net	4	8,886,911	10,794,240
Inventory – net	5	17,732,772	16,769,428
Spare part inventory – net	6	3,598,379	3,267,318
Goods in transit		44,548	37,023
Margins and expenses on letters of credit		146,221	7,112
Other receivables	7	1,424,248	1,127,345
Total current assets		39,104,868	34,328,262
Available for sale securities	8	3,351,256	3,138,834
Investment in associate companies	9	942,321	856,474
Investment in land	10	281,682	281,682
Properties and equipments – net	11	27,819,188	20,491,686
Equipment and machinery under installation		0	6,205,670
Goodwill	3f	6,602,986	6,602,986
Constructions process		743,596	2,164,226
Other assets – net	12	48,635	35,785
Total assets		78,894,532	74,105,605
Liabilities and shareholders equity			
Current liabilities			
Bank overdrafts	13	2,787,644	8,342,816
Short-term loans	14	13,135,000	7,626,036
Accounts payable and notes payables	15	5,471,209	6,724,202
Sales tax consignments		1,671,864	3,694,527
Other payables	16	1,971,152	2,184,477
Total current liabilities		25,036,869	28,572,058
Long term loans	14	17,725,000	5,625,000
End of service indemnities	3i	729,759	560,072
Shareholder equities			
Capital		20,000,000	20,000,000
Statutory reserve		5,000,000	4,687,387
Voluntary reserve	17	3,178,307	4,306,191
Accumulated changes in fair value		(86,922)	1,482,785
Retained earnings at the end of year (note C)	17	7,311,519	8,872,112
Total shareholder equity		35,402,904	39,348,475
Total liabilities and shareholders' equity		78,894,532	74,105,605

The accompanying notes form an integral part of this statement

Consolidated statement of income and its appropriation for the years ended December 31st 2008 & 2007

Exhibit B

		For the Year Ending on December 31 st	
	Notes	2008	2007
		JD	JD
Net sales	3h	66,562,957	52,148,233
cost of good sold	18	(50,191,311)	(43,941,333)
Gross profit		16,371,646	8,206,900
general & administrative expenses	19	(2,467,531)	(1,982,459)
selling & distribution expenses	20	(4,166,238)	(3,358,312)
Bank interests		(1,752,707)	(1,398,899)
Provision for obsolete inventory		(140,659)	(227,431)
Provisions for doubtful debts		0	(3,730)
Profit from share sales		0	4,361,732
Profit from investment in lands sales		0	293,010
Other revenues (expenses)	21	517,093	(201,808)
Year profit		8,361,604	5,689,003
Provision for subsidiary company income tax		(624,144)	(338,905)
Provision for education, technical and vocational training - subsidiary companies		(88,488)	0
Year profit before provisions		7,648,972	5,350,098
Income tax provisions		0	0
Jordanian universities fees provisions		(76,448)	(53,655)
Provisions for scientific research and vocational training		(76,448)	(53,655)
Board of Directors remunerations		(55,000)	(55,000)
Provision for education, technical and vocational training		0	(41)
Year profit after provisions		7,441,076	5,187,747
		JD/share	JD/share
Earning per share		0.380	0.258
		JD/share	JD/share
Number of shares		20,000,000	20,000,000

The accompanying notes form an integral part of this statement

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY FOR THE YEAR ENDED DECEMBER 31,2008								Exhibit C	
Description	Capital	Statutory reserve	Voluntary reserve	Accumulated Changes in Fair Value	Minority Interest	Shares Owned by Subsidiaries	Retained earnings	Total	
	JD	JD	JD	JD	JD	JD	JD	JD	
Balance as of December 31,2006	20,000,000	4,150,838	4,306,191	3,208,160	2,950,538	(97,492)	4,251,992	38,770,227	
Income the Year after provisions(Exhibit B)	-	-	-	-	-	-	5,187,747	5,187,747	
Changes in fair value	-	-	-	(1,725,375)	-	-	-	(1,725,375)	
Minority interest	-	-	-	-	(2,950,538)	-	-	(2,950,538)	
Shares owned by subsidiary Co.	-	-	-	-	-	97,492	-	97,492	
Transfer to statutory reserve	-	536,549	-	-	-	-	(536,549)	-	
Prior years (Expenses) Income	-	-	-	-	-	-	28,592	28,592	
Adjustments in inv. Profits for association Co.	-	-	-	-	-	-	(59,670)	(59,670)	
(Balance as of December 31,2007 (exhibit A	20,000,000	4,687,387	4,306,191	1,482,785	0	0	8,872,112	39,348,475	
Income after tax provision(Exhibit B)	-	-	-	-	-	-	7,441,076	7,441,076	
Changes in fair value	-	-	-	(1,569,707)	-	-	-	(1,569,707)	
Transfer to statutory reserve	-	312,613	-	-	-	-	(312,613)	-	
Prior years (Expenses) Income	-	-	-	-	-	-	97,213	97,213	
Adjustments in Profits for association Co.	-	-	-	-	-	-	85,847	85,847	
Dividends paid (Exhibit 17)	-	-	(1,127,884)	-	-	-	(8,872,116)	(10,000,000)	
(Balance as of December 31,2008(exhibit A	20,000,000	5,000,000	3,178,307	(86,922)	0	0	7,311,519	35,402,904	

**Consolidated Statement of Cash Flows
for the Years ended on December 31st 2008 & 2007**

Exhibit D

	For the Year Ending on December 31 st	
	2008	2007
	JD	JD
Cash flows from operating activities		
Net income after provisions	7,441,076	5,187,747
Prior year revenues	97,213	28,592
Amendments to profits from investment in associated companies	85,847	(59,670)
Slow moving inventory provisions	140,659	227,431
Doubtful debts provisions	0	3,730
Depreciations	3,951,981	3,041,715
Operating profit before changes in working capital	11,716,776	8,429,545
(increase) decrease in current assets		
Accounts receivables	1,907,329	(4,006,919)
Checks under collection	(407,991)	151,277
Inventory	(1,104,003)	68,180
Spare parts inventory	(331,061)	622,650
Goods in transit	(7,525)	271,749
Margins and expenses on letters of credit	(139,109)	19,810
Other receivables	(296,903)	(251,431)
(increase) decrease in current liabilities		
Accounts and notes payable	(1,252,993)	278,862
Other payables	(2,066,301)	117,759
Net cash provided from operating activities	8,018,219	5,701,482
Cash flow from investment activities		
Changes in fixed assets	(11,267,333)	483,059
Other assets	(25,000)	0
Changes in land investments	0	340,550
Changes in constructions under process	1,420,630	(1,401,132)
Changes in machines under installations	6,205,670	(6,047,934)
Changes in investments in associated companies	(85,847)	59,671
Changes in investments available for sale	(1,782,129)	4,525,224
Shares owned by subsidiary companies	0	97,492
Minority interests	0	(2,950,538)
Net cash (used in) investment activities	(5,534,009)	(4,893,608)
Cash flow from financing activities		
Bank overdrafts	(5,555,172)	(4,324,878)
Loans	17,608,964	3,417,703
Proposed dividends to shareholders	(10,000,000)	0
Net cash (used in) financing activities	2,053,792	(907,175)
Net increase (decrease) in cash	4,538,002	(99,301)
Cash on hand and with the banks at the beginning of the year	1,545,059	1,644,360
Cash on hand and with the banks at the end of the year (Exhibit A)	6,083,061	1,545,059
Non-cash flow items		
Transfer to capital from retained earnings and statutory reserve	10,000,000	3,500,000

The accompanying notes form an integral part of this statement

Notes on the Consolidated Financial Statements:

1. Company's Registration and Objectives

Al Eqbal Investment Co. (P.I.C) was established by virtue of the temporary Companies Law No. 1 of 1989 and was registered in the public shareholding companies' record as (previous International Tobacco & Cigarette Co.) at the Ministry of Industry & Trade in the Hashemite Kingdom of Jordan under number 218 on 01/06/1992. The Company's operational purpose is to establish and own subsidiary companies and any other investments which realize the Company's interests.

The Company has established full-owned companies called:

- Arab Cigarette Distribution Co. wll with a capital of JD 30,000.
- Al Fakher Tobacco for Trading & Agencies Co. wll with a capital of JD 30,000.
- International Tobacco & Cigarettes Co. wll with a capital of JD 30,000.

The consolidated financial statements of the Company include the financial statements of the subsidiary companies above.

2. Basis of Consolidation of the Financial Statements

The consolidated financial statements included assets, liabilities, sales and expenses of the following subsidiaries:

Subsidiary Companies					
Company name	Company status	Capital JD	Investment %	The Mother Company's share of sub.profit	Investment Book value
Arab Cigarette Distribution Co.	wll	30,000	100%	427,631	3,889,219
Al Fakher Tobacco for Trading & Agencies Co.	wll	30,000	100%	7,732,124	12,725,594
International Tobacco & Cigarettes Co.	wll	30,000	100%	41,296	71,296

There is no fair value for the aforesaid companies because they are limited liability companies with no closing price.

A summary of the assets liabilities, revenues, profits and losses of the subsidiary companies				
Company name	Assets	Liabilities	Sales	Profits
	JD	JD	JD	JD
Arab Cigarette Distribution Co.	4,626,064	736,845	2,118,517	427,631
Al Fakher Tobacco for Trading & Agencies Co.	25,320,710	12,595,026	27,632,302	7,732,124
International Tobacco & Cigarettes Co.	34,304,650	34,233,354	24,128,054	41,296

3. Significant Accounting Policies

a. Inventory

i. Raw material and spare parts

Raw material and spare parts inventory is stated at cost. Cost is determined by using the moving average method.

ii. Finished goods

Finished goods inventory is stated at the lower cost or net realizable value. Cost is determined by using the moving average method.

b. Available for sale securities

Available for sale securities are stated at fair market value. The change in the securities fair market value from the book value is recorded as a component of shareholder's equity.

c. Investment in associate companies

Investments over 20% in associated companies are stated as net equity.

d. Land investments

Investments in land are stated at cost and they appeared at fair value on the attachments.

e. Fixed assets and depreciation

Fixed assets are recorded at cost and depreciation is estimated by using the straight-line method at annual depreciation rates between 2 – 50 percent.

f. Goodwill

Goodwill is based on the possession cost excess above the fair value of the assets and liabilities possible for the Company on the possession date. Goodwill is stated in the balance sheet, and it is counted on an annual basis to estimate if its value decreased and it is carried at cost without the decrease losses of the accumulated value.

g. Sales

Sales represent the value of invoices issued against goods delivered to the Company's customers during the current financial year.

h. Foreign currency conversion

Foreign currency conversions are converted into Jordanian Dinars at exchange rates prevailing the date of transaction. Assets and liabilities expressed in foreign currencies are converted into Jordanian Dinars at exchange rates prevailing at the balance sheet date. Exchange differences arising from these transactions are included in the income statement of the year.

i. End of service remunerations

End of service remuneration is taken from the Company's internal system.

4. Accounts Receivables – Net		
	For the year ending on December 31 st	
	2008	2007
This item consists of:	JD	JD
Advance payments to farmers for previous years	101,230	101,230
Accounts receivables (customers dues)	6,527,011	4,109,457
Other receivables	2,397,285	6,763,692
Total	9,025,526	10,974,379
Less: provisions for doubtful debts	(138,615)	(180,139)
Net	8,886,911	10,794,240

5. Inventory – Net		
	For the year ending on December 31 st	
	2008	2007
This item consists of:	JD	JD
goods and materials under process	1,117,717	973,099
Promotional materials	569,232	538,281
Manufactured tobacco	542,714	834,698
Raw materials	12,948,335	12,470,141
Finished goods at the end of period – note 18	3,022,369	2,317,152
Consumables warehouse	6,865	8,325
Fuel tanks	29,380	27,362
Total	18,236,612	17,169,058
Less: provisions for slow moving items	(503,840)	(399,630)
Net	17,732,772	16,769,428

6. Spare Parts Inventory – Net		
	For the year ending on December 31 st	
	2008	2007
This item consists of:	JD	JD
Spare parts inventory	3,739,724	3,551,065
Spare parts - vehicles	11,566	11,114
Total	3,751,290	3,562,179
Less: provisions for slow moving items	(152,911)	(294,861)
Net	3,598,379	3,267,318

7. Other Receivables		
	For the year ending on December 31 st	
	2008	2007
This item consists of:	JD	JD
Prepaid expenses	828,792	809,420
Advanced paid income tax	203,700	0
Refundable deposits	221,474	73,799
Others	20,023	44,986
Employees advances	113,204	143,771
Withholding sales tax	29,609	53,993
Withholding income tax	4,416	0
Raw material warehouse deposits	324	324
Refundable custom deposits	2,606	1,052
Warrantees deposits	100	0
Total	1,424,248	1,127,345

8. Available for Sale Securities

		For the year ending on December 31 st	
		2008	2007
This item consists of:	No. of Shares	JD	JD
Bank of Jordan	477,270	1,384,276	0
Shahiya for Food Industries Co.	20,734	20,734	20,734
Jordan express Tourist Transportation Co. – Jet	27,650	31,532	31,532
National Industries Co.	3,000	1,335	1,335
Al Shamal International Ind. Co./ Foreign	424,578	301,025	301,026
Eqbal for Printing & Packaging	305,203	402,410	4,556
Arab Islamic Bank/ Foreign	2,102,236	1,296,866	1,296,866
Total		3,438,178	1,656,049
Amendments of fair value		(86,922)	1,482,785
Fair value available for sale		3,351,256	3,138,834

9. Investments in Associate Companies

		For the year ending on December 31 st	
		2008	2007
a. This item consists of:	Ownership ratio	JD	JD
Trust for International Transportation Co. P.S.C	38,576%	942,321	856,474
Total		942,321	856,474

b. The financial statements as of 31 December 2007 were approved in evaluating the investments in the associated companies above due to unavailability of audited financial statements for those companies on the date of preparation of these financial statements.

10. Lands Investments

		For the year ending on December 31 st	
		2008	2007
a. This item consists of:		JD	JD
Investments in lands		281,682	281,682
Total		281,682	281,682

b. The fair value in investments in lands on the date of preparing the financial statements amounted to JD 811,987.

11 - Fixed Assets, net of accumulated depreciation									
This item consists of:	2008								2007
	Cost At The Year Bigening	Additions For The Year	Disposals During The Year	Cost At The Year End	Depreciation Rate	Accumulated Depreciation At Year End	Net Book Value	Net Book Value	
	JD	JD	JD	JD	%	JD	JD	JD	JD
Lands	4,291,775	0	0	4,291,775	-	0	4,291,775	4,291,775	
Houses	1,335,248	0	267,261	1,067,987	4	2,888	1,065,099	1,335,248	
Factory & Management's building	5,143,710	2,202,079	0	7,345,789	4	1,777,389	5,568,400	3,765,142	
Machinery & Equipment	21,330,315	8,580,523	88,066	29,822,772	10	15,078,733	14,744,039	9,146,267	
Vehicles	1,584,562	439,060	630,664	1,392,958	20-25	622,719	770,239	653,214	
Plants supports equipment	2,136,738	156,816	11,485	2,282,069	20	1,764,021	518,048	532,080	
Furniture & fixtures	683,009	142,470	13,241	812,238	10	408,785	403,453	376,142	
Tools	239,722	102,644	0	342,366	20	200,287	142,079	86,616	
Forklifts and equipment	291,644	72,039	5,330	358,353	15	213,733	144,620	141,267	
Tobacco & Cigarettes supplies	19,551	0	0	19,551	33-50	19,544	7	7	
Containers	22,381	0	0	22,381	20	22,376	5	5	
Cafeteria equipment	222,335	11,293	0	233,628	20	85,268	148,360	151,118	
Artesian Well	48,668	10,192	0	58,860	15	49,941	8,919	0	
Irrigation dropping unit	1,517	65	0	1,582	20	1,154	428	516	
Other Equipment	10,672	5,666	0	16,338	20	6,437	9,901	6,973	
Aqaba branch assets	13,849	375	0	14,224	20	10,408	3,816	5,316	
Total	37,375,696	11,723,222	1,016,047	48,082,871		20,263,683	27,819,188	20,491,686	

12. Other Assets		
For the year ending on December 31 st		
	2008	2007
This item consists of:	JD	JD
Other assets	73,250	48,250
Accumulated Extinguish	(24,615)	(12,465)
Net	48,635	35,785

13. Bank Overdrafts

The Company obtained overdraft credit facilities from several local banks with a total value of JD 13,758,000 and a limit of guarantees amounted to JD 5,983,700 secured on the Company's guarantee.

14. Loans				
For the year ending on December 31 st				
	2008			2007
a. This item consists of:	Short term JD	Long term JD	Total JD	Total JD
Bank of Jordan Loan (Note 14 B)	0	17,725,000	17,725,000	0
Bank of Jordan Loan (Note 14 C)	0	0	0	7,500,000
Standard Chartered Bank Loan (Note 14 D)	0	0	0	2,000,000
City Bank (Note 14 E)	0	0	0	709,000
City Bank	0	0	0	3,042,026
AB-Invest commercial paper (Note 14 F)	10,635,000	0	10,635,000	0
City Bank (Note 14 G)	2,500,000	0	2,500,000	0
Total	13,135,000	17,725,000	30,860,000	13,251,036

b. The Company obtained a loan of USD\$ 25,000,000 equivalent to JD 17,725,000 for LIB,6 months in addition to a margin profit of 1,875%, and the loan is guaranteed by the Company.

c. The Company obtained a loan of JD 7,500,000 from Bank of Jordan for an interest of 7,875%, and the loan is guaranteed by the Company and it was completely settled during the year.

d. The Company obtained a loan of JD 2,000,000 from Standard Chartered Bank on 30/09/2007 for an interest of 8%, and the loan is guaranteed by the Company and it was completely settled during the year.

e. The Company obtained a loan of USD\$ 1,000,000 from City Bank, and the loan is guaranteed by the Company and it was completely settled during the year.

f. The Company obtained an AB-Invest commercial paper of USD\$ 15,000,000 equivalent to JD 10,635,000 on 01/04/2008 for an interest of 4,5% a year, and it was guaranteed by the Company.

g. The Company obtained a loan of JD 4,000,000 from City Bank for an interest of 6,75% a year, and the loan is guaranteed by the Mother Company, Eqbal Investment Co. P.S.C, and the balance amounted JD 2,500,000 on the financial statements date.

15. Accounts and Notes Payables		
For the year ending on December 31 st		
	2008	2007
This item consists of:	JD	JD
Accounts payable	4,336,901	6,600,390
Notes payable	1,134,308	123,812
Total	5,471,209	6,724,202

16. Other Payables		
	For the year ending on December 31 st	
	2008	2007
	JD	JD
This item consists of:		
Provisions for income tax	1,002,540	451,739
Board of Directors remunerations	55,000	55,000
Provisions for Jordan universities fees	76,448	57,757
Provisions for scientific research and vocational training	76,448	53,398
Due expenses	501,247	10,248
Due to income tax and social security	16,364	44,108
Other payables	37,951	34,609
Payments received for product export account	0	1,283,743
Due to shareholders	54,491	56,637
Youth funds	32,268	108,645
Educational and professional training funds	116,258	27,770
Employees receivables	2,137	823
Total	1,971,152	2,184,477

17. Profits Carried Over at the Year End and voluntary Reserve

Under the ordinary meeting of the General Assembly held on 03/03/2008, it was agreed on distributing 50% of the par value of shares as cash profits of the carried over profits to the shareholders (8,872,116) and a part of the voluntary reserve 1,127,884.

18. cost of sales		
	For the year ending on December 31 st	
	2008	2007
	JD	JD
This item consists of:		
Raw materials used in production	40,258,992	36,222,062
Manufacturing costs		
Depreciation	3,602,895	2,653,931
Salaries, wages and related costs	3,669,090	2,948,332
Maintenance and spare parts	1,263,981	1,351,727
Other manufacturing expenses	2,186,774	1,690,690
Total manufacturing costs	10,722,740	8,644,680
Total production costs	50,981,732	44,866,742
Finished products at the beginning of the year	2,317,151	1,520,103
Promotional material	(79,014)	(128,360)
Finished products returned for manufacture	(6,189)	0
Finished products at the end of the year (Note 5)	(3,022,369)	(2,317,152)
Cost of sold goods	50,191,311	43,941,333

19. General and Administrative Expenses

	For the Year Ending on December 31 st	
	2008	2007
	JD	JD
This item consists of:		
Salaries and wages	1,093,054	741,227
Fees and subscriptions	98,742	86,366
Depreciations	190,932	185,739
Stationary and printing	32,328	27,228
Advertisement expenses	32,560	41,027
Professional fees	76,121	60,381
Board of Directors transportations	132,000	128,271
Company's contribution to social security	35,993	43,501
Assets insurance	18,980	23,875
Fuel	11,480	14,251
Staff in-kind privilege	6,493	12,090
Postage, telephone and fax	79,752	55,392
Hospitality	32,459	25,059
Water, electricity and heating	18,990	12,025
Donations and supports	66,472	50,437
Miscellaneous expenses	34,696	23,746
Transportation	2,309	568
Medical expenses and insurance	19,989	19,634
Studies expenses	130,909	1,986
Vehicles expenses	23,674	28,757
Building taxes	16,827	16,827
Maintenance and repair	31,802	35,041
Legal fees	3,158	5,817
Annual vacancies expenses	1,213	466
End of service remuneration	25,273	57,130
Computer expenses	13,355	29,375
Rents	37,952	41,661
Travel expenses	98,332	136,477
Technical support expenses	32,758	61,491
Bank expenses and interests	12,837	8,528
Trademarks	16,627	0
Beginning project	32,940	4,507
Bad debts	6,524	3,579
Total	2,467,531	1,982,459

20. Selling and Distribution Expenses		
	For the Year Ending on December 31 st	
	2008	2007
	JD	JD
This item consists of:		
Salaries, wages and related expenses	822,012	673,525
Insurance	8,743	9,521
Depreciation	158,154	202,045
Promotion expenses	1,381,640	2,119,591
Vehicles, insurance and licensing expenses	74,150	77,712
Transportations	52,497	35,818
Staff in-kind privilege	6,987	17,074
Export and freight expenses	221,160	370,139
Fees and subscriptions	8,501	2,594
Company's contribution to social security	56,661	58,462
Stationary and printing	8,232	8,644
Hospitality	619	3,367
Postage, telephone and fax	37,123	30,539
Studies and consultations	4,047	1,693
Miscellaneous expenses	24,955	41,249
Maintenance and repair	9,705	1,131
Medical insurance	34,370	31,671
Materials and supplies	19,783	8,500
Travel expenses	1,665	28,558
Yearly vacancies expenses	1,249	89
Fuel	130,740	126,534
Rents	56,003	43,495
End of service remuneration	48,419	36,587
Egypt expenses	35,020	34,654
Professional expenses	0	10,563
Allowed discount	73,811	15,793
Amortization expenses	12,149	9,650
Load and unload expenses	2,925	9,692
Trademarks registration	16,204	32,929
Bank expenses	0	54,444
Exhibitions expenses	120,763	0
Total	4,166,238	3,358,312

21. Other Revenues and (expenses)		
For the Year Ending on December 31 st		
	2008	2007
	JD	JD
This item consists of:		
Investments in companies profits distribution	75,738	3,318
Currency fluctuations	49,714	(45,633)
Property and equipment sale profits	184,948	(184,497)
Other revenues	206,693	25,004
Total	517,093	(201,808)

22. Income Tax

Income tax for 2006 and 2007 was not settled.

Income tax of the Arab Co. for Cigarette Distribution (a subsidiary company) for 2006 was not settled.

23. Contingent Liabilities

On the balance sheet date, the Company holds the following liabilities:

JD 5,983,700 for bank warrantees – Mother Company and subsidiary companies.

24. Financial Instruments

1. Price risks

Price risks consist of the following:

Risks of currency rate fluctuations

Most trading transactions made by the Company were recorded in JD/USD, and the exchange rate of JD has been fixed at USD (1 USD = 0,71 JD) as determined by the Central Bank of Jordan.

2. Risks of interest rates

Most of the financial instruments listed in the balance sheet are not subject to interest rate risks as all of the Company's cash is deposited with banks with high solvency.

3. Credit, liquidity and cash flow risks

The Company keeps cash balances with highly solvent financial institutions. As for accounts receivables, they were listed at fair value representing the cash flow to be received during the year to face the obligations due for the same year.

25. Lawsuits

a. Lawsuits against the Company:

The British American Tobacco Company (BAT) and the Union Manufacturing Company have filed a lawsuit against the International Tobacco & Cigarettes Company (ITC) on December 30th 2001 to stop the production latter one of the cigarette brands manufactured by ITC basing on the Unlawful Competition Law.

ITC has returned the appeal which resulted in dismissing the procedure won by BAT Co. and the Union Manufacturing Co. by the judge of rushed matters. The decision of Court of Appeal was in favor of ITC, and it was supported by the Court of Cassation.

Accordingly, ITC has filed a counter lawsuit for compensation (damage & disorder) against both BAT and the Union Manufacturing Co., and this lawsuit is still consideration before the competent courts.

b. Lawsuit filed by the Company against the Sales Tax Department:

Sales Tax Department has submitted a financial claim and penalties for the sales of cigarette brand L&M alleging that sales tax was not paid for a margin of profit of the Distribution Company.

As a result of this unjustified claim, the Company has decided to file a lawsuit against the Sales Tax Department to drop the claim because it is not based on the Sales Tax Law and the instructions issued by its General Manager since the Distribution Company of L&M brand is not affiliated with ITC, as it is an independent entity.

All procedures taken in calculating the sales tax for L&M brand were supported by official letters from the Company to the Sales Tax Department, and the Company has also kept the written consents issued by the Sales Tax Department with this respect. This lawsuit is still pending before the competent courts.

26. Comparative Figures

Some comparative figures were reclassified to go in conformity with the current year figures reclassifications.

27. General

Under the extraordinary meeting of the General Assembly held on 03/03/2008, it was approved on the Company restructure by transferring the Company's main activity in tobacco and cigarette manufacturing and production to a limited liability company completely owned by the Mother Company. On 16/04/2008, the Mother Company established ITC wll with a capital of JD 30,000 and the Company's main activity was transferred to it.

Under the extraordinary meeting of the General Assembly held on 03/03/2008, it was approved on changing the Company's name from International Tobacco & Cigarettes Co. LTD to Eqbal Investment Co. ltd; and procedures were completed at Ministry of Industry & Trade/ Company Control Department on 10/04/2008.