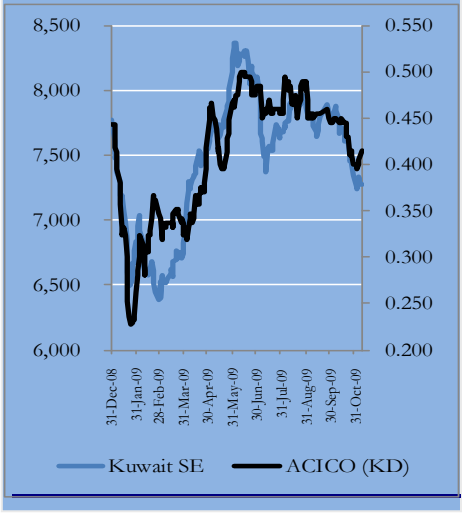
Market Data	
Bloomberg Code:	ACICO KK
Reuters:	ACICO.KW
CMP (10 Nov. 2009):	KD0.415
O/S (mn):	214.9
Market Cap (KDmn):	89
Market Cap (US$mn):	308
Price/EPS 2009e (x):	10.0
Price/Bv 2009e (x):	1.1

Price Performance	1-Yr
High (KD):	0.500
Low (KD):	0.227
Average Volume:	540,802

Share Price Performance



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ACICO Industries Company – 9M/2009 Review

- ACICO Industries Company (ACICO) announced 9M-2009 net profit of KD5.59mn (EPS: 27.12fils) as compared to KD8.84mn (EPS: 38.55fils) witnessed in 9M-2008, a 36.7% decrease. 3Q-2009 net profit reached KD1.45mn (EPS: 7.42fils), as compared to KD2.07mn (EPS: 9.26fils) during the same period a year ago, a 29.9% decrease. As compared to 2Q-09, net profits decreased 26.6%.

- The decrease in profits can be attributed to lower investment income and higher operating expenses. Operating expenses witnessed a 24.3% increase from the same period a year ago from KD3.17mn to KD3.94mn. As compared to the previous quarter, operating expenses witnessed a 10% decrease. Investment income on the other hand witnessed a 115.5% decrease during 9M-2009 to a loss of KD-398,714 from a KD2.56mn enjoyed during the same period a year ago.

- However, ACICO still continues to perform strongly on core income which increased from a KD-316,518 in 9M-2008 to KD3.14mn in 9M-2009, while rental income increase by 139% to reach KD3.51mn.

ACICO Interim Results

(KD '000)	9M-2008	9M-2009	% Change
Net Profit	8,845	5,596	-36.7%
Assets	190,691	211,565	10.9%
Shareholders Equity	76,772	78,755	2.6%
EPS (fils)	38.55	27.12	-29.6%

Source: ACICO & Zanya

- Operating income increased 84.3% during 9M-2009 to reach KD41.02mn, lifting gross margins up to 18.1% during 9M-2009 from 13.7% by year-end 2008. Breakdown of operating income, the industry segment dominated the income segment with a KD27.47mn gross income and recording a 96.9% increase from the same period a year ago. Real estates and hotels segment recorded a KD2.99mn operating income, while contracting segment which used to dominate the operating income segment witnessed a 48.2% decline due to the credit crisis, contracting operating income decrease to KD14.4mn in 9M-2009 from KD27.87mn during the same period a year ago. The decline in contracting income is because of ACICO's exposure in Dubai and Kuwait market were real estate activity is witnessing a slight slowdown and contracting activities are on a hold.

- However, with the real estate stability is expected in the GCC, ACICO operating segments are estimated to report better earnings in 4Q-2009, thus Global Research estimates ACICO to report full year income of KD8.9mn during 2009.

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