Financial, Industry & Economic Analysis

Ittehad Chemicals Limited

Financial Management

Submitted by:

Aamna Inam

Maaha Khawar

Maham Majdy

Nabiha Shabbir

Contents

Introduction

Ittehad Chemicals Limited (ICL) was established in 1962 under the name of United Chemicals by a private entrepreneur. ICL was commissioned in the year 1964 with an installed capacity of 40 MT/day of Caustic Soda. The initial plant was set up by M/S Oronzio Denora of Italy.

The factory is strategically located on the 19th/20th Kilometer of GT Road and spread over an area of 106 acres. It is approachable from the Lahore-Islamabad Motorway as well as from the main city of Lahore, being less than an hour drive. The place is known as Kala Shah Kaku, an industrial site which has seen the growth of industries over the past decades stretching up and beyond Gujranwala along the G.T Road. Apparently, Kala Shah Kaku and its neighboring vicinities have both gained tremendous importance and become a hub of commercial, economic and educational activities. As industrialization flourished over the years, a large number of small townships also mushroomed in and around the vicinity due to availability of livelihood to the local residents at their doorsteps.

Under the Economic Reforms Order, United Chemicals was nationalized in 1971 along with other industries of the country and renamed as Ittehad Chemicals. It was initially managed by the Board of Industrial Management and thereafter the Federal Chemicals & Ceramics Corporation Ltd under the Ministry of Production, Govt. of Pakistan.

During the state enterprise period its production capacity was raised by another 90 tons/day during the year 1984-85. The factory was ultimately denationalized in 1995 by the Privatization Commission Govt. of Pakistan. It was acquired by the Chemi Group of Industries, a Karachi based dynamic entrepreneurial group. The new management immediately undertook the task of refurbishing the factory, its infrastructure, and updating its production line to improve efficiency and capacity.

Shortly after the takeover, the plant capacity was soon raised to over 200 tons/day. The environmental friendly “Ion Exchange Membrane Plant” was added to the production line in the year 2003 with a capacity of 163 tons/day. This was shortly enhanced to 240 tons/day with the addition of more IEM Electrolyzers. The new technology is not only environment- friendly but also power-conscious. However, due to its subtle and urbane nature, it requires an uninterrupted power supply for trouble-free operations. Accordingly, the company established its own state-of-the-art Power Plant of 30 MW capacity in the year 2005.

With a rich and illustrious history, ICL is the founding company in Pakistan for the Chlor-alkali industry. It has paved the way for other organizations competing in the local market. With a growing interest for ICL products in the international market, the organization has made the necessary arrangements (and will continue to do so in the future) to cater for the growing demand.

Source: Company Website

COMPANY ANALYSIS:

Major products of ICL

The major products that comprises it product portfolio are:

- Caustic Soda
- Liquid Chlorine
- Sodium Hypochlorite
- Sulfuric Acid

Products and Uses

Product	Properties	Industry Use
Caustic Soda	Powerful Bleaching Agent	Textile, Detergent and Soaps
Sodium Hypochlorite	Bleaching Agent	Textile, Carpet, Waste treatment
Liquid Chlorine	Purifying Agent	Water treatment, paper and board
Hydrochloric Acid	Corrosive Agent	Textile, Galvanizing
Shaffaf (Bleaching Earth)	Color Bleach	Edible Oil Industry
Chlorinated Paraffin	Compatible with resin and plastics	PVC
Zinc Sulphate	Zinc Ion	Agriculture and Feedstock
Barium Sulphate		Filling for Paints, Oils, Cosmetics

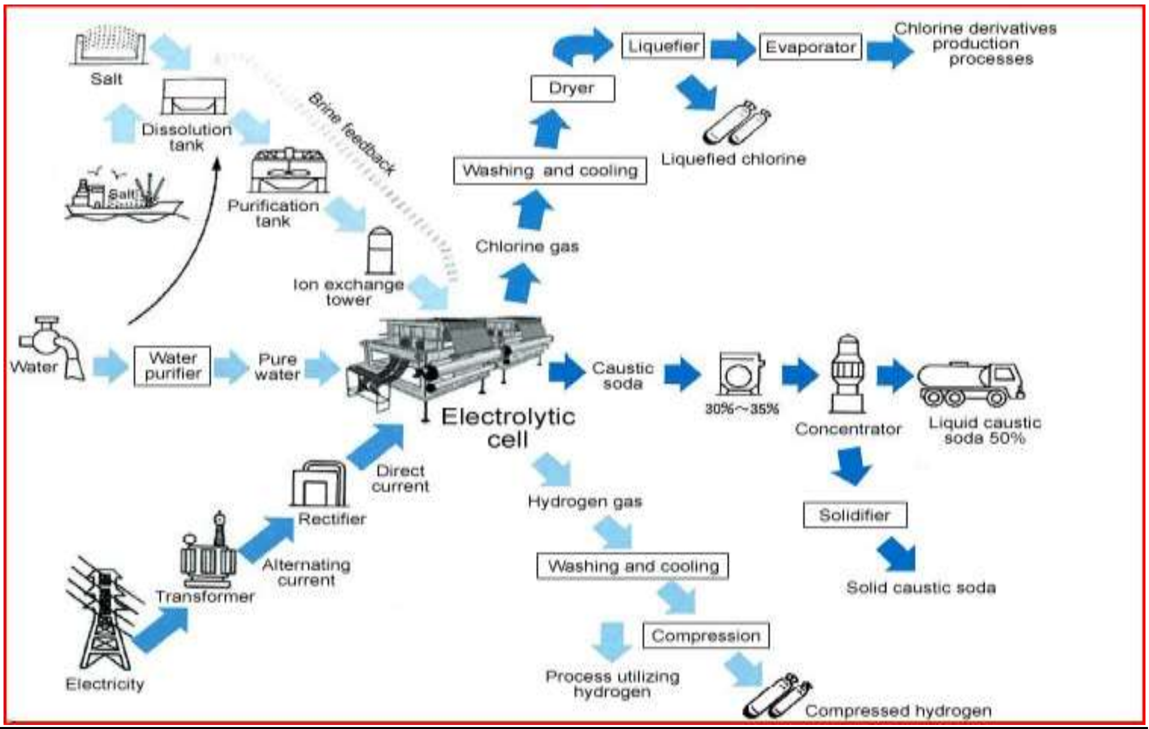
Calcium Chloride		Making NaCo3

Source: Company Website

Production-wise Information:

It has the 2nd largest production capacity after Sitara Chemicals. It has Ion Exchange Membrane plant which has high electricity cost. Current capacity utilization of ittehad is only 46 % because of the Hiking power generation costs in overall economy. It has its own generators for power and turbines for water supply.

Process Information



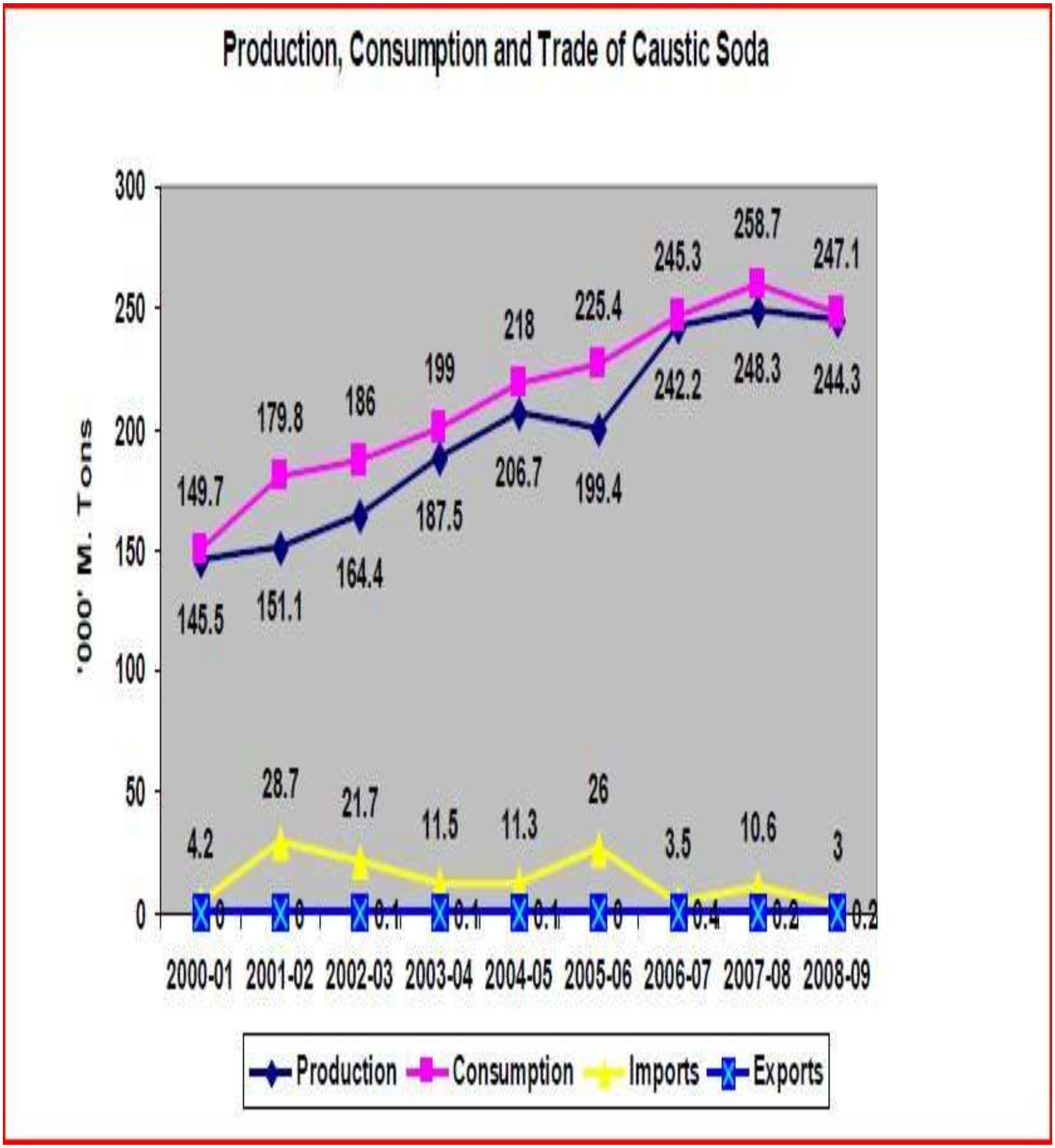
Industry Analysis

Chemical Industry is divided on the bases of type of chemicals it produces. The types on which the foundation of division is laid are:

- Primary Chemicals
- Secondary Chemical

- ICL operates in Secondary Chemicals Industry, the market for secondary players is is saturated as it has already established big players. The major barriers to entry in such industry are large capital costs required. Till now it ICL has done an investment of Rs.500-660 billion, its GDP contribution was 18.4% in 2009 as compared to 23% in 2006.

(Technology Management International (TECHMA) 2010)



(Technology Management International (TECHMA) 2010)

Major Competitors:

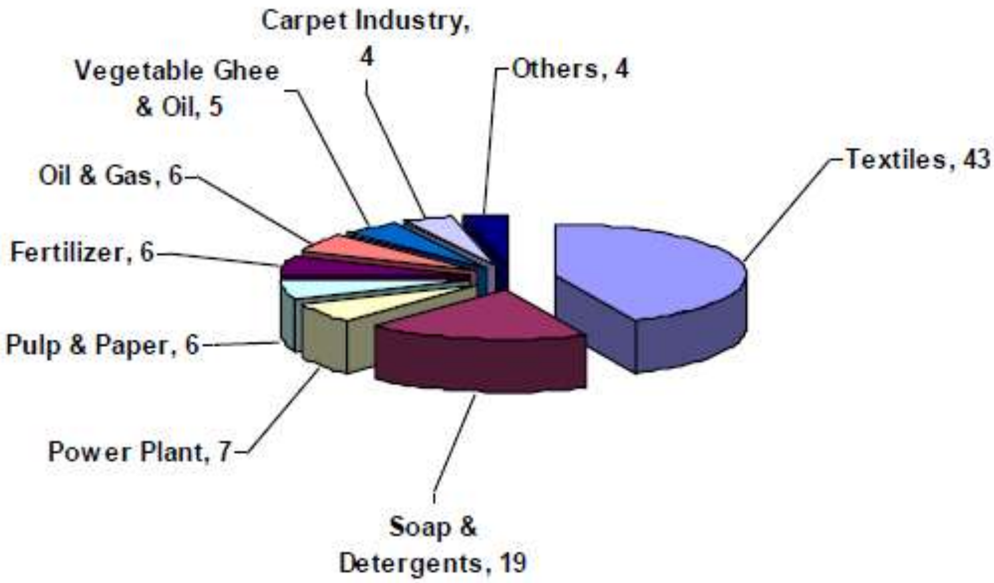
- Major competitors include Sitara Chemicals Limited-Share which has share of 41%. It is competing for Central Punjab with ICL. The second major competitor is Engro Polymers and

Chemicals Limited-Share 33%. And it is the major player in Lower Sindh market. SCIL and ICL caters to northern region of Pakistan while Southern market catered by EPCL.

Company Name	Year of Commissio n	Plant Information	Upgraded in	Limitations
ICL	1962	Ion Exchange Membrane Plant	2003	Plant not energy efficient
EPCL	1996	Ion Exchange Membrane Plant	2006	PVC Market Leader
SCIL	1982	Ion Exchange Membrane Plant	2005	Diversified portfolio

ECONOMIC ANALYSIS:

Demand of caustic soda and factors affecting demand



(Technology Management International (TECHMA) 2010)

Trade:

Total imports of Chemical Sector of Pakistan were $1.15 million in 2008 *17% of import bill as compared to totally import of $1.02 million in 2011. Its industry relies on domestic production. Government has instated a duty of Rs. 4000/m ton in 2009 .Trade is difficult because of difficult transportation as it is costly and hazardous.

Economic Factors affecting Industry:

- Recent energy crisis & Hiking fuel prices

  Energy sector has hit almost every industry of Pakistan and chemical sector is no exception. It is one of the worst hit sectors because the manufacturing process is extremely fuel-intensive. All three major players in the market have their own power plants which fulfill about 70% of their energy needs. However, because of technical difficulties, the Ittehad Chemicals power plant has only been fulfilling 50 % of their requirements. The rest are being fulfilled by government of Pakistan and the frequent increase in per unit price has taken a huge toll on the profit margins since 60% of the firm's operating costs are made up of power costs.

- Rising Interest Rates: Increase in interest rates increase cost of borrowing and amount paid in interest charges. This causes a decline in profit margins
- Security threats
- Increase in inflation
- Devaluation of currency (exports)

- Increased demand for readymade textiles.

Ratio Analysis

In ratio analysis, we will be comparing ICL's performance overtime as well as with industry average, calculated by taking each ratio for all three companies, ICL, EPCL & Sitara Chemical Industries and averaging them.

Liquidity Ratios

Liquidation refers to the short term liabilities of the firm as they fall due. Liquidation ratio measures how much current assets are available to pay its current liabilities as they fall due.

An indication of a company ability to meet short-term debt obligation the higher the ratio, the more liquid the company is. Current ratio is equal to current assets divided by current liabilities. If the current assets of a company are more than twice the current liabilities, then that company is generally considered to have good short-term financial strength. If current liabilities exceed current assets, then the company may have problems meeting its short-term obligations. Starting from the year 2008 the current ratio of ICL was highest as compared to other two companies Sitara having ratio of 0.81 and EPCL had current ratio of 0.73 indicating its weak liquidity due to high current liabilities. Similarly according to 30th June, 2009 Ittehad Chemicals Limited had current assets of $1168958 and current liabilities of $934290 which shows a current ratio of 1.25 which again relates that company has good short term financial strength as compared to the other two companies EPCL and SITARA having ratios of 0.32 and 0.58 as compared to the average of 0.68 showing excess of liabilities due on these companies as compared to others in industry, following the current ratio of 1.3 on 30th June, 2010 of ICL relates that the trend in the current ratio of ICL is constant which is a good indicator of ICL's growth and finally a current ratio of 1.07 on 30th June 2011 substantiates the fact that ICL growth in terms of liquidity has remained constant over the years as compared to the other companies such as EPCL having current ratio of 0.26 and Sitara having ratio of 0.64 in 2011.

Quick ratio measures a company's liquidity and ability to meet its obligations. Quick ratio, often referred to as acid-test ratio, is obtained by subtracting inventories from current assets and then dividing by current liabilities. Quick ratio is viewed as a sign of company's financial strength or weakness (higher number means stronger, lower number means weaker).
Starting from the year 2008 ICL quick ratio was 0.91, but Sitara and EPCL ratio was of 0.3 and 0.6 which relates the strong financial and liquidity strength of ICL even being a company smaller than Sitara , ICL has managed to make its liquidity position stronger than its rivals. Following the pattern of its strong financial position ICL's quick ratio remained around 1.14 as compared to Sitara and EPCL in the year 2009 when their ratios were 0.32 and 0.58.In 2010 ICL ratio was 1.13 as compared to industry average of 0.709 , this seconds to the fact that ICL current assets are enough to cover its current liabilities which also shows its financial strength as in the corresponding year 2011 it's ratio did decrease but was still greater than the industry average of 0.60 and its rivals averages of 0.26 EPCL and 0.64 of Sitara.

Turnover Ratios

INVENTORY TURNOVER RATIO: for ICL the inventory turnover ratio each year is greater than the industry average representing that the company does not keep any unproductive inventories and is getting good returns on its inventory. There was one fluctuation in the slowly decreasing trend of graph in 2009 where inventory turnover ratio reached a level of 33.75. The reason behind this increase in ratio is ICL's sales which were in turn a result in decreases of EPCL's share in sales. The half of the sales of EPCL in south was taken over by ICL.

DAYS SALES OUTSTANDING: we see that DSO of ICL is way above the industry average even though the trend of ICL's graph is similar to the trend of industry average but still, ICL's graph is way high. The competitor companies have very low values of DSO. Therefore, this indicates some problem in the credit policy of the company.

FIXED ASSET TURNOVER RATIO: there was a rising trend in graph till 2009 but then it became stable. The value of this ratio is above the industry average indicating that the company is using its resources as intensively as its competitors. But we see that the industry average is rising with time. Moreover the ratios of competitors are below or barely close to industry average. Therefore, indicating that ICL is using its fixed assets in a better way. But in comparison to competitor one reason of high value of ratio of ICL can be the result of historical cost of net fixed assets shown on balance sheet.

TOTAL ASSET TURNOVER RATIO: ICL's total asset turnover ratio is above industry average for all four years indicating that it is generating enough sales given its total assets. The industry average is rising very slowly. ICL's graph shows a spike in 2009 because of increased sales in this year whereas its competitors ratio are below average for most years and barely touching industry over for the rest of years. The main reason is the valuation of fixed assets at historical values. The increase in sales of ICL was also discussed above earlier in inventory turnover ratio analysis.

Debt Management Ratios

Vigilant investor would be interested in debt management ratios because they measure the company's capacity to pay for their credit borrowings with the existing resources. Excessive credit borrowing can dampen a company's ability to pay back its investors as well as share holders while too little borrowing will threaten the growth and sustenance opportunities for the company.

In debt management ratios, the most important ratio is total debt to total assets since it measure how much of a company is financed by equity compared to the financing by credit. Financing by equity saves the company interest cost while financing by credit improves the return share holder's get on their investment. Ideally, the financing should be done through both means at optimal level.

Speaking specifically of ICL, we can see from the graph at in Appendix A that the ratio varied across the 5 years slightly with the finance provided by creditors from 50% to 60%. This fluctuation can be attributed to the changing trends in the borrowing interest rates in economy. The quoted interest rates have varied considerably with the trends in the interest rates.

Quoted Interest Rates and corresponding ICL's ratios are as follows:

Year	Interest Rate	ICL's Debt Ratio
2007	9.5%	60.16%
2008	10%	61.81%
2009	15%	56.92%
2010	12.5%	57.7%
2011	14%	51.27%

(State Bank of Pakistan 2012)

As we see above, as the interest rates rise, debt percentage decreases. Similar trend is followed by other competitors; however, ICL's borrowing has remained lower than the competitors' all through 2008-2011. This may be attributable to its lower credit ratings in comparison to Sitara Chemical Industries Limited and Engro Polymers and Chemicals Limited.

Times Interest Earned ratio measures how many times a company can pay its interest costs with the profits it earned before interest and taxation. It basically denotes the times a firms operating income can decline until it can no longer it meet its financial obligations. ICL's TIE has been lower than the industry average in all years except 2010 and 2011. This can be attributed difficulties in those years and contributed majorly to the lower TIE average. This also meant increased sales for ICL since some of the Karachi market that EPCL was catering to shifted to Punjab manufacturers and their sales volume increased.

EBITDA Coverage is a more holistic measure of a firm's safety net after taking out all the unavoidable payments a company needs to make other than financial charges. ICL's EBITDA Coverage has been steadily falling all over 5 years which may be because of liquidation (bankruptcy) or high investment through credit financing.

Profitability Ratios

Profitability ratios show the firms performance relative to its operations and the profits it has generated. These ratios are vital to the analysis of a rational investor because net profit or retained earnings are either distributed to the investors or are accumulated to be re-invested into the business. We will be explaining Ittehad Chemicals profitability performance relative to time as well as the market average

First profitability ratio that we consider is the gross profit margin. Gross profit margin shows the gross profit a firm generates per unit dollar. Gross profit is calculated by subtracting cost of production from sales. Hence, this measure shows how effective a firms production capabilities are in generating profits. Over time, ICL's margin has fluctuated considerably over time, in 2008 due to operational inefficiencies during production which led to considerable merchandise returns. Comparing this ratio with the industry average, ICL has enjoyed relatively higher gross profit margin all through year 2007-2012. This shows that ICL uses its production capacities better than its competitors to generate revenues.

Net profit margin shows how much profit a firm is generating per unit of sales. Seeing ICL's profit margin ratio over time we can see that ICL high profit margins till year 2009 but high energy costs and dramatic cuts in its own energy facility has led to major decrease in these margins over time. Comparing these values with the industry average, ICL had below average margins from year 2007-2008 because EPCL was successful in capturing major in Sindh and Sitara had a stronger threshold in Punjab. This was caused by a rise fixed and energy costs. However, in 2009, as EPCL faced financial difficulties due to increased borrowing, ICL enjoyed increased margins and these continued to 2011 because EPCL was still struggling with its interest payments.

Return on Assets measures return a company generates on its assets after interest and taxes. Over time, ICL's ROA has shown a fluctuating trend. ROA feel tremendously in year 2008, compared to 2007. This is again because of increased energy costs which made the net as well as operating profits fall. However in 2009, increased sales revenue caused a steep increase in ROA. In 2010-2011 increase in cost of production and operations eroded profit margins and ROA subsequently. Comparing it with market averages, we see that ICL'S ROA has been below average in 2007-2008, but remained above EPCL's in the latter years.

Basic earning power calculates raw buying power of a company before effect of taxes and interests. BEP performance over time is fluctuating much like return on assets. With a sharp decline in 2008, caused by increasing production and operating costs ICL's BEP confirms our assertion. With a recovery in 2009, again 2010 and 2011 show gradual decrease because of hiking energy costs. Comparing BEP with competitors, we see that it was slightly under industry average in 2007 and 2008 however because of EPCL's losses, ICL's BEP recovered and it began operating above industry average yet still lower than Sitara's.

Return on Equity is perhaps the most important profitability ratio and reflects changes in all other ratio, it measures the return company gives to its stockholders and would catch a rational investor's eye. ICL's ROE over time reflects the fluctuations in ROA. Again, after a sharp decline in 2008, a recovery in 2009 and subsequent fall till 2011can be attributed to the reasons given above. Comparing it with competitors' ICL's ROE has been above market average except for 2008, where it was considerably low owing to low Net Income.

Market Ratios

(The price used in market ratios is the average of that year's highest and lowest prices)

Market ratios analyses a company's stock performance with its share price. These are helpful for the management where they can see what a potential investor would rate their company as. Following, we will discuss market ratios in detail.

P/E Ratio is how much an investor is willing to pay per rupee of earnings. P/E Ratio can be negative which would mean that the company is earning a loss for each rupee invested. Over time, ICL's P/E ratio shows a mixed trend, a sharp increase in year 2008 followed by a sharp decline and then slight growth in 2011. The loss of investor confidence in 2009 may be attributed to the global recession but recovery shows that investors are still hopeful for the firm. Comparing the ratio with market trend, ICL's P/E Ratio was below industry's in 2007 but in 2008 onwards its stock has been able to beat market especially because of EPCL's negative P/E ratio

Price/ Cash flow per share shows how much an investor is willing to pay for each rupee in cash paid by the company. ICL's P/CF ratio has been fluctuating over the 5 years period since they are more closely tied with their cash flows rather than income. With a sharp decline in 2008, there has been a fast recovery till 2010 until in 2011, they again fell. Comparing them with industry average, ICL's P/CF ratio has been below industry average for 4 years except 2009 where industry average was negative. This may raise a reason of concern for ICL if investor's willingness to pay decreases sharply and their willingness may impact the share price adversely.

Market price/ Book value is important for the company because companies that are well-regarded in market have market price higher than the book value. ICL's Market price/ Book value fell sharply in 2008 but recovered and grew steadily till 2009. The fall may be due to the recession, entry and increasing popularity of EPCL since it had the brand name of Engro attached to it but after EPCL faced financial difficulties, ICL's image improved significantly. Industry average has been low compared to ICL's ratios but an important thing to note here is that despite financial difficulties and negative EPS, EPCL performed well in Market Price/ Book value mainly because investors trust and regard Engro's name in the company.

Conclusions and Recommendations

After doing a holistic and complete company, economic and financial analysis, we have come to the conclusion that Ittehad Chemicals Limited has great potential for investment and improvement because of several factors

- Market is saturated and ICL is the oldest operating player in the market
- It has brand recognition
- Textile industry is recovering after recession and the demand of cloth which is a value added export is increasing. Caustic soda is used in bleaching and hence has a derived demand with cloth and fabric industry.
- Pakistan had a bumper crop in year 2012 which has put downward pressure on demand. This coupled with devaluation of rupee has made Pakistani textile exports cheaper compared to other exporters like India, China & Egypt.
- The company has sound financial background and Chemi Group, the group that own ICL has strong backing.

- The financial performance of the company has been impressive despite various setbacks like entry of a new big player like Engro Polymers and Chemicals, recession, decreased demand of textile and so.
- The technology company uses is state of art and they make good use of their assets including, plant and equipment, land and machinery in generating revenue

We would recommend for the company to:

- Increase the capacity of their power plant to ensure that it fulfills at least 70% of their energy needs since energy crisis still prevails, government is making frequent cuts in the gas supply and provides minimal subsidy if any to the industry. Energy costs account for a huge portion of the total operating costs and uninterrupted power supply would ensure constant production.
- The industry is facing huge over supply and the local demand is not increasing as fast as previously anticipated. Not only does this cause problems like reduction in economies of scales, price wars and monetary loss, capacity utilization of all 3 major players has been cut short to just 50% and below. Because of increase in global demand of textiles, the company can anticipate exporting caustic soda to large markets like India, China and Bangladesh using the excess capacity and the idle labor.
- ICL has performed poorly in profitability ratios is comparison to other ratios and needs to improve on the operational inefficiencies that cause its cost of production and selling to increase, sacrificing already minimal profit margins. These mostly include high energy costs but in 2009 cost of production also rose and considering that the plant is new and energy efficient, the company may need to check its processes and remove redundancies.
- ICL may also diversify into Poly-Vinyl-Chloride (PVC) industry which is also based on chlorine but is used in plastic making. Right now, EPCL is the only major PVC producer in Pakistan and enjoys lucrative market share of 90% (2011 statistics) and the low competition increases its monopolistic power. A considerable investment is required in plant construction however the venture holds potential for profitable operations.

Appendix A: Ittehad Chemical Industries Ratios

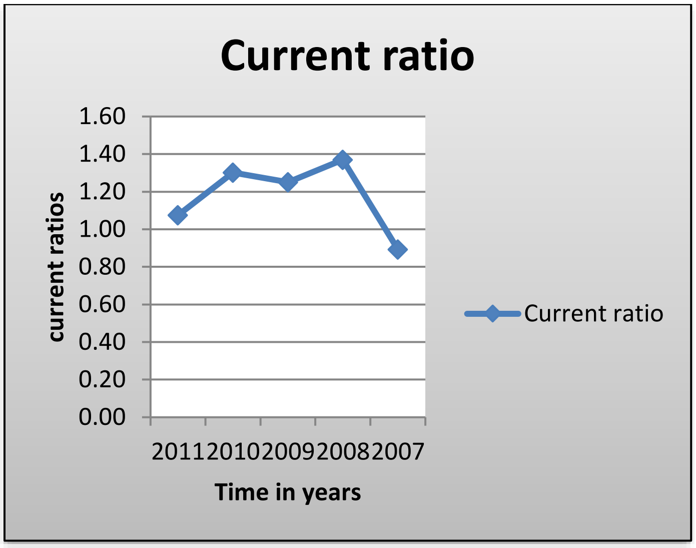
		Ratio Analysis				
Ratio Name	**Formula**	**2011**	**2010**	**2009**	**2008**	**2007**
Liquidity Ratios						
Current Ratio	Current Assets/ Current Liabilities	1.08	1.30	1.25	1.37	0.89
Quick Ratio	Current Assets- Inventories/ Current Liabili	0.91	1.13	1.14	1.13	0.80
Asset Management						
Inventory Turnover	Sales/ Inventories	15.81	19.07	33.75	16.90	24.77
Days Sales Outstanding	Receivables/ (Annual sales/365)	52.79	55.33	57.81	40.00	63.18
Fixed Asset Turover Ratio	Sales/ Net Fixed Assets	1.34	1.34	1.47	1.07	1.07
Total Asset Turnover	Sales/ Total Assets	0.79	0.82	0.94	0.74	0.72
Debt Management						
Total Debt to Total Assets	Total Debt/ Total Assets	51.27%	57.70%	56.92%	61.81%	60.16%
Times-interest-earned (TIE)	EBIT/ Interest Charges	1.54	1.63	1.15	1.42	2.11
EBITDA Coverage	Interest+Principal Payment+Lease Payments	0.93	1.07	1.35	1.68	1.05
Profitability						
Profiit margin on sales	Net Income/ Sales	3.78%	4.57%	4.74%	1.04%	5.42%
Return on Total Assets (ROA)	Net Income/Total Assets	3.00%	3.75%	4.45%	0.77%	3.89%
Basic Earning Power (BEP)	EBIT/ Total Assets	8.37%	8.86%	13.36%	8.54%	12.39%
Return on Common Equity (RO	Net Income/ Common Equity	11.21%	14.41%	19.00%	3.80%	17.96%
Market Value						
Price/ Earning(P/E)	Price/ share/ Earnings / share	8.90	8.39	8.09	19.21	8.92
Price/ Cashflow	Price/ share/ Cashflow/share	0.09	0.78	0.44	0.13	0.42
Market/ Bookvalue	Market price/ share/ Book value /share	9.97	12.09	12.94	6.29	16.00

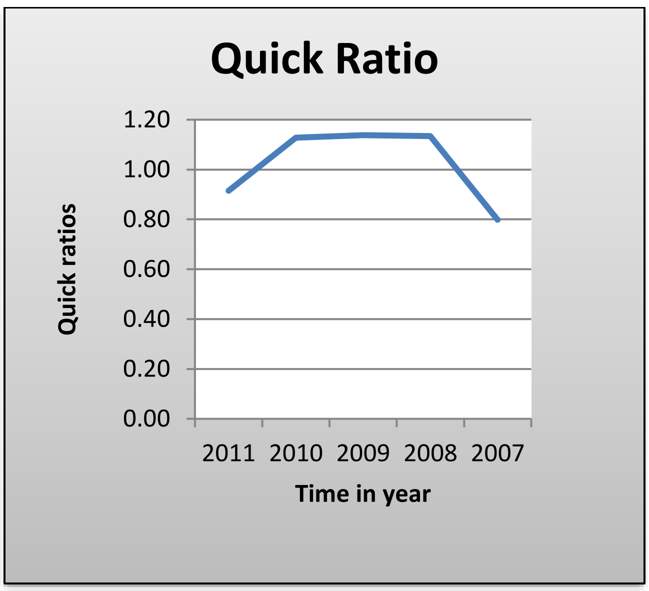
Appendix B: Industry Financial Analysis

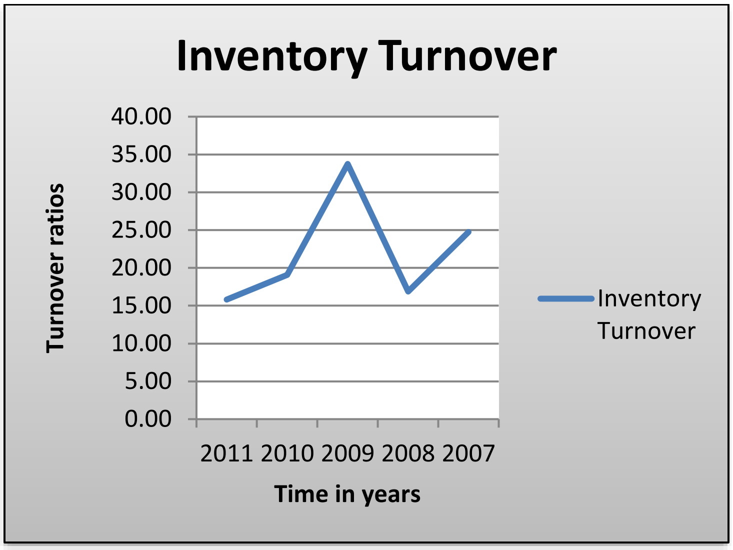
	2007				2008				2009			
Ratio Name	ICL	EPCL	Sitara	Averages	ICL	EPCL	Sitara	Averages	ICL	EPCL	Sitara	Averages
Liquidity Ratios												
Current Ratio	0.89	3.28	0.98	1.72	1.37	0.73	0.81	0.97	1.25	0.66	0.915	0.94
Quick Ratio	0.8	2.63	0.77	1.40	1.13	0.3	0.6	0.68	1.14	0.32	0.585	0.68
Asset Management												
Inventory Turnover	24.77	6.56	9.90	13.74	16.9	6.77	10.39	11.35	33.75	7.21	7.985	16.32
Days Sales Outstanding	3.18	10.65	46.18	20.00	40	3.19	37.04	26.74	57.81	10.61	38.7	35.71
Fixed Asset Turover Ratio	1.07	1.28	1.18	1.18	1.07	0.49	1.14	0.9	1.47	0.6	1.201	1.09
Total Asset Turnover	0.72	0.64	0.69	0.68	0.74	0.43	0.62	0.60	0.94	0.51	0.612	0.69
Debt Management												
Total Debt to Total Assets	60.16%	34.15%	71.20%	55.17%	61.81%	64.08%	59.72%	61.87%	56.92	71.81	60.7	63.14
Times-interest-earned (TIE)	2.11	14.91	3.5	6.84	1.42	14.69	3.5	6.54	1.15	0.58	2.64	1.46
EBITDA Coverage	1.05		2.87		1.68		2.03		1.35	0.58	1.09	1.01
Profitability												
Gross Profit Margin	24.5	16.3	24.79	21.86333	20.4	14.39	27.05	20.61	22.99	9.96	31.75	21.57
Profiit margin on sales	5.42%	6.99%	8.53%	6.98%	1.04%	4.51%	11.35%	5.63%	4.74	-2	10.2	4.31
Return on Total Assets (ROA)	3.89%	4.45%	5.84%	4.73%	0.77%	1.94%	7.07%	3.26%	4.45	1.03	6.2	3.89
Basic Earning Power (BEP)	12.39%	6.52%	20.19%	13.03%	8.54%	2.69%	14.66%	8.63%	13.36	1.54	0.1338	5.01
Return on Common Equity (ROE)	17.96%	6.77%	20.82%	15.18%	3.80%	5.39%	25.23%	11.47%	19	-3.64	18.78	11.38
Market Value												
Price/ Earning(P/E)	8.92	13.41	8.69	10.34	19.21	21.44	8.27	16.31	8.09	-40.41	5.05	-9.09
Price/ Cashflow	0.42	28.16	11.69	13.42	0.13	-10.18	37.47	9.14	0.44	-45.87	41.37	-1.35
Market/ Bookvalue	16	0.91	1.61	6.17	6.29	1.16	3.15	3.53	12.94	1.47	10.74	8.38

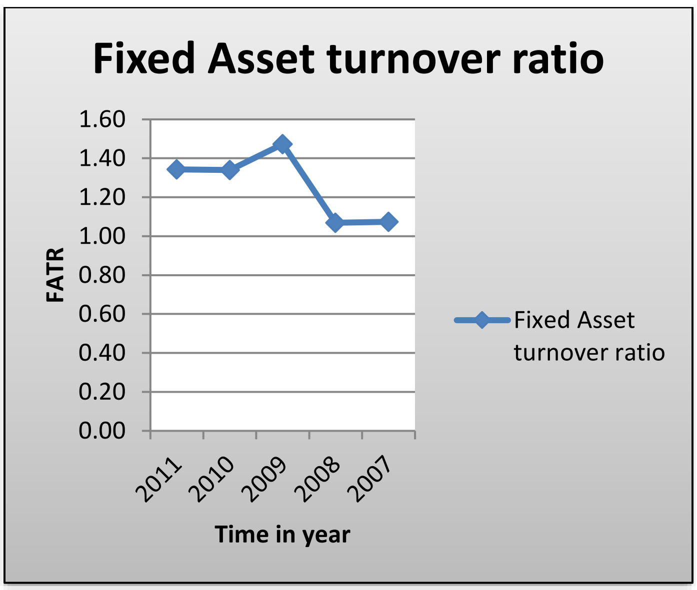
2010					2011			
ICL	EPCL	Sitara	Averages		ICL	EPCL	SITARA	Averages
1.3	0.73	0.836	0.96		1.08	0.52	0.87	0.82
1.13	0.397	0.6	0.71		0.91	0.26	0.64	0.60
19.07	7.11	11.41	12.53		15.81	6.84	7.02	9.89
55.33	14.56	27.2	32.36		52.79	4.56	28	28.45
1.34	0.76	1.011	1.04		1.34	0.91	1.004	1.08
0.82	0.61	0.556	0.66		0.79	0.69	0.552	0.68
57.7	71.38	58.24	62.44		51.27%	74.97	58.20%	61.48
1.63	0.087	2.031	1.25		1.54	0.27	1.72	1.18
1.07	0.45	1.194	0.90		0.93	0.42	1.034	0.79
19.84%	8.15%	26.83	9.04		20.05	12.29	24.99	19.11
4.57%	-5.56%	8.07	2.69		3.78%	-4.32%	6.88%	2.11
3.75	-3.37	4.49	1.62		3.00%	-2.97%	3.79%	1.27
8.86%	51.00%	11.83	4.14		8.37%	1.72%	10.78%	6.62
14.41%	-11.78%	13.87	4.63		11.21%	-11.88%	11.30%	3.54
8.39	-10.54	6.25	1.37		8.90	-9.55	4.998	1.45
0.78	-8.5	19.26	3.85		0.09	-11.31	15.19	1.32
12.09	1.24	0.826	4.72		9.97	1.13	0.565	0.57

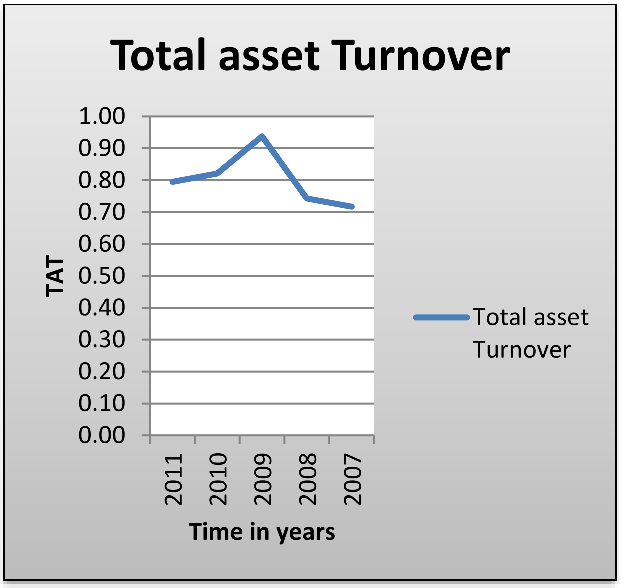
Appendix C: ICL's overtime Ratio Chart

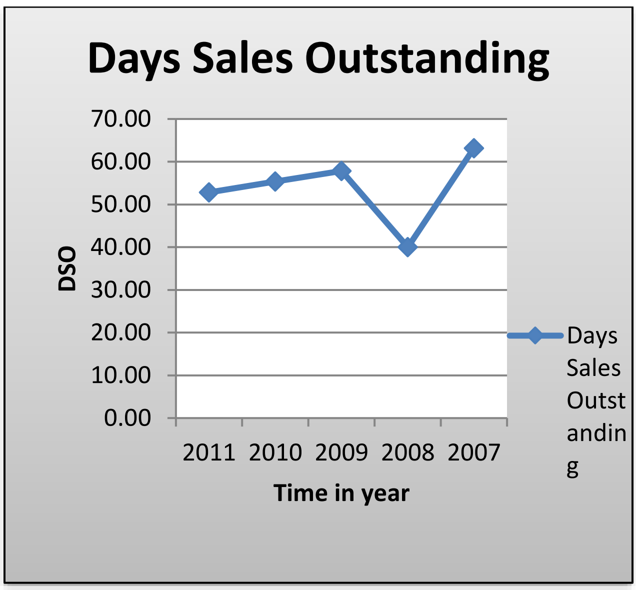


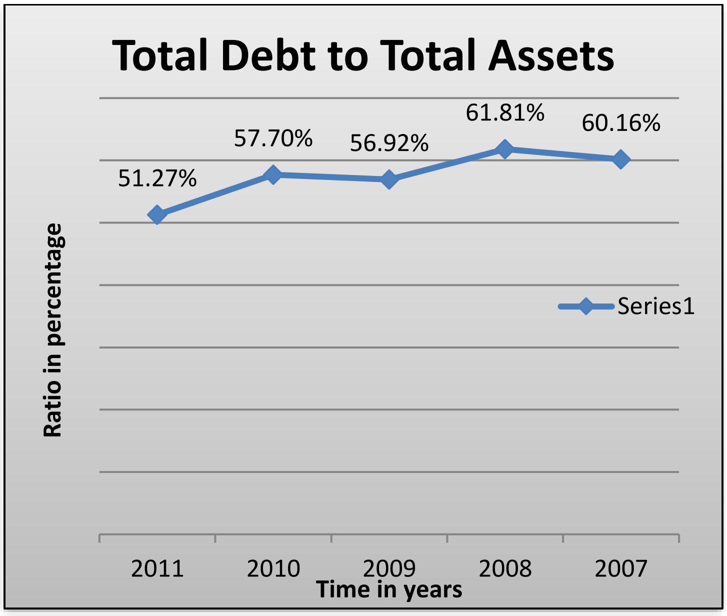


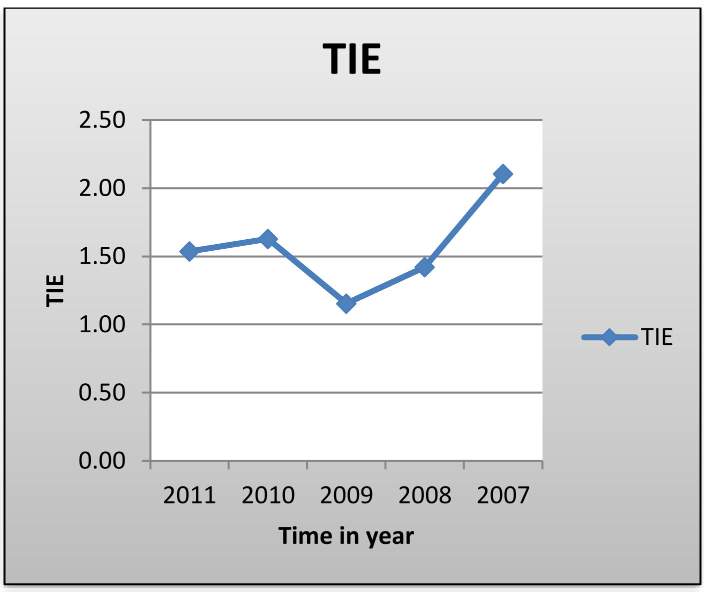

Inventory Turnover
Turnover ratios
40.00
35.00
30.00
25.00
20.00
15.00
10.00
5.00
0.00
2011 2010 2009 2008 2007
Time in years
Inventory Turnover

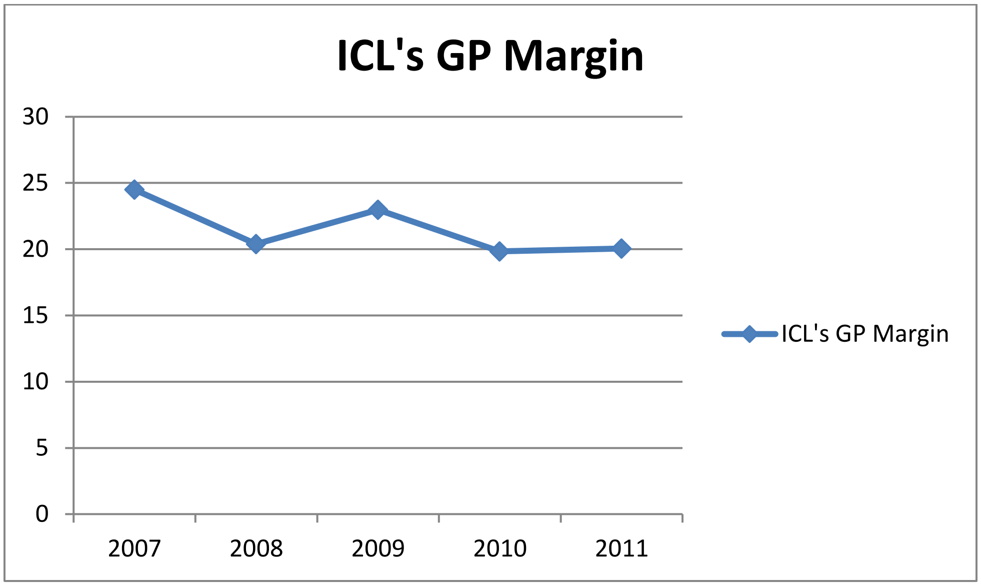

Fixed Asset turnover ratio
FATR
1.60
1.40
1.20
1.00
0.80
0.60
0.40
0.20
0.00
2011
2010
2009
2008
2007
Time in year
Fixed Asset turnover ratio

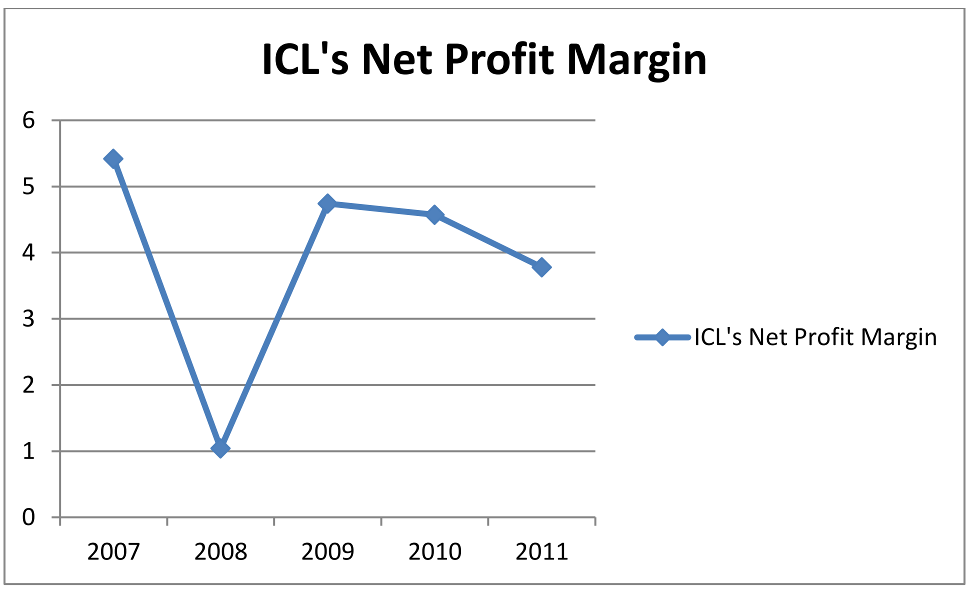

Total asset Turnover
1.00
0.90
0.80
0.70
0.60
0.50
0.40
0.30
0.20
0.10
0.00
TAT
2011
2010
2009
2008
2007
Time in years
Total asset Turnover

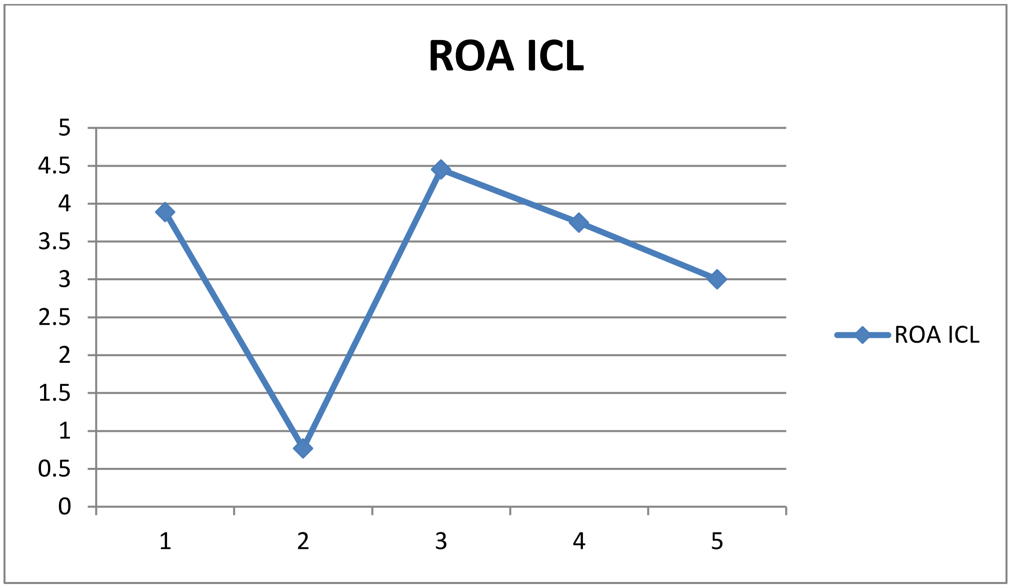

Days Sales Outstanding
70.00
60.00
50.00
40.00
30.00
20.00
10.00
0.00
DSO
2011
2010
2009
2008
2007
Time in year
Days Sales Outstanding

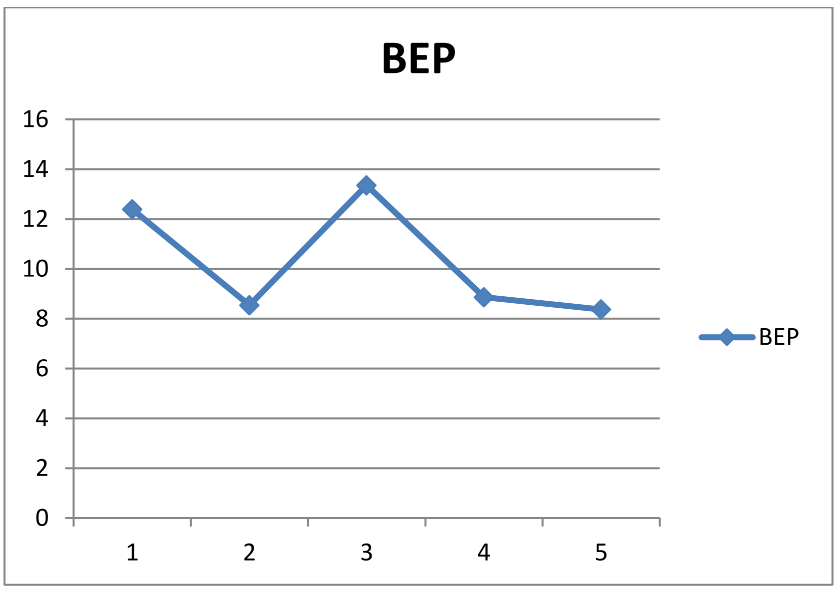

Total Debt to Total Assets
51.27%
57.70%
56.92%
61.81%
60.16%
Ratio in percentage
Series1
2011
2010
2009
2008
2007
Time in years

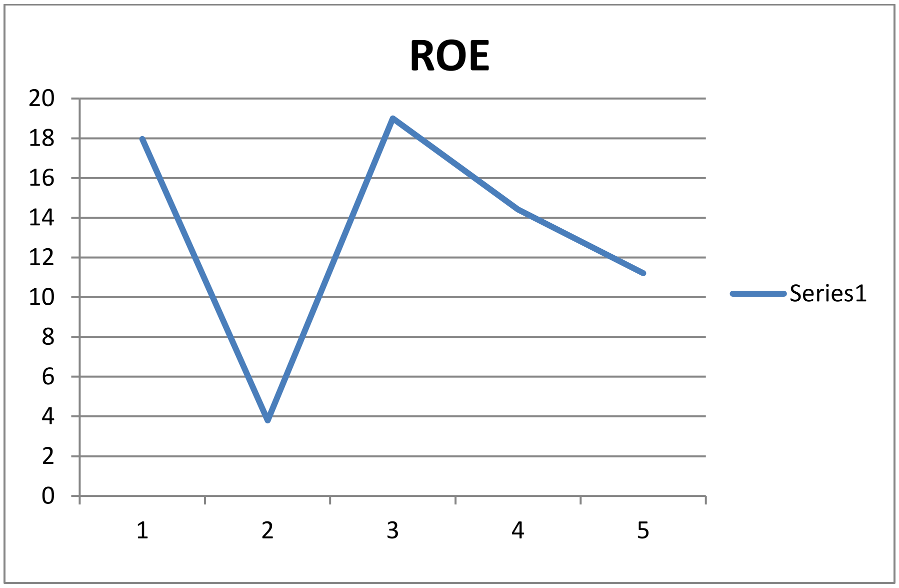

TIE
2.50
2.00
1.50
1.00
0.50
0.00
TIE
2011
2010
2009
2008
2007
Time in year
TIE


ICL's GP Margin
30
25
20
15
10
5
0
2007
2008
2009
2010
2011
ICL's GP Margin


ICL's Net Profit Margin
6
5
4
3
2
1
0
2007
2008
2009
2010
2011
ICL's Net Profit Margin


ROA ICL
5
4.5
4
3.5
3
2.5
2
1.5
1
0.5
0
1
2
3
4
5
ROA ICL


BEP
16
14
12
10
8
6
4
2
0
1
2
3
4
5
BEP



References