



We unveil the ICIS Top 100 Chemical Companies listing, sponsored by DKSH, which showcases the best performers within the global chemical industry. Most companies recovered strongly last year, with many achieving double-digit sales and profit growth. Overall, Top 100 2010 sales returned to the stellar days of 2008 – before the shock downturn hit that year. Germany's BASF once again leads the pack, far ahead of its nearest rival, US group Dow Chemical.

TOP 100 ROARS BACK

30 The world's largest chemical companies grew strongly in 2010, achieving stellar sales, margin and profit rises as they capitalised on the global economic growth.

FULL RECOVERY IN 2010

36 Our analysis shows that the Top 100 recorded year-on-year sales growth of 23.9%, producing \$1.23 trillion in sales.

AGCHEMS OUTPERFORM

39 Fertilizer companies were the real winners in 2010 as surging profit margins were fueled by strong emerging market demand.



Chemical companies roared back in 2010

From strength to strength

Fueled by strong recovery in mature markets, continued growth in developing countries and pricing power, the global chemical sector pulled out of the downturn strongly in 2010

NIGEL DAVIS LONDON

The world's leading chemical companies moved from strength to strength in 2010, achieving considerable sales, margin and profit growth as they built on an improving global economy.

The ICIS Top 100 listing of the world's major players in chemicals highlights the significant gains made by most.

The ICIS analysis covers the leading producers of chemicals, including public companies and the chemical units of the integrated oil majors.

This is an impressive group of producers that together generated a total of \$1.23 trillion (€932bn at December 31, 2010 exchange rates) of sales in 2010, up by more than 20% compared with the previous year.

The sales gains – driven by strong emerging market growth and the expanding developed world economies – helped to drive profits higher. Together, the companies were able to more than double net profits.

BASF COMES OUT ON TOP

The annual league table shows that Germany's BASF remains the world's largest chemical producer by sales, with 2010 sales of \$84.65bn.

US-based Dow Chemical closely beat the chemical business of ExxonMobil, also of the US, to claim the second place slot with \$53.6bn. The top five chemical companies produced sales of \$282bn in 2010, and the top 10 sales of \$466bn. The Top 10 – of those that declared the data – earned some 42% of the net profit total of the Top 100.

An exceptional year by any standard, 2010 delivered more than most chemical companies dared to hope for at the start. Still in recovery mode, the sector produced returns well above expectations.

Nervousness around mid-year was soon swept away as companies continued to deliver strong results on the back of growing demand and higher prices.

The ICIS Top 100 Chemical Companies listing illustrates the renewed strength and vigor common across the sector.

The major chemical companies are involved in a diverse range of businesses, producing commodity, specialty and fine chemicals as well as related services. Their products are the raw materials of industrial growth and underpin consumer demand.

Benefiting from the fiscal stimulus packages introduced by governments worldwide to kick-start the global economy, chemical makers were among the first to demonstrate clear signs of recovery from the 2008–2009 slump.

Running into 2010, they were able to capitalize on booming emerging markets demand, particularly in China.

SPONSOR MARIO PREISSLER GLOBAL HEAD OF BUSINESS UNIT PERFORMANCE MATERIALS, DKSH

A MESSAGE FROM OUR SPONSOR

THE ICIS Top 100 Chemical Companies highlights businesses that have successfully dealt with the challenges of the global market. Our sponsor, DKSH, gives a view on how it can help chemical companies to grow their business in new markets.

DKSH Business Unit Performance Materials, a leading specialty chemicals distributor, is honored to be the sponsor for the ICIS Top 100 Chemical Companies.

As an industry, chemical distribution will see continued growth, especially since outsourcing of key activities by chemical producers will continue to increase, a trend that opens new opportunities. Another visible trend is that producers want to strengthen their global reach, further expanding their business to fast-growing markets, especially Asia.

We have been at home in Asia for nearly 150 years, reliably safeguarding the interest of our busi-

ness partners. Because of our long history in the region, we are deeply rooted in many communities throughout Asia and have established a unique network of business and personal relationships.

Thanks to our one-stop shop approach, multinational clients such as chemical companies we represent in the market receive a complete service package for the whole of Asia that extends across all the industries we serve.

The single-source concept allows our business partners to save significant amounts of time and transaction costs. Clients appreciate our unparalleled geographical spread covering the whole of Asia (and Western Europe), as well as our application- and service-driven business model which enables us to work and think like a specialty chemicals company.

Our specialists act in the market on behalf of key clients as if they were their employees. They are sup-



Outsourcing of key activities by chemical producers will continue to increase

ported by a Key Client Management Team providing one point of contact while still leveraging our entire network and resources to work for our clients' best business interest. Our unique client reports and market

research coupled with our strong financial background makes us a reliable long-term partner.

As part of the DKSH Group, Business Unit Performance Materials offers a broad range of tailor-made services and countless opportunities for producers to expand their markets. As a trusted specialty chemicals distributor and provider of Market Expansion Services, Performance Materials sources, develops, markets and distributes a wide range of specialty chemicals and food ingredients to business partners in the specialty chemicals, food and beverage, pharmaceutical, and personal care industries.

With 69 offices in 24 countries and over 1,000 specialized staff, Business Unit Performance Materials generated a transaction value of around Swiss Francs 749m (\$947m, €661m) in 2010. ■
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Developed world growth was less robust but proved vitally important.

The ICIS Top 100 Chemical Companies produced a 22.1% increase over 2009 in sales in local currencies in 2010 (a 24% increase when converted at year-end exchange rates into US dollars). Operating profits were 2.3 times higher in local currencies and operating margins up 1.8 times. Net profits were 1.7 times ahead.

This level of performance was recognized by investors. The Dow Jones Global Chemicals Index improved by 24.3% over the course of the year, while the S&P 500 index managed a gain of only 9.8%. The ICIS listing illustrates the sharp rise in sales values seen by most chemical companies. Suppliers of commodities fared better than specialty makers as they benefited from the return of industrial activity in the major global economies.

Volumes were pushed somewhat higher in Europe and North America, but grew particularly strongly in emerging markets. Emerging market demand had buoyed some companies, helping them to survive the extremely difficult late 2008 to early 2009 period.

By 2010, however, chemical market demand had moved past recovery mode into a period of strong growth. Linked closely to the price of oil-based feedstocks and the cost of energy, chemical prices rose sharply over the year. The ICIS Petrochemical Index (IPEX),

which is based on a basket of prices of the key olefins, aromatics and polymers, rose by 14.5% in 2010. Prices for key building block petrochemicals were pushed higher as developing world demand surged, particularly in Asia. Prices of other commodity chemicals also rose sharply as global markets tightened.

A RECORD YEAR

For some producers, 2010 was a record year. BASF hit new highs as it took advantage of a stronger than expected economic recovery. ExxonMobil's chemical unit's earnings hit a new record on much stronger margins and improved volumes.

An exceptional year by any standard, 2010 delivered more than most chemical companies dared to hope for at the start

Companies upstream in particular were able to lift sales and earnings on the back of higher prices as they passed on higher feedstock and energy costs. The price of oil and feedstock naphtha increased markedly over the course of the year. The Brent crude basket futures price climbed by 17.3%, while

naphtha rose in Europe to \$853/tonne from \$727/tonne and in Northeast Asia to \$886/tonne from \$742/tonne. Ethane prices in the US moved to 64 cents/gal as natural gas prices fell to \$4.287/MMBtu from \$5.637/MMBtu.

Petrochemical and commodities players registered the greatest increases in sales in 2010, with Canada's fertilizer producer PotashCorp, Malaysia's oil company PETRONAS, Brazilian petrochemical firm Braskem, South Korean producer Honam Petrochemical, Canada's plastics and chemicals producer NOVA Chemicals, US-based fertilizer manufacturer CF Industries and China's petroleum and petrochemical specialist Sinopec registering gains of more than 50%.

Sinopec's growth in chemicals was clearly driven by strong stimulus-led demand in China. That demand underpinned growth for many firms in the sector, particularly those supplying plastics and chemical intermediates to China markets. China's polyolefins imports, for instance, rose by 53% between 2008 and 2010, or by 6.3m tonnes.

Many chemical companies benefited from strong emerging market growth. For the largest companies, sales increases of 25%-plus (for Saudi Arabian chemical giant SABIC, Anglo-Dutch major Shell, ExxonMobil's chemical unit, Switzerland-headquartered INEOS, BASF and Japan's Mitsubishi Chemical, translated into significant profit gains. ▶

THE ICIS TOP 100

| Rank 2010 | Company | Sales | | | Operating profit | | Net profit | | Total assets | | R&D | | Capital spending | | Employees | |
|--------------|--|--------|-----------------------|-------|------------------|-------|------------|--------|--------------|-------|-------|-------|------------------|-------|-----------|-------|
| | | \$m | % Change | | \$m | \$m | \$m | \$m | \$m | % | \$m | % | \$m | % | Numbers | % |
| | | | Reporting currency | in \$ | | | | | | | | | | | | |
| 1 | BASF ^a | 84,651 | 26.0 | 16.5 | 10,286 | 5,270 | 6,039 | 2,021 | 78,714 | 15.8 | 1,977 | 6.7 | 3,377 | 1.6 | 109,140 | 4.2 |
| 2 | Dow Chemical | 53,674 | 19.6 | 19.6 | 2,802 | 469 | 1,970 | 336 | 69,588 | 5.4 | 1,660 | 11.3 | 2,130 | 26.6 | 49,505 | -5.2 |
| 3 | ExxonMobil ^b | 53,636 | 30.9 | 30.9 | 3,392 | 2,408 | 4,913 | 2,309 | 26,235 | 8.6 | | | 2,215 | -29.6 | | |
| 4 | Sinopec ^b | 48,725 | 50.2 | 55.3 | 2,281 | 2,025 | | | 19,130 | -0.8 | | | 1,956 | -48.8 | 65,623 | -4.9 |
| 5 | LyondellBasell Industries ^c | 41,151 | 33.5 | 33.5 | 2,944 | 317 | 10,151 | -2,865 | 25,494 | -8.2 | 154 | 6.2 | 692 | -11.2 | 14,000 | -5.8 |
| 6 | SABIC | 40,525 | 47.4 | 47.4 | 10,105 | 5,014 | 5,741 | 2,420 | 84,688 | 7.0 | 174 | 23.2 | 4,293 | -32.9 | 33,000 | 0.0 |
| 7 | Shell ^b | 39,629 | 43.8 | 43.8 | | | 1,511 | 316 | | | | | 809 | -59.3 | | |
| 8 | Mitsubishi Chemical ^{d/x} | 38,241 | 25.9 | 40.9 | 2,735 | 716 | 1,009 | 138 | 39,778 | -1.8 | 1,580 | -4.4 | 1,423 | -1.0 | 53,882 | 0.0 |
| 9 | INEOS ^o | 34,561 | 37.2 | 26.8 | 1,528 | 838 | -32 | -937 | 17,925 | | | | | | 13,682 | |
| 10 | DuPont | 31,505 | 20.7 | 20.7 | 3,711 | 2,184 | 3,031 | 1,755 | 40,410 | 5.8 | 1,651 | 19.8 | 1,508 | 15.3 | 60,000 | 3.4 |
| 11 | Total ^b | 24,480 | 25.4 | 16.0 | 1,278 | 357 | 1,209 | 390 | | | | | | | 41,658 | -6.7 |
| 12 | Bayer ^e | 23,983 | 20.5 | 11.4 | 1,152 | 525 | | | 33,868 | 7.5 | 1,308 | 9.8 | 1,347 | -8.0 | 55,200 | -0.9 |
| 13 | Sumitomo Chemical ^d | 23,939 | 22.3 | 36.9 | 1,062 | 555 | 295 | 159 | 28,587 | -0.7 | 1,668 | 17.7 | 1,215 | -15.8 | 29,382 | 5.6 |
| 14 | AkzoNobel | 19,402 | 12.4 | 3.9 | 1,616 | 1,225 | 999 | 408 | 26,631 | 6.4 | 443 | 2.1 | 708 | 4.1 | 55,590 | 1.6 |
| 15 | Braskem ^f | 19,004 | 60.1 | 60.1 | 1,937 | 846 | 1,138 | 240 | 19,072 | 43.2 | | | 1,053 | 56.4 | 6,799 | 48.8 |
| 16 | Toray ^d | 18,593 | 13.2 | 26.7 | 1,209 | 433 | 699 | -153 | 18,929 | 0.7 | 563 | 0.9 | 669 | 2.3 | 38,740 | 2.1 |
| 17 | Air Liquide | 17,876 | 12.6 | 4.1 | 2,987 | 2,808 | 1,861 | 1,763 | 29,870 | 9.3 | 311 | 7.8 | 2,303 | 20.7 | 43,600 | 3.1 |
| 18 | Linde ^g | 17,054 | 14.8 | 6.1 | 3,877 | 3,418 | 1,332 | 847 | 35,635 | 10.3 | 125 | 5.6 | 1,580 | 8.0 | 48,430 | 1.5 |
| 19 | Evonik Industries ^{b/h} | 17,053 | 29.0 | 19.2 | | | | | | | | | 798 | 19.9 | 31,061 | 2.5 |
| 20 | Mitsui Chemicals ^d | 16,806 | 15.2 | 29.0 | 490 | -102 | 300 | -302 | 15,646 | 4.6 | 460 | -6.2 | 544 | -8.2 | 12,892 | -0.6 |
| 21 | Johnson Matthey ^d | 15,153 | 27.4 | 35.2 | 556 | 389 | 277 | 235 | 4,935 | 12.5 | 167 | 19.7 | 182 | 4.3 | 9,742 | 8.9 |
| 22 | LG Chem | 15,053 | 23.0 | 27.9 | 2,230 | 1,594 | 1,761 | 1,190 | 5,184 | -38.5 | | | 1,181 | 40.2 | 13,000 | 30.0 |
| 23 | SK Energy ⁱ | 14,279 | 26.8 | 31.8 | 346 | 536 | | | | | | | | | | |
| 24 | Reliance Industries ^{d/i} | 14,058 | 12.9 | 27.6 | 2,121 | 1,699 | | | 10,160 | -0.2 | | | 122 | 6.9 | | |
| 25 | Asahi Kasei ^{d/j} | 12,955 | 15.3 | 29.0 | 959 | 305 | | | | | | | 632 | -24.0 | | |
| 26 | Shin-Etsu ^d | 12,779 | 15.4 | 29.2 | 1,802 | 1,265 | 1,209 | 905 | 21,545 | 0.8 | 451 | 11.2 | 1,589 | 12.0 | 19,770 | 16.6 |
| 27 | Merck KGaA | 12,313 | 19.9 | 10.9 | 1,476 | 930 | 838 | 525 | 29,671 | 34.0 | 1,851 | 3.9 | 525 | -15.2 | 40,562 | 22.7 |
| 28 | DSM | 11,994 | 15.1 | 6.4 | 1,063 | 767 | 672 | 483 | 13,889 | 9.0 | 429 | 6.2 | 551 | -9.0 | 21,911 | -3.6 |
| 29 | Syngenta | 11,641 | 5.9 | 5.9 | 1,793 | 1,819 | 1,397 | 1,408 | 17,285 | 7.2 | 1,032 | 8.4 | 396 | -39.3 | 26,000 | 4.0 |
| 30 | PPG Industries ^k | 11,297 | 8.8 | 8.8 | 1,341 | 990 | | | | | | | | | | |
| 31 | Yara International | 11,227 | 6.4 | 7.9 | 1,282 | 215 | 1,499 | 641 | 11,243 | 6.2 | 18 | 15.9 | 531 | -27.5 | 7,348 | -3.7 |
| 32 | Chevron Phillips Chemical | 11,204 | 33.3 | 33.3 | 1,501 | 707 | 1,388 | 615 | 8,016 | 8.1 | 41 | 7.9 | 186 | 13.4 | 4,600 | -4.2 |
| 33 | Sekisui Chemical ^d | 11,055 | 6.6 | 19.3 | 596 | 388 | 285 | 125 | 9,542 | 0.4 | 298 | 2.8 | 256 | -42.7 | 19,770 | 0.0 |
| 34 | Honam Petrochemical | 10,727 | 59.3 | 59.3 | 1,093 | 775 | 774 | 698 | 7,562 | 33.9 | 19 | 35.7 | 1,654 | 908.5 | 1,557 | 1.1 |
| 35 | Agrium | 10,520 | 15.2 | 15.2 | 1,103 | 580 | 714 | 366 | 12,717 | 30.0 | | | 441 | 40.9 | 14,150 | 26.9 |
| 36 | Praxair | 10,116 | 13.0 | 13.0 | 2,082 | 1,575 | 1,195 | 1,254 | 15,274 | 6.7 | 79 | 6.8 | 1,388 | 2.7 | 26,261 | 0.4 |
| 37 | Mosaic ^f | 9,938 | 47.0 | 47.0 | 2,664 | 1,271 | 2,515 | 827 | 15,787 | 24.2 | | | 1,263 | 38.7 | | |
| 38 | Teijin ^d | 9,850 | 6.5 | 19.2 | 586 | 145 | 304 | -385 | 9,196 | -7.5 | 380 | -5.7 | 307 | -25.4 | 17,542 | -6.6 |
| 39 | NPC (Iran) ^{d/w} | 9,810 | 36.4 | 36.4 | 736 | 382 | 553 | 166 | 22,554 | -8.2 | 3 | -72.1 | 907 | -47.3 | 18,187 | 33.2 |
| 40 | Formosa Chemicals & Fibre (Taiwan) ^m | 9,719 | 41.7 | 41.7 | | | 1,729 | 919 | 12,969 | 22.0 | | | | | 4,906 | -0.5 |
| 41 | Henkel (Adhesive segment) ⁿ | 9,683 | 17.4 | 8.5 | | | | | | | 306 | 2.2 | 159 | -37.8 | 23,927 | -0.9 |
| 42 | LANXESS | 9,436 | 40.8 | 30.2 | 804 | 214 | 502 | 57 | 7,509 | 11.8 | 154 | 14.9 | 664 | 82.2 | 14,648 | 2.2 |
| 43 | Solvay ^o | 9,422 | -16.2 | -22.5 | 404 | 1,238 | 2,355 | 740 | 18,573 | 11.7 | 180 | -2.2 | 713 | -5.1 | 16,785 | -11.6 |
| 44 | DIC ^d | 9,407 | 2.8 | 15.0 | 449 | 300 | 190 | 27 | 8,498 | -6.1 | | | 241 | -10.5 | | |
| 45 | Huntsman | 9,049 | 19.6 | 19.6 | 410 | 13 | 27 | 114 | 8,714 | 1.0 | 151 | 4.1 | 236 | 24.9 | 13,000 | 18.2 |
| 46 | Air Products | 9,026 | 9.3 | 9.3 | 1,389 | 846 | 1,029 | 631 | 13,506 | 3.7 | 115 | -0.9 | 1,134 | -8.3 | 18,300 | -3.2 |
| 47 | BP ^q | 8,900 | 30.9 | 30.9 | | | | | | | | | | | | |
| 48 | Sasol ^l | 8,572 | -13.2 | -11.9 | 721 | -290 | | | | | | | 439 | -1.4 | 11,936 | -4.8 |
| 49 | Borealis | 8,308 | 33.0 | 23.0 | 463 | 34 | 439 | 53 | 7,461 | 16.9 | 111 | 6.3 | 129 | -68.5 | 5,075 | -2.7 |
| 50 | Tosoh ^d | 8,265 | 8.9 | 21.8 | 405 | 141 | 121 | 74 | 8,766 | -1.9 | | | 335 | -4.6 | 11,089 | 0.0 |

| Rank 2010 | Company | Sales | | Operating profit | | Net profit | | Total assets | | R&D | | Capital spending | | Employees | | |
|--------------|--|-------|-----------------------|------------------|-------------|-------------|-------------|--------------|--------|-------------|-----|------------------|-------|-------------|---------|-------------|
| | | \$m | % Change | | \$m 2010 | \$m 2009 | \$m 2010 | \$m 2009 | \$m | % Change | \$m | % Change | \$m | % Change | Numbers | % Change |
| | | | Reporting currency | in \$ | | | | | | | | | | | | |
| 51 | Polimeri Europa (ENI) ⁱ | 8,139 | 46.1 | 35.1 | -114 | -967 | -113 | -487 | 4,077 | 19.1 | | | 333 | 73.1 | 5,972 | -1.6 |
| 52 | Arkema | 7,826 | 32.9 | 22.9 | 644 | -99 | 460 | -247 | 6,385 | 22.1 | 184 | 2.2 | 417 | 4.7 | 13,903 | 0.7 |
| 53 | Sherwin-Williams | 7,776 | 9.6 | 9.6 | 749 | 695 | 463 | 436 | 5,169 | 19.6 | 40 | -1.2 | 125 | 37.1 | 32,000 | 9.5 |
| 54 | Momentive Performance Materials Holdings ^p | 7,406 | 26.9 | 26.9 | 533 | 15 | | | 8,777 | 164.7 | 131 | 9.2 | 140 | 81.8 | 11,000 | |
| 55 | Rhodia | 6,926 | 29.6 | 19.9 | 798 | 229 | 343 | -189 | 6,800 | 20.3 | 109 | 12.3 | 310 | 40.1 | 14,000 | 2.9 |
| 56 | Formosa Plastics ^m | 6,675 | 36.2 | 36.2 | | | 1,758 | 922 | 11,722 | 20.7 | | | | | 5,033 | 0.9 |
| 57 | Clariant | 6,650 | 7.7 | 4.3 | 342 | -19 | 168 | -198 | 5,530 | -2.8 | 126 | -10.0 | 209 | 65.9 | 16,200 | -7.6 |
| 58 | K+S | 6,618 | 39.7 | 29.2 | 969 | 347 | 595 | 138 | 7,387 | 6.8 | 21 | -17.1 | 266 | 13.2 | 15,241 | 0.2 |
| 59 | PotashCorp | 6,539 | 64.4 | 64.4 | 2,548 | 1,181 | 1,806 | 981 | 15,619 | 20.9 | | | 1,978 | 12.1 | 5,400 | 5.1 |
| 60 | Wacker Chemie | 6,293 | 27.7 | 18.0 | 1,064 | 221 | 650 | -101 | 7,291 | 21.1 | 219 | 0.7 | 818 | -19.9 | 16,314 | 4.5 |
| 61 | Dow Corning | 5,997 | 17.8 | 17.8 | | | 866 | 598 | 12,648 | 16.9 | | | | | 9,000 | 0.0 |
| 62 | Celanese | 5,918 | 16.5 | 16.5 | 503 | 290 | 377 | 498 | 8,281 | -1.6 | 70 | 0.0 | 201 | 14.2 | 7,250 | -2.0 |
| 63 | Eastman Chemical | 5,842 | 32.9 | 32.9 | 862 | 345 | 438 | 136 | 5,986 | 8.5 | 152 | 22.6 | 243 | -21.6 | 10,000 | 0.0 |
| 64 | Taiyo Nippon Sanso ^d | 5,840 | 11.6 | 24.9 | 428 | 297 | 154 | 170 | 7,459 | 0.1 | | | | | | |
| 65 | ICL | 5,692 | 25.0 | 25.0 | 1,346 | 938 | 1,025 | 770 | 6,388 | 8.1 | 64 | 19.1 | 334 | -3.6 | 11,035 | 3.9 |
| 66 | Orica ^s | 5,602 | -10.2 | -1.8 | 900 | 736 | 1,271 | 478 | 6,737 | -5.0 | 37 | 14.2 | 508 | 47.5 | 14,000 | -7.5 |
| 67 | Ashland ^{s/t} | 5,593 | 10.0 | 10.0 | 511 | 338 | | | 6,549 | 0.5 | | | 175 | 21.5 | | |
| 68 | Kaneka ^d | 5,480 | 10.0 | 23.1 | 256 | 189 | 140 | 91 | 5,496 | 5.1 | | | 319 | 10.4 | | |
| 69 | Mitsubishi Gas Chemical ^d | 5,447 | 17.3 | 31.3 | 281 | 44 | 438 | 80 | 6,968 | 7.0 | 198 | 1.2 | 427 | 28.4 | 4,979 | 1.2 |
| 70 | Lubrizol | 5,418 | 18.1 | 18.1 | 1,110 | 859 | 732 | 501 | 4,967 | 4.1 | 226 | 6.5 | 176 | 25.7 | 6,896 | 2.5 |
| 71 | Styron ^z | 4,967 | 44.0 | 44.0 | 181 | 153 | 57 | 64 | 2,676 | 58.2 | | | 9 | -63.2 | | |
| 72 | ALPEK (Grupo Alfa) | 4,957 | 13.7 | 20.4 | 387 | 322 | 203 | 142 | 3,217 | -2.4 | | | | | 4,076 | 1.9 |
| 73 | Cemthai Chemicals | 4,811 | 42.7 | 58.7 | 271 | 417 | 754 | 376 | 5,503 | -0.5 | | | | | | |
| 74 | Honeywell ^u | 4,726 | 14.0 | 14.0 | 749 | 605 | | | 4,938 | 6.0 | | | 188 | 22.9 | | |
| 75 | PKN Orlen ^{b/i} | 4,608 | 4.2 | 1.6 | 165 | -68 | | | 4,492 | 8.5 | | | 592 | -25.8 | | |
| 76 | NOVA Chemicals | 4,576 | 54.8 | 54.8 | 590 | -112 | 259 | -241 | 5,670 | 1.3 | 35 | 2.9 | 126 | 40.0 | 2,445 | -2.2 |
| 77 | Showa Denko ^{b/i} | 4,392 | 9.7 | 22.8 | 102 | 91 | | | 4,363 | 1.4 | 43 | 3.4 | 336 | 148.2 | | |
| 78 | Kuraray ^d | 4,386 | 9.1 | 22.1 | 641 | 329 | 347 | 176 | 4,188 | 2.7 | 18 | -3.2 | 226 | -13.6 | 6,544 | -1.3 |
| 79 | Denki Kagaku Kogyo (Denka) ^b | 4,322 | 10.5 | 23.7 | 297 | 234 | 173 | 113 | 4,859 | 0.5 | | | | | | |
| 80 | Daicel Chemical Industries ^d | 4,271 | 10.4 | 23.6 | 395 | 225 | 203 | 119 | 4,964 | -4.0 | 145 | 5.8 | 138 | -36.1 | 1,948 | -1.2 |
| 81 | Airgas ^d | 4,252 | 9.7 | 9.7 | 468 | 400 | 250 | 196 | 4,936 | 9.8 | | | 256 | 1.3 | 14,000 | 0.0 |
| 82 | Nalco | 4,251 | 13.4 | 13.4 | 578 | 404 | 196 | 61 | 5,224 | 5.2 | 80 | 8.1 | 156 | 53.2 | 12,400 | 7.0 |
| 83 | JSR ^d | 4,114 | 9.8 | 22.9 | 472 | 218 | 333 | 147 | 4,717 | 4.6 | 208 | -6.0 | 161 | -29.9 | 5,259 | 0.9 |
| 84 | Occidental Chemical ^b | 4,016 | 24.5 | 24.5 | 438 | 389 | | | | | | | 237 | 15.6 | | |
| 85 | CF Industries ^v | 3,965 | 52.0 | 52.0 | 896 | 680 | 349 | 366 | 8,759 | 251.1 | | | 258 | 9.5 | 2,400 | 60.0 |
| 86 | Givaudan | 3,959 | 7.1 | 3.8 | 519 | 443 | 318 | 192 | 6,466 | -2.3 | 314 | 3.1 | 112 | 26.3 | 8,618 | 1.4 |
| 87 | PETRONAS ⁱ | 3,868 | 60.2 | 72.7 | | | | | | | | | | | | |
| 88 | Nippon Shokubai ^d | 3,482 | 18.0 | 32.1 | 360 | 150 | 255 | 117 | 3,977 | 5.9 | 126 | 4.6 | 185 | -36.3 | 3,576 | 4.3 |
| 89 | PTT Chemical | 3,440 | 18.5 | 31.8 | 479 | 356 | 343 | 204 | 5,601 | 4.8 | | | 224 | -61.3 | | |
| 90 | CEPSA ⁱ | 3,427 | 47.7 | 29.5 | 177 | 87 | | | | | | | 39 | -5.9 | | |
| 91 | RPM ^r | 3,382 | -0.9 | -0.9 | 345 | 320 | 189 | 180 | 3,515 | 17.0 | 41 | -1.0 | 40 | 71.6 | 9,000 | 0.0 |
| 92 | PEMEX ⁱ | 3,348 | -17.3 | -12.8 | -1,245 | -1,565 | -1,225 | -1,536 | 7,254 | 3.0 | | | | | | |
| 93 | Ube ^{b/d} | 3,299 | 21.3 | 35.7 | 347 | 85 | | | | | | | | | | |
| 94 | Indorama Ventures | 3,292 | 22.1 | 35.8 | 371 | 245 | 352 | 145 | 2,600 | 5.0 | 2 | 0.0 | 81 | -36.1 | 4,083 | 17.5 |
| 95 | Zeon ^d | 3,265 | 19.7 | 34.0 | 426 | 101 | 221 | 54 | 3,509 | 3.4 | | | 472 | 19.0 | | |
| 96 | Hanwha Chemical | 3,241 | 19.6 | 24.3 | 434 | 353 | 357 | 295 | 4,843 | 12.5 | | | | | | |
| 97 | Valspar | 3,227 | 12.1 | 12.1 | 376 | 281 | 222 | 150 | 3,868 | 10.2 | 100 | 9.7 | 68 | 16.9 | 10,180 | 15.8 |
| 98 | Tessenderlo Group | 3,217 | 15.9 | 7.2 | 78 | -74 | 27 | -239 | 2,248 | 7.6 | 18 | -3.6 | 155 | 4.2 | 8,262 | -0.7 |
| 99 | EuroChem | 3,210 | 32.9 | 32.0 | 854 | 354 | 656 | 367 | 4,906 | 16.1 | | | 670 | 9.8 | 19,614 | -2.1 |
| 100 | Rockwood Holdings | 3,192 | 15.3 | 15.3 | 358 | 198 | 239 | 21 | 4,724 | -1.3 | 49 | 12.3 | 180 | 19.0 | 9,600 | 1.1 |

BUBBLING UNDER

| Rank 2010 | Company | Sales | | | Operating profit | | Net profit | | Total assets | | R&D | | Capital spending | | Employees | |
|-----------|----------------------------------|-------|--------------------|-------|------------------|----------|------------|----------|--------------|----------|-----|----------|------------------|----------|-----------|----------|
| | | \$m | % Change | | \$m 2010 | \$m 2009 | \$m 2010 | \$m 2009 | \$m | % Change | \$m | % Change | \$m | % Change | Numbers | % Change |
| | | | Reporting currency | in \$ | | | | | | | | | | | | |
| 101 | Westlake Chemical | 3,172 | 36.4 | 36.4 | 378 | 107 | 221 | 53 | 2,954 | 20.8 | | | 81 | -18.5 | 1,873 | 2.5 |
| 102 | Asahi Glass | 3,141 | 11.3 | 24.6 | 184 | -83 | | | 3,030 | 0.0 | | | 181 | -15.0 | | |
| 103 | FMC | 3,116 | 10.2 | 10.2 | 387 | 335 | 173 | 229 | 3,320 | 5.9 | 101 | 8.3 | 142 | -11.7 | 4,900 | 2.1 |
| 104 | Mexichem | 2,955 | 19.0 | 25.5 | 506 | 301 | 285 | 231 | 4,062 | 13.6 | | | 177 | -10.4 | | |
| 105 | Cabot ^a | 2,893 | 29.0 | 29.0 | 248 | -55 | 154 | -77 | 2,886 | 7.8 | 70 | -1.4 | 108 | 1.9 | 3,900 | -1.3 |
| 106 | Lonza | 2,869 | -0.4 | 10.7 | 400 | 230 | 312 | 156 | 5,115 | -3.4 | 106 | -3.9 | 305 | -43.6 | 8,280 | -1.3 |
| 107 | Kemira | 2,864 | 9.7 | 1.4 | 207 | 157 | 857 | 123 | 3,371 | -9.7 | 55 | 12.4 | 100 | -6.8 | 4,935 | -41.9 |
| 108 | Georgia Gulf | 2,818 | 41.6 | 41.6 | 114 | -1 | 43 | 131 | 1,666 | 3.8 | | | 46 | 51.8 | 3,932 | 12.7 |
| 109 | Chemtura | 2,760 | 20.0 | 20.0 | 38 | -32 | -586 | -293 | 2,913 | -6.6 | 42 | 20.0 | 124 | 121.4 | 3,500 | -20.5 |
| 110 | Cytec Industries | 2,748 | 13.1 | 13.1 | 234 | 16 | 172 | -3 | 3,674 | 3.2 | 73 | -3.3 | 116 | -34.1 | 6,000 | 3.4 |
| 111 | W.R. Grace | 2,675 | -5.3 | -5.3 | 326 | 229 | 207 | 71 | 4,272 | 7.6 | 60 | -14.0 | 113 | 20.4 | 6,000 | 1.7 |
| 112 | Tasnee ⁱ | 2,630 | 103.2 | 103.2 | 284 | 108 | | | 5,021 | 8.9 | | | 220 | -13.2 | | |
| 113 | IFF | 2,623 | 12.8 | 12.8 | 408 | 338 | 264 | 196 | 2,873 | 8.6 | 219 | 18.4 | 106 | 59.1 | 5,514 | 2.5 |
| 114 | PolyOne | 2,622 | 27.2 | 27.2 | 174 | 80 | 163 | 50 | 1,672 | 18.1 | 34 | 11.9 | 40 | 24.6 | 4,000 | 2.6 |
| 115 | IRPC Public Company ^b | 2,579 | 22.4 | 36.1 | 128 | 152 | | | | | | | | | | |
| 116 | Tata Chemical ^d | 2,469 | 16.0 | 31.2 | 314 | 274 | 145 | 119 | 2,607 | 14.3 | 14 | -12.2 | 72 | 76.4 | 4,645 | -0.2 |
| 117 | Albemarle | 2,363 | 17.8 | 17.8 | 415 | 186 | 324 | 178 | 3,068 | 10.7 | 58 | -4.9 | 75 | -25.3 | 4,020 | 1.8 |
| 118 | Makhteshim-Agan Industries | 2,362 | 6.7 | 6.7 | 643 | 120 | -132 | 33 | 3,719 | -1.1 | 23 | 6.4 | 99 | 42.5 | | |
| 119 | Petrochemical Industries Co. | 2,207 | 35.5 | 41.8 | 700 | 289 | 640 | 285 | 3,914 | 8.7 | | | 28 | -67.4 | | |
| 120 | Ferro | 2,102 | 26.8 | 26.8 | 24 | -44 | 6 | -43 | 1,434 | -6.0 | 27 | -3.5 | 45 | 3.2 | 5,034 | -3.4 |
| 121 | Industries Qatar ^y | 2,087 | 33.3 | 33.4 | | | | | | | | | | | | |
| 122 | Symrise | 2,083 | 15.4 | 6.7 | 324 | 234 | 177 | 121 | 2,729 | 8.6 | 143 | 12.7 | 76 | 46.2 | 4,954 | -6.3 |
| 123 | Altana | 2,035 | 29.9 | 20.1 | 305 | 77 | 201 | 15 | 2,576 | 13.8 | 109 | 16.1 | 98 | 36.7 | 4,937 | 3.1 |
| 124 | Solutia | 1,950 | 20.5 | 20.5 | 331 | 242 | 78 | -113 | 3,537 | 8.3 | 18 | 28.6 | 66 | 50.0 | 3,300 | -2.9 |
| 125 | Fuchs Petrolub | 1,933 | 23.8 | 14.5 | 320 | 249 | 226 | 173 | 1,185 | 19.9 | 33 | 13.1 | 43 | 8.0 | 3,584 | 2.8 |
| 126 | TVK | 1,758 | 37.6 | 25.8 | 4 | -40 | -5 | -48 | 1,014 | -0.4 | | | 42 | 13.8 | 1,140 | -2.3 |
| 127 | Sud-Chemie | 1,623 | 14.2 | 5.6 | 185 | 138 | 93 | 49 | 1,730 | 13.8 | 80 | 8.4 | 104 | 30.4 | 6,392 | 2.8 |
| 128 | Croda | 1,564 | 21.1 | 18.7 | 310 | 166 | 204 | 38 | 1,532 | -0.2 | 33 | -0.5 | 64 | 2.5 | 3,200 | -7.5 |
| 129 | Adeka ^d | 1,534 | 16.2 | 30.0 | 146 | 72 | | | | | | | | | | |
| 130 | Arch Chemicals | 1,377 | 10.7 | 10.7 | 94 | 70 | 71 | 47 | 1,238 | 2.3 | 20 | 7.5 | 29 | 7.3 | 2,504 | -18.6 |

FOOTNOTES

^a Financial results include the effects of the acquisition of the Cognis group

^b Chemical segment figures only. Includes intersegment revenues, e.g. revenue for sales to other divisions of by-products. For ExxonMobil, intersegment revenue was \$18.1bn in 2010 and \$14.1bn in 2009. Also for ExxonMobil the operating profit figure was calculated by adding the earnings after income tax for the US and non-US with the income taxes for the US and non-US. Operating profit in 2010 was \$3.4bn and \$2.4bn in 2009. For Shell in 2010, intersegment chemical figures include trading and intersegment sales of \$4.3bn and \$3.0bn in 2009. For Sinopec = external sales

with inter segment sales. Ube figs = Chemicals & Plastics + Specialty Chemicals & Products. For Evonik in 2010, external sales = €12.9bn and €10.0bn in 2009 and internal sales in 2010 = €79m and €90m in 2009.

^c Finances are based on the sum of predecessor and successor components after emergence from bankruptcy, April 30, 2010

^d Financial year-end March 31, 2011

^e Net sales includes intersegment sales, data excludes HealthCare division (2010 sales €17.0bn; 2009 sales €16.2bn)

^f Quattor in the period from January to March and Unipar Comercial and Polibutenos in the period from January

to April are not part of Braskem's consolidated results, since they were acquired in April and May, respectively

^g Linde Gas & Engineering sales, operating profit and employee figures only

^h Excludes real estate and energy business areas

ⁱ Petrochemical figures only. For SK Energy, the sales revenue figure includes intersegment sales, for 2010 won (W) 3.536trn and for 2009, W2.946trn

^j Asahi Kasei excludes homes and health-care segments

^k Excludes optical and glass segments

^l Financial year-end June 30, 2010, Sasol turnover figures from the chemical cluster (polymers, solvents, olefins and surfactants)

^m Net profit is pre-tax

ⁿ Adhesive Technologies segment only

^o Solvay completed the sale of its pharmaceutical business to Abbott

Laboratories and financial reporting includes the New Business

Development business segment

^p The 2010 and 2009 pro-forma figures for Momentive Performance Materials Holding include both Momentive Specialty Chemicals and Momentive Performance Materials (collectively Momentive), formed in October 2010. Please refer to SEC filings

^q ICIS estimated revenue excluding equity-accounted joint ventures in China, Malaysia and Germany. 2010 and 2009 revenue inclusive of equity-

» Mitsubishi Chemical and most of the Japanese companies in the Top 100 listing operate in a fiscal year that ends on March 31. Data are shown for the most recent full-year period.

Companies moved from loss to profit in 2010 as margins improved. Only two firms, Italy's petrochemical business Polimeri Europa and Mexico's oil and petrochemical firm PEMEX, reported an operating loss (earnings before interest and tax – EBIT) for the year.

Momentive Performance Materials Holding and chemical company Huntsman, both of the US, made the most significant percentage gains in profits at this level. BASF, SABIC, Germany's gases and engineering group Linde, US-based chemical company DuPont and ExxonMobil's chemical business generated the most EBIT in 2010.

US-based specialty business Rockwood, Germany-based specialty chemical companies LANXESS and Wacker Chemie, Austria-headquartered polyolefins business Borealis, Mitsubishi Chemical and Japanese ink producer DIC showed the strongest gains in net profits.

The top earners in the industry were Netherlands-based polyolefins producer Lyondell-Basell, which booked a net profit of \$10.15bn following its 2009 loss of \$2.87bn and its emergence from Chapter 11 bankruptcy protection in the US in April, as well as BASF, SABIC, ExxonMobil's chemical unit, DuPont, US-based phosphate producer Mosaic and Belgian chemical company Solvay (which booked a gain on the sale of its pharmaceuticals business).

COST CONTROL AND CAPITAL DISCIPLINE

Firms benefited from higher prices and stronger volumes through the year. But they also continued to manage costs and spending aggressively.

Some of the largest companies in the industry had the lowest selling, general and admin-

Companies did a solid job managing costs and capital



istrative costs as a percentage of sales in 2010 – BASF and LyondellBasell.

Employee numbers have been contained since the 2008–2009 slump, with most companies still cutting back in 2010. Those changes can be seen in the ICIS Top 100 table.

Sales and profit per employee data for the sector show how well some players performed last year. Traditionally, the chemical firms of oil majors tend to have the lowest number of employees associated with their businesses, given that they share personnel with their parent.

They also tend to have the highest sales and profit per employee ratios. Nevertheless, some of the big producers, such as INEOS and LyondellBasell, have strong employee ratios given their focus on cost efficiency.

The ICIS data show that many companies took the opportunity of high cash flows to reduce debt in 2010, although net debt levels for some rose as they sought new mergers and acquisitions (M&A) opportunities.

The capital spending numbers give some indication of this renewed interest in M&A, as well as higher spending on property, plant and equipment, which rose by a healthy 11.9%.

Encouragingly, research spending increased by 5.3% as producers continued to pump more money into innovation. Research and development (R&D) to sales ratios varied widely across the industry as expected given the diverse product portfolios across the sector.

The R&D to sales ratio in 2010 was the highest for Germany-based chemical and pharmaceutical firm Merck KGaA, Switzerland-based agribusiness Syngenta and flavorings manufacturer Givaudan, as well as Japanese chemical giant Sumitomo Chemical, while seven companies had a spending rate of more than 5%. ■

Download the complete ICIS Top 100 listing in pdf format at icis.com/Top100Chem



For more details on the ICIS Top 100 data sheet please contact datateam@icis.com

accounted joint ventures are \$14.0bn and \$9.5bn, respectively

* Financial year-end May 31, 2011

† Financial year-end September 30, 2010

‡ Ashland excludes distribution business

§ Specialty Materials figures used

¶ Financial results include the effects of the acquisition of Terra Industries

** Net sales. The total of NPC and its associated companies in 2010 is \$18bn

*** Comparative figures for 2009 do not

include INEOS Industries Holdings

†† Petrochemical and fertilizer figures only

††† Plans to rename to Trinseo in late 2011.

Finances are based on the sum of predecessor and successor components

‡‡ Comparative figures for 2009 do not include INEOS Industries Holdings

Exchange rate

Key financial year end exchange rates used for 2010 data (2009 in parentheses): €/ \$ 1.325 (1.433), \$/Yen 82.81 (92.68) based on March 31 year-end

Reasons for company exclusions

PetroChina Does not segment chemicals from refining business

Repsol No longer discloses chemical segment figures

INEOS Styrenics Equity accounted JV of

INEOS and NOVA Chemicals. In 2010,

INEOS Styrenics had \$3.1bn revenue

Koch Does not segment chemical data

OMV Includes petrochemical operations

in its refining and marketing segment

Shanghai Petrochemical Majority-owned by Sinopec

Samsung Total Sales equity accounted in Total and Samsung figures

ChemChina Accounts not made public.

Estimated 2010 sales were

CNY136.5bn (\$20.7bn), 2009 sales

CNY122.6bn

China Blue Star Chem Majority-owned by ChemChina

Formosa Plastic USA Not segmented in Formosa reports

Formosa Petrochemical Company

does not segment chemicals from its refining business

Nan Ya Plastics Sales a mixture of chemicals and processed items

Yeochon NCC Results included with

Hanwha and Daelim

Daelim Below Top 100 in sales as

Yeochon NCC accounted as equity company

Samsung The company does not consolidate various chemical company interests into one area

PTT Group Results included as IRPC and

PTTCH businesses

SIBUR In the midst of restructuring,

which includes an exit from noncore

business activities. After completion

of this process, accounts are expected

to be made public, but the company

has decided not to publish the

current accounts

Flint Group Accounts not made public

\$1.23 trillion sliced and diced

The ICIS Top 100 Chemical Companies made a sharp recovery in 2010. The analysis highlights important trends in sales, profitability and spending patterns

REGAN HARTNELL LONDON

The chemical industry emerged in 2010 from the financial crisis, stimulated by global government spending and fueled by emerging economies. The ICIS Top 100 Chemical Companies have once again joined the trillion dollar club, and sales were on par with the record levels of the 2008 boom.

The sharp V-shaped recovery experienced by the global economy since the bottom in the first quarter of 2009 flowed through to the chemical industry in 2010. Sales of the ICIS

In 2010, the ICIS Top 100 chemical producers recorded year-on-year sales growth of 23.9%, producing \$1.23 trillion worth of sales

Top 100 in 2010 almost recovered to the pre-recession level of \$1.24 trillion, seen in 2008.

In 2010, the ICIS Top 100 chemical producers recorded year-on-year sales growth of 23.9%, producing some \$1.23 trillion-worth

of sales. This represents 38.7% of the \$3.2 trillion of global chemical sales (excluding pharmaceuticals), according to data from the American Chemistry Council.

The Top 10 giants, led by Germany's BASF, have increased their market share of Top 100 sales revenue to 37.7%, representing a 2.1 percentage point increase on 2009 numbers.

Since the turn of the millennium, the ICIS Top 100 chemical producers have grown at an impressive average annual growth rate of 8.6%.

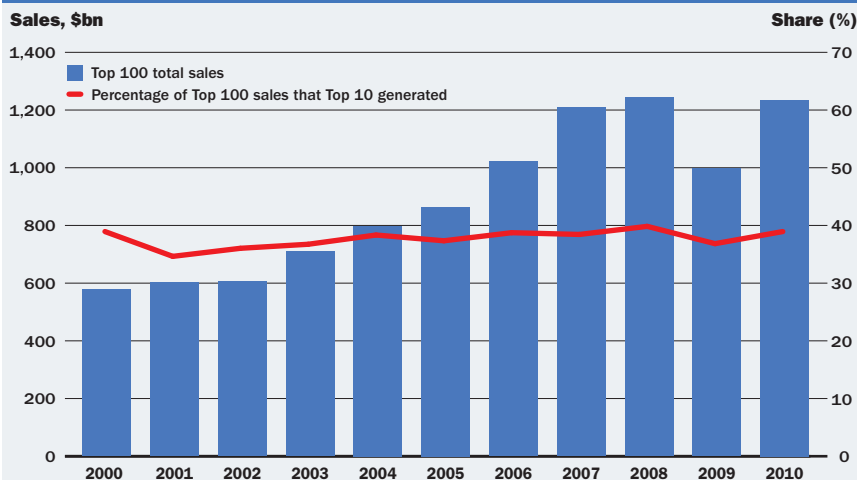
Sales of the Top 10 have grown at a slightly faster average rate of 9.2%. The sheer size of

9.2%
TOP 10
Average yearly sales growth
2000-2010

8.6%
TOP 100
Average yearly sales growth
2000-2010

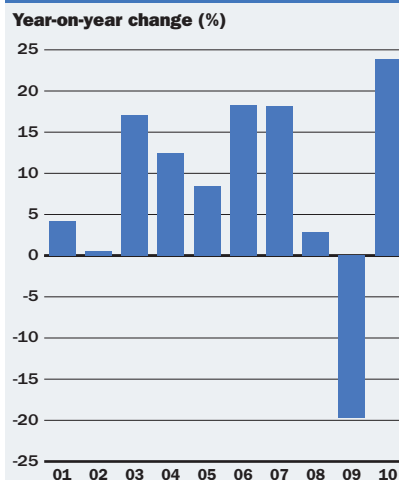
9.8%
BOTTOM 50
Average yearly sales growth
2000-2010

2010 TOP 100 SALES ON PAR WITH 2008 PEAK



SOURCE: ICIS

2010 SALES RECOVER FROM 2009



SOURCE: ICIS

their balance sheets gives them financial flexibility to partake in organic growth via the development of world-class assets, as well as the ability to acquire high-growth, smaller companies through mergers and acquisitions (M&A).

The Top 100's bottom 50 companies have experienced a 9.8% average growth rate, as smaller, more nimble players are able to align their business models more easily with the higher growth sectors.

The ICIS Petrochemical Index (IPEX) is a 36-item basket that covers the main olefins, aromatics and polymers over Europe, Asia and the US. Using the IPEX as a proxy for chemical prices, it can be seen that since 2000, the IPEX coincides well with sales growth of the Top 100 companies.

The IPEX leading indicator predicts a bumper year for 2011 chemical sales, albeit with the assumption that the global economy manages to struggle on and avoid the repeat of the late 2008–2009 financial crisis.

GERMANS, SWISS LEAD IN R&D

Germany's Merck KGaA, with its life sciences and advanced materials focus, once again led the ranks in research and development (R&D), spending 15% of sales in this area. Switzerland-based agrochemical major Syngenta came in second as it strives to develop technology to feed a hungry world, with almost 9% of sales invested in R&D.

Noticeably, it can be seen that R&D plays a significant role in the business models of some specialty chemical companies, as they strive to gain a competitive advantage by producing solutions for high-level applications.

For declared data, companies in the ICIS Top 100 have spent a total of \$20.6bn on R&D activities, with average growth of 4.6% in reporting currencies, above 2009 levels. In absolute terms, BASF was the biggest spender, with almost \$2bn in R&D investment.

For declared data in 2010, ICIS Top 100 chemical companies spent almost \$57bn on capital expenditures, slightly more than the levels of depreciation and amortization recorded over the same period.

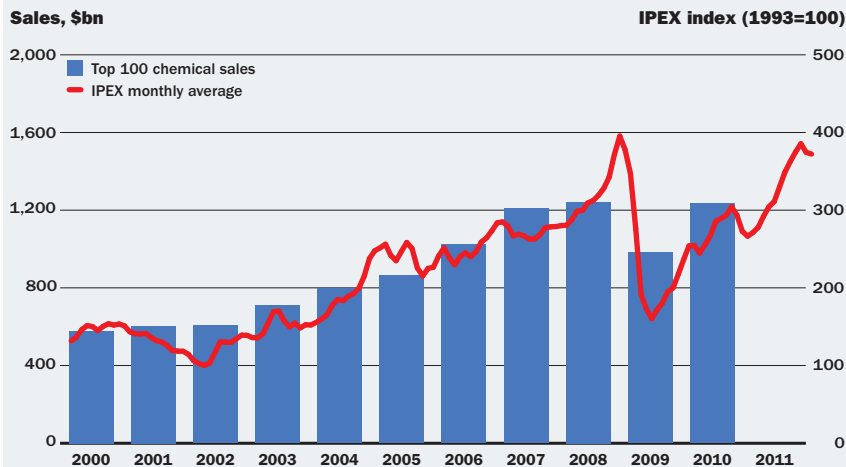
Leading the data was Canada's PotashCorp, as it invested 30.3% of sales in developing new and existing fertilizer assets, focused on sending increased volumes to emerging economies. Other fertilizer companies, Russia's EuroChem and US-based Mosaic, also joined Potash Corp in the Top 12.

Industrial gases players took three of the top 12 spots.

In absolute terms, Saudi Arabia's SABIC, with \$4.3bn, and BASF, with \$3.4bn, topped the list in capital spending. ■

View the full set of data on the ICIS Top 100 Chemical Companies at icis.com/Top100Chem

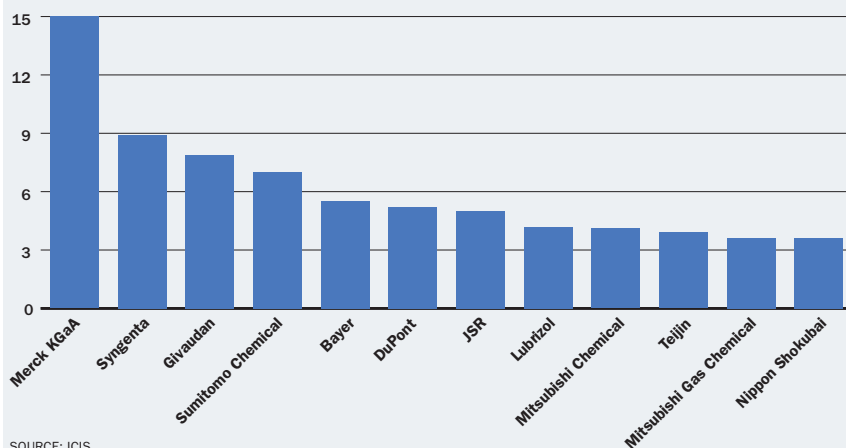
ICIS TOP 100 SALES TRACK IPEX



SOURCE: ICIS

INVESTING TO STAY IN THE GAME

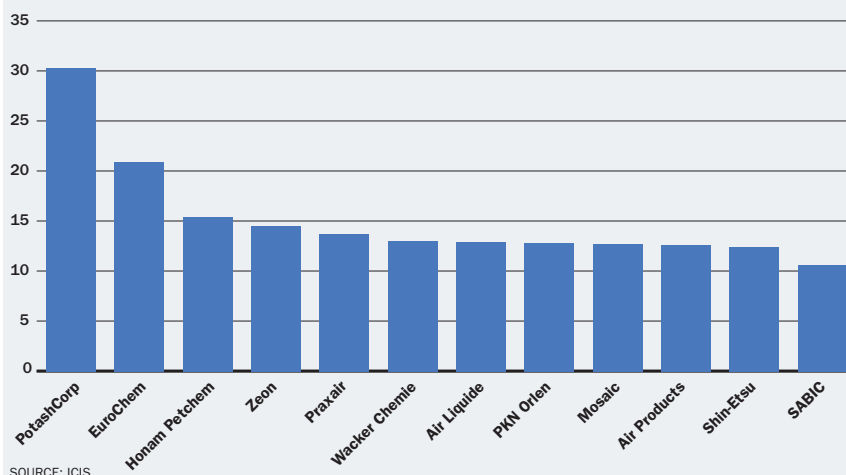
R&D expenditure as % of sales



SOURCE: ICIS

AGRICULTURAL CHEMICALS TAKE LION'S SHARE OF CAPEX

Capital expenditure as % of sales



SOURCE: ICIS

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- Stephen Pryor, President, **ExxonMobil Chemical Company**
'Moving down the value chain – remaining competitive while improving sustainability performance'
- Jim Gallogly, CEO, **Lyondell Basell**
'Leveraging mega trends for superior growth in the chemicals industry'
- Peter L. Cella, CEO, **ChevronPhillips**
'Shale gas: A new feedstock reality'
- Tom Crotty, Director, Group, **Ineos**
'Unlocking value in cyclical commodities – a Western perspective'
- Hamad Rashid Al-Mohannadi, Deputy Chairman, **Qatar Petroleum**
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- Hassan Ahmed, Head of Research, **Alembic Global Advisors**
'Upstream or downstream – A question of shareholder value creation'
- Dr Fahad Al Mubarak, Chairman & Managing Director, **Morgan Stanley Saudi Arabia**
'The role of the financial sector in fuelling the move down the chemical value chain'
- Peter Huntsman, CEO, **Huntsman Corporation**,
'The move to develop downstream industries in the Middle East'
- Luther C Kissam IV, CEO, **Albemarle Corporation**
'Forging partnerships in the Middle East to further Globalization – The Albemarle View'
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Agchems outperform

Fertilizer companies emerged as winners in 2010 as surging profit margins were fueled by strong emerging markets demand. Canada's PotashCorp led the field

REGAN HARTNELL LONDON

At the earnings before interest and tax (EBIT) level of profit, there were two clear winners. Germany-based diversified chemical major BASF led with \$10.3bn in EBIT for 2010. Coming in a close second was Saudi Arabia-based petrochemical and polymer producer SABIC, which clearly demonstrates the efficiencies of leveraging its strong advantaged feedstock position. Both BASF and SABIC have more than doubled their 2009 levels of EBIT, in terms of their reporting currencies.

In absolute terms, the chemical divisions of oil majors have a strong presence in the Top 25, with specialty chemical and industrial gases companies also making several notable appearances.

New entrants to the leader board include

Netherlands-based LyondellBasell, US-based Dow Chemical, Japan's Mitsubishi Chemical, China's Sinopec, Switzerland-headquartered INEOS, US-based Chevron Phillips Chemical and US-based PPG Industries.

Departures include Malaysia's PETRONAS, Netherlands-based DSM, Germany's Evonik, Australia's Orica and US-based Lubrizol. In total, the Top 25 saw a 61% improvement in operating profits for 2010.

When comparing the profitability of chemical producers via an operating or EBIT margin, the top spots were clearly dominated by fertilizer players. This demonstrates the efficiencies achievable by exploiting top-tier mineral assets with simple, process-light business models and strong volume demand from developing economies.

Canada's PotashCorp claimed the top spot with an operating margin of almost 40%,

while Kuwait-based Petrochemical Industries Co. (PIC), with an operating margin of 31.7%, took the second spot.

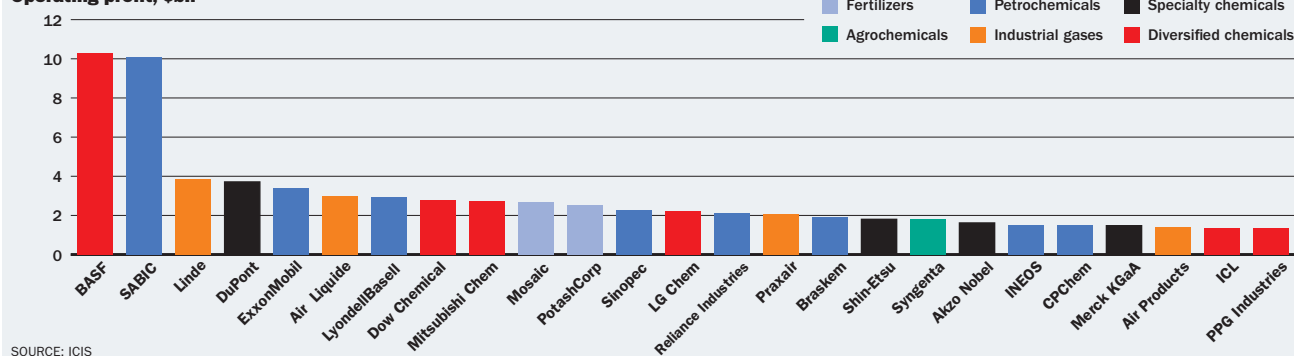
Israel's Makteshim-Agan Industries claimed the third spot with a margin of 27.2%, further highlighting profitability in the agricultural sector. Industrial gases players and specialty chemical producers also featured heavily in the Top 25 operating margins.

Industrial gases companies benefited from more stable and predictable feedstock and operating expenses, combined with robust demand from industrial consumers, especially in Asia. Top specialty chemical producers were better able to defend operating margins and pass on increased feedstock price levels to less elastic consumers. ■

Read the ICIS ebook, *The New Normal*, by editor John Richardson and contributor Paul Hodges. icis.com/NewNormalEbook

BASF AND SABIC NECK AND NECK AT OPERATING LEVEL

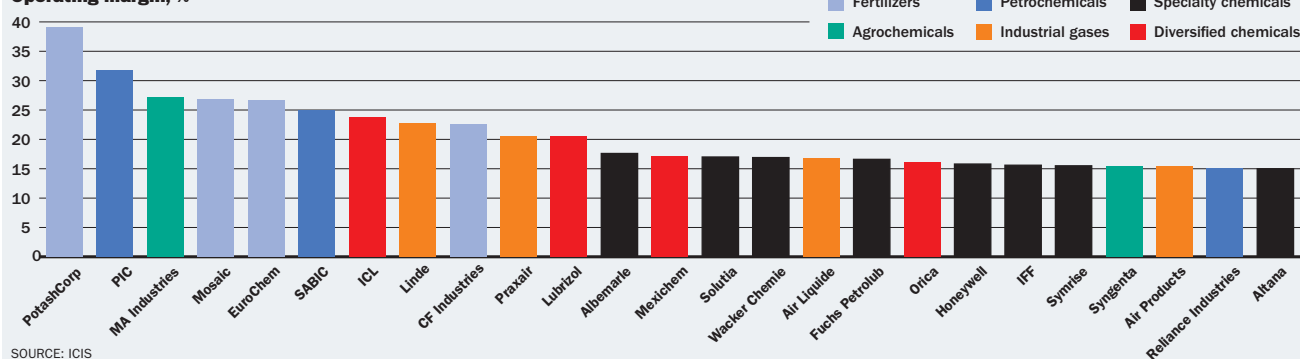
Operating profit, \$bn



SOURCE: ICIS

STRONG DEMAND FATTENS AGRICULTURE'S MARGINS

Operating margin, %



SOURCE: ICIS