

# FUNDAMENTALS RAISE COMPANY FORTUNES

**FINANCES** were helped by higher prices and cost restraints; R&D and capital spending rose

**THE CHEMICAL INDUSTRY** around the world had a pretty good year financially in 2006. Demand for chemicals increased, as seen in the Commerce Department's tally of shipments and prices that producers got for their products. These values climbed, although not as much as they did in 2005.

Shipments of all chemicals from U.S. plants increased 5.0% to \$576.8 billion, according to government data. When pharmaceuticals are excluded, the value of all other chemical shipments rose by only 2.7%, well below the 5.7% growth achieved in 2005.

In Canada, shipments of all chemicals increased just 1.8% to \$45.1 billion. Excluding drugs, however, the value of all other chemical shipments rose even more slowly, just 1.1%.

In Europe, the value of shipments from seven major chemical-producing countries rose but unevenly, with gains ranging

from just 0.4% in France to 15.1% in the Netherlands.

The U.S. producer price index for all chemicals rose 7.2%, and the value of chemical shipments rose a slower 5.0%. This outcome indicates that shipment volumes were probably slightly lower in 2006 than in the year before.

The rise in the U.S. producer price index, although slowing considerably from 2005's year-to-year 10.1% jump, was still well above its 10-year average of 3.8%. The largest increase from 2005 among the U.S. chemical sectors, 12.7%, was for industrial chemicals, which has had to fight hardest to make up for strong raw material and energy costs over the past few years.

In other parts of the chemical world, the increase in the producer price index was generally lower than that in the U.S. In neighboring Canada, the index for all chemicals rose just 1.6%, and inorganic industrial chemicals showed the high-

est growth among the sectors, 7.6%. But Canada's price index for synthetic resins actually fell 1.3% from 2005.

In Europe, year-to-year changes in the price indexes for all chemicals ranged from an 8.5% increase in the Netherlands to a 1.9% decline in the U.K.

The price increases boosted companies' total sales, while cost-cutting measures and higher sales helped raise earnings.

Compared with sales in 2005, total sales in 2006 for the 31 U.S. chemical firms that C&EN tracked increased 7.7% to \$203.2 billion, and their earnings rose 10.3% to \$14.3 billion. The result is an aggregate profit margin of 7.1% in 2006, compared with 6.9% in 2005.

In Canada, the country's four major chemical companies had sales of \$16.8 billion in 2006, a 14.7% increase over sales in 2005. Earnings grew 18.3% to \$1.35 billion; the group's profit margin rose to 8.0% in 2006 from 7.2% the year before.

Likewise, in Europe, earnings at 20 major companies rose 48.3% in 2006 on an 8.0% increase in sales to \$255.7 billion. Profitability rose to 6.6% from just 4.8% in 2005.

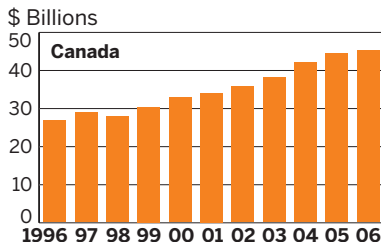
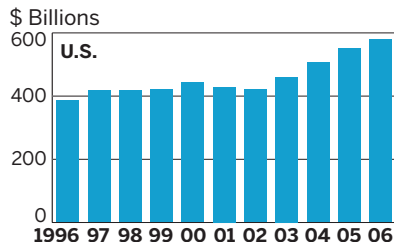
And in Japan, the 12 chemical companies surveyed by C&EN realized total sales of \$127.4 billion and earnings of \$5.89 billion in 2006, representing increases of 10.2% and 11.1%, respectively, from the year before. The aggregate 2006 profit margin was 4.6%, slightly better than the 4.2% margin in 2005.

The industry's good fortunes in 2006 produced increases in capital and R&D spending. In the U.S., R&D spending at 22 of the chemical companies rose 5.9% to a total of \$5.05 billion. By contrast, eight major pharmaceutical firms spent a combined \$33.3 billion on R&D, an 11.6% increase over 2005. R&D expenditures of European and Japanese chemical firms increased even more than did those of their U.S. counterparts. In Europe, R&D spending at 20 companies totaled \$10.6 billion, a 7.4% increase over the previous year. And 12 Japanese firms shelled out \$3.91 billion on R&D, a 7.2% rise over 2005.

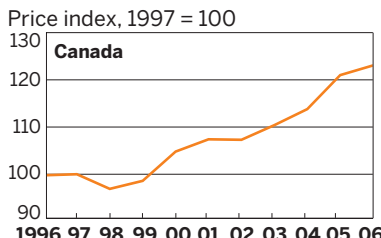
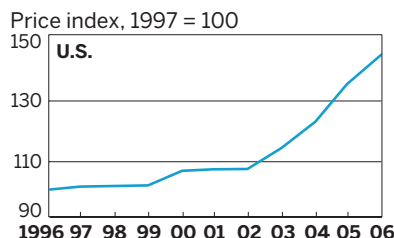
In 2006, expenditures on new plant and equipment for the 22 U.S. companies reached \$8.32 billion, a 22.6% jump from 2005. Capital spending by the 20 European firms rose 14.4% to \$14.3 billion, and that by the 12 Japanese companies amounted to \$9.41 billion, a 32.7% increase from the prior year. ■

## DEMAND AND PRICES

U.S. shipments grew 5.0%, while Canada's rose just 1.8% ...



... as the increase in the U.S. price index beat Canada's 7.2% to 1.6%



SOURCES: U.S. Departments of Labor and of Commerce, Statistics Canada

## U.S. SHIPMENTS

All categories of chemical products realized positive demand growth in 2006

\$ BILLIONS	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	ANNUAL CHANGE	
												2005-06	1996-06
All chemicals	\$385.3	\$415.6	\$416.6	\$419.5	\$442.2	\$427.4	\$420.5	\$459.1	\$506.1	\$549.1	\$576.8	5.0%	4.1%
Chemicals, excluding pharmaceuticals	299.3	322.7	313.2	311.7	320.4	307.7	315.1	341.4	389.2	411.2	422.1	2.7	3.5
Agricultural chemicals	23.5	24.2	24.2	21.6	20.3	20.7	19.7	18.7	20.7	24.8	26.9	8.5	1.4
Coatings & adhesives	24.7	26.4	26.8	27.5	29.7	30.0	28.4	28.5	30.5	30.4	32.5	6.9	2.8
All other chemicals	251.0	272.1	262.1	262.5	270.3	256.9	267.0	294.2	338.0	356.0	362.2	1.7	3.7
Pharmaceuticals	86.0	92.9	103.4	107.8	121.8	119.7	105.4	114.3	116.9	137.9	154.7	12.2	6.0

SOURCE: C&EN calculations using Department of Commerce data

## CANADA SHIPMENTS

Demand for chemicals rose, as that for all manufactured products fell

\$ BILLIONS	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	ANNUAL CHANGE	
												2005-06	1996-06
All manufacturing	\$352.8	\$376.1	\$389.1	\$450.2	\$495.0	\$479.1	\$493.7	\$496.1	\$516.8	\$521.3	\$518.2	-0.6%	3.9%
Chemical manufacturing	26.7	28.7	27.7	30.2	32.8	33.9	35.7	38.0	41.8	44.3	45.1	1.8	5.4
Basic chemicals	7.1	7.9	7.5	8.1	9.7	10.1	10.4	11.1	12.1	12.3	13.0	5.8	6.1
Petrochemicals	2.1	2.5	2.2	2.6	4.0	3.9	3.6	4.2	5.3	6.0	6.5	8.8	11.9
Resins & synthetic rubber	4.6	5.2	4.9	5.4	6.2	5.7	6.3	6.6	9.2	10.6	11.2	5.8	9.3
Pesticide, fertilizer & other agricultural chemicals	2.3	2.4	2.4	2.2	2.2	2.2	2.3	2.9	3.4	3.9	3.5	-9.1	4.4
Pharmaceuticals & medicine	4.1	4.3	4.2	4.5	4.9	6.0	6.7	7.0	6.8	6.6	7.0	5.3	5.3
Paints, coatings & adhesives	1.9	2.0	2.1	2.3	2.2	2.3	2.3	2.5	2.6	3.0	2.6	-14.7	2.8
Soaps, cleaners & toilet preparations	2.6	2.6	2.6	3.4	3.0	2.7	2.7	3.1	2.9	3.1	3.0	-2.9	1.3

NOTE: Monetary statistics for all years were converted at the 2006 average exchange rate of \$1.00 U.S. = \$1.134 Canadian. SOURCE: Statistics Canada

## EUROPE SHIPMENTS

Pickup in shipments from the Netherlands spurred the growth of European shipments

\$ BILLIONS	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	ANNUAL CHANGE	
												2005-06	1996-06
Belgium	\$34.4	\$37.1	\$36.4	\$37.0	\$44.4	\$53.2	\$53.7	\$55.5	\$59.4	\$60.3	\$64.3	6.6%	6.5%
France	82.1	87.0	88.5	92.1	103.2	106.9	106.4	110.7	117.7	121.4	121.9	0.4	4.0
Germany	138.5	148.4	146.7	152.5	169.6	168.2	166.5	171.4	178.6	191.0	202.4	6.0	3.9
Italy	69.5	72.0	72.0	73.4	81.5	83.0	85.5	85.6	88.3	94.7	99.4	4.9	3.6
Netherlands	28.1	31.5	30.3	31.7	40.7	40.4	40.6	42.7	45.7	49.6	57.1	15.1	7.3
Spain	32.7	35.2	37.3	38.9	36.5	38.3	39.0	40.4	42.8	45.0	47.9	6.5	3.9
U.K. (a)	56.6	67.9	64.9	68.9	73.9	71.1	67.3	91.8	92.6	94.3	96.0	1.8	nm

NOTE: Monetary statistics for all years were converted from local currencies at the 2006 average exchange rates of \$1.00 U.S. = 0.796 euros and 0.542 pounds sterling. a Source of data changed in 2003; prior years' data are not comparable. nm = not meaningful. SOURCES: European Chemical Industry Council, national agencies, C&EN estimates

### GOT A THING FOR DATA?

If you're itching to do your own calculations with all these numbers, let yourself go ... to [www.cen-online.org](http://www.cen-online.org), that is, where you can access downloadable versions of these tables, starting on July 16.

**U.S. PRICE INDEX**

Year-to-year increases beat the 10-year averages for most chemical sectors

PRODUCER PRICE INDEX, 1997 = 100	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	ANNUAL CHANGE	
												2005-06	1996-06
All commodities	100.1	100.0	97.5	98.4	104.0	105.2	102.7	108.2	115.0	123.4	129.1	4.6%	2.6%
Industrial commodities	99.7	100.0	97.7	99.1	105.6	106.3	103.7	108.9	115.6	125.5	132.2	5.4	2.9
Finished goods	99.6	100.0	99.2	100.9	104.7	106.8	105.4	108.7	112.7	118.1	121.7	3.0	2.0
Chemicals & allied products	99.0	100.0	100.2	100.4	105.2	105.7	105.8	112.7	121.4	133.7	143.3	7.2	3.8
Industrial chemicals	100.2	100.0	96.0	94.1	102.1	101.6	100.7	112.1	128.8	149.1	168.0	12.7	5.3
Prepared paint	96.8	100.0	101.8	103.5	105.7	108.1	109.7	112.3	115.5	123.5	132.3	7.1	3.2
Paint materials	99.9	100.0	101.6	101.8	104.9	105.9	117.2	122.2	127.0	134.6	140.3	4.3	3.5
Drugs & pharmaceuticals	98.0	100.0	110.7	114.8	117.5	119.5	121.4	125.4	129.8	136.1	142.4	4.7	3.8
Fats & oils, inedible	100.8	100.1	88.3	66.9	53.0	58.7	68.3	93.3	116.2	111.1	111.9	0.7	1.0
Agricultural chemicals	100.8	100.0	96.8	93.1	93.8	98.6	93.3	101.9	108.4	115.3	119.4	3.5	1.7
Plastic resin & materials	96.9	100.0	91.3	91.6	103.1	97.7	95.2	106.4	118.8	140.6	144.5	2.8	4.1
Other chemicals & products	99.3	100.0	101.1	101.5	102.9	104.7	104.8	105.9	107.9	113.2	118.6	4.8	1.8

SOURCE: Department of Labor

**CANADA PRICE INDEX**

Rise in chemical prices was more modest than the aggregate change for all commodities

PRODUCER PRICE INDEX, 1997 = 100	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	ANNUAL CHANGE	
												2005-06	1996-06
All commodities	99.3	100.0	100.4	102.2	106.5	107.6	107.6	106.2	109.5	111.2	113.8	2.3%	1.4%
Chemicals & chemical products	99.8	100.0	96.9	98.6	104.8	107.4	107.3	110.4	113.8	121.0	122.9	1.6	2.1
Inorganic industrial chemicals	102.9	100.0	99.7	97.7	98.6	104.4	104.9	106.7	109.1	118.2	127.2	7.6	2.1
Sulfuric acid	103.6	100.0	87.5	84.4	82.1	91.1	90.9	87.4	88.4	91.2	98.9	8.4	-0.5
Caustic soda	117.7	100.0	100.4	90.2	91.3	118.6	101.4	99.4	90.8	102.0	99.4	-2.5	-1.7
Ammonia	106.6	100.0	88.4	84.0	86.5	91.4	89.4	97.8	100.6	115.4	101.5	-12.1	-0.5
Organic industrial chemicals	97.2	100.0	91.6	98.4	119.1	128.3	123.8	133.4	144.1	163.7	165.8	1.3	5.5
Benzene-toluene-xylene	92.0	100.0	80.2	90.4	144.3	119.8	107.3	122.7	207.9	226.9	233.3	2.8	9.8
Olefins	100.3	100.0	95.7	115.3	142.4	158.3	145.0	169.8	183.4	227.0	228.1	0.5	8.6
Synthetic resins	98.0	100.0	90.6	92.8	103.2	100.7	99.0	101.3	104.0	111.0	109.6	-1.3	1.1
Polyethylene (a)	96.3	100.0	87.7	91.2	97.3	94.7	91.0	96.2	96.0	102.6	107.6	4.9	1.1
Polystyrene	106.7	100.0	96.2	95.8	100.9	100.4	100.0	103.6	111.8	116.5	116.6	0.1	0.9
Thermosets	99.1	100.0	98.4	93.9	103.2	133.1	108.4	108.4	107.8	107.8	109.5	1.6	1.0
Agricultural chemicals	99.3	100.0	105.0	103.8	103.7	103.7	103.7	104.1	104.9	105.0	105.0	0.0	0.6
Pharmaceuticals	100.5	100.0	99.8	100.6	101.2	101.8	105.9	107.4	108.3	109.2	111.6	2.2	1.1
Paints & varnishes	97.7	100.0	101.4	102.9	106.0	109.8	111.9	113.8	117.0	122.7	128.9	5.1	2.8
Soaps & cleaners	101.3	100.0	99.3	100.0	100.3	101.5	100.7	100.7	100.7	100.7	100.9	0.2	0.0
Toilet preparations	98.5	100.0	102.6	104.8	107.4	108.9	110.4	111.5	110.7	109.5	107.8	-1.6	0.9
Pigments, lakes, & toners	96.2	100.0	103.4	105.2	107.0	105.2	103.3	101.3	101.5	106.8	108.7	1.8	1.2

a Includes high- and low-density polyethylene. SOURCE: Statistics Canada

**EUROPE PRICE INDEX**

Producer prices rose the fastest in the Netherlands while dropping in the U.K.

CHEMICAL PRODUCER PRICE INDEX, 1997 = 100	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	ANNUAL CHANGE	
												2005-06	1996-06
Belgium	102.5	100.0	99.0	99.1	105.7	111.9	112.2	106.3	107.3	111.8	115.5	3.3%	1.2%
France	101.5	100.0	98.9	98.6	103.0	104.2	103.5	105.1	108.3	111.2	112.0	0.7	1.0
Germany	101.8	100.0	99.1	98.3	103.0	105.1	104.0	109.4	110.4	113.7	116.4	2.4	1.3
Italy	96.6	100.0	97.8	98.5	107.0	107.5	110.1	109.9	113.8	117.9	120.5	2.2	2.2
Netherlands	99.2	100.0	95.6	94.3	110.1	109.1	109.4	112.7	120.0	129.6	140.6	8.5	3.5
Spain	101.1	100.0	95.9	96.2	105.7	105.9	106.8	109.9	113.0	117.9	122.4	3.8	1.9
U.K.	86.5	100.0	98.9	100.0	108.3	111.6	111.8	115.6	115.6	120.6	118.3	-1.9	3.2

SOURCES: European Chemical Industry Council, national chemical associations, C&amp;EN estimates

## TOP 50 CHEMICAL COMPANIES

Chemical sales remained strong, and most of last year's top companies held on to leading positions

RANK		COMPANY	CHEMICAL SALES	CHANGE	CHEMICAL SALES	HEADQUARTERS	CHEMICAL OPERATING	CHANGE	CHEMICAL OPERATING	OPERATING	IDENTIFIABLE	CHEMICAL	OPERATING
2006	2005		(\$ MILLIONS)	FROM 2005	AS % OF TOTAL SALES		PROFITS (a)	FROM 2005	% OF TOTAL OPERATING PROFIT	PROFIT MARGIN (b)	ASSETS (\$ MILLIONS)	AS % OF TOTAL ASSETS	RETURN ON CHEMICAL ASSETS (c)
1	1	Dow Chemical	\$49,124.0	6.1%	100.0%	Midland, Mich.	\$4,771.0	-11.9%	100.0%	9.7%	\$45,581.0	100.0%	10.5%
2	2	ExxonMobil (d)	34,098.0	9.3	9.3	Irving, Texas	4,382.0	11.1	11.1	12.9	19,537.0	8.9	22.4
3	3	DuPont (e)	28,928.0	2.8	99.8	Wilmington, Del.	3,598.0	3.8	84.0	12.4	19,410.0	98.4	18.5
4	4	Lyondell Chemical	19,507.0	4.8	87.8	Houston	686.0	-45.9	64.2	3.5	14,260.0	79.9	4.8
5	6	Chevron Phillips	11,839.0	10.6	100.0	The Woodlands, Texas	1,443.0	54.5	100.0	12.2	7,119.0	100.0	20.3
6	5	Huntsman Corp.	10,623.6	-18.0	100.0	Salt Lake City	628.8	-35.8	100.0	5.9	8,444.9	100.0	7.4
7	7	PPG Industries	8,808.0	10.6	79.8	Pittsburgh	1,371.0	29.3	96.1	15.6	6,783.0	67.7	20.2
8	9	Praxair (e)	8,324.0	8.7	100.0	Danbury, Conn.	2,183.0	12.1	100.0	26.2	11,102.0	100.0	19.7
9	8	Air Products (f)	7,743.1	13.0	87.5	Allentown, Pa.	1,070.6	19.2	100.9	13.8	9,703.1	86.8	11.0
10	11	Eastman Chemical	7,450.0	5.5	100.0	Kingsport, Tenn.	673.0	-14.6	100.0	9.0	6,173.0	100.0	10.9
11	10	Rohm and Haas	7,401.0	4.7	89.9	Philadelphia	na	na	na	na	5,283.0	55.4	na
12	13	Celanese	6,656.0	9.7	100.0	Dallas	834.0	29.5	100.0	12.5	7,895.0	100.0	10.6
13	12	General Electric	6,649.0	0.7	4.1	Fairfield, Conn.	674.0	-22.9	2.6	10.1	na	na	na
14	16	Mosaic (g)	5,305.8	20.7	100.0	Plymouth, Minn.	396.1	24.4	100.0	7.5	8,720.6	100.0	4.5
15	15	Hexion Specialty Chemicals	5,205.0	16.4	100.0	Columbus, Ohio	336.0	28.2	100.0	6.5	3,508.0	100.0	9.6
16	14	Occidental Petroleum	4,815.0	3.7	27.3	Los Angeles	901.0	48.4	11.4	18.7	3,762.0	11.6	24.0
17	20	Honeywell (e)	4,631.0	43.2	14.8	Morristown, N.J.	568.0	121.0	13.9	12.3	4,674.0	15.1	12.2
18	18	Dow Corning	4,391.6	13.2	100.0	Midland, Mich.	na	na	na	na	5,972.3	100.0	na
19	17	Lubrizol	4,036.4	-0.1	100.0	Wickliffe, Ohio	411.7	-1.5	100.0	10.2	4,386.2	100.0	9.4
20	22	Chemtura	3,722.7	24.6	100.0	Middlebury, Conn.	448.4	37.8	100.0	12.1	4,399.4	100.0	10.2
21	19	Nalco	3,602.6	8.8	100.0	Naperville, Ill.	503.1	18.4	100.0	14.0	5,656.5	100.0	8.9
22	23	Cytec Industries	3,329.5	13.8	100.0	West Paterson, N.J.	267.2	40.0	100.0	8.0	3,831.5	100.0	7.0
23	21	Monsanto (h)	3,316.0	9.0	45.2	St. Louis	na	na	na	na	4,229.0	36.1	na
24	24	Solutia	2,905.0	2.8	100.0	St. Louis	103.0	94.3	100.0	3.5	2,055.0	100.0	5.0
25	26	W.R. Grace	2,826.5	10.0	100.0	Columbia, Md.	356.8	5.1	100.0	12.6	3,637.4	100.0	9.8
26	28	Sunoco	2,544.0	4.3	6.6	Philadelphia	61.0	-59.9	3.9	2.4	1,598.0	14.6	3.8
27	32	Cabot Corp. (f)	2,543.0	19.7	100.0	Boston	126.0	-6.0	100.0	5.0	2,534.0	100.0	5.0
28	27	Westlake Chemical	2,484.4	1.8	100.0	Houston	313.3	-14.6	100.0	12.6	2,082.1	100.0	15.1
29	—	Momentive	2,414.2	3.1	100.0	Wilton, Conn.	111.6	-49.9	100.0	4.6	4,418.2	100.0	2.5
30	33	Albemarle	2,368.5	12.4	100.0	Richmond, Va.	266.7	64.6	100.0	11.3	2,530.4	100.0	10.5
31	31	FMC Corp.	2,347.0	9.2	100.0	Philadelphia	326.7	16.7	100.0	13.9	2,735.0	100.0	11.9
32	25	Rockwood Specialties	2,334.6	9.3	78.5	Princeton, N.J.	248.3	5.4	73.4	10.6	na	na	na
33	30	Georgia Gulf	2,201.9	-3.2	90.7	Atlanta	221.6	15.4	142.0	10.1	1,318.1	53.6	16.8
34	—	Ferro Corp. (e, i)	2,041.5	8.5	100.0	Cleveland	109.6	48.7	100.0	5.4	1,732.9	100.0	6.3
35	34	Hercules	2,035.3	-1.6	100.0	Wilmington, Del.	280.9	17.6	100.0	13.8	2,808.5	100.0	10.0
36	36	CF Industries	1,949.5	2.2	100.0	Long Grove, Ill.	92.7	-39.1	100.0	4.8	1,290.4	100.0	7.2
37	37	Ashland (f)	1,927.0	9.3	26.6	Covington, Ky.	126.0	27.3	74.1	6.5	1,309.0	19.9	9.6
38	35	Terra Industries	1,828.7	-5.3	100.0	Sioux City, Iowa	41.3	-50.7	100.0	2.3	1,572.7	100.0	2.6
39	39	ISP	1,536.0	10.9	100.0	Wayne, N.J.	na	na	na	na	na	na	na
40	38	H.B. Fuller (j)	1,472.4	-2.6	100.0	St. Paul, Minn.	115.4	32.2	100.0	7.8	1,478.5	100.0	7.8
41	42	Arch Chemicals	1,434.7	9.9	100.0	Norwalk, Conn.	75.0	18.7	100.0	5.2	1,149.6	100.0	6.5
42	41	Tronox	1,411.6	3.5	100.0	Oklahoma City	48.2	-54.1	100.0	3.4	1,823.4	100.0	2.6
43	40	Wellman	1,332.0	-3.3	100.0	Shrewsbury, N.J.	-16.6	nm	100.0	def	993.3	100.0	def
44	43	Kronos Worldwide	1,279.4	6.9	100.0	Dallas	152.5	-13.4	100.0	11.9	1,421.5	100.0	10.7
45	45	NewMarket Corp.	1,263.3	17.5	100.0	Richmond, Va.	84.6	122.1	100.0	6.7	744.8	100.0	11.4
46	48	Texas Petrochemicals (k)	1,237.7	32.2	100.0	Houston	97.3	69.5	100.0	7.9	731.5	100.0	13.3
47	44	Stepan	1,172.6	8.7	100.0	Northfield, Ill.	15.8	-38.0	100.0	1.3	546.1	100.0	2.9
48	46	Sigma-Aldrich	1,078.5	7.9	60.0	St. Louis	na	na	na	na	na	na	na
49	47	Kraton Polymers	1,015.8	6.6	100.0	Houston	106.0	-4.2	100.0	10.4	989.2	100.0	10.7
50	—	International Paper	769.0	11.1	3.5	Stamford, Conn.	na	na	na	na	496.0	2.1	na

**a** Operating profit is sales less administrative expenses and cost of sales. **b** Chemical operating profit as a percentage of sales. **c** Chemical operating profit as a percentage of identifiable chemical assets. **d** Profits and profitability ratios are after tax. **e** Sales include a significant amount of nonchemical products. **f** Fiscal year ended Sept. 30. **g** Fiscal year ended May 31. **h** Fiscal year ended Aug. 31. **i** Ferro didn't report its annual results in time for last year's survey. Its \$1,882.3 million in 2005 revenues would have placed it at number 37. **j** Fiscal year ended Dec. 2. **k** Fiscal year ended June 30. **def** = deficit. **na** = not available. **nm** = not meaningful.

## U.S. FINANCIAL ANALYSIS

Financial measures for most major companies improved

	YEAR	PROFIT MARGIN (a)	RETURN ON INVESTMENT (b)	RETURN ON EQUITY (c)	DEBT AS % OF DEBT PLUS EQUITY	SALES PER EMPLOYEE (d)	DIVIDENDS AS % OF EARNINGS	CAPITAL SPENDING		R&D AS % OF SALES	SALES AS % OF ASSETS	NET PLANT AS % OF GROSS PLANT
								AS % OF SALES	AS % OF NET PLANT			
Air Products & Chemicals (e)	2006	9.0%	4.9%	16.1%	31.7%	\$428	36.9%	14.3%	20.5%	1.7%	79.2%	45.3%
	2005	8.7	4.6	15.6	31.0	403	38.8	11.4	15.8	1.6	78.2	45.4
	2004	8.2	4.1	13.6	32.8	372	36.2	9.5	12.4	1.7	73.8	46.7
	2003	7.4	3.4	12.3	36.4	340	40.4	9.7	10.9	1.9	66.8	48.1
Albemarle	2006	8.5	6.4	19.6	39.9	665	15.7	4.2	10.2	2.0	93.6	45.2
	2005	5.5	3.7	12.4	45.5	570	23.0	3.3	7.3	2.0	82.7	44.1
	2004	3.6	2.0	7.7	55.9	409	54.5	3.8	6.5	2.1	62.0	43.1
	2003	7.3	3.9	12.7	26.4	370	28.6	3.7	7.8	1.6	80.0	32.8
Arch Chemicals	2006	2.7	3.0	10.5	14.6	543	50.3	1.9	13.8	1.3	124.8	24.8
	2005	3.1	3.2	10.9	37.4	479	47.5	1.4	9.6	1.6	128.3	25.1
	2004	1.5	1.4	4.7	37.4	419	108.8	1.6	8.5	4.7	101.9	28.0
	2003	1.5	1.1	4.4	39.3	349	120.0	2.0	7.1	6.3	103.4	30.9
Cabot (e)	2006	3.5	2.4	7.5	27.7	591	55.6	7.4	19.5	2.3	100.4	38.1
	2005	5.0	3.0	9.6	29.6	483	48.1	8.8	22.4	2.8	89.5	36.8
	2004	6.3	3.4	10.2	29.8	450	37.7	6.2	13.0	2.7	79.7	38.8
	2003	4.2	2.2	7.0	32.4	408	48.0	7.2	14.1	3.6	77.8	41.5
Calgon Carbon	2006	def	def	def	33.6	373	def	4.1	12.2	1.3	98.1	28.2
	2005	def	def	def	35.8	242	def	5.5	14.7	1.6	83.6	30.0
	2004	1.8	1.1	3.6	33.6	293	78.2	3.6	9.3	1.5	92.6	33.2
	2003	1.4	0.8	2.5	25.0	297	84.9	3.2	7.0	1.8	92.1	35.4
Celanese (f)	2006	6.1	6.8	51.7	80.2	748	ne	3.8	11.7	1.1	84.3	75.8
	2005	5.0	6.0	129.8	93.3	653	ne	3.5	10.4	1.5	81.5	82.1
Chemtura (g)	2006	def	def	def	38.8	600	def	3.4	11.2	1.8	84.6	52.0
	2005	4.8	4.0	8.1	42.5	454	24.8	3.5	8.8	1.7	59.9	58.0
	2004	def	def	def	72.4	531	def	2.5	8.8	2.0	95.2	45.5
	2003	def	def	def	71.3	397	def	4.0	11.4	2.4	86.4	48.3
Cytec Industries (h)	2006	5.0	5.5	10.7	36.4	497	11.2	3.1	10.3	2.2	86.9	52.7
	2005	4.9	4.5	11.5	49.7	401	12.5	3.6	9.8	2.3	76.8	52.1
	2004	7.3	5.0	13.9	24.9	382	12.5	5.2	13.1	2.3	77.3	41.7
	2003	6.2	4.1	12.1	35.5	327	0.0	6.4	14.2	2.4	72.7	43.1
Dow Chemical	2006	8.4	6.7	24.3	32.0	1,153	33.9	3.6	12.9	2.4	107.8	30.9
	2005	9.8	7.7	29.7	37.5	1,092	28.3	3.4	11.8	2.3	100.8	32.3
	2004	7.0	4.8	22.8	48.7	930	44.8	3.3	9.6	2.5	87.5	33.0
	2003	3.9	7.5	14.0	56.2	703	95.6	3.4	7.7	3.0	77.9	348.4
DuPont (i)	2006	11.5	8.2	33.4	39.0	465	43.8	5.6	14.6	4.7	86.3	40.8
	2005	7.7	5.5	23.1	43.2	444	70.1	5.0	13.0	5.0	80.1	41.3
	2004	9.0	6.2	21.5	32.8	456	57.4	4.5	12.1	4.9	76.7	42.6
	2003	6.2	3.9	17.1	30.5	333	84.3	6.3	17.3	5.0	72.9	41.0
Eastman Chemical	2006	5.5	3.6	20.2	43.9	677	35.2	5.2	12.7	2.2	120.7	34.7
	2005	7.9	4.8	34.6	50.1	588	25.5	4.9	10.8	2.3	122.3	32.9
	2004	2.6	1.5	14.4	63.5	548	80.6	3.8	7.8	2.3	112.1	33.2
	2003	1.4	0.7	8.1	66.7	387	161.9	4.0	6.7	3.0	93.1	34.7
FMC Corp.	2006	6.2	3.6	14.2	40.8	469	14.5	4.9	11.3	4.1	85.8	34.5
	2005	5.2	2.8	11.6	40.0	430	ne	4.3	9.2	4.4	78.5	35.7
	2004	8.6	4.4	20.1	48.4	402	ne	4.1	7.6	4.5	68.9	37.4
	2003	3.5	1.8	11.6	63.7	363	ne	4.5	7.7	4.5	67.9	39.4

**NOTE:** Earnings are from continuing operations but may include significant nonrecurring and extraordinary items. **a** Earnings as a percentage of sales. **b** Earnings as a percentage of current assets plus gross plant. **c** Earnings as a percentage of stockholders' equity. **d** Thousands of dollars. **e** Fiscal year ends Sept. 30. **f** Celanese was restructured as a stand-alone company in March 2004; data for years prior to 2005 are not comparable. **g** Crompton and Great Lakes Chemical merged in 2005 to become Chemtura; earlier figures are for Crompton. **h** Acquired Surface Specialties in 2005. **i** Sold majority of textile and interiors unit in 2004. **def** = deficit. **ne** = nonexistent.

YEAR	PROFIT MARGIN (a)	RETURN ON INVESTMENT (b)	RETURN ON EQUITY (c)	DEBT AS % OF DEBT PLUS EQUITY	SALES PER EMPLOYEE (d)	DIVIDENDS AS % OF EARNINGS	CAPITAL SPENDING		R&D AS % OF SALES	SALES AS % OF ASSETS	NET PLANT AS % OF GROSS PLANT	
							AS % OF SALES	AS % OF NET PLANT				
H.B. Fuller (e)	2006	5.5%	5.4%	10.4%	22.4%	\$398	18.2%	1.4%	7.1%	1.1%	99.6%	36.0%
	2005	3.8	4.1	9.8	16.1	380	24.5	1.6	8.2	1.1	136.5	36.4
	2004	2.6	2.6	6.5	20.0	313	36.4	2.2	8.9	1.1	124.2	40.7
	2003	3.4	3.4	8.6	24.0	286	28.8	3.0	11.2	1.4	127.7	42.1
Georgia Gulf (f)	2006	2.1	2.1	13.2	78.8	362	21.2	3.7	8.9	ne	98.8	59.5
	2005	4.2	6.9	26.3	38.7	2,025	11.4	1.4	8.0	ne	227.2	38.7
	2004	4.8	7.6	39.6	32.5	1,828	10.0	1.0	5.4	ne	228.8	41.2
	2003	0.9	1.0	9.6	75.8	1,205	79.9	1.7	5.2	ne	168.5	45.2
W.R. Grace	2006	0.6	0.5	-3.3	-0.0	442	ne	4.2	17.9	2.3	77.7	30.6
	2005	2.6	2.1	-11.3	0.0	402	ne	3.1	13.7	2.3	73.1	30.2
	2004	def	def	def	-0.2	353	ne	2.8	9.8	2.3	63.9	32.7
	2003	def	def	def	0.0	314	ne	4.3	13.1	2.6	68.9	35.1
Hercules	2006	9.4	7.0	78.6	79.8	459	ne	4.6	15.6	1.9	72.5	34.4
	2005	1.0	0.8	-81.8	102.3	445	ne	3.3	12.6	2.0	80.5	32.2
	2004	1.4	0.9	27.8	92.6	399	ne	3.9	11.1	2.2	73.7	33.3
	2003	4.0	2.6	112.1	95.3	362	ne	2.6	7.1	2.1	66.7	33.2
Intl. Flavors & Fragrances	2006	10.9	10.6	25.2	46.6	412	29.5	2.8	11.8	8.9	84.5	46.1
	2005	10.5	9.4	22.8	12.5	386	32.5	4.7	18.7	9.0	75.6	48.7
	2004	10.9	10.8	23.7	42.3	379	29.3	3.6	14.2	8.9	83.4	48.5
	2003	10.5	10.5	26.9	48.2	349	29.1	3.5	12.9	8.4	82.4	50.6
Lubrizol (g)	2006	4.5	4.1	10.6	47.4	600	39.2	3.2	12.1	5.1	92.1	42.5
	2005	5.0	4.9	13.0	51.5	538	34.6	3.4	11.5	5.1	92.6	45.2
	2004	4.2	3.1	8.7	56.3	405	43.6	4.2	10.1	6.0	69.2	48.3
	2003	5.2	3.7	11.1	28.9	407	50.5	4.3	12.8	4.6	103.4	35.2
Lyondell (h)	2006	4.1	5.0	28.8	71.6	2,039	24.3	1.8	4.4	0.4	124.6	68.5
	2005	3.5	4.8	21.9	66.5	1,861	33.7	1.3	3.8	0.5	124.2	69.5
	2004	2.0	0.8	4.4	73.9	601	107.6	1.4	1.2	0.7	37.5	75.1
	2003	def	def	def	78.2	1,201	def	7.1	10.2	1.0	49.8	75.9
Monsanto (i)	2006	9.5	6.4	10.7	20.1	420	29.7	5.0	15.3	9.9	62.6	44.6
	2005	2.3	1.6	2.8	20.6	420	110.8	4.1	11.8	8.5	65.5	46.7
	2004	5.0	2.8	5.2	17.0	433	52.0	3.8	10.1	9.4	59.5	45.3
	2003	7.6	3.9	7.3	12.8	374	34.2	4.2	9.0	10.3	52.2	49.4
Nalco Holding (j)	2006	2.7	4.2	11.1	77.3	331	ne	2.6	12.6	1.7	63.7	64.0
	2005	1.4	2.3	6.8	82.1	298	ne	2.3	9.9	1.8	59.7	72.6
	2004	def	def	def	82.8	289	ne	3.0	10.8	4.0	51.1	85.6
Newmarket Corp.(k)	2006	4.3	4.4	17.8	33.6	1,149	16.0	2.1	16.2	5.6	169.6	21.6
	2005	3.3	3.0	13.2	36.5	978	ne	1.7	11.6	6.1	153.3	20.1
	2004	3.0	2.4	11.6	44.2	813	ne	1.7	9.0	3.7	132.2	21.4
	2003	2.8	2.0	10.5	50.2	687	ne	1.6	6.9	3.7	117.2	23.1
Polyone	2006	4.7	6.9	21.9	49.7	570	ne	1.5	9.3	0.8	150.1	38.2
	2005	2.6	3.6	15.1	60.6	488	ne	1.3	7.4	0.7	142.8	38.9
	2004	def	def	def	62.8	413	ne	1.1	5.2	0.7	121.6	46.3
	2003	0.2	0.2	0.8	67.3	442	ne	1.5	6.0	1.0	103.4	50.7

**NOTE:** Earnings are from continuing operations but may include significant nonrecurring and extraordinary items. **a** Earnings as a percentage of sales. **b** Earnings as a percentage of current assets plus gross plant. **c** Earnings as a percentage of stockholder's equity. **d** Thousands of dollars. **e** Fiscal year ends Dec. 2. **f** Acquired Royal Group Technologies in October 2006. **g** Acquired Noveon in 2004. **h** Acquired Millennium Chemicals in December 2004; acquired, in August 2006, Citco's 41.25% interest in Houston Refining, giving Lyondell sole ownership. **i** Fiscal year ends Aug. 31. **j** Nalco became a stand-alone company in November 2003; data prior to 2004 are not comparable. **k** Formerly Ethyl Corp. **def** = deficit. **ne** = nonexistent.

# FINANCES

	YEAR	PROFIT MARGIN (a)	RETURN ON INVESTMENT (b)	RETURN ON EQUITY (c)	DEBT AS % OF DEBT PLUS EQUITY	SALES PER EMPLOYEE (d)	DIVIDENDS AS % OF EARNINGS	CAPITAL SPENDING		R&D AS % OF SALES	SALES AS % OF ASSETS	NET PLANT AS % OF GROSS PLANT
								AS % OF SALES	AS % OF NET PLANT			
PPG Industries	2006	6.4%	10.3%	22.0%	26.3%	\$343	44.4%	3.4%	14.9%	2.9%	110.1%	29.9%
	2005	7.6	6.6	25.4	27.7	331	40.7	2.8	12.5	3.0	117.5	29.5
	2004	7.2	5.7	19.7	25.4	299	44.9	2.6	9.9	3.2	106.5	31.5
	2003	5.7	4.5	17.2	31.5	266	58.8	2.5	8.5	3.5	103.9	33.7
Praxair	2006	8.4	4.4	15.3	39.6	308	46.4	13.2	16.4	1.1	75.0	48.2
	2005	10.8	5.6	21.1	42.9	280	28.3	11.5	14.4	1.0	73.0	48.2
	2004	10.6	5.1	19.3	44.4	244	28.0	10.1	11.2	1.2	66.8	49.4
	2003	10.4	4.8	18.9	46.3	221	25.5	17.5	18.7	1.3	67.6	48.7
Quaker Chemical	2006	2.5	3.4	10.5	43.5	358	72.4	2.7	20.3	2.8	128.8	38.3
	2005	0.4	0.6	1.6	38.9	346	494.1	1.6	12.3	3.3	127.7	40.4
	2004	2.2	2.8	7.3	10.9	325	91.6	2.2	14.3	3.5	123.4	42.9
	2003	4.4	5.4	13.4	12.5	298	52.8	3.8	21.0	2.9	118.5	45.6
Rohm and Haas	2006	9.2	6.5	18.7	29.5	521	37.5	4.9	15.1	3.5	86.2	32.7
	2005	8.0	5.8	91.4	34.6	484	39.2	4.2	12.4	3.4	82.2	34.0
	2004	6.8	4.4	25.3	40.9	437	43.8	4.4	11.0	3.6	72.3	36.5
	2003	5.9	3.7	22.5	42.4	371	50.0	5.3	11.4	3.7	68.0	38.6
Sigma-Aldrich	2006	15.4	11.1	19.6	19.3	246	20.1	4.1	11.5	2.9	77.0	46.9
	2005	15.5	11.7	20.9	15.0	243	19.9	5.5	15.0	3.0	78.2	48.9
	2004	15.5	10.5	18.0	12.7	230	21.6	5.0	12.0	3.1	80.7	49.1
	2003	14.6	7.2	19.0	15.0	219	18.5	4.5	10.6	3.3	83.9	50.3
Solutia	2006	def	def	def	-17.4	570	ne	3.6	13.3	1.5	141.4	24.0
	2005	0.4	0.3	-0.8	-20.5	523	ne	2.9	10.1	1.6	142.4	24.0
	2004	def	def	def	-24.6	473	ne	2.3	7.3	1.6	129.9	25.1
	2003	def	def	def	-35.4	386	ne	3.2	8.6	2.2	99.3	25.9
Stepan	2006	0.6	0.6	3.7	37.3	766	122.2	3.9	20.4	2.5	214.7	26.2
	2005	1.3	1.3	8.1	39.5	714	58.3	3.8	19.7	2.7	208.9	26.2
	2004	1.0	0.9	5.4	35.9	669	85.9	3.6	16.3	1.6	189.9	26.9
	2003	0.6	0.5	3.1	36.2	561	151.6	4.2	15.6	1.9	169.2	28.3
Terra Industries (e)	2006	def	def	def	40.7	1,481	ne	2.8	7.1	ne	116.8	47.1
	2005	0.9	0.9	3.4	40.2	1,597	ne	1.6	4.2	ne	126.7	50.7
	2004	4.5	3.3	14.8	48.7	1,139	ne	1.3	2.4	ne	89.4	55.1
	2003	def	def	def	60.3	1,185	ne	0.7	1.3	ne	119.9	55.3
<b>AVERAGE</b>	<b>2006</b>	<b>7.1%</b>	<b>5.8%</b>	<b>20.8%</b>	<b>42.3%</b>	<b>\$596.2</b>	<b>37.0%</b>	<b>4.7%</b>	<b>13.1%</b>	<b>2.8%</b>	<b>95.6%</b>	<b>40.7%</b>
	<b>2005</b>	<b>6.9%</b>	<b>5.4%</b>	<b>21.1%</b>	<b>44.6%</b>	<b>\$558.0</b>	<b>38.4%</b>	<b>4.2%</b>	<b>11.6%</b>	<b>2.8%</b>	<b>92.2%</b>	<b>40.6%</b>
	<b>2004</b>	<b>5.6%</b>	<b>3.8%</b>	<b>15.1%</b>	<b>46.5%</b>	<b>\$476.9</b>	<b>46.7%</b>	<b>4.0%</b>	<b>9.4%</b>	<b>3.3%</b>	<b>78.5%</b>	<b>41.1%</b>
	<b>2003</b>	<b>4.4%</b>	<b>3.3%</b>	<b>12.4%</b>	<b>46.1%</b>	<b>\$397.2</b>	<b>72.8%</b>	<b>5.2%</b>	<b>11.3%</b>	<b>3.6%</b>	<b>76.5%</b>	<b>53.2%</b>

**NOTE:** Earnings are from continuing operations but may include significant nonrecurring and extraordinary items. **a** Earnings as a percentage of sales. **b** Earnings as a percentage of current assets plus gross plant. **c** Earnings as a percentage of stockholder's equity. **d** Thousands of dollars. **e** Acquired Mississippi Chemical in December 2004. **def** = deficit. **ne** = nonexistent.

## EXPLANATION

# Column Headings In Tables Of Company Results

**Year.** Data are for the calendar year unless otherwise indicated. Data for earlier years are not restated to reflect subsequent acquisitions or divestitures.

**Net sales.** Gross sales less discounts, allowances, and returns; generally excludes excise taxes and other operating income or revenues.

**Earnings.** Net sales and other income less operating costs, nonoperating charges, depreciation, depletion, interest expense, deferred charges, minority interest in income, and taxes. Nonrecurring or extraordinary credits and charges may be included.

**Total assets.** Sum at year's

end of current assets, investments, prepaid expenses, net plant and equipment, and other tangible assets. Excludes insofar as possible intangible assets, including goodwill, value of patents, and the like.

**Net plant and equipment.** Value at year's end of fixed assets less accumulated depreciation, amortization, and depletion.

**Capital expenditures.** Total spending during the year for new fixed assets, such as plants, equipment, and land, and for replacement and modernization of facilities.

**Stockholders' equity.** Equity at year's end of preferred and common stockholders, in-

cluding value of capital stock, capital and earned surplus, and surplus reserves, as well as contingency and miscellaneous reserves for which no definite purpose is stated. Intangible assets are deducted insofar as possible.

**Earnings (breakdown).** Percent of sales is earnings divided by net sales. Percent of stockholders' equity is earnings divided by stockholders' equity. Dollars per share is earnings less preferred dividends, divided by the number of shares of common stock outstanding. All figures are adjusted for stock splits, but no adjustment has been made for earlier years as a result of stock dividends or for dilution that might result from the conversion of pre-

ferred stock or debt to common stock or the exercise of stock options outstanding.

**Dividend per share.** Cash dividends paid (or declared) on each share of common stock; excludes the value of stock dividends and adjusted for stock splits.

**Dividend yield.** Dividend per share divided by the average of the high and low prices of the common stock during the year.

**Stock price range.** High and low market prices of common stock during the year, adjusted for stock splits but not stock dividends.

**Price/earnings ratio.** Average of the high and low prices of the common stock during the year divided by earnings per share.

## U.S. COMPANY RESULTS

Most U.S. chemical companies saw financial improvement, but pharmaceutical firms did not

### CHEMICALS

#### EARNINGS

YEAR	NET SALES	EARNINGS	TOTAL ASSETS	CAPITAL EXPEN- DITURES	STOCK- HOLDERS' EQUITY	% OF SALES	% OF STOCK- HOLDERS' EQUITY	\$ PER SHARE	DIVIDEND, \$ PER SHARE	DIVIDEND YIELD, % OF PRICE	STOCK PRICE RANGE, PER SHARE		PRICE/ EARNINGS RATIO
											HIGH	LOW	

(Money figures, except stock price, are in millions of dollars)

#### AIR PRODUCTS & CHEMICALS (a)

2006	\$8,850	\$795	\$10,079	\$6,162	\$1,261	\$4,924	9.0%	16.1%	\$3.38	\$1.34	2.2%	\$69.54	\$53.00	18.1
2005	8,144	712	9,390	5,869	930	4,576	8.7	15.6	3.15	1.25	2.1	65.81	51.85	18.7
2004	7,411	604	9,209	5,702	706	4,444	8.2	13.6	2.70	1.04	2.1	55.76	44.12	18.5
2003	6,297	467	8,259	5,637	613	3,783	7.4	12.3	2.21	0.88	2.1	46.50	36.15	18.7

#### ALBEMARLE

2006	\$2,369	\$201	\$2,127	\$981	\$100	\$1,028	8.5%	19.6%	\$1.51	\$0.35	1.2%	\$37.35	\$19.29	18.8
2005	2,108	115	2,153	967	70	930	5.5	12.4	2.41	0.62	1.7	39.50	32.04	14.8
2004	1,514	55	2,039	890	58	711	3.6	7.7	1.29	0.59	1.7	40.65	26.97	26.2
2003	1,110	81	1,268	527	41	636	7.3	12.7	1.91	0.57	2.2	30.70	22.10	13.8

#### ARCH CHEMICALS

2006	\$1,435	\$14	\$793	\$193	\$27	\$366	1.0%	3.9%	\$0.61	\$0.80	2.3%	\$31.00	\$37.21	55.9
2005	1,305	40	665	191	18	365	3.1	10.9	1.67	0.80	3.0	31.14	21.96	15.9
2004	1,121	17	756	212	18	360	1.5	4.7	0.84	0.80	2.7	30.87	28.78	35.5
2003	1,009	15	778	281	20	338	1.5	4.4	0.67	0.80	3.9	25.80	15.15	30.6

#### CABOT (a)

2006	\$2,543	\$90	\$2,498	\$964	\$188	\$1,196	3.5%	7.5%	\$1.32	\$0.64	1.8%	\$39.50	\$30.42	26.5
2005	2,125	106	2,349	832	186	1,099	5.0	9.6	1.77	0.64	1.9	39.27	27.66	18.9
2004	1,934	122	2,308	918	119	1,191	6.3	10.2	1.79	0.60	1.8	40.81	26.68	18.9
2003	1,795	75	2,189	913	129	1,079	4.2	7.0	1.08	0.54	1.8	30.30	28.51	27.2

a Fiscal year ends Sept. 30.



# FINANCES

YEAR	NET SALES		TOTAL ASSETS	NET PLANT & EQUIPMENT	CAPITAL EXPEN- DITURES	STOCK- HOLDERS' EQUITY	EARNINGS			DIVIDEND, \$ PER SHARE	DIVIDEND YIELD, % OF PRICE	STOCK PRICE RANGE, PER SHARE		PRICE/ EARNINGS RATIO
	SALES	EARNINGS					% OF SALES	% OF STOCK- HOLDERS' EQUITY	\$ PER SHARE			HIGH	LOW	
<b>CALGON CARBON</b>														
2006	\$316	-\$9	\$286	\$106	\$13	\$148	def	def	-\$0.23	\$0.00	0.0%	\$8.69	\$4.15	def
2005	291	-8	348	109	16	151	def	def	-0.27	0.90	11.8	10.25	4.94	def
2004	337	6	344	129	12	168	1.8%	3.6%	0.15	0.12	1.6	9.70	5.25	49.8
2003	278	4	280	129	9	162	1.4	2.5	0.11	0.12	2.2	6.89	4.24	50.6
<b>CELANESE (a)</b>														
2006	\$6,656	\$407	\$6,557	\$2,155	\$252	\$787	6.1%	51.7%	\$2.51	ne	ne	\$26.33	\$16.80	8.6
2005	6,070	305	6,015	2,040	212	235	5.0	129.8	1.67	ne	ne	20.06	13.54	10.1
<b>CHEMTURA (b)</b>														
2006	\$3,723	-\$253	\$3,849	\$1,147	\$128	\$1,679	def	def	-\$1.05	\$0.20	1.9%	\$13.53	\$7.75	def
2005	2,987	144	4,365	1,192	104	1,775	4.8%	8.1%	0.60	0.20	1.4	17.95	9.89	23.2
2004	2,550	-35	2,271	735	65	329	def	def	-0.32	0.20	2.4	11.80	5.02	def
2003	2,185	-119	2,110	775	88	303	def	def	-1.05	0.20	3.5	7.75	3.63	def
<b>CYTEC INDUSTRIES (c)</b>														
2006	\$3,330	\$168	\$2,789	\$999	\$103	\$1,570	5.0%	10.7%	\$3.45	\$0.40	0.7%	\$62.30	\$45.80	15.7
2005	2,926	143	2,307	1,076	105	1,238	4.9	11.5	3.07	0.40	0.9	53.90	39.34	15.2
2004	1,721	126	1,794	679	89	907	7.3	13.9	2.84	0.40	0.9	51.37	32.97	14.8
2003	1,472	91	1,616	663	94	755	6.2	12.1	2.34	0.00	0.0	38.59	25.98	13.8
<b>DOW CHEMICAL</b>														
2006	\$49,124	\$4,141	\$41,882	\$13,722	\$1,775	\$17,065	8.4%	24.3%	\$4.30	\$1.46	3.7%	\$45.15	\$33.00	9.1
2005	46,307	4,546	42,351	13,537	1,597	15,324	9.8	29.7	4.62	1.34	2.8	56.75	40.18	10.5
2004	40,161	2,797	42,198	13,828	1,333	12,270	7.0	22.8	2.93	1.34	3.1	51.34	36.35	15.0
2003	32,632	1,285	38,086	14,217	1,100	9,175	3.9	14.0	1.38	1.34	4.0	42.00	25.16	24.3
<b>DUPONT (d)</b>														
2006	\$27,421	\$3,148	\$27,190	\$10,498	\$1,532	\$9,422	11.5%	33.4%	\$3.38	\$1.48	3.4%	\$49.68	\$38.52	13.1
2005	26,639	2,053	28,479	10,309	1,340	8,907	7.7	23.1	2.08	1.46	3.2	54.90	37.60	22.2
2004	27,340	2,447	30,702	10,224	1,232	11,377	9.0	21.5	2.44	1.40	3.1	49.39	39.88	18.3
2003	26,996	1,669	32,114	9,892	1,713	9,781	6.2	17.1	1.67	1.40	3.5	46.00	34.71	24.2
<b>EASTMAN CHEMICAL</b>														
2006	\$7,450	\$409	\$5,859	\$3,069	\$389	\$2,029	5.5%	20.2%	\$4.98	\$1.76	3.2%	\$61.29	\$47.30	10.9
2005	7,059	557	5,461	3,162	343	1,612	7.9	34.6	6.81	1.76	3.3	61.80	44.10	7.8
2004	6,580	170	5,533	3,192	248	1,184	2.6	14.4	2.18	1.76	3.7	58.17	38.00	22.1
2003	5,800	84	5,880	3,419	230	1,043	1.4	8.1	1.08	1.76	5.2	39.53	27.89	31.2
<b>FMC CORP.</b>														
2006	\$2,347	\$145	\$2,571	\$1,025	\$116	\$1,020	6.2%	14.2%	\$3.67	\$0.54	0.8%	\$77.98	\$51.73	17.7
2005	2,150	111	2,591	1,012	94	959	5.2	11.6	2.83	ne	ne	63.87	43.25	18.9
2004	2,051	176	2,808	1,112	85	876	8.6	20.1	3.20	ne	ne	50.50	32.95	13.0
2003	1,921	68	2,673	1,128	87	588	3.5	11.6	1.90	ne	ne	34.85	14.38	13.0
<b>H.B. FULLER (e)</b>														
2006	\$1,472	\$81	\$1,111	\$298	\$21	\$778	5.5%	10.4%	\$1.38	\$0.25	1.1%	\$15.60	\$28.25	15.9
2005	1,512	57	1,010	299	25	584	3.8	9.8	0.99	0.48	3.1	18.06	12.63	15.5
2004	1,410	36	1,018	349	31	553	2.6	6.5	0.52	0.46	3.3	15.18	12.36	26.5
2003	1,287	44	912	349	39	509	3.4	8.6	0.63	0.45	3.6	14.79	9.89	19.6
<b>GEORGIA GULF (f)</b>														
2006	\$2,428	\$52	\$1,993	\$1,023	\$91	\$394	2.1%	13.2%	\$1.51	\$0.32	1.2%	\$34.65	\$18.36	17.6
2005	2,274	96	923	401	32	363	4.2	26.3	2.79	0.32	0.8	55.90	21.40	13.9
2004	2,206	106	964	426	23	268	4.8	39.6	3.17	0.32	0.8	58.75	24.68	13.2
2003	1,444	13	779	461	24	136	0.9	9.6	0.38	0.32	1.4	29.75	16.94	61.4

**a** Celanese was restructured as a stand-alone company in March 2004; data for years prior to 2005 are not comparable. **b** Crompton and Great Lakes Chemical merged in 2005 to become Chemtura; earlier figures are for Crompton. **c** Acquired Surface Specialties in 2005. **d** Sold majority of textile and interiors unit in 2004. **e** Fiscal year ends Dec. 2. **f** Acquired Royal Group Technologies in October 2006. **def** = deficit. **ne** = nonexistent.

YEAR	EARNINGS											STOCK PRICE RANGE, PER SHARE		PRICE/ EARNINGS RATIO
	NET SALES	EARNINGS	TOTAL ASSETS	NET PLANT & EQUIPMENT	CAPITAL EXPEN- DITURES	STOCK- HOLDERS' EQUITY	% OF SALES	% OF STOCK- HOLDERS' EQUITY	\$ PER SHARE	DIVIDEND \$ PER SHARE	DIVIDEND YIELD, % OF PRICE	HIGH	LOW	
												STOCK PRICE RANGE, PER SHARE	STOCK PRICE RANGE, PER SHARE	
(Money figures, except stock price, are in millions of dollars)														
<b>W.R. GRACE</b>														
2006	\$2,827	\$18	\$3,521	\$665	\$119	-\$550	0.6%	-3.3%	\$0.27	ne	ne	\$20.35	\$8.12	52.7
2005	2,570	67	3,413	590	81	-595	2.6	-11.3	1.00	ne	ne	13.79	6.75	10.3
2004	2,260	-402	3,427	645	63	-622	def	def	-6.11	ne	ne	14.95	2.51	def
2003	1,981	-55	2,789	657	86	-184	def	def	-0.84	ne	ne	5.52	1.48	def
<b>HERCULES</b>														
2006	\$2,035	\$191	\$2,184	\$600	\$94	\$243	9.4%	78.6%	\$1.71	ne	ne	\$19.87	\$10.98	9.0
2005	2,069	20	1,985	535	68	-25	1.0	-81.8	0.18	ne	ne	15.24	10.20	70.7
2004	1,997	27	1,998	695	77	97	1.4	27.8	0.25	ne	ne	15.09	9.99	50.2
2003	1,846	74	2,060	677	48	66	4.0	112.1	0.69	ne	ne	12.50	7.40	14.4
<b>INTERNATIONAL FLAVORS &amp; FRAGRANCES</b>														
2006	\$2,095	\$229	\$1,733	\$495	\$58	\$905	10.9%	25.2%	\$2.50	\$0.77	1.9%	\$49.88	\$32.53	16.5
2005	1,993	209	1,866	499	93	915	10.5	22.8	2.02	0.73	2.0	42.90	31.19	18.3
2004	1,975	216	1,578	501	71	911	10.9	23.7	2.27	0.69	1.8	43.20	32.77	16.7
2003	1,902	200	2,018	511	66	743	10.5	26.9	2.12	0.63	1.9	36.61	29.18	15.5
<b>LUBRIZOL (a)</b>														
2006	\$4,041	\$182	\$2,987	\$1,081	\$131	\$1,707	4.5%	10.6%	\$3.09	\$1.04	2.3%	\$50.75	\$38.02	14.4
2005	4,043	204	2,823	1,184	137	1,567	5.0	13.0	2.89	1.04	2.6	44.51	35.25	13.8
2004	3,160	132	2,976	1,318	133	1,524	4.2	8.7	2.36	1.04	3.1	37.36	29.86	14.2
2003	2,049	106	1,711	690	88	953	5.2	11.1	2.05	1.04	3.3	34.40	29.23	15.5
<b>MONSANTO (b)</b>														
2006	\$6,924	\$157	\$8,178	\$2,378	\$281	\$6,525	2.3%	10.7%	\$0.29	\$0.34	1.3%	\$34.62	\$17.08	89.1
2005	5,457	271	7,990	2,087	210	5,613	5.0	2.8	0.50	0.34	2.2	19.25	11.54	30.8
2004	5,457	271	7,990	2,087	210	5,258	5.0	5.2	0.50	0.34	2.2	19.25	11.54	30.8
2003	4,936	374	8,122	2,280	206	5,156	7.6	7.3	0.19	0.25	2.4	13.18	7.76	55.1
<b>NALCO HOLDING (c)</b>														
2006	\$3,603	\$99	\$2,187	\$743	\$93	\$891	2.7%	11.1%	\$0.67	ne	ne	\$21.51	\$15.83	27.9
2005	3,312	48	2,128	755	75	706	1.4	6.8	0.33	ne	ne	22.03	14.25	55.0
2004	3,033	-139	2,242	847	92	710	def	def	-1.42	ne	ne	20.24	15.00	def
<b>NEWMARKET CORP. (d)</b>														
2006	\$1,263	\$54	\$693	\$162	\$26	\$301	4.3%	17.8%	\$3.08	\$0.50	1.1%	\$70.00	\$23.55	15.2
2005	1,076	35	652	154	18	266	3.3	13.2	2.02	ne	ne	25.26	12.95	9.5
2004	894	27	620	166	15	232	3.0	11.6	1.45	ne	ne	25.57	17.35	14.8
2003	756	21	582	174	12	200	2.8	10.5	1.22	ne	ne	22.30	6.47	11.8
<b>POLYONE</b>														
2006	\$2,662	\$126	\$1,477	\$442	\$41	\$574	4.7%	21.9%	\$1.36	ne	ne	\$9.89	\$6.31	6.0
2005	2,451	63	1,390	436	32	416	2.6	15.1	0.68	ne	ne	10.25	5.31	11.4
2004	2,162	-95	1,194	441	23	380	def	def	0.26	ne	ne	9.70	5.28	28.8
2003	1,965	3	1,547	486	29	367	0.2	0.8	-1.05	ne	ne	6.95	3.08	-4.8
<b>PPG INDUSTRIES</b>														
2006	\$11,037	\$711	\$8,039	\$2,496	\$372	\$3,234	6.4%	22.0%	\$4.27	\$1.91	3.0%	\$69.80	\$56.53	14.8
2005	10,201	776	7,027	2,304	288	3,053	7.6	25.4	4.54	1.86	2.9	74.73	55.64	14.4
2004	9,513	683	7,219	2,471	244	3,472	7.2	19.7	3.98	1.79	2.9	68.79	54.81	15.5
2003	8,756	500	6,772	2,566	217	2,911	5.7	17.2	2.92	1.73	3.2	64.42	43.61	18.5
<b>PRAXAIR</b>														
2006	\$8,324	\$696	\$9,418	\$6,694	\$1,100	\$4,554	8.4%	15.3%	\$3.00	\$1.00	1.7%	\$63.70	\$50.65	19.1
2005	7,656	824	8,865	6,108	877	3,902	10.8	21.1	2.22	0.72	1.5	54.31	41.06	21.5
2004	6,594	697	8,239	5,946	668	3,608	10.6	19.3	2.10	0.60	1.5	46.25	34.52	19.2
2003	5,613	585	7,174	5,252	983	3,088	10.4	18.9	1.77	0.46	1.5	38.26	25.02	17.9

a Acquired Noveon in 2004. b Fiscal year ends Aug. 31. c Reorganized as a stand-alone company in November 2003; data prior to 2004 are not comparable; 2003 stock prices are from initiation of trading on Nov. 10 to Dec. 31. d Formerly Ethyl Corp. def = deficit. ne = nonexistent.

# FINANCES

YEAR	EARNINGS														PRICE/ EARNINGS RATIO
	NET SALES	EARNINGS	TOTAL ASSETS	NET PLANT & EXPEN- EQUIPMENT	CAPITAL DITURES	STOCK- HOLDERS' EQUITY	% OF SALES	% OF STOCK- HOLDERS' EQUITY	\$ PER SHARE	DIVIDEND, \$ PER SHARE	DIVIDEND YIELD, % OF PRICE	STOCK PRICE RANGE, PER SHARE			
												HIGH	LOW		
<b>QUAKER CHEMICAL</b>															
2006	\$461	\$12	\$311	\$61	\$12	\$111	2.5%	10.5%	\$1.19	\$0.86	4.5%	\$21.94	\$16.70	16.2	
2005	424	2	288	57	7	106	0.4	1.6	0.17	0.86	4.2	25.07	15.80	120.2	
2004	401	9	-109	63	9	123	2.2	7.3	0.90	0.86	3.3	30.70	21.84	29.2	
2003	340	15	244	62	13	112	4.4	13.4	1.52	0.84	3.4	30.75	18.17	16.1	
<b>ROHM AND HAAS</b>															
2006	\$8,230	\$755	\$6,525	\$2,669	\$404	\$4,031	9.2%	18.7%	\$3.41	\$1.28	2.6%	\$53.86	\$42.77	14.2	
2005	7,994	638	6,508	2,681	333	3,917	8.0	16.3	2.86	1.12	2.5	50.00	39.47	15.6	
2004	7,300	496	8,361	2,929	322	3,697	6.8	13.4	2.21	0.97	2.4	45.41	35.90	18.4	
2003	6,421	382	7,783	2,966	339	3,357	5.9	11.4	1.72	0.86	2.5	43.05	26.26	20.1	
<b>SIGMA-ALDRICH</b>															
2006	\$1,798	\$277	\$1,847	\$645	\$75	\$1,411	15.4%	19.6%	\$2.05	\$0.42	1.2%	\$39.68	\$31.27	17.3	
2005	1,667	258	1,665	613	92	1,233	15.5	20.9	3.76	0.76	1.2	67.10	55.34	16.3	
2004	1,409	218	1,587	584	70	1,212	15.5	18.0	3.16	0.68	1.2	61.62	53.22	18.2	
2003	1,298	190	1,435	547	58	999	14.6	19.0	2.68	0.50	1.0	57.46	41.17	18.4	
<b>SOLUTIA</b>															
2006	\$2,905	-\$47	\$1,935	\$795	\$106	-\$1,417	def	def	-\$0.45	ne	ne	\$0.75	\$0.28	def	
2005	2,825	11	1,873	804	81	-1,454	0.4%	-0.8%	0.11	ne	ne	1.69	0.33	9.2	
2004	2,697	-316	1,962	841	61	-1,444	def	def	-3.02	ne	ne	0.15	1.39	def	
2003	2,430	-78	2,306	909	78	-1,125	def	def	-1.10	ne	ne	4.89	0.23	def	
<b>STEPAN</b>															
2006	\$1,173	\$7	\$531	\$226	\$46	\$181	0.6%	3.7%	\$0.63	\$0.81	2.8%	\$33.00	\$25.05	46.1	
2005	1,078	14	500	211	42	167	1.3	8.1	1.39	0.79	3.3	27.48	20.80	17.4	
2004	936	9	475	209	34	168	1.0	5.4	0.89	0.77	3.2	26.15	21.70	26.9	
2003	785	5	444	211	33	162	0.6	3.1	0.45	0.76	3.1	26.80	21.55	53.7	
<b>TERRA INDUSTRIES (a)</b>															
2006	\$1,837	-\$1	\$1,567	\$721	\$51	\$483	def	def	-\$0.01	ne	ne	\$12.40	\$5.45	def	
2005	1,931	17	1,516	734	31	493	0.9%	3.4%	0.18	ne	ne	9.27	4.87	39.3	
2004	1,507	68	1,661	798	19	459	4.5	14.8	0.87	ne	ne	9.38	3.20	7.2	
2003	1,349	-22	1,125	708	9	265	def	def	-0.28	ne	ne	3.55	0.97	def	
<b>PHARMACEUTICALS</b>															
YEAR	EARNINGS														PRICE/ EARNINGS RATIO
	NET SALES	EARNINGS	TOTAL ASSETS	NET PLANT & EXPEN- EQUIPMENT	CAPITAL DITURES	STOCK- HOLDERS' EQUITY	% OF SALES	% OF STOCK- HOLDERS' EQUITY	\$ PER SHARE	DIVIDEND, \$ PER SHARE	DIVIDEND YIELD, % OF PRICE	STOCK PRICE RANGE, PER SHARE			
												HIGH	LOW		
<b>ABBOTT LABORATORIES</b>															
2006	\$22,476	\$1,717	\$26,217	\$6,946	\$1,338	\$14,054	7.6%	12.2%	\$1.12	\$1.18	2.7%	\$49.87	\$39.18	39.8	
2005	22,338	3,372	19,190	6,003	1,207	14,415	15.1	23.4	2.17	1.10	2.5	50.00	37.50	20.2	
2004	19,680	3,176	17,910	6,008	1,292	14,326	16.1	22.2	2.02	1.00	2.3	47.63	38.26	21.3	
2003	19,681	3,734	18,176	6,282	1,247	13,072	19.0	28.6	1.75	0.98	2.4	47.15	33.75	23.1	
<b>BRISTOL-MYERS SQUIBB</b>															
2006	\$17,914	\$1,585	\$18,898	\$4,829	\$785	\$9,991	8.8%	15.9%	\$0.81	\$1.12	4.8%	\$26.32	\$20.24	28.7	
2005	19,207	2,992	21,394	5,693	738	11,208	15.6	26.7	1.52	1.12	4.7	26.48	21.03	15.6	
2004	19,380	2,378	23,270	5,768	676	10,202	12.3	23.3	1.21	1.12	4.2	30.64	22.50	22.0	
2003	20,849	3,106	20,903	5,712	937	9,786	14.9	31.7	1.60	1.12	4.5	28.86	21.13	15.6	

a Acquired Mississippi Chemical in December 2004. def = deficit. ne = non-existent.

YEAR	NET SALES	EARNINGS	TOTAL ASSETS	NET PLANT & EQUIPMENT	CAPITAL EXPEN-DITURES	STOCK-HOLDERS' EQUITY	EARNINGS					STOCK PRICE RANGE, PER SHARE		PRICE/EARNINGS RATIO
							% OF SALES	% OF STOCK-HOLDERS' EQUITY	\$ PER SHARE	DIVIDEND \$ PER SHARE	DIVIDEND YIELD, % OF PRICE	HIGH	LOW	
<b>ELI LILLY &amp; CO.</b>														
2006	\$15,691	\$2,663	\$21,955	\$8,125	\$1,078	\$10,981	17.0%	24.3%	\$2.45	\$1.60	2.9%	\$58.86	\$50.41	22.3
2005	14,645	3,122	24,581	7,913	1,298	10,896	21.3	28.7	2.87	1.52	2.8	60.44	49.76	19.2
2004	13,858	1,810	24,867	7,551	1,898	10,920	13.1	16.6	1.66	1.42	2.2	76.26	50.44	38.2
2003	12,582	2,561	21,678	6,539	1,707	9,765	20.4	26.2	2.37	1.36	2.1	73.89	53.70	26.9
<b>JOHNSON &amp; JOHNSON</b>														
2006	\$53,324	\$11,053	\$41,868	\$13,044	\$2,666	\$39,318	20.7%	28.1%	\$3.73	\$1.46	2.3%	\$69.41	\$56.70	16.9
2005	50,414	10,411	45,850	10,830	2,632	37,871	20.7	27.5	3.46	1.28	2.0	69.99	59.76	18.8
2004	47,348	8,509	41,475	10,436	2,175	31,813	18.0	26.7	2.84	1.01	1.9	64.25	49.25	20.0
2003	41,862	7,197	36,724	9,846	2,262	26,869	17.2	26.8	2.40	0.93	1.7	59.08	48.05	22.3
<b>MERCK (a)</b>														
2006	\$22,636	\$4,334	\$42,194	\$13,194	\$980	\$17,560	19.1%	24.7%	\$1.03	\$1.52	3.9%	\$46.37	\$31.81	38.0
2005	22,012	4,631	43,242	14,398	1,403	17,917	21.0	25.8	2.10	1.52	5.0	35.20	25.50	14.5
2004	22,939	5,813	41,808	14,714	1,726	17,288	25.3	33.6	2.62	1.49	4.0	49.33	25.60	14.3
2003	22,486	6,590	38,639	14,169	1,916	15,576	29.3	42.3	2.92	1.45	2.8	63.50	40.57	17.8
<b>PFIZER (b)</b>														
2006	\$48,371	\$11,024	\$69,611	\$16,632	\$2,050	\$71,358	22.8%	15.4%	\$1.52	\$0.96	3.8%	\$28.60	\$22.16	16.7
2005	51,298	8,094	66,005	17,090	2,106	65,627	15.8	12.3	1.10	0.76	3.1	29.21	20.27	22.5
2004	52,516	11,332	66,677	18,385	2,601	68,278	21.6	16.6	1.51	0.68	2.2	39.89	21.99	20.5
2003	45,188	12,722	58,119	18,287	2,629	65,377	28.2	19.5	1.73	0.60	1.9	36.92	26.95	18.5
<b>SCHERING-PLOUGH</b>														
2006	\$10,594	\$1,121	\$15,579	\$4,365	\$458	\$7,908	10.6%	14.2%	\$0.71	\$0.22	1.1%	\$23.90	\$18.00	29.5
2005	9,508	269	14,900	4,487	478	7,387	2.8	3.6	0.12	0.22	1.1	22.45	17.68	167.2
2004	8,272	-15	15,331	4,593	489	7,556	def	def	-0.67	0.22	1.2	21.12	15.96	def
2003	8,334	507	14,483	4,527	701	15,102	6.1	3.4	0.35	0.57	3.0	23.68	14.52	54.6
<b>WYETH</b>														
2006	\$20,351	\$4,197	\$32,197	\$10,146	\$1,290	\$14,653	20.6%	28.6%	\$3.08	\$1.01	2.1%	\$54.13	\$41.91	15.6
2005	18,756	3,656	31,725	9,353	1,081	11,994	19.5	30.5	2.70	0.94	2.2	47.88	38.48	16.0
2004	17,358	4,361	29,562	9,524	5,780	9,848	25.1	44.3	3.24	0.92	2.4	44.70	33.50	12.1
2003	15,851	3,259	23,130	8,661	1,906	9,294	20.6	35.1	2.44	0.92	2.2	49.95	32.75	16.9
<b>BIOPHARMACEUTICALS</b>														
YEAR	NET SALES	EARNINGS	R&D SPENDING	R&D AS % OF SALES	TOTAL ASSETS	NET PLANT & EQUIP-MENT	STOCK-HOLDERS' EQUITY	EARNINGS					PRICE/EARNINGS RATIO	
								% OF SALES	% OF STOCK-HOLDERS' EQUITY	\$ PER SHARE	DIVIDEND \$ PER SHARE	DIVIDEND YIELD, % OF PRICE		HIGH
<b>AMGEN</b>														
2006	\$15,858	\$2,950	\$3,366	21.2%	\$7,739	\$5,921	\$33,788	18.6%	8.7%	\$2.48	\$80.36	\$63.92	29.1	
2005	12,022	3,674	2,314	19.2	15,060	5,038	20,451	30.6	18.0	2.93	86.17	57.20	24.5	
2004	9,977	2,363	2,028	20.3	14,663	4,712	19,705	23.7	12.0	1.10	64.76	52.70	53.4	
2003	7,868	2,260	2,260	28.7	12,068	3,799	19,389	28.7	11.7	1.69	71.54	48.88	35.6	
<b>BIOGEN IDEC (c)</b>														
2006	\$1,781	\$214	\$718	40.3%	\$4,652	\$1,280	\$7,150	12.0%	3.0%	\$0.63	\$52.72	\$40.24	73.8	
2005	1,617	161	748	46.2	4,261	1,174	6,906	9.9	2.3	0.47	70.00	33.18	109.8	
2004	1,486	25	688	46.3	4,722	1,525	6,826	1.7	0.4	0.07	67.92	36.60	746.6	
2003	1,852	428	546	29.5	4,715	1,253	7,053	23.1	6.1	1.22	42.15	27.80	28.7	

a Spun off Medco Health Solutions in August 2003. b Acquired Pharmacia in April 2003. c Biogen and Iddec Pharmaceuticals merged in November 2003. def = deficit.

# FINANCES

## EARNINGS

YEAR	NET SALES	EARNINGS	R&D SPENDING	R&D AS % OF SALES	TOTAL ASSETS	NET PLANT & EQUIP- MENT	STOCK HOLDERS' EQUITY	% OF SALES	% OF STOCK HOLDERS' EQUITY	\$ PER SHARE	STOCK PRICE RANGE, PER SHARE		PRICE/ EARN- INGS RATIO
											HIGH	LOW	
<b>GENENTECH (a)</b>													
2006	\$7,640	\$2,113	\$1,773	23.2%	\$13,051	\$4,173	\$14,842	27.7%	14.2%	\$1.97	\$95.16	\$75.58	43.3
2005	5,488	1,279	1,262	23.0	10,258	3,349	7,470	23.3	17.1	1.18	100.20	43.90	61.1
2004	3,749	894	948	25.3	7,420	2,191	6,782	23.8	13.2	0.78	68.25	41.00	70.0
2003	2,621	635	722	27.5	6,611	1,618	6,520	24.2	9.7	0.60	47.68	15.77	52.9
<b>GENZYME</b>													
2006	\$2,887	-\$17	\$650	22.5%	\$4,400	\$1,611	\$5,611	def	def	-\$0.06	\$75.34	\$54.64	def
2005	2,453	442	503	20.5	3,800	1,321	5,150	18.0%	8.6%	1.73	77.53	55.90	38.6
2004	1,979	70	392	19.8	2,991	1,310	4,380	3.5	1.6	0.97	58.16	14.00	37.2
2003	1,564	-68	335	21.4	3,489	1,151	2,936	def	def	0.42	52.45	28.45	def

a Genentech had a two-for-one stock split in 2004. def = deficit.

## CANADA COMPANY RESULTS

Overall, results for Canadian firms were positive in 2006

### EARNINGS

YEAR	NET SALES	EARNINGS	TOTAL ASSETS	NET PLANT & EQUIP- MENT	CAPITAL EXPEN- DITURES	STOCK- HOLDERS' EQUITY	% OF SALES	% OF STOCK- HOLDERS' EQUITY	\$ PER SHARE	DIVIDEND, \$ PER SHARE	DIVIDEND YIELD, % OF PRICE	STOCK PRICE RANGE, PER SHARE		PRICE/ EARNINGS RATIO
												HIGH	LOW	
<b>AGRIUM</b>														
2006	\$4,373	\$33	\$3,016	\$1,332	\$209	\$984	0.8%	3.4%	\$0.25	\$0.11	0.4%	C\$36.88	C\$22.32	104.4
2005	3,491	283	2,777	1,285	175	1,172	8.9	24.1	2.12	0.11	0.5	32.66	17.75	10.5
2004	3,001	266	2,261	1,239	82	948	8.1	30.0	1.91	0.11	0.7	22.76	14.26	8.5
2003	2,630	-37	2,273	1,260	99	821	def	def	0.29	0.11	0.7	21.47	14.28	54.3
<b>METHANEX</b>														
2006	\$2,108	\$483	\$2,401	\$1,353	\$53	\$1,167	22.9%	41.4%	\$4.41	\$0.49	2.1%	C\$32.79	C\$20.37	5.3
2005	1,658	207	2,047	1,396	118	900	12.5	23.0	1.75	0.41	2.3	24.58	16.46	10.3
2004	1,719	236	2,067	1,367	157	892	13.7	23.5	1.95	0.28	1.7	22.70	13.91	8.3
2003	1,394	187	2,015	1,320	243	717	13.4	26.1	1.52	0.47	3.7	16.27	12.40	8.3
<b>NOVA CHEMICALS</b>														
2006	\$6,519	\$198	\$4,155	\$2,719	\$198	\$546	3.0%	36.3%	\$2.39	\$0.35	1.1%	C\$41.25	C\$29.50	13.1
2005	5,616	16	5,217	3,626	419	1,215	0.3	1.3	0.19	0.35	0.8	64.25	36.65	234.2
2004	5,270	176	5,047	3,454	242	1,484	3.3	11.9	1.85	0.35	0.9	58.75	31.71	21.6
2003	3,949	-116	4,413	3,336	130	1,309	def	def	-1.34	0.35	1.4	35.05	24.65	def
<b>POTASH CORP.</b>														
2006	\$3,767	\$632	\$6,091	\$3,526	\$509	\$2,654	16.8%	23.8%	\$5.95	\$0.60	0.5%	C\$170.89	C\$86.79	19.1
2005	3,847	543	5,226	3,263	383	2,001	14.1	27.1	4.89	0.60	0.7	137.99	84.76	20.1
2004	3,244	268	4,993	3,099	221	2,252	8.3	11.9	2.42	0.55	0.9	104.06	50.96	28.2
2003	2,466	77	4,470	3,108	151	1,877	3.1	4.1	0.73	0.50	1.2	57.75	40.75	59.5

NOTE: Stock price ratios were converted at the 2006 average exchange rate of \$1.00 U.S. = \$1.134 Canadian (C\$). def = deficit.

## EUROPE COMPANY RESULTS

New companies and acquisitions spurred growth in sales and earnings

### CHEMICALS

YEAR	NET SALES	EARNINGS	TOTAL ASSETS	NET PLANT & EQUIPMENT	CAPITAL EXPENDITURES	STOCK-HOLDERS' EQUITY	EARNINGS			DIVIDEND, \$ PER SHARE	DIVIDEND YIELD, % OF PRICE	STOCK PRICE RANGE, PER SHARE		PRICE/EARNINGS RATIO
							% OF SALES	% OF STOCK-HOLDERS' EQUITY	\$ PER SHARE			HIGH	LOW	
<b>BELGIUM</b>														
<b>Solvay</b>														
2006	\$11,808	\$994	\$13,946	\$4,861	\$730	\$5,601	8.4%	17.7%	\$12.02	\$3.52	3.5%	€ 116.20	€ 83.10	10.4
2005	10,756	1,025	14,121	4,754	634	4,925	9.5	20.8	9.51	2.00	2.2	104.1	79.95	9.7
2004	9,896	603	12,609	4,338	709	4,764	6.1	12.7	5.92	1.90	2.6	83.9	64.1	12.5
2003	9,494	497	11,862	4,346	697	4,410	5.2	11.3	4.78	1.80	3.1	69.3	47.6	12.2
<b>FINLAND</b>														
<b>Kemira</b>														
2006	\$3,169	\$151	\$3,479	\$1,240	\$206	\$1,370	4.8%	11.0%	\$1.21	\$0.60	4.3%	€ 17.17	€ 11.07	14.7
2005	2,505	111	2,928	1,087	142	1,280	4.4	8.6	0.73	0.36	3.0	14.02	9.86	16.4
2004	3,183	95	2,567	945	270	1,163	3.0	8.2	0.64	0.34	3.3	11.69	9.2	16.3
2003	3,440	92	3,134	1,364	296	1,341	2.7	6.9	0.62	0.33	4.4	9.3	5.75	12.1
<b>FRANCE</b>														
<b>Air Liquide</b>														
2006	\$13,755	\$1,259	\$20,472	\$10,040	\$1,417	\$8,250	9.2%	15.3%	\$10.49	\$5.03	3.1%	€ 182.40	€ 141.91	19.4
2005	13,109	1,172	20,387	10,262	1,225	7,800	8.9	15.0	8.66	3.85	2.6	166.1	129.9	18.8
2004	11,779	977	18,122	8,689	1,099	6,751	8.3	14.5	7.2	3.50	2.7	138.5	119.09	17.9
2003	10,545	912	13,826	7,447	920	6,381	8.6	14.3	7.36	3.20	2.6	140.9	105	16.7
<b>Arkema (a)</b>														
2006	\$7,369	\$57	\$5,705	\$1,729	\$422	\$2,435	0.8%	2.3%	\$2.46	ne	ne	€ 41.48	€ 24.94	16.9
2005	7,173	-538	5,872	1,572	418	1,838	def	def	-7.05	ne	ne	ne	ne	ne
2004	6,681	-786	5,597	1,634	377	2,202	def	def	-10.2	ne	ne	ne	ne	ne
2003	6,341	-475	5,901	2,124	372	3,064	def	def	-6.27	ne	ne	ne	ne	ne
<b>Rhodia</b>														
2006	\$6,087	\$423	\$6,112	\$2,025	\$188	\$820	7.0%	51.6%	\$0.09	ne	ne	€ 2.71	€ 1.35	29.0
2005	6,388	-773	7,093	2,682	319	-837	def	def	-0.95	ne	ne	1.94	1.18	def
2004	6,635	-785	6,869	2,480	250	117	def	def	-1.33	ne	ne	3.95	0.97	def
2003	6,851	-1,697	8,202	3,173	293	317	def	def	-7.53	ne	ne	8.44	2.91	def
<b>GERMANY</b>														
<b>BASF</b>														
2006	\$66,094	\$4,039	\$56,899	\$18,721	\$5,111	\$23,340	6.1%	17.3%	\$8.00	\$3.77	5.7%	€ 74.24	€ 58.97	10.5
2005	53,712	3,778	44,812	17,572	2,433	22,014	7.0	17.2	5.73	2.00	2.8	77.26	63.68	12.3
2004	47,158	2,366	42,609	15,633	2,425	19,806	5.0	11.9	3.43	1.70	3.6	53.00	40.49	13.6
2003	42,545	1,143	42,214	16,420	2,881	19,949	2.7	5.7	1.62	1.40	3.8	44.58	28.41	22.5
<b>Bayer (b)</b>														
2006	\$36,377	\$2,114	\$70,216	\$11,140	\$2,185	\$16,145	5.8%	13.1%	\$2.51	\$1.26	3.5%	€ 40.92	€ 30.56	17.9
2005	34,401	2,006	46,134	10,454	1,744	14,017	5.8	14.3	2.19	0.95	3.3	35.92	22.11	13.2
2004	29,781	773	42,075	9,627	1,251	13,740	2.6	5.6	0.83	0.55	2.5	24.94	19.49	26.8
2003	28,632	-457	41,981	10,535	1,793	13,637	def	def	-1.86	0.50	3.0	23.22	10.28	def
<b>Degussa (c)</b>														
2006	\$13,718	-\$242	\$16,868	\$5,153	\$798	\$5,687	def	def	\$8.48	ne	ne	ne	ne	ne
2005	14,764	-602	16,946	6,117	1,023	5,259	def	def	-2.39	ne	ne	€ 44.50	€ 30.50	def
2004	14,126	428	17,127	5,927	906	5,881	3.0	7.3	1.45	1.10	3.8	32.98	24.7	19.9
2003	14,356	-200	17,593	6,353	989	6,303	def	def	-0.77	1.10	4.4	29.47	20.62	def

**NOTE:** Monetary statistics, except share prices, for all years were converted at the 2006 average exchange rates of \$1.00 U.S. = 0.796 euros, 0.542 pounds sterling, and 1.253 Swiss francs. **a** Spun off from Total in 2006; 2003-05 data are pro forma. **b** Data for 2003 and 2004, except per-share data, exclude Lanxess. **c** Became wholly owned subsidiary of RAG in mid-2006. **def** = deficit. **ne** = nonexistent. **nm** = not meaningful.

# FINANCES

YEAR	NET SALES	EARNINGS	TOTAL ASSETS	NET PLANT & EQUIPMENT	CAPITAL EXPENDITURES	STOCK-HOLDERS' EQUITY	EARNINGS			DIVIDEND, \$ PER SHARE	DIVIDEND YIELD, % OF PRICE	STOCK PRICE RANGE, PER SHARE		PRICE/EARNINGS RATIO
							% OF SALES	% OF STOCK-HOLDERS' EQUITY	\$ PER SHARE			HIGH	LOW	
(Money figures are in millions of dollars unless otherwise indicated)														
<b>Lanxess (a)</b>														
2006	\$8,724	\$247	\$5,283	\$1,840	\$335	\$1,794	2.8%	13.8%	-\$2.93	\$0.31	0.9%	€ 43.55	€ 24.46	def
2005	8,983	-79	5,454	1,917	315	1,578	def	def	-0.94	ne	ne	27.65	13.63	def
2004	7,604	-15	5,418	1,911	351	1,672	def	def	-0.2	ne	ne	ne	ne	ne
2003	7,256	-1,253	5,062	1,949	392	1,706	def	def	-17.15	ne	ne	ne	ne	ne
<b>Linde (b)</b>														
2006	\$15,627	\$2,309	\$35,171	\$9,147	\$1,220	\$10,333	14.8%	22.3%	\$16.71	\$1.88	2.8%	€ 79.56	€ 56.32	5.1
2005	11,949	646	15,852	4,879	1,085	5,619	5.4	11.5	5.40	1.76	3.2	63.36	45.55	12.7
2004	11,836	334	14,562	4,792	902	5,127	2.8	6.5	2.80	1.57	3.5	49.1	40.5	20.1
2003	11,297	136	14,969	4,741	1,075	4,882	1.2	2.8	1.14	1.42	4.3	43.4	22.8	36.4
<b>Merck</b>														
2006	\$7,863	\$1,235	\$10,179	\$2,236	\$318	\$4,783	15.7%	25.8%	\$6.37	\$1.13	1.2%	€ 89.10	€ 63.96	15.1
2005	7,374	828	9,147	2,334	337	4,182	11.2	19.8	4.33	1.07	1.7	74.90	48.45	14.2
2004	7,361	828	7,189	2,332	294	3,637	11.2	22.8	4.36	1.26	3.0	51.19	32.00	9.5
2003	9,048	262	8,771	2,538	353	2,968	2.9	8.8	1.44	1.01	3.7	34.06	20.01	18.7
<b>Wacker (c)</b>														
2006	\$4,192	\$391	\$4,093	\$2,409	\$607	\$1,992	9.3%	19.6%	\$8.12	\$2.51	2.0%	€ 127.35	€ 74.31	15.6
2005	3,462	181	3,672	2,334	382	1,174	5.2	15.4	ne	ne	ne	ne	ne	ne
<b>NETHERLANDS</b>														
<b>Akzo Nobel</b>														
2006	\$17,258	\$1,449	\$16,062	\$4,204	\$665	\$5,356	8.4%	27.0%	\$5.05	\$1.51	2.7%	€ 49.41	€ 38.30	10.9
2005	16,332	1,207	15,610	4,312	644	4,493	7.4	26.9	4.22	1.51	4.2	40.18	30.82	8.4
2004	16,197	1,187	15,001	4,441	692	3,299	7.3	36.0	3.38	1.51	5.1	33.79	24.87	8.7
2003	16,396	1,019	14,473	4,984	730	3,319	6.2	30.7	2.65	1.51	6.2	32.44	16.00	9.1
<b>DSM (d)</b>														
2006	\$10,493	\$692	\$12,706	\$4,711	\$629	\$6,995	6.6%	9.9%	\$3.58	\$1.26	2.9%	€ 39.70	€ 28.58	12.0
2005	10,295	662	12,594	4,711	504	6,877	6.4	9.6	3.61	1.26	3.5	35.22	23.07	10.2
2004	9,739	451	11,226	4,785	420	6,073	4.6	7.4	4.42	2.20	5.3	47.50	35.75	9.4
2003	7,601	175	11,809	3,028	544	6,178	2.3	2.8	1.56	2.20	5.8	45.00	31.29	24.5
<b>SWITZERLAND</b>														
<b>Ciba Specialty Chemicals</b>														
2006	\$5,069	-\$33	\$7,246	\$2,056	\$188	\$2,565	def	def	-\$0.50	\$2.39	3.2%	CHF 84.95	CHF 63.30	def
2005	5,920	-204	8,468	2,174	219	3,114	def	def	-3.13	2.39	3.0	85.00	72.51	def
2004	5,607	226	8,782	2,406	235	3,312	4.0	6.8	3.76	0.80	0.9	96.14	76.70	18.3
2003	5,303	274	8,856	2,364	186	3,387	5.2	8.1	4.01	0.00	0.0	98.65	72.13	17.0
<b>Clariant</b>														
2006	\$6,463	-\$62	\$5,736	\$1,933	\$286	\$1,941	def	def	-\$0.30	\$0.20	1.2%	CHF 20.54	CHF 14.10	def
2005	6,528	153	5,844	2,079	278	2,068	2.3	7.4	0.65	0.20	1.0	21.30	16.70	23.5
2004	6,807	120	6,228	1,947	231	1,757	1.8	6.8	0.57	0.20	1.1	19.99	14.80	24.5
2002	7,445	-517	6,823	2,438	271	729	def	def	-3.43	0.00	0.0	40.30	21.50	def
<b>Givaudan</b>														
2006	\$2,321	\$330	\$3,750	\$910	\$135	\$2,231	14.2%	14.8%	\$46.78	\$15.00	1.5%	CHF 1,160.00	CHF 888.50	17.5
2005	2,226	325	3,604	902	128	1,945	14.6	16.7	45.14	14.04	1.7	890.59	729.50	14.3
2004	2,139	279	3,430	820	119	1,807	13.1	15.5	36.99	7.82	1.1	788.00	620.00	15.2
2003	2,166	172	3,629	808	126	2,064	8.0	8.4	21.57	7.10	1.3	650.00	427.00	19.9
<b>NOTE:</b> Monetary statistics, except share prices, for all years were converted at the 2006 average exchange rates of \$1.00 U.S. = 0.796 euros, 0.542 pounds sterling, and 1.253 Swiss francs. <b>a</b> Separated from Bayer in 2004; 2003 and 2004 data are pro forma. <b>b</b> Acquired BOC in 2006. <b>c</b> Became a publicly traded company in 2006; data for 2005 are pro forma. <b>d</b> Shares split two-for-one in September 2005. <b>def</b> = deficit. <b>ne</b> = nonexistent. <b>nm</b> = not meaningful.														

YEAR	NET SALES	EARNINGS	TOTAL ASSETS	NET PLANT & EQUIPMENT	CAPITAL EXPENDITURES	STOCK-HOLDERS' EQUITY	EARNINGS			DIVIDEND, \$ PER SHARE	DIVIDEND YIELD, % OF PRICE	STOCK PRICE RANGE, PER SHARE		PRICE/EARNINGS RATIO
							% OF SALES	% OF STOCK-HOLDERS' EQUITY	\$ PER SHARE			HIGH	LOW	
<b>Lonza</b>														
2006	\$2,325	\$177	\$3,122	\$2,074	\$296	\$1,282	7.6%	13.8%	\$3.74	\$1.20	1.3%	CHF 108.70	CHF 78.30	19.9
2005	2,012	150	3,456	1,683	217	1,189	7.5	12.6	3.17	1.04	1.4	80.65	63.35	18.1
2004	1,741	110	2,666	1,537	199	1,025	6.3	10.7	2.32	1.04	1.6	74.75	52.60	21.9
2003	1,789	73	2,643	1,732	338	985	4.1	7.4	3.34	1.04	1.4	86.35	59.75	17.5
<b>Syngenta</b>														
2006	\$8,046	\$637	\$11,852	\$1,957	\$217	\$5,666	7.9%	11.2%	\$6.43	\$3.03	1.6%	CHF 234.40	CHF 146.93	29.7
2005	8,104	626	11,608	1,887	174	5,403	7.7	11.6	6.22	2.63	1.9	163.50	115.48	22.4
2004	7,269	762	12,008	2,188	166	5,658	10.5	13.5	4.37	2.15	2.1	122.50	79.22	23.1
2003	6,578	363	10,965	2,374	211	5,053	5.5	7.2	3.56	1.36	1.9	87.85	55.10	20.1
<b>UNITED KINGDOM</b>														
<b>ICI</b>														
2006	\$8,931	\$621	\$8,968	\$2,972	\$277	\$2,197	7.0%	28.3%	\$0.46	\$0.16	4.2%	£4.52	£3.30	15.7
2005	10,714	649	9,525	2,948	291	5,049	6.1	12.9	0.33	0.08	2.7	3.36	2.31	8.6
2004	10,325	590	9,099	3,058	295	5,270	5.7	11.2	0.18	0.07	3.3	2.47	1.93	12.4
2003	10,782	404	9,600	3,307	284	5,497	3.7	7.3	0.19	0.06	3.9	2.41	0.82	8.7
<b>PHARMACEUTICALS</b>														
<b>FRANCE</b>														
<b>Sanofi-Aventis (a)</b>														
2006	\$35,645	\$5,033	\$97,694	\$7,803	\$1,433	\$57,564	14.1%	8.7%	\$3.73	\$2.20	3.1%	€ 79.25	€ 64.85	24.3
2005	34,311	3,258	108,868	7,769	1,436	58,828	9.5	5.5	2.12	1.91	2.9	75.95	56.45	39.2
2004	31,933	2,143	96,427	7,395	908	44,692	6.7	4.8	1.6	1.51	2.7	63.25	49.77	44.5
2003	22,381	2,388	35,524	5,189	1,050	13,108	10.7	18.2	3.04	1.03	2.2	54.55	37.50	19.0
<b>SWITZERLAND</b>														
<b>Novartis</b>														
2006	\$36,031	\$7,202	\$68,008	\$10,945	\$1,802	\$41,294	20.0%	17.4%	\$3.06	\$1.35	1.9%	CHF 76.80	CHF 64.20	28.9
2005	32,212	6,141	57,732	8,679	1,188	33,164	19.1	18.5	3.28	1.15	1.8	71.50	55.35	24.2
2004	28,247	5,767	54,469	8,497	1,269	33,783	20.4	17.1	2.94	1.05	1.9	59.95	52.10	23.9
2003	24,864	5,016	49,317	7,597	1,329	30,429	20.2	16.5	2.53	1.00	2.0	56.15	46.05	25.3
<b>Roche</b>														
2006	\$33,531	\$7,318	\$59,379	\$13,100	\$3,094	\$37,356	21.8%	19.6%	\$7.21	\$2.71	1.2%	CHF 252.50	CHF 198.00	24.9
2005	28,336	5,370	55,350	12,047	2,648	33,309	19	16.1	6.71	2.50	1.4	230.00	139.00	27.5
2004	24,955	3,466	46,342	9,901	1,870	22,521	13.9	15.4	5.73	2.00	1.2	193.00	137.20	28.8
2003	24,912	2,449	47,467	9,970	1,807	18,808	9.8	13.0	4.61	1.65	1.1	185.00	121.00	33.2
<b>UNITED KINGDOM</b>														
<b>Astra Zeneca</b>														
2006	\$26,475	\$6,063	\$29,932	\$7,453	\$832	\$15,416	22.9%	39.3%	\$3.86	\$1.72	9.0%	£23.60	£14.68	2.7
2005	23,950	4,724	24,840	6,985	810	13,597	19.7	34.7	1.6	0.74	3.1	28.37	18.61	8.0
2004	21,426	3,527	25,616	8,083	1,063	14,418	16.5	24.5	1.2	0.70	3.0	27.49	18.63	10.4
2003	18,849	3,036	23,573	7,536	1,239	13,178	16.1	23.0	0.97	0.80	2.0	49.47	29.98	22.2
<b>GlaxoSmithKline</b>														
2006	\$42,813	\$9,934	\$47,104	\$12,775	\$2,931	\$17,785	23.2%	55.9%	\$1.76	\$0.88	6.1%	£15.77	£13.26	15.2
2005	39,928	8,878	50,137	12,262	1,665	13,477	22.2	65.9	1.52	0.81	6.0	15.44	11.75	16.5
2004	37,530	7,930	42,295	11,929	1,595	10,922	21.1	72.6	1.26	0.77	6.6	12.90	10.42	17.1
2003	39,526	8,266	28,348	11,873	1,604	14,231	20.9	58.1	1.33	0.76	6.3	13.90	10.00	16.5

**NOTE:** Monetary statistics, except share prices, for all years were converted at the 2006 average exchange rates of \$1.00 U.S. = 0.796 euros, 0.542 pounds sterling, and 1.253 Swiss francs. **a** In 2004, Sanofi and Aventis merged; 2004 data are pro forma; earlier data are for Aventis only.



# FINANCES

## JAPAN COMPANY RESULTS

Performance continued to improve at 12 major chemical companies

YEAR	NET SALES	EARNINGS	TOTAL ASSETS	NET PLANT & EQUIPMENT	CAPITAL EXPENDITURES	STOCK-HOLDERS' EQUITY	% OF SALES	% OF STOCK-HOLDERS' EQUITY	\$ PER SHARE	DIVIDEND \$ PER SHARE	DIVIDEND YIELD, % OF PRICE	STOCK PRICE RANGE, PER SHARE		PRICE/EARNINGS RATIO
												HIGH	LOW	
<b>ASAHI KASEI</b>														
2006	\$13,961	\$590	\$12,552	\$3,671	\$726	\$5,619	4.2%	10.5%	\$0.42	\$0.10	1.5%	¥ 906	¥ 661	16.0
2005	12,885	513	11,831	3,563	570	5,109	4.0	10.0	0.37	0.09	1.5	857	499	16.0
2004	11,845	485	10,920	3,611	589	4,400	4.1	11.0	0.35	0.07	1.5	448	647	13.6
2003	10,778	238	10,740	3,682	743	3,873	2.2	6.1	0.17	0.05	1.3	633	298	23.7
<b>DAINIPPON INK &amp; CHEMICALS</b>														
2006	\$8,732	\$193	\$8,527	\$2,760	\$424	\$1,997	2.2%	9.7%	\$0.24	\$0.04	1.1%	¥ 510	¥ 370	15.5
2005	8,639	46	8,335	2,755	362	1,618	0.5	2.8	0.06	0.03	1.0	528	274	62.2
2004	8,623	91	8,588	3,027	393	1,241	1.1	7.3	0.11	0.03	1.5	312	225	20.5
2003	8,381	55	8,742	3,181	393	1,206	0.7	4.5	0.07	0.03	1.9	256	176	27.9
<b>JSR CORP.</b>														
2006	\$3,145	\$289	\$3,516	\$844	\$190	\$2,063	9.2%	14.0%	\$1.14	\$0.21	0.8%	¥ 3,590	¥ 2,300	22.1
2005	2,907	263	3,277	791	201	1,829	9.0	14.4	1.03	0.17	0.7	2,025	3,780	24.3
2004	2,626	238	2,795	735	156	1,569	9.1	15.2	0.92	0.12	0.7	2,465	1,684	19.3
2003	2,365	166	2,653	730	147	1,371	7.0	12.1	0.65	0.08	0.5	2,540	1,141	24.5
<b>KANEKA</b>														
2006	\$4,068	\$158	\$4,016	\$1,371	\$306	\$2,332	3.9%	6.8%	\$0.46	\$0.14	1.3%	¥ 1,448	¥ 970	22.6
2005	3,992	242	3,896	1,239	298	2,242	6.1	10.8	0.69	0.14	1.2	1,596	1,079	16.6
2004	3,766	213	3,414	1,075	199	1,927	5.6	11.0	0.61	0.12	1.3	1,217	923	15.1
2003	3,441	134	3,375	1,104	197	1,761	3.9	7.6	0.38	0.07	1.0	1,055	501	17.7
<b>mitsubishi Chemical (a)</b>														
2006	\$22,550	\$863	\$19,937	\$6,229	\$1,125	\$6,524	3.8%	13.2%	\$0.63	\$0.12	1.6%	¥ 1,003	¥ 741	11.9
2005	20,711	736	18,284	5,904	841	5,641	3.6	13.0	0.60	0.07	1.1	815	672	10.7
2004	18,824	476	16,942	5,803	577	3,834	2.5	12.4	0.22	0.05	2.0	361	254	12.1
2003	16,553	297	17,209	6,218	596	3,414	1.8	8.7	0.14	0.03	1.6	318	187	16.0
<b>MITSUI CHEMICALS</b>														
2006	\$14,514	\$450	\$12,881	\$4,663	\$625	\$4,903	3.1%	9.2%	\$0.57	\$0.09	1.1%	¥ 1,084	¥ 660	13.1
2005	12,660	379	11,425	4,577	700	3,990	3.0	9.5	0.48	0.07	1.1	954	570	13.6
2004	10,554	225	10,362	4,478	405	3,489	2.1	6.5	0.29	0.06	1.3	632	484	16.8
2003	9,367	107	10,218	4,718	393	3,296	1.1	3.3	0.14	0.05	1.1	680	406	34.4
<b>SHIN-ETSU CHEMICAL</b>														
2006	\$11,217	\$1,324	\$15,992	\$4,689	\$1,811	\$11,351	11.8%	11.7%	\$3.08	\$0.60	1.0%	¥ 8,150	¥ 5,460	19.0
2005	9,698	989	14,369	4,031	1,030	10,091	10.2	9.8	2.29	0.30	0.6	7,010	3,800	20.3
2004	8,318	801	12,692	3,853	913	8,566	9.6	9.4	1.88	0.30	0.8	4,760	3,590	19.1
2003	7,160	643	11,918	3,739	876	7,744	9.0	8.3	1.52	0.14	0.4	4,980	3,500	23.9
<b>SHOWA DENKO</b>														
2006	\$7,863	\$248	\$8,923	\$4,729	\$781	\$2,283	3.2%	10.9%	\$0.22	\$0.03	0.8%	¥ 540	¥ 414	19.1
2005	6,981	134	8,479	4,393	354	1,778	1.9	7.5	0.12	0.03	0.8	247	470	26.2
2004	6,368	65	8,116	4,457	257	1,528	1.0	4.3	0.06	0.03	1.2	275	215	36.8
2003	5,927	89	8,081	4,627	351	1,428	1.5	6.2	0.08	0.02	1.0	251	146	21.9
<b>SUMITOMO CHEMICAL</b>														
2006	\$15,390	\$807	\$19,989	\$5,361	\$1,374	\$8,860	524.3%	9.1%	\$0.49	\$0.10	1.3%	¥ 1,073	¥ 751	16.1
2005	13,383	779	18,729	4,904	1,074	6,171	5.8	12.6	0.47	0.09	1.4	964	493	13.3
2004	11,145	554	14,176	4,435	1,081	4,897	5.0	11.3	0.33	0.07	1.6	575	448	13.1
2003	9,960	295	13,320	4,143	947	4,352	3.0	6.8	0.18	0.05	1.5	505	317	19.8
<b>TAIYO NIPPON SAN SO (b)</b>														
2006	\$3,943	\$173	\$4,710	\$1,774	\$309	\$1,858	4.4%	9.3%	\$0.43	\$0.10	1.2%	¥ 1,131	¥ 849	19.8
2005	3,416	124	4,055	1,635	191	1,531	3.6	8.1	0.30	0.09	1.4	890	535	20.1
2004	2,580	100	3,479	1,448	328	1,326	3.9	7.5	0.28	0.08	2.1	478	363	12.8
2003	1,980	39	2,266	870	64	815	2.0	4.8	0.13	0.05	1.5	496	329	26.8

YEAR	NET SALES	EARNINGS	TOTAL ASSETS	NET PLANT & EQUIPMENT	CAPITAL EXPENDITURES	STOCK-HOLDERS' EQUITY	EARNINGS			DIVIDEND \$ PER SHARE	DIVIDEND YIELD, % OF PRICE	STOCK PRICE RANGE, PER SHARE		PRICE/EARNINGS RATIO
							% OF SALES	% OF STOCK-HOLDERS' EQUITY	\$ PER SHARE			HIGH	LOW	
(Money figures are in millions of dollars unless otherwise indicated)														
<b>TEIJIN</b>														
2006	\$8,680	\$293	\$8,597	\$5,008	\$651	\$3,506	3.4%	8.4%	\$0.32	\$0.09	1.3%	¥ 895	¥ 596	20.3
2005	8,065	214	8,116	4,686	574	2,911	2.6	7.3	0.23	0.06	1.2	845	447	24.3
2004	7,810	79	7,326	2,774	465	2,498	1.0	3.2	0.08	0.06	1.6	466	326	40.7
2003	7,519	73	7,863	3,386	456	2,526	1.0	2.9	0.08	0.06	2.1	361	253	34.3
<b>TORAY INDUSTRIES</b>														
2006	\$13,296	\$504	\$14,396	\$5,532	\$1,087	\$5,586	3.8%	9.0%	\$0.36	\$0.09	1.0%	¥ 1,109	¥ 807	22.9
2005	12,273	408	13,218	5,040	895	4,617	3.3	8.8	0.29	0.07	1.1	1,010	460	21.8
2004	11,165	296	12,056	4,574	628	3,891	2.6	7.6	0.21	0.06	1.4	554	447	20.5
2003	9,359	180	11,137	4,671	420	3,562	1.9	5.1	0.13	0.05	1.5	492	264	25.4
<b>NOTE:</b> Monetary statistics, except share prices, for all years were converted at the 2006 average rate of \$1.00 U.S. = 116.31 yen. Statistics were prepared on the basis of consolidated results. The fiscal year ends on March 31 of the following calendar year, except for Showa Denko's, which ends on Dec. 31. <b>a</b> From 2005, numbers are for Mitsubishi Chemical Holdings Corp. <b>b</b> Formerly Nippon Sanso, until it acquired Taiyo Toyo Sanso in October 2004.														

## U.S. CAPITAL SPENDING

Big increases by industrial gas companies Air Products and Praxair sparked a 23% rise in total spending

\$ MILLIONS	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Air Products & Chemicals (a)	\$951	\$870	\$771	\$889	\$768	\$708	\$628	\$613	\$706	\$930	\$1,261
Albemarle	90	85	77	78	52	50	38	41	58	70	100
Arch Chemicals	ne	ne	84	59	62	45	35	20	18	18	27
Cabot (a)	209	163	187	166	137	122	146	129	119	186	188
Chemtura (b)	39	50	67	132	155	137	100	88	65	104	128
Cytec Industries (c)	73	91	104	77	77	64	62	94	89	105	103
Dow Chemical (d)	1,344	1,198	1,546	1,412	1,349	1,587	1,623	1,100	1,333	1,597	1,775
DuPont (e)	1,395	1,781	2,240	2,055	1,925	1,634	1,280	1,713	1,232	1,340	1,532
Eastman Chemical	789	749	500	292	226	234	427	230	248	343	289
FMC Corp.(f)	485	317	266	236	240	146	84	87	85	94	116
H.B Fuller (g)	90	69	62	56	49	31	36	39	31	25	21
W.R. Grace	457	259	101	83	65	63	91	86	63	81	119
Hercules	120	119	157	196	187	63	43	48	77	68	94
Lubrizol (h)	94	101	93	65	86	66	65	89	133	137	131
Monsanto (i)	692	644	979	976	582	382	224	206	210	281	370
NewMarket Corp. (j)	29	44	23	14	14	10	13	12	15	18	26
PPG Industries	489	466	487	490	561	291	238	217	244	288	372
Praxair	893	902	781	653	704	595	498	983	668	877	1,100
Quaker Chemical	7	6	8	6	6	8	11	13	9	7	12
Rohm and Haas	334	254	229	323	391	401	407	339	322	92	404
Solutia (k)	ne	165	158	257	221	94	59	78	61	81	106
Stepan	45	36	44	33	28	34	36	33	34	42	46
<b>TOTAL (l)</b>	<b>\$8,625</b>	<b>\$8,369</b>	<b>\$8,963</b>	<b>\$8,548</b>	<b>\$7,885</b>	<b>\$6,764</b>	<b>\$6,145</b>	<b>\$6,257</b>	<b>\$5,820</b>	<b>\$6,784</b>	<b>\$8,320</b>

**NOTE:** Figures are for worldwide spending on construction, equipment, and land in consolidated businesses. Prior years are not restated to reflect company revisions. **a** Fiscal year ends Sept. 30. **b** Crompton and Great Lakes Chemical merged in 2005 to become Chemtura; earlier figures are for Crompton. **c** Acquired Surface Specialties in 2005. **d** Acquired Union Carbide in 2001. **e** Acquired all of Pioneer Hi-Bred in 1999 and all of DuPont Merck Pharmaceutical in 1998; sold drug operations in 2001. **f** Split off machinery business in December 2001. **g** Fiscal year ends Dec. 2. **h** Acquired Noveon in 2004. **i** Merged with Pharmacia in 1999; spun off from Pharmacia in August 2002. **j** Formerly Ethyl Corp. **k** Spun off from Monsanto in 1997. **l** For companies reporting. **ne** = nonexistent.

## EUROPE CAPITAL SPENDING

Total spending in 2006 built on the previous year's gain

\$ MILLIONS	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Air Liquide (France)	\$1,313	\$1,594	\$1,802	\$1,419	\$1,143	\$967	\$1,143	\$920	\$1,099	\$1,225	\$1,417
Akzo Nobel (Netherlands)	991	805	1,029	1,001	911	1,033	866	730	692	644	665
Arkema (France) (a)	ne	ne	ne	ne	ne	ne	ne	372	377	418	422
BASF (Germany)	2,338	2,800	3,642	3,472	4,562	3,815	3,363	2,881	2,425	2,433	3,047
Bayer (Germany)	2,426	2,928	3,396	3,307	3,325	3,288	2,994	1,793	1,251	1,744	2,185
Ciba Specialty Chemicals (Switzerland) (b)	446	417	316	213	199	207	199	186	235	219	188
Clariant (Switzerland) (c)	452	377	369	339	427	403	271	240	231	278	286
Degussa (Germany)	303	342	na	1,312	1,221	1,420	1,207	907	906	1,023	798
DSM (Netherlands)	608	575	735	813	773	819	632	544	420	504	629
Givaudan (Switzerland) (d)	ne	ne	ne	132	104	91	73	126	119	128	135
ICI (U.K.)	1,891	1,322	1,021	492	533	439	396	284	295	291	277
Kemira (Finland)	254	265	320	211	274	374	305	294	201	142	205
Lanxess (Germany) (e)	ne	ne	ne	ne	ne	ne	ne	392	351	315	335
Linde (Germany) (f)	712	715	734	1,112	1,230	913	1,089	1,075	902	1,085	1,220
Lonza (Switzerland) (g)	ne	ne	326	222	118	211	278	338	199	217	296
Merck (Germany)	332	342	401	451	536	590	474	353	294	337	318
Rhodia (France) (h)	682	426	422	467	632	607	470	293	250	319	335
Solvay (Belgium)	872	933	804	1,155	1,020	906	785	697	709	634	730
Syngenta (Switzerland) (i)	ne	ne	ne	ne	185	253	165	211	166	174	217
Wacker (Germany) (j)	ne	ne	ne	ne	ne	ne	ne	ne	ne	382	608
<b>TOTAL (k)</b>	<b>\$13,619</b>	<b>\$13,842</b>	<b>\$15,317</b>	<b>\$16,117</b>	<b>\$17,193</b>	<b>\$16,335</b>	<b>\$14,711</b>	<b>\$12,636</b>	<b>\$11,119</b>	<b>\$12,512</b>	<b>\$14,313</b>

**NOTE:** Monetary statistics for all years were converted at the 2006 average exchange rates of \$1.00 U.S. = 0.796 euros, 0.542 pounds sterling, and 1.253 Swiss francs. **a** Spun off from Total in 2006; prior figures are pro forma. **b** Spun off from Novartis in 1997. **c** Spun off from Sandoz in 1995, merged with Hoechst Specialty Chemicals in 1997. **d** Spun off from Roche in 2000; prior figures are pro forma. **e** Spun off from Bayer in January 2005; prior figures are pro forma. **f** Acquired BOC in 2006. **g** Became an independent, publicly traded company in 1999; prior figures are pro forma. **h** Spun off from Rhône-Poulenc in 1998; prior figures are pro forma. **i** Became an independent company in 2000; prior figures are pro forma. **j** Became a publicly traded company in 2005. **k** For companies reporting, totals may not sum because of rounding. **ne** = nonexistent.

## JAPAN CAPITAL SPENDING

Taken together, leading Japanese companies sharply boosted their capital expenditures last year

\$ MILLIONS	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Asahi Kasei	\$630	\$645	\$606	\$544	\$595	\$643	\$808	\$743	\$589	\$570	\$726
Dainippon Ink & Chemicals	497	844	671	798	469	434	371	393	393	362	424
JSR Corp.	157	193	197	106	94	114	138	148	156	201	190
Kaneka	272	245	211	210	210	208	153	198	199	299	306
Mitsubishi Chemical	896	1,006	902	728	742	858	734	596	577	841	1,125
Mitsui Chemicals (a)	ne	516	448	468	529	1,011	592	393	405	700	625
Shin-Etsu Chemicals	798	1,173	633	688	832	701	564	876	913	1,030	1,811
Showa Denko	368	550	421	320	344	278	245	351	257	354	781
Sumitomo Chemical	619	713	581	702	534	628	1,307	947	1,082	1,074	1,374
Taiyo Nippon Sanso (b)	170	202	196	121	103	149	152	64	328	191	309
Teijin	na	na	272	372	424	481	603	456	465	574	651
Toray	827	1,296	1,040	942	517	562	492	420	628	895	1,087
<b>TOTAL (c)</b>	<b>\$5,234</b>	<b>\$7,382</b>	<b>\$6,177</b>	<b>\$5,997</b>	<b>\$5,392</b>	<b>\$6,066</b>	<b>\$6,158</b>	<b>\$5,584</b>	<b>\$5,993</b>	<b>\$7,091</b>	<b>\$9,408</b>

**NOTE:** Monetary statistics for all years were converted at the 2006 average exchange rate of \$1.00 U.S. = 116.31 yen. Fiscal year ends March 31 of the following calendar year, except for Showa Denko's, which ends on Dec. 31. **a** Mitsui Chemicals was formed in 1997 by the merger of Mitsui Toatsu and Mitsui Petrochemical. **b** Nippon Sanso became Taiyo Nippon Sanso in October 2004 after the acquisition of Taiyo Toyo Sanso; for 2003 and earlier, numbers are for Nippon Sanso. **c** For companies reporting, **na** = not available. **ne** = nonexistent.

## CANADA CAPITAL SPENDING

Spending eased in 2006 but was still relatively high

\$ MILLIONS	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Agrium	\$153	\$144	\$174	\$253	\$179	\$164	\$52	\$99	\$82	\$175	\$209
Methanex	174	154	178	139	19	91	160	243	157	118	53
Nova Chemicals (a)	175	223	367	620	440	168	71	130	242	419	198
Potash Corp.	59	160	190	119	186	514	212	151	221	383	509
<b>TOTAL (b)</b>	<b>\$561</b>	<b>\$681</b>	<b>\$909</b>	<b>\$1,131</b>	<b>\$824</b>	<b>\$937</b>	<b>\$495</b>	<b>\$623</b>	<b>\$702</b>	<b>\$1,095</b>	<b>\$969</b>

a Nova Chemicals was spun off from Nova Corp. in 1998; figures for 1996 and 1997 are pro forma. b For companies reporting. SOURCE: Company data

## U.S. R&D SPENDING

Most chemical companies and all pharmaceutical firms surveyed increased research spending

### CHEMICAL

\$ MILLIONS	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Air Products & Chemicals (a)	\$114	\$114	\$112	\$123	\$124	\$123	\$121	\$121	\$127	\$133	\$151
Albemarle	30	31	30	34	26	22	17	18	31	42	46
Arch Chemicals	ne	ne	16	18	17	25	23	24	15	21	18
Cabot (a)	79	83	83	73	43	48	48	64	53	59	58
Chemtura (b)	52	54	53	68	85	82	82	52	50	52	66
Cytec Industries (c)	40	45	43	44	39	32	34	35	40	69	74
Dow Chemical (d)	761	785	807	845	892	1,072	1,066	981	1,022	1,073	1,164
DuPont (e)	1,032	1,116	1,308	1,617	1,776	1,588	1,264	1,349	1,333	1,336	1,302
Eastman Chemical	184	191	185	187	149	160	159	173	154	162	167
FMC Corp.(f)	177	174	158	152	155	100	82	87	93	94	97
H.B. Fuller (g)	26	25	22	21	18	19	18	18	16	16	17
W.R. Grace	94	42	47	42	46	50	52	52	51	59	64
Hercules	56	53	61	85	80	67	42	39	43	41	39
Lubrizol (h)	93	88	78	78	86	88	94	94	190	205	206
Monsanto (i)	728	939	1,263	695	588	560	527	510	511	588	725
NewMarket Corp. (j)	47	42	40	41	40	33	30	28	33	65	70
PPG Industries	239	250	271	284	282	266	289	306	303	309	318
Praxair	72	79	72	67	65	66	69	75	77	80	87
Quaker Chemical	11	10	10	9	9	9	9	10	14	14	13
Rohm and Haas	187	200	207	236	259	230	260	238	265	273	292
Solutia (k)	ne	60	62	58	67	58	39	53	44	45	45
Stepan	13	12	12	13	13	14	15	15	15	30	30
<b>TOTAL (l)</b>	<b>\$4,035</b>	<b>\$4,393</b>	<b>\$4,941</b>	<b>\$4,790</b>	<b>\$4,859</b>	<b>\$4,712</b>	<b>\$4,338</b>	<b>\$4,342</b>	<b>\$4,481</b>	<b>\$4,766</b>	<b>\$5,049</b>

### PHARMACEUTICAL

\$ MILLIONS	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Abbott Laboratories	\$1,206	\$1,307	\$1,339	\$1,194	\$1,351	\$1,578	\$1,562	\$1,734	\$1,697	\$1,821	\$2,255
Bristol-Myers Squibb (m)	1,276	1,385	1,577	1,843	1,939	2,259	2,218	2,279	2,500	2,746	3,067
Eli Lilly & Co.	1,042	1,190	1,382	1,739	1,784	2,019	2,235	2,350	2,149	3,025	3,129
Johnson & Johnson	2,109	2,373	2,506	2,768	3,105	3,591	2,957	4,684	5,203	6,312	7,125
Merck & Co.	1,487	1,684	1,821	2,068	2,344	2,456	2,677	3,178	4,010	3,848	4,783
Pfizer (n)	2,166	2,536	3,305	4,036	4,435	4,847	5,176	7,131	7,684	7,442	7,599
Schering-Plough	723	847	1,007	1,191	1,333	1,312	1,425	1,469	1,607	1,865	2,188
Wyeth	1,429	1,558	1,655	1,740	1,688	1,870	2,080	2,094	2,461	2,749	3,109
<b>TOTAL (l)</b>	<b>\$11,438</b>	<b>\$12,880</b>	<b>\$14,592</b>	<b>\$16,579</b>	<b>\$17,979</b>	<b>\$19,932</b>	<b>\$20,330</b>	<b>\$24,919</b>	<b>\$27,311</b>	<b>\$29,808</b>	<b>\$33,255</b>

**NOTE:** Prior years are not restated to reflect company revisions except where noted. a Fiscal year ends Sept 30. b Crompton and Great Lakes Chemical merged in 2005 to become Chemtura; earlier figures are for Crompton. c Acquired Surface Specialties in 2005. d Acquired Union Carbide in 2001. e Acquired all of Pioneer Hi-Bred in 1999 and all of DuPont Merck Pharmaceutical in 1998; sold drug operations in 2001. f Split off machinery business in December 2001. g Fiscal year ends Nov. 30. h Acquired Noveon in 2004. i Merged with Pharmacia in 1999; spun off from Pharmacia in August 2002. j Formerly Ethyl Corp. k Spun off from Monsanto in 1997. l For companies reporting. m Acquired DuPont Pharmaceuticals in 2001. n Merged with Warner-Lambert in 2000 and with Pharmacia in 2003; prior years are restated for Warner-Lambert, but not Pharmacia. ne = nonexistent.

## EUROPE R&D SPENDING

R&D spending hit decade-long high, dominated by big increases at several companies

\$ MILLIONS	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Air Liquide (France)	\$102	\$109	\$109	\$114	\$120	\$113	\$116	\$118	\$129	\$134	\$195
Akzo Nobel (Netherlands)	648	719	817	912	992	1,064	1,132	1,114	1,034	1,048	1,112
Arkema (France) (a)	ne	ne	ne	ne	ne	ne	ne	240	230	221	211
BASF (Germany)	1,469	1,538	1,544	1,675	1,917	1,567	1,426	1,388	1,239	1,337	1,604
Bayer (Germany)	2,318	2,491	2,569	2,829	3,006	3,215	3,237	2,809	2,489	2,369	2,886
Ciba Specialty Chemicals (Switzerland) (b)	ne	241	243	204	234	220	235	224	230	240	215
Clariant (Switzerland) (c)	ne	278	267	289	330	326	281	246	219	174	165
Degussa (Germany)	303	342	na	653	681	477	455	446	437	440	382
DSM (Netherlands)	222	251	317	325	332	374	340	337	359	364	168
Givaudan (Switzerland) (d)	ne	ne	ne	124	148	159	164	173	166	176	196
ICI (U.K.)	352	422	280	269	295	291	273	277	271	269	162
Kemira (Finland)	59	60	62	60	60	49	58	60	49	54	64
Lanxess (Germany) (e)	ne	ne	ne	ne	ne	ne	ne	211	158	127	109
Linde (Germany) (f)	ne	ne	ne	180	229	211	215	216	209	216	253
Lonza (Switzerland) (g)	ne	ne	84	78	77	83	81	55	57	50	61
Merck (Germany)	418	492	509	626	686	725	764	760	753	896	944
Rhodia (France) (h)	255	251	230	222	244	247	253	235	196	156	176
Solvay (Belgium)	383	357	367	433	452	428	499	508	519	593	707
Syngenta (Switzerland) (i)	ne	ne	ne	769	745	723	697	727	809	822	796
Wacker (Germany)(j)	ne	ne	ne	ne	ne	ne	ne	ne	ne	185	191
<b>TOTAL (k)</b>	<b>\$6,529</b>	<b>\$7,551</b>	<b>\$7,398</b>	<b>\$9,762</b>	<b>\$10,548</b>	<b>\$10,272</b>	<b>\$10,226</b>	<b>\$10,144</b>	<b>\$9,553</b>	<b>\$9,871</b>	<b>\$10,597</b>

**NOTE:** Monetary statistics for all years were converted at the 2006 average exchange rates of \$1.00 U.S. = 0.796 euros, 0.542 pounds sterling, and 1.253 Swiss francs. **a** Spun off from Total in 2006; prior figures are pro forma. **b** Spun off from Novartis in 1997. **c** Spun off from Sandoz in 1995, merged with Hoechst Specialty Chemicals in 1997. **d** Spun off from Roche in 2001; prior figures are pro forma. **e** Spun off from Bayer in January 2005; prior figures are pro forma. **f** Acquired BOC in 2006. **g** Became an independent, publicly traded company in 1999; prior figures are pro forma. **h** Spun off from Rhône-Poulenc in 1998; prior figures are pro forma. **i** Became an independent company in 2000; prior figures are pro forma. **j** Became a publicly traded company in 2005. **k** For companies reporting; totals may not sum because of rounding. **ne** = nonexistent.

## JAPAN R&D SPENDING

Companies kept on increasing their spending, and Sumitomo remained in the top spot

\$ MILLIONS	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Asahi Kasei	\$478	\$490	\$489	\$430	\$428	\$426	\$424	\$312	\$313	\$308	\$321
Dainippon Ink & Chemicals	109	119	108	92	103	110	111	129	137	127	138
JSR Corp.	35	43	48	52	45	114	121	130	143	136	150
Kaneka	na	na	86	105	113	113	120	124	135	145	145
Mitsubishi Chemical	632	646	578	572	585	727	783	761	767	770	784
Mitsui Chemicals (a)	ne	348	338	328	314	335	319	283	300	319	317
Shin-Etsu Chemical	na	na	na	232	223	243	235	226	240	275	359
Showa Denko	158	195	204	194	143	133	133	134	151	150	168
Sumitomo Chemical	472	472	512	510	508	573	626	647	672	790	840
Taiyo Nippon Sanso (b)	na	na	na	34	30	30	22	20	18	19	23
Teijin	209	236	237	245	260	274	257	282	258	268	302
Toray	308	311	326	334	334	320	307	307	330	341	364
<b>TOTAL (c)</b>	<b>\$2,402</b>	<b>\$2,859</b>	<b>\$2,926</b>	<b>\$3,127</b>	<b>\$3,085</b>	<b>\$3,398</b>	<b>\$3,456</b>	<b>\$3,355</b>	<b>\$3,465</b>	<b>\$3,649</b>	<b>\$3,910</b>

**NOTE:** Monetary statistics for all years were converted at the 2006 average exchange rate of \$1.00 U.S. = 116.31 yen. Fiscal year ends March 31 of the following calendar year, except Showa Denko's, which ends Dec. 31. **a** Mitsui Chemicals was formed in 1997 by the merger of Mitsui Toatsu and Mitsui Petrochemical. **b** Nippon Sanso became Taiyo Nippon Sanso when it acquired Taiyo Toyo Sanso in October 2004; for 2003 and earlier, numbers are for Nippon Sanso. **c** For reporting companies only. **na** = not available. **ne** = nonexistent.