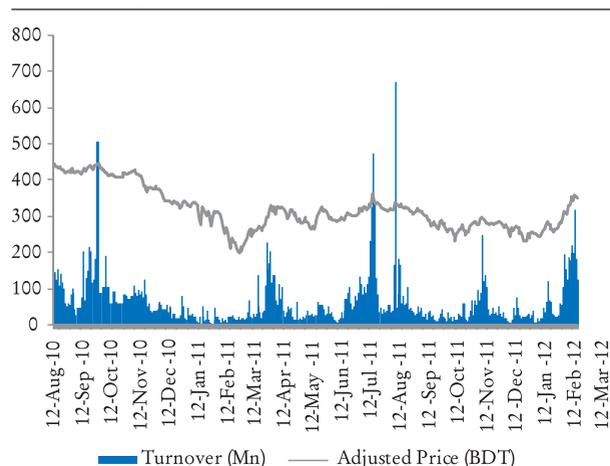


Exhibit 1: Adjusted Price- Turnover Graph



Source: LBSL Research

Exhibit 2: Company Snapshot

Particulars	Facts & Figures
Paid-up Capital (BDT mn)	702
Total No. of Securities (mn)	70.2
Free Float (estimated)	30%
Market Capitalization (BDT mn)	15,984.54
Reserve & Surplus (BDT mn)	2119.69
Average Daily Turnover (mn)	64.51
52 Week Price Range (BDT)	146.50-336.40
DSE Code	JAMUNAOIL
Listing Year	2007
Face Value (BDT)	10
Market Lot	100
Category	A

Source: DSE &amp; LBSL Research

Exhibit 3: Price Performance

Price Performance (%)	1 M	3 M	6 M	12 M
DGEN	11.98	-5.09	-11.06	-20.49
Jamuna Oil	26.37	25.11	15.23	9.86

Source: LBSL Research

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As an oil marketing company, the top line growth is fully relied on higher sales volume of major petroleum products and other minor products. Increasing demand of furnace oil to feed the liquid fuel based power plants, higher demand of diesel and petrol in agriculture and transportation sector will be the catalyst to drive the top line in coming few years. Sales from Bitumen will be another revenue driver in line with the pace in construction and maintenance before election year and sales of LPG is expected to experience a boost under current acute gas crisis. Higher sales means higher commission for the company though the Government fixes the commission for each product. Therefore, any hike in commission for the oil marketing companies by the Government will help boost the top line. JOCL's investments in Mobil Jamuna Lubricants Bangladesh Ltd (MJLBD) has become another source of earnings and it is expected to maintain a moderate growth of 'Other Income' of JOCL as MJLBD is well positioned in lubricants and grease market.

## Investment Rationales

### Feeding furnace oil-fired power plants

The company has experienced 236.34 percent growth in sales volume of Furnace Oil in FY 2010-11 due to increasing demand to feed the fuel based power plants. This demand for Furnace Oil will continue to grow at moderate rate for next three to four years since there is no alternative to replace these fuel based power plants by base-load power plants (run by natural gas and coal). By this time, the Government may be able to commission few coal-based power plants. The Government has already set up 34 power plants which will require 22 lac metric ton of Furnace oil and Diesel in FY 2011-12. One third of these fuel will be supplied by JOCL.

### Higher demand of diesel and other petroleum products in transportation & agriculture sector

The company has posted 32.63 percent, 20.87 percent and 11.93 percent growth in High Speed Diesel, High Octane Blending Component and Motor Sprit respectively in FY 2011-12. The moderately increasing demand for these petroleum products is also expected to boost the top line of the company.

### Investment in profitable business ventures

JOCL holds 19.45 percent of MJL Bangladesh Limited which is well positioned in the lubricants and grease product segment in highly competitive lube industry franchising brand of MOBIL. JOCL has posted dividend income of BDT 806.93 million in FY 2010-11 against BDT 473.79 million in FY 2009-10.

JOCL also holds 25 percent of Mobil Jamuna Fuels Limited

(MJFL) which has started construction of 4 storage tanks. The construction of the tank are expected to be completed by the end of 2012. After commissioning of tanks, MJFL will store Furnace Oil on rental basis from the importers like Bangladesh Petroleum Corporation (BPC) and liquid fuel based power plants. Therefore, JOCL is expected to earn dividend from MJFL in FY 2012-13.

#### Exhibit 4: Key Financials

Financial Year	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Net Earnings (BDT mn)	489.39	657.88	824.65	539.77	660.13	963.65
PAT (BDT mn)	147.91	302.66	511.28	419.20	564.07	1,014.48
EBITDA (BDT mn)	144.72	400.93	563.55	208.92	330.72	632.37
EBITDA Margin (%)	29.57%	60.94%	68.34%	38.70%	50.10%	65.62%
Earnings Growth (%)	-	104.62%	68.92%	-18.01%	34.56%	79.85%
EPS (BDT)	2.86	6.73	11.36	9.32	10.45	14.45
BVPS (BDT)	16.03	21.55	32.91	34.23	34.80	37.89
ROE (%)	-	46.42%	48.68%	27.75%	32.99%	44.70%
P/E (x)	-	-	17.8	21.63	39.06	17.9
P/BVPS (x)	14.11	10.50	6.87	6.61	6.50	5.97

Source: Company Annual Reports & LBSL Research

#### Sound equity base, no debt burden

JOCL does not have any long-term liability. Thus, the entire asset financing with substantial value at the current context is financed by the paid up capital and reserves only. Therefore, the company does not have to bear any interest expenses. The financial risk of the company is thus very low.

#### No price risk

JOCL is engaged in marketing of petroleum products. The income it earns is termed as margin that is fixed and determined by the Government. JOCL has no control over fixing the price of the products. The global oil price volatility would not have any adverse effect on core business operations since the company earns margin set by the Government. On the other hand, any increase in rate of commission of each product category will help boost the top line of the company.

#### Steady EBITDA margin; reasonable ROAE & ROAA

EBITDA margin of JOCL remained stable at 56.74 percent over FY 2007-11 while Return on Average Equity (ROAE) and Return on Average Assets (ROAA) also remained stable at 40.01 percent and 5.11 percent respectively during the periods under review.

#### Exhibit 5: Oil & Petroleum Industry

Oil & Petroleum Market	Subsidiaries under BPC
Oil Marketing Companies	Padma Oil Company Limited Jamuna Oil Company Limited Meghna Petroleum Limited
Blending Plants	Standard Asiatic Oil Company Limited
LPG Bottling Companies	LP Gas Limited
Refinery	Eastern Refinery Limited

## Investment Risks

### Conversion, Transit and Operation Loss

The industry structure and business model of the company is structured in such a way that dictates high operational risk of the company resulted from conversion loss, transit loss and operation loss above allowable limit.

### No control over price

It is to be noted that the company has no control over the price of the petroleum products since the industry is fully regulated and controlled by the GoB. It is analyzed that approximately 98.50 percent of sales revenue is being eaten by cost of goods sold. Therefore, any decline in the demand for petroleum products will hurt the top line of the company since the margin is fixed.

### Policy level changes on fuel sources in generating electricity

Once the fuel based power plants are replaced by base-load power plants, the demand for Furnace Oil will decline sharply. This decline will hurt the top line of the company heavily.

## Industry Dynamics

The oil and petroleum industry of Bangladesh is presently composed of three oil marketing companies, two blending plants, one LPG bottling company and a refinery as its subsidiaries.

The petroleum sector is entirely under the control of Government. In order to keep this sector under control, the GoB established Bangladesh Petroleum Corporation (BPC) by a Presidential Ordinance in 1976 with a view to providing petroleum products to all consumers at equal price irrespective of transportation cost. As per the Bangladesh Petroleum Act 1974, production, processing, refining and marketing of petroleum products in the country is vested exclusively with the Government of Bangladesh. The Petroleum Act also specifies the authorities, functions and responsibilities of BPC including establishment of plants & infrastructure, building necessary facilities and their extensions for marketing of petroleum products; monitoring coordination of the subsidiary companies of BPC and any other functions and responsibilities as directed by the government. In order to regulate the sector the major five functions of BPC are being performed by subsidiary companies of BPC.

GoB has opened the lubricants markets and LPG markets for private sector participants. In the lube market, severe competition has been prevailing due to the presence of more than 50 competitors along with famous brands marketed by three state owned oil marketing companies. At present, the three oil marketing companies captured only about 30% of the market demand of lubricants products. It is notable here that BPC has no price control on the lubricants products. The pricing structure is settled by the government at ex-refinery level, depots level, and also at consumer level in different distances. The commission at each level of suppliers namely oil marketing companies, agents, dealers are also fixed by the Government.

The Government of Bangladesh imports crude oil and refined oil as per the requirement of the state, then the crude oil is refined through Eastern Refinery Ltd. (ERL), another subsidiary of BPC and distributed through its oil marketing companies namely Meghna Petroleum Ltd., Padma Oil Co. and Jamuna oil Co. Transfer of petroleum products from ERL to oil companies are accounted for at 30 degree Celsius and the oil companies dispatch the petroleum products at natural temperature. JOCL has built a wide distribution network throughout the country and established different categories of distribution outlets such as Direct Customers, Packed Point Dealers, Distribution Points, Retail Outlets (Filling Stations) and LPG Dealers. Direct Customers procure bulk quantity of petroleum products

directly from the depots of JOCL. There also exists some special arrangement among the three oil marketing companies with a few direct customers. Among the direct customers group there are some Government organizations (PDB, Bangladesh Railway, and Defense Service), autonomous body (Chittagong Port Authority, BIWTA, Bangladesh Ordnance Factory) and nationalized industries etc.

## Business Background

### Company Description

Jamuna Oil Company Limited (JOCL) is a petroleum marketing company serving the nation for last four decades. It was established in 1964 with the name 'Pakistan National Oils Limited' and after independence the company was renamed as Bangladesh National Oils Limited. Jamuna Oil Company Ltd. was formed as a private limited company on 12 March 1975 under the Companies Act 1913 with the objective to taking over all the properties, rights, interests and assets of Bangladesh National Oils Limited (ex-Pakistan National Oils Limited).

The ownership of the company was vested with Bangladesh Petroleum Corporation (BPC) through the agreement entered into between the company and BPC. JOCL also acquired all the properties, rights, interests and assets of Indo-Burmah Petroleum Company Limited. JOCL has since been operating as 100 percent owned subsidiary of BPC. The company was converted into public limited company on 25 June 2007.

### Business Model and Products

The prime activities of the company include the procurement, storage and marketing of petroleum products, non-petroleum products and lubricants products. The petroleum products include High Octane Blending Component (HOBC), Motor Spirit (MS), Superior Kerosene Oil (SKO), High Speed Diesel (HSD), Light Diesel Oil (LDO), Furnace Oil (FO), and Jute Batching Oil (JBO). Non-petroleum products include Liquefied Petroleum Gas (LPG) and Bitumen. JOCL is the distributor of lubricants of Mobil Jamuna Lubricants Limited. Lubricants products of JOCL include MOBIL DELVAC SPECIAL 20W50, MOBIL DELVAC 1340, MOBIL HD 40, MOBIL SUPER XHP 20W50 and MOBIL ATF 220.

The company markets following key petroleum products:

#### Exhibit 6: Product Category and Functions

Sl. No.	Products	Functions
1	High Speed Diesel (HSD)	HSD is normally used as a fuel for high speed diesel engines operating above 750 rpm (Revolutions Per Minute) i.e. buses, trucks, generating sets, locomotives, pumping sets etc. Gas turbine requiring distillate fuels normally make use of HSD as fuel. Transportation and agriculture sectors require huge volume of HSD.
2	Superior Kerosene Oil (SKO)	SKO, refined distillate petroleum, is used for lighting, cooking and other household requirements. Rural people require large volume of SKO for lighting and cooking.
3	Motor Spirit (MS)	MS (Petrol) is normally used as a fuel for spark ignition internal combustion engines such as passenger cars, two wheelers and three wheelers etc. This fuel has moderate growth as vehicle has average growth of 10 percent over the years.

4	High Octane Blending Component (HOBC)	Octane is generally used as transportation fuels.
5	Furnace Oil (FO)	Furnace oil is used as a fuel for power generation, boilers, furnaces, air pre-heater, and fertilizer plants etc. Furnace oil-fired power plants have created an extraordinary demand for furnace oil by the power generation companies.
6	Light Diesel Oil (LDO)	LDO is used in lower RPM (Revolutions Per Minute) engines. It is generally used in lift irrigation pump-sets, DG (Diesel Generator) sets and as a fuel in certain boilers and furnaces.
7	Jute Batching Oil (JBO)	JBO is mainly used as jute batching oil in jute industry to make the jute fibers pliable. It is also used by processors to produce various industrial oils.

Aside from those JOCL also markets bitumen, LP gas, and lubricants and grease.

Sl. No.	Products	Functions
1	Bitumen	Bitumen (or asphalt) is primarily used to produce paving materials. Its other main uses are for bituminous waterproofing products, including production of roofing felt and for sealing flat roofs.
2	Liquefied Petroleum Gas (LPG)	LPG is used as an alternative to electricity and heating oil (kerosene). It is mainly used as a fuel for internal combustion engines of motor vehicles and mainly for cooking and light engineering workshops.

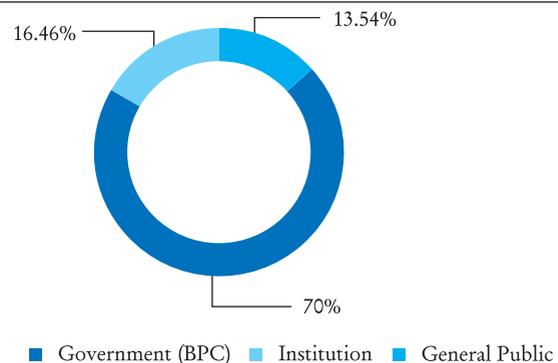
### Shareholding Pattern

JOCL is listed on the Dhaka Stock Exchange (DSE) and is tradable with 30.00 percent shares in free float. Of these 30 percent outstanding shares, 16.46 percent are held by institutions and 13.54 percent are held by general public. The Government of Bangladesh holds 70 percent out of total outstanding shares. General public holding constitutes holdings of local, non-resident Bangladeshi and foreign shareholders by 13.35 percent, 0.09 percent and 0.10 percent respectively.

### Management Team

Presently, the company is run by the Board of Directors, comprised of nine members, with a view to run it efficiently and economically with optimum overhead cost and manpower. The Board is headed by Mohammed Abu Taher, the Chairman of the Board. The overall activities of the company are performed with the approval of the Board of Directors. The company implements the Government policies as per the guidance and directive of BPC. Mizanur Rahman, Managing Director of the company, heads the management team.

Exhibit 7: Current Shareholding Pattern (as of June 2011)



Source: Company Financial Statements & LBSL Research

### Exhibit 8: Management Team

Name	Designation
Mohammed Abu Taher	Chairman
Mr. Mizanur Rahman	Managing Director
Mr. Md. Nazmul Haque	Company Secretary
Mr. Md. Amjad Ali	General Manager (Marketing), Deputy General Manager (Personnel)
Mr. Abdur Rahman	Deputy General Manager (Operations & Public Relation)
Mr. Md. Aminul Islam, ACA	Deputy General Manager (Finance)
Mr. Sahid Uddin Ahmed	Deputy General Manager (Engineering)
Mr. Md. Mahidur Rahman	Deputy General Manager (Sales)
Mr. Md. Ayub Hossain	Deputy General Manager (Resident Office)
Mr. Mohammed Khasru Azad	Assistant General Manager (Audit)

Source: Company Annual Report & LBSL Research

## Distribution Network

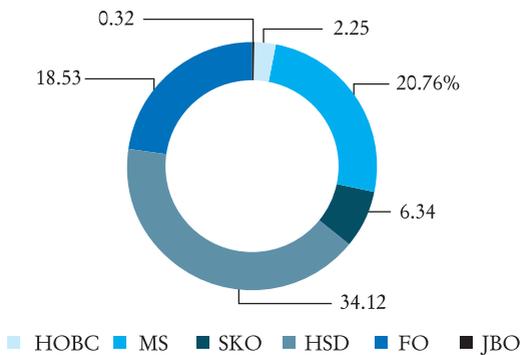
JOCL has huge infrastructure and facilities as required by a petroleum marketing company in order to ensure proper distribution of petroleum products throughout the country with uninterrupted supply. The company possesses a countrywide extensive network of 16 depots in addition to its main installation at Guptakhal in Chittagong, 421 Filling Stations, 713 Distributor Points, 182 Packed Point Dealers and 792 LPG Dealers.

## Revenue Breakdown

The net earnings of JOCL is mainly composed of major products such as refined petroleum products and minor products such as bitumen, lubricants and grease and LPG. During FY 2010-11, 80.95 percent, the bulk portion of the revenue, generated from net sales of petroleum products and 19.05 percent revenue came from net sales of from minor products.

During the period under review, it is found that major portion of net earnings came from High Speed Diesel by 34.12 percent followed by 20.76 percent from Motor Sprit, 18.53 percent from Furnace Oil and 16.56 percent from Lubricants and Grease. Rest of 10.03 percent net earnings resulted from sales of other major and minor products.

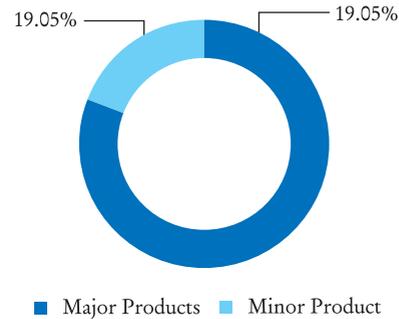
**Exhibit 10: Revenue Breakdown of Major Products**



Source: Company Financial Statements & LBSL Research

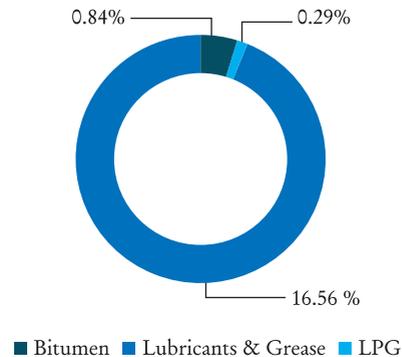
During the period under review, it is found that major portion of net earnings came from High Speed Diesel by 34.12 percent followed by 20.76 percent from Motor Sprit, 18.53 percent from

**Exhibit 9: Revenue Breakdown**



Source: Company Financial Statements & LBSL Research

**Exhibit 11: Revenue Breakdown of Minor Products**



Source: Company Financial Statements & LBSL Research

Furnace Oil and 16.56 percent from Lubricants and Grease. Rest of 10.03 percent net earnings resulted from sales of other major and minor products.

**Exhibit 12: Product Wise Sales Volume (in Metric Ton)**

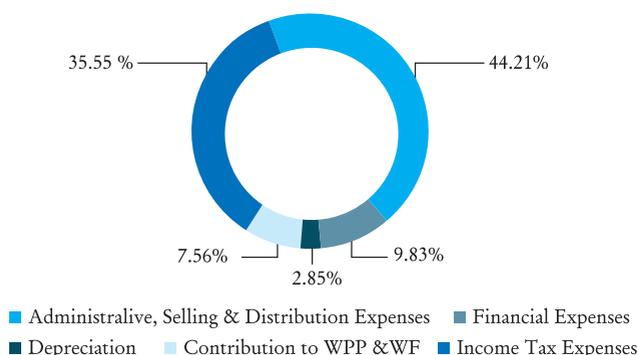
Product	2009-10	Growth (%)	2010-11	Growth (%)
HOBC	23,047.60	5.44%	27,856.75	20.87%
MS	38,754.98	11.28%	43,377.85	11.93%
SKO	129,227.11	10.71%	137,156.67	6.14%
HSD	814,651.20	10.71%	1,080,470.36	32.63%
FO	50,756.80	7.63%	170,717.73	236.34%
JBO	4,918.75	12.00%	6,817.26	38.60%
Bitumen	13,374.68	111.20%	5,435.85	-59.36%
Lubricants & Grease	4,509.10	3.33%	5,071.45	12.47%
LPG	3,646.89	40.73%	4,683.90	28.44%

Source: Company Financial Statements & LBSL Research

## Cost Structures

Total operating expenses covers 56.89 percent of total expenses of the company. During FY 2010-11 total operating expenses increased by 28.48 percent against 4.92 percent during FY 2009-10. This increase in operating expenses mainly resulted from the increase in selling, distribution & administration expenses by 28.84 percent and financial expenses by 35.33 percent.

Exhibit 13: Cost Structure of JOC



Source: Company Financial Statements & LBSL Research

## Capital Structures

From the analyses of the book of JOC, it is noticed that the company does not have any long term liability. Thus the entire asset financing with substantial value at the current context is financed by the paid up capital and reserves only. During FY 2010-11, the company increased its paid up capital to BDT 702 million by issuing bonus share of BDT 16.20 million which was supported by huge amount of reserves and surplus. Total shareholders funds of JOC during FY 2010-11 stood at BDT 2,659.69 million experiencing 41.53 percent growth while the paid up capital of the company stood at only 20.30 percent of the total shareholders funds. The asset increase of the company has been financed through utilization of free reserves and therefore, the reserve has virtually been converted to a part of invested capital.

## System Loss

The system loss of JOC is divided into three categories namely conversion loss, transit loss and operation loss. Government has formulated guidelines to manage the above losses and also set the allowable limits of transit loss. Conversion gain or loss of refined products arises due to sale at natural temperature as against purchase of petroleum products at 30° C and it is adjusted with the turnover. Operational gain or loss is counted on closing inventory due to temperature difference from 30° C which is adjusted with the cost of goods sold. Transit gain or loss occurred during transportation of petroleum products which is realizable from BPC through Freight-Pool account to the extent of government allowable quantity and the value over allowable quantity is realizable from the concerned tanker freight bill. The government has set allowable limits to the

extent of 0.35 percent Petrol and Octane, 0.20 percent for Diesel and Kerosene and 0.10 percent for Furnace Oil.

## Business Expansion

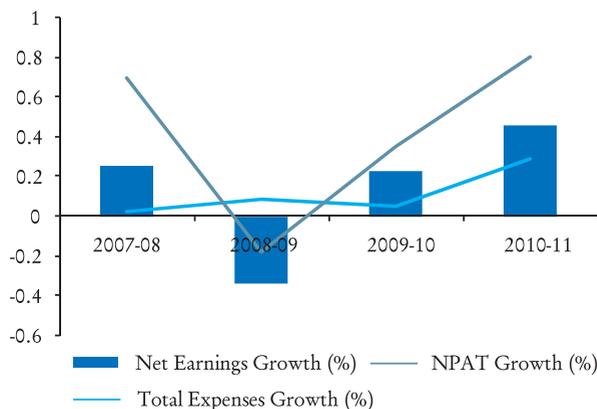
Steps have been taken by the company to construct more fuel storage tank or reservoirs at different depots in line with the increasing demand of furnace oil by the newly installed liquid fuel based power plants under public and private sector. Construction of storage tanks of 52,200 metric ton capacity at Main Installation (Chittagong), Fatullah, Daulatpur, Chandpur, Barisal, and Parbitipur depots have already been under completion process. Bangladesh Petroleum Corporation (BPC) is going to install a LPG bottling plant having capacity of 100,000 metric ton per annum at Mongla in collaboration with its subsidiary companies. Most importantly, JOC will share one-third equity of total cost of installation of the plant. Once the construction is completed, JOC will experience a boost in sales in LPG which has increasing demand due to acute shortages of natural gas.

## Financial Performance

The business performance of JOC has exhibited modest track record with a CAGR of 114.51 percent in net earnings through sales of major petroleum products and minor products such as bitumen, lubricants and grease and LPG and it is expected to grow at CAGR of 29.22 percent over the next five years. The net earnings of the company grew by a robust 45.98 percent during FY 2010-11 against 22.30 percent during FY 2009-10. It is notable that the sales of petroleum products by the company increased by 36.84 percent during FY 2010-11 against 11.19 percent increase in sales volume during FY 2009-10. The 36.84 percent growth in product handling resulted from increased demand of Furnace Oil (236.34 percent) to feed the liquid fuel based power plants. 38.60 percent, 32.63 percent, 28.44 percent growth in JBO, HSD and LPG had contributed to this cause.

Historical trends show that all profitability indicators improved modestly during the year under review in line with 22.01 percent sales growth except return on assets; that decreased by 0.18 percent to 2.92 percent against 3.10 percent during FY

Exhibit 14: Business Performance

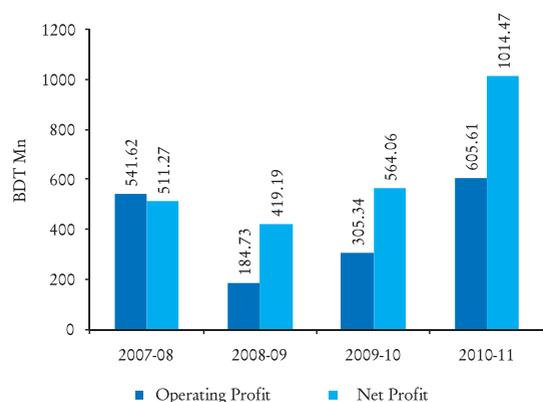


Source: LBSL Research

2008-09 since the total asset of the company increased by 50.47 percent. The gross margin improved by 0.26 percent mainly due to the improvement in the efficiency in cost of petroleum products.

The cost efficiency indicators of JOCL were stable during the year under review. The analysis showed that operating expenses to net earnings stood at 45.13 percent on an average over the last four years. It is also found that operating expenses to net earnings improved during the year under review due to higher net earnings from sales of petroleum products and operation efficiency by the management. Whereas finance cost to net earnings remained stable over the last few years since the company does not have any long-term liability; the company has to pay the share of its commission earnings to BPC termed as 'Financial Expenses'.

**Exhibit 15: Profit Measures**



Source: LBSL Research

**Exhibit 18: Income Statement Analysis**

Particulars	Balance Sheet (BDT Mn)			Common Size (% of Total Assets)			Growth Analysis (%)	
	2008-09	2009-10	2010-11	2008-09	2009-10	2010-11	2009-10	2010-11
Earnings on Petroleum Products	539.77	660.13	963.65	100.00%	100.00%	100.00%	22.30%	45.98%
Other Operating Income	40.96	60.69	175.77	7.59%	9.19%	18.24%	48.18%	189.61%
Total Income	580.72	720.83	1,139.42	107.59%	109.19%	118.24%	24.13%	58.07%
Total Expenses	395.99	415.49	533.81	73.36%	62.94%	55.39%	4.92%	28.48%
Administrative, Selling & Distributive	310.01	321.97	414.83	57.43%	48.77%	43.05%	3.86%	28.84%
Financial Expenses	61.8	68.14	92.22	11.45%	10.32%	9.57%	10.26%	35.33%
Depreciation	24.18	25.38	26.76	4.48%	3.84%	2.78%	4.96%	5.43%
Operating Profit/(Loss)	184.74	305.34	605.62	34.23%	46.25%	62.85%	65.28%	98.34%
Other Income	399.18	485.38	813.36	73.95%	73.53%	84.40%	21.60%	67.57%
Net Profit	583.91	790.72	1,418.98	108.18%	119.78%	147.25%	35.42%	79.45%
Contribution to Workers' Profit Participation & Welfare Funds	29.2	39.54	70.95	5.41%	5.99%	7.36%	35.42%	79.45%
Profit before Income Tax	554.72	751.19	1,348.03	102.77%	113.79%	139.89%	35.42%	79.45%
Provision for Income Tax	135.52	187.12	333.55	25.11%	28.35%	34.61%	38.08%	78.26%
Profit after Income Tax	419.2	564.07	1,014.47	77.66%	85.45%	105.27%	34.56%	79.85%

Source: Company Financial Statement & LBSL Research

**Exhibit 16: Cost Efficiency Indicators**

Particulars	2007-08	2008-09	2009-10	2010-11
Operating Expense to Net Earnings (%)	40.91	33.40	57.43	48.77
Finance Cost to Net Earnings (%)	10.11	8.12	11.45	10.32

Source: Company Financial Statements & LBSL Research

JOCL currently has around BDT 4,424.66 mn in cash on its balance sheet (FY 2010-11). The internal liquidity indicators are also at satisfactory level. From quantitative measurement JOCL can be categorized as moderate risk company considering the business model, sales volatility, overall business risk (measured through degree of operating leverage) and financial risk (degree of financial leverage).

**Exhibit 17: Degree of Operating Leverage (DOL) and Degree of Financial Leverage (DFL) Measurement**

Risk Category	Low Risk	Moderate Risk	High Risk	Very High Risk
Assigned Range	Below 0.40	0.40-0.60	0.60-0.80	Above 0.80
DOL (JOCL)	-	0.45	-	-
DFL (JOCL)	0.38	-	-	-

Source: LBSL Research Estimates

JOCL registered tremendous growth in HY 2011-12 with 113 percent on Y-on-Y basis and 257 percent on Q-to-Q basis. Net Profit of the company stood at BDT 881.28 million in HY 2011-12 against BDT 413.53 million in HY 2010-11. This high earnings growth mainly resulted from higher sales volume of Diesel and Furnace Oil to feed the HFO (Heavy Fuel Oil) based power plants. During the last few years, the GoB initiated to augment power generation through rental, quick rental and IPPs run by HFO.

## Exhibit 19: Balance Sheet Analysis

Particulars	Balance Sheet (BDT Mn)			Common Size (% of Total Assets)			Growth Analysis (%)	
	2008-09	2009-10	2010-11	2008-09	2009-10	2010-11	2009-10	2010-11
<b>Application of Funds</b>								
<b>Fixed Assets</b>	<b>254.96</b>	<b>264.59</b>	<b>318.79</b>	<b>2.79%</b>	<b>2.06%</b>	<b>2.12%</b>	<b>3.78%</b>	<b>20.48%</b>
Operating Fixed Assets	172.21	179.68	186.4	1.89%	1.40%	1.24%	4.34%	3.74%
Capital Work-in-Progress	82.75	84.91	132.39	0.91%	0.66%	0.88%	2.61%	55.91%
Investment	175.4	175.4	175.4	1.92%	1.36%	1.16%	0.00%	0.00%
<b>Current Assets</b>	<b>8,616.47</b>	<b>12,319.26</b>	<b>14,428.34</b>	<b>94.32%</b>	<b>95.77%</b>	<b>95.74%</b>	<b>42.97%</b>	<b>17.12%</b>
Stocks	4,680.13	5,763.97	5,732.91	51.23%	44.81%	38.04%	23.16%	-0.54%
Book Debts	71.26	436.2	429.16	0.78%	3.39%	2.85%	512.10%	-1.61%
Advances, Deposits & Pre-payments	2,340.21	2,984.27	3,841.61	25.62%	23.20%	25.49%	27.52%	28.73%
Cash and Bank Balances	1,524.87	3,134.82	4,424.66	16.69%	24.37%	29.36%	105.58%	41.15%
<b>Current Liabilities &amp; Provisions</b>	<b>7,418.34</b>	<b>10,775.35</b>	<b>12,115.45</b>	<b>81.21%</b>	<b>83.76%</b>	<b>80.39%</b>	<b>45.25%</b>	<b>12.44%</b>
<b>Net Current Assets</b>	<b>1,198.13</b>	<b>1,543.91</b>	<b>2,312.89</b>	<b>13.12%</b>	<b>12.00%</b>	<b>15.35%</b>	<b>28.86%</b>	<b>49.81%</b>
<b>Net Assets</b>	<b>1,540.15</b>	<b>1,879.27</b>	<b>2,659.69</b>	<b>16.86%</b>	<b>14.61%</b>	<b>17.65%</b>	<b>22.02%</b>	<b>41.53%</b>
<b>Sources of Funds</b>								
Share Capital	450	450	540	4.93%	3.50%	3.58%	0.00%	20.00%
Capital Reserve	152.83	152.88	152.83	1.67%	1.19%	1.01%	0.03%	-0.03%
General Reserve	830	1,180.00	1,810.00	9.09%	9.17%	12.01%	42.17%	53.39%
Retained Earnings	107.31	96.38	156.86	1.17%	0.75%	1.04%	-10.19%	62.75%
<b>Shareholders' Funds</b>	<b>1,540.15</b>	<b>1,879.26</b>	<b>2,659.69</b>	<b>16.86%</b>	<b>14.61%</b>	<b>17.65%</b>	<b>22.02%</b>	<b>41.53%</b>

Source: Company Financial Statement & LBSL Research

## Exhibit 20: Key Ratios &amp; Metrics

Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
<b>Internal Liquidity</b>					
Current Ratio (times)	1.03	1.13	1.16	1.14	1.19
Acid Test (times)	0.46	0.69	0.53	0.61	0.72
Receivables Turnover (times)	112.08	163.09	450.67	229.39	182.49
Receivable Collection Period (days)	3.26	2.24	0.81	1.59	2
Inventory Turnover (times)	11.46	11.24	13.2	11.02	13.57
Inventory processing period (days)	31.84	32.48	27.66	33.12	26.9
Payables Turnover (times)	6.21	5.93	7.11	6.51	7.02
Payables payment period (days)	58.78	61.57	51.33	56.07	52
Cash Conversion Cycle (days)	-23.69	-26.84	-22.87	-21.35	-23.1
<b>Operating Efficiency</b>					
Total Asset Turnover (times)	5.53	5.13	5.83	5.29	5.65
Net Fixed Asset Turnover (times)	216.97	231.64	235.06	224.06	270.71
Equity Turnover (times)	68.43	49.04	37.66	34.04	34.79
<b>Profitability</b>					
Gross Margin (%)	1.47	1.60	0.95	1.13	1.22
Operating Profit Margin (%)	0.85	1.05	0.32	0.52	0.77
Return on Sales (%)	0.68	0.99	0.74	0.97	1.28
Return on Equity (%)	46.42	48.68	27.75	32.99	44.70
Return on Asset (%)	3.75	5.09	4.29	5.13	7.26
<b>DuPont System</b>					
Profit Margin (%)	0.68	0.99	0.74	0.97	1.28
Total Asset Turnover (times)	5.53	5.13	5.83	5.29	5.65
Financial Leverage (times)	12.37	9.56	6.46	6.43	6.15
<b>ROE (%)</b>	<b>46.42</b>	<b>48.68</b>	<b>27.75</b>	<b>32.99</b>	<b>44.70</b>

Source: LBSL Research

## LBSL's research reports are also available on Bloomberg LANB <GO> lankabangla.duinvest.com

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