

Financial Analysis

Provided by: Tul Corporation
Unit:NT\$ thousand

	2007	2008	2009
Capital structure analysis (%)			
Debt ratio	50.00	50.00	55.23
Long-term funds to fixed assets	138.64	823.00	1,047.99
Liquidity analysis (%)			
Current ratio	205.44	187.31	171.73
Quick ratio	175.12	140.27	136.07
Times interest earned	18.31	11.34	48.81
Operating performance analysis (%)			
Accounts receivable turnover	5.35	6.87	6.83
Days to collect accounts receivable	68.22	53.12	53.44
Average inventory turnover	13.47	14.92	11.91
Average days to sell inventory	27.09	24.46	30.64
Fixed asset turnover (times)	755.12	46.17	50.66
Total asset turnover (times)	2.72	2.79	2.16
Return on investment analysis (%)			
Rate of return on assets	11.56	5.48	12.22
Rate of return on stock equity	26.74	10.19	25.67
Operating income to capital (%)	12.48	6.94	26.41
Income before tax to capital (%)	23.82	11.80	34.36
Net income to sales (%)	4.32	1.77	4.72
Earnings per share (NTD)	2.38	1.05	3.14
Cash flow (%)			
Cash flow ratio (%)	63.00	-1.94	29.76
Cash flow adequacy ratio (%)	208.00	64.66	187.09
Cash flow reinvestment ratio (%)	52.01	-1.70	30.78

Financial Analysis

[A] Capital structure analysis (%)

1. Debt ratio = Total liabilities / Total assets
2. Long-term funds to fixed assets = (Total stockholders' equity + Long-term liabilities) / Property, plant and equipment, net

[B] Liquidity analysis (%)

1. Current ratio = Current assets / Current liability
2. Quick ratio = (Current Assets - Inventories - Prepaid expenses) / Current liability
3. Interest guarantee = Income Before Credit for Income Tax / Current interest expense

[C] Operating performance analysis (%)

1. Average collection turnover = Sales / Average collection
2. Days to collect accounts receivable = 365 / Average collection turnover
3. Average inventory turnover = Cost of goods sold / Average inventories
4. Average days to sell inventory = 365 / Average inventory turnover
5. Fixed assets turnover = Sales / Property, plant and equipment, net
6. Total assets turnover = Sales / Total assets

[D] Return on investment analysis (%)

1. Return on total assets = [Net Income after Tax + Interest expense X (1 - Tax rate)] / Average assets
2. Return on equity = Net Income after Tax / Average Stockholders' Equity
3. Net income to sales = Net Income after Tax / Sales
4. Earnings per share = (Net Income after Tax - Dividend - preferred stock) / Weighted average outstanding shares

[E] Cash flow

1. Cash flow ratio = Net cash provided by operating activities / Current liability
2. Cash flow adequacy ratio = 5-year net cash provided by operating activities / 5-year (Capital expense + Increase in inventories + Cash dividend)
3. Cash flow reinvestment ratio = (Net cash provided by operating activities - Cash dividend) - (Property, plant and equipment, net + Long-term investments + Other assets + Operating Capital)