

Item	1998	1999
1. Operating Results		
Operating income	\$1,234,567	\$1,345,678
Operating expenses	(876,543)	(987,654)
Operating profit	\$358,024	\$358,024
2. Financial Position		
Assets		
Cash and equivalents	\$123,456	\$134,567
Accounts receivable	234,567	245,678
Inventory	345,678	356,789
Property, plant and equipment	456,789	467,890
Intangible assets	567,890	578,901
Other assets	678,901	689,012
Liabilities		
Accounts payable	\$123,456	\$134,567
Long-term debt	234,567	245,678
Other liabilities	345,678	356,789
Equity		
Common stock	\$123,456	\$134,567
Retained earnings	234,567	245,678
Other equity	345,678	356,789

The following table sets forth the financial performance of the Company for the periods indicated. All amounts are in millions of dollars, unless otherwise indicated.

Operating Results

Operating income increased from \$1,234.6 million in 1998 to \$1,345.7 million in 1999, primarily due to an increase in sales volume and a decrease in operating expenses. Operating expenses decreased from \$876.5 million in 1998 to \$987.7 million in 1999, primarily due to a decrease in depreciation and amortization expense.

Financial Position

Assets increased from \$2,345.7 million in 1998 to \$2,456.8 million in 1999, primarily due to an increase in cash and equivalents and accounts receivable. Liabilities increased from \$1,234.6 million in 1998 to \$1,345.7 million in 1999, primarily due to an increase in accounts payable and long-term debt. Equity increased from \$1,111.1 million in 1998 to \$1,111.1 million in 1999, primarily due to an increase in retained earnings.

Operating Profit

Operating profit remained constant at \$358.0 million in 1998 and 1999, primarily due to an increase in operating income and a decrease in operating expenses.

OPERATIONAL RESULTS

Our operations are divided into three segments: Chemicals, Polymers, and Specialty Products. Each segment is evaluated based on sales, operating income, and other key performance indicators.

Chemicals Segment: This segment includes various chemical products used in industrial and consumer applications. Sales were strong due to increased demand in the manufacturing sector.

Polymers Segment: This segment focuses on the production and distribution of various polymer materials. The market for polymers remained robust, particularly in the construction and automotive industries.

Specialty Products Segment: This segment encompasses a range of specialized products, including high-performance materials and specialty chemicals. Demand for these products is generally higher and more stable.

Overall, our operations performed well in 2008, with strong sales growth and improved operating margins across all segments. This was primarily driven by our focus on innovation and operational efficiency.

Looking ahead, we remain committed to our strategy of sustainable growth and value creation for our shareholders. We will continue to invest in research and development to develop new products and improve our manufacturing processes.

Our financial performance is closely monitored, and we will continue to provide regular updates on our progress. We are confident in our ability to meet our long-term goals and deliver consistent returns to our investors.

The Board of Directors and management team are pleased with the results achieved in 2008 and are optimistic about the future prospects of the company. We thank our shareholders and stakeholders for their continued support and confidence in our company.

For more information on our operations and financial performance, please visit our website at www.ourcompany.com. We also encourage you to contact our investor relations department for any inquiries.

We are proud to be a part of the global chemical and polymer industry and to contribute to the economic growth and development of our communities. We will continue to strive for excellence in everything we do.

Thank you for your attention and interest in our company. We look forward to continuing our journey of growth and innovation in the years ahead.

Best regards,
[Signature]