

Appendix 1

Arkaig: Strategic performance report

Year ended 30 June 20X5					Previous year	
	Mining	Cement	Chemicals	Total	Total	Industry average
	20X5	20X5	20X5	20X5	20X4	
Orders (\$m)	5,204	6,898	5,900	18,002	17,878	
Revenue (\$m)	5,100	6,756	5,784	17,640	18,166	
Revenue growth (%)	0	-1.8	-6.5	-2.9		
Net profit (\$m)	220	350	302	872	798	
Net profit margin (%)	4.3	5.2	5.2	4.9	4.4	4.6
ROCE (%)	16.1	17.3	17.4	16.8	15.7	15

Commentary:

1. The company has increased its return on capital employed on the previous year and exceeded the industry benchmark.
2. Revenue has fallen by 2.9% on the previous year but the order book has grown by 0.7%, indicating sustained sales levels going forward.
3. The net profit margin has increased to 4.9%, again exceeding the industry benchmark of 4.6%.
4. The company has continued to emphasise its entrepreneurial culture to its employees.