

# Five-Year Performance

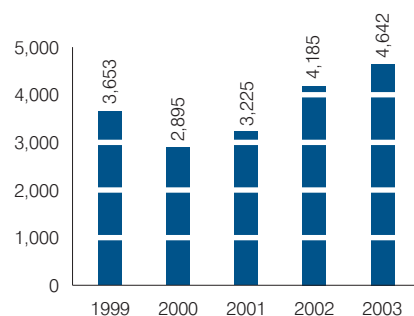
SembCorp Industries  
Annual Report 2003

## Financials

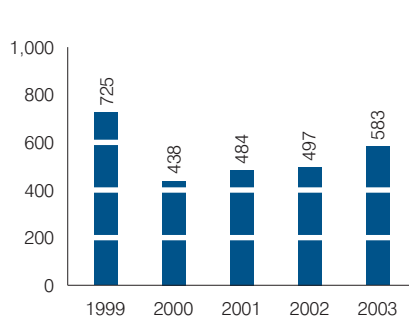
	1999	2000	2001	Restated* 2002	2003
<b>For the year (S\$m)</b>					
Turnover	3,653	2,895	3,225	4,185	<b>4,642</b>
EBITDA	725	438	484	497	<b>583</b>
Profit from operations	215	221	123	54	<b>199</b>
Profit after taxation and minority interest ("PATMI")					
– before exceptional items	128	117	149	161	<b>184</b>
– after exceptional items	398	117	174	172	<b>285</b>
<b>At year end (S\$m)</b>					
Property, plant and equipment	1,725	1,635	2,257	2,164	<b>2,514</b>
Other non-current assets	1,138	1,173	1,406	1,421	<b>1,434</b>
Net current assets/(liabilities)	284	(407)	(399)	79	<b>31</b>
Non-current liabilities	(1,319)	(1,026)	(1,574)	(1,525)	<b>(1,595)</b>
Net assets	1,828	1,375	1,690	2,139	<b>2,384</b>
Share capital and reserves	1,168	848	1,026	1,504	<b>1,716</b>
Minority interests	660	527	664	635	<b>668</b>
Capital employed	1,828	1,375	1,690	2,139	<b>2,384</b>
<b>Per share</b>					
Earnings (cents)					
– before exceptional items	7.91	7.29	9.30	8.96	<b>10.09</b>
– after exceptional items	24.90	7.27	10.83	9.52	<b>15.66</b>
Net tangible assets (cents)	71.00	52.00	59.00	80.71	<b>88.16</b>
Gross dividend (cents)	2.50	2.50	3.00	4.50	<b>7.00</b>
Gross dividend yield (%)	1.1	1.5	1.9	5.7	<b>5.6</b>
<b>Financial ratios</b>					
Return on equity (%)	14.0	11.5	18.5	13.6	<b>17.7</b>
Return on total assets (%)	4.5	4.7	5.8	5.4	<b>7.3</b>
Interest cover (times)	10.0	5.1	5.4	5.3	<b>7.4</b>
Net gearing (times)	0.5	1.1	1.3	0.6	<b>0.6</b>

\* For 2002, figures have been restated for the financial effects arising from the accounting anomalies uncovered in SembLog India.

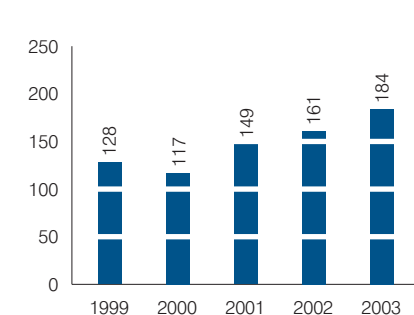
Turnover (S\$m)



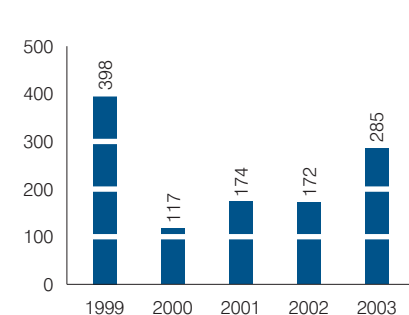
EBITDA (S\$m)



PATMI (before exceptional items)(S\$m)



PATMI (after exceptional items)(S\$m)



## Review by Businesses

	1999		2000		2001		Restated *		2003	
	\$'m	%	\$'m	%	\$'m	%	\$'m	%	\$'m	%
<b>Turnover by Activity</b>										
Utilities	235	6	303	10	548	17	1,072	26	1,933	42
Engineering & Construction	886	24	633	22	619	19	858	21	803	17
Environmental Engineering	–	–	72	2	140	4	135	3	190	4
Logistics	432	12	445	16	469	15	429	10	465	10
Marine Engineering	917	25	757	26	850	26	1,007	24	1,062	23
Others/Corporate	1,183	33	685	24	599	19	684	16	189	4
<b>Total</b>	<b>3,653</b>	<b>100</b>	<b>2,895</b>	<b>100</b>	<b>3,225</b>	<b>100</b>	<b>4,185</b>	<b>100</b>	<b>4,642</b>	<b>100</b>

## Profit after Tax and Minority

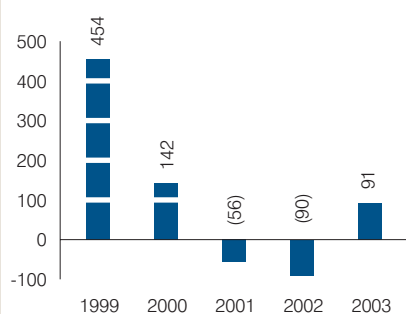
### Interest by Activity

Utilities	10	3	15	13	35	20	54	32	98	35
Engineering & Construction	30	7	2	2	6	3	(127)	(74)	1	–
Environmental Engineering	–	–	1	1	8	5	9	5	12	4
Logistics	11	3	34	29	54	31	19	11	56	20
Marine Engineering	46	12	48	41	50	29	57	33	49	17
Others/Corporate	301	75	17	14	21	12	160	93	69	24
<b>Total</b>	<b>398</b>	<b>100</b>	<b>117</b>	<b>100</b>	<b>174</b>	<b>100</b>	<b>172</b>	<b>100</b>	<b>285</b>	<b>100</b>

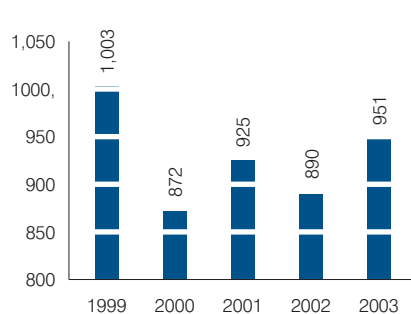
## Productivity Data

	1999	2000	2001	Restated* 2002	2003
Average staff strength	18,740	16,188	15,000	13,168	<b>11,857</b>
Employment costs (S\$m)	604	533	538	579	<b>540</b>
Sales per employee (S\$'000)	195	179	215	318	<b>391</b>
Profit after tax per employee (S\$'000)	10	10	16	18	<b>32</b>
Economic value added (S\$m)	454	142	(56)	(90)	<b>91</b>
Economic value added spread (%)	13.1	4.1	(1.2)	(1.7)	<b>1.8</b>
Economic value added per employee (S\$'000)	24.25	8.74	(3.74)	(6.84)	<b>7.68</b>
Value added (S\$m)	1,003	872	925	890	<b>951</b>
Value added per employee (S\$'000)	54	54	62	68	<b>80</b>
Value added per employment costs (S\$)	1.66	1.64	1.72	1.54	<b>1.76</b>
Value added per dollar investment in fixed assets (S\$)	0.44	0.38	0.32	0.32	<b>0.27</b>
Value added per dollar sales (S\$)	0.28	0.31	0.29	0.22	<b>0.21</b>

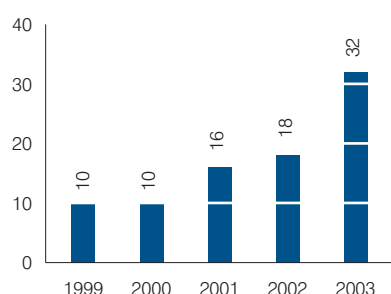
Economic value added (S\$m)



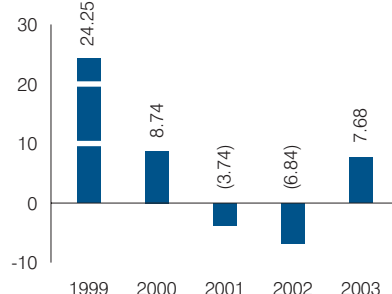
Value added (S\$m)



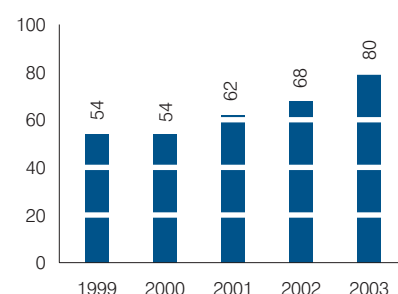
Profit after tax per employee (S\$'000)



Economic value added per employee (S\$'000)



Value added per employee (S\$'000)



## Economic Value Added

	Note	1999	2000	2001	Restated*	2003
		S\$m	S\$m	S\$m	S\$m	S\$m
<b>Net Operating Profit after Tax (NOPAT)</b>		775	457	331	333	<b>383</b>
Average Capital Employed	1	3,462	3,427	4,596	5,176	<b>5,195</b>
<b>Capital Charge</b>		321	315	387	423	<b>292</b>
<b>Economic Value Added (EVA)</b>		454	142	(56)	(90)	<b>91</b>

### Note:

1. Monthly average total assets less non interest-bearing liabilities plus timing provision, goodwill and present value of operating leases.
2. WACC of 2003 is 5.6% (1999 – 2002: 8.2% to 9.3%)

The Weighted Average Cost of Capital is calculated in accordance with SembCorp Industries Ltd Group EVA Policy as follows:

- (i) Cost of Equity using Capital Asset Pricing Model with market risk premium at 6.0% (1999 - 2002: 7.0% to 8.1%);
- (ii) Risk-free rate of 2.78% (1999 - 2002: 3.94% to 4.57%) based on yield-to-maturity of Singapore Government 10 years Bonds;
- (iii) Ungeared beta ranging from 0.5 to 1.0 (1999 - 2002: 0.7 to 1.2) based on SembCorp Industries risk categorisation; and
- (iv) Cost of Debt rate at 2.68% (1999 - 2002: 4.3% to 5.5%) using 5-year Singapore Dollar Swap Offered Rate plus 75 basis points (1999: Average prime lending rates of the four major banks in Singapore).

## Value Added Statements

	1999	2000	2001	Restated *	2003
	S\$m	S\$m	S\$m	S\$m	S\$m
<b>Value added from</b>					
Turnover	3,590	2,851	3,170	3,997	<b>4,565</b>
Less bought in materials and services	(2,587)	(1,979)	(2,245)	(3,107)	<b>(3,614)</b>
Gross value added	1,003	872	925	890	<b>951</b>
Investment, interest and other income	45	143	188	311	<b>265</b>
Share of associated companies' profit	21	23	72	26	<b>107</b>
Share of joint ventures' profit	11	16	23	37	<b>40</b>
Other non-operating income/(expenses)	(18)	(29)	(19)	(59)	<b>(40)</b>
	1,062	1,025	1,189	1,205	<b>1,323</b>
<b>Distribution</b>					
To employees in wages, salaries and benefits	604	533	538	579	<b>540</b>
To government in income and other taxes	91	96	100	66	<b>103</b>
To providers of capital on:					
Interest paid on borrowings	52	51	74	76	<b>72</b>
Dividends to shareholders	32	32	30	43	<b>92</b>
	779	712	742	764	<b>807</b>
<b>Retained in business</b>					
Depreciation and amortisation	133	125	135	168	<b>172</b>
Retained profits	338	106	219	153	<b>206</b>
Minority interests	51	59	83	88	<b>97</b>
	522	290	437	409	<b>475</b>
Other non-operating expenses	(239)	23	10	32	<b>41</b>
	283	313	447	441	<b>516</b>
<b>Total distribution</b>	1,062	1,025	1,189	1,205	<b>1,323</b>

The figures above reflect core businesses only.