

FIVE-YEAR PERFORMANCE PROFILE

2010

Sembcorp's net profit for the year grew 16% from S\$682.7 million to S\$792.9 million, while turnover was S\$8.8 billion compared to S\$9.6 billion in 2009.

The Utilities and Marine businesses continued to be the Group's main profit contributors, accounting for 95% of its net profit. The Utilities business' net profit improved by 2%. All regions registered growth except for operations in Teesside, UK. Singapore operations performed well, mainly driven by high electricity prices and higher contributions from our natural gas importation business. Outside Singapore, operations in China and Middle East & Africa also registered strong growth, increasing 226% and 80% respectively. The performance of operations in Teesside, UK was affected by lower volumes as a result of the previously announced closure of some of its customers' facilities, low market spreads for power as well as the write-down of certain ageing assets. The Marine business' contribution to net profit grew 22% from S\$430.2 million to S\$524.9 million. This increase was mainly attributable to the execution of projects ahead of schedule and the achievement of better margins for the business' rig building, offshore and conversion projects through higher productivity, as well as the resumption of margin recognition for a rig building project upon securing a buyer.

During the year, the Group recorded an exceptional gain of S\$32.1 million comprising the Group's share of the Marine business' full and

final amicable settlement of disputed foreign exchange transactions.

2009

Sembcorp's net profit for the year grew 35% from S\$507.1 million to S\$682.7 million, while turnover stood at S\$9.6 billion.

The Marine business' contribution to net profit grew 63% from S\$263.7 million to S\$430.2 million, attributable to a combination of operational efficiency and execution of projects ahead of schedule resulting in better margins and the resumption of margin recognition for some of the business' projects. The Utilities business' net profit grew by 12% from S\$202.4 million to S\$226.7 million, with operations in Singapore, China, Vietnam and the UAE showing growth.

2008

Sembcorp's turnover increased by 15% from S\$8.6 billion to S\$9.9 billion. Net profit for the year stood at S\$507.1 million. Excluding the one-off write-back of S\$48.0 million of tax provisions recorded in 2007, Sembcorp achieved a net profit growth of 6%.

The Marine business' contribution to net profit rose 75% to S\$263.7 million, mainly due to higher revenue and operating margins from its rig building and ship repair businesses. The Utilities business' net profit stood at S\$202.4 million with main contributions from Singapore and UK operations.

During the year, the Group recorded an exceptional loss of S\$26.9 million comprising of the Group's share of the Marine business' foreign exchange losses from the unauthorised transactions.

2007

Sembcorp achieved a 6% growth in turnover to S\$8.6 billion. Net profit in 2007 stood at S\$526.2 million. Strong business fundamentals continued to drive Sembcorp's growth, backed by positive operating performance from the Utilities business' Singapore and UK operations and the Marine unit's rig building and ship repair businesses.

The Group recorded a net exceptional loss of S\$31.0 million during the year, which comprised the Group's share of losses recognised by the Marine business' unauthorised foreign exchange transactions, partially offset by gains on the sale of certain investments.

2006

Sembcorp achieved a net profit of S\$1.0 billion, a growth of 240% over 2005. Turnover from continuing operations increased by 30% to S\$7.5 billion. Excluding the exceptional gains of S\$650.2 million, net profit for the year stood at S\$380.8 million, driven mainly by strong performance from the Utilities business' UK operations and higher operating margins from the Marine unit's rig building and ship repair businesses.

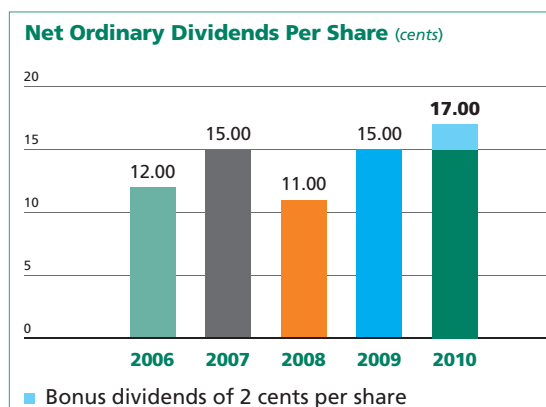
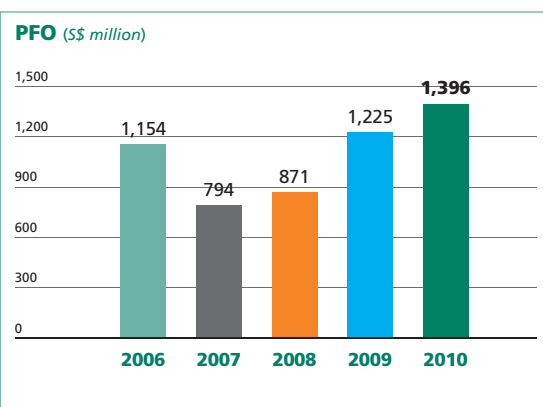
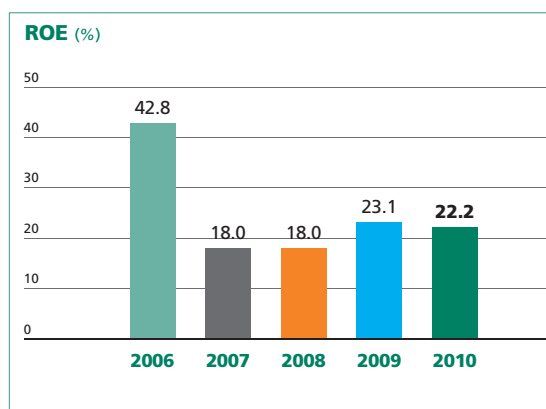
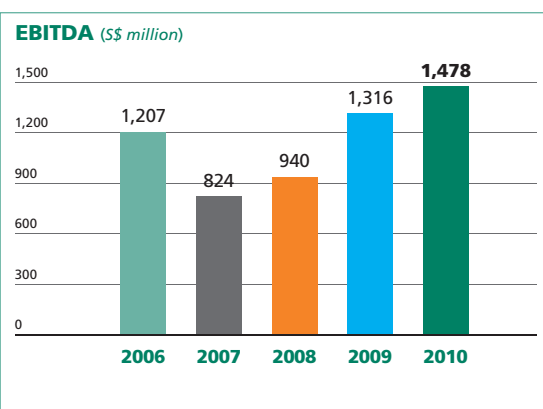
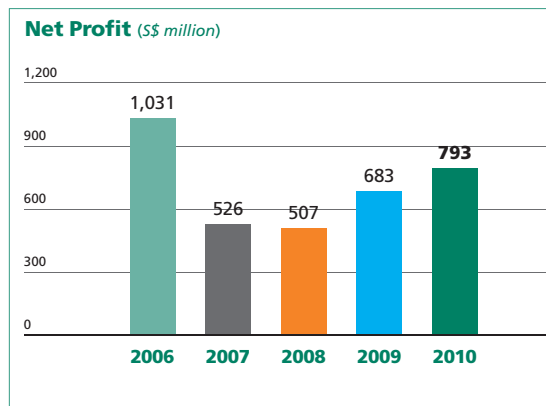
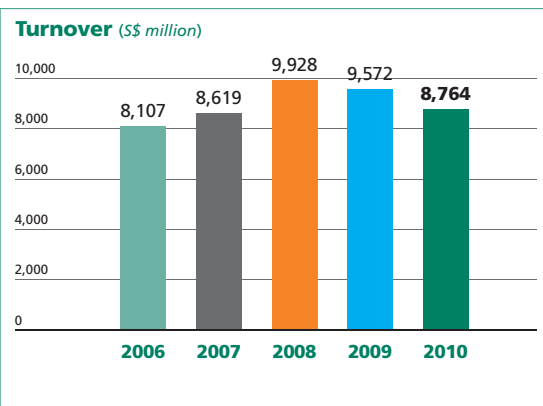
The Group recorded exceptional gains of S\$650.2 million in 2006. These comprised the net gain on the sale of subsidiaries and other financial assets, tax benefits relating to compensation and related costs incurred in the Solitaire arbitration and the write-back of an impairment for property, plant and equipment. These were partially offset by an additional charge arising from the final settlement of the Solitaire arbitration as well as a loss from the sale of a subsidiary.

Five-Year Financials

	2010	2009	2008	2007	2006
For the Year (<i>S\$ million</i>)					
Turnover	8,764	9,572	9,928	8,619	8,107
Earnings before interest, tax, depreciation and amortisation	1,478	1,316	940	824	1,207
Profit from operations	1,396	1,225	871	794	1,154
– Earnings before interest and tax	1,236	1,116	745	641	1,037
– Share of results: Associates & JVs, net of tax	160	109	126	153	117
Profit before income tax expense	1,367	1,218	862	787	1,150
Net profit	793	683	507	526	1,031
At Year End (<i>S\$ million</i>)					
Property, plant and equipment and investment properties	3,463	2,721	2,525	2,633	2,534
Other non-current assets	2,082	1,616	1,372	1,691	1,318
Net current assets	1,882	1,061	374	863	1,149
Non-current liabilities	(2,407)	(1,162)	(1,006)	(1,357)	(1,540)
Net assets	5,020	4,236	3,265	3,830	3,461
Share capital and reserves	3,815	3,320	2,594	3,033	2,813
Non-controlling interests	1,205	916	671	797	648
Total equity	5,020	4,236	3,265	3,830	3,461
Per Share					
Earnings (<i>cents</i>)	44.44	38.37	28.50	29.57	58.58
Net assets (<i>S\$</i>)	2.13	1.86	1.46	1.70	1.59
Net ordinary dividends (including bonus dividends) (<i>cents</i>)	17.00	15.00	11.00	15.00	12.00
Net special dividends (<i>cents</i>)	–	–	–	–	16.00
Financial Ratios					
Return on equity (%)	22.2	23.1	18.0	18.0	42.8
Return on total assets (%)	12.2	11.9	9.0	8.7	16.4
Interest cover (<i>times</i>)	24.2	31.9	21.2	15.3	22.4
Net gearing (<i>times</i>)	Net cash	Net cash	Net cash	0.01	0.04

Note: The Environment business was reclassified under the Utilities business following an internal restructuring in 2010. Comparative numbers have been restated accordingly.

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Review by Business (\$ million)

	2010	%	2009	%	2008	%	2007	%	2006	%
Turnover by Activity										
Continuing Operations:										
Utilities	3,993	46	3,680	38	4,692	47	3,941	45	3,636	45
Marine	4,554	52	5,723	60	5,061	51	4,512	53	3,539	43
Industrial Parks	16	-	15	-	16	-	23	-	65	1
Others / Corporate	201	2	154	2	159	2	143	2	246	3
Total	8,764	100	9,572	100	9,928	100	8,619	100	7,486	92
Discontinued Operations:										
Logistics	-	-	-	-	-	-	-	-	133	2
Engineering & Construction	-	-	-	-	-	-	-	-	488	6
Total	8,764	100	9,572	100	9,928	100	8,619	100	8,107	100

Profit from Operations by Activity

Continuing Operations:										
Utilities	314	22	307	25	313	36	363	46	283	24
Marine	1,045	75	878	72	531	61	351	44	296	26
Industrial Parks	40	3	34	3	35	4	84	11	145	13
Others / Corporate	(3)	-	6	-	(8)	(1)	(4)	(1)	(24)	(2)
Total	1,396	100	1,225	100	871	100	794	100	700	61
Discontinued Operations:										
Logistics	-	-	-	-	-	-	-	-	478	41
Engineering & Construction	-	-	-	-	-	-	-	-	(24)	(2)
Total	1,396	100	1,225	100	871	100	794	100	1,154	100

Net Profit by Activity

Continuing Operations:										
Utilities	231	29	227	33	202	40	244	46	178	17
Marine	525	66	430	63	264	52	150	29	147	14
Industrial Parks	37	5	28	4	32	6	73	14	149	14
Others / Corporate	-	-	(2)	-	9	2	59	11	110	11
Total	793	100	683	100	507	100	526	100	584	56
Discontinued Operations:										
Logistics	-	-	-	-	-	-	-	-	471	46
Engineering & Construction	-	-	-	-	-	-	-	-	(24)	(2)
Total	793	100	683	100	507	100	526	100	1,031	100

Note: The Environment business was classified under the Utilities business following an internal restructuring in 2010. Comparative numbers have been restated accordingly.