



**sembcorp
marine**

FY 2007 Financial Results

22 February 2008

**Robust & Sustainable
45 Years & Beyond.....**



Scope

- **Introduction**
- **Financial & Business Review**
- **Positioning for Robust & Sustainable Growth**
- **Market Outlook**
- **Summary**

Updates on Unauthorised Foreign Exchange Transactions

- **Net position from Unauthorised Transactions reduced from US\$303 million to US\$258.7 million**

Banks	US\$ Million
Societe General	198.9
BNP Paribas	50.7
Others (including commercial settlements with 9 banks)	9.1
Total Amount	258.7

- **In compliance with Singapore Financial Reporting Standards, US\$208.0 million to expense in Group's 4Q 2007 Profit & Loss Statement & US\$50.7 million to be disclosed as a contingent liability**

Going Forward

- **Amount from Unauthorised Transactions a “one-off” charge**
- **The Group has taken steps to ensure that this will not recur**
- **Due to on-going court proceedings, cannot reveal details of steps taken**
- **Meanwhile our focus on our business**
 - * **its business as usual and**
 - * **to grow our businesses**

FY 2007 Performance Highlights

2007 : An Outstanding Year with Continuous Growth & Margin Expansion

Revenue	:	↑	27% to \$4.513 billion
Gross Profit	:	↑	40% to \$411.5 million
Operating Profit	:	↑	53% to \$349.0 million
PBT	:	↑	17% to \$364.7 million
PBT, excl Unauthorised Transactions	:	↑	116% to \$673.0 million
PATMI, excl Unauthorised Transactions	:	↑	130% to \$549.2 million
PATMI, excl Nol	:	↑	66% to \$362.3 million

PATMI, incl Unauthorised Transactions : ↑ 1% to \$241.0 million

Financial Highlights

2007: An Outstanding Year with Solid Growth excluding Unauthorised Transactions

Description (S\$m)	Year	FY 2007	FY 2006	% Change	4Q 2007	4Q 2006	% Change
Revenue		4,513.1	3,545.0	27	1,336.7	1,331.5	-
EBITDA		413.1	273.8	51	145.1	101.3	43
Operating Profit		349.0	228.2	53	126.8	88.2	44
Pre-tax Profit, exclude FX		673.0	310.9	116	385.2	128.6	200
PATMI, exclude FX		549.2	238.4	130	309.0	95.3	224
PATMI, exclude Nol		362.3	217.8	66	120.4	75.7	59
EPS, basic (cents), excl FX		26.72	*11.71	128	14.93	*4.66	22
EPS, basic (cents) excl Nol		17.62	*10.70	65	5.82	*3.70	57
NAV (cents)		81.1	*65.3	24	-	-	-

* Adjusted for 2 for 5 Bonus Issue FX : Unauthorised Transactions and related expenses Nol : Non Operating Items

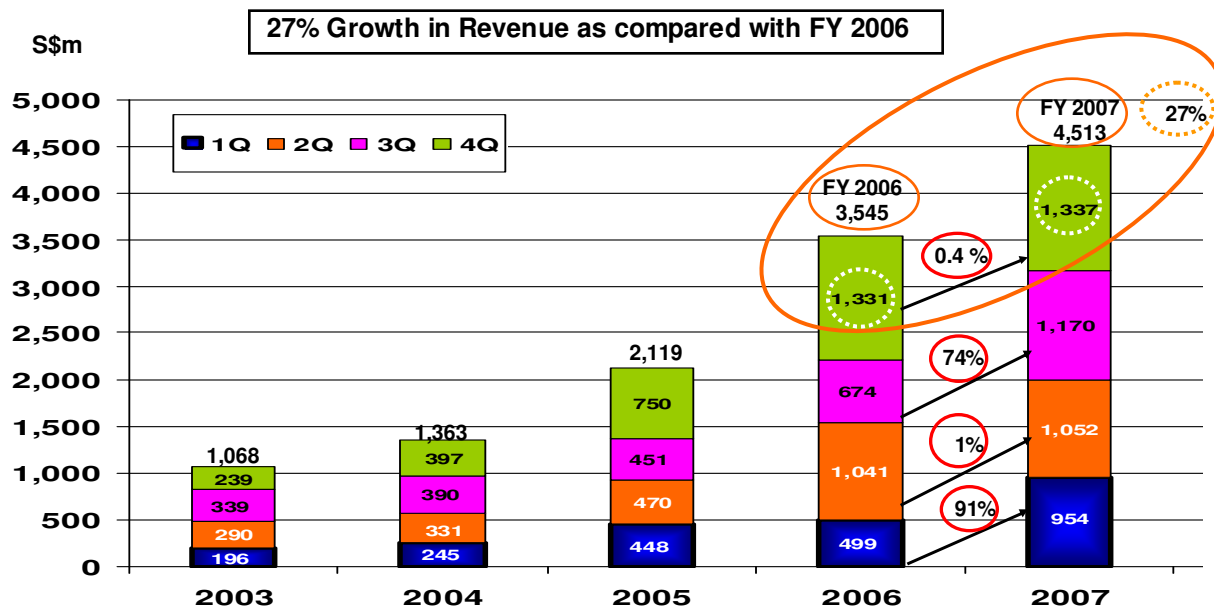
Financial Highlights

Excluding effects of Unauthorised Transactions, Continuous Growth & Margin Expansion

Description (S\$m)\Year	FY 2007	FY 2006	% Change	4Q 2007	4Q 2006	% Change
Revenue	4,513.1	3,545.0	27	1,336.7	1,331.5	-
EBITDA	413.1	273.8	51	145.1	101.3	43
Operating Profit	349.0	228.2	53	126.8	88.2	44
Effects of Unauthorised Transactions						
Pre-tax Profit	364.7	310.9	17	77.0	128.6	(40)
PATMI	241.0	238.4	1	0.8	95.3	(99)
EPS, basic (cents)	11.72	11.71*	-	0.04	4.66*	(99)
NAV (cents)	81.1	65.3*	24	-	-	-

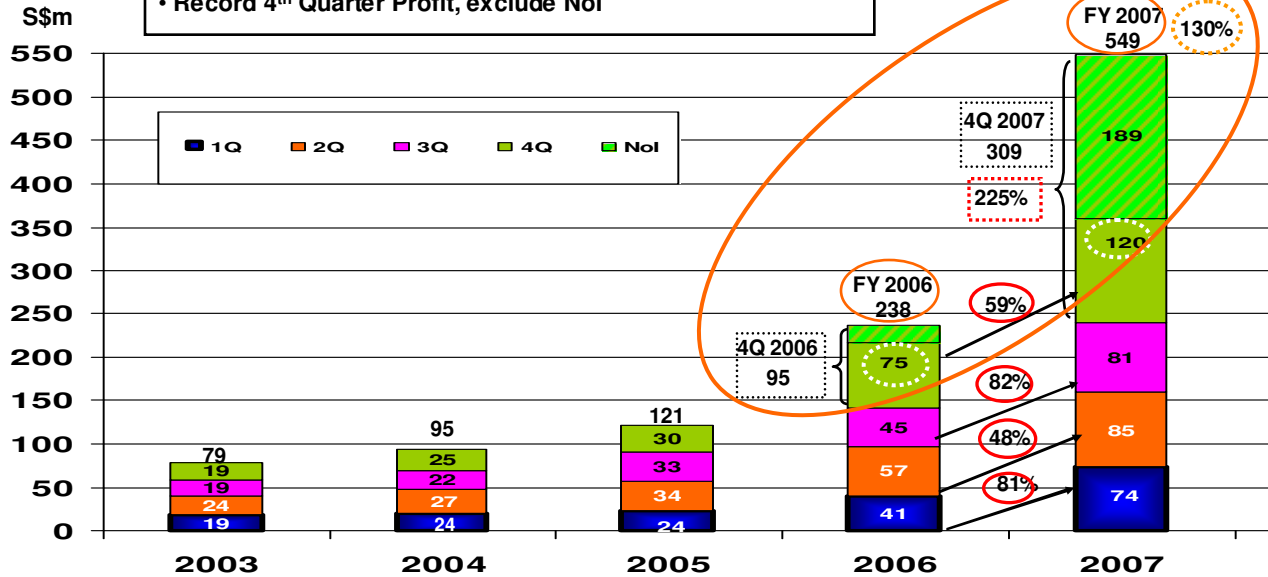
* Adjusted for 2 for 5 Bonus Issue

Quarterly Revenue (2003 to 2007)



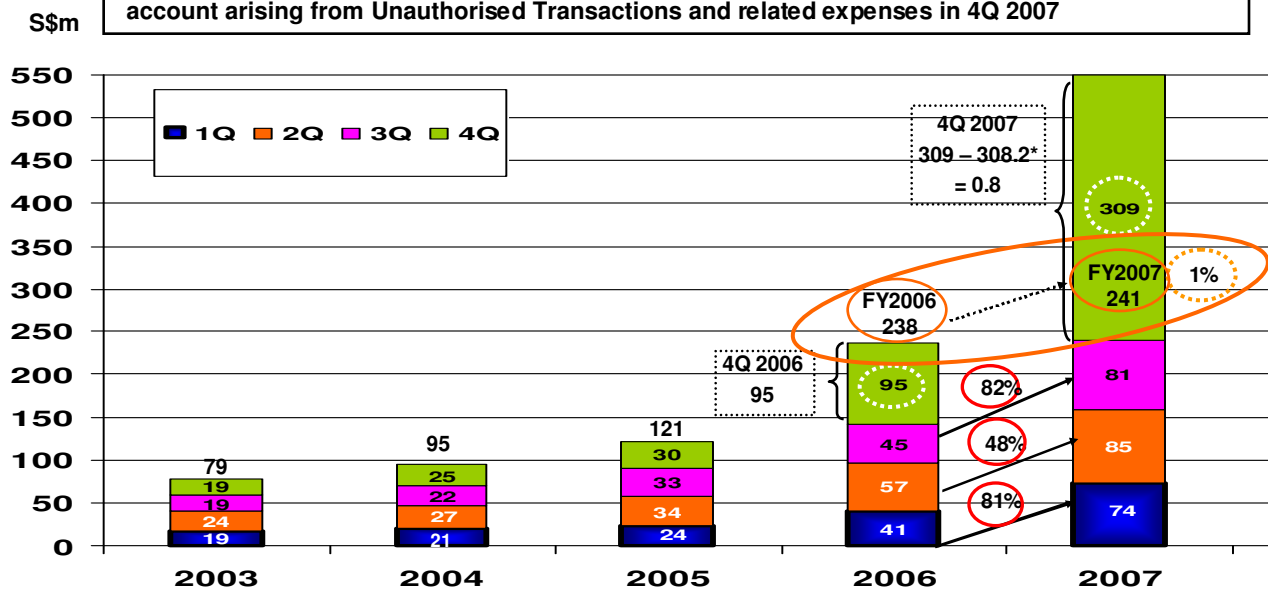
Quarterly PATMI (2003 to 2007)

- 130% Growth in PATMI for FY 2007 at \$549 million compared with \$238 million in 2006
- Record 4th Quarter Profit, exclude Nol



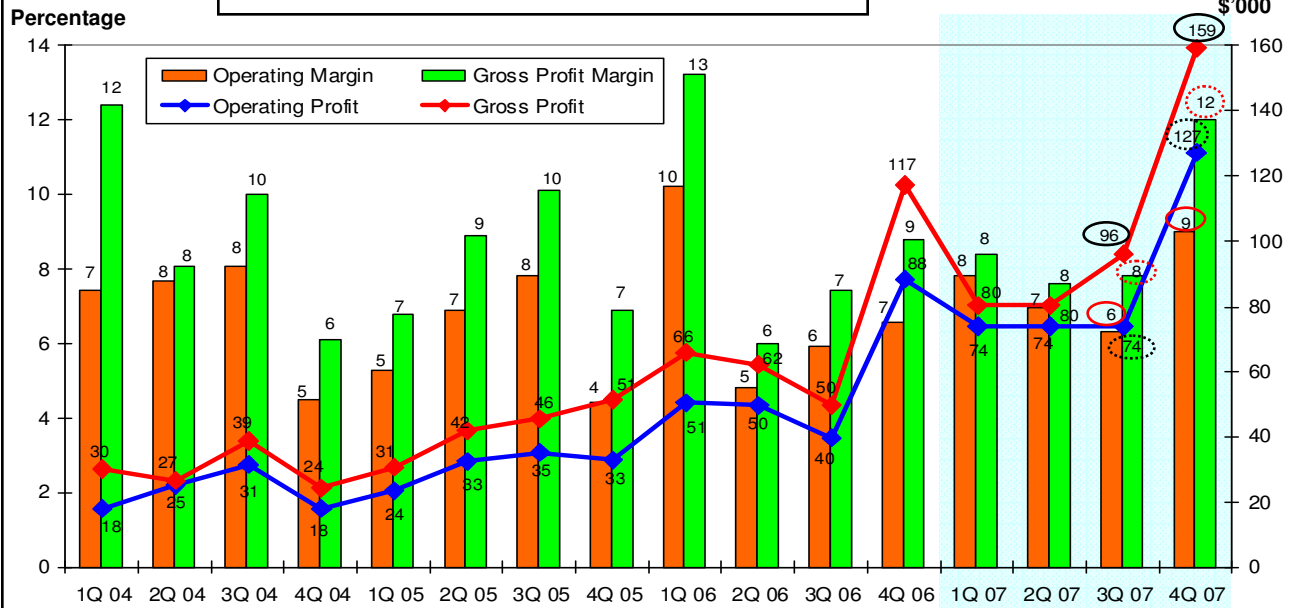
Quarterly PATMI (2003 to 2007)

1% Growth in PATMI for FY 2007 at \$241 million despite \$308.2 million charged to profit and loss account arising from Unauthorised Transactions and related expenses in 4Q 2007



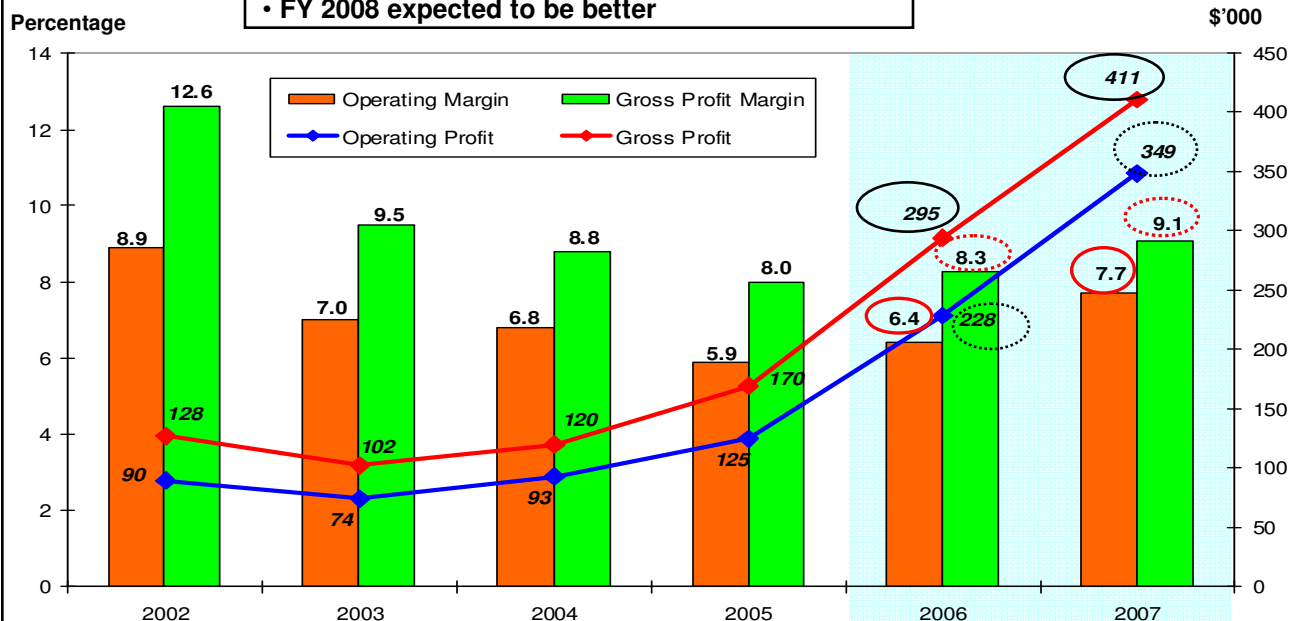
Margin & Profit Expansion

• Quarterly margin improvement in 4Q 2007



Margin & Profit Expansion

• Further Operating Margin expansion for FY 2007
• FY 2008 expected to be better



Performance of Associates (Profit before Tax)

Increasing contributions from Associated Companies

<div> <div>Year (\$'m)</div> <div>Description</div> </div>	FY 2007	FY 2006	% Δ	4Q 2007	4Q 2006	% Δ
Cosco Shipyard Group	76.9	39.1	97	21.2	10.0	112
Màua Jurong/J S Inc	(3.2)	0.5	n.m.	0.2	4.0	(95)
Pacific Workboats	8.1	3.4	138	3.5	1.3	169
Others	-	1.4	n.m.	-	0.2	n.m.
Share of Asso Co & JV Results	81.8	44.4	84	24.9	15.5	61

Strong Positive Cashflow

Net Cash from operations improved 46% to \$412 million

<div> <div>Year</div> <div>Description</div> </div>	FY2007	FY2006	% change
Cashflow from operation before reinvestment in working capital	411.6	281.3	46
Net cash provided by/(used in) operating activities	472.3	(100.5)	n.m.
Net cash provided by/(used in) investing activities	182.2	(65.9)	n.m.
Net cash (used in)/provided by financing activities	(146.5)	128.1	n.m.
Cash & cash equivalent	740.5	493.1	50
Net Cash (net of borrowings)	298.8	112.5	166

Capital, Gearing and ROE

**Increased Net Cash Balances and
*ROE (excl AFS Reserves) improved to 31%**

Year Description (\$'m)	FY 2007	FY 2006	% change
Shareholders' Funds	1,680.1	1,338.3	26
Capital Employed	1,705.7	1,370.2	24
Net Cash	298.8	112.5	166
*ROE (%)	24.0	18.1	33
*ROE – excl. AFS Reserves (%)	30.9	20.2	53
Net Asset Value (cents)	81.1	65.3	24
*RoTA (%)	9.2	7.6	21

* Exclude Non Operating Items

Capital, Gearing and ROE

**Increased Net Cash Balances and
ROE (excl AFS Reserves) 20.6%**

Year Description (\$'m)	FY 2007	FY 2006	% change
Shareholders' Funds	1,680.1	1,338.3	26
Capital Employed	1,705.7	1,370.2	24
Net Cash	298.8	112.5	166
ROE (%)	16.0	19.8	(19)
ROE – excl. AFS Reserves (%)	20.6	22.1	(7)
Net Asset Value (cents)	81.1	65.3	24
RoTA (%)	6.1	8.3	(26)

Capex

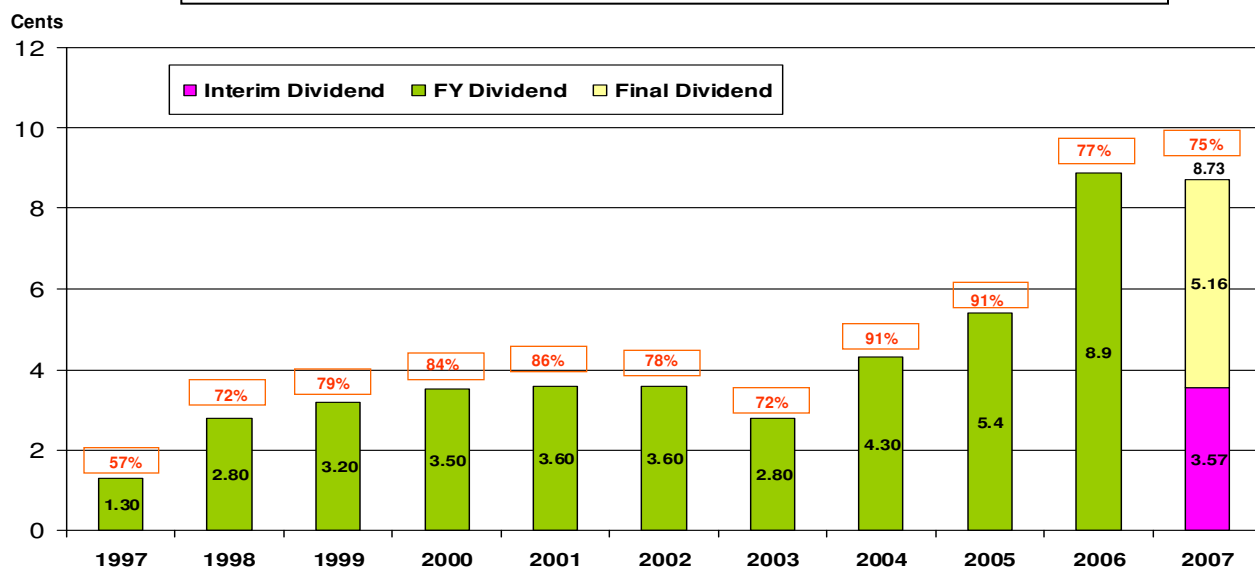
Capex for FY 2007 lower due to completion of major acquisitions in FY 2006

Year (\$'m) Description	2007 Actual	2006 Actual
Kristiansand Rig	-	35.2
Buildings	12.1	24.5
Plants, Machinery & Cranes	78.1	60.7
Office & Workshop Equipment	16.6	5.9
	106.8	126.3
Other investment		
Cosco Shipyard Group (China)	-	27.6
Cosco Corporation (Singapore)	-	120.5
SMOE & SemBeth*	-	67.1
Others	49.0	1.6
	49.0	216.8
Total	155.8	343.1

* In addition to a loan amount of \$116.9 million, assumed by a subsidiary company

Shareholder Value

- One-tier Interim Dividend of 3.57 cents per share (adjustment for 2 to 5 bonus share)
- Final Dividend at 5.16 cents per share
- Total FY 2007 dividend at 8.73 cents per share with dividend payout ratio at 75%

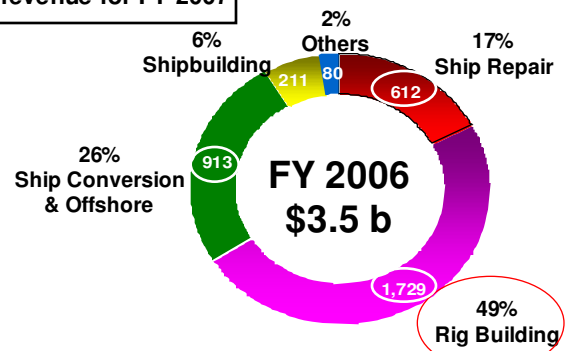
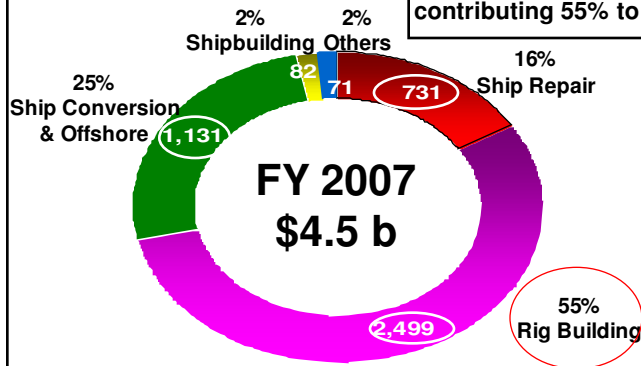


Strong, Resilient Core Businesses : Operationally Strong & Market Robust



Strong, Resilient Core Businesses

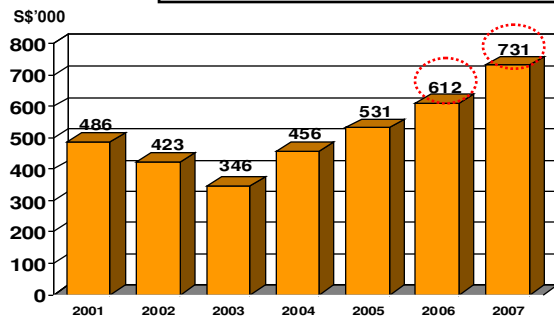
Rig Building registered record growth contributing 55% to total revenue for FY 2007



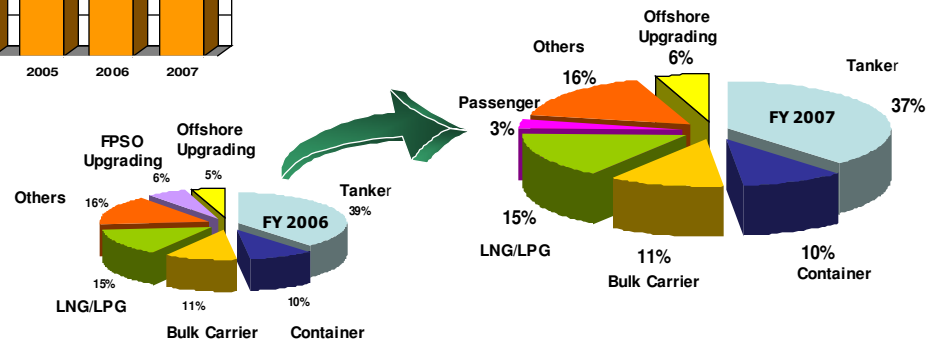
Turnover (S\$m)	FY 2007	FY 2006	% Change	4Q 2007	4Q 2006	% Change
Ship repair	731.1	612.1	19.4	195.7	194.9	0.4
Rig building	2,498.9	1,728.9	44.5	736.2	707.0	4.1
Ship Conversion/offshore	1,130.5	913.4	23.8	364.0	371.6	(2.0)
Shipbuilding	81.6	210.6	(61.3)	10.9	50.4	(78.4)
Others	71.0	80.0	(11.2)	29.9	7.6	293.4
TOTAL	4,513.1	3,545.0	27.3	1,336.7	1,331.5	-

Strong, Resilient Core Businesses : Ship Repair

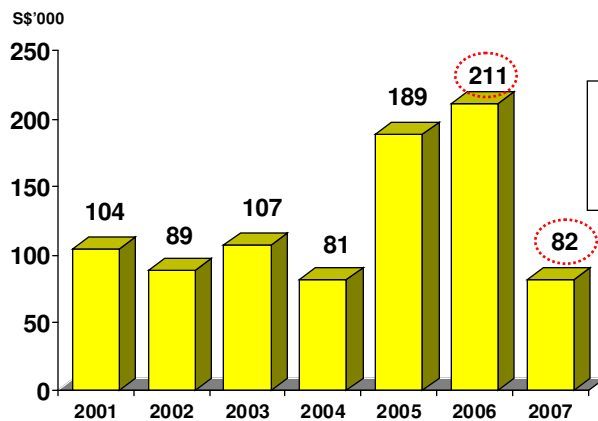
Average value per vessel increased by 47% from \$1.95 million to \$2.86 million



Year	2007	2006	% change
No of vessels repaired	256	314	(18)
Average value per vessel (\$'m)	2.86	1.95	47
Revenue contributions (\$'m)	731.1	612.1	19



Strong, Resilient Core Businesses : Ship Building

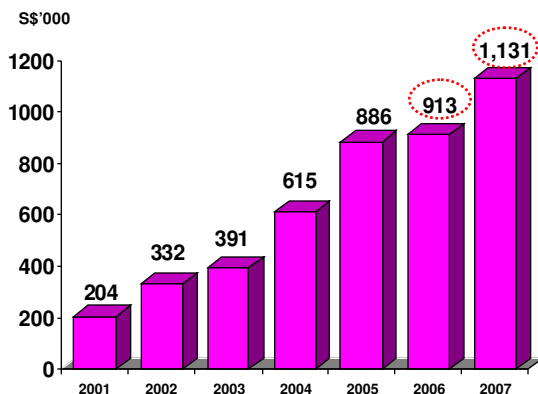


Shipbuilding activities will scale down with resources channeled to growing rig building and offshore production sectors

No. completed FY 2007	4	<ul style="list-style-type: none"> * 5th unit 2,600 TEU vessel for Wan Hai Lines * Fabrication of 15 units of Floating Pontoon * 2 units 4,950 dwt tankers for Kuwait Oil Tanker
No. in projects in Work-In-progress stages	2	<ul style="list-style-type: none"> * 6th unit 2,600 TEU vessel for Wan Hai Lines * 2nd unit 2,600 TEU vessel for Reederei F Laeisz

Strong, Resilient Core Businesses : Ship Conversion & Offshore

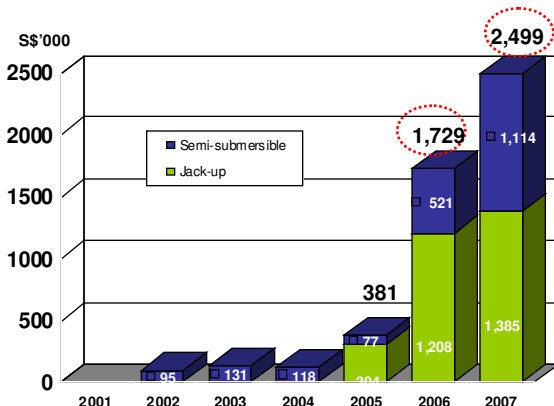
Ship Conversion & Offshore activities expected to be strong for FY 2007



No. completed in FY 2007	4	<ul style="list-style-type: none"> * PRA-1 FPSO * BW Enterprise FPSO conversion * RJS FSO conversion * P-54 Integration & Commissioning
No. in WIP stages	11	<ul style="list-style-type: none"> * Heavy Lift Derrick PipeLay vessel for SapuraCrest * ConocoPhillips Topsides Installation & Commissioning * Raroa FPSO conversion * Aoka Mizu FPSO conversion * Joides Resolution (Drillship) * Aker Smart I FPSO conversion * Montara Venture FPSO conversion * Noble Danny Adkins * CPOC offshore platform integrated deck * Offshore platforms for Tuna Field * Conversion to DP2 Accommodation vessels (1 + 5)
In planning & engineering stage	2	<ul style="list-style-type: none"> * Noble Jim Day * Heavy Lift crane

Strong, Resilient Core Businesses : Rig Building

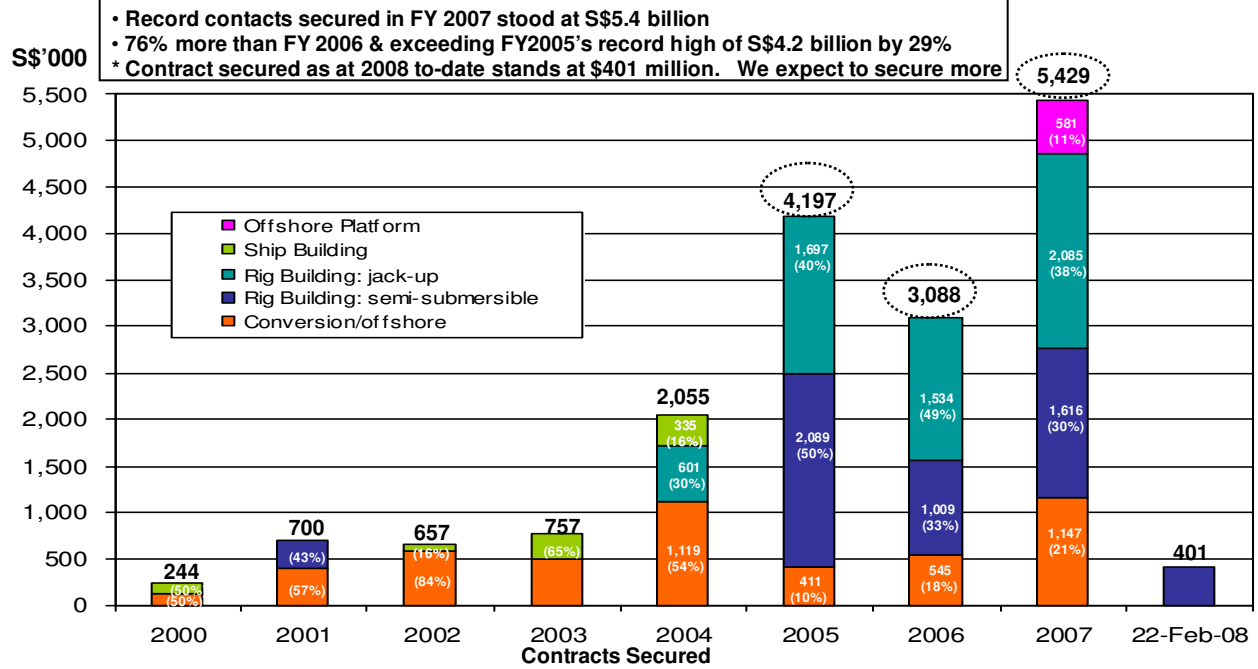
- 2 units jack-up achieved initial 20% recognition in 4Q 2007 as compared with nil in 3Q 2007
- No major revenue recognition for semi-submersible in 4Q 2007 as compared with 1 unit that achieved initial 20% recognition in 3Q 2007



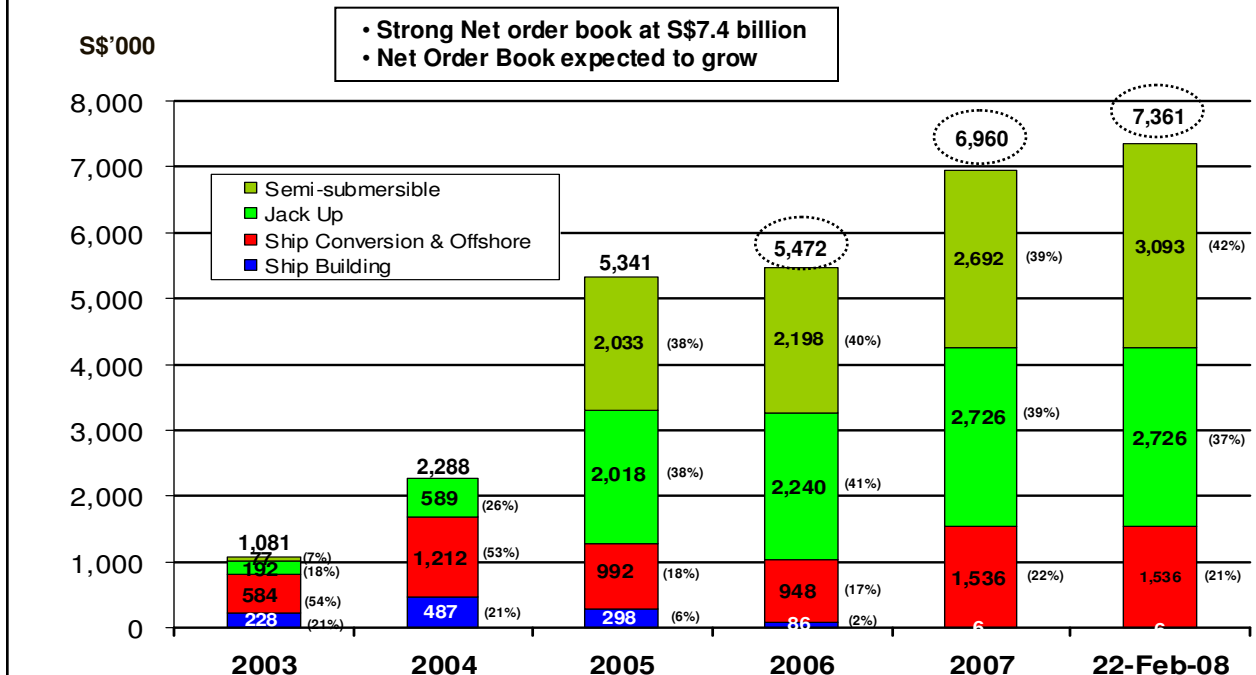
Jack-ups

No. completed in FY 2007	4	<ul style="list-style-type: none"> * 3rd unit Jack-up for Apexindo * 4th unit Jack-up for Maersk * 5th unit Jack-up for Deep Drilling Invest * 6th unit Jack-up for WilSuperior
No. of projects in WIP stages	12	<ul style="list-style-type: none"> * 7th unit Jack-up for SeaDrill * 8th unit Jack-up for PetroJack II * 9th unit Jack-up for Japan Drilling * 10th unit Jack-up for PetroJack III * 11th unit Jack-up for Awilco * 12th unit Jack-up for Aban Lloyd * 13th unit Jack-up for Sinvest * 14th unit Jack-up for JackInvest 1 * 15th unit Jack-up for Awilco * 16th unit Jack-up for Vantage Energy * 17th unit Jack-up barge for Aramco * 18th unit Jack-up for Awilco
In planning & engineering stage	5	<ul style="list-style-type: none"> * 19th unit Jack-up for Vantage Energy * 20th unit Jack-up for PetroProd * 21st unit Jack-up for Vantage Energy * 22nd unit Jack Up for Vantage Energy * 23rd unit Jack-up for EDC
No. completed in FY 2007	nil	
No. in WIP stages	4	<ul style="list-style-type: none"> * 1st unit semi-submersible for SeaDrill * 2nd unit semi-submersible for SeaDrill * 3rd unit semi-submersible for PetroMena * 4th unit semi-submersible for PetroMena
In planning & engineering stage	3	<ul style="list-style-type: none"> * 5th unit semi-submersible for PetroMena * 6th unit semi-submersible for SeaDrill * 7th unit semi-submersible for Atwood

Contracts Secured to-date (exclude ship repair)

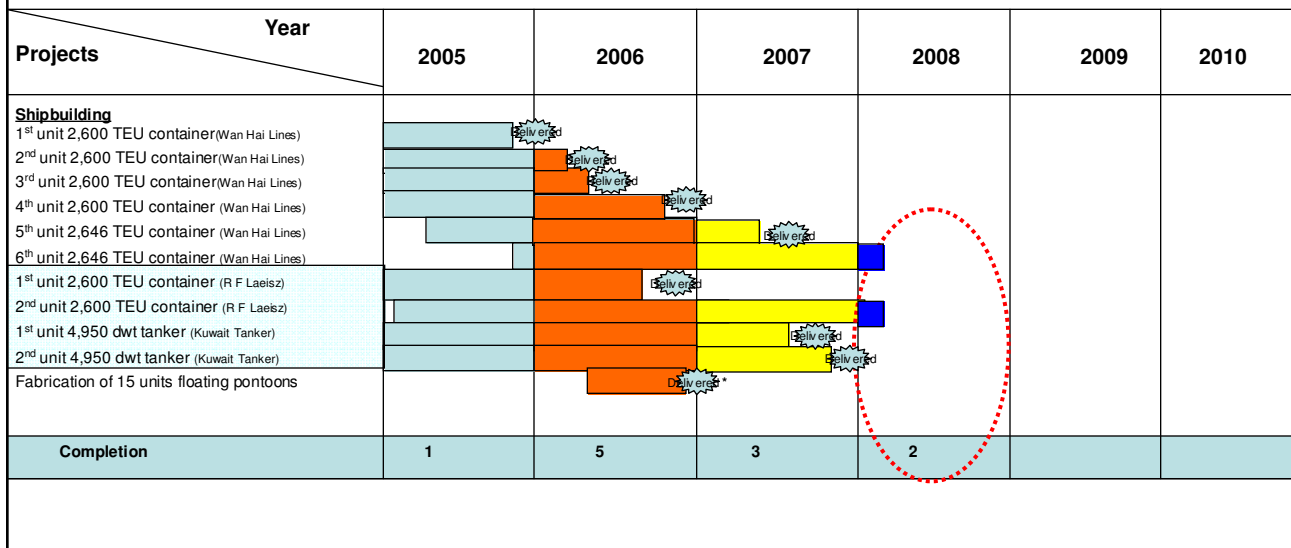


Net Order Book



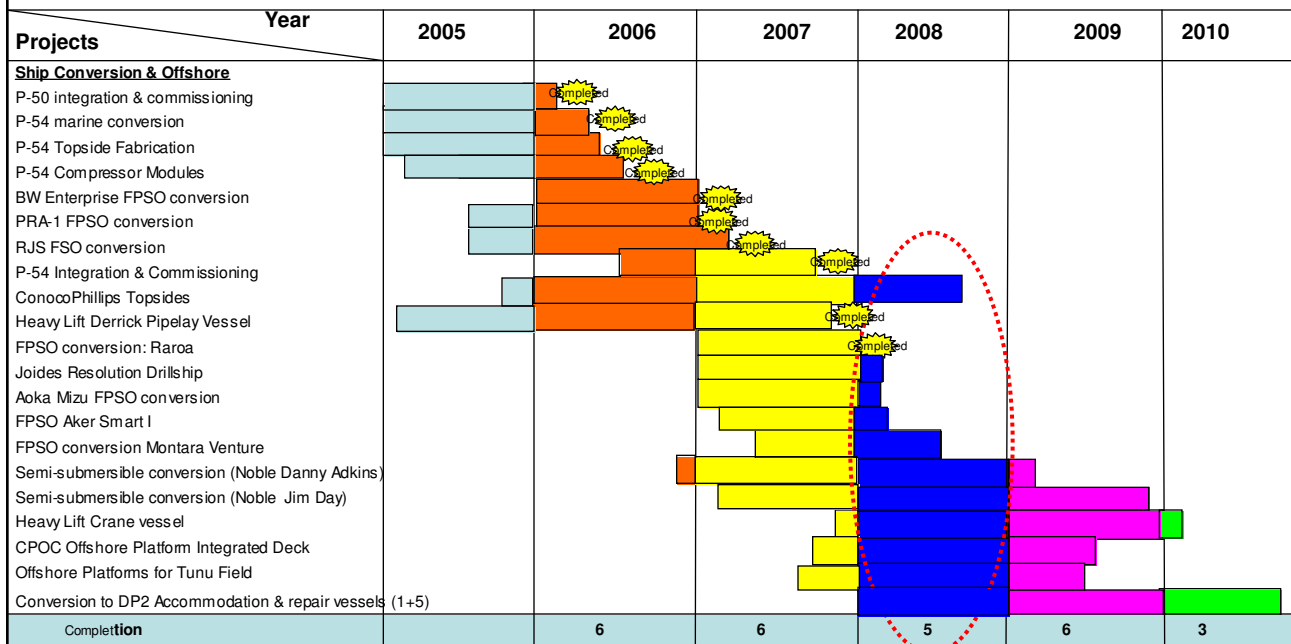
Schedule of Delivery & Completion (exclude ship repair)

- Shipbuilding activities will scale down with resources channeled to growing rig building and offshore production sectors
- Will deliver 1 to 2 units per year from 2008 onwards

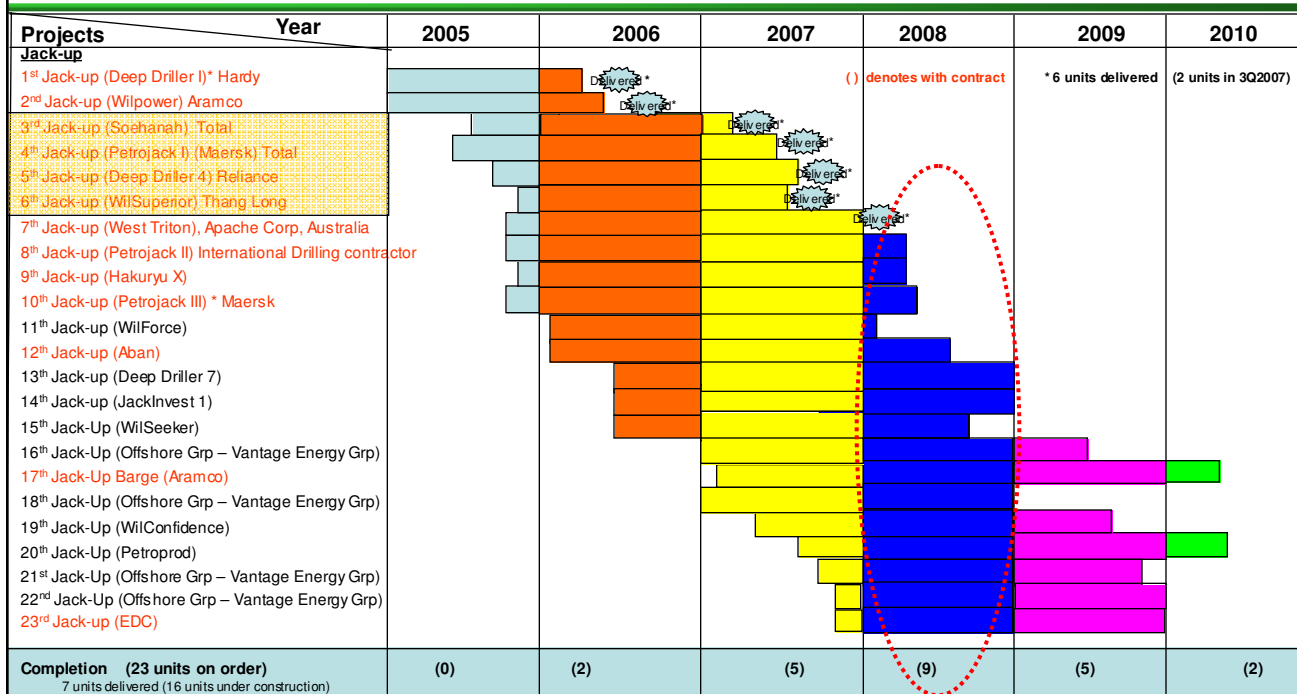


Schedule of Delivery & Completion (exclude ship repair)

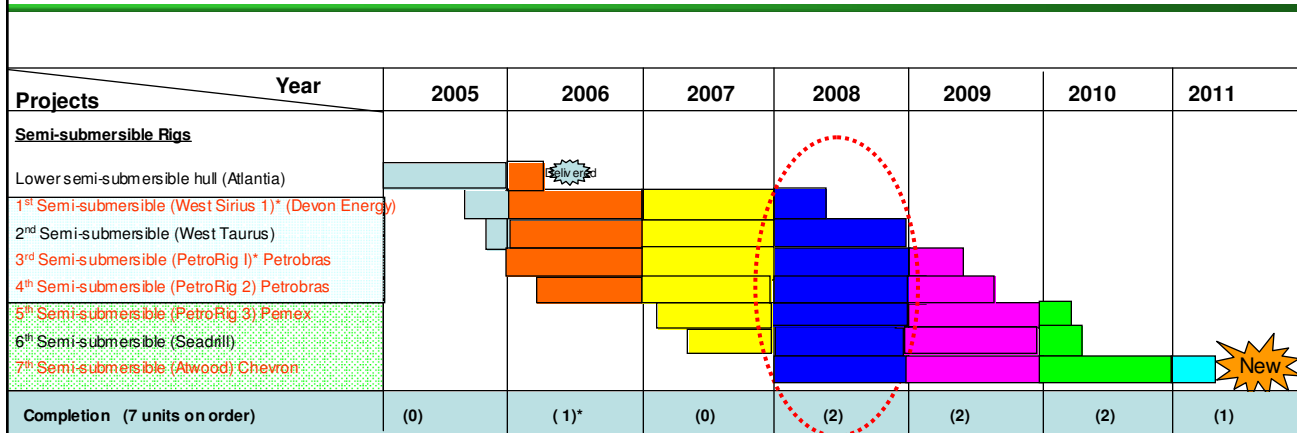
- Ship conversion & offshore sector expected to be strong for FY 2007



Schedule of Delivery & Completion (exclude ship repair)



Schedule of Delivery & Completion (exclude ship repair)



() denotes with contract

Multi-prong approach:

● Leveraging on complementary facilities

- Singapore and Brazil
- Singapore and China
- Singapore and Indonesia

● Increasing shipyard production capacity

- Maximising Singapore-based shipyard capacity
- Innovative methodology in rig construction
- Change in work flow and processes
- SemBeth Land

● Expansion & consolidation

- Expansion & growth in offshore platform
- R & D
- Footprint in India
- Investment in Saudi Arabia
- Streamline operations in Sabine Industries, USA

Leveraging between Singapore and Brazil



- To deepen our commitment & investment in Brazil
- To further grow offshore business

We have to-date undertaken most number of offshore conversions for Petrobras
Delivered 6 FPSO units, 1 FPU & 2 FSO units (latest P-54 FPSO)
Contributions 1,003,000 barrels of oil per day, translating into some 56% of Brazil's oil production



Leveraging between Singapore and China



Lower pontoons of semi-submersibles towed to Singapore on completion of construction in Cosco Dalian, China



- 30% equity stake in Cosco Shipyard Group
- Strategic Partnership & Investment
- A “win-win” situation for all parties

- Ship repair
- Enhance & increase capacity to take on more offshore projects
- Leveraging on facilities & strengths of partners
- A “win-win” situation for all parties
- Examples of projects undertaken
 - Lower pontoons of semi-submersibles
 - Accommodation portion of jack-up rig



Leveraging between Singapore and Indonesia (Batam)

- Positioning for Indonesian oil & gas
- Batam Fabrication Facilities : 30 hectares
- Currently developing another 30 hectares of land

- Offshore Platforms
- Supporting Singapore shipyards
- Position to undertake fabrication of topside modules for FPSO conversions (different cost structures)



Increasing Shipyard Capacity : Singapore Yards

Total Land Area:

Singapore : 189 hectares

Others : 75 hectares

- Repair of mid-sized vessels
- Construction of small to mid-sized vessels



Jurong SML Shipyard
(Singapore)

- Ship repair
- Passenger & navy vessels
- Ship conversion
- Rig building



Sembawang Shipyard
(Singapore)



New

SMOE
(Singapore)

- Fixed platforms
- Topside modules & floating production systems

- Integration
- Maximisation & sharing of resources
- Change in workflow & processes
- Innovative construction methodology

- Complements Singapore yards
- Fabrication works



Karimun Sembawang Shipyard
(Indonesia)

Karimun

- Ship repair
- EPC FPSO conversion
- Rig building
- Shipbuilding



Jurong Shipyard
(Singapore)



PPL Shipyard
(Singapore)

- Rig repairs & construction
- Rig building



SMOE
(Indonesia)

New

Batam

Proven Track Record : On track deliveries in 2007



Soehanan
PT Apexindo Pratama Duta Tbk
April 2007
Total E & P Indonesia



West Triton
Apache Corporation
December 2007
Gippsland basin Permit VIC/P42
Offshore Victoria, Australia



Deep Driller 4
Deep Driller Invest Pte Ltd
August 2007
Reliance, India



Maersk Completor
Maersk Contractors
May 2007
Total E & P

WilSuperior
Awilco Offshore ASA
August 2007
Thang Long, Vietnam



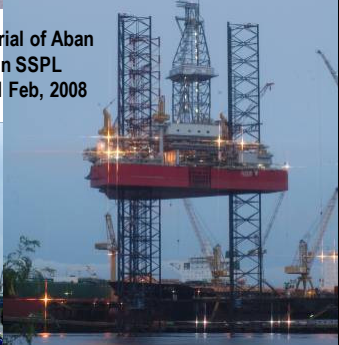


- Fast-tracks delivery of West Sirius using award-winning proprietary rig-building techniques
 - Load-out & Mating-in-Dock technique
 - Transverse Skidding technique
- Shipyard's 1st turnkey rig-building project which encompasses engineering, procurement, construction, integration and commissioning (EPIC) elements
- Delivery 1Q 2008 : West Sirius
 - West Sirius US\$390m in June 2005
 - West Taurus US\$404m in August 2005
 - 3rd unit at US\$535m in May 2007

Total Land Area : 86 hectares (Acquired in August 2006)
Purchase price : S\$128.7 million
SMOE : S\$ 55 million



Jacking trial of Aban rig in SSPL
As at 11 Feb, 2008

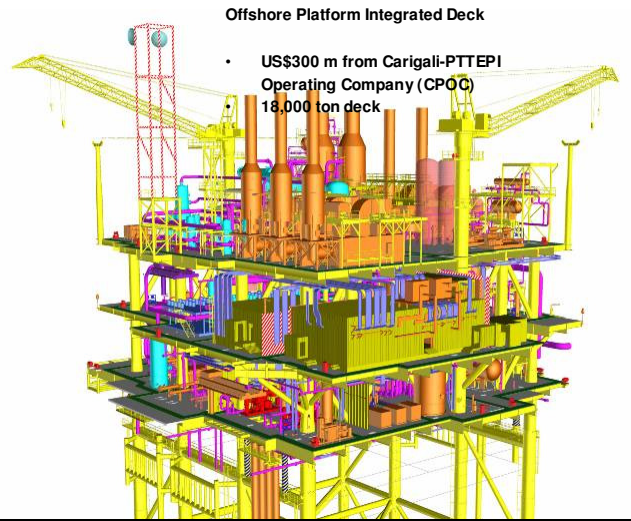


- SSPL : 40 hectares
- SMOE : 25 hectares
- Others : 21 hectares

Acquisition of SMOE : Positioning for Expansion & Growth in offshore platform



- Growth market : Production Platforms & Facilities
- Acquisition of CPEC (Chiwan Offshore Petroleum Equipment Repair & Manufacture Co)



Acquisition of SMOE : Positioning for Newbuild Mega FPSO Solutions

- Strong demand for Mega-FPSOs (e.g. Erha & Bohai FPSO type of topsides @ 25,000 tons to 35,000 tons etc) forecast from 2007-2010



Strategic Investment & Partnership : Footprint in India



- **To establish other business ventures in close collaboration with our Indian partners**
- **To further grow our marine & offshore business in India**

- Investment partnership with Pipavav Shipyard and SKIL Infrastructure for a 3.31% placement share. Other partner Punj Lloyd
- Initial role : advising on design of shipyard, its layout and infrastructure, setting up of management and technical systems and training to PSL
- Location of Pipavav Shipyard:
 - within vicinity of Pipavav Port, Gujarat in India
 - strategically located on west coast along the Middle East – Singapore sea route
 - 85 hectares, shipyard infrastructure under development & construction & scheduled for completion in September 2008

Strategic Investment & Partnership : Footprint in Saudi Arabia

- **To establish other business ventures in close collaboration with our Saudi partners**
- **Opportunities to grow our marine, oil and gas business in the Middle East**

- Investment partnership with Al-Mukairish : JV to form SembMarine (Middle East) Pte Ltd (SMME)
- SMME will be a Founding Shareholder in Saudi Arabia joint stock company named Floating Dock for Shipbuilding and Ship Repair Company (FDSCO) which will build, own and operate FDSCO Yard during 30 year term
- Located on Al Jazeera Island, part of the Yanbu Commercial Port, facing the Red Sea
 - 21 hectares land area
 - fully operational by 2009, the FDSCO Yard will have a shiplift system for new building and repair of vessels up to Handymax size & floating dock for repair of vessels up to Suezmax size
- Strategically located, suitable for repair especially ships plying Red Sea-Mediterranean Sea via Suez Canal

Streamline of Operations : GOM

- To be planned & outfitted as part of SembCorp Marine's overall strategy
- To facilitate & serve US customers in offshore rig repairs, refurbishment and rig building in Gulf of Mexico region

- Location of Sabine Industries
 - located in Sabine Pass, Texas, USA
 - approximately one mile from the Gulf of Mexico, on the Texas-Louisiana border and 1½ hours from Houston and minutes from Beaumont, Port Arthur and Orange, Texas
 - Land area 223 acres

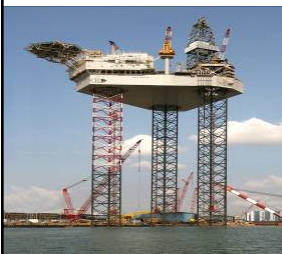
Atwood Oceanics Newbuild Semi-submersible contract

- US-based International Drilling Contractor
- US\$280.5m excluding owner furnished equipment, other related costs
- Total cost of rig at US\$570m to US\$590m
- 1 unit plus option for 2nd unit to be exercised within 6 months
- Charter contract to Chevron Australia 3 years with option to extend to 6 years. Operating dayrate at US\$470,000 (3 years) & US\$450,000 (6 years)
- Friede & Goldman Ex-D Millennium design – conventionally moor up to 6,000 ft of water

R & D : Product Development

Baker Design Jack-up Enhancement

- Drag coefficient study
- Interaction between structures
- Rack phase difference analysis
- New Storm Holding system



New Semi-submersibles Design

- Collaborate with external designer
- Develop internally



Ship Design & FPSOs Design

- Eco-Friendly ships
- Harsh Environment Drillships
- FPSO sub system e.g. turret, riser, single mooring system ship
- Floating production vessels
- Next Generation Rigs

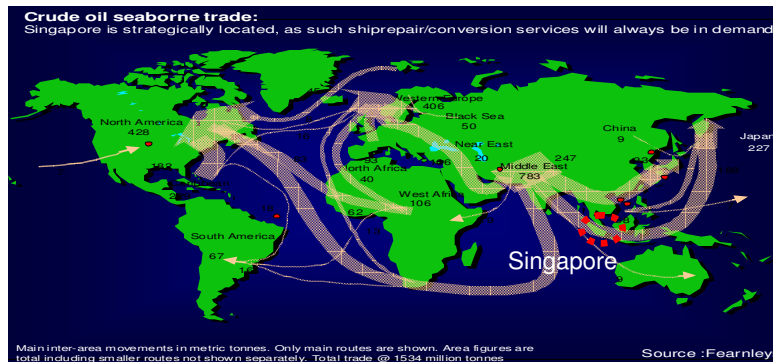


Market Outlook : Ship Repair

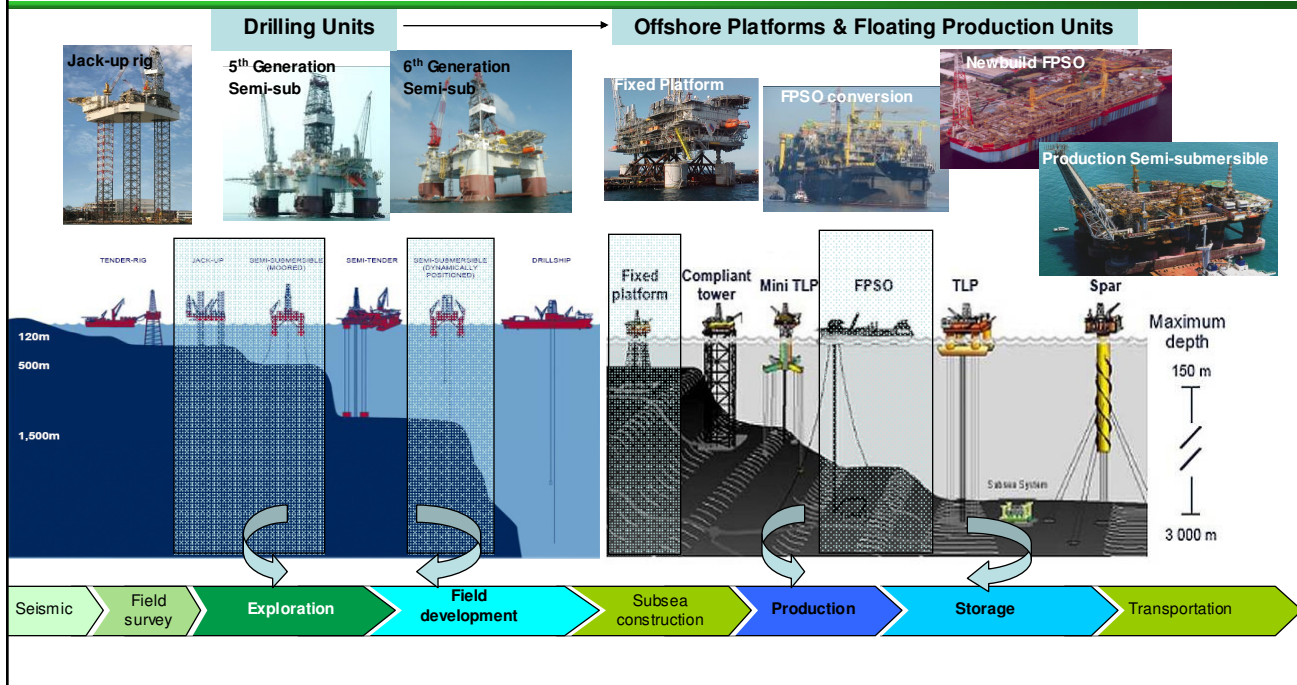
Ship Repair demand remains very strong

- shortage of dock capacity
- specialised niche market : LNG gas tankers, containerships, rig repairs, FPSO upgrades
- ability to deliver on schedule important
- high HSSE standards

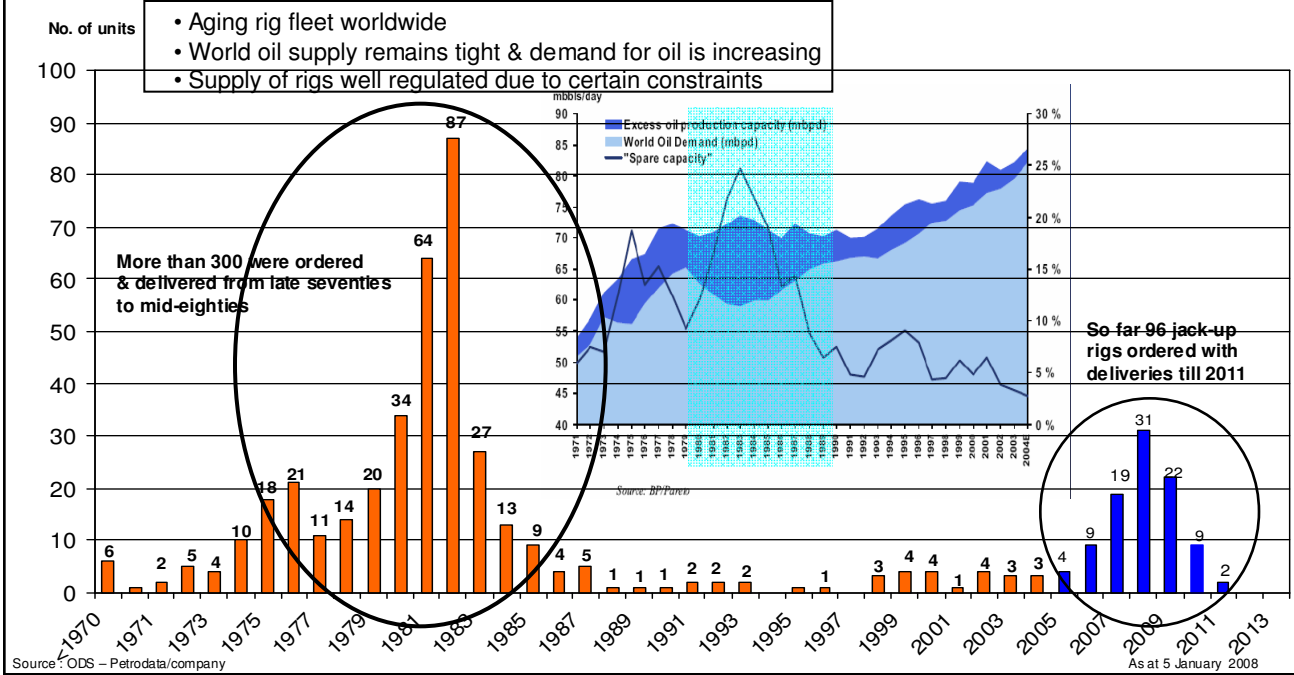
Singapore's strategic location



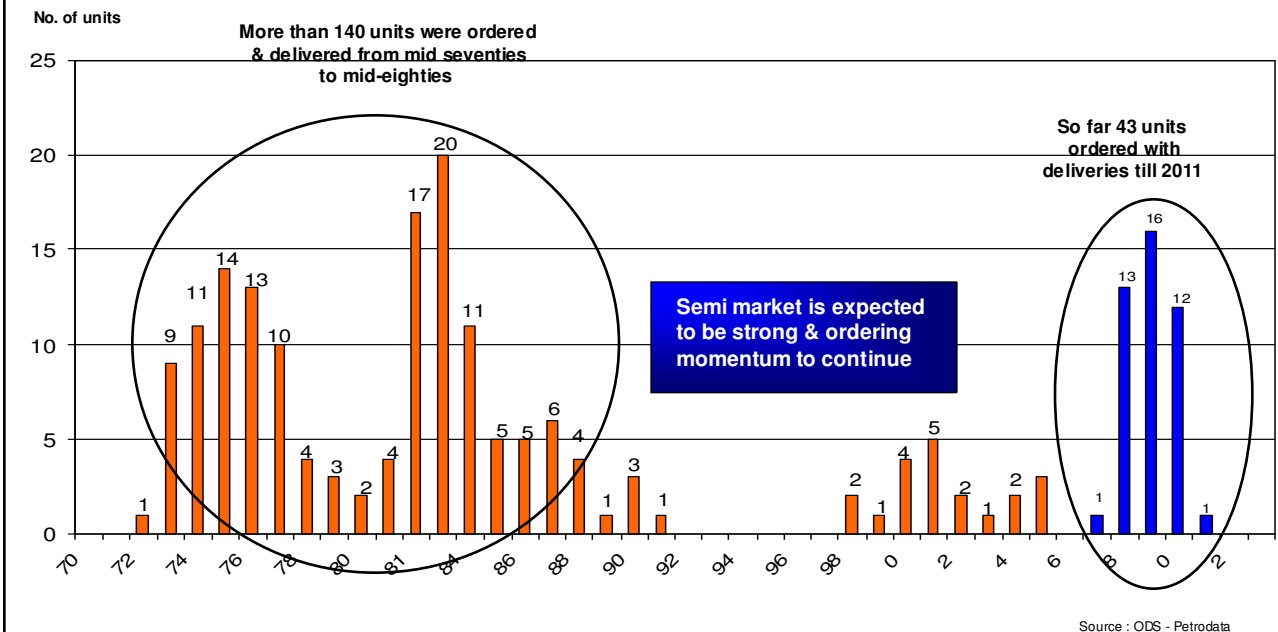
Market Outlook : offshore value chain



Jack-up : Fundamentals remain strong

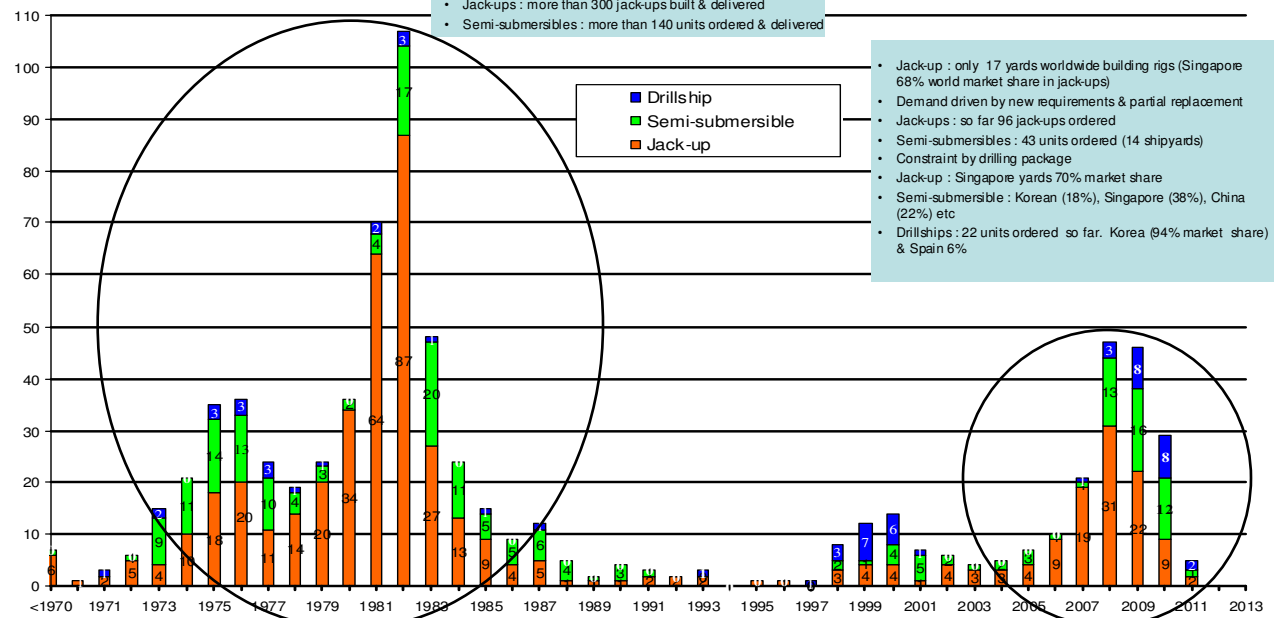


Semi-submersibles : Fundamentals remain strong with demand trending towards deepwater exploration

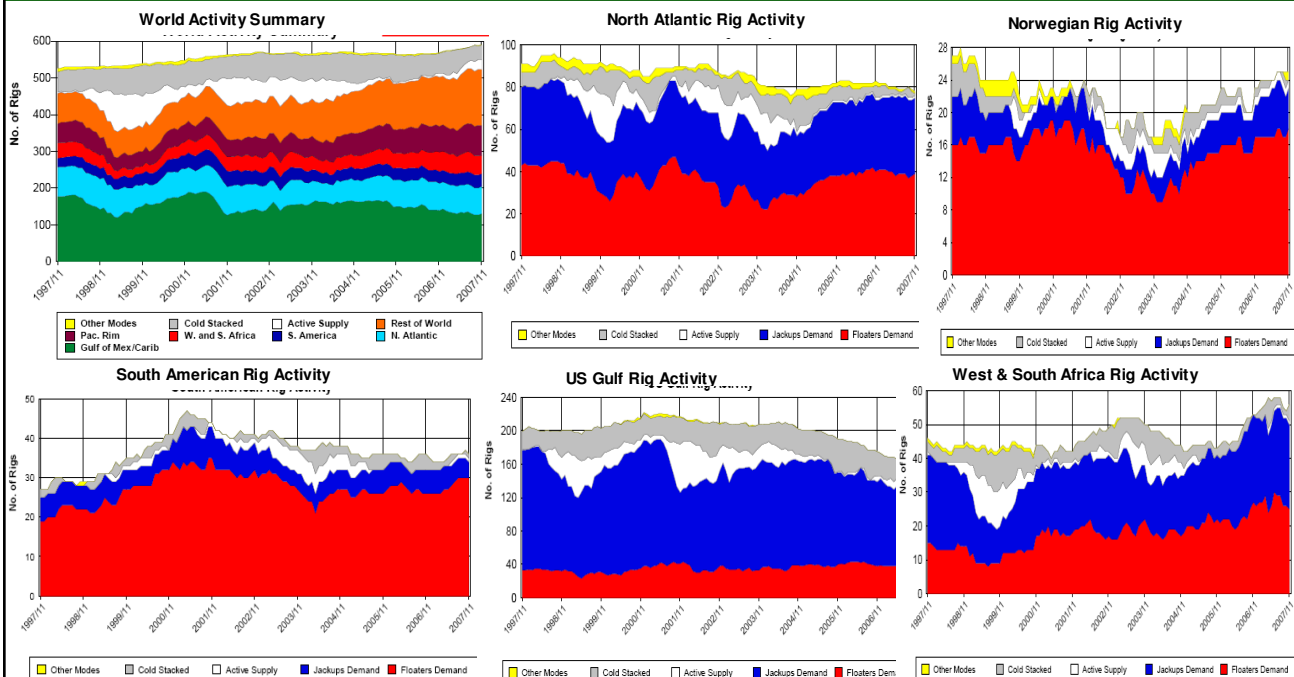


Offshore Rig Sector : Fundamentals remain strong

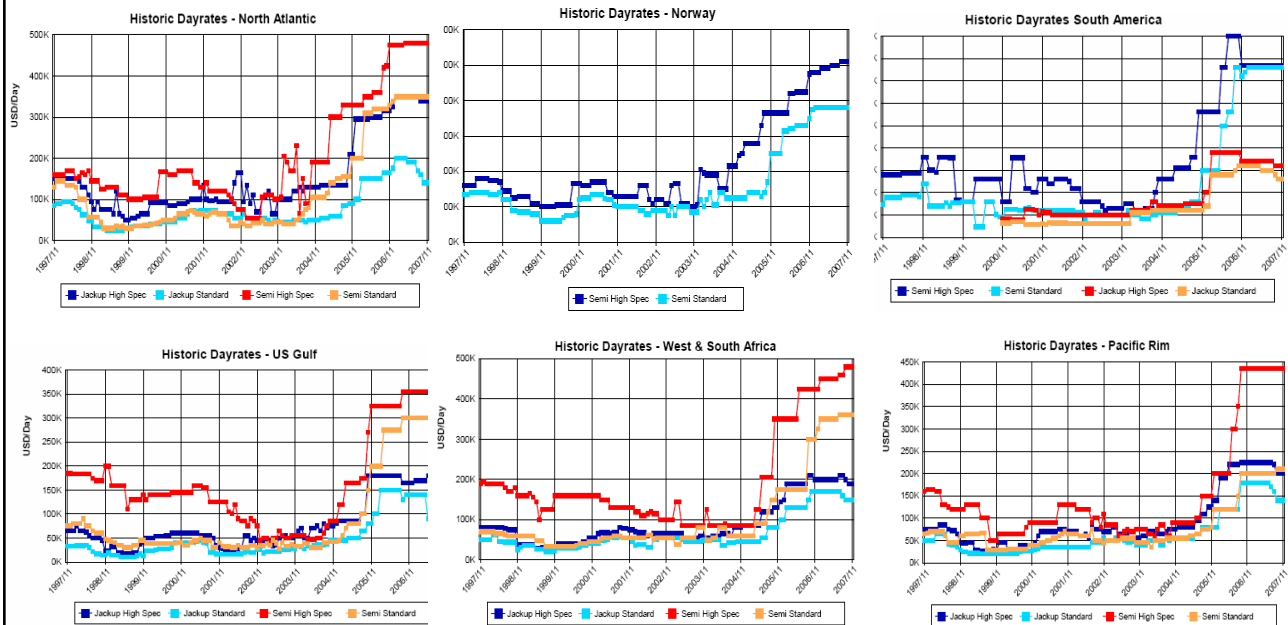
No. of units



Offshore Rig Sector : Rig Utilisation remains high averaging over 90%



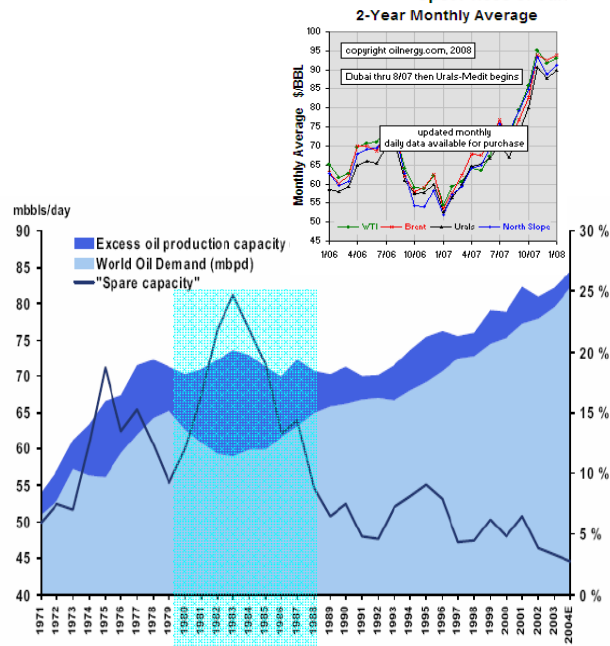
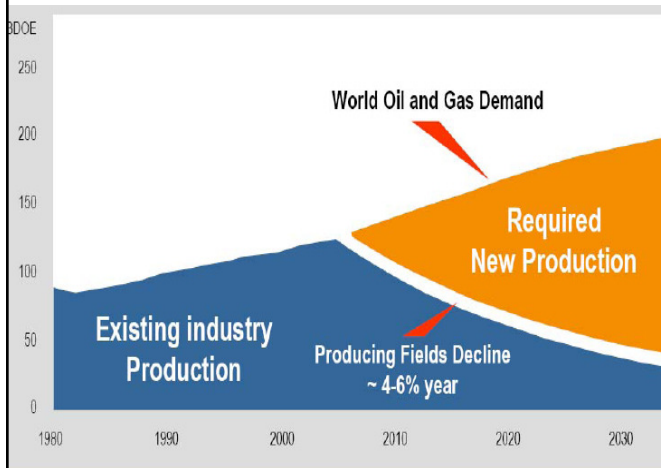
Offshore Rig Sector : charter rates remains high



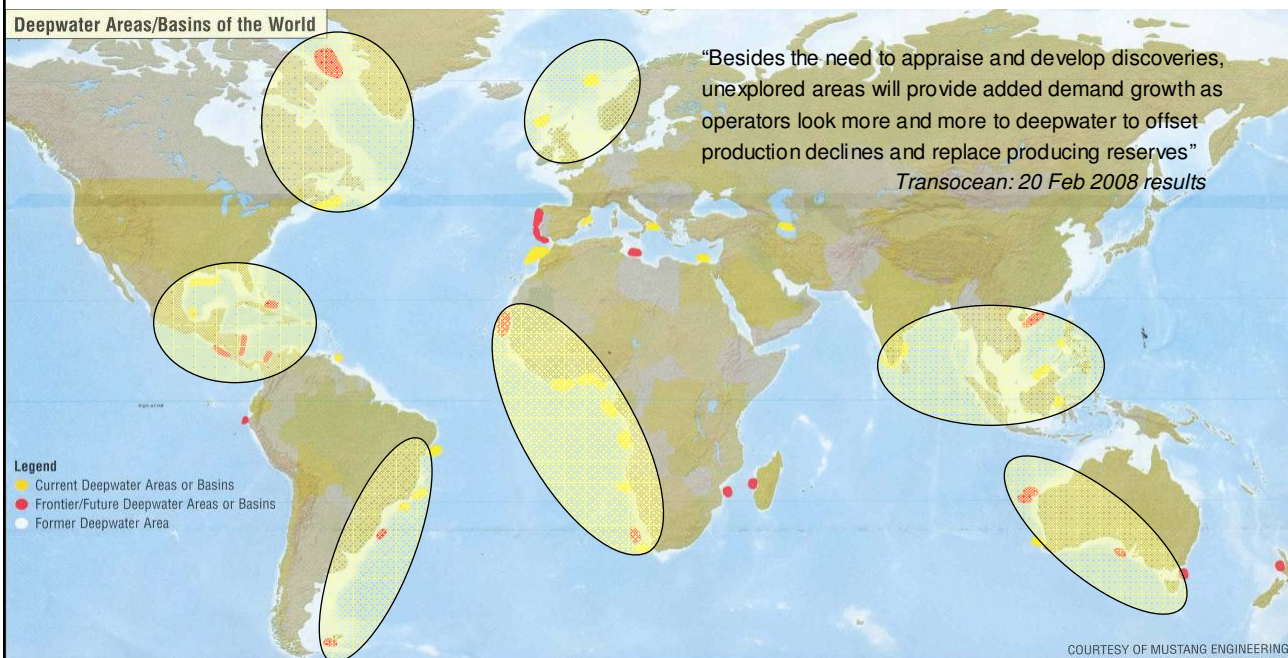
Source : Platou Offshore

"The Oil Squeeze" : Oil Prices hit US\$100 ...

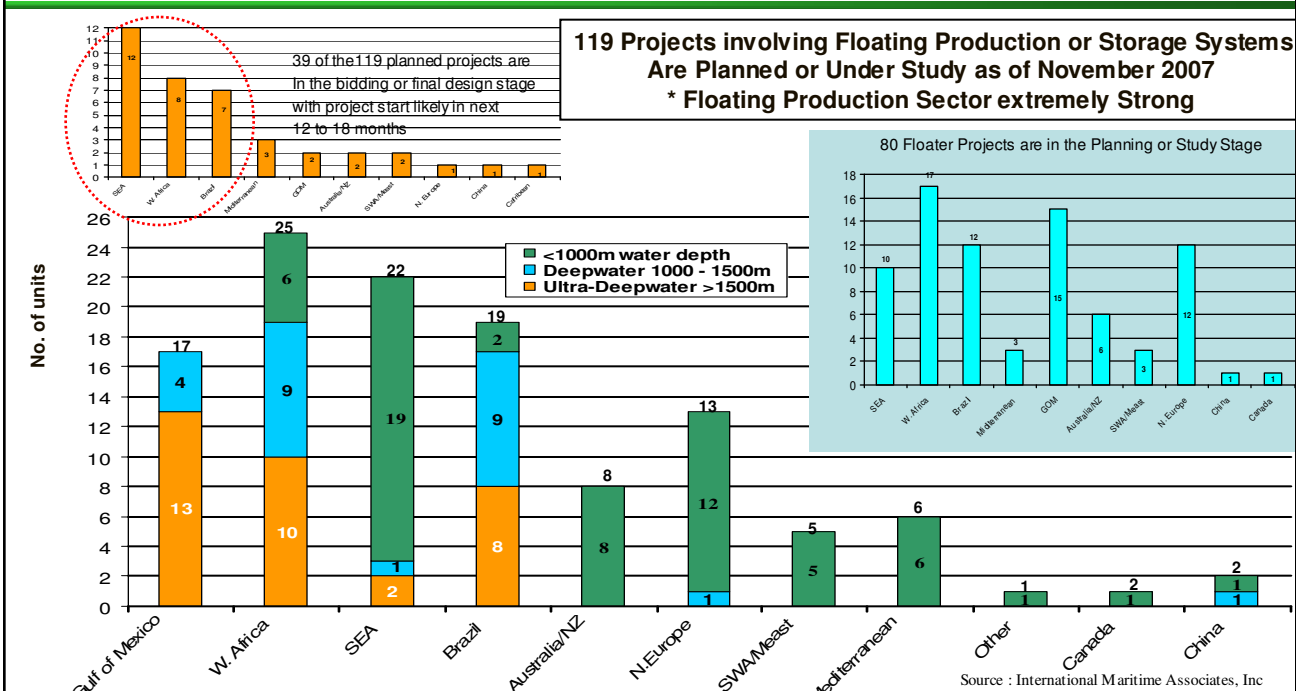
- Demand for oil is increasing
- Excess oil production capacity is decreasing
- Capacity to meet future oil demand is a major concern
- Need to replenish depletion of reserves
- High oil prices will continue to support offshore fleet construction



Deepwater Areas/Basins of the World : Frontier/Future Deepwater Areas or Basins

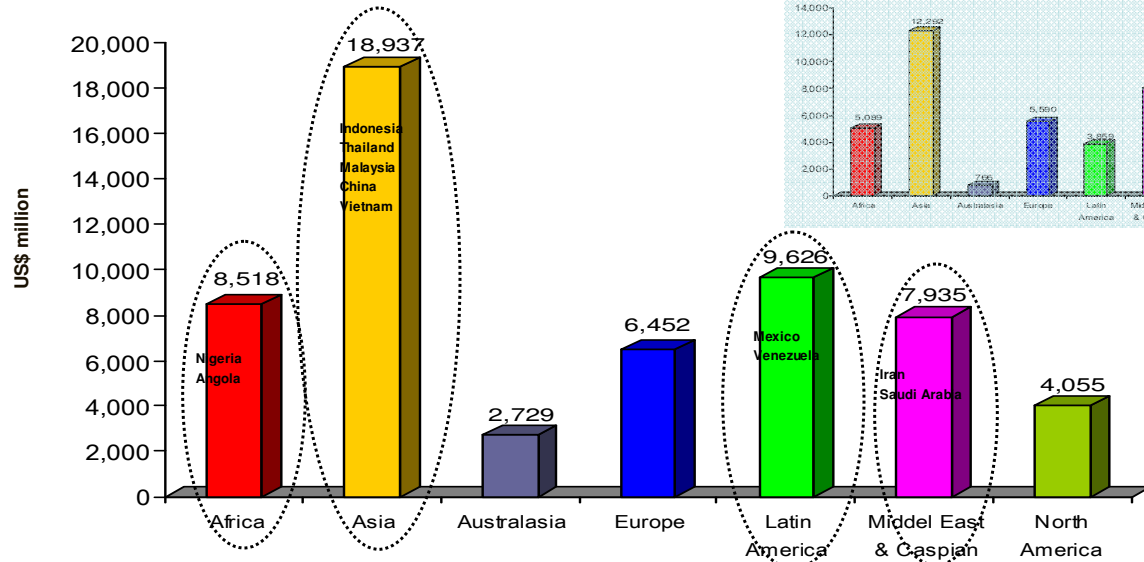


Offshore Production Market : Floaters



Offshore Production Market : Fixed Platform

Fixed Platform Capex By Region 2007-2011



Source : Infield Fixed Platform Market Outlook Report for 2007-2011

Summary

● Strong Orderbook with completion & deliveries till 2011

- Contracts secured in 2007 at S\$5.4 billion
- New contract secured in 2007 as at February 2008 : US\$280.5m (S\$401 million)
- Net Order book to-date stands at S\$7.4 billion

● Ship Repair demand remains very strong

- Dock space remains fully utilised
- Dock space bookings continues to be strong

● Rig Building fundamentals remain strong

- Deepwater E&P activity continues to be very strong
- Global oil demand in 2008 expected to grow 2.3%
- Adequate oil supply remains a major concern
- Sustained higher levels of E&P spending & high oil prices continue to support demand for offshore fleet construction

● Production Floater Orders continue at a strong pace

- FPSO & floating production systems

45 Years & Beyond.....

Robust & Sustainable

Thank You



Congratulations to

 **MAERSK CONTRACTORS**

on the official naming of
their high performance
Offshore Jack-up Rig
built by Jurong Shipyard.

12 May 2007

Lady Sponsor:
Mrs Monique Desvoyes

Guest-of-Honour:
Mrs Lim Hwee Hua
Minister of State for
Finance and Transport

A Major Milestone

• Quality • Safety • On time • Teamwork

The Baker Marine Pacific Class 375 Jack-up rig sets new standards in the offshore industry with unmatched performance features. Equipped with state-of-the-art drilling equipment, this efficient rig is capable of working in water depths of 375 ft and drilling depths of 30,000 ft, with extensive deck space and large jacking capacity for preload jacking.

Principal Particulars:

Hull length	72.1 m
Hull breadth	68.4 m
Hull depth	8.5 m
Leg length including spread can	154.35 m
Leg centre to deck	44.3 m
Leg centre PS/SB	47.8 m
Leg chord offset	13.25
Spread can diameter across flat	16.9 m
Accommodation (max)	120
Drill centre maximum lift	21.34 m
Drilling depth	30,000 ft
Helideck comply to CAP 437	

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, exchange rate movement, cost of capital and capital availability, competition from other companies and venues for sale and distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes. The forward-looking statements reflect the current views of Management on future trends and developments.