



## Group Five-Year Performance

The SembCorp Marine Group achieved record compounded annual growth rate (CAGR) in turnover and attributable profits (PATMI) for the five year period from 2000 and 2004.

Group turnover recorded a CAGR of 16 per cent from \$0.76 billion in 2000 to \$1.36 billion in 2004. Group PATMI, excluding exceptional items reached a record high of \$98.0 million while ROE improved 19 per cent to 10 per cent.

Economic Value Added (EVA) attributable to Shareholders, excluding unusual items, was \$12.2 million.

The Board of SembCorp Marine is proposing a final and special dividend of 6.0 cents per share (less income tax), making a total annual dividend of 7.5 cents per share (less income tax). This dividend payout ratio at 90 per cent is the highest dividend payout in SembCorp Marine's history and is testimony to our unwavering commitment to distribute value to our shareholders.

### 2000

In 2000, SembCorp Marine reported a 2 per cent growth in PATMI to \$79.8 million despite a 17 per cent decline in turnover to \$763.0 million. The lower turnover was the result of the deconsolidation of an associated company when it became a public listed company in March 2000 coupled with the lower revenue contribution from our ship repair business due to strong competition from both local and regional shipyards.

### 2001

Revenue increased 12 per cent to \$854.5 million due to an improvement in ship repair activities. Our PATMI increased 3 per cent to \$82.4 million. The improvement in profitability came from an increase in ship repair volume and the maiden contribution from our new associated companies in Brazil and PPL Shipyard.

### 2002

SembCorp Marine revenue hit a high of \$1.012 billion, 18 per cent higher than that achieved in 2001. The improvement was due mainly to increased revenue from new building and ship conversion projects.

Group pre-tax profit rose to a record \$116.3 million. Exceptional items contributed \$6.7 million, while the associated companies and joint venture contributed \$6.1 million. Group PATMI including exceptional items grew by 12 per cent to \$92.1 million.

### 2003

2003 was a record year for the SembCorp Marine Group. Despite the difficult operating environment, Group revenue attained a record high of \$1.068 billion, 6 per cent higher than 2002's \$1.012 billion. This was attributable mainly to volume increases in ship conversion and new building projects, which more than offset the decline in ship repair revenue. Our ship repair business was affected by the Severe Acute Respiratory

Syndrome (SARS) outbreak in the region during the first half of the year as well as the postponement of vessel repairs as a result of high freight rates.

Group PATMI including exceptional items declined 15 per cent to \$78.5 million, compared to \$92.1 million in 2002. The decline was mainly due to subdued performance in ship repair as well as lower exceptional gains of \$1.3 million, compared to \$6.7 million in 2002.

If exceptional items and the effect of prior year tax over-provision were excluded, the Group's PATMI would have declined by just 8 per cent from \$80.8 million in 2002 to \$74.0 million in 2003.

### 2004

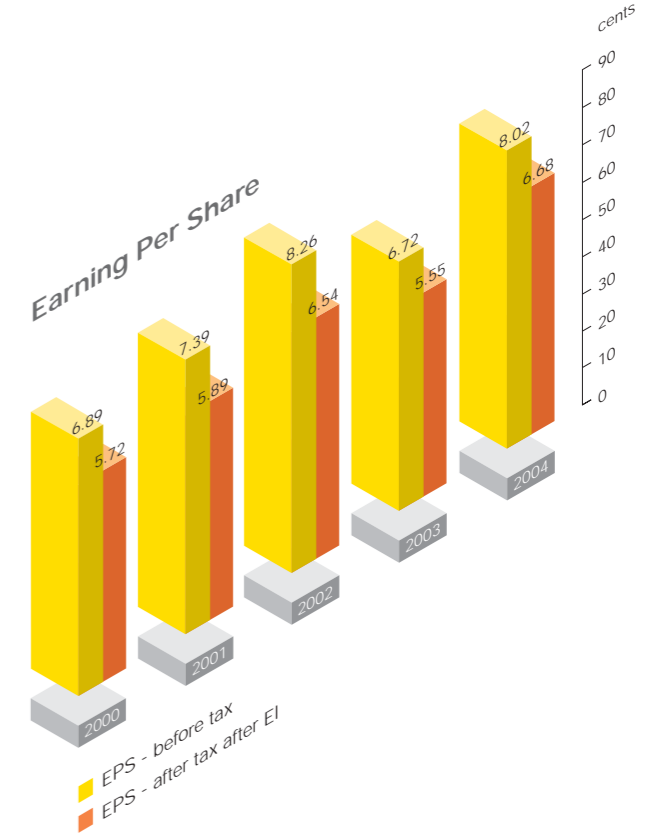
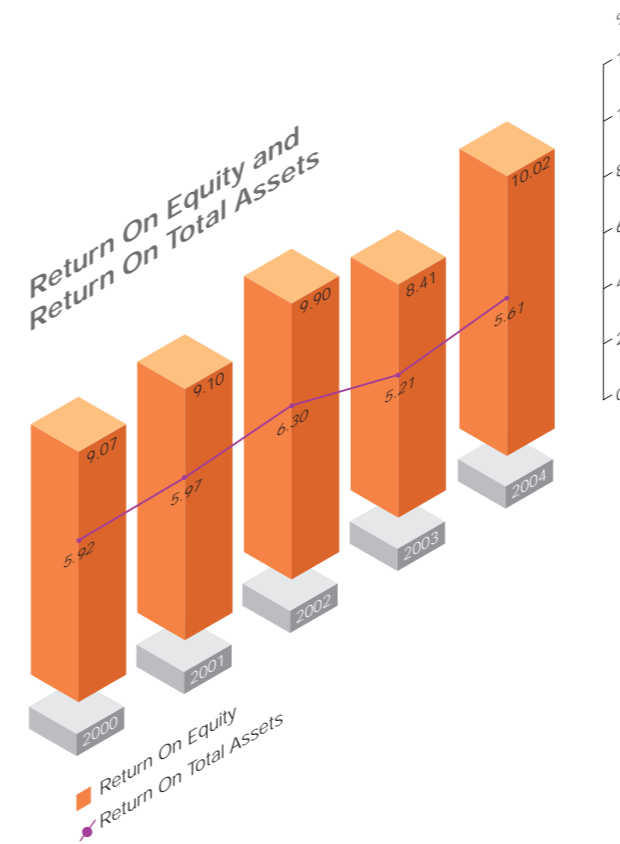
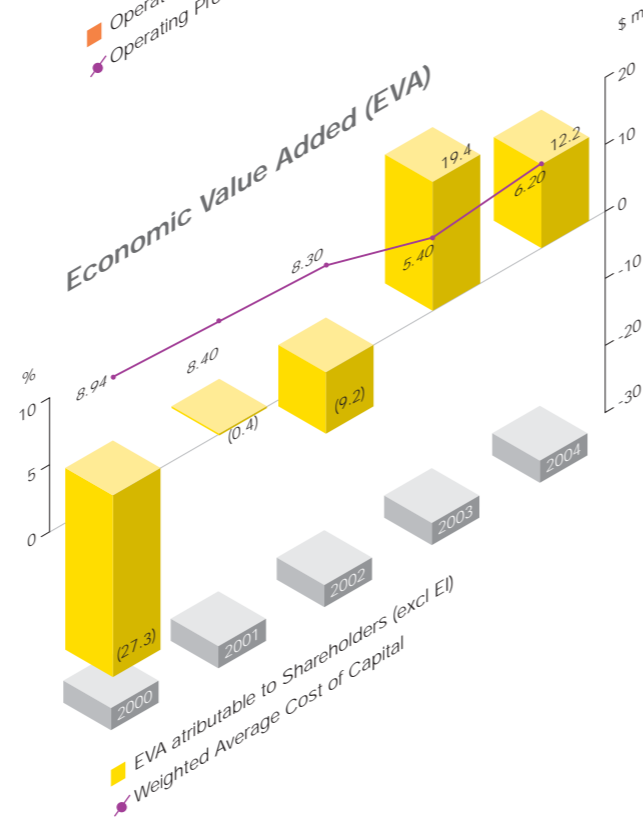
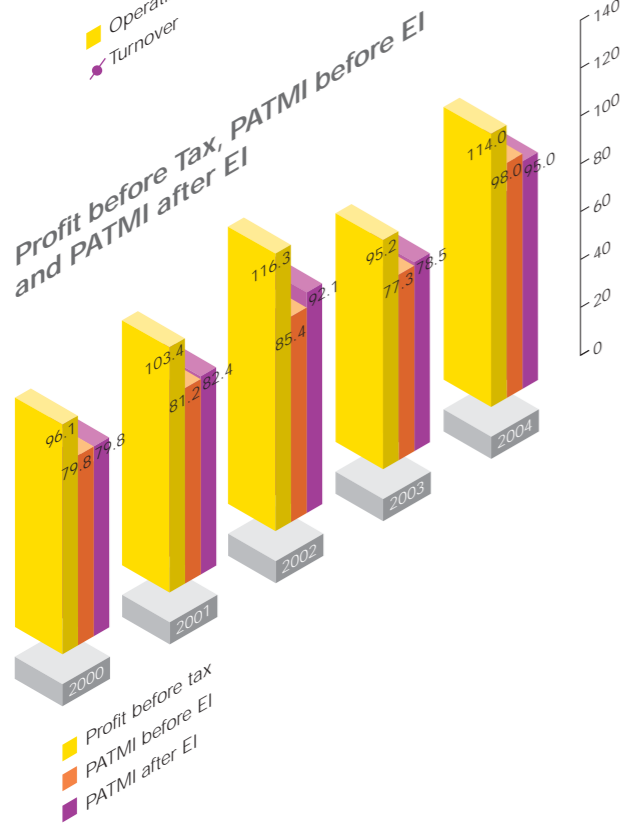
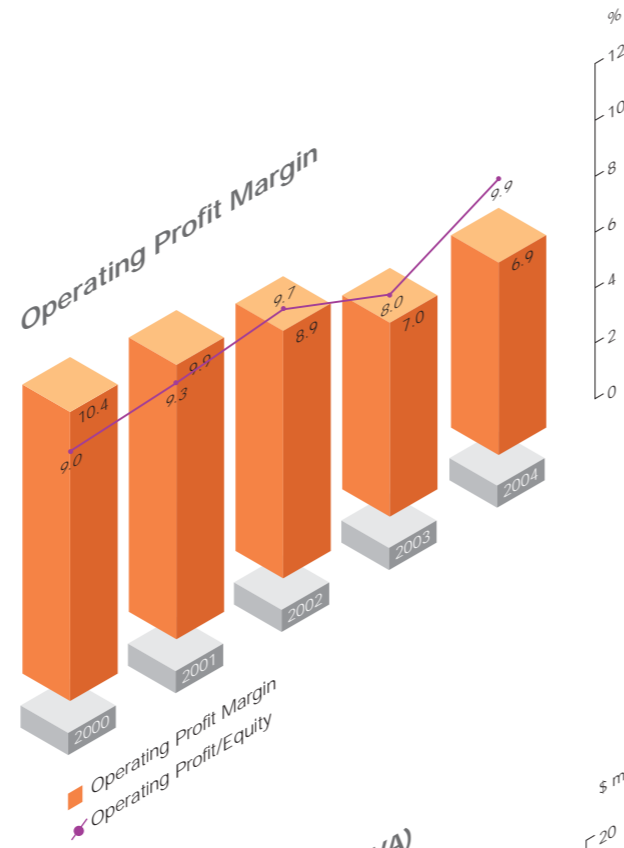
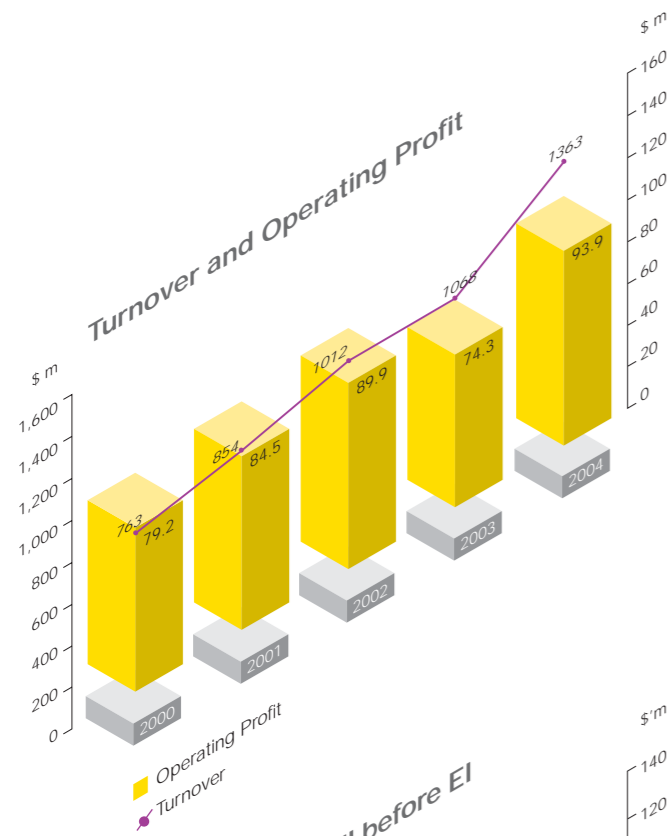
2004 was a record year for SembCorp Marine again. Group turnover was at its record of \$1.36 billion, a growth of 28 per cent from \$1.07 billion in 2003. This growth was driven mainly by increased revenue from both the ship conversion and ship repair sectors. The ship building and rig building sectors recorded declines as most of the projects were pending take-up or in the early stages of production as at end of 2004.

Group operating profit increased 26 per cent from \$74.3 million in FY 2003 to \$93.9 million in FY 2004. Group pre-tax profit increased 20 per cent from \$95.2 million in FY 2003 to \$114.0 million in FY 2004. The increase was attributed to improvements in the ship conversion and ship repair sectors as well as from increased contributions from a joint venture and associated companies.

Net profit for 2004 reached a record high of \$95.0 million, an increase of 21 per cent from \$78.5 million in 2003. Excluding exceptional items, net profit grew by 27 per cent to \$98.1 million as compared to \$77.3 million in 2003.

## Group Five-Year Financial Summary

For the year	2000 (\$ 000)	2001 (\$ 000)	2002 (\$ 000)	2003 (\$ 000)	2004 (\$ 000)
Turnover	763,008	854,461	1,011,512	1,067,986	1,362,764
Operating Profit	79,159	84,496	89,883	74,308	93,853
Profit Before Tax	96,075	103,392	116,291	95,186	114,009
PATMI Before EI	79,848	81,218	85,445	77,265	98,068
PATMI After EI	79,848	82,419	92,098	78,540	95,002
Dividend — Interim	23,386	15,917	16,507	16,584	17,067
Dividend — Final	44,175	54,963	55,159	39,814	68,525
Dividend — Total	67,561	70,880	71,666	56,398	85,592
<b>Group Balance Sheet</b>					
Fixed Assets	411,997	429,914	447,886	452,720	460,020
Associated Companies & JV	80,604	104,627	101,778	58,700	67,487
Other Investments	99,485	98,992	92,759	71,776	23,853
Other Long Term Assets	126,099	168,273	203,913	172,254	88,071
Current Assets	609,393	633,293	642,219	769,665	1,219,934
Current Liabilities	(369,030)	(446,859)	(492,123)	(531,173)	(651,692)
Long Term Liabilities	(58,197)	(56,977)	(46,128)	(52,069)	(204,963)
	900,351	931,263	950,304	941,873	1,002,710
Issued Capital	139,518	140,614	141,432	142,005	142,761
Capital & Foreign Currency Translation Reserves	254,678	263,332	257,049	236,741	239,637
Retained Profits	495,236	517,299	541,527	548,381	586,502
Minority Interests	10,919	10,018	10,296	14,746	33,810
	900,351	931,263	950,304	941,873	1,002,710
<b>Per Share Data (cents)</b>					
EPS — Before Tax	6.89	7.39	8.26	6.72	8.02
EPS — After Tax After EI	5.72	5.89	6.54	5.55	6.68
Net Tangible Assets	63.72	64.41	65.65	64.60	67.20
Net Asset Value	63.75	65.52	66.46	65.29	67.87
<b>Financial Ratios</b>					
Return on Equity	9.07	9.10	9.90	8.41	10.02
Return on Total Assets	5.92	5.97	6.30	5.21	5.61
Operating Margin (%)	10.4	9.9	8.9	7.0	6.9
Operating Profit/Equity (%)	9.0	9.3	9.7	8.0	9.9
Current Ratio	1.65	1.42	1.30	1.45	1.87
Gearing Ratio	0.9%	2.8%	2.9%	10.9%	15.4%
Dividend Cover	1.18	1.16	1.29	1.39	1.11



## Shareholders' Returns

### Return on Equity, EVA, Dividends and Earnings per Shares

The return on equity (ROE) improved 19 per cent to 10.0 per cent in 2004 as a result of the record profit achieved for the year under review.

Economic Value Added (EVA) attributable to Shareholders, excluding unusual item, was \$12.2 million.

The Board of Directors of SembCorp Marine is proposing a final and special dividend of 6.0 cents per share (less income tax), making a total annual dividend of 7.5 cents per share (less income tax). This dividend payout ratio at 90 per cent will be the highest dividend payout in SembCorp Marine's history and testimony to our unwavering commitment to distribute value to our shareholders.

The recommended 2004 dividend took into consideration the Group's present cashflow position, positive cashflow generated from operations and projected capital requirement. Payment of the final proposed dividend is subject to the approval of shareholders of the Company at the forthcoming Annual General Meeting.

To maximize shareholders' value, management will continue its policy of paying high level of final dividends to return excess cash generation from operations where possible, as long as the cash is not required for investments in the future. Some cash resources will be required for set up of new facilities and capabilities to expand the existing operations and any potential mergers and acquisitions.