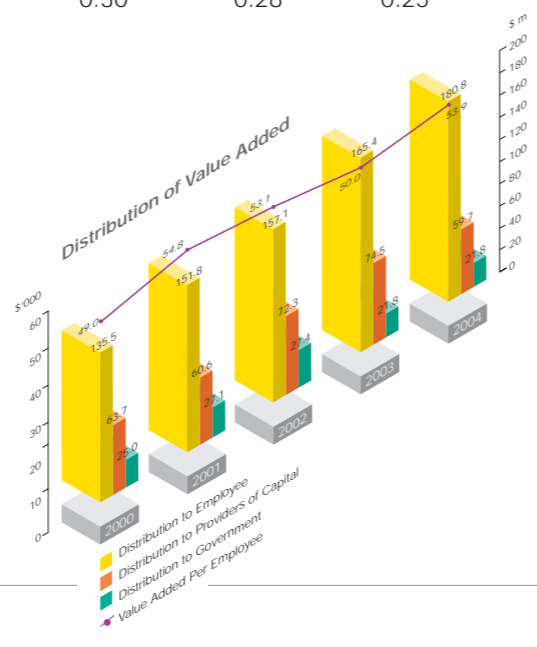
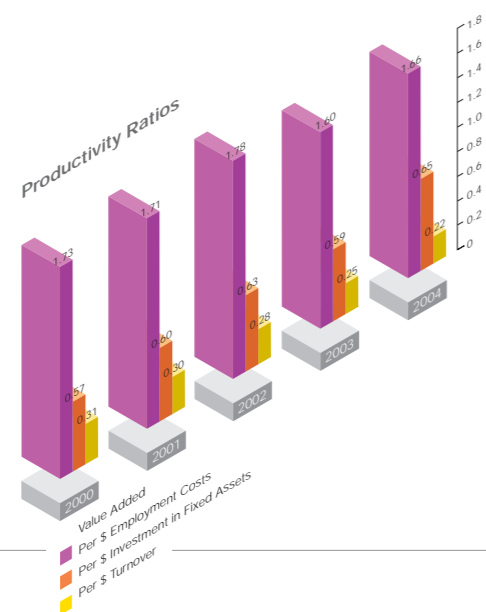




## Value Added Statement & Productivity Ratios

	2000 \$ 000	2001 \$ 000	2002 \$ 000	2003 \$ 000	2004 \$ 000
Turnover	763,008	854,461	1,011,512	1,067,986	1,362,764
Less : Bought In Materials	(529,161)	(594,907)	(731,489)	(802,765)	(1,062,339)
Gross Value Added From Operation	233,847	259,554	280,023	265,221	300,425
Investment, Interest & Other Income	42,872	40,031	54,604	38,936	49,654
Share of Assoc Companies Results	(7,162)	(1,707)	5,819	7,930	12,208
Share of Joint Ventures Results	371	(30)	243	73	1,070
Other Non-operating Expenses	(578)	(4,049)	(21,490)	(5,327)	(14,307)
	<u>269,350</u>	<u>293,799</u>	<u>319,199</u>	<u>306,833</u>	<u>349,050</u>
Distribution					
To Employees : Salaries, Wages & Benefits	135,518	151,822	157,048	165,360	180,833
To Government : Income & Other Taxes	25,042	27,090	27,418	21,836	21,844
To Providers of Capital :					
Interest Paid on Borrowings	1,329	291	822	2,663	2,822
Dividends	62,364	60,356	71,470	71,842	56,881
Retained in Business :					
Depreciation and Amortisation	27,280	29,117	33,462	35,294	37,497
Retained Profits	17,414	22,389	20,627	6,699	38,121
Minority Interests	(4,820)	(1,892)	1,110	(316)	3,017
Non-production Costs	5,223	4,626	7,242	3,455	8,035
Total Distribution	<u>269,350</u>	<u>293,799</u>	<u>319,199</u>	<u>306,833</u>	<u>349,050</u>
Average Number of Employees	4,774	4,737	5,272	5,302	5,572
PRODUCTIVITY RATIOS					
Value Added Per Employee	48.98	54.79	53.12	50.02	53.92
Employment Cost Per Employee	28.39	32.05	29.79	31.19	32.45
Value Added Per Employment Costs	1.73	1.71	1.78	1.60	1.66
Value Added Per Dollar Investment in Fixed Assets	0.57	0.60	0.63	0.59	0.65
Value Added Per Dollar Turnover	0.31	0.30	0.28	0.25	0.22



## Statement of Computation of Economic Value Added

	2004 \$ 000	2003 \$ 000
Net Profit Before Tax	100,731	87,183
Adjust for:		
Share of Results of Associated Companies' and Joint Ventures	13,278	8,003
Interest Expense	6,871	5,350
Others	(7,653)	(841)
Adjusted Profit Before Interest and Tax	<u>113,227</u>	<u>99,695</u>
Cash Operating Taxes (Note 1)	(18,775)	(13,569)
<b>NOPAT</b>	<b>94,452</b>	<b>86,126</b>
Average Capital Employed (Note 2)	1,300,373	1,182,964
Weighted Average Cost of Capital (Note 3)	6.2%	5.4%
<b>Capital Charge</b>	<b>80,623</b>	<b>63,880</b>
<b>Group EVA</b>	<b>13,829</b>	<b>22,246</b>
Less: Minority Share of EVA	1,201	(1,055)
<b>Group EVA Attributable to Ordinary Shareholders</b>	<b>12,628</b>	<b>23,301</b>
Unusual Items (UI) Gains (Note 4)	434	3,913
<b>Group EVA Attributable to Shareholders (exclude UI)</b>	<b>12,194</b>	<b>19,388</b>

Note 1 : The reported current tax is adjusted for the statutory tax impact of interest expense (@22%).

Note 2: Monthly average total assets less non-interest bearing liabilities plus timing provision, goodwill amortised, and present value of operating leases.

Note 3: The Weighted Average Cost of Capital is calculated in accordance with SembCorp Industries Ltd Group EVA Policy as follows:

- Cost of Equity using Capital Asset Pricing Model with market risk premium at 6.0% (2003: 6.0%)
- Risk-free rate of 3.78% (2003: 2.78%) based on yield-to-maturity of Singapore Government 10 years Bonds;
- Ungeared beta 0.5 (2003: 0.5) based on SembCorp Industries risk categorisation; and
- Cost of Debt rate at 3.70% (2003: 2.68%) using 5-year Singapore Dollar Swap Offered rate plus 75 basis point. (2003: 5-year Singapore Dollar Swap Offered rate plus 75 basis point)

Note 4: Unusual Items (UI) refer to divestment of subsidiary, associated companies and joint ventures, long-term investments and disposal of major fixed assets.