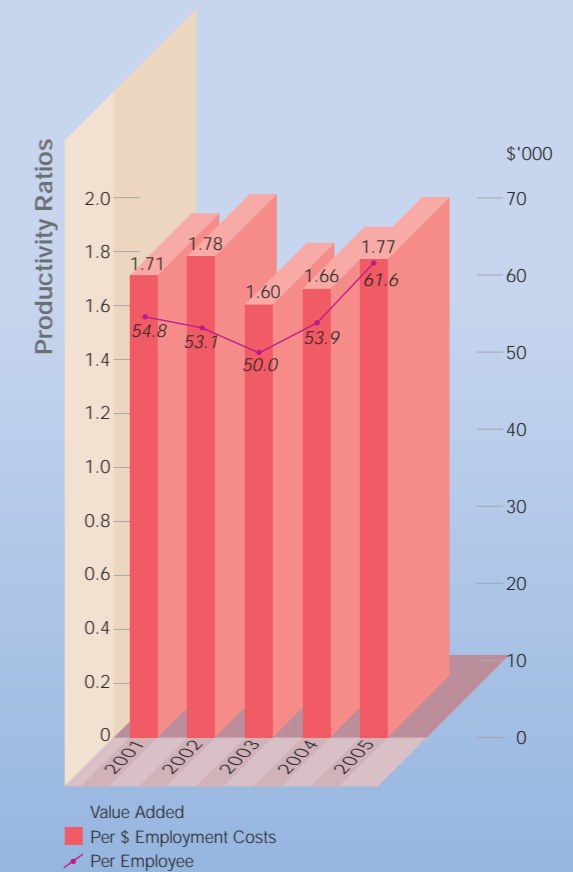
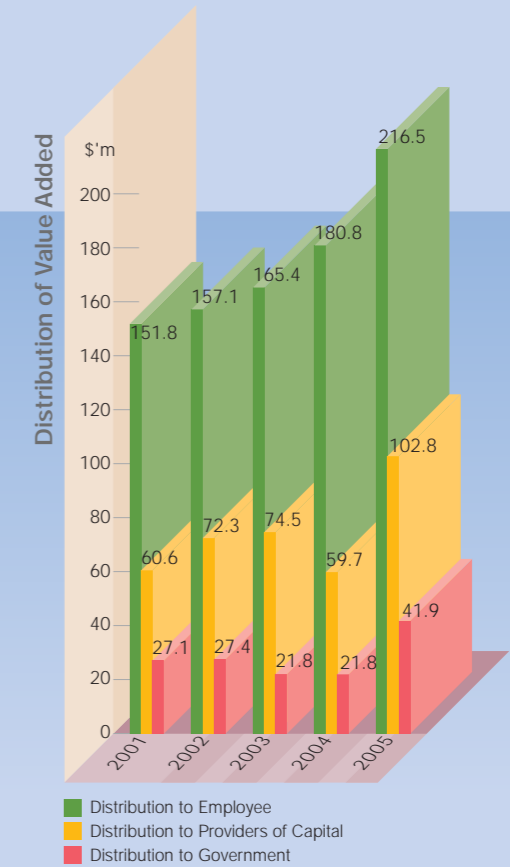
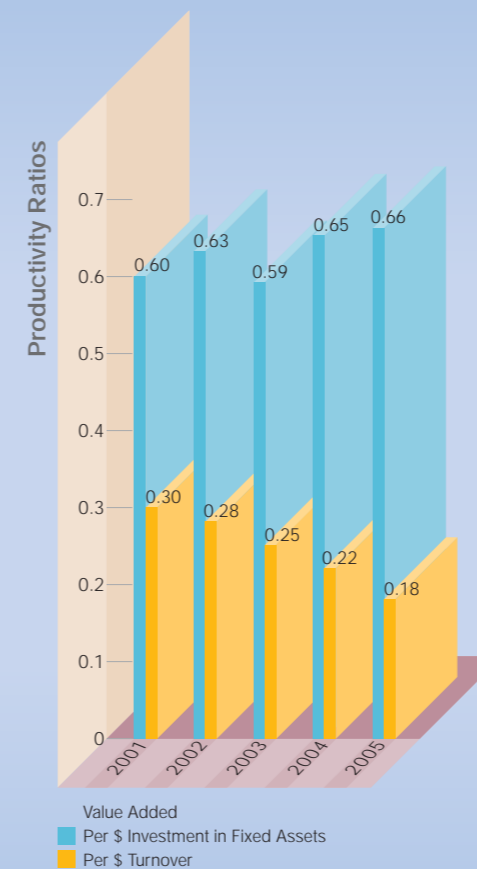


**VALUE ADDED STATEMENT
& PRODUCTIVITY RATIOS**

	2001 \$'000	2002 \$'000	2003 \$'000	2004 \$'000	2005 \$'000
Turnover	854,461	1,011,512	1,067,986	1,362,764	2,119,279
Less: Bought In Materials	(594,907)	(731,489)	(802,765)	(1,062,339)	(1,734,961)
Gross Value Added From Operation	259,554	280,023	265,221	300,425	384,318
Investment, Interest & Other Income	40,031	54,604	38,936	49,654	42,917
Share Of Associated Companies' Results	(1,707)	5,819	7,930	12,208	12,313
Share Of Joint Ventures' Results	(30)	243	73	1,070	1,011
Other Non-Operating Expenses	(4,049)	(21,490)	(5,327)	(14,307)	(12,409)
	<u>293,799</u>	<u>319,199</u>	<u>306,833</u>	<u>349,050</u>	<u>428,150</u>
Distribution:					
To Employees : Salaries, Wages & Benefits	151,822	157,048	165,360	180,833	216,533
To Government : Income & Other Taxes	27,090	27,418	21,836	21,844	41,888
To Providers of Capital : -					
Interest Paid on Borrowings	291	822	2,663	2,822	4,785
Dividends	60,356	71,470	71,842	56,881	98,036
Retained in Business :					
Depreciation and Amortisation	29,117	33,462	35,294	37,497	37,766
Retained Profits	22,389	20,627	6,699	38,121	23,362
Minority Interests	(1,892)	1,110	(316)	3,017	4,186
Non-Production Costs	4,626	7,242	3,455	8,035	1,594
Total Distribution	<u>293,799</u>	<u>319,199</u>	<u>306,833</u>	<u>349,050</u>	<u>428,150</u>
Average Number of Employees	4,737	5,272	5,302	5,572	6,241
Employment Costs	151,822	157,048	165,360	180,833	216,533
Value added per Employee	54.79	53.12	50.02	53.92	61.58
Employment Cost Per Employee	32.05	29.79	31.19	32.45	34.70
Value Added Per Employment Costs	1.71	1.78	1.60	1.66	1.77
Value Added Per Dollar Investment					
in Fixed Assets	0.60	0.63	0.59	0.65	0.66
Value Added Per Dollar Sales	0.30	0.28	0.25	0.22	0.18



**STATEMENT OF COMPUTATION
OF ECONOMIC VALUE ADDED**

	2005 S\$'000	2004 S\$'000
Net Profit before Tax	146,531	99,811
Adjust for:		
Share of Associated and Joint Ventures Companies' Results	13,324	13,278
Interest Expense	7,778	6,871
Others	6,764	(7,653)
Adjusted Profit Before Interest and Tax	<u>174,397</u>	<u>112,307</u>
Cash Operating Taxes (Note 1)	(29,067)	(18,775)
NOPAT	145,330	93,532
Average Capital Employed (Note 2)	1,339,437	1,300,373
Weighted Average Cost of Capital (Note 3)	5.3%	6.2%
Capital Charge	70,990	80,623
Group EVA	74,340	12,909
Less: Minority Share of EVA	1,746	1,196
Group EVA Attributable to Ordinary Shareholders	72,594	11,713
Unusual Items (UI) Gains (Note 4)	9,214	434
Group EVA Attributable to Shareholders (exclude UI)	63,380	11,279

Note 1: The reported current tax is adjusted for the statutory tax impact of interest expense.

Note 2: Monthly average total assets less non-interest bearing liabilities plus timing provision, goodwill written off / amortised / impaired 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:

- i) Cost of Equity using Capital Asset Pricing Model with market risk premium at 6.0% (2004: 6.0%)
- ii) Risk-free rate of 2.62% (2004: 3.78%) based on yield-to-maturity of Singapore Government 10 years Bonds;
- iii) Ungeared beta 0.5 (2004: 0.5) based on SembCorp Industries risk categorisation; and
- iv) Cost of Debt rate at 3.03% (2004: 3.70%) using 5-year Singapore Dollar Swap Offered rate plus 75 basis point. (2004: 5-year Singapore Dollar Swap Offered rate plus 75 basis point)

Note 4: Unusual Items (UI) refer to divestment of subsidiaries and associates, long-term investments and disposal of major fixed assets.

