

ECONOMIC VALUE ADDED

	2010 \$'000	2009 \$'000
Net Operating Profit Before Tax	1,020,249	882,236
Adjust for:		
Share of Associates and Joint Ventures' Results	57,639	25,399
Interest Expenses	5,492	7,997
Others	(4,605)	21,984
Adjusted Profit Before Interest and Tax	1,078,775	937,616
Cash Operating Taxes (Note 1)	(179,690)	(155,396)
NOPAT	899,085	782,220
Average Capital Employed (Note 2)	2,405,551	1,908,465
Weighted Average Cost of Capital (Note 3)	6.6%	6.3%
Capital Charge	158,766	120,233
EVA	740,319	661,987
Less: Non-controlling Interests	28,690	53,888
EVA Attributable to Ordinary Shareholders	711,629	608,099

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% (2009: 6.0%);
- ii) Risk-free rate of 2.61% (2009: 2.08%) based on yield-to-maturity of Singapore Government 10 years Bonds;
- iii) Ungeared beta 0.7 (2009: 0.7) based on Sembcorp Industries risk categorisation; and
- iv) Cost of Debt rate at 4.15% (2009: 4.98%) using 5-year Singapore Dollar Swap Offered rate plus 175 basis point. (2009: 5-year Singapore Dollar Swap Offered rate plus 300 basis point)

Financial Review

VALUE ADDED STATEMENT

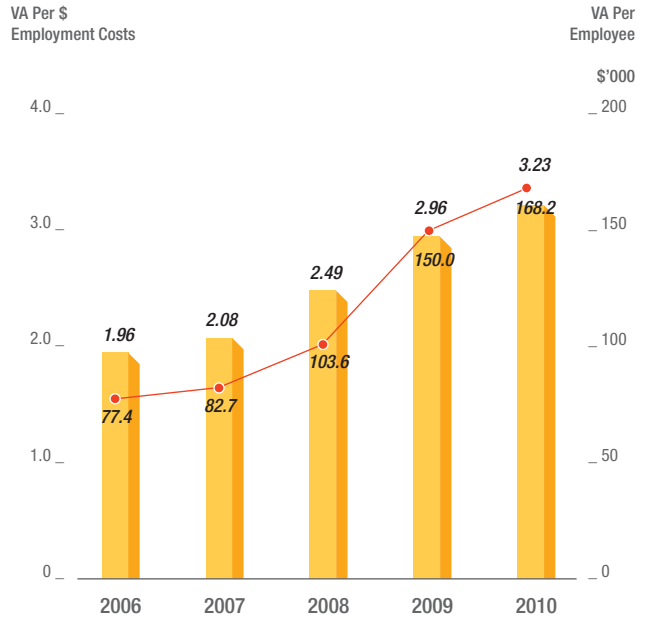
	2006 \$'000	2007 \$'000	2008 \$'000	2009 \$'000	2010 \$'000
Turnover	3,545,049	4,513,123	5,063,948	5,724,742	4,554,863
Less: Bought In Materials	(2,957,566)	(3,722,062)	(3,993,848)	(4,297,115)	(3,001,594)
Gross Value Added From Operation	587,483	791,061	1,070,100	1,427,627	1,553,269
Investment, Interest & Other Income	79,514	292,629	67,140	67,222	60,025
Share Of Associates' Results	40,923	74,075	56,995	17,549	53,648
Share Of Joint Ventures' Results	3,441	7,718	8,305	7,850	3,991
Other Non-Operating Expenses	(30,792)	(20,143)	(78,108)	(31,836)	(55,152)
Foreign Exchange Transactions	–	(302,922)	(43,749)	–	52,640
	680,569	842,418	1,080,683	1,488,412	1,668,421
Distribution:					
To Employees : Salaries, Wages & Benefits	299,052	379,897	429,895	482,128	481,267
To Government : Income & Other Taxes	73,880	130,198	111,677	166,809	202,335
To Providers of Capital :					
Interest Paid on Borrowings	10,549	13,692	11,370	5,329	7,134
Dividends	122,362	216,266	209,259	226,666	311,271
Retained in Business :					
Depreciation and Amortisation	45,514	66,353	70,592	75,248	83,197
Retained Profits	116,026	24,723	220,659	473,452	548,995
Non-controlling Interests	10,143	10,738	21,324	56,647	33,613
Non-Production Costs	3,043	551	5,907	2,133	609
Total Distribution	680,569	842,418	1,080,683	1,488,412	1,668,421
Average Number of Employees	7,592	9,570	10,330	9,515	9,233
Employment Costs	299,052	379,897	429,895	482,128	481,267
Value Added Per Employee	77.38	82.66	103.59	150.04	168.23
Employment Cost Per Employee	39.39	39.70	41.62	50.67	52.12
Value Added Per Employment Costs	1.96	2.08	2.49	2.96	3.23
Value Added Per Dollar Investment in Property, Plant and Equipment	0.87	1.17	1.53	2.10	2.28
Value Added Per Dollar Turnover	0.17	0.18	0.21	0.25	0.34

PRODUCTIVITY RATIOS



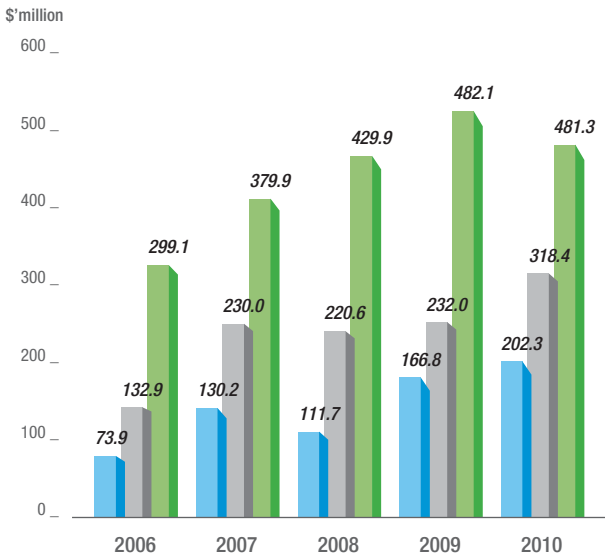
■ Value Added Per \$ Investment in Property, Plant Equipment
 ■ Value Added Per \$ Turnover

PRODUCTIVITY RATIOS



■ Value Added Per \$ Employment Costs
 ● Value Added Per Employee

DISTRIBUTION OF VALUE ADDED



■ Distribution to Employees
 ■ Distribution to Providers of Capital
 ■ Distribution to Government

GROSS VALUE ADDED

