

Value Added Statement

	2009 \$'000	2010 \$'000	2011 \$'000	2012 \$'000	2013 \$'000
Value added from					
Turnover	5,724,742	4,554,863	3,960,230	4,430,123	5,525,882
Less: Bought in materials and services	(4,297,115)	(3,001,594)	(2,647,550)	(3,264,571)	(4,231,874)
Gross value added	1,427,627	1,553,269	1,312,680	1,165,552	1,294,008
Investment, interest and other income	67,222	60,025	90,795	58,310	116,461
Share of associates' profit	17,549	53,648	56,870	43,235	14,350
Share of joint ventures' profit	7,850	3,991	6,008	13,035	1,253
Other non-operating expenses	(31,836)	(55,152)	(28,229)	(40,433)	(32,053)
Foreign exchange transactions	–	52,640	–	–	–
	1,488,412	1,668,421	1,438,124	1,239,699	1,394,019
Distribution					
To employees in wages, salaries and benefits	482,128	481,267	467,746	486,270	585,859
To government in income and other taxes	166,809	202,335	111,060	87,511	110,674
To providers of capital on:					
Interest paid on borrowings	5,329	7,134	2,491	3,262	8,072
Dividends to owners of the Company	226,666	311,271	750,501	522,036	271,593
Retained in business					
Depreciation, amortisation and R&D expenses	75,248	83,197	86,278	94,020	100,607
Retained profit	473,452	548,995	1,402	16,417	284,154
Non-controlling interests	56,647	33,613	17,226	28,985	32,513
Other non-operating expenses	2,133	609	1,420	1,198	547
Total distribution	1,488,412	1,668,421	1,438,124	1,239,699	1,394,019
Productivity data					
Average number of employees	9,515	9,233	9,592	10,395	12,313
Employment costs	482,128	481,267	467,746	486,270	585,859
Value added per employee	150.04	168.23	136.85	112.13	105.09
Employment cost per employee	50.67	52.12	48.76	46.78	47.58
Value added per dollar employment costs	2.96	3.23	2.81	2.40	2.21
Value added per dollar investment in property, plant and equipment	2.10	2.28	1.27	0.79	0.54
Value added per dollar turnover	0.25	0.34	0.33	0.26	0.23

Economic Value Added Statement

	2013 \$'000	2012 \$'000
Net operating profit before tax	649,371	573,377
Adjust for:		
Share of associates' and joint ventures' profit	15,603	56,270
Interest expense	11,135	7,619
Others	43,017	(29,283)
Adjusted profit before interest and tax	719,126	607,983
Cash operating taxes (Note 1)	(74,800)	(25,483)
Net operating profit after tax (NOPAT)	644,326	582,500
Average capital employed (Note 2)	3,616,292	2,883,259
Weighted average cost of capital (Note 3)	6.6%	6.9%
Capital charge	238,675	198,945
Economic value added (EVA)	405,651	383,555
Non-controlling share of EVA	(23,847)	(22,121)
EVA attributable to owners of the Company	381,804	361,434
Unusual Items (UI) Gains (Note 4)	(2,816)	(41,317)
EVA Attributable to Shareholders (exclude UI)	378,988	320,117

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

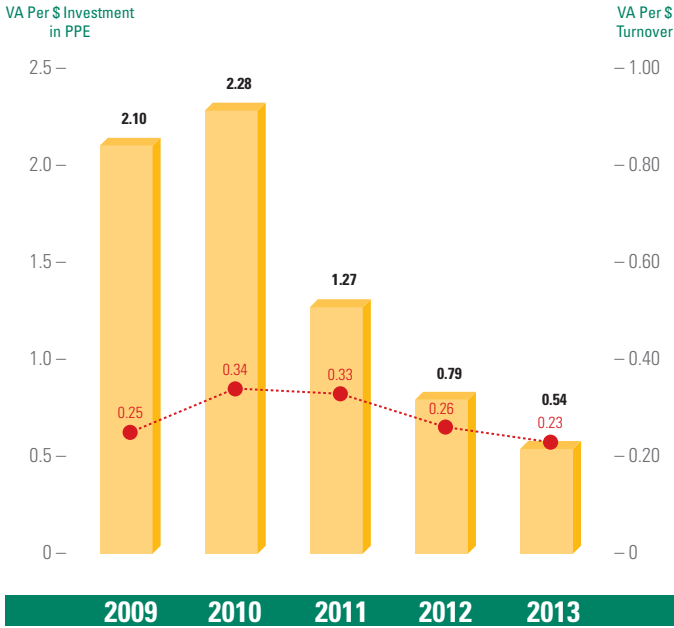
Note 2: Average capital employed is computed by taking monthly average total assets less non interest-bearing liabilities plus timing provision, goodwill written off/impaired and present value of operating leases.

Note 3: The weighted average cost of capital is calculated in accordance with Sembcorp Marine Ltd Group EVA Policy as follows:

- i) Cost of equity using Capital Asset Pricing Model with market risk premium at 7.7% (2012: 7.3%);
- ii) Risk-free rate of 2.30% (2012: 2.39%) based on yield-to-maturity of Singapore Government 10 years Bonds;
- iii) Ungeared beta 0.9 (2012: 0.9) based on Sembcorp Marine risk categorisation; and
- iv) Cost of debt rate at 1.78% (2012: 2.87%).

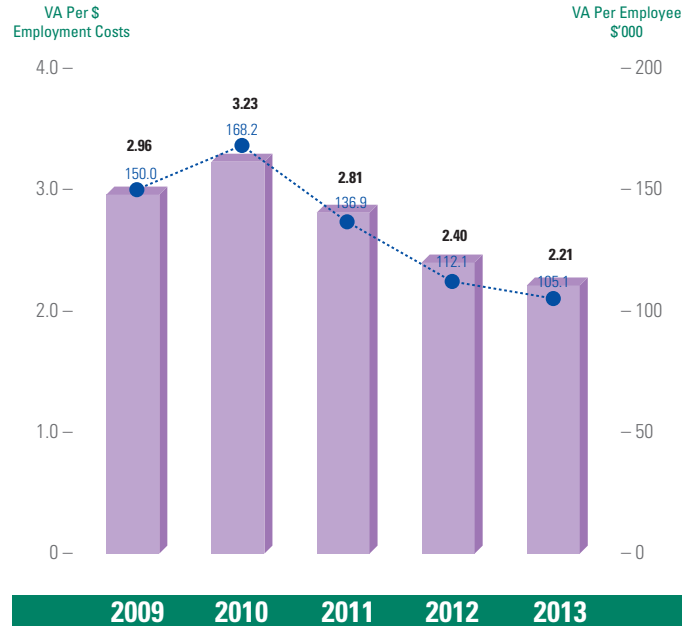
Note 4: Unusual Items (UI) refer to gain/loss on divestment of subsidiaries, associates, joint ventures, long-term investments and disposal of major property, plant and equipment.

Productivity Ratios



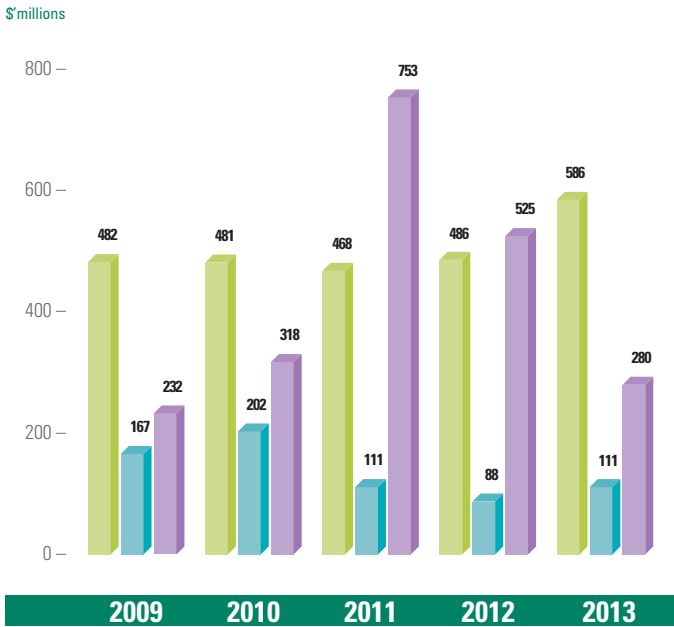
■ Value Added Per \$ Investment in Property, Plant and Equipment (PPE)
● Value Added Per \$ Turnover

Productivity Ratios



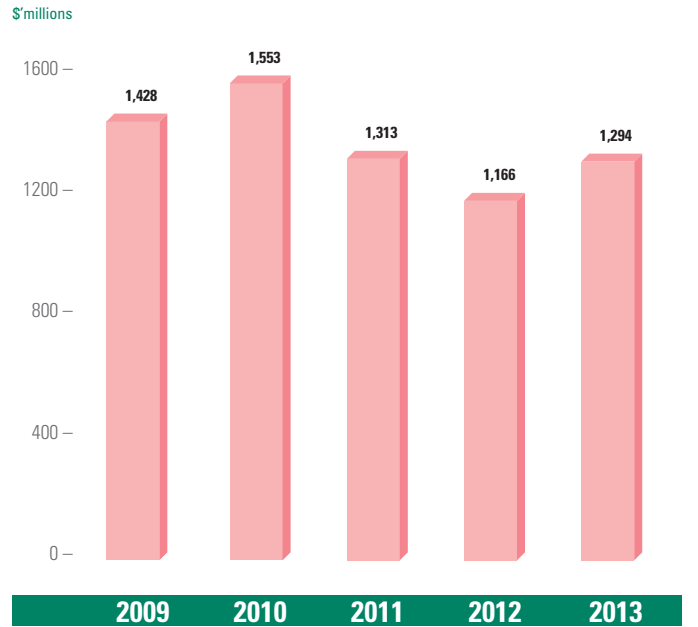
■ Value Added Per \$ Employment Costs
● Value Added Per Employee

Distribution of Value Added



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

Gross Value Added



■ Gross Value Added